PATRICIA M'CAFFERTY

WORKING THE 'THIRD WAY': NEW LABOUR, EMPLOYMENT RELATIONS, AND SCOTTISH DEVOLUTION

THESIS PRESENTED FOR THE DEGREE OF DOCTOR OF PHILOSOPHY, DEPARTMENT OF SOCIOLOGY, UNIVERSITY OF GLASGOW

MAY 2004

ABSTRACT

Labour's election victory in 1997 was heralded as a new era, the dawn of a Third Way, a novel attempt to chart a unique political course overcoming the perceived limitations of both New Right and Old Labour. In this thesis I explore the era of New Labour generally and, in particular, the impact of the Third Way on working lives. Key to my analysis is New Labour's attempt to synthesise oppositional interests, in particular those of capital and labour. This involves a crucial rhetoric of flexibility, competitiveness and partnership. My research explores the rhetoric of New Labour in relation to the reality of this new force in power. It does this by:

- drawing out key features in the development of New Labour, especially its relation to Old Labour;
- examining central elements of New Labour ideology;
- arguing that Scotland should be seen as central to the transition from Old to New Labour;
- utilising a case study of industrial relations developments in a major electronics factory in the West of Scotland and, to a lesser extent, key developments in public sector employment.

My main finding is that where New Labour's ideology promises positive benefits, the form of its implementation has negative impacts for workers. Since I take New Labour as a process, my thesis concludes with a more speculative exploration of possible future developments, both in relations to New Labour's role in them, and their possible impact on the New Labour project.
WORKING THE 'THIRD WAY': NEW LABOUR, EMPLOYMENT RELATIONS, AND SCOTTISH DEVOLUTION

TABLE OF CONTENTS

ACKNOWLEDGEMENTS i

KEY TO ABBREVIATIONS AND ACRONYMS v

LIST OF TABLES vi

INTRODUCTION

The 'Return to Work' 1
The Research: West Coast Computer Industries 8
The Glasgow Social Workers' Strike 16
The 'New' Scotland 21
The Outline of the Chapters 26

CHAPTER 1: THE POLITICAL ECONOMY OF NEW LABOUR

1.1 Introduction 31
1.2 A Break with the Old? 36
1.3 Assessing New Labour 46
1.4 The Synthesis of Diversity and Antagonism 54
1.5 A Stake in 'the Project'? 57
1.6 Partnerships and Profits 65
1.7 From Producer to Consumer: the Elimination of Vested Interest? 73
1.8 Globalisation 'At Work' 76
1.9 Conclusion 81

CHAPTER 2. NEW LABOUR AND THE UNIONS: CONTINUITY AND CHANGE

2.1 Introduction 83
| 2.2 | Taking the Link 'Beyond Left and Right'? | 91 |
| 2.3 | Fairness not Favours | 101 |
| 2.4 | A New Era? Partnership and Flexibility | 106 |
| 2.5 | Working 'for' New Labour | 115 |
| 2.6 | Conclusion | 129 |

**CHAPTER 3. A ‘TARTAN’ THIRD WAY? NEW LABOUR AND SCOTTISH DEVOLUTION**

| 3.1 | Introduction | 133 |
| 3.2 | The 'Settled Will' of the Scottish People? | 137 |
| 3.3 | The Vision of Modernisation through Knowledge | 150 |
| 3.4 | An Entrepreneurial Vision? | 154 |
| 3.5 | Reforming the Public Sector in Scotland | 161 |
| 3.6 | Working with New Labour in Scotland: The Trade Unions | 165 |
| 3.7 | Conclusion | 172 |

**CHAPTER 4. WORKING THE ‘THIRD WAY’: WEST COAST COMPUTER INDUSTRIES**

| 4.1 | Introduction | 175 |
| 4.2 | West Coast Computer Industries | 176 |
| 4.3 | Invest in Inverclyde | 181 |

**CHAPTER 5. FORWARD TOGETHER**

| 5.1 | Resistance and the Struggle for Representation | 187 |
| 5.2 | Recognition in a Cold Climate | 197 |
| 5.3 | 'Best Box-Build in Europe’ | 207 |
| 5.4 | Setbacks, Successes and Disappointments | 223 |
| 5.5 | The Beginning of the End | 232 |
| 5.6 | Take-over and Restructuring | 234 |
| 5.7 | Closure and the Saviour of Spango | 239 |
CHAPTER 6. REFLECTIONS ON THE ‘NEW’ WORLD OF WORK

6.1 New Labour in Inverclyde 245
6.2 Flexibility, Inclusion and the Rhetoric of Human Capital 249
6.3 ‘Actually Existing’ Partnership 254
6.4 The Real Impact of New Labour’s Legislation 259
6.5 Conclusion 267

CONCLUSIONS: THE FORWARD MARCH OF NEW LABOUR HALTED?

Introduction 269
The Dawning of a New, New Labour Era? 271
A Weakening Link? 279
Settling Down to the Scottish Settlement 283
A Reflexive ‘Moment’ in a Long Struggle 287

BIBLIOGRAPHY 292
ACKNOWLEDGEMENTS

It is difficult to know where to start the process of thanking those that have supported me through this long, laborious, process. I will therefore be uncharacteristically conventional and start at the beginning.

There are many, many people, I'm sure, who have both the ideas and the intellect to undertake research. Yet most never get the opportunity to do so and pet project to map the world we live in never see the light of day. I have been very fortunate in that I received a scholarship to pursue mine from the University of Glasgow. Despite my regular moans about the level and duration of this scholarship, I am eternally grateful for it.

More than this financial support, the academic and administrative staff of the Department of Sociology provided practical and intellectual support, research training, and camaraderie. There are a few individuals who deserve a special mention in this respect. First among these is my supervisor, Bert Moorhouse, without whose support this 'finished' product could never have been completed. Bert remained ever-mindful of my external commitments and his support and advice was always tempered by his recognition of what he saw as do-able in the light of my personal constraints. I am grateful that he was able to do so, and this helped to motivate when there seemed no light at the end of a very long tunnel. Bridget Fowler was also an invaluable source of support as an efficient post-graduate convenor and as a supportive colleague.

It is an understatement to say that the last six years of graft would not have been possible without the love and support of my family. Bob’s legendary patience has been tested to the full, and thankfully he appears relatively unscathed, if bankrupt, by the whole process. I hope one day to be able to support his own pursuit of an expensive dream, though I doubt I could do so in the selfless manner that Bob has. I also thank my children Sean, Ross and Shannon who were always understanding, even if they didn’t really understand what this process was all about. It can’t be easy having a parent so preoccupied with something that doesn’t buy any trainers. They and Bob have given me the most precious reason to see this through until the end. I would also like to thank my Dad Tommy who, until I left work to do this research,
believed that education was still free. He bailed me out on more occasions that I care to remember, with only the faint promise of ‘having a doctor in the family’ to keep him going.

My buddies among the Glasgow University post-graduate community, especially my T201 room-mates, have proved a constant source of support. My thanks go to my fellow traveller Andy Zed, without whose companionship I could not have gone the distance. We were warned that this would be an isolating experience but Andy’s friendship kept me from feeling isolated and the laughs we had helped me to keep hold of some of the best elements of the office culture that I’d left behind. His assurances that the academic ‘polis’ were not in fact coming to break down the door helped mitigate against the ‘impostor syndrome’ that people like us experience in this strange new world of academia. Donna MacKinnon was an invaluable source of help at the beginning of the process and her continuing friendship and help over many years is something I hold dear. Chris K has been a great friend too over the last six years and I have enjoyed many intellectually stimulating discussions with him during that time. Two ‘newer’ friends, Jo Buckle and Jeanette Haegerstrom, have made the final years bearable, especially after Andy ‘moved on’. If Jo does not succeed in his ambitions for an academic career, though this is unlikely, he has a bright future in stand-up comedy and after dinner speaking. I thank these and all my other good buddies at Glasgow University. Lesley McMillan’s support and shrewd insight into the PhD process was a great comfort and another valuable friendship has been built up over the years. Although many years my junior, I learned lots from Lesley, not least the benefits of protein.

Outside of University life, I owe debts of gratitude to many other buddies. First among these is my dear comrade, Gerry Mooney, the pilot who weathered the storm. He has been a source of inspiration since he first ‘nailed his colours to the mast’. His influence on my academic and political development is immeasurable. I am eternally grateful for his friendship, advice and much practical support.

Thanks are also due to my very patient and accommodating buddies, Lynn, Carolynne and Jeanette, who always made me feel as if this was ‘in the bag’ despite my constant wavering. I am also grateful to my lifelong friend Kay whose support and excellent counselling skills were used to full effect at a critical point in the process. Pauline’s support was a great motivator too, and I am grateful for the faith that she
demonstrated in my abilities. Gerry McDade ensured certain standards were not allowed to slip despite my financial and practical difficulties and I am very grateful for this and his, and Irene's, very supportive friendship over many, many years. Many comrades in the SWP/SSP offered practical and emotional support, especially when I was trying to fit a very active election campaign around the demands of the research. Special thanks to Brian who is probably unaware of his very important influence in this project. Without his own role in early WCCI developments, it might never have got off the ground. He and Liz’s ‘gift’ of unlimited access to excellent ‘study facilities’ was absolutely crucial to its completion.

A maths teacher at school told me that success was 5% inspiration and 95% perspiration. In the case of this research, I judge it closer to fifty-fifty. By far the greatest motivation for me has been the workers that I have met along the way. I thank the highly motivated and committed group of workers from the Glasgow Social Workers who gave freely of their time, especially those who were thoughtful enough to suggest who to talk to next in the process. Special thanks are due to Elaine Wardrope, Roddy Slorach, Pat Maughan and Andy Brammer for invaluable assistance.

At the very beginning of the research process, I was inspired by a group of workers who had formed a group to begin a legal (and political, as it turned out) fight against an electronics multi-national concerning the safety of its working practices and the damage their health. Listening to these women relating their stories of their own illnesses and the deaths of friends, colleagues and family members demonstrated in sharp relief that, for some, work truly is matter of life and death. They displayed a fighting spirit and a real sense of collective struggle that we are encouraged to no longer expect. The courage and determination of those involved is something that anyone with a concern for the ‘rights’ of workers should be proud of. Despite the pressures of being involved with such a group, and of managing the much-needed and highly successful employment rights project in Inverclyde, Jim McCourt always made time to allow me to take full advantage of its extensive knowledge of the local electronics industry. Being associated with ‘taking on’ a multinational has placed significant strain on Jim but he has faced this with courage. This courage, and that of the people involved in the group, especially Helen Clark, was a continuing source of inspiration and motivation.
This project would not have been possible without the involvement of the workers at West Coast Computer Industries in Gourock and the ISTC. The fight to take on the management regime there and the workers' struggle to gain representation helped 'give life' to a vague concern to explore working life under New Labour. I am eternally grateful for this inspiration and the practical help and understanding I was given. Special thanks are due to Steve McCool of the ISTC. The criticisms of the union that are presented here should in no way be taken as personal criticisms of him. His level of commitment was unquestionable. Also many, many thanks to the workers who gave freely of their time to take part in this research and who made sure I was kept up to date about important developments, especially Big Kenny, Kenny B, Jada, JD, Davey, Alex, Alan, Christine, Pat, Jimmy, Lyn, Eleanor and the Newcastle demo squad.

This work is dedicated to all those mentioned above and to workers everywhere, with love and solidarity.
### KEY TO ABBREVIATIONS AND ACRONYMS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUT</td>
<td>Association of University Teachers</td>
</tr>
<tr>
<td>AEEU</td>
<td>Amalgamated Electrical and Engineering Union</td>
</tr>
<tr>
<td>CAC</td>
<td>Central Arbitration Committee</td>
</tr>
<tr>
<td>CBI</td>
<td>Confederation of British Industry</td>
</tr>
<tr>
<td>CCT</td>
<td>Compulsory Competitive Tendering</td>
</tr>
<tr>
<td>CWU</td>
<td>Communication Workers Union</td>
</tr>
<tr>
<td>DTI</td>
<td>Department of Trade and Industry</td>
</tr>
<tr>
<td>FBU</td>
<td>Fire Brigades' Union</td>
</tr>
<tr>
<td>GATS</td>
<td>General Agreement on Trade and Services</td>
</tr>
<tr>
<td>GCHQ</td>
<td>Government Communications Headquarters</td>
</tr>
<tr>
<td>GMB</td>
<td>General, Municipal Boilermakers' and Allied Trades Union</td>
</tr>
<tr>
<td>IPA</td>
<td>Involvement and Participation Association</td>
</tr>
<tr>
<td>ISTC</td>
<td>Iron and Steel Trades Confederation</td>
</tr>
<tr>
<td>MSF</td>
<td>Manufacturing, Science and Finance Union</td>
</tr>
<tr>
<td>PCS</td>
<td>Public and Commercial Services Union</td>
</tr>
<tr>
<td>PFI</td>
<td>Private Finance Initiative</td>
</tr>
<tr>
<td>PPP</td>
<td>Public Private Partnership</td>
</tr>
<tr>
<td>RMT</td>
<td>National Union of Rail, Maritime and Transport Workers</td>
</tr>
<tr>
<td>SNP</td>
<td>Scottish National Party</td>
</tr>
<tr>
<td>SSP</td>
<td>Scottish Socialist Party</td>
</tr>
<tr>
<td>STUC</td>
<td>Scottish Trades Union Congress</td>
</tr>
<tr>
<td>SWP</td>
<td>Socialist Workers Party</td>
</tr>
<tr>
<td>TGWU</td>
<td>Transport and General Workers' Union</td>
</tr>
<tr>
<td>TUC</td>
<td>Trades Union Congress</td>
</tr>
<tr>
<td>UNISON</td>
<td>Britain's Public Sector Union</td>
</tr>
</tbody>
</table>
LIST OF TABLES

Table 1. Scottish Parliamentary Election Results, May 1999. 147

Table 2. Scottish Parliamentary Election Results, May 2003. 149
INTRODUCTION

The Return to Work

This is fundamentally a thesis about work. Writing in the year of New Labour’s ‘historic’ election victory, Richard Brown was able to note two important points in relation to the motivation behind my conducting this research. The first is that, saving a few notable exceptions:

Among sociologists the study of work and employment has become much less fashionable than it was twenty to thirty years ago (Brown 1997: 1).

The research is also based on my understanding of, and support for, Brown’s further claim that:

The availability of opportunities for employment and the conditions under which they are employed, still have more impact on most individual’s life chances than many other more fashionable concerns. Work and employment structure our lives and shape inequalities of condition and opportunity to a greater extent than most if not all other areas of social life (ibid).

So, what follows is intended as a contribution to the study of work and employment, and the contours of the relationships, and the ideologies, that help shape the contemporary experiences of workers. In recognition of the importance of work and employment for Sociology, I seek to confirm the necessity of a ‘turn’ to work, linked specifically to the relationship between it and the contemporary period. Hence, both work and the dominant ideological current, embodied in New Labour and the Third Way, are given equal weight, and I analyse their interconnectedness. Sociological writings on work when it was more ‘fashionable’, for example Beynon (1973/1984), Nichols and Armstrong (1976), Nichols and Beynon (1977), Pollert (1981) and more recent contributions from, for example, Darlington, have clearly demonstrated the need for the study of work to be underpinned by a concern to analyse it in relation to politics and political developments. Work, employment and ‘industry’ cannot be separated from questions of power, ideology and prevailing political trends, and it is
an appreciation of this, gleaned from the studies of work noted above, that underpins this thesis.

In addition, it is underpinned by a motivation to develop an analysis of key political developments of, in particular, the last decade and the specific context these have created for workers. Thus, in coming to try to understand New Labour, it became clear that New Labour, in itself, further necessitates a 'return' to the study of work. Firstly, it is important to recognise the absolute centrality of work to New Labour. Work is, for New Labour, both the best form of welfare and, in turn, the central mechanism to facilitate delivery of its apparently key social justice aims. Gradually, a central objective of the research became to explore New Labour's commitments to social justice, the salience of its claims regarding its delivery, and whether, in any sense, its programme of reform in employment relations and in the public sector would result in the delivery of social justice 'at work'. In undertaking the empirical work described below, I sought to ensure that such considerations were not explored in a 'top down' manner and that the experiences of workers remained central.

Secondly, there are specific and crucial elements of New Labour ideology operating to fundamentally shape the experiences of workers. Much time, journalistic, and academic effort has gone into 'mapping' New Labour, its ideology and trajectories. This thesis is, therefore, intended as a contribution to the discussion and understanding of New Labour. However, in this study I also seek to relate key ideological tenets to the contemporary experience of work. I seek to outline and examine the 'real' impact of New Labour on real people’s lives. It could be argued that there is a welter of knowledge about, for example, three of the fundamental tenets of New Labour ideology – flexibility, competitiveness and partnership – but there is little concern, especially, though not exclusively, from within New Labour, about how their contradictory features negatively affect workers and communities. My contribution is intended to demonstrate that this represents a gap in our understanding that needs to be addressed, and is offered as a tentative step towards redressing the balance.

A further, central, concern of New Labour is linked to its endeavour to put an ideological proclivity to synthesise oppositional interests into practice. The most
significant manifestation of this, in terms of this thesis, is that to synthesise the interests of capital and labour. This is clearly embodied in New Labour's 'partnership' agenda and the proposed development of a new workplace culture of mutual gains. This necessitates an understanding of contemporary developments within trade unions as they remain "the only organisations in Britain which can claim a truly mass membership of working people" (Spencer 1989: 13). As the most obvious expression of labour collectively represented, it is important to analyse how they have responded to political developments, particularly those linked with the New Labour government they played a crucial role in returning to power after decades in the wilderness. New Labour's courtship of business and its pursuit of the interests of capital, discussed throughout, mean that the historic relationship between trade unions and the Labour Party also requires scrutiny. First, in the context of a decade of 'modernisation', then in a era of a New Labour government, unions have changed. This has resulted in an institutionally consensual approach where a formerly independent, conflictual, orientation has been marginalised (Darlington 1994a), and the extent to which unions continue "to provide an experience outside the dominant ideology" (Spencer 1989: 16) needs further exploration. I consider this below, with reference also to how the dominant approach of trade unions in the 1980s and 1990s has helped to mould New Labour's ideological premises. An infamous and defining feature of the development of New Labour, and the transition from Old to New Labour, has been a fierce rebuttal of perceived independent trade union power in the 1970s and its preclusion of the return of those times. What I seek to demonstrate below is the structural expression of this ideological premise, alongside the consideration of continuities between what is understood as Old Labour and New Labour.

However, it has also been necessary to unpack the layers of the context that New Labour is both relating to and seeking to shape. In this respect, from the point of view of this research, a further important element concerns New Labour's claims of 'decentralised' decision making and the 'new' political circumstances created by devolution. This is connected to the need to outline fully the circumstances in which capital and labour act. But it is also connected to a developing understanding of Scotland as a special critical case in terms of the wider themes explored here. Thus, the election for the first Scottish Parliament in 1999 and the issues that emerged
around it are analysed as a key, defining, moment both in Scottish politics and in the development of New Labour.

Thus, although initially I was intending to utilise the coming of New Labour as a framing devise, it quickly became clear that it was much more than this. What I was dealing with was not just twenty years of union decline, twenty years of Thatcherism, and the anti-trade union laws that helped define its epoch. I was also dealing with twenty years of development within Labour, and, more specifically, almost a decade of its modernisation from which what we now know as New Labour emerged. My realisation necessitated a shift in focus that required a fuller understanding of New Labour’s development and its ideological premises. It also meant that an analysis of this would need to be offered as a sound foundation for the empirical material. The Third Way that New Labour supports is fundamentally premised on the acceptance of the central Thatcherite tenet ‘there is no alternative’: to market forces, to globalisation, to neo-liberal solutions. In particular, from within this perspective, there is neither the scope nor the will for collective resistance. A fundamental question that I set out to explore was whether having a Labour government after two decades would have a positive impact on working lives, on militancy, and on union growth. It also aimed to assess the type of trade unionism that developed as a result. Further, in terms of employment relations, New Labour’s approach is framed in and through its ideology of flexibility, competitiveness and partnership and the concern to synthesise interests, central to Third Way thinking. This is further confirmed once New Labour’s and the Third Way's central justification for its analyses are explored, the demands of globalisation and how those in power seek to operate in the context of its apparent trajectories. Globalisation is granted an ethereal quality in New Labour analyses. Yet, as Brown (1997: 11) argues, it is important to recognise that:

It would be wrong [however] to see ‘globalisation’ as some sort of inevitable process arising from the working out of immutable economic laws. The liberalisation of trade and the deregulation of financial markets are the result, at least in part, of political decisions, and their effects can be modified by political choices on the part of individual governments.
It is necessary, therefore, to explore and analyse the New Labour response to 'globalisation' and its perceptions of social change, and to outline its overall effects on workers. Insight in this respect is achieved, in no small measure, by my empirical focus on an industry and a company seemingly seeking to respond to the phenomenon of globalisation, and my own exploration of its 'fit' with New Labour's construction of a 'new' world of work. I have also explored how this 'globalisation' phenomenon impacted at local level, and whether there was evidence that New Labour's ideological premises offered anything to mitigate its worst effects.

Thus far, little has been said in terms of workers themselves. One of the most significant conclusions to emerge from this research, as alluded to above, is the importance of context. 'The times' in which contemporary workers' experiences are shaped play a crucial role in their development, and redevelopment, as workers and as trade unionists. It is worth restating the materialist conception of history here by way of demonstrating my support for this analysis:

Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under circumstances directly found, given and transmitted from the past (Marx 1852/1926: 1).

What I set out to do was to illustrate and analyse the New Labour era as set of circumstances not of workers' own choosing. This resulted in, perhaps, a greater focus on structural constraints over human agency. To the extent this is the case, it has occurred as 'product' of the research process itself. I believe that, to an extent, this is linked the nature of the ideological premises focused on here. Flexibility, competitiveness and partnership, essentially combine to marginalise collective agency 'from below' as a force for meaningful change. They re-affirm, in a 'new' context and in a 'new' way, ideological support for the notion that workers need 'look upwards' rather than 'across'. At the same time, and connected to this, the reproduction of labour and of trade unionists has changed in many respects. The de-industrialisation of the 1980s, especially, and an acceptance by New Labour of key tenets of the New Right that ignores how, despite its own rhetoric, flexibility, competitiveness and even partnership have marginalisation and polarisation 'built in', continue to make a significant mark. Moreover, key changes, discussed below, suggest that some of the
concepts developed to deal with even relatively recent phenomena like labour market segmentation already need modification. This again draws attention to structure and the need to fully relate to this has shaped what is presented in this thesis.

In addition, developing a comprehensive and coherent account of the New Labour era and its ideological premises, has brought with it difficulties and constraints in terms of applying, in a direct way, earlier accounts in the sociology of work and trade unionism. 'Importing' the experiences of workers across decades of political transformation and industrial upheaval proved difficult. The conclusions of many of these earlier accounts remain salient, and central elements of the contradictions they exposed evidently remain. I hope my understanding of, and support for, such conclusions is clear, though I hope it is also clear that my objective was not to re-visit and revise in the light of 'new developments'. A new context has emerged, worthy of study, critically important to study 'in its own right'.

Such accounts have, however, crucially informed my approach and I would locate myself in the tradition that places work, and the perceptions of workers, at the centre of the study of contemporary capitalism. Of particular importance are the works of Beynon (1973/1984), Nichols and Beynon (1977) and Nichols and Armstrong (1976) since they have, above all, demonstrated how academic rigour does not preclude identification with, and a celebration of, workers' militancy, however that is manifest. Consideration of Darlington's work (1993, 1994a, 1994b, 1995, 1996) was also vital in this respect, and with reference to the contours of workplace relations, their connections to wider political developments and the impact of crucial developments in trade union orientation. My understanding of what 'we' were left with by the mid 1990s, as a sound foundation from which to begin my own analysis, comes from his highly effective typology of the bureaucratic, consensual, turn away from the militancy that culminated in the "Glorious Summer" of 1972 (Darlington 1994a; Darlington and Lyddon 2001). Darlington's conclusions (2002) on the significance of the role of left wing trade unionists in the development of sustainable, oppositional trade unionism, were also influential, though the 'turn' that the research took, and external developments, outlined below, limited my opportunity to fully apply them in the context of this research. Hyman's work (1975, 1989) provided a useful introduction to the industrial relations arena and this helped me to develop an
understanding of the interconnectedness of politics/power and industry/economics. Kelly’s arguments (1996) in support of militancy over co-operation and partnership acted as a basis from which to develop my own critique of partnership, and importantly, allowed me to relate the dangers of a reliance on employer goodwill to real experiences.

The role of the literature noted above in relation to the thesis has been to underpin, to inform, to influence, and, fundamentally, to facilitate the development of critical, analytical skills. Thus, it is not synthesised and analysed in order to create an explicit theoretical framework. In a sense, the decision not to begin the research process with the development of a theoretical framework can be justified, firstly, in relation to the tradition that I have sought to lay claim to:

Most academic sociologists will probably be critical of Working for Ford because it is not explicitly ‘theoretical’... Mr Beynon formulates no initial hypotheses and spends little time discussing the theoretical contributions made by previous writers as a prelude to demolishing or revising them. But the book is not the less theoretical in the best sense... (*The Times Literary Supplement* 7th August 1973 cited in Beynon 1984: 22).

Secondly, this approach is justifiable with reference to its results. Despite the apparent lack of academic sociological convention, this thesis is no less scholarly or comprehensive. Indeed, I would argue that, it is all the more comprehensive for the lack of a strict framework since this has facilitated the development of a multi-faceted analysis. What is presented here broadly encapsulates key historical and contemporary developments in politics and power relations, in employment and industry, and draws out critical links between them. Moreover, these are considered, discussed and analysed in relation to significant, distinct, yet interconnected sites. Overall, in bringing all these elements together, I seek to elucidate key features of work under New Labour and, in doing so, to demonstrate the central contradictions of New Labour. Whilst not suggesting that the material presented represents an all embracing account of work in the New Labour era, this study does nevertheless represent a broad challenge to its ideological premises. It is a snapshot of the realities of the New/new world of work and the real impacts of ‘working the Third Way’.
The Research

West Coast Computer Industries¹

Noon and Blyton (1997: 1) have pointed out that the mythology of the ‘new’ world of work is “profoundly misleading”. Despite the New Labour ideal of a new culture at work, embraced by all sides, there remains an asymmetry of power and:

Two groups engaged in a structural conflict... each of the parties maintain their own distinct agendas (Noon and Blyton 1997: 7).

In 1998, I believed an important exemplar of this crucial distinction was developing ‘on my doorstep’. A militant manifestation of this structural conflict was occurring just as the New Labour notion, embodied in the Fairness at Work White Paper (Department of Trade and Industry 1998a), rejecting the ‘old battles and old weapons’ of a previous industrial era, was becoming embedded. Important also was that this was occurring in an electronics factory, West Coast Computer Industries (WCCI) in Gourock, Inverclyde. In this so-called ‘sunrise’ industry, and formerly unfettered by such ‘traditional’ concerns, a group of workers were demonstrating their opposition to management using ‘old weapons’, including seeking out collective representation by joining a trade union, the Iron and Steel Trade Confederation (ISTC) in significant numbers.

In terms of a continuity of tradition where New Labour seeks to promote a notion of transformation, I was also drawn to how this industry was shaping experience in a geographical area for those who work in it and the wider community. As the research progressed, it became increasingly clear that the move in this area from ‘ships to chips’ has seen electronics permeate the very sinew of a locale, in the ways traditional industries did in the past. This helps challenges the mythology of the ‘new’ world of work and, I believe, re-affirms, in a new context, the sentiment behind a famous speech by the Upper Clyde Shipbuilders (UCS) militant, Jimmy Reid, made in 1971 during their historic fight for ‘the right to work’: “we don’t just make ships on the Clyde, we make men” (quoted in Foster and Woolfson 1986: 193). The dominance of electronics giants like IBM and National Semiconductor, and the

¹ This is a pseudonym for this company that is used throughout.
increasing reliance of the area’s labour market on the supply network of the former, which WCCI formed a significant element of, made it increasingly clear that in Inverclyde: ‘we don’t just make computers, we make people’. What was also happening in 1998 at WCCI was that trade unionists were being ‘made’ and ‘remade’.

This group were relatively isolated, in terms of their militancy, if not in terms of the production network that their employer was part of, but there was possibility that their fight for an independent voice in the workplace could act as a catalyst to others in the industry to follow suit. I sought to explore how their struggle to join a union and, subsequently, to have ‘their’ union recognised, developed in the light of a new and emerging context. It was also important to link the contours of workers’ battles with management, and their outcomes, to New Labour and its trajectories, and to assess the success of New Labour’s promises in relation to the experience of these workers. Given the traditional approach by these workers to employer offensive in terms of wildcat action, I was keen to develop an understanding of the sort of trade unionism that would emerge in this context and in the New Labour era. Crucially, not only did WCCI seemingly represent the possibility of acting as a spark to other workers locally, it also represented a key site through which to analyse embryonic and developing trade union activism under all that is New Labour. WCCI was at the most hostile end of the employer spectrum in terms of trade union activity. It was therefore important to explore this situation in the context of the New Labour ‘dream’ of the mutual gains workplace and the partnership ideal, central to its creation of a ‘new’ culture at work. Essentially, what began as a concern to chart militancy in a particular location and the impact of a ‘positive’ legislative programme for employment relations, developed into an analysis of New Labour generally, with specific reference to one workplace in a key industry in Scotland. Thus WCCI was studied through the prism of the structural context progressively being developed in, and through, the totality of New Labour.

The majority of the empirical material presented here relates to this group of workers. This was a study that sought to explore workplace experience, largely from the perspectives of key activists and through an analysis of secondary sources. I have had no formal access to the company or its employment relations policies. When I made initial contact with the company in 1998, a conversation with the Human
Resources Manager indicated that the company might be willing to participate in a minimal way, but this seemed contingent on any ‘findings’ being made available to the company in order for managers to gauge the strength of a “pro-union feeling” in this factory and a “mood of collectivism”. But I wanted to study WCCI from a critical perspective and was therefore conscious that an element of subterfuge would be necessary, that open access to the company might not allow. Fundamentally, as a political activist and trade unionist, I identified closely with the interests of the workers and their struggle to gain an independent voice in the workplace. I had no desire to ‘collaborate’ with a company whose harsh management techniques were becoming increasingly notorious. I also understood that any ‘application’ of social research by a company like WCCI was unlikely to serve benevolent ends. Moreover, as Beynon has argued:

> Historically, the rich and powerful have encouraged hagiography, not critical investigation (Beynon 1988: 23).

Thus, I was concerned that the granting of access to management views directly would be contingent on my casting the company in a positive light, at a time when reports of harsh management and poor industrial relations had begun to filter out of the factory. In addition, further correspondence with the Human Resources Manager revealed that, since I had already directly approached the ISTC and secured the participation of a key full-time official from the union, this precluded the co-operation of the company. I was also aware that the research process was going to be a ‘long-haul’ and, increasingly, that this would take place during a period of upheaval and turmoil for the industry. It would also occur in a period political change that necessitated the intensification of my own political activity. Maintaining distance from the company, and researching it whilst remaining fully separate from it, allowed me to avoid the possibility of the company initiating the “discrediting process” which Beynon has explicitly referred to (1988: 23) and described in operation in detail (1984). Thus far, therefore, the company remains unaware of my scrutiny of its practices and the participation of its former workers in it.

A central aim of this research was to elicit the views of worker-activists and union protagonists and this meant the lack of explicit involvement of WCCI management was not an obstacle. The research is a case study of working life in the
era of New Labour, and, an examination of trade unionism within one workplace, as organisation developed within the context of the legislation that it brought forward. In studying this one workplace, however, I am conscious of Noon and Blyton’s caveat that the essence and diversity of work cannot be “distilled into a single thesis or argument” (1997: 4). Clearly the experience for one group of workers cannot be assumed to be representative of all workers. What studying WCCI demonstrated was both the similarities with other workers in the electronics industry and elsewhere, and differences between different groups of workers, including the different types of workers employed at the Gourock site. However, it does represent one example that throws into question New Labour analyses of the contemporary period particularly, though not exclusively, in relation to the world of work.

Through attendance at mass meetings in 1998, it was decided to focus on key activists during an intense period of union recruitment at the factory. Some of the evidence that informs the following chapters was produced through unstructured interviews in 1998 with five of these activists, three of whom were on the first elected trade union committee. This group had all worked at the plant for a previous regime and were core production workers until 2000-2001. These activists were interviewed again towards the ‘end’ of the field-work between 2000 and 2001. Between 1998 and 2003, regular informal contact has been kept with this group. This contact been both ‘research specific’ and, increasingly, of a personal nature. As Buchanan et al. (1988: 61) have pointed out:

Rich information is a product of close relationships of mutual trust and respect.

Talking to these workers’ separately, and as a group, in informal settings allowed me to develop this type of relationship, especially with one activist in particular whose participation in the research was vital. He was often disparaged as a ‘hot-head’ and he increasingly openly criticised the union though he had been instrumental in its early successes. On the one hand, it is possible to dismiss this activist:

One politically active branch leader who played a leading role in recruitment was eventually removed as his constant calls for stoppages
made his position as a union officer untenable (Findlay and McKinlay 2000: 25).

Yet, on the other hand, it is necessary to recognise the level of commitment to workers' struggle often masked by striving to 'get the job' done in a more bureaucratised context. I was able to observe first hand the level of personal frustration and sacrifices of this worker in the cause of fighting for union recruitment and recognition. This provided an invaluable insight into personal pressures and consequences, not amply represented in accounts of union 'successes' and 'failures' in the 'new' context. Behind each of the developments outlined in the empirical chapters in relation to both the ISTC and the orientation of the management regime, there lies the 'hidden' story of workers like this one, struggling in the middle of the night, trying to figure out how best to respond to them. Away from the factory, I accompanied him as he worked at raising the profile of the WCCI workers to a wider political audience at rallies and demonstrations. Thus:

Besides insight into personal relationships, the researcher must know something about the position of people in the community and in the factory, the role they play, and the reactions of other people to them. Only a careful evaluation of information in the light of these factors can indicate their real meaning and significance as research data (Blum 1957, cited in Buchanan et al. 1988: 61).

More sporadic contact was maintained with others and with some ordinary members who had been interviewed in 1998. Many of the initial respondents left WCCI early on in the research, but others continued to pass on information to me directly or through third parties. More formal 'access' to a larger group of worker was difficult. Workers at WCCI worked long hours, often at weekends, and what free time they had was precious. Whilst they were openly critical of the WCCI regime and clearly acknowledged that I was gathering evidence from them for research, they preferred to participate in an informal way rather than through what they perceived as the formality of interviews. However, one activist whose input had previously been informal, took part in a more formal, though still largely unstructured, interview in 2000, though by this stage his own union activity had become more bureaucratised. The benefits of this level of informality were that the workers were more comfortable with this and it allowed for a more opportunistic approach than that associated with a
fully structured framework (Buchanan et al 1998; Bryman 1989). It did, however, lead to assumptions, on the part of the workers, about my own knowledge of the terminology, the sub-cultural elements of everyday factory life and the labour process they experienced in contemporary electronics. This was demonstrated in the ‘peppering’ of conversations with comments such as “I don’t need to tell you...you know what it’s like”. Yet the flexibility of this approach and its apparent drawbacks actually helped strengthen other central elements of the thesis, as the research progressed. In these unstructured discussions, the workers always returned to the nature of the WCCI regime and its key exemplars. This, in turn, resulted in sharpening my focus around the ‘fit’ of companies like WCCI with the New Labour vision and hence honed my concern to explore its own underpinning values and motivation, alongside its employment relations settlement.

Attendance at members’ meetings between 1998 and 2003, largely anonymously, was a critical part of evidence gathering and this forms a central element of the empirical material presented in relation to the WCCI case. Initially, this helped identify the most active union members that could be interviewed in greater depth, and allowed for an assessment of the rate of development of workplace organisation and progress. This also helped me to gauge the continuing level of militancy at the factory and, importantly, to further develop my understanding of working conditions there. I also gained a further invaluable insight into workplace relationships and senior management ethos through an interview in early 2001 with a former WCCI Human Resources Officer who came to the factory in 2000, admittedly wary of the problematic management-worker relations reported with regularity in the local press.

In 1998 and in 2001, I also interviewed the full-time officer of the ISTC who played a pivotal role in the organisation, recruitment and development of workplace unionism at WCCI. I also keep informal contact with him over the period of the research and his participation was invaluable in terms of both an understanding of developments in the factory, and of the contradictory nature of trade unionism in the UK.

Comments from electronics workers from other companies about WCCI, and about their own working lives in the sector have helped inform this study.
Knowledge, experience and opinions concerning electronics and its employers are crucial element of a localised cultural capital that has developed over decades in Inverclyde, and as such, local perceptions are a thoroughly legitimate source of information. As noted above, electronics has become woven into the fabric of the Inverclyde area. During the period of this research, this process intensified due to, firstly, the expansion of the network of labour suppliers around a key local player – IBM – and, secondly, the subsequent contraction of employment in the industry. This cultural capital has clearly been drawn on this during the research.

With the withdrawal and subsequent redundancy of the majority of the militants and with the sacking, in 2001, of one of the few remaining original activists at the factory, the major focus of this research became secondary source material. I have made some use of documentary evidence on the company, including 'official' information regarding its performance and development. A key element of the empirical strategy has been “tracking” developments at the factory (Bryman 1989: 150), utilising the local media in particular. There was clear evidence from this of the atrophy of the militancy that shaped the first year or so of union activity and especially after 2001. The notoriety of the company, its employment practices, and its responses to trade union activity meant that WCCI was featured heavily in local and (sometimes) national press and this coverage proved an invaluable source of information especially before and after the period of the field-work. The struggle for union recognition at WCCI, and the subsequent development of workplace trade unionism also attracted academic attention. Consideration of research on WCCI by others (Gall 1999; Findlay and McKinlay 2000) has supplemented my own. Yet, what had been a steady current of stories over my period of ‘active’ research, relating to management intransigence, worker-management antagonism and trade union ‘fire-fighting’, more or less petered out until a strike in late 2002 and the factory’s closure in early 2003.

Although I was heavily influenced by accounts of workplace ‘from the inside’, from both a worker’s (Cavendish 1982; Westwood 1984) and a researcher’s perspective (Pollert 1981), I have never been inside this, or any other, electronics factory. Whilst an account from the shop-floor would have provided rich empirical material, a growing awareness of conditions inside the factory ruled this out, to an
extent. The punishing shift patterns at WCCI, the lack of breaks, and, crucially, the prohibition of newspapers (and therefore writing material) on the line, and my own domestic/academic responsibilities created clear difficulties for this type of covert, participant research. As a result, what is presented in relation to WCCI is, in the main, an account 'from the outside'. As Buchanan et al. have pointed out (1988: 53):

In the conflict between the desirable and the possible, the possible always wins. So whatever carefully constructed views the researcher has of the nature of social science...those views are constantly compromised by [the] practical realities...

However, the methods of data collection, described above, the close and continuing contact maintained with key activists, and living in the geographical area, preoccupied with how the key players in its dominant industry operate, particularly WCCI at the time of this research, facilitated the development of an effective 'relationship' with this company. My experiences over the years of this research have confirmed the salience of an important conclusion reached by Beynon (1988: 33):

It is critical for the research process to be understood not as a highly formalised piece of rote learning, but rather as a creative act, an act which links the sociologist to the organisation being studied.

In terms of the 'representativeness' of WCCI, this can only be understood in relation to the context of New Labour's wider ideology which, as I shall demonstrate below, grants external validity to how the company operated between 1998 and 2003. Initially, I sought to construct an account of WCCI, focused on the interaction of material/objective conditions and the subjective experiences of workers, which explicitly identified with self activity and the cause of workers' struggle. What developed was a critique of how the company operated, but it is also a critique of both the tacit and open support of companies like WCCI by New Labour and a Third Way, that dismisses the possibility of any collective counterweight developing to bring about their radical transformation. I have sought here to develop an understanding of the actual experience of New Labour by workers, and what its ideology and actions mean for them in practice. The New Labour milieu is central to the material and objective conditions that workers are forced to relate to. A thorough grasp of its nature and contours as a structural constraint is a necessary foundation from which to
explore subjective experiences and the possibilities for, and limitations on, the responses of human agents.

The Glasgow Social Work Strike and the Public Sector

At the same time as the research into WCCI began, further evidence of a return to the 'old' battles, New Labour and the Third Way denounced as outmoded and irrelevant, began to emerge in the public sector. One clear and important manifestation of this was in August 1998, in the Social Work Department of Glasgow City Council. The 'unofficial' strike by more than fifteen hundred members of the UK's biggest union, UNISON, in one of its biggest branches, was significant in that it was fuelled by a deepening sense of antagonism becoming manifest in other council departments in Glasgow and elsewhere. This antagonism and the issues that created the conditions for this militant 'episode', were centrally linked to the New Labour project, and, in particular, its programme for 'reform' and 'modernisation' in the public sector. Research into, and analysis of, this strike and the contours of employment relations in the public sector that developed since New Labour's election, helped to elucidate a central and underpinning concern of its ideology. New Labour's clear aim to 'reform' the public sector, unfettered by what it believes to be the vested, producer, interests of public sector workers is fully demonstrated in its political will to fight opposition to its 'modernisation'. The Glasgow Social Workers strike in 1998 and the issues that have emerged in local government since, demonstrate the impact of this.

The nature of workplace trade unionism was also important here and the contours of its development in Glasgow at the time of the strike, and later, raised important questions about the role of a powerful, Labour-supporting, trade union bureaucracy, facing militancy from a well-established, well-organised, membership. Research into the features of this strike and its outcomes resulted in the need to further develop my analysis of the nature of the relationship between New Labour and the unions. Much of the material presented regarding this relationship was generated through examining the case of the Glasgow Social Workers and the complex hierarchy of officialdom in UNISON, and the spontaneous responses to it, between the time of the 1998 strike and a further official strike in local government across Scotland in 2001. A number of strikers and activists were interviewed in 2000 in
respect of their memories of the strike, the issues that brought it about, and its connections to workplace employment relations in subsequent years. The strike brought together those already politically active and politicised a wider layer of members. Workers’ perceptions of a Labour-controlled Council’s going on the offensive were confirmed by the actions of Glasgow City Council during the strike and subsequently. A court injunction was taken out against eight of the leading strikers and all strikers were sent letters threatening them with the sack, a fate faced subsequently by striking library workers a short time later. The Social Workers strike demonstrated, albeit briefly, a ‘return’ to rank and file union politics with mass meetings, strong picket lines, flying pickets and debate, particularly within an ‘unconstitutional’ (in UNISON terms) strike committee, made up of as many as ninety ordinary activists. Many believed that the Council were striving hard to sap potential militancy over New Labour’s local governments ‘reforms’ and to ensure the delivery of a cowed and acquiescent workforce in advance of implementation.

I also interviewed a local lay official who was a member of the UNISON national executive committee and the union’s leader in Scotland. Both voiced concern over militant activity outside official UNISON structure and questioned the political motivation of those involved, particularly in relation to their open critique of the Labour government. Examination of official documentation of three years of active trade unionism, as well as that concerning wider policy affecting local government generally, and media accounts of the issues that the strike brought to the fore, allowed me to track developments. ‘Unofficial’ strike material was also studied with material in relation to the ‘cases’ of activists censured, demonised, expelled from UNISON, and even sacked by the Council for their roles in militant workplace trade unionism. I used official union and Scottish Executive material regarding key developments in the progress of New Labour’s ‘flagship’ local government policies, like the implementation of the Best Value regime and the proliferation of Public Private Partnerships (PPPs) in the provision of front-line services. In doing so, I was also able to build up a picture of both official and unofficial opposition to them, and of a growing tension between a trade union and its members over the tacit support for a government, whose key policies were seemingly at odds with the union’s.
Therefore, the Glasgow Social Workers strike in 1998 and opposition to the policy thrust of New Labour in local government, in the West of Scotland in particular, represents a further ‘case study’ of this research. Yet it is not presented here as a fully developed empirical element of the thesis. There are important reasons for, firstly, pursuing the Glasgow Social Work strike and the issues around it as an element of this research and, secondly, not for reporting it but synthesising my findings in this respect with the wider outcomes that are presented. Like the WCCI workers, the Social Workers represented a group taking both tentative steps and bold strides in the opposite direction of New Labour, early in its first term. At the very least, it was important in relation to recording and exploring militancy, any militancy under a New Labour government. However as the research developed, it became clear that although this strike was “small, short and sectoral” (McIlroy 2000: 32), it raised crucial questions about the impact of ‘thinking the unthinkable’ in the public sector and was thus intrinsically linked to the New Labour project. Although this, in turn, cannot be separated from a wider analysis of New Labour, its trajectory in the context of the public sector is nonetheless distinct from the ideology of flexibility, competitiveness and partnership that was so fundamental in shaping experiences at WCCI. My research into this case study has helped determine and underpin the analysis of New Labour presented, particularly, though not exclusively, in relation to the public sector and Labour’s link with the trade unions. It also acted as a sound basis to develop my understanding of key contradictions and tensions within this relationship. My subsequent examination of Public Private Partnerships, and the nature of their centrality for New Labour, the developing role of business in the delivery of social justice, and my understanding of New Labour as a ‘partner’ in the employment relationship, all have their foundation therein. But the Social Workers strike, and the welter of issues that it acted as a catalyst in bringing to the fore, have not been fully developed analytically in what is presented in this thesis.

Further developments mitigated against my inclusion of the Social Workers as a separate case. The first is conceptual and linked to the point made above regarding New Labour’s ideological thrust. Synthesis is central to New Labour and the Third Way. Indeed, as I shall demonstrate, both are fundamentally premised on striving to synthesise the Old Left and the New Right. The objective to synthesise the interests of capital and labour is the essence of New Labour. Clearly, as the discussions of Public
Private Partnership presented later demonstrate, this moulds New Labour's approach in terms of public sector 'reform'. This, in turn, serves to mould public sector employment relations as it does in the private sector. But the contexts are distinct and the contours of these two sets of relationships are different. One crucial element of this was that, essentially, the WCCI workers, at face value at least, appeared as the potential beneficiaries of the New Labour employment relations settlement. Conversely, New Labour's public sector 'reforms' and its 'modernisation' programme are resulting in considerable costs to public sector workers. This is important. It became increasingly clear as the research developed that to explore and analyse this effectively, and to present detailed full findings were out-with the scope of the objectives that initially framed this thesis. Moreover, the negative impact of the ideology of flexibility, competitiveness and partnership was increasingly being demonstrated in sharp relief at WCCI and this necessitated a sharp focus on New Labour doctrine in this respect. Other, equally important, New Labour principles frame its approach to the public sector and experiences of 'working for' New Labour, but it was not practical to develop these as an analytical framework through which to fully examine empirical evidence gathered in relation to local government in Scotland and the Social Workers strike.

The second reason, also conceptual to an extent, concerns the value of comparing the development of trade unionism in private sector manufacturing in an overtly anti-union industry, with a group of well-organised public sector workers. The differences between the political consciousness of both groups, even the activists, were at times stark. I thought it possible, initially, that comparing both groups could facilitate more meaningful generalisations. Yet, as the research progressed, it became clear that this was more difficult than I first assumed. This conclusion was reached in relation to a deepening understanding of New Labour. A previously less obvious distinction between the two groups, linked to how New Labour both related to, and sought to shape, the impact of the wider developments of earlier decades, emerged as important. In terms of both media representation and, it should be noted, political responses, these groups of workers were handled differently. This hinted at a more general conclusion regarding New Labour's assessment of the contemporary balance of class forces, of power in the workplace, and, crucially its assessment of the effectiveness of possible opposition to its thrust. Despite a clear lack of practical,
political support for the workers at WCCI, there was both tacit and rhetorical support for their fight from politicians, the media, and the labour movement bureaucracy. The striking Social Workers, and militancy within local government generally, were vilified, particularly by the media and politicians. Two interconnected conclusions emerged from this. The first is that the balance of class forces at the end of the twentieth century, demonstrated in essence in production relations, gave New Labour a solid foundation from which to construct its employment relations settlement. In a factory like WCCI, its ‘new’ culture could seemingly address problematic worker-management relations with little overall cost to ‘the project’. At face value and in the short term at least, a fight for rights and representation like that at WCCI did not pose a threat to New Labour. Yet, secondly, New Labour’s understanding of the balance of power in the public sector in the context of its plans for ‘modernisation’ meant it perceived a greater threat. Opposition to policy changes in relation to both services and working conditions meant opposition to New Labour’s fundamental orientation. Moreover, any militancy in the public sector risked comparisons with Old Labour ‘failures’ in the past and, importantly, the ‘Winter of Discontent’. The political motivations of WCCI activists were largely never questioned openly, whereas the Social Work strike and workplace unionism within Glasgow City Council were argued to have been ‘hijacked by left wing activists’. This led me to conclude that key issues merited a greater attention than the scope of this thesis would allow for.

Three ‘empirical’ developments, linked to the further contraction of electronics generally, supported my decision to ‘exclude’ the majority of evidence gathered in respect of the Social Workers. The impact of mass redundancies at WCCI, its subsequent closure, and the negative effects of the flexibility that characterised relations in the supply chain it was part of, necessitated a fuller consideration of the effects on the community and the responses of politicians, particularly in relation to New Labour’s rhetoric of the ‘new’ Scotland. Alongside this, came a crisis in Social Work, largely due to increasing case-loads, and pressure on existing staff, resulting in recruitment and retention problems in the profession. In addition, the impact of the proliferation of New Labour’s flagship Public Private Partnership policy, being pursued with some alacrity, was increasingly being felt in local government in Scotland. These developments in local government needed to be considered carefully and fully, in the context of what occurred at the time of the Social Workers strike in
1998 and of the issues that emerged from it. Hence, a large amount of material collated for this research has been omitted, though it has fully informed my analysis of New Labour and the public sector. Moreover, it represents a useful starting point for addressing a distinct yet interconnected set of questions regarding the impact of New Labour as a basis for further research. In this respect, the material collated from both groups of workers could usefully facilitate a comparative study of public sector workers at the 'frontline' of delivering New Labour's weakly pursued social justice aims and those workers most dependent on their success: 'victims', to an extent, of its 'partner' – the pursuit of economic efficiency. Both groups were researched on the basis of the further structural constraints on workers being constructed by New Labour. However the process of research helped elucidate the distinguishing factors of these constraints for different groups of workers.

The 'New' Scotland

Significant developments, worthy of further investigation at both WCCI and within local government, coincided with a crucial period in Scotland. As noted earlier, central to an understanding of work is an analysis of the context in which capital and labour 'act'. In this respect, an exploration of the 'new' and emerging Scottish context was critical. Thus, further empirical material was collated through extensive research into the first Scottish parliamentary elections in 1999 and into Scottish politics more generally around this period. Again, Scotland is not presented here in a 'case study' format, though it informs a single chapter on the Third Way and New Labour in Scotland. In addition, the process of research in this area, and its outcomes, has helped shape the thesis throughout.

The decision to study Scotland was initially based on both the rhetoric and the reality of the 'new' political circumstances seemingly developing around the creation of the Scottish Parliament. The reservation of work and employment, however, at first posed a barrier to analysis, in the sense that the New Labour employment relations settlement was the same in Scotland as it was in the rest of the UK. Yet, as the research into New Labour's ideology progressed, it became clear that it could be further analysed in some depth in relation to the Scottish 'case'. Scotland's traditions, mythologies, and its future, resulted in a distinct, if not completely separate, set of issues for New Labour to relate to. In order to explore this, its outcomes, and electoral
developments in Scotland in detail, data was collected from the often daily digest of media output on the Scottish election through which the key issues were identified. Two key elements of the thesis were developed further, in and through, this. The first was the centrality of the public sector in the context of the creation of a Scottish Parliament. The devolution settlement further reinforced the importance of the public sector and is thus of crucial significance in relation to New Labour's wider aims. Indeed, exploration of Scotland at this time helped illuminate New Labour's overall approach. The second element was the New Labour rhetoric of 'decentralised' solutions and its claim that 'Scottish solutions for Scottish problems' would develop as a result of devolution. The New Labour aim to synthesise the interests of capital and labour, and to 'marry' social justice and economic efficiency, have been fully demonstrated in its approach to Scottish devolution. The mobilisation of entrepreneurial discourse as a key historical reference point for Scotland, and the tacit rejection of a workers' perspective, evidently underpin this. The Scottish parliamentary elections also presented New Labour with an important opportunity to re-state and reinforce its commitment to business interests. The study of Scottish devolution offered the opportunity to explore the contradictions inherent in the New Labour approach and to assess how, apparently de-centralised, solutions would impact on workers, like those employed by WCCI.

Central to gathering evidence on Scottish politics was my active involvement in political activity. I was immersed 'on the ground' in weeks of campaigning and canvassing in 1999, and whilst fully participating in the process, I also gathered further evidence in respect of the key issues. Two separate comments made during and at the end of the 1999 campaign, fundamentally shaped the examination of New Labour in Scotland that resulted my reaching an important conclusion. Significantly, the study of Old Labour 'becoming' New Labour, that is a central element of the thesis overall, is rooted in an understanding of this transition as a process. The Scottish Parliament and devolution is representative of a key 'moment' in this transition. What became an increasingly apparent need to develop this idea, and research Scotland from this perspective, was motivated by, firstly, a comment from a lifelong Labour supporter criticising the party to anyone who would listen that she was:
Sick of them not standing up for the people that got them in and forgetting that people like my father who helped create that party to stand up for the poor. I didn't leave the Labour Party - it left me and thousands like me.

I was also struck by another comment, directed at Socialist Workers Party activists the day after Labour had won most seats in the Scottish parliamentary elections:

See, the worker's party won so you can pack up. It's the worker's party in charge in Scotland now.

The impact of these comments on the development of the research and its trajectories helps to confirm a clear benefit of a qualitative approach, noted by Bryman (1989: 138):

The relative absence of structure in much qualitative research implies a further noteworthy feature: flexibility. The researcher is able to capitalise on chance remarks or unexpected events that propel a new line of investigation.

The contradiction between the comments of two people of similar age and background, is illustrative of the contradiction at the heart of the Labour Party that needed to be explored. From this developed my understanding of 1999, not only as a watershed year for Scottish politics, but also for New Labour and how it related to Old Labour consciousness.

Part of the political research in Scotland involved interviewing several members of the Scottish Parliament (MSPs), though, again, what was garnered from their responses underpins a general 'sense' of Scottish politics rather than a survey of official political opinion. I link this, firstly, to the fact that the parliament was in its infancy and their roles, and that of the parliament generally, were also in the very early stages of development. Secondly, the focus of the research had sharpened around the central New Labour tenets of flexibility, competitiveness and partnership after the interviews took place, thus they were of limited value in this respect. That said, some interviews did provide interesting insights. The Labour MSP for the Glasgow constituency of Shettleston, Frank McAveety, was interviewed and this was informative in respect of the Social Work strike since he was the leader of Glasgow City Council leader at the time of the dispute. This interview helped to underpin and
to consolidate a greater understanding of New Labour in practice, particularly in local
government. It also helped to illuminate the tension between public sector 'reforms',
the role and impact of the Scottish Parliament and the New Labour perception of the
barrier that public sector trade unionism represents.

Participation in the research by Duncan McNeil, the Labour MSP for
Greenock and Inverclyde, was also significant. The first short interview took place not
long after the 1999 STUC Congress and the time of his second, longer interview
coincided with the WCCI announcement of mass redundancies in November 2000.
His particular insight on both events was useful. It informed my understanding of both
responses to how companies were operating in respect of the flexibility,
competitiveness and partnership agenda, and the impact of 'new' methods for dealing
with 'old' problems. Before becoming an MSP, he was well known as the former
shop stewards' convenor in the local shipyards and, latterly, as a full-time official of
the GMB union. Part of the analysis of political responses in the WCCI locale is also
based on media coverage, specifically comments by McNeil and his Westminster
colleague, David Cairns. Examining the approaches and rhetoric of both politicians
has been a vital component of my brief analysis of the impact of the devolved
settlement, in one particular location.

John McAllion, the Labour MSP for Dundee East between 1999 and 2003,
was also an exception, partly because he was the embodiment of an Old Labour
'residue' in Scotland. He was heavily featured in media at the time of the elections in
1999 due to his 'off message' approach and expectations that he would be a maverick
— a 'thorn in the side' of New Labour in the Scottish Parliament — who could lead a
left-wing cabal that threatened the project to develop New Labour solutions. The
interview illuminated his own analysis of the issues he expected to dominate Scottish
parliamentary business. This helped to further draw out the weaknesses of the
devolved settlement and the persistence of the 'democratic deficit' the Parliament was
supposed to address. Indeed, the responses of all three MSPs helped demonstrate this
in sharp relief, in their different ways. Importantly, from both McAveety and McNeil,
I had expected to find evidence of both a Third Way 'with a heavy heart' approach
and Old Labour resilience in a New Labour guise. I did not. Not only has the New
Labour project been fully embraced, but their responses helped me reach the
important conclusion that it could not have been fully developed without the active engagement of politicians like McNeil and McAveety.

Political activism on my part has been a central element in imbuing the study of the 'new' Scotland with a 'sense' and 'feel' for the Scottish political 'scene'. I believe this represents a strength in terms of analysing official accounts and of understanding the impact of important developments. Often this impact, and the possible significance of it, is not covered in detail by 'mainstream' accounts. This is especially the case around an election period, when the focus is on psephology and party spin. Thus sociological research can benefit from those undertaking it being actively engaged in important processes, not adequately analysed by surveys of voting behaviour or election results, since key issues are often 'hidden' in such analyses. In this respect, support for, and, indeed, critique of, specific approaches and policies are not often translated into votes, especially when voter turnout at elections is as low as it is in the UK currently. Thus, 'being involved' has added something to this research that might not have been otherwise available. Beynon has argued that researching organisations is "political process; it involves the researcher mediating power relationships" (1988: 21). I consider this research to be a political endeavour, as is all critical research in one way or another, and whilst, as a political activist, my role in the 'mediation of power relations' is stated in an explicit way here, my conclusions are no less salient.

In the contemporary period, the politics of the left are attracting greater attention than they have for almost two decades, and this is a process that is further advanced in Scotland than it is in the rest of the UK, largely, though not exclusively, as a result of the growth of the party of which I am a member. In 1999, I attended the inaugural conference of a new political force in Scotland, the Scottish Socialist Party (SSP), as a sociological researcher gathering evidence of its motivations and ideological premises. Three years later I attended as a delegate. Significant developments that occurred in that interim period, not least the merger of the SSP and the Socialist Workers Party in Scotland, are not discussed in detail in this thesis, though these, and my involvement in them have informed this research. As a parliamentary candidate in the 2003 elections, after four years of devolution, I observed that voter comments critiquing New Labour were much more prevalent than
they had been in 1999. Comments on the paucity of positive benefits from devolution were also an important feature. This active research allowed for the development of an understanding of the weaknesses of the devolved settlement and the exploration of how these linked to the overall New Labour project.

I intend this open and explicit reference to my own left wing political allegiances as a welcome relief from research and literature that claims detachment despite implicit orientation. Such admission does not automatically, or necessarily, result in error, misrepresentation, or unwarranted justification of a particular political tradition. Moreover, as Darlington has argued:

No intellectual pursuit within capitalist society can stand above the fundamental social division between exploiters and exploited (1994a: viii).

The Outline of the Chapters

As emphatically expressed above, an understanding of the political must inform the study of work. In addition, the overall aims of this thesis, and the development of the research as a process, necessitated a thorough analysis of New Labour. This is developed throughout, but Chapter One, The Political Economy of New Labour, lays the foundation for this analysis. Here, central features of New Labour’s ideology are outlined. The chapter also explores continuities and changes in relation to the transition from Old to New Labour, and introduces key contradictions that are a central feature of New Labour. These are, in part, linked to the contradictions of the Labour Party itself, through an exploration of important elements of the processes and outcomes of its modernisation. New Labour is connected fundamentally to Third Way analyses of social change, especially its claims regarding the most appropriate methods of relating to globalisation and shaping responses to it. The impact of this, particularly in respect of New Labour’s relationship to business and the ideological underpinning of ‘reform’ and ‘modernisation’, is considered. Overall, this chapter seeks to characterise the New Labour milieu and, importantly, the contours of the relationships which are central to it. The nature of the struggle by New Labour to synthesise antagonistic interests is also introduced here.
The continuing importance of the relationship between New Labour and the trade unions is explored in Chapter Two, *New Labour and the Unions: Continuity and Change*. Here the ‘fit’ between New Labour rhetoric in terms of this relationship and its contemporary realities are discussed, particularly in relation to the public sector and the ideology of flexibility competitiveness and partnership. The New Labour employment relations settlement, the ideologies and values that underpin it, are also discussed alongside ‘official’ and ‘unofficial’ trade union responses to it. New Labour’s ideological development is intrinsically linked to key developments in trade union orientation over the last two decades and the connections between them are considered. What is demonstrated in this chapter is New Labour’s continuing reliance on the unions for financial, practical, and ideological support, despite claims to the contrary. Moreover, the chapter looks beyond the rhetoric in order to explore the nature of this continuing dependence, and discusses the contradictions that result in the trade union bureaucracy essentially placing the interests of the Labour Party above those of their members. The alliance between New Labour and the unions is both persistent and characterised by an inherent tension, and the contemporary period involves its restructuring. Fundamentally, however, these are tensions and contradictions that have helped define this relationship across most of the twentieth century. A central question addressed here is the extent to which trade unions and their members reap benefits from a continuing, if fraught, allegiance to New Labour, at a time when both its policies and ideological thrust are seemingly so adrift from those of the trade union movement. Recent developments that have seen this alliance called into question are briefly alluded to in this chapter. Significantly, New Labour’s ideological thrust is considered in relation to its impact on the maintenance of the ‘false dichotomy’ of the separation of politics and economics, which has sustained the relationship between Labour and the unions since party’s creation over a century ago.

Chapter Three, *A ‘Tartan’ Third Way?: New Labour and Scottish Devolution*, explores some of the issues discussed in earlier chapters in relation to a ‘new’ and emerging Scottish context. In this chapter, I have outlined both the proliferation of New Labour solutions that underpins the devolved settlement and the nature of key distinctions in relation to Scotland. The significance of Scottish devolution for the process of transition from Old to New Labour is also stressed and thus its significance in respect of the wider aims of this thesis. Essentially, this chapter explores New
Labour and the Third Way through the prism of Scotland and the specifics of the Scottish polity. I also examine how the synthesis of antagonisms by New Labour is imbued with specifically Scottish 'twists' in ways that seeks to grant it greater salience in Scotland. Moreover, I also discuss the critical role played by the trade unions in Scotland in the delivery of election victory for New Labour and their responses to its ideological development in the Scottish context. Questions regarding Scotland's continuing dependence on the public sector are explored and how New Labour's endeavour to 'modernise' Scotland is linked to the drive to rid the public sector of apparent 'vested interest' and 'producer consciousness'. In common with the previous two chapters, I consider the impact of New Labour's overall orientation on its apparent aims regarding the delivery of social justice.

The next three chapters introduce the core empirical material and narrate the processes that have shaped the developments at the West Coast Computer Industries factory in Gourock. The relationship between New Labour's ideology, and its contradictions, and the real experiences of workers is discussed in detail in these chapters. They explore how contemporary experiences of work are shaped in the context of the New Labour era, and the impact of key ideological premises on a particular group of workers is discussed in detail. In Working the Third Way: West Coast Computer Industries the significance of the company for the local economy and labour market are outlined. Key features of living and working in Inverclyde, an area that has borne the worst effects of the de-industrialisation of more than two decades, are described in some detail and this serves to define the context central to the 'story' of West Coast Computer Industries. A key element of this context is the relationship between the area and the electronics industry which increasingly dominates it, and how over-reliance on its key players' production networks, help to mould the area both in relation to work and beyond. The responses of politicians, in an area dominated locally and nationally by Labour, are also central. Essentially this dependence serves to shape such responses and renders politicians apparently powerless in the face of multinational responses to 'globalisation' - the trajectories of which New Labour and the Third Way claim to be adept at relating to. Moreover, these responses, in the name of the competitiveness and flexibility that New Labour readily support, increasingly impact negatively on working lives which poses
questions regarding its ‘fairness’ agenda. These are explored throughout, in relation to events and activity motivated ‘from below’ and ‘from above’ at WCCI.

A central element of this agenda – the provision of statutory recognition – represented the potential for the growth of trade unionism in largely uncharted areas like electronics. At face value, this also represented the promise of effective representation for workers as a counterweight to management offensives. At WCCI the process to seek out such representation was set in train in advance of the legislation, in the face of a harshening management activity, and an organising and recruitment drive by the ISTC. The contours of the relationships that developed, the implicit and explicit impact of New Labour employment relations settlement, and its ideological underpinning are considered in detail in Chapter Five, Forward Together which covers the period from the successful struggle to gain recognition for the ISTC and the closure of the factory in January 2003.

Reflections on the ‘New’ World of Work is the final substantive chapter. This draws together the central themes of the thesis in relation to the WCCI findings. Here, questions regarding the real impact of New Labour are raised and explored. Significantly, it relates New Labour rhetoric and analytical accounts of its ideological premises, and its trajectories, to the lives of real people. The costs and benefits of New Labour are also discussed in relation to the ‘devolved centralism’ that arguably characterises the ‘new’ Scotland. In addition, this chapter discusses how we can relate earlier analyses of competitiveness and flexibility, and of the key contours of workplace trade unionism, to the new context. The negative impact of New Labour is a critical feature of the thesis, and this is discussed in relation to the development of a vibrant ‘unionism’ as opposed to state-employer sanctioned, and fundamentally weaker, ‘union membership’. The problematic nature of conceptual distinctions that inform both the study of work and New Labour perspectives is also alluded to in this chapter, particularly in respect of the continuing salience of dominant notions of labour market segregation demonstrated in ideas like ‘core’/‘periphery’, ‘temporary’/‘permanent’.

Overall, all three chapters are intended as an exploration of the New Labour era as experienced in a particular locale, and, importantly, as a general challenge to the perceptions that inform it and the ideology that underpins it. The centrality of
work for New Labour provides something of an ironic, though no less serious, backdrop to these chapters and the thesis overall. The 'story' of WCCI facilitates a necessary shift from the abstract, the theoretical and the speculative, to the material, the concrete.

The concluding chapter of the thesis draws out the key issues that have developed out of the research and re-states its findings in relation to its central questions. It also re-visits more recent developments like the contemporary endeavour by some on the left within the Labour Party to 'reclaim' it and wrestle it from its Blairite/New Labour/Third Way orientation. Similarly, indications that the tension inherent in the Labour-union relationship is becoming more manifest, and the implications of this, are discussed. This final chapter also alludes to questions that have emerged, particularly in relation to elements of the research that can act as a foundation for further analysis. Central to this is the development of a comparative study of public sector workers and those in the private sector, and analyses of distinct, yet intrinsically linked, elements of New Labour and their contrasting impact on a variety of workers. In addition, the difference between 'having a union' and 'being unionised' in the New Labour era requires further exploration, alongside a consideration of effective 'routes through' New Labour. Of particular importance here, is effective collective resistance to New Labour and its Third Way concerns, both as a governing party and as a party with the unions as its key ally. The chapter casts a speculative eye over current developments and outlines some possible effects on 'future Labour'. Questions remain regarding what New Labour has done for 'us' and over how workers in reality benefit from their unions support of New Labour. I hope that the issues raised here and the analytical strands outlined in this thesis represent something of a platform from which to develop our understanding. Beynon (1988: 29) has argued that:

Sociological research [is] a means of building a dialogue between the sociologist and the public.

From my perspective, an absolutely crucial element of this must be not simply to relate to 'the public' how 'the world is', but also to address their questions regarding 'a world of whose making?'. This thesis is intended as a critical contribution to such a dialogue.
CHAPTER ONE: THE POLITICAL ECONOMY OF NEW LABOUR

1.1: Introduction

The objective of this chapter is to define New Labour and to outline my understanding of what New Labour stands for. The intention here is to explore the notion of reform in the context of the conditions that New Labour both seeks to relate to and to shape. The issue of modernisation is fundamental to our understanding of New Labour and an underpinning aim here is to problematise New Labour's conceptualisation of modernisation with reference to Old Labour, to the state, and to the public sector. It is important to try to characterise what New Labour is in relation to Old Labour and to draw out crucial similarities and continuities between Old and New Labour, and to outline key distinctions. From this, it is hoped a greater understanding of Labour in both 'guises' can be gleaned.

Also important to our understanding of New Labour, is a consideration of key premises of Third Way thinking as, despite some differences of emphasis between key Third Way thinkers like Giddens (Driver and Martell 2001: 43-44), the Third Way gives intellectual life to New Labour and New Labour gives the Third Way its clearest and most persistent political expression. The intention here is to introduce the Third Way, though not to offer a comprehensive or exhaustive analysis, since that could be a thesis in its own right. The aim is to use the Third Way to explore New Labour through focusing on elements of Third Way thinking particularly pertinent in relation to the overall aims of the thesis.

Fundamental to New Labour, and to the wider aims of this thesis, is the relationship that New Labour has with business. This, as will be discussed fully in the following chapters, has helped facilitate key policy developments and has helped shape, and are shaped by, essential New Labour ideological premises, especially in terms of flexibility competitiveness and partnership. Moreover, New Labour's relationship with business is intrinsically connected to the contemporary modernisation of the public sector and to the reformulation of the state. Such links, and their impacts, will be explored here, and throughout the remainder of the thesis.
Before fully examining the changes and continuities between Old Labour and New Labour in greater detail, it is important both to note, and to challenge, two important myths connected to the Labour Party and to Labour governments. The first is that Labour was always, and ultimately is, a working class party whose interests lie with representing and pursuing the interests of that class. Even what has come to be characterised as Old Labour has always been a capitalist workers’ party (Lenin, 1920/1993). Labour continues to have organic links with workers, however fractious, through the trade union movement. The working class still look to Labour to effect change and as a countervailing force to ruling class ideology. More recently, the persistence of faith in Labour’s ability and willingness to take action contra to the neo-liberal hegemony of the last two decades, culminated in a landslide victory for Labour in 1997. Yet, such links, and the continuing commitment to Labour as the party that can fundamentally reform capitalism in a sustained and persistent way, does not mean that Labour is anything other than a capitalist party. A clear understanding of this is important, since a central premise of this chapter is that, in this fundamental respect, New Labour is no different from Old Labour. This unequivocal similarity can be summed up thus:

They are bourgeois politicians with, at best, a certain bias towards social reform. They have no intention whatsoever of adopting let alone carrying out, policies which would begin in earnest the process of socialist transformation in Britain. On the contrary, they must be expected to resist with the utmost determination all attempts to foist such policies upon them (Miliband 1972: 373).

The second myth is that created by the Thatcherite Right, though given legitimacy and fully reinforced by New Labour, that the Labour governments of the 1960s and 1970s were too left wing, too pro-worker, and, ultimately, too pro-public sector at any cost, including electoral oblivion. For New Labour, these governments represent not only the squandering of political power through the retention of a producer consciousness that had long-since been rejected by the electorate, but also the squandering of the legacy of Labour pioneers through their inability to manage the economy efficiently, because of a commitment to policies of tax and spend. New Labour have thus reinvented the history of the party, both in terms of its connection to (its version of) Old Labour and in terms of popular perceptions of Thatcherism and the New Right.
Hence, it will be argued that, in some key ways, New Labour are the same as Old Labour, and in the very areas where New Labour suggest sharp transformation there is considerable continuity. However, even where there is continuity of outcome, for example in the acquiescence of the trade union leadership, the processes that lead to such outcomes have often changed. There have been alterations linked to ideology and orientation and these will be explored. For New Labour these represent the reflection of the need to relate to the circumstances of 'an ever-changing world', largely brought about by what are perceived and constructed as the contemporary demands of globalisation. I will demonstrate how this is fundamentally linked to a concern to appease capital in a way both different from Old Labour and yet does not represent an essential fissure in Labour's historical rationale. Nevertheless, it is also the case that the very existence of New Labour, and its accommodation and celebration of the contemporary neo-liberal agenda, are facilitating a more general recognition of the limitations of the Labour project as a whole. An analysis of the exultation of neo-liberalism, alongside the apparently continued and renewed commitment to Labour's traditional values by New Labour, exposes the central contradiction at the heart of Labour. The reformist, social democratic, tradition is fundamentally based upon separation of the political and the economic spheres.

What I am arguing is that in New Labour's explicit endeavours to synthesise neo-liberalism and reformist social democracy, and the resultant effort to conjoin oppositional categories detailed below, including the interests of capital and labour, is symbolic of a crisis of reformism, however embryonic. Whilst it can be argued that the demise of Labour as a reformist party is much older than the emergence of New Labour, or even Old Labour as we are encouraged to perceive it (Miliband 1972: 372), the 'marriage' of neo-liberalism and social democracy that New Labour seeks to embody, not only represents part of a process in the development of reformism, but also a crucial 'moment' in the history of social democracy. It is important to note that, thus far, New Labour retains its electoral appeal. The reasons for this are complex and are connected, in a sense, to the current configuration of other parties and their weaknesses. The main point of my argument is that New Labour demonstrates also how reformism can be reinvented and still maintain its support. In this sense, it is seemingly very different from Old Labour. However, whether, under New Labour, the crisis of reformism is being progressed or halted is contingent upon many factors,
including ultimately the opposition New Labour faces both electorally and more generally. I will suggest here, and in later chapters, the impact of Labour in its contemporary form on the contours of reformism as a whole.

It is necessary to characterise what Old Labour actually stood for, and, in this chapter, that will be done through the prism of New Labour’s claims about the past, present and future of the party, and government policy. Therefore, it is not intended to base the discussion on a protracted consideration of Old Labour, or to offer an extensive historical analysis of the Labour Party. My objective is to illustrate the distinction that New Labour makes between different Labour governments of the past, and how New Labour seeks to lay claim to the ‘best’ elements of the social democratic tradition. Thus the government of the immediate post war period is lauded, alongside the Thatcher governments, as having “a coherent vision that drives a government forward” (Mandelson 1997:2). However, the later Labour governments “made promises they could not keep” (Blair 2002a) as their commitments were “unsustainable and expensive” (Mandelson 1997:3). Whilst this assessment may, or may not, be accurate, it is still important to highlight the extent to which the history of Old Labour has been re-written. Since Blair’s election as party leader, placing intellectual and ideological distance between New Labour and 'second wave' Old Labour has been a paramount concern. In one sense this can be assumed to reflect the electoral pragmatism before 1997 and a concern to secure the unprecedented and, thus far, elusive second term in office, until 2001 that is. The poor electoral record of New Labour's predecessors, especially in the 1980s, is often held up to justify the modernisation of the party. However, this must also be linked to an ideological shift that sees New Labour not simply accommodate, but wholeheartedly embrace, the neo-liberal economic paradigm.

It is important to explore this process in the context of two particular versions of Old Labour, though it is not necessary to accept the New Labour conceptualisation. A distinction needs to be made between the versions of the Old that New Labour foregrounds. For, in the New Labour perspective, there are (at least) two Old Labours. Both the post-war government and the post-IMF government are Old Labour. The former, for New Labour, embodying the traditions of social democracy in the political

1 There is a plethora of literature on this subject. For example Cliff and Gluckstein (1988), Panitch
and economic climate where it was most appropriate to do so, and the latter clinging onto a settlement whose time was passing. However the post-IMF Callaghan government foreshadowed both Thatcherism and New Labour, and this is not openly recognised by the New Labour, as it struggles to achieve distance from this period. It is intended to illustrate here the transformation of Labour in terms of its distance from the Wilson and Callaghan governments, but also to stress what is retained. Further complexity and ambiguity is revealed when the Labour Party of the 1980s and 1990s is explored. For example, from a New Labour perspective, the 1980s is considered as a period of division, especially after the break with the right of the party that culminated in the creation of the Social Democratic Party in 1981, and electoral defeats in 1983, 1987 and, to a lesser extent, 1992. But this time of apparent extremism was also the period during which the ‘modernising project’ was born. Also, the late 1970s and early 1980s is characterised as a period of left-wing ascendancy. However, when it is critical of Old Labour, New Labour is not unambiguously referring to the whole period of New Right Conservative government as one of division, extremism and the dominance of militants. The fact that former leaders, Neil Kinnock and John Smith, are held up as beacons of modernisation and renewal (Blair 1994), makes it difficult to determine effectively what New Labour defines itself against. So, New Labour is both Old and New, and is best viewed as a product of all that we understand as Labour, since at key junctures in post-war history the roots of New Labour are apparent. For example, in the 1950s consensus Labour did not mark itself out as distinct from the Conservative governments and the period of ‘Butskillism’ is arguably an embryonic Third Way. Similarly, the ‘revisionism’ in the late 1950s represented a period of focus on the ‘true’ meaning of Labour’s ‘socialist’ ideology and a struggle to effectively relate to the relative affluence of the long boom and the impact of the welfare state on the working class. This perception, that changes to the nature of capitalism were working against Labour (Jones 1996), has clear resonance with more contemporary concerns about modernisation.

In a similar vein, in the early 1960s Wilson sought to appeal to the middle class vote and to relate to the ‘new times’ being constructed by the “white heat of the scientific revolution” (The Guardian 2nd October 1963), in a way that seemingly parallels Blair’s embrace of the rhetoric of the ‘new’ economy and the ‘knowledge’

and Leys (2001) and Miliband (1972), whose work is drawn upon in this chapter, are especially useful.
society. The proposed industrial relations reforms and the curbs on militancy towards the end of the 1960s, belie the notion of a radical left-wing legacy from which New Labour needed to escape, especially since these are credited as the parent of the industrial relations reform over three decades (Rees 2001), including, ironically, Heath’s much opposed Industrial Relations Act of 1971 and the Thatcherite reforms of the 1980s and 1990s.

The neo-liberal turn of the Labour government after the IMF crisis of 1976 and the embryonic ‘partnership’ culture that the ‘Social Contract’ years represent, do seem more characteristically Blairite in design than New Labour’s re-invention of Labour’s history alludes to. Radical rhetoric, in the run-up to the 1974 election, involved Labour opportunistically trying to relate to contemporary militancy and the necessity to exploit opposition to the Heath government, rather than an actual active shift leftwards. The period of ‘radical’ Labour was also very short-lived. Yet, none of these currents within Labour are adequately represented nor differentiated by New Labour, as Labour’s ‘failed past’ is simplistically reconstructed.

The creation of New Labour must be viewed, therefore, as a process, and party history holds the key to the creation of New Labour as much as the defeat in four general elections acted as the “great legitimising back-cloth for the whole Blairite project” (Coates 1999: 350). It is also an evolving and developing process – a project:

Our approach is ‘permanent revisionism’, a continual search for better means to meet our goals, based on a clear view of the changes taking place in advanced industrial societies (Blair 1998a: 4).

New Labour is new in many ways but, in others, its project is a struggle to put right the wrongs of Old Labour and take up the unfinished business of Thatcherism, whilst laying claim to the ‘true’ values of the social democratic tradition. What I seek to do in this chapter is to draw together the strands of the dual purpose of the New Labour project as a foundation upon which an analysis of New Labour’s employment relations settlement, its relationship with its traditional trade union allies, the devolution settlement, and the realities of working life under New Labour, can be built.

1.2: A Break with the Old?
As noted earlier, in different ways Labour governments have always sought to manage capitalism. Thus Labour, even the most left wing elements of Old Labour, was never actively engaged in a struggle to overthrow capitalism. In this sense New and Old Labour are not different. The difference between them is manifest in New Labour's disdain for key structures of the post war settlement, not only as having outlived their time in policy terms but also because of the effect that they had on the Labour Party:

An integral part of the crisis for the left during the Thatcher years was that we were transformed into the political force that defended the post-war settlement. As a result, we became trapped into a political culture that was defensive - even, ironically, conservative (Robin Cook cited in Lavalette and Mooney 1999: 36).

Panitch and Leys (2001) have used the example of the New Left, both inside and out of the Labour Party, to illustrate the difficulty of seeing Old Labour as a homogeneous bloc. They argue that strife over party democracy, the influence of the right, and even what appears as contemporary 'control freakery', are not necessarily new phenomena. They also assert that the very grounding of the necessity to modernise can be challenged, since New Labour gloss over the significance of the New Left to facilitate a greater accommodation with the Thatcherite legacy. In their view, that places the objectives of the New Left at the possible centre of the 'real' modernisation of the Labour Party, the eschewal of activism and 'socialist' education, in return for moderate electoral success, limited any notion of a meaningful transformation of society for Old Labour. Once in government, Old Labour imitated its opposition. Then, as now, this illustrates how:

The working class has access to the state (elections and parliament) but does not exercise it to achieve socialism because of its indoctrination by the means of communication. In fact it might be said that the truth is if anything the inverse: the general form of the representative state - bourgeois democracy - is itself the principle linchpin of Western capitalism, whose very existence deprives the working class of the idea that socialism as a different type of State and the means of communication and other mechanisms of cultural control thereafter clinch this ideological 'effect' (Anderson quoted in Panitch and Leys 2001: 12).
From this perspective, it is difficult to ascertain when New Labour began to emerge as a distinct strand of party and political thought. The removal of the totemic Clause Four of the Labour Party's constitution is taken as a watershed and, above all, is perceived as marking the consolidation of the birth of New Labour. There are key differences between old and new Clause Four, though it is problematic to assume that the meaning of both is simple and straightforward. There is, in both, characteristic Labour ambiguity and availability of competing interpretations:

1918 - 1995

To secure for the workers by hand or by brain the full fruits of their industry and the most equitable distribution thereof that may be possible, upon the basis of common ownership of the means of production, distribution, and exchange, and the best obtainable system of popular administration and control of each industry and service.

1995 -

1. The Labour Party is a democratic socialist party. It believes that by the strength of our common endeavour, we achieve more than we achieve alone so as to create for each of us the means to realise our full potential and for all of us a community in which power, wealth and opportunity are in the hands of the many and not the few, where the rights we enjoy reflect the duties we owe, and where we live together, freely, in a spirit of solidarity, tolerance and respect.

2. To these ends we work for:

A dynamic market economy, serving the public interest, in which the enterprise of the market and the rigour of competition are joined with the forces of partnership and co-operation to produce the wealth the nation needs and the opportunity for all to prosper, with a thriving private sector and high quality public services, where those undertakings essential to the common good are either owned by the public or accountable to them...²

Whilst the new Clause Four clearly embodies New Labour's effort to intrinsically link neo-liberal priorities to Labour values, it does not transform the nature of Labour's historic accommodation with capital. It simply declares a long held position openly. This represents the culmination of a process that began with Labour's first majority government in 1945 as Labour, from then on, sought to reassure private capital that their interests were in safe hands:

² Adapted from full citations in Coates (2000).
For all that the Fabians represented a ruling class current, their 'state socialism' had never intended to leave 80% of the economy in the hands of private profit makers. Clause four's 'social ownership' was clearly understood to apply to as much of industry as administratively possible. Of course the two previous minority Labour Governments could do little to carry it out. In 1945 no such excuse existed, so the Labour leadership simply re-wrote the political textbook (Cliff and Gluckstein 1988: 222).

This has resonance with New Labour's orientation and suggests the New Labour position on Clause Four was far from distinctive. However a change has occurred in that, having shifted the focus from public ownership and concretised this position, the question of the relevance of public provision is pursued with some vigour. Although, as Thompson (1996) notes, this shift in emphasis was evident from 1992, the real impact of this only began to emerge after the 1997 general election. The effects intensified in the period after the 2001 election, in particular, with the proliferation of the Public Private Partnerships, especially in health, education and housing. Moreover, the extract of the new Clause Four cited above is also intended to demonstrate clear a distinction between Old and New Labour, in the sense that for the former, from at least 1945, Clause Four was a key element of the socialist myth that the party never acted upon (Jones 1996). For the latter, although in parts the revised Clause Four is characteristically vague, the experience of New Labour in power has revealed that objectives regarding the dynamic market economy and thriving private sector are being put into practice with alacrity. Importantly, the concern noted here is for high quality public services rather than public sector and the either/or of public/private ownership is absolutely central in terms of impact on forming policy. Moreover, as I demonstrate below, the state is in the process of being 'remade' under New Labour and the 'public' of being re-conceptualised in neo-liberal terms.

As noted in the introduction to this chapter, the Blairite concern to 'modernise' and relate to the demands of 'the modern world' mirror Wilson's in the early 1960s. This resulted for Wilson, as for Blair, in appeals to the middle class, and attention was turned from Labour's traditional support and, indeed, on it, as concern grew over union militancy and the 'need' for wage restraint:

Modernising ...was in part to be achieved by addressing the issue of working class militancy, through pay freezes and incomes policies
culminating in 1969 with the publication of In Place of Strife... (Ferguson et al. 2002: 158).

As Panitch and Leys (2001) argue, not only did this allow real earnings to fall, it paved the way, to an extent, for Thatcherism and the rise of the New Right. By the time of Labour’s second postwar term in office, the working class were already being perceived as problematic. Although Wilson did seek to appeal to the left and appeared radical in opposition before 1964, the Labour government was much less so in power. Thus, whilst there was some expansion of public ownership, wider reforms and political orientation, especially in terms of industrial relations, meant cuts in wages and conditions which helped set in train the wider radicalisation of the rank and file of the Labour Movement that characterised the late 1960s and early 1970s. Consequently, New Labour’s analysis of the period is problematic since a central focus is on the apparently close relationship between the Wilson government and the trade unions. Yet, close examination of Old Labour challenges any notion that Labour was in the grip of the unions. In fact, open challenges from rank and file union members to their leadership’s acquiescence and deference to Labour, and militancy over threats to union rights during this period, suggest, rather, the union bureaucracy was, to a large extent, in the grip of parliamentary Labour. There are difficulties therefore in determining how effectively New Labour is able to define itself in relation to Old Labour, especially given the history of rightward shifts at key moments in Labour’s history.

Coates (1999) suggests that there are two historical reference points against which New Labour defines itself in order to characterise the party as a new force and differentiate itself from Old Labour. The first is the period when the Bennite left were perceived to be in the ascendancy in the Party between 1979 and 1983, which Coates suggests was central to creating the impetus for the rise of New Labour. There is some salience in this framework, especially when the influence of Neil Kinnock and John Smith as key ‘modernisers’ of Labour’s approach to policy and the party itself. The second reference point is the distinction between the post-war governments of Atlee, Wilson and Callaghan thus demonstrating how, in order to understand New Labour, it is important not to combine all of Old Labour together as a homogeneous bloc. New Labour’s critical focus is therefore on its pre-1979 predecessors in and their successors in the early 1980s. This is what New Labour defines itself against and
is central to its current ideological thrust, especially in relation to the Third Way’s critique of the old left:

One could say that the two old political philosophies of the Old Left and Thatcherism were ‘half theories’. Old Labour was strong on social justice but never successful in fostering a dynamic economy... (Giddens 2002b).

It is a Third Way because it moves beyond an Old Left preoccupied by state control, high taxation and producer interests and a New Right treating public investment, and often the very notions of ‘society’ and collective endeavour as evils to be undone (Blair 1998: 1, original emphasis).

Blair has also made clear New Labour does not just signify a Third Way between the individualist right and the statist left, it also represents a third way within a left defined as dominated by fundamentalists on one side and moderates, neither sufficiently bold nor intellectually engaged enough to take on the extremists, on the other (Blair 1998a: 1). New Labour’s approach to different political trajectories within Labour serves to highlight its influences and suggests the complexity involved in mapping clear continuities and changes. We know that the Wilson legacy is underplayed, and that there are important similarities between Blair and Wilson in terms of what they saw as the defining characteristics of their political ‘moment’ and their orientations towards policy. Moreover, striving to chart the most acceptable course between state and market, the concern for economic efficiency and the ardent pursuit of electoral respectability, marked not only the Wilson period but, to an extent, defines the middle way sought by Labour for a century. This challenges the idea of ‘newness’ and the idea that New Labour represents the complete modernisation and rejection of all of Old Labour.

As noted earlier, New Labour praises Atlee’s government, as one with a true sense of vision and a will to transform Britain. The Atlee government is perceived to have grasped its historic moment and as having worked towards a social democratic vision, the pinnacle of which was the creation of the welfare state. By contrast, the Wilson/Callaghan era is criticised as a period when governments failed to predict how overweening and bureaucratic its structures would become. The Labour governments of the 1960s and 1970s are depicted as having failed to redirect strategy when the
post-war welfare state, and the structures put in place in the Atlee era, had reached the limits of their usefulness. The state itself is problematised by New Labour. The late 1970s, in particular, are taken to represent the waste of the legacy of Atlee. Labour governments failed to modernise the structures and institutions of the post-war period, just as the ‘rights-claiming golden-age’ was coming to an end.

In addition, in this period of apparent left wing ascendancy, the Wilson government failed to take on “the problem of an assertion of the power of the factory floor” (Wilson quoted in Cliff and Gluckstein 1988: 291) effectively after gaining a majority in the 1966 election. This indelibly marks this government out as being beholden to trade union vested interest for New Labour. Similarly, the lack of recognition of what could have been done and what ought to have been done characterises New Labour’s approach to the 1974-79 government. Again, this is linked to Old Labour’s problem of making promises it could not keep, with no acknowledgement that this was necessary to convince its core supporters, and its failure to ‘break the back’ of union power. Clearly this government did not prevent strikes, culminating in the Winter of Discontent in 1978-79, but there is little to support the conclusion that Labour did not attempt to curb union power and militancy at this time, or that Labour did not promote restraint. The central issue here is that, in the absence of the wholesale reform of party structure, the unions retained an influence that was not only a barrier to future reform, but was also, crucially for New Labour modernisers, a barrier to Labour regaining the trust of the electorate. The definitive New Labour battle against the “forces of conservatism” (Blair 1999; 2002b), discussed in detail below, has its roots in this analysis.

There are difficulties, however, with Coates selection of key periods in the making of New Labour. His focus on the period on the first few years of the 1980s and the influence of Benn, allows for rather problematic conclusions. The first is that New Labour has “thrown out the socialist baby with the Bennite bathwater” (Coates 1999: 365) - a position that New Labour may come to regret if “it transpires that the old beast of capitalism remains alive and well into the next century” (ibid.). The inference is that New Labour’s ideological thrust is based a delusion that capitalism is dead or at least in its death throes. My argument is that this is not the case, since New Labour represents the zenith of Labour’s accommodation with capitalism as it seeks to celebrate and facilitate for capitalism on a global scale. This is illustrated in the defence of capitalism mounted by the government when any challenge is presented:
These protests are a complete outrage. World trade is good for people’s jobs and peoples’ living standards. The protests and the people who indulge in the protests are completely misguided (Blair quoted in *The Guardian* 16th June 2001).

As this quotation and New Labour’s approach to the government’s relationship with business demonstrate, the task is to harness capitalism for the common good and, in so doing, fuse the interests of capital and labour. Blair upholds the idea of classless society:

> The class war is over. But the struggle for true equality has only just begun. (Blair 1999).

But, like all the other politicians that have laid claim to this position, including Labour ones, it is classlessness *under capitalism*.

Coates also seemingly accepts the dominant assumption that there was some kind of “socialist baby” to throw out in the first place, that Benn, at that time, represented a socialist tradition within Labour, and, indeed, fundamentally, that his “bathwater” is fundamentally different from New Labour’s, in the final analysis of Labourism. This notion can be challenged in the context of Labour’s socialist myth, noted above, and the insistence that Labour, Old and New, is in nature a capitalist workers’ party. Of course, there are clear differences between New Labour and Benn. But his commitment to radical left wing ideas is linked to the growth of radicalism inside and outside the Labour Party in the late 1960s and early 1970s, and is thus a product of the relatively recent past:

> Once the youthful technocrat of the first Wilson era, now a born-again socialist radicalised by his experience of workers in struggle (Whitehead quoted in Jones 1996: 90).

Whilst it is important not to ignore the strengths of Bennism and the important current within the Labour Party it represented, it needs to be recognised as just that, not a socialist critique of the contradictions of reformism or the parliamentary road to

---

socialism⁴. More recently, despite Benn's sustained resistance to New Labour's neoliberal turn and, particularly, to in opposition to the wars in Afghanistan and Iraq, he retains an absolute faith in the party:

I have been in the Labour Party for 60 years and I intend to die in it. I can understand why people move, but to win a majority you have to persuade people (Benn 2002).

It is important, therefore, to explore the links between New Labour and key elements of Old Labour. It is also important not to focus too heavily on change, since this often leads to assumptions that overstate the socialist outlook of the party as a whole rather than that of groups of its members. As Rees (2001:13) has pointed out:

Error creeps in where this [rhetoric] crosses over into a serious contention that the Labour Party has fundamentally changed its nature.

The extent to which Blair and New Labour are different should not be understated, but his outlook and the political orientation of New Labour is a creation of the Labour tradition since its emergence as a credible political and parliamentary force. Furthermore, a central facet of the experience of New Labour in power is that important difficulties arise when leadership and party management outlook are conflated with the aspirations of ordinary members. This is often underplayed in the effort to present Old Labour as more in tune with supporters. It is, therefore, important to recognise that, because New Labour demonises the Labour governments of the 1960s and 1970s, this can lead to a romanticisation of them. As Ferguson et. al. (2002) illustrate, Blair's rejection of central tenets of the post war settlement like 'universal' welfare, means many traditional Labour supporters are drawn to the myth of Old Labour. Yet:

Faced with the choice of protecting workers from the ravages of economic recession or sacrificing workers in an attempt to re- invigorate the economy on terms favourable to business and the market, Labour's message was only too clear: as the crisis developed it was workers who were going to have to pay the costs of economic

---

⁴ For a fuller analysis see Socialist Review July-September 1981.
decline through reduced wages, unemployment and cuts in social provision. (Ferguson et. al. 2002: 159).

The key point here is that the break with Old Labour is crucially overstated, not just by New Labour, and this leads to a revision of the history of Labour which harmonises to an extent with the mythology that both New Labour and some of its adversaries seek to construct. The struggle to capture 'true' Labour or, more recently, 'real' Labour, interestingly both inside and outside of the Labour Party, may have an impact on the New Labour project in the longer term, especially in terms of challenges for the leadership. Of crucial importance here, is the notion that Blairism is a temporary phenomenon within Labour and that its dominance will be short-lived, its legacy short term. This is exemplified to an extent in the 'stay and fight' mentality especially of, 'maverick' politicians like Galloway (before his expulsion from the Labour party in 2003) and Benn, who sums up his position thus:

I'm not a member of New Labour. I'm a member of the Labour Party...the repudiation of what it calls Old Labour is a repudiation of the whole party; and the removal of Clause 4... is a repudiation of the vision for the future...the Labour Party is in the middle of a big identity crisis (Benn quoted in Coates 1999: 365).

Yet earlier in Labour's history, 'moderniser' Benn unequivocally attacked Clause Four:

You cannot attract and keep the loyalty of young people, if the majority of the movement are still thinking too much about the past they seem to be in (quoted in Cliff and Gluckstein 1988: 343).

Davies (2001) presents some compelling evidence of a batten down the hatches approach to being in power for some MPs and trade unionists in her chronicle of the Labour National Executive Committee between 1998 and 2000. For Davies, this is a period characterised not only as one whereby the Party's internal democracy was decimated through the relentless manipulation of the Millbank Tendency, but also when former left-wing colleagues were obviously cowed:

[Dennis Skinner] called for a £5 per week increase in pensions in the forthcoming comprehensive public spending review: 'we have a £22 billion windfall and we should use it. Then we have a chance of recovery.' Skinner's contribution was welcome... But this was not the
Dennis Skinner of old. He seemed to have convinced himself that Blair was some kind of new-style Harold Wilson, who just needed a steer in the right direction (Davies 2001:151).

The alternative, though not unconnected, view is seemingly to make a temporary stand and await forgiveness, as independent MSP Dennis Canavan in Scotland and Ken Livingstone, the independent London Mayor appear to have done. Both have been critical of central tenets of New Labour policy, have been expelled by the party, but have not joined any other party or openly aligned themselves with left wing groups or parties like Scottish Socialist Party or the Socialist Alliance\(^5\). This serves to confirm that, even the most vociferous critics of New Labour, do not, in the final analysis, conclude that a fundamental break with the past has occurred. The Party or, indeed, the Labour Movement is not rent asunder by the emergence and domination of New Labour. It is a question of applying pressure and striving to rein New Labour in. An important difficulty here is that the negative impact of internal reform, demonstrated by Davies, is not effectively accounted for. Thus Panitch and Leys (2001: 290) argue that, whilst what distinguishes New Labour can be linked in some way to the history of the Labour party, the contemporary party has been reconstructed so that it is no longer “contested terrain”. Debate, dissent and division over outlook, strategy, and direction are, for New Labour, key elements of Labour’s failed past. In this context, a key success for New Labour has been the modernisation of party structure, creating clear difficulties for alternative perspectives to emerge successfully. It is still possible though that the New Labour project can be adapted on the basis of a concerted threat against Blair’s leadership. Overall, whilst New Labour help expose the paradoxes of the Labour project and continue to represent the contradictions at the heart of reformism, new versions of it can still emerge.

1.3: Assessing New Labour

Despite reservations about claims of discontinuity between Old and New Labour that spring, to an extent, from a misunderstanding of what Labour stands for, it is important to avoid the assumption that nothing has fundamentally changed. Rubinstein (2000) argues that the prevailing view is that New Labour represents a clear break with Labour’s past and seeks to challenge this view. However, he suggests that New Labour is simply a “rational response to the profound economic and social

\(^5\) Livingstone was re-admitted to the Labour Party in December 2003.
changes that have taken place since the 1970s” (Rubinstein 2000: 161). Yet account needs to be taken of the central tenets of New Labour’s current policy and ideological underpinnings, and, in doing so, it is possible to challenge this conclusion. It is important to bear in mind, in this respect, that New Labour and Third Way rhetoric often overstates change and that dominant notions of change should not be accepted uncritically. Change is the life-blood of New Labour. The pace and impact of change demanded by the exigencies of increasing globalisation is a key challenge that faces New Labour and the Third Way (Blair 1998a: 6). Ability to relate to change is, crucially, how New Labour defines itself in relation to Old Labour. The apparent end of old certainties needs a new approach beyond the reach of the Old Labour project. Rubinstein’s conclusion follows the New Labour lead and ignores, as New Labour do, the role New Labour plays in the shaping the contours of change. An alternative viewpoint is that constructing change in this way helps New Labour shape and limit what can be expected of a government faced with change, reified in the New Labour manner (Atkinson and Savage 2001: 9). There is salience in this view and a consideration of what we understand as New Labour needs to be interpreted through a framework of the context of living with New Labour.

For Driver and Martell (1998) there are four possible interpretations of the New Labour phenomenon, and it is through these that we can explore the complexity of trying to discern what is ‘new’ about New Labour. The first interpretation is that New Labour is ‘spin only’ with little substance in policy terms. This is a difficult premise to uphold since there clearly is substance to its policies. A key difficulty here is to ascertain whether any spin element is Old Labour being spun in a different way or whether this is Thatcherism plus Labour spin. Clearly from the mid-1980s onwards there was an increased concern for media management and image but many of the messages were new. The “half theories”, in Giddens terminology (2002b), could not be simplistically spun into a coherent political ideology. New Labour is like any other party in the sense that it constructs its political discourse through language (Fairclough 2000). It is not, however, simply a creation of ‘media-spin’ that has no substance in terms of ideology and policy. If New Labour is to achieve its goals then social democracy needs to be reconstructed in popular terms. The Third Way needed to be cascaded to help win over people to New Labour’s ideals:
The Third Way is constantly being talked into being, new language is constantly being found to bring [these] elements together into a coherent whole (Fairclough 2000:4).

The second view is that New Labour is the same as before and that there is little new in detail. However, it is clear that there is some discontinuity with the past, not least in terms of New Labour's apparent aim to eschew the ideological and dogmatic orientation of both its Old Labour and New Right predecessors. This, in itself, is problematic since in both rhetorical and policy terms New Labour is clearly ideological. In the years since 1997, it is clear that New Labour has rejected a lot of what helped characterise Old Labour, at the very least in terms of public perception. New Labour has sought to forge new alliances with what were seemingly old adversaries in business and to restructure relationships with former allies, most notably in the trade unions. It is important not to underplay the qualitative difference that results. A vision to manage and tame capitalism - however hollow - and one to celebrate it, and openly facilitate wealth creation at the expense of wealth redistribution, create a different set of outcomes, even if the distinction between them is subtle.

The third interpretation that Driver and Martell outline is a pro-Labour version of the above that sees New Labour as drawing on the values and vision of Labour pioneers. This was clearly demonstrated in the rhetoric around the Labour Party's centenary:

Over the last 100 years our policies have changed to match the needs and aspirations of the British people. But our values - on social justice, solidarity and opportunity for all - have been constant (Labour Party 2000: 37).

The last 100 years has taught us that we may win battles but the war against vested interest is always with us... But we will win and create a world fit for our children and our children's children. That is what Keir Hardie and his followers pledged in 1900 and that is what Tony Blair and his government pledged in 2000 (Labour Party 2000: 4).

However, such interpretations often serve to underplay the radicalism of New Labour. Also, though they may be wholly necessary to keep loyal supporters on board, it has
become increasingly difficult to substantiate such claims. The notion of Labour's apparent suspicion of vested interest has been entirely transformed. Vested interest in New Labour's conceptualisation means former allies, often in the shape of ordinary party and union members, and, especially, public sector workers. Vested interest is represented as a critical barrier to New Labour's 'modernisation'. New Labour's specific vision of 'modernisation' is also crucial here. The focus of 'modernisation' is on the structures of the state and, as discussed below, it is difficult to support the conclusion that the values of social democracy have not been overhauled as a result, despite the kind of rhetoric above. Values are said to remain the same yet New Labour is the party of "genuine transformation" (Wright 1997: 22). Importantly, this transformation is most overtly characterised in relation to other versions of Labour, rather than the ideological underpinning of other parties, since New Labour's 1960s and 1970s predecessors:

seemed more interested in defending yesterday's economy than creating the conditions for tomorrow's...that seemed to be on an ideological trip from somewhere in the past (Wright 1997: 23-24).

This allows a version of Old Labour to be constructed as not in tune with Labour values. Indeed, there is a sense in which this most recent, and for many most obvious, version of Old Labour is defined as not being Labour at all. It represented:


The disavowal of key elements of Labour's past does present a challenge to the view that there is little new in New Labour.

Driver and Martell are also critical of a fourth interpretation: that New Labour represents "Thatcherism Mark 2". New Labour's shift away from the European, Anglo-Saxon model of social democracy towards an Anglo-American version and its embrace of neo-liberalism has drawn criticisms that overall the Thatcher mould has not been broken. This is not only connected to the fact that Blair very quickly settled in to the 'there is no alternative' mentality and an intransigent approach that characterised Thatcher's terms in office, reiterated recently:
Get rid of the false choices: principles or no principles. Replace it with the true choice. Forward or back. I can only go one way. I've not got a reverse gear (Blair 2003).

It is also connected to the fact that, in economic terms, New Labour has shifted to the right and retained the fundamental principles of Thatcherism - Old Labour were wrong and the New Right, right, in this respect (Driver and Martell 1998: 73). The Third Way above all argues "that many traditional perspectives have become counter productive" (Giddens 2002b) and this crucially involves a rejection of, so-called, tax and spend and the embrace of the free market. Thus, there is some validity in the claim that, in relation to Thatcherism, the New Labour approach has been one of slight modification rather than radical overhaul, especially in terms of economics:

For all the hyperbole, it is the continuities rather than the ruptures that characterise the Blair era: the refusal to raise income tax, the acceptance, for the first two years of the Tories spending plans and, perhaps most starkly of all, an acquiescence in the idea that nothing can be done about globalisation: for Tony Blair it has the force of nature (Jacques 1998: 3).

Problems remain, however, with the "Thatcherism Mark 2" thesis. The first links to New Labour's apparent commitment to the collective, and to:

Social justice and goals of the centre-left...founded on the values which have guided progressive politics for more than a century - democracy, justice, mutual obligation... (Blair 1998: 1).

In other words New Labour has brought the 'social' back in. What is important in relation to the challenge to the "Thatcherism Mark 2" thesis is that, put simply, there is such a thing as society. However, the social has been reasserted in a uniquely New Labour way. Commitments to social justice and the goals of the centre left are linked to fostering a dynamic economy. Thus they are re-conceptualised as intrinsic to neo-liberalism.

Another challenge to this thesis demonstrates how experience of New Labour in power goes beyond Thatcherism. Indeed New Labour breathes new life into neo-liberalism:

Ideologically, the neo-liberal consensus had found a new point of stabilisation in the Third Way of the Clinton-Blair regimes... [that extol] the compatibility of competition with solidarity. The hard core
of government policies remains a further pursuit of the Reagan-Thatcher legacy, on occasion with measures their predecessors did not dare enact (Anderson 2000: 11).

In this sense, neo-liberalism is out of office yet in power. The retention of its hegemony (Callinicos 2001: 7) in, and through, the policies and overall ideological thrust of New Labour, alerts us to the fact that to define New Labour as simply "Thatcherism Mark 2" involves letting New Labour ‘off the hook’ too readily. It remains crucial not to place too narrow a focus on New Labour as a product or result of Thatcherism, not least because this serves to blur continuities with Labour’s past and with the contradictions of reformism. It is also important to recognise how Thatcherism drew on Labour legacy, as noted above. Moreover, “Thatcherism Mark 2”, when looked at in the context of New Labour’s uncritical acceptance of change as unstoppable and irresistible, seems to imply that its increasing adherence and commitment to neo-liberalism, and the market, represent pragmatism with a ‘heavy heart’. It is my contention that it is not.

Of course, New Labour’s approach is linked to Thatcherism. Throughout the 1980s it became increasingly clear that Labour were struggling to formulate an effective response both to Thatcherism and to the polarisation that it was creating. By 1984-85 Labour was concerned with media message and this helped contribute to the lack of understanding and recognition of feeling against Conservative policy. At this stage, the process of creating a ‘new’ Labour party was set in train and the roots of the vilification of the Old Labour, not least in connection with its failure to take on the left, were manifest in earnest. New Labour’s target was not the policies of the Conservatives, still actively opposed by Labour’s traditional allies, but “Militant, Arthur and all that nonsense” (Blair 2003). The most effective response to Thatcherism therefore became ‘modernisation’ and a concerted, persistent attack on “conservative” forces that New Labour continues to define itself in relation to. In addition this ‘modernisation’ means reforming most vigorously Labour’s approach to the market, rather than the New Right’s. The construction of New Labour’s ‘new demons’ of public sector workers and public sector producer consciousness, also vigorously pursued, does help differentiate New Labour from Thatcherism.

In rejecting the “Thatcherism Mark 2” thesis, it should not be assumed, therefore, that New Labour represents an egalitarian turn per se. It does not, since
New Labour is not concerned with equality of outcome but with the very different equality of opportunity. This is an important distinction between Old and New Labour because, despite the fact that Old Labour achieved little in terms of redistribution of wealth and income, between 1964 and 1968 there were modest increases in spending on housing, health and education (Ferguson et al. 2002: 159), it did retain some concern for equality of outcome. However, it is again important not to view Old Labour with sentimentality or assume its periods in government saw lasting changes in terms of structural equalities since:

the 1974-79 Labour Government was only too willing to ditch the substantial gains made by millions of working class people in the two decades that followed the end of World War Two...Between 1976 and 1978 there was a 9.5% decline in public spending in real terms (Ferguson et al. 2002: 160).

On the one hand, therefore, New Labour does not fundamentally alter the nature of the Labour Party in terms of policy orientation and redistribution. On the other hand, there is a sense in which some of the underpinning ideals that Old Labour is assumed to have stood for have been jettisoned. From within, this is claimed to represent how New Labour upholds old values - in a modern setting:

I believe strenuously that ‘New Labour’ is about recapturing the best of what Labour has always stood for in the past. Understanding the need for commonality in tempering market excess, balancing equality and liberty, developing a concept of citizenship: these are fundamental values we have long held (Smith 1996: 15).

What this leaves us with, I believe, is an understanding of New Labour as recapturing the worst of what Labour stood for. It embodies an ultimately weak attachment to redistribution, an overarching concern to retain electoral respectability and, especially in the eyes of big business, to become recognised as effective managers of capitalist legitimation, holding onto and renewing the neo-liberal legacy of Thatcherism, either not fully grasping or simply ignoring its worst excesses.

The impact of this latest Third Way for Labour can be examined through the New Labour idea of ‘modernisation’ and, especially, in the reformulation of the state. New Labour ‘modernisation’ means the deconstruction of the monolithic state and the vilification of those who seek to defend it. This involves, in particular, challenging the
values and assumptions of the welfare state. A critique of the institutions of post-war social democracy sees them represented as a, seemingly, one-size-fits-all solution that is no longer appropriate. The New Labour perspective on 'modernisation' means the removal of these apparent blocks on creativity and self-help. This is a view that has gradually emerged within Labour since the policy reviews of the late 1980s and early 1990s, involving becoming selective about welfare provision in terms of cost and methods of delivery. This has made it possible for New Labour to re-assert a commitment to central tenets of the post war welfare state whilst 'reforming' it in such a way that, in the longer term, could render it structurally unrecognisable, especially in terms of ownership and control - fully in line with new Clause Four commitments.

The National Health Service provides a useful of example of how this works in practice. At face value, 'reform' in the NHS seemingly mirrors the concerns of the Beveridgean Welfare State. It is utilised, firstly, as a sign of New Labour upholding traditional Labour values and, secondly, it re-affirms, in relation to the Conservatives, its willingness to apparently bring the social back in. This is valuable for New Labour in that it has allowed it to be perceived as the saviour of the NHS, especially around general elections in 1997 and 2001, whilst remaining fully in tune with the overarching objective of uniting economic efficiency and social justice. Although "public services are social justice made real", and are apparently "the visible expression of the principle of solidarity" (Blair 2001), they are also targeted for a particular version of reform: money for results, value for money and continuing macro marketisation, despite the removal of the, more overtly neo-liberal, internal market of the Conservatives. ‘Saving’ the NHS (and public services more generally) clearly involves saving and re-enforcing market principles. This takes on different forms, from allowing major drug companies to retain their monopolistic position (Ferguson et al. 2002: 33) and, more recently, purchasing care and capacity from the private sector, fully financed from the public purse, to large scale Public Private Partnerships creating new market opportunities for big business. Evidently, New Labour’s ‘modernisation’ in the shape of the dismantling of a monolithic ‘one-size-fits-all’ approach in the public sector leaves some structures intact. It also exposes New Labour’s particular approach to social justice to critical examination.

The New Labour commitment to an ambiguous social justice is, first and foremost, one that rejects the notion that the state can or should deliver it. This is represented as Old Labour folly: "heavy handed government is a thing of the past" (Giddens 2002a). The state, for New Labour, is an enabler. The task is not to provide social justice but to provide for it through creating the right economic conditions that facilitate private sector growth. Social justice is expected to develop out of this growth, though crucially no overt demands are made upon the beneficiaries of growth. The New Labour approach to 'modernisation' in the public sector, in particular, demonstrates a crucial synthesis of the New Right and Old Labour rather than an entirely new route for New Labour. It captures, in my view, the very essence of New Labour ideology: the return of the social fundamentally secures the victory of the market.

1.4: The Synthesis of Diversity and Antagonism

From the synthesis described above, develops a central element in the creation of New Labour's political discourse and the formulation of policy - the placing of oppositional categories together, often in terms of 'partnerships', that also serve to build up and to reinforce the character of New Labour's version of the Third Way. What have been considered as antagonistic are constructed as complementary, and Old Labour and the New Right are negatively characterised in the context of these antagonisms. New Labour seeks to circumvent antagonisms, especially in relation to contemporary global demands as politics and policy move 'beyond left and right'. The rule, for New Labour, is not either/or but both:

My vision for the twenty first century is of a popular politics which in the past have been wrongly been regarded as antagonistic - patriotism and internationalism; rights and responsibilities; the promotion of enterprise and the attack on poverty and discrimination...The Third Way is not an attempt to split the difference between Right and Left... it draws vitality from uniting the two great streams of centre-left thought – democratic socialism and liberalism...Liberals asserted the primacy of the individual in the market economy; social democrats promoted social justice with the state as its main agent. There is no necessary conflict between the two... (Blair 1998a: 1).

New Labour tries to bring together different political traditions and form a coherent ideology (Mulgan 1998: 15). As a result, and to reinforce the New Labour synthesis, previously oppositional categories are fused. The essential branding of New Labour
fundamentally involves reconciliation, not just of the two key political traditions of the twentieth century but of "hitherto incompatible opposites" (Fairclough 2000: 9), which are given equal weight and equivalence in terms of importance in New Labour rhetoric. Examples of these, often presented, as Fairclough notes, in the form of lists, are representative of central tenets of Third Way thinking: fairness and enterprise, centralised government power/devolution, social justice/economic dynamism.

On one hand, it can be argued that there is no real attempt to effectively reconcile these (Thompson 1996) and, additionally, it can be argued that, in the absence of a wholesale transformation of society other than that which New Labour and the Third Way seeks to characterise, these are simply attempts at spin with little resonance elsewhere. On the other hand, the very bringing together of these 'partnerships of opposites' can be seen to be having a real effect on policy and, therefore, on lived experience. Moreover, it is important to examine these in more detail, in order to avoid a simplistic accusation that New Labour is unprepared to engage with the wider realities that these represent. The first of these is the fusion of neo-liberalism and social democracy, already accounted for above. The second is a crucial 'pairing' often omitted from analyses of New Labour's synthesis of incompatibles, the fusion of the interests of capital and labour, framed by and embodied most explicitly in, and through, the rhetoric of flexibility, competitiveness and partnership. To some degree, this does not represent a crucial shift in Labour thinking. Indeed as noted earlier, the struggle for cross-class alliances and collaboration has been an essential feature of Labour's history. Nevertheless, it is important to explore this most recent attempt to coalesce the interests of capital and labour for a number of reasons, not least because of how it helps shape policy and outlook. Firstly, it is based on the outright rejection of the importance of class - both in terms of its meaning and in terms of the impact of class division. For New Labour even the fundamental division of capitalist society can be overcome by recognising that the world has changed to such an extent that class has ceased to be important. The encouragement to understand how the contemporary community of individuals can work together for a better world also seeks to reinforce New Labour's firm belief in the classlessness of social inequality:

The scourges of poverty, unemployment and low skill [that] are barriers... to the creation of a dynamic and prosperous society (John Smith quoted by the Commission for Social Justice 1994: 2).
But they are related to worklessness and overdependence on an overweening welfare state rather than class inequality. Indeed, in the New Labour fusion of cohesion and competitiveness, social justice and economic efficiency, it is capital that is characterised as doing badly from economic conditions rather than labour. Secondly, the rejection of class can also be linked to the perceived ‘failure’ of socialism as a historical project for human advancement. Thus, for New Labour the ideological battle that had distracted its predecessors too greatly to their overall detriment has been fought and won. Crucially it has now been replaced by the fundamental clash “between the forces of progress and the forces of conservatism” (Blair 1999). Not only does this allow New Labour to jettison any notion of historic links with the working class, now differentiated as “decent hard working people” versus “the anti-social”\(^7\), but it also allows for the reconstruction of fundamental planks of the post-war settlement that remain important to the working class. Crucially, in line with Third Way thinking, New Labour “promises us an escape from history...Beyond the Old polarities...” (Callinicos 2001: 1). Both elements are fundamental to how New Labour distinguishes itself and to how ‘modernisation’ is justified:

The welfare state ...is now part of a lapsed historical endeavour...With the collapse of socialism’s historic ambitions, we have to look at the welfare state in a different light (Giddens 1994: 150).

It is important to recognise that whilst New Labour’s ideology of classlessness is drawn from the full spectrum of post-war politics, it is still worth closer examination in the contemporary context. The politics of class from the New Labour perspective do not reflect the ‘changing times’, so fundamental to it, sufficiently. Not only does this connect to its perception of the anachronistic ideology of Old Labour, it is also linked to a wider social and economic context whose time has ‘passed’. This is clearly evident in commentary by New Labour supporters and advisers that also helps demonstrate the clear link between New Labour and earlier “New Times” analyses:

Labour’s prison is almost palpable. In ideology and interest it is the child of Fordist mass production, shot through with the assumptions, myths and values of the industrial order which is breaking up before our very eyes (Marquand 1989: 375).

\(^7\) See McConnell 2003.
The approach to class and the wider ideological framework of synthesising the antagonistic are absolutely central to how New Labour represents its ‘newness’ and how it recasts Labour’s history. However two central problems arise from this, when viewed from my perspective that class remains the fundamental fault line that shapes life under capitalism. The first is that the interests of capital and labour are not readily fused and this means New Labour is essentially based on as weak a foundation as its Old Labour predecessors. The ultimate failure of synthesis challenges not only the New Labour project but also the validity of the Third Way as a long-term credible political ‘alternative’ and as an intellectual school of thought. Talking the fusion of the interests of capital and labour into existence has borne little fruit for New Labour thus far. Workers have continued to strike, especially in the public sector, and opposition to the New Labour project and its systematic effects has grown apace in the years since the period of “hope beyond ordinary imagining” and “the abundance of expectation” after the 1997 election (Blair 2003). On the other side of the class divide, there is little evidence of the much-vaunted “culture of duty” (Driver and Martell 2001: 37) that New Labour expects to create as concern has grown over excessive profits and executive pay.

The second problem is that New Labour in power has demonstrated a clear willingness to prioritise within these rhetorical pairings. Thus experience has shown how, in the final analysis, ‘actually existing’ Third Way means furthering the interests of capital over labour, efficiency before social justice, enterprise first - fairness second (if at all), employer conceived flexibility rather than worker security and entrepreneurs more valuable than public sector workers. The impact of New Labour’s

---

8 Although it is important to note that strikes have been at a historical low. In 2001, for example, the number of stoppages was one hundred and ninety-four, compared with the 1990s average of two hundred and seventy-three (Department of Trade and Industry 2002). Specific increases since 1999, particularly in terms of working days lost, suggest both complexity and upward trends (see Waddington 2002: 351. For a comprehensive analysis of strike statistics see Gall 2003).

9 A useful example of this in practice is cited by Newman and de Zoysa (2001: 86). Head of the News International Corporation Rupert Murdoch was discovered by The Economist in 1999 to have paid no UK taxes on £1.4 billion of British based earnings in a seven year period: “the £350million that, according to laws applying to lesser mortals, should have been paid would have been sufficient to `build seven new hospitals, fifty secondary schools or three hundred primary schools’” (Newman and de Zoysa 2001: 86; The Economist 20th March 1999). The Rupert Murdoch example is especially interesting because of the relationship that New Labour sought with him and how he has been accommodated despite being, as the evidence noted above demonstrates, the antithesis of Blair’s ideal of socially conscious business. Yet as Newsinger has argued: "Blair's courtship of Murdoch exemplifies New Labour's relationship with the capitalist class...Murdoch required three things of Blair: no repeal of the anti-union laws, no privacy legislation and no interference with cross media ownership. New Labour obliged" (Newsinger 2000: 79).
privileging within the syntheses of oppositional categories that it seemingly seeks to create is central to New Labour’s political economy. Evidence of this privileging can be gleaned by examining in greater detail an early unifying theme that New Labour sought to deploy to frame the syntheses of opposites: stake-holding.

1.5: A Stake in ‘the Project’?

The attempt to reconcile oppositional categories by New Labour involves an appeal to all sections of society to embrace the idea of progress as a mutual endeavour, with each member of society having an important role to play in creating benefits for all:

It is only through recognising that interdependence and by society as a whole acting upon it - the collective power of all used for the individual good of each - that the individual’s interest can be advanced (Blair 1994: 4).

This involves mobilising a unifying discourse to apparently encourage greater co-operation in working for the common-good, deploying new ways of thinking. Before New Labour took office, the idea of the ‘stake-holder economy’, each member of society having a stake in the success of companies and the development of high quality public services, offered New Labour, albeit briefly, a unifying theme for its project\(^\text{10}\). In addition, initially at least, stake-holding gave New Labour the opportunity to present its clearest possible statement of intent of how capitalism would be mitigated under New Labour:

At the heart of the stake-holder concept lies the simple proposition that property must discharge obligations to the wider community as well as to its owners... (Marquand 1996 quoted in Newman and de Zoysa 2001: 144).

Stake-holding demanded state intervention and there was, again initially, some focus on it as heralding a new era in corporate governance:

It is time that we shift the emphasis in corporate ethos - from the company being merely a vehicle for the capital market, to be traded, bought and sold as a commodity - towards a vision of the company as a community or partnership in which each employee has a stake, and where a company’s responsibilities are more clearly delineated (Blair quoted in Callinicos 1996:5).

\(^{10}\) Hutton (1995) is a key proponent of the concept of stake-holding. For more detailed analysis of Labour’s rejection of stake-holding see Callinicos (1996).
Importantly, therefore, stake-holding apparently represented the opportunity for New Labour to broaden political debate (Thompson 1996) and granted New Labour scope to demonstrate the distinctiveness of the Third Way, especially in relation to the neo-liberal agenda of the New Right. However, this ‘big idea’ all but disappeared from the New Labour lexicon by the 1997 election. Yet the ‘fate’ of stake-holding remains important for the purpose of my discussion, because it helps to demonstrate New Labour’s willingness to prioritise within the antagonistic categories, described above, demonstrating also a stronger, more pervasive, attachment to neo-liberal priorities than the Third Way seemingly purports.

What needs to be borne in mind is that New Labour was, at the time, striving to forge new relationships and to restructure Labour’s traditional alliances. Had New Labour’s political discourse and policy direction in office been framed through the sort of stake-holding conceptualised in opposition, then this would have severely limited the government’s approach. The more democratic form of corporate governance in stake-holding, alluded to in the Blair quotation above, represents a threat to the type of relationship that was being cultivated with business. One key problem is its apparent connection to the overt regulation of capitalism; in short, it is seemingly indicative of a return to a version of Keynesianism that business would not countenance. It also appeared to be an adaptation, rather than an outright rejection, of Old Labour’s approach, especially to trade union involvement. Stake-holding is evocative of co-decision making in firms and greater cooperation. This difficulty was compounded by unions seeking to grasp the opportunity that stake-holding seemingly represented and this was instrumental in New Labour’s shift away from stake-holding:

[For] as quickly as those sympathetic to Labour have pitched their camp in the stake-holder box, the Labour leadership have moved to unpack it. Thus when [TUC General Secretary] John Monks suggested trade unions as the representative institutions through which working people could claim a stake in the management of enterprises and the national economy, the Labour leadership was quick to distance itself from his remarks (Thompson 1996: 38).

Thus, not long after New Labour’s first explicit association with stake-holding, the ‘government in waiting’ announced proposals that were in essence an important shift
in both New Labour's approach to corporate governance and in its relations towards business:

There is a limit to how many of Britain's corporate ills can be resolved by legislation. What you are trying to do is change people's behaviour and attitude (Alistair Darling\textsuperscript{11} quoted in Callinicos 1996).

The shift towards business concerns became well established as a foundation for New Labour policy once in office. For example, by 2001 a review of the structure of the Department of Trade and Industry (DTI) resulted in the extension of the role of business in strategic decision making which the Consumers Association likened to "asking the foxes to take over the chicken coop" and the TUC accused the government of "turning the DTI into the CBI" (The Guardian, 23 November 2001). Significantly, there was no affirmation of a specific role for the trade unions in DTI strategy formation. Stake-holding was 'dropped' as a necessity of New Labour's courtship of business and because adherence to its fundamental principles could have exposed the reality of antagonisms that New Labour was desperate to reconcile. This is confirmed through consideration of what I believe New Labour replaced stake-holding with as overarching tenets of its approach: the ideology of flexibility, competitiveness and partnership. This became the unifying theme through which to pursue the aim of overcoming the contradictions inherent in oppositional categories.

Competitiveness became, and remains, one of New Labour's new guiding principles, reasserted, in Third Way style, from the perspective of a 'marriage' of social justice and economic efficiency, though not in terms of yielding more money for public spending from taxation. In New Labour rhetoric, social justice is 'at stake' unless economic efficiency is promoted and the state creates the best conditions for a competitive, dynamic economy. Whilst not a construction of the Blairite Party as such - it has its roots in the period of John Smith's leadership\textsuperscript{12} - what is important to my discussion is the zeal with which this has been openly embraced and the form that it increasingly takes since New Labour came to power. There is a clear belief that what is good for business is also good for social justice. Without a thriving economy there

\textsuperscript{11} In 1996 Alistair Darling was Labour's spokesperson on the City.

\textsuperscript{12} The Report of the Commission on Social Justice which Smith set up in 1992 offers the clearest indication of a commitment to this 'marriage' and expose of the roots of New Labour's endorsement of it: "We are a commission on social justice, not on economic success, but it is a constant theme of this report that there is not an opposition between these two aims. On the contrary, each demands the other" (Commission on Social Justice 1994: 17).
can be no social justice because, as noted earlier, the state’s role is severely curtailed in this respect. This contingent relationship between social justice and economic efficiency is also used to give clarity of expression to New Labour’s claim of distinctiveness from both its Labour and New Right predecessors. The commitment to redistribution is jettisoned: “any idea of counterbalancing, let alone overthrowing capitalism has been decisively rejected” (Driver and Martell 1998: 32) and the laissez faire of the New Right is eliminated, rhetorically at least, through the government striving to bring:

true equality: equal worth, an equal chance of fulfilment, equal access to knowledge and opportunity (Blair 1999).

However, in line with the New Labour shift in orientation towards business interests, especially in terms of systematic effects, inequality and marginalisation are being tackled, first and foremost, because they are economically wasteful, to the extent that they are addressed at all. The “scourge and waste of social exclusion” (Mandleson 1997: 6) is viewed in terms of its costs to the economy overall rather than in terms of impact on individuals. Conceived of this way, New Labour can avoid a return to redistribution concerns and moving too closely to “the Old Labour agenda of crude state intervention... and indiscriminate ‘tax and spend’” (Mandelson 1997: 7).

The panacea for social exclusion, which needs to be eliminated through the dual pursuit of social justice and economic efficiency, is, in New Labour’s terms, the ability to gain paid employment. New Labour’s key task is to promote employability through work-fare programmes and “lifelong learning”. Education and skills acquisition are seen purely in terms of investment and benefits to employers or the economy overall. New Labour unites social justice and economic efficiency as two sides of the same ‘value coin’, though efficiency is most important, in line with New Labour prioritising of the interests of business. New Labour in power not only looks to business to secure its objectives, it also formulates its objectives in and through its relationship with business. To have a job is to be saved from exclusion in New Labour’s terms and social justice is achieved. Yet there is no recognition of a ‘working excluded’, only protected from marginalisation and the plight facing many of their unemployed neighbours, by their last wage packet. The ‘marriage’ of social justice and economic efficiency shows no real concern for winners and losers or fairness. This is a point which I will return to later.
New Labour sees the state’s role as a facilitator on the supply side, and views its key objective as investing in human capital through large-scale government initiatives, like the New Deal and the National Minimum Wage (NMW), in order to further the apparent aim of achieving social justice. Whilst, on the one hand, this may seem a laudable strategy, questions can be raised over the motivation and genuine commitment behind the supply-side focus. For example, mechanisms put in place by New Labour to deliver lifelong learning and encourage skills acquisition, have encountered problems that suggest a weak attachment to them on the government’s behalf. One, apparently key, method of securing the objective of improving employability was the operation of Individual Learning Accounts, which were suspended in October 2001 due to fraud by training providers. Although two and a half million people had signed up to use them (The Guardian, 24th October 2001), “there is scant evidence that the government’s initiative is reaching those people from those disadvantaged groups that ministers want to coax into learning...” (The Guardian, 11th September 2001). Also, in post-devolution Scotland, the fact that responsibility for lifelong learning lies with the department of Enterprise and Lifelong Learning is a useful marker of the nature of New Labour’s commitment to the latter.

Education is a key site for achieving the dual, or in New Labour’s formulation, complementary aims of efficiency and justice. However, the evidence for this in practice, discussed below, suggests that choices are being taken regarding the future of education whereby the aim of justice is apparently marginalised. The question of the true cost of Public Private Partnerships, for example, is not suggestive of a commitment to justice, since it is possible that such cost will involve a diversion of funding for social justice objectives.

Prioritising economic efficiency over social justice, whilst bringing them together as intrinsically linked under New Labour’s ideology of competitiveness, is also evident in its commitment to the ideology of flexibility underpinning the government’s approach to the labour market, most specifically. Social justice, couched in terms of economic efficiency, means there is little concern with the quality of jobs or pay. The focus in New Labour’s approach is, rather, on the quality of workers and employer costs. As a result, what New Labour’s strategy effectively amounts to is a state sanctioned and supported expansion of the low skilled, low waged, malleable, numerically flexible, segment in the labour force which, increasingly, represents the proliferation of earlier trends largely associated with an
increase women’s participation in the labour market. For example, Dex and McCulloch (1997) note an increase in the proportion of men employed in flexible jobs between 1986 and 1994 whereas the proportion of women in such jobs remained stable. More recently, Cully et al. (1999) have suggested that more than 90% of workplaces use some form of flexibility, with sub-contracting, the use of agency workers and fixed term contracts, being the most common. Unsurprisingly, those in non-permanent jobs are most worried about insecurity - 36% felt secure compared with 61% of the ‘permanently’ employed (Cully et al. 1999:168). Such trends are likely to continue since:

Having the same job for life is a thing of the past. Social democrats must accommodate the growing demands for flexibility...(Blair and Schroder, quoted in Rubinstein 2000: 164).

Whilst it remains the case that flexibility, either positively or negatively assessed, is often over-stated in terms of its impact on the labour market (see Taylor 2002), its overall impact is still important. The drive towards flexibility impacts subjectively, as the evidence from Cully above suggests. In objective terms, the flexibility rhetoric of New Labour helps lend legitimacy to employers who conceive of flexibility as worker-dispensability, as the case studied later in this research demonstrates. Moreover, recent indications suggest that in the area of labour market flexibility there has been an “absolute convergence of views” (Berlusconi, quoted in The Guardian 16th February 2002) between New Labour and some on the European Right. Indeed for Blair, labour markets must be more flexible and “free of useless regulations” (quoted in ibid.). One example of this in practice is New Labour’s resistance to the European Directive on Information and Consultation, which means workers are not given prior notice of redundancies13. Convergence, in terms of economic liberalisation and a shared vision of freedom from state intervention, serves to challenge its actual commitment to the pursuit of social justice and confirms the privileging of business interests by New Labour. This throws into question New Labour’s Third Way orientation in terms of its distinctiveness from the New Right.

---

13 The European Union Information and Consultation Directive requires that companies with more than fifty workers consult them over key decisions and has been resisted by the UK’s representative in EU negotiations, Lord Goldsmith. In December 2001 a deal was agreed that allows the UK and Eire to wait six years before implementation.
The third theme that New Labour uses to frame its objective of synthesising antagonisms is that of ‘social partnership’. The balance of “fairness not favours” and of new rights and responsibilities for workers and unions, developed under the auspices of partnership do help distinguish New Labour from the New Right. Despite the rejection of state regulation of corporate governance and of making large scale explicit demands on employers that characterise stake-holding, partnership seeks to encourage the view that workers do have a stake in the company. However partnership must be considered in the light of New Labour’s overall ideological thrust, it needs to be viewed in terms of its intrinsic connections with New Labour’s commitments to flexibility and competitiveness. It is not, in any sense, a return to, from New Labour’s perspective, the over-bearing influence of ‘union barons’ or a shift towards Anglo-Saxon corporatism. It does represent a further attempt to fuse the interests of capital and labour and to place the good of the enterprise at the centre of employment relations.

New Labour’s partnership is an extremely slippery concept. The government, as suggested in the *Fairness at Work* White Paper (DTI 1998a), will pursue partnerships with “progressive” employers although the meaning of “progressive” is never clearly defined. Unions are encouraged to do likewise, though this should not be taken to suggest that the government are encouraging tripartism, thus allowing the government the freedom to ally with employers of its choosing, without any external (i.e. union) scrutiny. The notion of “progressive” in New Labour rhetoric is also important since its developing relations with business have demonstrated the fluidity of this description.

Despite New Labour seeking to draw both sides of industry into partnership, and to suggest that partnership relates to the fact that there is equivalence in terms of the costs and benefits company success, capitalism will not countenance a partnership of equals (Findlay 1999: 100). Yet there is seemingly little recognition of this in New Labour or that:

> The limit to reasonableness is set by the fact that the logic of capital is not the same as (and only reflects in a *deformed* way) the experience of the workers (Nichols and Beynon 1977: 119).

---

14 Partnerships with Jarvis, a company criticised over safety in respect of their contract to maintain railway tracks, in school building programmes, for example and, sponsorship deals from fast food giant McDonalds at New Labour’s annual conference illustrate this.
What New Labour's partnership actually means in practice echoes the sentiment expressed above. It generally involves official acquiescence for minor concessions, mirroring Old Labour's 'partnership' with unions that often involved capitulation over policy, and the re-conceptualisation of, apparently, deep-seated union aims and values. At the same time, New Labour's partnership with business, often operating under the auspices of the marriage of social justice and economic efficiency, brings clear benefits, especially by allowing business unprecedented access to key decision making mechanisms and new markets. The impact of this can be summed up thus:

Corporations, the contraptions we invented to serve us, are overthrowing us. They are seizing powers previously invested in government, and using them to distort public life to suit their own ends... Corporations have come to govern key decision-making processes within the European Union and, with the British government's blessing, begun to develop a transatlantic single market, controlled and run by corporate chief executives (Monbiot 2000: 4-5).

In short, for capital, partnership with New Labour means profit.

1.6: Partnerships and Profits

An essential element of New Labour thinking is the new alliance between partnership and profit. Clearly this is recognised by the TUC and, in trying to assist in the process of creating a partnership culture of the type apparently envisaged by New Labour, there is a general focus on the mutual benefits of partnership. Moreover, the TUC always seek to place the good of the enterprise at the centre of the call to embrace partnership:

My purpose today is not just to say that businesses run better by involving the workforce in partnership relationships, though I do believe that to be the case. My aim is to demonstrate how partnership can engage the workforce and how that engagement can contribute to success... Partnership is no burden on business but the secret to success (Monks 2000).

However, as the evidence above suggests, despite the creation of individual partnerships and the evocation of a culture of partnership, decisions continue to be taken by companies and are handled in ways that seemingly fly in the face of the TUC's understanding of partnership:

15 The partnership principles of the TUC are outlined in the next chapter.
Genuine partnership requires a trade-off between employee flexibility and security of employment... (ibid).

What needs to be examined is the extent to which the Government’s commitment to partnership differs from that of the TUC and, indeed, whether this commitment in practice differs from its representation in rhetoric. A detailed consideration of partnership under New Labour in the employment relations arena is outlined in the next chapter. However, partnership is not simply the preserve of employment relations arena, it permeates every aspect of New Labour ideology. Fairclough (2000), for example, argues that the concept of partnership is central to how New Labour seeks to manage locally in the face of global demands and to put in place the local corollary of the structures that globalisation is bringing about. Partnership is vital to New Labour’s ‘modernisation’ of government since it helps bring together divergent interests, to create a “networked form of governance” (Fairclough 2000: 124), open to the influence of a variety of agencies - central government, private business, the voluntary sector, academic researchers, and prescribed ‘experts’. Partnerships are most vigorously pursued in terms of public sector reform with the crucial ‘agency’ being private business. As Fairclough notes, aspirations in this area may be far from “the messier realities” (ibid.), not least because, as I have argued earlier, this seemingly takes little account of the ultimate need and, indeed, will on the government’s part to openly privilege some of these. Again, in relation to public sector reform, this is not a partnership of equals and clearly there will be no privileging of union interest (Mandelson and Liddle 1996). The government has demonstrated its willingness to openly ‘face down’ union leaders and public sector workers critical of its ‘modernisation’ partnerships. As noted earlier, this is fundamental to New Labour, not simply as a new method of raising capital to fund improvements in the public sector. This is the front-line of the battle of the twenty-first century – that between the forces of conservatism and the forces of progress. From this perspective, there are no competing demands that are not reconcilable in the struggle to reform public services. Crucially, the increasing level of corporate influence in the public sector, which can circumvent the necessity for any other partner, is represented as a marker of progress achieved, since this indicates, for New Labour, a willingness that business embraces New Labour culture of mutual responsibility. More importantly, it facilitates a more business-like approach in the
public sector, which New Labour sees as the cure for the endemic disease of producer consciousness. The relationship between these partnerships and profit is rarely, if ever, fore-grounded. It is possible, however, to explore the alliance between partnership and profit in terms of New Labour's much sought-after "reinvention of government" (Osborne and Gaebler 1993) and "redesigning the state" (Byrne 1997).

A fundamental premise of New Labour thinking and how both the party and political programme are marketed, is the willingness and ability to 'think the unthinkable' in the public sector. There is a clear acceptance that new forms of governance are required since, as noted earlier, the bureaucracy of the state is overweening, inflexible and unable to meet the needs of the modern economy. This is underpinned by Third Way concerns about the failure of previous governments and its premises on decentralised decision making:

Reform of government and the state is a first priority. Modernising social democrats must first avoid the traditional leftist strategy of putting more and more tasks into the hand of the state...An overloaded, bureaucratic state is not only unlikely to provide good public services, it is also dysfunctional for economic prosperity (Giddens 2001a: 5-6).

This ideology serves multifarious purposes for New Labour. For example, it allows for 'honest critique' of Old Labour as statist and allows for the construction of the current period as being decisive in political and historical terms:

We stand on the eve of a new progressive era, capable of matching or surpassing the great eras of the past. It requires that we should recognise the moment and contribute to the opportunity. It’s up to us (Wright 1997: 111).

This also suggests that the challenges facing New Labour, in the arena of welfare for example, are on the scale of those faced by the Labour government of 1945, though they are of a fundamentally qualitatively different character:

Reform is a vital part of rediscovering a true national purpose, part of a bigger picture in which our country is a model of a 21st century developed nation...Above all, the system must change because the world has changed beyond the recognition of Beveridge’s generation...We need a system designed not for yesterday, but for today (Blair quoted in Ferguson et. al. 2002: 164).
Importantly, this lays the foundation for the pragmatism that is the apparent embodiment of New Labour’s whole approach, alongside the willingness to eschew ideological baggage. This is the third way between the state and the anti-state. The overbearing, unwieldy state and the rolled back, ‘devil take the hindmost’ state have been eschewed. They are replaced by the reforming, pragmatic state of ‘whatever it takes’ and ‘what matters is what works’. In this process, the state becomes an enabler rather than a provider of services. An important aspect in this apparent pragmatism is that the state should strive to “separate rowing from steering” (Osborne and Gaebler, 1993: 316), with the government assuming the latter role:

Government and state have to be strong enough to provide effective steering for the promotion of social development and social justice (Giddens 2001a: 6).

Since government steering is apparently reduced to the role of facilitator, an important question here is, which groups row? The answer is clearly linked to the networks mentioned earlier. It also lies in the evocation of the idea of ‘thinking the unthinkable’ in the public sector. This is unambiguously connected to the pursuit of the alliance of partnership and profit through a critique of the public sector and prescribing a particular programme. The guiding principle, fundamental to public sector reform, is that public good is not only well served by private interests, but that it is also well served by, in, and through, the serving of private interests by the state. In the public sector this means the intrusion of the profit motive into front-line services. It also involves an acceptance that, whilst the market may have faults and causes inequality, market mechanisms can radically transform public services beneficially. Moreover, for New Labour, harnessing and embracing markets means the long-term aims of social justice and equality of opportunity will be achieved. This represents one of the central tenets of Third Way ideology: markets should no longer be viewed as something to react against to secure equality:

Government’s enable, not command, and the power of the market is harnessed to serve the public interest (Blair 1998: 7).

This is what underpins the New Labour shift away from Old Labour concerns for equality of outcome — a narrower focus on equality of opportunities. Such a commitment to the power and positive aspects of the market, alongside the drive to
increase private business influence in the public sector, raises questions over New Labour and the Third Way's flexible, pragmatic, steering rather than rowing approach. In terms of front-line service provision New Labour seeks to steer as a facilitator. But it is clearly rowing is in terms of the ideology underpinning public sector reform without which, from New Labour's perspective, progress and 'modernisation' cannot be achieved.

Thus involvement of private business in the public sector is crucial for New Labour. On the one hand, New Labour makes clear a commitment to improving public services through 'reform' and demonstrates its recognition of the negative, systematic effects of the approach of the previous government. Yet New Labour remains constrained by its self-imposed limits, having earlier pledged public spending would remain at the level of the previous administration for at least its first two years in government. This, coupled with anxiety over any perceptible return to tax and spend, makes the 'reinvention of government' in the image of business priorities attractive. Hence, increased private sector involvement means the need for investment can be met without resorting to the traditional Old Labour method, in line with the Third Way's critique of traditional perspectives:

The public interest is often best served where the state collaborates with other agencies...Structural reform of the public services is required to make them more effective and responsive to citizen's needs. Tax and spend for leftist parties meant tax and over...It won't do to think of taxation only in relation to social justice (Giddens 2002a).

It would seem, therefore, that there are sound pragmatic reasons for increased business involvement. Cash apparently flows into under-funded services, helping to secure the aims of social justice and inclusion. Thus New Labour is again marked out as distinct from the rampant neo-liberalism of the New Right and is distinguished from Old Labour in its pragmatism, and, crucially, in its acceptance that profit, even profit from the provision of public services, is no longer a "dirty word" (Mandelson and Liddle 1996:22).

The clearest example of the impact of this seemingly pragmatic approach in operation is the proliferation of Public Private Partnerships (PPPs), New Labour's version of the much-opposed Private Finance Initiative of the Conservatives, which help open up new markets for private business. This represents a crucial opportunity
for growth, especially since any ‘new’ money that the government puts into public services is likely to be prioritised to service the debts to the private sector for building costs, facilities management, and the cost of front-line service provision. Since, in the longer term, this type of provision is arguably more expensive than more traditional methods like higher direct taxation, it is questionable whether this method of investment truly represents as pragmatic a response as New Labour likes to suggest. The extent to which New Labour are continually seeking to make a practical virtue out of an ideological proclivity needs to be examined. Again, this is contrasted by New Labour to the ‘failed pasts’ of Old Labour and the New Right and their legacies:

...Traditional bureaucratic structure and the old inter-relationships between departments have been preserved...Britain's bureaucracy remains based on the organisational possibilities of 1945 and the quirks of British history (Byrne 1997: 12).

Thus New Labour approach to ‘modernisation’ and ‘reform’ is seemingly root and branch, covering the machinery of government in the long term, as well as party and policy. This involves the apparent reinvention of government and the customising of service delivery that has come to underpin much of New Labour’s policy orientation. It also creates the required legitimacy for the wholesale critique of the public sector, especially “conservative” public sector workers, who stand in the way of ‘modernisation’. It helps also reinforce the apparent need for private capital in public services: customising government comes at a price.

New Labour seeks to present Public Private Partnerships as an innovative way of getting “private sector help” (Byrne 1997: 23) or as a way for the New Labour government to “piggy-back” (ibid.) business innovation to save money, whilst retaining commitments to traditional values. PPPs are discursively constructed as a way of bringing the public back in, in affirmation of an apparent commitment missing from Thatcherism. Business is used to the common good and profits made through PPPs are central to the dynamic economy that delivers and supports social justice. Evidently, PPPs are one of the most crucial, concrete and practical applications of the New Labour struggle to fuse antagonistic interests and to overcome the problems it perceives with ‘old divisions’.

In the insistence that public sector reform must take place via this means, New Labour illustrates both the key priority for the ‘modernisation’ of public services and
one of its most important guiding principles. Those who seek to block this 'modernisation for profit' are "wreckers" (Blair 2002b). The defence of PPPs sees New Labour at its most coherent, most ideological. Ironically, this is the area where it claims to be at its most pragmatic. Yet the role of private sector investment through the use of PPPs often represents a costly financial straitjacket that belies New Labour's declarations of pragmatism. However, from the point of view of business, the use of PPPs is likely to compare very favourably with the Conservatives' privatisation of the public utilities of the 1980s since:

These new forms of public procurement now account for the majority of annually managed public expenditure. In effect the annual charges will become a hypothecated tax ensuring a guaranteed income stream for private corporations (Pollock et. al. 2001b: 13).

Under New Labour, therefore, privatisation continues but it does so in a new way that secures specific, previously unavailable, guarantees for those who stand to benefit financially from it. Moreover, the whole notion of the private and the public and, indeed, privatisation has been reformulated by New Labour. This has occurred in the context of a critique of the failure of the Conservatives and the expression of an objective to challenge the previous administration's undermining of the public sector, seemingly indicating a willingness to chart an alternative course:

We inherited an undervalued public sector. It is absurd that we ever got into the position under the previous administration where government seemed to devalue the very people it relied on to deliver its programme. Where private was always best. Where the public sector was always demonised as inefficient... (Blair 1999).

Yet, since 1997, New Labour has been at pains to stress the benefit of private provision, not in necessarily in terms of individuals opting for private sector services but in the name of its wholesale 'modernisation' programme. Paradoxically, New Labour's approach to private provision is collectivised privatisation and evokes a somewhat incongruous 'solidarity of the private'.

Ultimately, New Labour's 'thinking the unthinkable' in the public sector means using private sector money. Further, allowing private sector influence and

---

16 This point is illustrated by Monbiot (2000). See also Ferguson et al. for details of the refurbishment of Glasgow's secondary schools through Public Private Partnership that is "estimated to cost over £34
methods potentially facilitates, for New Labour, the achievement of three important ends that it will judge the success of reform against: the transformation of public provision in the ‘image and likeness’ of the private; a reduction in direct welfare spending; and the granting of access to new markets to the private sector. As this takes shape, it is clear that New Labour seeks to ‘marry’ for profit organisations with a rarely defined public interest. This is often coupled with vigorous campaigning that seeks to secure public acceptance of partnerships, paid for from the public purse. These partnerships are made more difficult to resist since the government demonstrates a willingness to spend, in the short term, in order to create favourable conditions for partnerships. In relation to the transfer of council housing to a quasi-private partnership in Glasgow, for example, New Labour’s Scottish Executive promised to write-off Glasgow’s housing debt of £900 million if, and only if, tenants voted for the transfer. On a smaller scale:

Glossy brochures and slick presentations from consultant public relations experts back the pro-transfer argument, helped by massive funding. Tenants who wish to make the case against or put forward alternative proposals have to rely on their own (usually non-existent) resources (The Guardian 30th May 2001).

New Labour’s accommodation of the New Right legacy involves the adoption of the ‘public bad, private good’ ethos. The use of PPPs reflects this. Yet it is also used by New Labour to demonstrate its concern to deliver high quality public services in line with its apparent commitment to traditional Labour values. There is an assumption that this approach can help New Labour widen its electoral support base by appealing to ‘new’ supporters, more amenable to private sector involvement in public service provision. However, as McKibbin (2001: 9) has argued: “most people believe there are certain things that are the domain of the public, and from which private profit should be excluded”. It is misguided, therefore, to assume, as New Labour seems to, that “the middle class equals the private sector, and the Government must therefore promote the private sector” (ibid.: 6).

It is becoming clear that using PPPs does not reveal the government ‘calling in’ the private sector as the final panacea, since, increasingly, there is a shift towards private first and last. The situation now is not if or when the private sector should
become involved, but precisely how. This demonstrates, still further, an accommodation of Thatcherism by New Labour – in the public sector ‘there is no alternative’ to PPP. Yet there is a lack of tangible achievement in terms of cost and efficiency of such an approach, which “has its roots in the ideological Treasury view that all public enterprise is necessarily inefficient while all private enterprise is necessarily efficient” (Hutton 2001). Evidence suggests that PPP is fundamentally flawed and certainly more costly than ‘traditional’ funding methods. For example, the PPP funded new Edinburgh Royal Infirmary will cost the taxpayer £990m compared with the £180m it would have cost had it been publicly funded (Monbiot 2000: 74). Moreover, contractual arrangements associated with PPPs often ‘lock’ local authorities, the NHS, and other public agencies into relationships that that, in the long term, may not represent the most effective use of resources:

Under PPP/PFI and these new forms of procurement, the government guarantees to collect tax from its citizens on behalf of the private sector over the next 20-30 years. But there is no such guarantee to protect public services such as health and education (Pollock et al. 2001a: 2; 2001b: 14).

New Labour assures that “all public spending is money for results and reform” (Blair 1998: 15) but PPP is the only show in town and the focus is on this as a form of procuring of services, rather than on results and reform per se. This has resulted in a major increase in the cost of externally purchased goods and services, from 38% in 1991 of annually managed public expenditure to 57% in 1999, the partial funding of which needs to be diverted from the wages bill (Pollock et. al 2001b: 13).

New Labour’s seemingly pragmatic approach, reinforced through its apparent commitment to a ‘what matters is what works’ formula, is represented as ample justification for this version of ‘modernisation’ in the public sector. This suggests that there is a choice – where ‘the public’ works it will remain. This is not the case. The partnership between public and private, in reality between public services and profit, increasingly forms the core of front-line service provision. Under New Labour the public sector is tied to the rigours of the globalised market more vehemently than under its New Right predecessors. Thus New Labour’s transformation of the public sector clearly involves creating the most fertile conditions for the pursuit of private
profit and wealth. This is not suggestive of a pragmatic response. Rather it demonstrates New Labour's ideological commitment to neo-liberalism. Arguably, in this context, it is only a Third Way in the sense that it has removed barriers constraining earlier ideologies, resulting in redistribution for the few and neo-liberalism for the many.

1.7: From Producer to Consumer: the Elimination of Vested Interest?

A crucial element of New Labour 'modernisation' of the public sector and the proliferation and, increasingly compulsive, use of PPP is the construction of a shift away from a focus on producer interests to those of consumers, often conveyed as "putting the customers in the driving seat" (Osbourne and Gaebler 1993 172). This also helps frame an ideology being talked into existence that seemingly relates to the priorities for a changed and changing world. Producers are constructed by New Labour as representative of the vested interest in the battle against the forces of conservatism. Unsurprisingly, this shift clearly harmonises with fundamental premises of the Third Way rejection of Labour's failed past and any connection to an 'old' socialist endeavour: "socialism above all is concerned with production rather than consumption" (Giddens 1994: 55). New Labour sees a focus on accountability to consumers as central to its conceptual distance from "economic determinist version" of socialism "based around class interest" that was "harder edged and radical" (Blair 1994: 2), that is, the version it associates with Old Labour in the 1960s and 1970s. At the same time, in this context, New Labour seeks to forge connections with the assumed ethical socialism of the party's founding principles:

By contrast, socialism as defined by certain key values...has the historic opportunity now to give leadership... It is, if you will, socialism...Once socialism is defined in this way as a set of principles...then it can liberate itself...It can move beyond the battle between the public and the private sector and see the two as working in partnership... (Blair 1994: 4).

Also central to this is the relationship between rights and responsibilities, another core component of the New Labour ideology. This is, again, used to differentiate Old Labour from New Labour, in the sense that Old Labour were too

---

17 This point is further demonstrated in a report by the Audit Commission in 2003, comparing the quality, cost and delivery times of a sample of early PFI schools which found that this method of funding brought no clear overall benefits (Audit Commission 2003: 2).
focused on rights without encouraging an understanding that these come at a price. A crucial element of Old Labour’s failed past is in its continuing allegiance to the rights claiming, state providing (by right), post war settlement. New Labour promises a balance between rights and responsibility, a partnership more appropriate to the contemporary context. Experience of New Labour in power again demonstrates how, within such rhetorical pairings, it is prepared to privilege, and rights are subordinated to responsibilities, particularly in relation to New Labour’s restructuring of welfare. Yet the opposite is the case in relation consumers and producers. Consumers have rights, asserted, demanded on their behalf and supported by the government, whereas producers (that is workers) have responsibilities, not to stand in the way of modernisation, and to place the interests (rights) of consumers before their own. Old Labour is constructed as beholden to worker/union rights, New Labour’s concern for the rights of the consumer promises freedom from the negative effects of this legacy. Old Labour was:

...A party that represented producer interests, [which] could not properly represent consumer interests, not least in the private sector (Wright 1997: 23).

The shift from producer interests is central to New Labour’s attempt to forge new alliances, and to how it represents itself as no longer the party automatically associated with the trade unions, conceived of as the ultimate vested interest, especially in the public sector. This, as Driver and Martell (1998: 68) point out, is “remarkable for a party formed out of organised labour, with long running links with unions”. It also demonstrates how, in its ideology of ‘modernisation and reform’, New Labour has re-conceptualised the whole notion of vested interest. For New Labour, producer interest, especially in the public sector, is synonymous with vested interest. And it is the only vested interest that, in the context of ‘reform’, New Labour is interested in.

This position is problematic, in the sense of the relationships New Labour seeks to form and those it seeks to undermine. New Labour uses the increasing role of the private sector in public services to demonstrate its ideological distance from Old Labour. The shift from producer to consumer interests is used to confirm this, and appear as a government in tune with people’s needs. Yet New Labour assumes that only ‘conservative’ producers are critical of its approach to ‘modernisation’. The
government assumes the private sector will deliver quality public services and only wreckers will be ungrateful. The example of rail privatisation, though not under a New Labour PPP, illustrates how this may not turn out to be the case. The crucial problem here is that, in its approach to modernisation, New Labour has shown willing to support a clear vested interest, private business making profits from public services.

New Labour's driving and legitimising force is to forge lasting connections with business. Indeed, in Blair's first Labour party conference speech as Prime Minister in 1997, business was assured New Labour was: "a government on your side, not in your way" (The Financial Times, 1st October 1997). By 2001, this seemed to have paid off as the chief executives of fifty eight companies stated they were backing New Labour (The Times 14th May 2001). However, this support is not granted unconditionally and is always contingent upon New Labour creating favourable conditions for profit. Thus, despite New Labour's apparent commitment to eliminate vested interest from the public sector, the use of the private finance suggests that, in the longer term, a 'new' vested interest will be supported. New Labour's apparent return to Labour's traditional values, its rejection of the divisions of socialism, result in the maximum possible accommodation of business interests. The use of PPPs and the stated shift towards support for consumer interests demonstrates how, in the NHS for example, "instead of the comparatively timid 'Thatcher-Enthoven' internal market" New Labour favour a "wide open market" (Enthoven\(^{18}\) quoted in Socialist Worker 18th May 2002).

1.8: Globalisation 'At Work'

The concern to shift focus from producer to consumer interest is connected to a concern to appear novel and, crucially, to demonstrate New Labour's pragmatism in relation to the more ideological Old Labour and New Right. By comparison New Labour is constructed as business-like, unrestrained by dogma, as well as eclectic and forward thinking. Crucially, New Labour sees this approach as vital to meet the demands of globalisation, demands that, at the same time, it seeks to construct in public consciousness as characterising New Labour's 'date with destiny':

\(^{18}\) Alain Enthoven was the architect of the internal market in the NHS under the Conservative governments of the 1980s.
This is the challenge: finding security and stability in a world pushed even faster forward by the irresistible forces of history and invention (Blair quoted in Held 1998: 26-27).

In the increasingly global economy of today, we cannot compete in the old way. Capital is mobile, technology can migrate quickly and goods can be made in low cost countries and shipped to developed markets (Department of Trade and Industry 1998 cited in Fairclough 2000: 23).

A global market, global brands, world-wide access to each other and to information both give us a sense of strength as consumers and humble us before the power that has produced this situation. Governments face their first great challenge of the post-cold war era... We could take the advice of the Stop the World campaigners, retreat to our national economies and close our markets. But this would put at risk the real benefits that globalisation and global capitalism have brought to millions (Straw 2001).

In the construction of itself as ‘new’, New Labour mobilises the discourse of globalisation to demonstrate how well its outlook fits with the context for government that globalisation creates. There can be no retreat to the approaches of Old Labour, since the old instruments through which it sought to achieve its ends are blunted by the forces of globalisation and the New Right whose “dogmatism had become a serious threat to national cohesion” as old certainties were replaced (Blair 1998a: 6-7). New Labour represents the antithesis of what Straw termed the “stop the world campaigners”. Only New Labour is up to the job of understanding and relating to the profound changes brought about by a globalisation, from which “no country is immune” (Blair quoted in Atkinson and Savage 2001: 8). Globalisation, however, is defined in a mythical way that seeks to dis-empower those that suffer the worse excesses of living in the contemporary global economy (Allen 2000). This serves dual and interconnected purposes for New Labour. Firstly, its vision promises success in working through the demands of globalisation. Divested of ideological baggage and armed with pragmatism, only New Labour can rise to the challenge. Secondly, globalisation serves to justify New Labour “not dodging tough choices” en route to leading “one of the great, radical, reforming governments of British history” (Blair quoted in the Financial Times, 1st October 1997). Not only is globalisation “a driving

---

19 In 2001 Jack Straw was Home Secretary.
force behind the ideas of the Third Way” (Blair quoted in Savage and Atkinson 2001: 8), it also, crucially, offers New Labour “yet another modus vivendi with capital (this time under the banner of ‘realism’ in the face of ‘global competition’)” (Panitch and Leys 2001: 13).

New Labour’s approach to globalisation, and how it is defined in relation to globalisation, serves to demonstrate how this is representative of a contemporary manifestation of Labour’s historic accommodation with capital, as Panitch and Leys suggest. It needs to be considered in relation to the central tenets of New Labour’s ideology that I have drawn out above and some of the examples already presented. New Labour’s wider priorities in terms of its commitments to flexibility, competitiveness and partnership, for example, are fully resonant with its understanding of, and route through, globalisation. Similarly, its approach to public sector ‘modernisation’ is grounded in its sense of ‘changing methods for a changing world’. Evidence of this, and that New Labour’s ideological commitments take precedence over practical concerns, can be gleaned from the government’s embrace of the exigencies and priorities of the General Agreement on Trade and Services (GATS), many of which demand the freeing up of indigenous public services for world trade:

A huge range of services are potentially up for grabs as GATS identifies 160 sectors grouped into 11 categories, the provision of which should be open to competition. The categories include...‘educational’, ‘health related and social’...The ICFTU has criticised the fact that there is no ‘exemption of health, education and other vital public services from the trade liberalisation provisions’ of GATS (Labour Research February 2002).

Moreover, in terms of Public Private Partnerships, from the seemingly pragmatic perspective of New Labour, it is difficult to understand why the government would allow the norm for formal PPP contracts to be thirty years. At face value this seems starkly at odds with the approach of a government fixated on differentiating itself from the Old Labour mistake of clinging to a post-war settlement long after its benefits had begun to wane and emphasising the intensified pace of change of globalisation:
In just a few short years the world has moved from sheltered to open economies; from local to regional to global commerce (Brown 2001, emphasis added).

That 'modernisation' and 'reform' in the public sector is a national project, intrinsically linked to a global market place, is illustrated with reference to the recent £2.3 billion 'outsourcing' of NHS information technology services in England, with Kellogg, Brown and Root (a subsidiary of US energy firm Halliburton) being awarded project management contract worth £37 million (Computer Weekly March 2003).

New Labour’s approach to globalisation, therefore, must be viewed in the context of the relationship it is forging with business. Thus it is also clearly connected to the 'economic efficiency results in social justice' formula, and the development of human capital. Through mobilising the discourse of 'the knowledge economy' New Labour and the Third Way characterise 'changing times at work':

There is no longer any doubt that the new economy is real and that its impact is omnipresent...Technological innovation is the main factor involved in the rapid and progressive shrinking of the manufacturing industry...The blue-collar working class, the main focus of traditional leftist politics, is disappearing. It isn’t true that manufacturing jobs are simply being replaced by routinised service occupations...It is skilled workers especially 'symbolic workers', who are in demand in the knowledge economy... (Giddens 2001a: 4).

Workers are constructed as assets, 'empowered' and 'enabled' (Blair 1998:7), and this is framed through an assumption that, in “progressive” companies which rise to the new challenges of “continuous improvement, innovation and investment in capabilities” (Blair 1998b), there is a perceptible shift from “us and them” towards “us and us” (Commission on Social Justice 1994:75). Yet globalisation creates “a more insecure and demanding labour market” (Blair 1998a: 9) and New Labour’s task is to ensure workers, who as a result “will change jobs more often” (ibid), are equipped to meet its demands. Thus New Labour is apparently prepared to invest in skills acquisition through a, thus far ill-defined, programme of life-long learning and the promotion of flexibility or, as Mandelson (1997: 7) has termed it:

flexibility-plus – plus higher skills...plus partnership with business...plus an imaginative Welfare to Work programme...plus minimum standards of fair treatment in the workplace...(emphasis added).
"Flexibility-plus" is worthy of further attention in terms of the sort of flexibility that is emerging under New Labour in reality, and in terms of minimum standards at work, since these fully demonstrate the nature of its embrace of globalisation overall. New Labour’s flexibility rhetoric is imbued with positive connotations. It is based on the notions of dialogic employers that view workers as the cornerstone of the success of the enterprise, and of influential multi-skilled workers fully equipped to meet the challenge of the next task or, more often, the next job, since employment not job security is central to New Labour’s approach to globalisation. Yet evidence suggests this is not the case. For example, in assessing the level of influence that employees exercised, Cully et al. (1999: 140-3) found that whilst only a third of respondents said they had little or no influence at work, managers had the greatest level of job influence. Moreover, the most widespread form of influence was over how work was carried out, as opposed to influence over pace of work and range of tasks. This clearly suggests that New Labour’s claims of a globalisation managed through a recognition and embrace of a ‘knowledge’ economy, bringing about a proliferation of functional flexibility and empowerment, can be challenged. Contemporary flexibility often means what Gray (1995: 12) has termed “flexploitation”. This point is further developed later in relation to the case study of WCCI.

In relation to New Labour’s commitment to only minimum standards of protection for workers, it is clear that there is little effort to mitigate the worst effects of the ways in which business responds to globalisation. For example, New Labour’s limited embrace of European Union legislation demonstrates in whose interests it acts when shaping its response to globalisation. Its concern to appease the CBI’s fears that laws made at supranational level mean over-positive workers’ rights “by the back door” (The Guardian 1st August 2000), mould New Labour’s parsimonious approach to embracing ‘Social Europe’ type initiatives. New Labour opt-outs and partial implementation of crucial European Directives like the Working Time Directive and the Information and Consultation Directive, illustrate this point but they also challenge the notion that globalisation ties the hands of national governments. New Labour can apparently retreat to the national and “return to policies of isolation”

Harrison (1997) and Sennett (1998) both offer critical accounts of flexibility and its impact on working lives.
(Blair 1998a: 6) as long as this fits with its demands regarding flexibility, competitiveness and partnership.

Moreover, New Labour’s failure to implement International Labour Organisation (ILO) standards that the UK is, on paper at least, committed to (see Hendy 2001) illustrates the nature of its accommodation of globalisation – benefits to global workers can and will be resisted. This is often couched in terms that resistance is for the workers’ own good:

The Americans argued in Seattle that there should be a rule in the WTO that says any country that has child labour has barriers against its trade. But that would punish every single poor country in the world (Clare Short quoted in The Observer 20th December 2000) 21.

This approach, and the retention of central tenets of the Thatcherite industrial relations settlement, often in contravention of the ILO, not only further demonstrates New Labour’s accommodation of the New Right legacy, it is also indicative of New Labour’s engagement with globalisation as a top-down, winner-centred affair. Contemporary experience at work confirms that New Labour’s approach to globalisation is firmly rooted in the context of crucial elements of New Labour’s ideology overall. New Labour’s rejection or limited embrace of what are, possibly, globalisation’s more positive aspects, from the dismissal of global protestors as “stop the world campaigners” and limitations placed on European Union initiatives, to opening up the emerging UK ‘market’ in public services to multi-national corporations results in a globalisation in the interests of the few. It is also interesting to note that the deconstruction of the perceived monolithic one-size-fits-all model is sought on a national scale yet reinforced globally in the activities of the World Bank, the World Trade Organisation and the G8, with the support of the UK government22.

1.9: Conclusion

I have demonstrated above how, in analysing New Labour, it is important to take account of the complexity and tensions at the heart of the New Labour project. In doing so, however, I do not claim that this is a fully comprehensive assessment of every aspect of New Labour. There is no reference to New Labour’s developing

21 Clare Short was the International Development Secretary at this time.
22 See Bello 2001.
morality or explicit consideration of its conceptualisation of communitarianism. Rather, it is a selective account as I have sought to root this particular consideration of New Labour within the wider aims of the thesis.

As a party and as a coherent political ideology, New Labour is as much a product of a century of social democratic development as it is the ‘result’ of the fundamental changes of the last two decades. Of course, New Labour is post-Thatcherite and it operates within a terrain marked out by an earlier period of neo-liberal ascendancy. Yet, as I have sought to outline, neo-liberalism itself did not emerge in a vacuum, since its hegemonic rise was shaped too by the reversal of gains for the working class by its Old Labour predecessors.

That said, I have also made clear that New Labour is novel in many ways. In striving to construct the notion of a new force in British politics, drawing on an emergent Third Way trajectory that “almost all centre-left parties...have restructured their doctrines in relation to” (Giddens 2002b), New Labour have mythologised, both positively and negatively, key moments in Labour’s history. It is questionable whether New Labour is simply charting a practical course, which it sees as the only alternative in the prevailing circumstances, as this does not fully account for New Labour’s role in moulding these circumstances. What is clear is that New Labour’s response to late twentieth and early twenty-first century developments has served to re-invigorate a neo-liberalism that seemed out of touch with contemporary problems and the demands of a world still characterised by a division between ‘winners and losers’. New Labour’s struggle to synthesise their interests have had little impact on the systematic effects of this division. Indeed, New Labour’s relationship with business, representing something of a new turn for Labour, and its battle against the forces of conservatism, the Project’s “wreckers”, serves to exacerbate this division.

Considering this relationship in detail draws our attention to questions that can be raised over New Labour’s supposed pragmatism and its seemingly novel ability to draw on the ‘best’ of the two failed pasts of the New Right and the most recent incarnation of Old Labour. New Labour’s endeavour to escape the burdens of history does have firm ideological roots and its commitments are ideologically rooted. Moreover, its endeavour to synthesise key elements of earlier traditions, and the corollary fusion of what are often diametrically opposed interests, represent the sort of
‘grand design’ that New Labour seemingly rejects. New Labour’s policy direction, especially in the public sector, and its commitment to the ideology of competitiveness, flexibility and partnership demonstrate an adherence to dogma, albeit in a new format.

Finally, New Labour remains the capitalist workers party of Old, despite the restructuring of its traditional allegiances. It is another version of Labour’s historic accommodation with capitalism, another third way. Yet, as its time in government progresses, the crucial separation of politics and economics that serves to sustain Labour is challenged. The interconnectedness of politics and economics is more readily exposed in the *modus operandi* being developed by New Labour. As a result New Labour remains dependent on its most enduring alliance - that with the trade unions - to ensure that a sense of the benefits for the working class from the separation of politics and economics is maintained. It is to that relationship that I now turn, to examine its contemporary contours within the New Labour political economy.
CHAPTER TWO: NEW LABOUR AND THE UNIONS:
CONTINUITY AND CHANGE

Every year, this time of year I come to the TUC. Every year the press report, there’ll be a row between you and me. They say I’ll come and beat a drum, unleash the annual cry, change your ways, clean up your act, modernise or die. Well modernised you have, I say, New Labour, new unions too. Both for the future, not the past. For the many not the few. So the links between us change, you’ve changed and so have we. You’re welcome now in Number 10 but no beer today, just tea.¹

2.1: Introduction

The previous chapter outlined central tenets of New Labour’s underpinning ideology: the drive to chart a course beyond the Old Left and the New Right; the attempt to synthesis the interests of capital and labour; the restructuring of ‘old’ alliances and the formation of new ones; and the shift away from producer interests towards consumer interests. These features frame, and are framed by, New Labour’s overarching concern to do battle with ‘the forces of conservatism’ that stand in the way of New Labour’s ‘modernisation’ programme. They also impact on New Labour’s relationship with trade unions. The intention in this chapter is to examine this relationship in the light of the development of a New Labour political economy that perceives unions as “conservative about change” (Mandelson and Liddle 1996:225).

The focus of this chapter is on both change and continuity. In terms of continuity, the nature of the continuing connections between New Labour and the unions suggests that what has been noted as a “contentious alliance” (Minkin 1991) also remains an “enduring alliance” (McIlroy 1998). Continuity is an important element of the relationship between New Labour and the unions, not least because New Labour clearly promotes the notion of fundamental change. Yet, as noted in the previous chapter, New Labour, in turn, both demonises and mythologies Labour’s past, particularly with respect to the relationship with the unions. It is important remain aware of New Labour’s specific characterisation of Old Labour when exploring this relationship. It is also important to recognise that, as New Labour has

¹ Blair’s speech to the TUC, 14th September 1999 (The Herald 15th September 1999).
developed, so have the unions. Whilst both retain central features of past traditions which, as discussed below, are crucial to sustaining the relationship, there are qualitatively new elements to both that need to be considered. Indeed, it could be argued that the shifting fortunes of the trade unions, throughout the late 1970s and 1980s especially, had a significant influence of the creation of New Labour.

Central, and increasingly influential elements, in the party hierarchy sought to respond to what is believed to be the irreversible, and even highly desirable, decimation of trade union power. If New Labour is about 'modernisation' then first and foremost this has to involve a “reckoning with betrayal” and recognising “what happened to Labour in recent times” (Wright 1997: 21-22). New Labour's focus in this respect is on Old Labour's relationship with the unions which, for New Labour, was one of granting favours to unions, contrary to Labour's true socialist ideals (Mandleson and Liddle 1996: 11). Thus New Labour ensures that the decimation of trade union power is upheld and, indeed, that it is mirrored in its own party structures through the formal reduction of union organisational influence within the party. This is important since, increasingly, the retention of formal links between New Labour and the unions means, in effect, unconditional financial support for very little in return, in terms not only of internal influence but also of wider improvements. However, it is also important in the context of continuity and change, since New Labour's characterisation of the relationship often belies the extent to which the role of right-wing union leaders within the structures of the party was, and remains, one of supporting the policy thrust of the parliamentary party, in the face of opposition from union members (Thorpe 1999: 133; Panitch and Leys 2001). Thus my discussion of the contours of the contemporary relationship between New Labour and the unions is framed by a recognition that, in order to characterise it effectively, it is necessary to go beyond New Labour's mythology of Old Labour.

Overall, this chapter is concerned to draw out central features of the relationship between New Labour and the unions that are essential to an understanding of the wider aims of the whole thesis. As will be discussed below, the balance of power in the workplace and in industrial relations more generally that

---

2 McIlroy argues that “the emergence of New Labour can only be understood through analysis of developments in both party and unions” (1998: 537).
developed during the two decades of Conservative rule - made all the more acute after the defeat of the Miners in 1985 - remains under New Labour. No decision is made by the New Labour government that shifts that balance in the direction of workers. If unions' commitment to the return of a Labour government is rewarded to any extent, it does not happen at the expense of upsetting this balance. As in other spheres, what New Labour offers is limited scope and opportunity (rather than promoting equality of outcome) for a particular type of trade unionism that poses little threat to employers and, importantly, to New Labour. At the same time, this involves striving to close off possibilities for strong oppositional trade unionism, especially in the public sector, where, arguably, the unions could do New Labour most damage. Crucially, it is made clear that a New Labour government will not be allowed to founder "on the rock of Labour's unwillingness to offend entrenched union interest" (Mandelson and Liddle 1996: 24).

As noted in the previous chapter, flexibility, competitiveness and partnership, and a specific type of reform in the public sector define New Labour's ideology, and this has an impact upon the working lives of millions, in both the public and private sectors. New Labour's relationship with the unions needs to be redefined to take account of what these concepts actually mean in practice. On the whole, the unions have accepted the recasting of their relationship with Labour and this alerts us to the possibility that the relationship has not, in fact, been radically transformed. It is certainly different. Unions are weaker in the workplace generally and weakened within the structures of the Labour party. However, the union leadership, at least, is satiated by the very existence of a Labour government that delivers little of the unions' already modified demands. The resilience of the relationship, in the face of parsimonious employment relations legislation and often-overt provocation in the public sector, serves to demonstrate how the institutionalisation of Labour as the party 'of the working class' disarms both unions and workers. The context of New Labour exposes the weaknesses in the relationship but it is not fissured irreversibly. Despite criticisms, ideological and financial links are retained. There remains contention over key issues: public sector reform, the provision of "ineffective rights" (Labour Research Department 1998: 32), the increasingly strong relationship with business, and the war in Iraq, for example. However, support for the historic link remains, in the main, and challenges are often crouched in terms of 'reclaiming the Labour Party'
from the Blairite right. Overall, the unions’ voice in parliament has become at best a whisper, at worst, and more frequently, speaks in outright contravention of fundamental union principles.

New Labour’s employment relations and legislation, and its approach to labour market flexibility that is demonstrably an “ideological Trojan horse for the full neo-liberal agenda in employment policy” (Gray 1998: 2), are clear examples of what this means in practice. Despite Labour’s and unions’ earlier vociferous critique of their Conservative opponents, especially in respect of industrial relations, no long-term radical alternative to the Conservatives’ assault on the unions developed. The emergence of New Labour means the wholesale acceptance that the Thatcher years, in particular, brought “lasting policy achievements” and changes for in industrial relations for “the better” (Mandelson and Liddle 1996: 12-13). Official union challenges to this position have been muffled in the extreme and, partly as a result, an embrace of Thatcher’s industrial relations settlement remains absolutely central to New Labour ideology. Indeed, the discursive construction of New Labour keeping the unions at arms’ length (Mandelson and Liddle 1996: 227) is fundamental to the notion of a ‘modernised’, electable and re-electable, Labour party. Trade unions are perceived as only one pressure group amongst many:

Unions are probably the biggest voluntary group in the country and they have a powerful voice. But they are not the only voice and we have to govern in the interests of everyone (‘Senior Government Source’, quoted in the Daily Record 13th September 1999).

Any engagement with the trade unions on the government’s part is, therefore, presented as a reflection of New Labour’s “openness to legitimate opinion” (Mandelson and Liddle 1996:152). Yet, crucially, unions need to be kept both in abeyance and, to a certain extent, ‘on board’, especially in relation to reform in the public sector where, as noted in the previous chapter, New Labour seeks radical transformation and, in the process, a redefined social democracy. Paradoxically, the ‘new’ arm’s length relationship between the two arms of the Labour Movement, and the retention of union allegiance both in opposition and in government, are both central for New Labour. Again, this challenges the notion of a fundamental break with the past since, to a large extent, New Labour success continues to be contingent on
union leaders 'holding the line' as an expression of Labour Movement solidarity, as was the case with Old Labour. Yet New Labour's revision of the Old Labour relationship with the unions in the 1960s and, in particular, the 1970s, represents it as defined by concessions to the unions at the expense of political success: a 'buy-in' rather than a 'sell-out'.

Similarity with Old Labour in this context is underplayed by New Labour, as the idea of a 'new' relationship with the unions is central to the Third Way orientation. As noted, this does not reject wholesale the free market of the Conservatives, unfettered by union influence or interference. Embrace of the market to deliver its aims and curbing union power are celebrated by New Labour. Nor, as noted above, does New Labour rhetoric translate into a complete disavowal of the Old Labour relations with the unions. The unions continue to deliver for New Labour. The 'new' relationship with the unions is 'Third Way' in orientation through two central components. Firstly, New Labour shares with New Right a concern with the individual over the collective as the most appropriate response to the changes of the last three decades. Trade unions are the ultimate embodiment, for New Labour, of an era of collectivism that has long since passed. Yet, within this formulation, New Labour recognises the weaknesses in the New Right's renunciation of the social. Thus collectivism is rejected in favour of collective responsibility and New Labour facilitates a return to the social, restructured as market solidarity. Secondly, a crucial role for unions is retained, if under-stated, especially relation to the New Labour ideology of flexibility, competitiveness and partnership.

From the perspective of New Labour, 'modern' (modernised) unions reject the 'old' antagonism and conflict of the past and are crucial in delivering the partnership message directly to the mass of members. At face value, such unions' ability to communicate the New Labour message to members, their continuing adeptness at delivering acquiescence, save a few notable exceptions, are, arguably, at least as important as the continuation of the funding of the Labour party. New Labour's re-conceptualisation of the social involves its construction as "neutral territory" (Newman and De Zoysa 2001: 237), and the synthesis of the interests of capital and labour clearly needs to be supported by unions. Indeed, the changes in the orientation of unions in the 1980s and 1990s towards a consensual, increasingly accommodative approach to employers (Darlington 1994a) have been central to the development of
key elements of New Labour. Moreover, since New Labour has built its new relationship with business essentially on the central premise that there would be no return to the militancy of the 1970s, unions have a central role to play in the delivery of this New Labour promise. Thus, whilst New Labour legislation on employment rights, especially the statutory recognition procedure, was developed taking full account of employer demands, it also serves to reinforce a particular type of trade unionism: consensual, accommodative and bureaucratically driven, centrally focused on business interest and competitiveness. The existence of New Labour serves to proscribe collectivist, conflictual, trade unionism, and its employment relations legislation ossifies the opposite tendencies by giving them legal and structural expression. The coup de grâce for New Labour is that it remains in a position to do so whilst the party retains the support of the major trade unions leaders, even if support for the government is often qualified. The implications of this will be considered below.

Changes in the decision making structures within the Labour Party, centralising the control of the parliamentary party and strengthening the power of the leader, have resulted in the explicit reduction in union and party member influence and this was central to the creation of New Labour (Panitch and Leys 2001; Davies 2001). The reduction in union power within the party has helped weaken any obligation that the Labour-union link seemingly evokes. The effects of pressure from unions, where there are fundamental clashes of orientation between them and the government are extremely limited, especially when confined to bureaucratic lobbying. The difference between New Labour and key affiliated unions in their approach to the public sector is crucial here.

New Labour’s approach to public services and the crusade to rid them of so-called vested interests in the shape of the entrenched, old fashioned, attitudes of public sector workers (producers), and the challenge to what it perceives as “self indulgent rhetoric” (Blair quoted in The Guardian 11th September 2002) on the part of public sector unions, places a strain on the relationship, that in some cases leads to open conflict. New Labour’s continuation of the Conservatives’ ideology of “producer capture” (Corby and White 1999: 10) that assumes that public sector managers, workers and unions will act as much in their own interests as in the
interests of client consumers or service users, albeit through different mechanisms\textsuperscript{3}, is a central strand in its approach to the public sector. Although public sector union leaders are opposed to what Leys (2001) has termed the “commodification of the public sector” in the shape of the government’s Public Private Partnership initiatives, they bring little influence on bureaucratic channels. Also, whilst the government do face militant challenges to its position on the public sector, the weakening of trade union power through earlier Conservative anti-union legislation, privatisation in the public sector, and deindustrialisation in the 1980s and 1990s, plus the subordination of overall union (membership) demands and earlier expectations to the ultimate prize of having Labour elected, means New Labour faces weaker opponents internally as well as externally.

Yet New Labour still faces particular difficulties in relation to the public sector that are worth outlining. Firstly, New Labour seeks to appear most radical and to ensure that its ‘forces of progress’ dominate the public sector, even if ‘reform’ places New Labour in direct conflict to the interests of its workers, upon whose unions New Labour still depends for support. Secondly, public sector militancy, with its overtones to the Winter of Discontent of 1978-79 is politically embarrassing to New Labour in the extreme and has the potential to overtly divide loyalties within the party. Thus any militancy can be used by opposition parties to suggest that New Labour has not modernised. This, in turn, can have serious implications for New Labour’s relationship with business. Thirdly, and perhaps more contentiously, in the public sector it is more difficult to put a positive spin on New Labour’s apparent achievements in the arena of employment relations. Whilst many measures like statutory recognition and the National Minimum Wage (NMW), for example, are welcomed overall, they still represent a limited achievement, well below union demands\textsuperscript{4}. Moreover, the continuing, albeit often limited, strength of trade unions in the public sector means that many of the individual rights that New Labour introduced represent already existing rights to the majority of those employed by state agencies. Lastly, the existing influence of the private sector within public services, linked to

\textsuperscript{3} For example, for the Conservatives Compulsory Competitive Tendering (CCT) was crucial in this respect. CCT has been rejected in favour of PPP/PFI, though PFI is a creation of the Conservative

\textsuperscript{4} Indeed, the main public sector union, UNISON, which had campaigned vigorously for a minimum wage during Labour’s years in opposition, initiated a campaign against the rate it was set at, early in New Labour’s first term.
both the initiatives of the previous administration and New Labour reforms, is viewed by both workers and unions as having brought about cuts in staffing, services, pay and conditions. New Labour's overall orientation in the public sector, and the continuation of PFI/PPP, seemingly ignores that public sector unions remain unconvinced of the validity of the proliferation of such funding and management mechanisms. Yet Blair and New Labour are clear what the effects of union recalcitrance on the issue of public sector reform would be. It would mean interference with the consumer choice that the government sees as fundamental to its 'new' relationship with public service consumers and, ultimately, the return of a Conservative government due to New Labour's failure to deliver (Blair The Guardian 11th September 2002). Despite the construction of a 'new' relationship with unions, New Labour still perceives striving to avoid such problems as a joint responsibility (ibid.). Unions must embrace the 'transformation' of the public sector as envisaged by New Labour to avoid their extinction and that of New Labour. Thus, when exploring the nature of the relationship between New Labour and the unions, it is as important to consider life 'working for New Labour' in the public sector as it is to consider working life 'under New Labour' more generally. This also allows for an exploration of New Labour's concern for partnership in the workplace and the tension between this and its ideological drive in the public sector. It is important to examine how much ground is given in the name of partnership by New Labour and to assess what sort of 'partner' New Labour makes.

Before moving on, it is worth stating clearly an important distinction that is made throughout this chapter - that between the trade union bureaucracy and ordinary rank and file union members. Unless otherwise indicated, the 'union' position and orientation discussed here is that of the union leadership. It is accepted that there is a dichotomy and tension within trade unions between leaders and members in terms of interests, action and outlook. It is also complex in terms of, for example, how bureaucratic outlook can, and does, permeate the whole of the union movement. This is especially the case in periods when militancy is at a low level and sustained defeats allow a batten-down-the-hatches mentality to breed. However, the distinction between the bureaucracy and the rank and file remains a "meaningful generalisation of a real contradiction" (Darlington 1994a: 32; Callinicos 1995: 16-17). It is impossible, therefore, to 'read off' the will of ordinary union members from the actions of the
union leadership. In terms of both former and current contours of the relationship between Labour and the unions, it is fundamentally important that this distinction is maintained. Similarly, it is important to recognise that New Labour does not necessarily embody the outlook of ordinary Labour party members. Primarily then, the Labour-union relationship is one between the controlling hierarchy of the Labour party, inside and outside government, and the upper echelons of the union movement and the wider bureaucracy of full-time officialdom. The subject of this chapter, therefore, is largely the debilitating, bureaucratic ‘knot’ that their combined endeavours help create within the Labour Movement as a whole. The chapter is framed by recognition that there is:

...A fundamental cleavage of interests that exists between full-time union officials [and the union leadership] and rank-and-file members within trade unionism under capitalism (Darlington 1994a: 32).

This analysis of New Labour's relationship with the unions demonstrates a crucial way in which the essence of this dichotomy is manifested and reproduced.

2.2: Taking the link ‘beyond left and right’?

When the Conservatives came to power in 1979, the unions were at their peak with over thirteen million members and union density at 55%. In 1997, the year of New Labour's election, union membership was around 7.4 million, the lowest level of membership since 1945 and density was down to less than 30% (Department of Trade and Industry 2002: 343). General developments in the labour market, due to restructuring and deindustrialisation, have taken their toll on unions and the growth of part-time and service sector employment largely meant a growth in non-union labour until relatively recently. Crucially, from the perspective of New Labour, this is indicative of a fundamentally altered working class whose allegiances New Labour seeks to attract. By the 1990s, New Labour endeavoured to relate to these changes through seeking to diminish the sense of Labour and the trade unions as two intrinsically connected element of a Labour Movement, perceiving the notion of Labour being bound up with unions as a serious electoral handicap. An alternative “big tent” approach emerged to facilitate the largest possible electoral base for New Labour (Ludlam 2003: 72) and the possible development of a mass campaigning party
devoid of the need to appeal to traditional supporters ideologically attached to the Labour Movement (German 2000: 14).

One of the most important elements of the legacy of two decades of Thatcherism was that the relative decline and weakening of trade unions created space and scope for New Labour to accept much of the ideology espoused by the New Right. This included acceptance of the Right's approach to the unions: they interfere with the operation of the market, act as a barrier to competition, and can hinder reform. For New Labour, confrontational, unreconstructed, unions defend the vested interest of workers and militant unions, and this made Labour unpopular, forcing the party into the political wilderness over two decades. As noted in the introduction, New Labour sees the anti-union legislation of the previous Conservative government as valuable and remains committed to the retention of the majority of it:

We have changed the way we make policy and put our relations with trade unions on a modern footing where they accept they can get fairness but no favours from a Labour government...In industrial relations, we make it clear that there will be no return to flying pickets, secondary action, strikes with no ballots or the trade union laws of the 1970s. There will instead be minimum rights for the individual at the workplace, where our aim is partnership not conflict between employers and employees (Blair 1997).

This demonstrates how New Labour seeks to distance the party, especially the parliamentary party, from the trade unions, both in an ideological sense and in terms of their influence in the party, through the transformation of Labour's internal voting system. From this perspective, the electability and continuing success of New Labour appears dependent on convincing the public of two important changes. The first was that the New Labour project had achieved a transformation in the relationship between the political and industrial arms of the Labour Movement, suggesting New Labour had a freedom to act independently of the unions, in a way none of its Labour predecessors in government could. That this change was accepted by the unions not only demonstrated how New Labour's and unions' outlooks are inextricably linked through historic connections, but also the experience of years in the political wilderness:

Unions acquiesced in change, and reform was not simply a matter of opposition by Party leaders. Desperate in the face of decline, union
leaders perceived a Labour government as necessary, if insufficient, for union recovery. To deal with their industrial predicament, they moved in the same direction as Labour – though differences remained (McIlroy 1998: 552).

Secondly, fully convinced of the benefits of the anti-union legislation of the 1980s and 1990s, New Labour confirms this repeatedly and explicitly, to circumvent the exploitation of Labour’s organic links with the unions by political opponents. In the process, unions are reminded of their weakened position due to the demographic shifts of the past two decades, noted above, and the Conservative legislation of the same period. The New Labour position is one of there being no alternative in terms of industrial relations reform. In the face of this, unions seek to demonstrate an understanding of this position and have already conceded its value in terms of Labour’s future electoral success, subordinating principle to pragmatism:

After 1983, and especially after 1987, solely campaigning for the return of a Labour government and expecting it to reverse Tory anti-union laws was no longer viable or credible (Leopold 1997: 34).

It is important to note that such shifts in official union position did not simply mirror the tendencies emerging in the Labour Party at the time, which became concretised as New Labour, they were absolutely central to its creation. As Darlington (1994a) has demonstrated, the years of New Realism, and the marginalisation of union influence overall, meant unions adopted an accommodative, conciliatory, bureaucratically-driven, approach evident in workplace trade unionism in the late 1980s and 1990s. This is also reflected in their overall orientation, especially in the political sphere, and helped to plant the seeds from which New Labour grew. In addition, unions’ acquiescence and active participation in the modernisation of the Party’s internal organisation, that saw their influence greatly reduced, made it difficult for the unions to fight for radical, beneficial changes once Labour had been elected5.

Hence by 1997, it was clear to unions that there was to be no wholesale repeal of the anti-union legislation of the Thatcher years, yet their support for New Labour and the return of a Labour government remained firm. For example, they provided

---

5 The end of individually sponsored MPs, the reduction of the unions’ vote at Labour’s annual conference and the introduction of ‘one-member, one-vote’, all had a significant impact on the unions’ influence. The overall union support for the new Clause Four and for Blair in the leadership election of 1994 illustrates the commitment to the modernisation of the Labour party on the part of the unions.
£11 million and one hundred thousand workers to New Labour’s election campaign (McIlroy 1998: 554). Blyton and Turnbull have suggested that, continuing union support in the face of Labour’s disavowal of their former core demands, casts the relationship in a particular light, summed up thus by a trade union official:

The relationship between Labour and the trade unions is rather like that between parents and teenage offspring: ‘You can drive me to the disco, pay for my booze, but park round the corner so my mates don’t see you’ (quoted in Blyton and Turnbull 1998: 127).

Crucially, the “mates” in this quotation refers to New Labour’s increasingly strong relationship with business. This has been outlined in some detail in the preceding chapter and will be discussed below. However, it is worth pausing here to highlight more explicitly both the employment relations changes and the general direction of policy that unions were prepared to implicitly support.

There was the clear atrophy of key elements of Labour’s opposition to the Conservatives throughout the 1980s and, to a lesser extent, the 1990s, where they were critical of employment laws, including those aimed at breaking union power. What New Labour both condoned and promoted were the serious restrictions on industrial action like the ban on secondary (solidarity) action, complicated balloting procedure including compulsory postal balloting before strikes, restrictions on picketing and an effective ban on spontaneous, unofficial strikes. If unions were to be revitalised under a Labour government, if their influence was to increase, then clearly this would not be done through high profile victories against employers, facilitated via favourable employment laws. Indeed, setting out New Labour’s proposals for a framework of minimum standards in the workplace that were intended to “draw a line under the issue of industrial relations law”, Blair made clear that there would be no radical transformation to hinder employers:

Even after the changes we propose, Britain will have the most lightly regulated labour market of any leading economy in the world (Blair 1998c).

---

6 As noted in the previous chapter, Hendy (2001) outlines the UK continuing breaches of international law under New Labour and a lack of compliance with International Labour Organisation conventions which the UK signed up to under the previous administration but never adhered to. These alongside the continuing use of common-law that Hendy describes, help characterise the full employment relations context.
New Labour's Third Way, based on the dominant notion of an ever-changing world and its fundamental principle of the reconciliation and synthesis of the interests of capital and labour, means 'old battles' between employers and workers are no longer relevant in the 'new' world of work, where the collectivism of earlier decades has been superseded by individual concerns. From this perspective, work no longer involves the formation of bonds, nor is it the key site in the advancement of collective interests:

Institutions, such as... work, appear as before, but although the outer shell remains, inside all is different and they have become 'shell institutions' (Giddens 2001b).

New Labour perceives developments in the world of work, associated with globalisation and the intensification of the pace and scope of change, as resulting in conflict and confrontation becoming the out-moded, useless, methods of the past. This is a past defined by an overarching and ultimately futile concern with industrial division:

The Third Way regards the old problems of labour law as those concerning trade unions, collective bargaining, and industrial conflict. A key division in the old politics concerned attitudes towards legitimacy of trade unions, the desirability of collective bargaining and restrictions on industrial conflict. But the Third Way no longer regards these issues as especially pertinent (Collins 2001: 301).

In addition, for New Labour, preoccupation with "the old problems of labour law", apparent appeasement of unions by previous Labour governments, allowing them undue influence and, by the end of the 1970s, the breakdown of Labour's relationship with the unions because of their leaders' unwillingness to have that influence limited, resulted in electoral catastrophe. The re-casting of the Labour-union relationship and the re-branding of Labour as New Labour involves overstating the benefits to unions of their relationship with New Labour. It also underplays the union bureaucracy's involvement in toeing the line for Labour in the years before the emergence of organised rank and file militancy from the mid 1960s onwards. In the 1970s, constraints placed on unions through playing the game for Labour "brought few benefits and not a few costs" (Thorpe 1999: 145). Alternatively, then:
What unions enjoyed under Labour government was not so much the power to determine substantive drift of policy as the ability to participate in a new set of procedural rights which created the impression of influence that the resulting drift of policy so belied (Hain 1986: 117).

This helps highlight the problematic nature of the manner in which New Labour has sought to construct the relationship between Labour and the unions. There has been particular concern to critique the perceived left wing radicalism of Labour in the late 1960s and 1970s, yet:

The workers and a growing strata outside the manual workers were looking for a lead and a policy. They did not get it. They got instead the Wilson years – and many of them lost faith and hope in the mass party of working people (Hobsbawm cited in Panitch and Leys 2001: 16).

In this context, what is also underplayed is the extent to which Labour ‘modernisation’ in the past, especially in terms of union activity and involvement, has some parallels with New Labour’s approach. Importantly, it can be linked to periods when unions shifted away from acquiescence and subordination to parliamentary Labour. In this sense, unions under a Labour government were accepted and embraced as ‘partners’ as long as the government line was not breached. Militancy and pressure on union leaders to orientate towards the interests of the rank and file, helped usher in plans to reform unions. The setting up of the Donovan Commission in 1965 and the much opposed *In Place of Strife* white paper, with its focus on the balance between rights and responsibilities (Thorpe 1999: 139) are evidence of this. At this distance, this seems quintessentially New Labour, though clearly Old Labour was operating on different terrain in terms of the balance of class forces. New Labour seeks to characterise Labour as in the pockets of unions at crucial points in the period. Yet an awareness at the time of the image of this as electoral baggage saw Labour move into Conservative territory - criticising unions and claiming the upper hand in terms of ability to ‘sort them out’. In this respect, Thorpe (1999:141) usefully argues that only the “shotgun remarriage” of Labour and the unions, brought about by Heath’s election as Prime Minister and the Industrial Relations Act in 1971, sustained the relationship. This suggests that later electoral catastrophe occurred for different
reasons than those proffered by New Labour. Moreover, those years characteristically involved:

Maintaining wage restraint and limiting strikes...with dire long term consequences. Indeed a plausible case can be made that the seeds of Thatcherism were planted here (Panitch and Leys 2001: 19).

The presentation of an homogenised orientation of the Labour governments of the 1960s and 1970s by New Labour, and conflating the diverse contours of the Labour-union relationship over two decades, underplays important features of both. For example, Healey's 1974 claim of a future Labour government being prepared to "squeeze the rich until the pips squeak" was, as the often bitter experience for workers of the 1974-1979 Labour government demonstrated, motivated more by the wave of workers militancy of the "Glorious Summer" of 1972 and its impact on workers' confidence and consciousness (Darlington and Lyddon 2001), as it was by any socialist conviction to support working people or look favourably on the unions. It was, arguably, an attempt to convince that 'deals' secured for workers from a Labour government by the union bureaucracy were firmly based on an ideological commitment to them and, importantly, to renew faith in a "top-down" approach that union members had decisively rejected (Thorpe 199: 139). Moreover, the leadership of the Labour Party "has always been concerned to prove its 'fitness to govern'" (Hyman 1989:45). For New Labour, this, alongside the flawed interpretation of the Wilson/Callaghan era, fundamentally framed the case for both the modernisation of the Labour Party and a redefinition of their relationship with the unions.

At the same time, it should be recognised that, by the end of the 1980s, union leaders needed little convincing that the world had indeed changed, especially in respect of their own power and influence. The continuing development of New Unionism under Monks' leadership at the TUC encouraged unions to identify more closely with the interests of business (Taylor 1998: 305). This was based, essentially, on acceptance that future success for trade unions lay in formalising the conciliatory approach that they had generally adopted by the early 1990s. This does not simply mean that unions could find common cause with New Labour. It is, conversely, the foundation upon which the New Labour accommodation with the New Right's free market and, especially, the concern to appease business interests, is based. Importantly, shifts in union orientation serve to illustrate how the New Labour
synthesis of the interests of capital and labour did not develop against the grain of union outlook.

Two decades of Thatcherism had allowed for employer ambivalence to trade unions in the private sector and, crucially, in ‘new’ industries, outright anti-union strategies. After the election victory in 1997, with New Labour in power, union leaders could point to the fact that the government had modified some of the worst excesses of Conservative legislation. Whilst there was no radical break with Conservative measures in industrial relations, various proposals like the National Minimum Wage (NMW), statutory recognition and the implementation of the European Social Chapter suggested something of a ‘leftward shift’ (Undy 1999). Benefits to millions of workers due to legal changes, including some that, although limited in scope, are beneficial to the trade union movement overall, have been delivered by New Labour. It is these new rights, alongside a belief that an apparently pro-European stance would reap further benefits for workers, which provided many union leaders with the necessary justification for their continuing support of New Labour in government. New Labour’s social justice rhetoric was seemingly on the way to being delivered in the workplace. However, an implicit rejection on the part of New Labour of the Conservatives xenophobic approach to Europe, did not result in the wholesale embrace of what the unions saw as Europe’s more ‘pro-worker’ orientation. As has been outlined in the preceding chapter, New Labour’s approach to Europe in government has been one of encouragement towards a pro-business, flexible labour market approach in line with its own. Blair’s refusal to countenance an EU wide Charter of Fundamental Rights that would “create a level playing field for British workers within the EU” (The Herald 23rd June 2000), and the apparent breach of the Government’s obligations under key articles of the Council of Europe’s Social Charter (Hendy 2001: 33), also help demonstrate the limitations placed on the possible benefits of ‘social’ Europe by the New Labour government7.

The extent to which unions’ views were taken into account as New Labour’s employment legislation was being developed should also be noted. Union influence

7 The Blair government has sought to minimise the impact of European Directives throughout their period in office, as noted in the previous chapter. Another example of this was in the interpretation of rights to parental leave. The government stated that such rights were only available to parents of children born or adopted after the 15th December 1999, the date the new regulations came into force. However, the Directive gives parents the right to up to three months leave that can be anytime up until a child eighth birthday (Labour Research Department 1998: 30).
was limited, and key pieces of legislation clearly demonstrate the New Labour government bending to the will of employers. The level that the National Minimum Wage was set at, the complicated procedure for statutory recognition and the overall limitations of the Employment Rights Act 1999, discussed in more detail in later chapters, are all indicative. The official response of the unions, generally, has been one of full participation in due process, where views are sought and a weak critique of laws that do not fully meet their aims overall. That unions have sought legal redress against the government, over their interpretation of positive European legislation, does suggest that the fact that government is Labour, does not preclude unions from mounting effective challenges. However, for the purposes of my analysis, it is important to note the apparent lack of influence this seemingly demonstrates, whilst recognising how, despite differences, challenges are often counter-balanced by over positive analyses of the benefits of legislative changes:

We have not spent the last 20 years battling to achieve a Labour government to then throw it all away two and a half years into power. The government is delivering on working rights. There are more things we want, but there has been significant progress (Morris8 quoted in The Guardian 14th September 1999).

Because there is much unfinished business, don’t ever fall into the trap of underestimating what has been done.... (Monks quoted in The Guardian 11th September 2002).

Moreover, the granting of certain rights and the positive assessment of them, should not detract from New Labour’s continuing commitment to re-invigorate the market and its overall accommodation with New Right philosophy. Thus the New Labour version of modern trade unionism is one that:

Must be consistent with market efficiency, any resurgence must involve the growth of a new business unionism, fiercely antagonistic to independence, conflict and militancy (McIlroy 2000: 21).

The possibility of alternative, more militant, responses to weaknesses in New Labour’s programme are also closed off by the union bureaucracy, demonstrated by

---

8 In 1999 Bill Morris was leader of the Transport and General Workers Union.
an often explicit convergence of approaches in terms of the contemporary role of unions and identification with business goals:

Effective trade unionism is no longer about extracting the maximum level of concessions from an employer. It is no longer about adversarial bargaining and conflict. It is about joint problem solving and the recognition of joint interests (Monks quoted in McCarthy 1997: 53).

In addition, the anti-union legislation that New Labour retains on practical and political terms as both popular and just, whilst still supported by the unions in general, demonstrates the debilitating effects of their relationship on the unions’ ability to bring about more positive changes in the interests of workers generally. New Labour’s employment relations settlement is shaped by its overarching concern to appease business, and the union bureaucracy, especially the TUC, promote the notion that opportunity for them too lies in their identification with company goals and competitive, macro-level aims (Monks 1996).

This apparent convergence of views is rooted not simply in accepting and advocating New Labour solutions, but is linked to important developments within trade unionism. Unions’ earlier eschewal of the confrontational approach of the late 1960s, 1970s and early 1980s allowed this to develop as a central element of New Labour ‘modernisation’. There is, however, a sense in which the union bureaucracy is still striving to relate to the neutral terrain that New Labour seeks to create through its synthesises. Thus unions want to be perceived as having a crucial role in the success of the enterprise economy. Paradoxically, however, the overall shift in unions’ orientation away from a conflictual, militant, approach, expressed politically as a movement towards a rights-based legislative strategy to represent workers’ interests, leaves them needing more from political campaigning (Ludlam 2003: 86). Thus, in effect, unions need to gain more benefits from their links with Labour than New Labour are prepared to concede. However, the development of an official trade unionism orientated towards business interests, helps circumscribe the contemporary nature of the official politics of the Labour Party no longer defined in terms of an ideological commitment to reduce structural inequalities (Lavalette and Mooney 1999). Moreover, although the union bureaucracy may fully concur with New Labour’s opposition to independent, militant trade unionism, the retention of the ‘anti-
worker's orientation of the Conservatives and the embrace of neo-liberalism by New Labour, that, for workers, is fully demonstrated in its commitment to universal flexibility, creates tension. Continuing support for New Labour, and an acceptance of its claims regarding the nature of the global economy by the union bureaucracy, not only represents support for a government not committed to unions' traditional interests, it also results in diminishing scope to act in pursuit of those interests. Any active, collective, pursuit of traditional interests is perceived to threaten fundamental tenets of New Labour ideology.

Two points are worth re-iterating. The first is the role played by the union bureaucracy in the creation of New Labour, not simply in terms of support for key changes that reduced unions' influence within the Labour Party, but also in the way that shifts in union orientation are reflected in New Labour ideology. The second is that, in terms of the relationship with the unions, the distinction between New Labour and previous Labour governments is again overdrawn. From a New Labour perspective, the "too close and incestuous" relationship between unions and Old Labour involved a pro-worker, pro-union stance for governments that, in the final analysis, benefited unions to the detriment of Labour (Mandelson and Liddle 1996: 224). The willingness and ability of Labour governments to retreat from positive reforms and ignore union pressure are underplayed. However, whilst remaining aware of both these points, it is also important to note that the political economy of New Labour and the palpable rejection of the social reformism that gave life to the Labour Party, have created a new terrain upon which the relationship with the unions operates. This helps shape the nature of the relationship and the nature of the limitations to acting in the interests of union members.

2.3: Fairness not Favours

New Labour's plans to move ideologically 'beyond left and right' have involved an accommodation with the legacy of the Thatcherite industrial relations settlement and an embrace of the neo-liberal agenda. The move 'beyond' the left has seemingly involved the outright rejection of what are perceived as key elements of Old Labour links with unions, though continuing ideological connections are underplayed in the analysis that informs the New Labour position. The promise to deliver social justice, couched both in terms of rights and responsibilities, and
intrinsically connected by New Labour to a dynamic enterprise economy, did allow for the development of proposals apparently beneficial to individual workers, unions and their members. As noted earlier, New Labour made clear its intent to do this without facilitating any return to what is perceived as the destructive militancy that, for New Labour, characterised the whole of the 1970s. Importantly, this has been characterised, as much of New Labour's ideological thrust has, not as a rejection of all that Labour ever stood for. It is, rather, a return to the values of 'true' Labour. Under a New Labour government:

There should be no expectation of unjustified favours – just as there never was, before the aberrations of the 1970s (Mandelson and Liddle 1996: 26).

Unions could expect no special favours from New Labour and, there was no promise of a growth in influence in government decision making. The balance of power in industry and beyond would remain with employer interests. Given New Labour's ideological thrust and their closeness to business, as the effectiveness of CBI lobbying as employment relations law was being developed demonstrated, the election of a New Labour government meant overall employer strength could be reinforced. To this end, New Labour offered only a muffled challenge to some of the worst excesses of employer power in the workplace, through a narrowly focused and piecemeal legislative programme, whilst making claims that a radical new culture in the workplace would emerge as a result. Fundamentally, change in employment relations needed to fit with the "pursuit of strong markets, modern companies and the creation of an enterprise economy" (Blair 1998c). Fairness and "minimum standards of protection in the workplace" (ibid.) were available only to the extent that they fitted with the government's competitiveness objectives. However, the balance between fairness and competitiveness is not readily struck and there is no universal standard by which fairness can be measured. Moreover, as I argued earlier, the relationship that New Labour constructs between competitiveness, cohesion and social justice sees competitiveness privileged over fairness, prescribing a particular meaning for fairness. As a result, some of the rights that have been provided are not available for many workers. This clearly has an impact on individual workers. In addition, it has wide reaching implications for the union movement, even when they are prepared to concede the New Labour approach as the way forward.
One important example, which challenges the notion of fairness that the government espouses and that limits opportunities for growth on the part of the unions, is the exclusion of workers in small firms from statutory recognition provisions. The 'right' to representation and to statutory recognition is only a right for those in workplaces of more than twenty one workers. Thus thirty percent or over eight million workers are excluded from this ‘right’ (Smith and Morton 2001: 124). Whilst unions could bring specific benefits in terms of competitiveness, like helping "employers to explain the company’s circumstances and the need for change" (Department of Trade and Industry 1998a: 21) and “collective representation can give employees a more effective voice in discussion with employers” (ibid.), legal compulsion to recognise union collective representation in small workplaces was deemed “inappropriate” (Department of Trade and Industry 1998a: 24).

This raises serious questions around “fairness”, even at the most basic level. It also results in further complexity. Research by the Citizens Advice Scotland (CAS) on the impact of New Labour’s Employment Rights legislation found that 60% of its cases on employment concerned small businesses (CAS 2001:8). This research helps demonstrate how, having been denied the right to statutory recognition afforded workers in larger enterprises, these workers can, and do, struggle to lay claim to other rights like the National Minimum Wage and those afforded under the European Working Time Directive. This may well be linked to a lack of the representative voice that being unionised and having union recognition could bring. Although workers in larger enterprises are affected by employer non-compliance and continuing recalcitrance, those in smaller workplaces are particularly restricted in their ability to organise for improved conditions through union membership. Thus, it can be argued, the exclusion of millions of workers from New Labour’s collective rights restricts their ability to take up the promised individual rights.

The exclusion of small workplaces, where only 8% of people working were union members in 1999 (Financial Times 8th July 1999), also creates problems for unions. Access to workers is difficult, and the potential for unions to recruit on the basis of possible recognition is denied. Clearly, despite the positive elements of statutory recognition for union growth, this has a limiting effect. Whilst the eight million-plus excluded workers represent potential recruits for unions, they have no
obvious means of communicating with these workers directly, since, only once recognition procedure is relatively far advanced, can unions gain limited access. The limitations created by this exclusion further impact on unions' willingness to focus on this group, as the benefits of recruitment are less obvious than those available where recognition is a distinct possibility. These workers struggle, therefore, to access many of the benefits of New Labour's 'fairness' agenda and serious limits are placed on how the union movement benefits from statutory recognition as a whole. In this context, questions can also be raised regarding New Labour's social justice agenda. As noted earlier, social justice is an ambiguous concept in the hands of New Labour, as is fairness. Exclusions from apparent rights for millions of workers, however, further reveal the character of 'actually existing' social justice under New Labour. This also suggests the government's fundamental commitment to ensuring there being no return to the militancy of the 1970s, is reinforced by exclusions within the promotion of positive rights that guarantee there will be no return to the numerical strength of the late 1970s, when membership was over thirteen million. Thus, whilst such exclusions are a separate barrier to unionisation, invoked by the apparently positive and seemingly most positive legislation in terms of union growth, it needs to be appraised in terms of the wider New Labour context.

This helps to illustrate a fundamental principle of New Labour's fairness agenda; even modest reforms must be compatible with the drive to make the economy more competitive in the face of globalisation. New Labour uses the notion of fairness, couched in terms of competitive advantage, to fully demonstrate commitment to free market capitalism, whilst seemingly laying claim to an added sense of decency and morality, characteristic of traditional social democratic values. Above all, it is a pragmatic commitment to efficiency in terms not incompatible with New Labour's social justice objectives. Any specific commitments to social justice 'at work' are, therefore, both weakly defined and weakly pursued by New Labour, and delivery of social justice is focused on more general reforms. The following chapters trace the implications of this.

Fairness is not, therefore, about the restoration or creation of employment rights per se, or rights for rights' sake. For workers (and trade unions) they come with responsibilities, and, for employers, with potential commercial gain:
...In offering new rights we will demand that employees in turn accept their responsibilities to co-operate with employers. There will be no return to the days of industrial conflict...Within a flexible and efficient labour market, the Government’s approach will improve both fairness and comprehensiveness (Department of Trade and Industry 1998a: 14).

The [Fairness at Work] White Paper establishes new ground rules for fair treatment, allowing employees to form effective relationships with employers...The Government believes that if these relationships are properly developed and managed companies will have the best chance to enhance their performance and profitability – and so our national prosperity (ibid: 7 & 8).

Moreover:

The rights are not accorded to workers out of respect for basic values or to ensure compliance with ideal standards of fairness and justice. Instead the legal rights are justified primarily because it is believed that they will contribute to the enhancement of efficient business methods, innovation improvements in design, more successful marketing and so forth (Collins 2001: 303).

Hence, appeals to employers to embrace the fairness agenda highlight competitive benefits in approaching workers in a specific way in order to harness their “skills experience and initiative” (Cook9 1996). In large workplaces at least, this also involves drawing unions to the negotiating table, “to foster a long term partnership of trust between workers and management to work together in common enterprise” (ibid). The benefits therefore are two-fold: tapping into the workforce as a key management resource in the face of competitive pressure and the possibility of gaining competitive edge through refusing to contemplate the notion of antagonistic management-worker relations. New Labour can only offer this through the sole version of trade unionism it is prepared to countenance. New Labour appealing to business as a government ‘on your side, not in your way’ needs similarly disposed unions. The weakening of union power and the union bureaucracy’s response to it, the acceptance of the ideology of competition, and the increasingly pervasive commitment to self-discipline, signified that this could be accomplished. What is more, coupled with unions’ continuing support for the New Labour, this arguably afforded the scope within which to develop a fundamental feature of New Labour

9 In 1996 Robin Cook was Shadow Foreign Secretary.
ideology. Therefore, fairness, as conceptualised by New Labour, is wholly premised on enterprise, efficiency, and competition not representation, equality nor even-handedness. The development of this as a fundamental element of what defines New Labour, involved the mutual denial by both New Labour and unions, though perhaps not in equal measure, "of a distinct 'labour' interest" (Hyman 1989: 190).

2.4: A New Era? Partnership and Flexibility

Clearly, the principles of shared goals and 'mutual' interests between employees, their representatives and employers have been central to the development of New Labour, and to the evolution of unions at the beginning of the twenty-first century. In order to safeguard these principles and to facilitate the desired and, from the New Labour perspective, required, new workplace culture, the concept of partnership has been developed as the preferred modus operandi in the sphere of employment relations. Indeed, the government's commitment to minimum standards of protection at work is essentially premised on the provision of such standards acting as a basis for building partnerships at work, between employer and employee representatives. Avid promotion of partnership both defines New Labour as having moved 'beyond left and right' - in this case beyond antagonism at work - and is perceived as an important mechanism through which change can be assured. Crucially, the possible proliferation of partnership agreements in individual workplaces, and of a general partnership culture that New Labour expect, represents the necessary apparatus with which to ensure the marginalisation of the industrial conflicts of the past. Evidently, despite the claims of arms length relations and of one interest group among many, New Labour still need union acquiescence and need to secure continuing official commitment to a partnership agenda. The union bureaucracy has manifestly supported this approach, not solely as a pragmatic response to the possibility of an invitation to the negotiating table after decades of marginalisation, nor simply in recognition of some of the barriers placed on numerical growth by employment relations legislation. For example, at the 1999 Trades Union Congress, the then leader of the engineering union, the AEEU, suggested that the TUC and CBI should have biennial joint conferences (The Guardian 14th September 1999). In addition, official union embrace of partnership is demonstrated more generally in the TUC development of a 'wish-list' of six key principles, centred on a shared worker-management commitment to the organisation and recognition of
distinct and legitimate interests (TUC 1999a)\textsuperscript{10}. Official TUC responses to union trends, especially in terms of low strike figures, consistently seek to confirm partnership as the “dominant mode in industrial relations” (TUC 1998b, 1999b). In addition, in January 2001, a separate TUC partnership institute, devoted to developing partnership, and supporting workers and employers seeking to develop workplace partnerships, was launched.

Partnership has been characterised as “the TUC ‘s very own Third Way between what Monks calls ‘militant trade unionism and 80s style macho management’” (The Guardian 15\textsuperscript{th} September 1999). For many union leaders, partnership is not just perceived as an opportunity for participation in order to improve unions’ strength and influence. It represents the central mechanism through which to institutionalise the conciliatory tendencies of the late 1980s and 1990s. Partnership is the full acceptance of employer interests, agreed in advance of any management offensive, and circumscribes how a union can operate in the face of any such offensive. It can be characterised as a binding contractual commitment to the “unity of the graveyard” – in which sparks of rank and file militancy are immediately extinguished from above” (Darlington 1994a: 279). New Labour’s desired new culture in the workplace is based on the ability of unions to remould themselves into an acceptable partner to do business with business. This, in turn, is based on a lack of recognition of the hostility unions have faced over the last two decades and that even the strongest unions are “overall weaker than their opponents” under capitalism (Darlington 1994a: 34). Fundamentally, it demands a lack of struggle and of the sort of activity and debate that, ironically, threaten unions’ ability to create the base upon which ‘rights’ like recognition can be fought for. The fundamental antagonism between capital and labour is subordinated to the mythology of the mutual gains workplace. Again, for New Labour, its ability to appeal to the ‘two-sides’ of industry represents a key benefit of Third Way thinking. As a fundamental principle of this, that ostensibly defines its transcendence from both right and left, is the co-operation of employers and workers and the synthesis of their interests that needs to be established and maintained. Partnership is perceived as fulfilling that role.

\textsuperscript{10} The TUC six partnership principles are: a joint (union-employer) commitment to company success, a recognition of each others legitimate interests, commitment to employment security, mutual concern for quality of working life, information sharing and mutual gains from improvements to business success (TUC 1999a).
On one hand, restrictions and restraints placed on unions and weaknesses in New Labour's legislative programme help reinforce the apparent need for unions to embrace this. On the other hand, the acceptance of the ideology of competition coupled with a belief that unions' survival depends on government and employer support, meant that New Labour's partnership thrust pushed at an open door (Driver and Martell 1998: 74). Thus, it is not the case that a parsimonious legislative programme forced unions into a 'partnership corner', though it did arguably leave the unions gaps in potential growth and legitimacy that needed to be filled. The seeds of the ideology of partnership have clearly fallen on fertile ground, despite of the fact, or arguably, because it involved encouragement to the unions to:

Develop the opportunity of being invited to the negotiating table, rather than to develop the collective strength with which to force entry to it (Brown 1999: 168).

First and foremost, New Labour's evocation of partnership is imbued with a particular view of organised labour as weakened and with a disavowal of unions as an autonomous force. In this context, official union action and overall orientation, presented as in the 'best interests of the workforce', primarily seek to protect the institutional security of the union. Moreover, demonstrably, competition and partnership cannot be separated:

Workplace partnerships achieve better standards and results in the workplace than legislation alone...Partnership is good for business because it leads to increased productivity, improves higher performance and higher profits. It is good for the workforce because it gives them greater stake in the success of the business. And it's good for the economy because it leads to greater competitiveness and innovation (Department of Trade and Industry 1998b11).

They are intrinsically linked, fundamental, features of New Labour. As with 'fairness', 'partnership' is couched in terms acceptable to business and premised on terms acceptable to business. Comparable with competitiveness and fairness, official union response to partnership typically is not incongruous with New Labour's partnership ideals. However, the espousal of industrial harmony and of the overarching notion of common goals, is a rhetorical device with little basis in material

11 Quoting Ian McCartney, then Minister of State at the DTI.
reality. One of the most important observations that can be made is that the ideology of partnership is inevitably flawed. It is not a partnership of equals, nor can it ever be, because:

    The balance of power between management and workers in any specific workplace is only an expression of [this] more basic power relation between the capitalist class and the working class...
(Darlington 1994a: 34).

    Thus, on the part of both New Labour and of the unions, partnership as a strategy is, on this basis, fundamentally flawed. For New Labour it means a lack of recognition of oppositional interests and of a fundamental antagonism that simply cannot be talked out of existence. Put simplistically, a central New Labour principle does not rest on a robust structural foundation. Any militant challenge from workers, whether confined by partnership-style agreements or not, poses a particular threat to the stability of a New Labour government. For the unions, the possibility of partnership, based on the ideological circumvention of the reality of the separate and independent interests of capital and labour in the workplace, leaves little room for manoeuvre when employers threaten the ‘ultimate sanction’ or decide to close a workplace. For New Labour, partnership is a key method of obscuring the reality of separate interests. For the union bureaucracy, the real opportunity they are presented with through partnership is to create a firmer structural basis through which to resume their position as Mills’ “managers of discontent” (1948: 9). The official abdication of struggle in recent decades (Hyman 1989: 178) has been granted a formal regulatory framework and a clear focus on the “we” of the enterprise, rather than “them and us”, affords unions “the opportunity to participate at the highest organisational level” (Findlay 1999: 103). The character of the relationship between New Labour and the unions lies at the heart of both these positions. Partnership is fully embraced in the way the union bureaucracy promotes, threatens independence, and limits the capacity of union members to take action, even in defence of general union interests. Its acceptance also allows unions to promote a cornerstone of New Labour ideology and to justify continuing support on the basis of mutual benefits and pragmatism. Importantly, this further formal accommodation of employer interests is a method through which to ensure the long-term survival of New Labour, and the efficacy of their support for neo-liberalism, as it helps preclude unions from mobilising the mass
of membership to mount of effective challenges against employers, which would also damage New Labour. Union compliance is essential and a common commitment to an agenda that has the good of the enterprise at its core creates legitimacy for that agenda and, incongruously, for unitarist management strategies when regarded appropriate.

Again, this is not to imply any fundamental shift in the relationship between New Labour and earlier Labour governments. The 'Social Contract' of the Wilson-Callaghan government in the mid-1970s can be usefully characterised as embryonic partnership, "with its spirit of class collaboration between government, employers and trade unions" (Darlington 1994a: 38). In the early 1960s Wilson told the TUC that "a Labour government and the unions would be 'partners in a great adventure'" (Thorpe 1999: 133) but the contrast between this and reaction to union militancy when confronted with it, evokes clear parallels between his governments and New Labour. However, such parallels do not rule out the need to identify meaningful differentiation. For example, New Labour's increasingly close relationship with business, and its electoral success, creates the scope to avoid overt partnership between the government and the unions, despite the continuing need for their support and acquiescence. Partnership, for New Labour, is between employers and employees primarily and, if necessary, between unions and employers. Conversely, the government is in partnership with business and promotes partnership between the state and the private and voluntary sectors. Yet, paradoxically, New Labour achieve some of the perceived benefits of partnership in their relationship with unions: a clear identification with the goals of the 'enterprise', promotion of the notion of shared interests that seek to diminish fundamental differences, and, crucially, a mediator to convince workers of the value or, indeed, the necessity of otherwise unpalatable policy.

The problematic nature of this is exposed when the final piece of New Labour's ideological jig-saw of employment relations — flexibility — is considered. One of the most pervasive problems with flexibility is that it is an amorphous notion that New Labour never clearly defines. In the New Labour version, there is no clear distinction between numerical and functional flexibility, which would allow effective

---

12 The National Seamen's strike in 1966, offers a clear illustration of this, during which Wilson coined his infamous phrase: "tightly knit group of politically motivated men" (see Foot 1967).
measurement of the benefits flexibility is assumed to have. Working 'flexibly' means not applying rigidity in terms of tasks, working hours and, crucially, in terms of tenure. It is portrayed as worker-, especially carer-, friendly and as creating the scope for workers to balance their domestic with their employment commitments, whilst making little demand on employers to financially support 'flexible' initiatives. It is also characterised as presenting workers with opportunities for 'upskilling', as allowing gaps in employment to be bridged, and as a springboard from which unemployed and low-skilled workers can improve the 'employability' central to the development of the human capital fundamental to New Labour's social justice aims. However, there is little evidence that flexibility has resulted in upward job mobility.

It is above all, a method of giving New Labour's acceptance and promotion of 'no jobs for life' a positive slant. Moreover, flexibility helps New Labour justify a lack of concerted action over job creation and the gap that has resulted in labour supply outstripping demand, especially in areas where the de-industrialisation of the 1980s has most impact. In addition, the restructuring of the benefits system on the basis that work is the best form of welfare, means a continuous labour supply that can be as flexible as required. Thus, despite rhetoric that flexibility should not be used by employers in a particular way: "we don't want a workforce that is flexible only in the sense that it is easily dismissed" (Cook 1996), there are no safeguards in place to ensure that this is not the case. For many workers, being flexible means taking on the status of 'perma-temp' whereby even long term relationships with particular employers do not result in rights connected with tenure. In this respect, social justice translates in a situation where many workers are effectively unable to sever links with employers, whose understanding of flexibility is clearly that it is, first and foremost, a government sanctioned method of tying workers to production cycles without the burden of responsibility for them. Furthermore, the terms under which such workers are employed and the exploitation of a lack of clarity or even dilution (in terms of European Directives) of legislation, mean these workers often find it difficult to take advantage of the 'new' benefits that New Labour has brought about. This

---

13 Green (2001) has noted the intensification of "work effort" since 1981 and the concentration of working hours into fewer working households thus resulting in longer working hours. Moreover recent evidence suggests that a "long hours culture" and the struggle to maintain an effective work-life balance is applying a pressure to working families not being alleviated by government initiatives (Joseph Rowntree Foundation 2003).

14 See Joseph Rowntree Foundation (1998) and Booth et al. (2000).
demonstrates a central tension at the core of New Labour’s approach to labour market flexibility. The rhetoric of policy documents has portrayed a concern for workers’ security:

Only with a well-motivated and secure workforce can Britain have the level of productivity we need. An insecure workforce with no commitment to or from the firms in which they work will not deliver the productivity and competitiveness Britain needs (New Economic Future for Britain (1995), cited in McCarthy 1997: 48, emphasis added).

Yet, as the underlying thrust of the above quotation indicates, like fairness and partnership, flexibility cannot be detached from the overarching concern for competitiveness. It is this that frames New Labour’s whole approach to flexibility and helps preclude the establishment of any specific legal safeguards to protect workers from ‘flexibility abuse’ or “flexploitation” (Gray 1995: 12):

The concern to promote competitiveness through flexibility discourages the adoption of mandatory and inalienable rights. Fixed rights may [either] conflict with the optimal arrangement of work from the point of view of competitiveness... (Collins 2001: 310-11).

Again, this poses clear problems for the unions both in terms of both how workers’ interests are represented and in terms of their relationship with New Labour. Flexibility, in the context of employment relations, represents a clear example of New Labour’s accommodation with the New Right. New Labour in power has demonstrated the hollowness of the flexibility ‘as a benign, or even benevolent force’ myth. In the current experience of many workers, flexibility represents the intensification of insecurity and of the operation of the free (labour) market unfettered by state regulation or union influence. It is, at the same time, a cornerstone of New Labour’s Third Way ideology and a clear challenge to the existence of a Third Way distinct from the Conservative’s neo-liberal agenda.

Union support for this is therefore problematic. The whole notion of security is absolutely central to trade unions as many members still regard unions’ traditional, protective role as a fundamental reason for membership (Waddington and Whitson, 1994: 37). Thus, many people do perceive unions as the ultimate safeguard against insecurity. Recent evidence from the OECD suggests workers in the UK are among
the most insecure in the developed world with 41% claiming to be insecure at work (TUC 2002b)\(^{15}\). Moreover, unions’ institutional security is ultimately contingent, in the long term, on workers’ security, as the 1980s demonstrated in sharp relief. This is recognised by the unions’ to the extent that concern for security underpins the TUC’s version of partnership\(^{16}\). Yet the flexibility promoted by a government the unions support threatens to undermine the security they need to survive. The ‘disposability’ of people who work for employers that operate with the unhindered flexibility to “cut free from place” (Sennett 1998: 136) in the name of competitiveness, adds a specific burden to unions even in the light of moderately supportive legislation\(^{17}\). Furthermore, flexibility and endeavour to remain competitive in the manufacturing sector has resulted in a loss of two hundred and two thousand jobs between December 2000 and March 2002 (TUC 2002d) and this is likely to continue. An emerging trend of “Rice Krispie redundancies” (Financial Times 27\(^{th}\) June 2003), whereby workers hear second hand that they are losing their jobs, also indicates how employers use contemporary flexibility against the interests of workers\(^{18}\). The main difficulty for the unions is how to respond to the specific conditions created by the contemporary nexus of flexibility and competitiveness, and their impact on working lives. Having accepted the ideology of competition and their potential role as industrial partners, this places serious limitations on the development of an effective strategy to combat the worst effects of flexibility. Demonstrably, unions are unable to rely on New Labour to develop a more ‘worker-centred’ flexibility, given its overarching ideological commitments.

Herein lies a paradox at the centre of New Labour’s relationship with the unions that demonstrates how, at a fundamental level, the distinction between this and the Old Labour relationship with unions can be challenged, despite the new terrain New Labour constructs. The positive impact of their support for New Labour is out-weighed by the pressure unions are placed under by crucial elements of the very programme they help sustain, just as it was under Old Labour. There are, however,

---

\(^{15}\) According to the OECD research the UK is second bottom of the ‘job security league’. Only Korean workers are more insecure - 46\% (TUC 2002b).

\(^{16}\) This is again couched in terms acceptable to business: “many employers embrace partnership as a way of increasing flexibility in the workplace. Good partnerships complement flexibility with action to improve employment security in the workplace” (TUC Partnership Institute, 2003).

\(^{17}\) This point is explored further with reference to the case study workplace discussed in later chapters.

\(^{18}\) An example of this was the closure of Motorola in Bathgate, Scotland where workers heard of the closure en route to begin their shift (Sunday Herald, 29\(^{th}\) April 2001).
some important points that need to be made in this respect. The first is that this is seemingly less of a problem for New Labour since unions are perceived as less important. Yet the continuing reliance on union support, especially during elections, is well documented (German 2000; Ludlam 2003). The second is that there have been crucial ideological shifts under New Labour that add to the pressures unions face. Arguably, from the perspective of workers, New Labour represents a fusion of the worst of Old Labour and the New Right, rather than a benevolent transformation 'beyond left and right'. Hence unions support for New Labour means support for a Third Way which:

Operates within the same political economy as the right; free market capitalism works. It offers no critique of the capitalist system, no systematic programme of reform and no strengthening of those forces, whether public institutions or those in civil society, that might offer countervailing power. To build up trade unions, for example, threatens the flexibility of the labour market (Hutton 1999: 99).

Continuing official union support for New Labour forces us to consider a crucial aspect of the Labour-union relationship and the fundamentally contradictory nature of trade unionism in Britain. Hyman (1989: 133) has argued that:

There is an elaborate dialectic between capitalist production, class struggle and state power which cannot be grasped by a mechanical dichotomy between the 'economic' and the 'political'.

This 'false dichotomy' between the political and the economic is part of what characterises trade unions as contradictory, and it serves to confine the two 'arms' of the Labour Movement in Britain to self limiting and distinctly separate horizons and goals. It is also "used to prevent workers mobilising their vast potential industrial strength against the power of the capitalist class concentrated in the state" (Darlington 1994a: 27). This encourages conservatism within the trade unions, which means that, whilst they serve to encroach on capitalism and have made considerable gains on behalf of workers since their foundation, they also seek to constrain workers to act in ways that best secure trade unions' own survival within the existing relations of

---

19 The impact of devolution is important here since New Labour need to fight separate election campaigns for the London and Welsh assemblies and the Scottish parliament as well as the Westminster and European elections.
subordination and domination. This remains unchanged as a fundamental characteristic both of trade unionism and of the unions’ relationship with Labour. Thus, accord with New Labour’s political programme is granted on the basis of potential economic gains: the minimum wage, unions’ numerical growth, etc. Explicit and sustained critique at a political level is subordinated, as this not only threatens to undermine the relationship but would also involve the unions’ shifting from their distinct horizon and confronting unions’ (as currently constituted) own apparent need to operate within the institutions of capitalism. Moreover, this would involve a challenge to a century old bureaucratic principle that workers should look solely to the Labour Party to effect meaningful political change. The difficulty for unions under New Labour is that, arguably, the limited gains made in the economic sphere and the limitations placed by New Labour’s ideological thrust on further gains, can help expose to members the debilitating effects of the Labour-union relationship, and this ideological split of a ‘two armed’ Labour Movement with separate horizons. Key aspects of New Labour policy, when considered from this perspective, have the potential to expose the falseness of the dichotomy between the political and the economic. This is not to suggest that the relationship is on the cusp of irretrievable breakdown, or that free from the Labour Party unions will assume ‘their true role on the stage of history’\textsuperscript{20}. It is simply to posit that there are critical features within New Labour that fundamentally diverge from traditional union interests, which cannot be fully overcome in the longer term. Increasingly, the new rhetoric of New Labour does not allow the same ideological obfuscation. And this, despite the acquiescence of some union leaders, places particular pressure on the relationship between New Labour and the unions, the effects of which New Labour underplays. This pressure is at its most acute in the current period in the public sector and New Labour has thus far faced greatest resistance from workers and their unions there.

2.5: Working ‘for’ New Labour

As argued earlier, the public sector is particularly significant for New Labour, in terms of the potential damage that militancy there could inflict on the government and the possible impact of worker/union recalcitrance on its specific plans for

\textsuperscript{20} By their very existence unions represent a clear challenge to capital. Indeed “the concerted effort to break the trade unions as an independent force crystallises quite decisively the value of their creative and irreplaceable role in a socialist movement” (Anderson 1967: 273). The point however is to problematise this role in the light of the developments of the last twenty years.
reform' and re-conceptualisation of the public sector. New Labour's Third Way in the public sector means seeking a "synergy between public and private, utilising the dynamism of markets but with the public interest in mind" (Giddens 1998: 100), specific elements of which have been outlined in the previous chapter. In addition, New Labour took office without any commitment to reversing the privatisation of the Conservative years, and the legacy of Thatcherism in the public sector is embraced and enhanced (Mandelson and Liddle 1996: 1). Despite major problems in the public sector caused by under resourcing and ineffective provision, resulting in low worker morale, in their first term at least New Labour pledged to keep to the spending limits of the last Conservative government. Yet, according to the TUC:

The story of the years up to 1997 has been a sorry one of decline and retrenchment, of public squalor and private affluence, of growing poverty, especially among children (TUC 2002c).

Even by New Labour's second term in office (2001) the share of GDP spent on public services was 23.6% compared with 28% in 1984 under the Conservatives (TUC 2002c). Furthermore, public spending is circumscribed in a particular way: all public spending is "money for results and reform" (Blair 1998a: 15). As with the private sector, reform in the public sector is intrinsically linked to the central principles of flexibility, competitiveness and partnership, outlined above. Although the policy of Compulsory Competitive Tendering (CCT) in local government was abolished, New Labour insist that public sector managers "keep the emphasis on competition" (Blair 1998b: 17) through the development of a 'Best Value' regime that in practice is not too distinct from CCT. New Labour is concerned to promote an entrepreneurial spirit across the public sector and facilitate the continuation of its marketisation in a way more far reaching than the Conservatives attempted. The synergy of public and private also means the continuing shift from virtually wholly public provision, and a new twist to the internal 'mixed' economy New Labour's predecessors sought to fashion in the public sector. Thus, as noted earlier, a cornerstone of the reform of the public sector is the continuation of the Conservatives' Private Finance Initiative, revamped as Public-Private Partnerships (PPPs), granting business the unprecedented opportunity to profit, on a large scale, from involvement in front-line service delivery in local government, health, and education, and other
key services. Again this demonstrates how promoting synthesis involves privileging one particular set of interests for New Labour.

Importantly, reform in the public sector, and the operation of PPPs in particular, represent a key site of divergence between New Labour and the unions especially, though not exclusively, public sector unions. One result of this is that conflict and militancy has been at its most acute in the public sector throughout New Labour’s time in government. It is useful, therefore, to consider the New Labour-union relationship in this context. Moreover, as Smith and Morton (2001) have forcefully argued, underpinning values and ideological orientation can dilute apparently positive legislation. Thus, in considering employment relations under New Labour, overarching principles must also be central to analysis. By way of illustration, it is worth considering the impact in the public sector of some of New Labour’s legislation. Firstly, it should be noted that, despite restructuring in the public sector that involved job losses and the often wholesale transfer of groups of workers to private sector employers over the Conservative years, unions have remained strong. Union density of just under 60% in 2001 (Department of Trade and Industry 2002: 345) and membership of public sector unions at over three million in 1996 (Mathieson and Corby 1999: 201)\textsuperscript{21} suggest that, to a large extent, public sector unions have weathered the storm\textsuperscript{22}, numerically at least. Membership decline in the private sector (40% compared with 2% in the public sector), particularly amongst manual workers in manufacturing, has resulted in greater prominence and influence for public sector unions like UNISON (Carpenter 2000: 203). However such relative strength is not reflected in wages and conditions and there is little in the New Labour agenda that translates as generalised improvements in this respect. For example, the crucial plank of New Labour’s employment relations legislation – the ‘right’ to union recognition - has a limited impact. Whilst public sector workers are likely to recognise the benefits that increased membership through increasing recognition rates may bring to the Labour Movement as a whole, such benefits are not immediately apparent, either in

\begin{itemize}
\item \textsuperscript{21} This figure includes members of the police federation but not members of non-public sector unions like the GMB, TGWU and MSF working in the public sector (Mathieson and Corby 1999: 201-202).
\item \textsuperscript{22} This is not to suggest however that the public sector unions did not suffer losses. Job cuts, derecognition – most notably at the Government Communications Headquarters (GCHQ) – and shifts in the views of managers (Corby and White 1999: 18) have had a negative impact though less profoundly so than in the private sector. The right to join a union at GCHQ was restored by New Labour in 1997, though strikes are still outlawed.
\end{itemize}
terms of obvious improvements to their working conditions or in a strengthening of power and influence in the decisions the government makes that affect them. In addition, despite the overall lack of general benefits, the negative elements of the legislation can still be felt. For example, the problem of the small workplace exclusion from statutory recognition, outlined earlier, has an impact for members of public sector unions, since small workplaces, like care homes, contain UNISON members (UNISON 1998).

Secondly, possible benefits of the National Minimum Wage are severely limited because it was set at such a low rate (£3.60 in 1999), especially for workers that remained directly employed by the state, for whom national bargaining offered some protection of wages and conditions, despite continuing chronic low pay for large numbers in the public sector. Set at such a low level, the minimum wage was and remains a “bittersweet victory” (UNISON 2003a: 8) and public sector unions continue to campaign for a “living wage” that represents a “low cost but acceptable standard of living” (ibid.). Public sector unions have been at the forefront of both general campaigns to raise the level of the minimum wage, and directly involved in action against employers demanding wage increases above minimum wage level. Yet, despite continuing, relatively strong, links with Labour, such general campaigns have had limited impact. TUC calls for a £5 minimum (The Herald 25th August 2000) and internal pressure from within the Labour party (The Herald 27th January 2000), have made little impact on the government’s resolve to ensure that incremental increases must “pose no economic threat” (senior government minister quoted in The Herald 15th February 2000), resulting in minimal overall increases in four years.

The National Minimum Wage clearly reflects New Labour’s overarching ideology of competitiveness. Moreover, the problem that the examples above help highlight in terms of the New Labour-union relationship is that public sector workers, and increasingly their unions, are, at one level, a more difficult constituency to appease. Parsimonious, if moderately supportive, legislation offers little improvement

---

23 The series of one day and selective strikes by UNISON members across the whole of local government in Scotland between September 2000 and February 2001 is one clear example of this. The “Gimme – 5” campaign demanded £5 per hour, 5% or £500 per year, whichever was greater.
in the public sector after years of being low paid and undervalued. Moreover the New Labour focus on efficiency, and on the apparent “outcomes society wants, rather than the outputs that public sector organisations produce or the physical assets they have at their disposal” (Leadbeatter 2000: 207) reveals in sharp relief the overall continuation and intensification of the Conservatives “anti-public sectorism” (Ferguson et. al. 2002: 164). In addition, in the public sector, the relationship between New Labour and business, in the shape of both the drive to deliver new and exceptional commercial opportunities and the adoption of a managerialist approach to employment relations, creates specific problems for its relationship with the unions. New Labour seeks to ‘redefine’ the public sector. Thus far, this has involved further privatisation and quasi privatisation, and the all too obvious presence of large corporations in schools and hospitals. The import of business language and style, as well as funding, is becoming a critical feature of the public sector under New Labour. This has resulted in a further blurring of the distinction between the public and private sectors.

Corby and White (1999: 19) argue there has been a decline in the public service ethos due to a combination of factors, including this business influence. Given that this influence continues to increase and, indeed, proliferates, the whole notion that arguably underlies public sector work – that of working for “the common good” (The Guardian 20th March 2001) is being undermined. In one sense this may demonstrate the extent to which the ‘synergy of public and private’ is being achieved. However, this is difficult for New Labour in that, despite the context of modernisation, the government retains the Old Labour necessity to keep the unions in line or “on message”, in New Labour parlance. Direct experience of working with ‘external yet internal’ private consultants, non-public sector line-managers and facilities managers, and of working in landscapes transformed by the presence of company logos, alongside the more general problems discussed here, threatens allegiance and worker loyalty to the service. In short, the blurring of the public-private distinction by New Labour undermines the necessary commitment by public sector workers to any sense of ‘the common good’. This is particularly risky for New

---

24 Some research has suggested an acute decline in job satisfaction among public sector workers during the 1990s, and noted increased stress, depression and a “very heavy workload” (The Guardian 22nd March 2001).
Labour, especially since a fundamental demand its modernisation programme makes on public sector workers is that they must place the interests of the consumer before their own, which is, in effect, an appeal to their own commitment to a ‘common good’. This risk is further compounded by the distinction New Labour insists on between producers and consumers. This distinction is problematic and not readily drawn since one in three families “includes someone working in the public services” (The Guardian 20th March 2001). Moreover, a clear majority of public service consumers (75%) believe its workers are underpaid, undervalued, and advocate the re-establishment of respect for them (ibid). Cross-class support for tax increases to improve spending on key public services (Evans 2000: 54), in contrast to the New Labour position, also suggests that government views are at odds with the consumers whose interests it is seemingly seeking to represent. This is a point that I will return to below.

Yet, in the context of public sector reform, New Labour does apparently seek a partnership with the trade unions, and possibility of such a partnership facilitating the radical reform of public services has been given greater prominence in recent years. At the 2002 Trades Union Congress, for example, though couched in New Labour’s radical modernising rhetoric, and clearly in step with its business ethos, Blair apparently offered unions just that:

Money is not all the services need. They need change and reform, new ways of working, new ways of delivering services, new partnerships between public, private and voluntary sectors, and between managers and unions. More choice for consumers of those services. On these issues, I offer a partnership on this basis. No preconceptions on either side. One test only – what is good for the service and good for the users of the services (quoted in The Guardian 11th September 2002).

Union influence is, however, clearly limited. At face value, this is indicative of New Labour seeking to participate in a partnership with unions over public sector reform whereby “genuine concerns about workforce conditions” will be taken into account (Blair, ibid.). Arguably this serves three purposes for New Labour. Firstly, there is a recognition that public sector unions need to embrace New Labour modernisation – on side, not in the way. Secondly, ostensibly it represents a move ‘beyond left and right’ – the public are well-served and public sector workers are fully involved in change management. Thirdly, and perhaps most importantly, appealing to public
sector unions as ‘partners’ in the ‘modernisation’ of the public sector creates scope to portray them as ‘wreckers’ if they do not fully endorse it.

Significantly, however, there is little evidence that the government is a model partnership employer. Indeed the whole approach of the state-as-employer has been one of antagonism towards public sector workers as a vested interest and the New Labour government is the most open and consistent employer-critic of union interest. As the “ultimate employer” (Hain quoted in McCarthy, 1997: 56) New Labour has the ultimate opportunity to demonstrate its partnership credentials explicitly. The new culture of conciliation, accommodation and ‘mutual gains’, could have the government as its best exemplar. Yet New Labour’s paradoxically ideological commitment to pragmatism over ideology, embodied in the mantra ‘what matters is what works’ precludes any overt and consistent partnership orientation. Experience of New Labour in power has demonstrated how there is little in its approach that is an effective counterweight to the damage to morale and trust of:

- pay restraint...unsuitable and unfair performance related pay... the contracting-out of many specialised and complex functions on terms subsequently shown to be unduly favourable to private operators...
- and the unremitting hostility to all aspects of the role and function of public sector trade unionism (McCarthy, 1997: 55).

Moreover, measurement of ‘what works’ is never clearly defined, nor is the role of public sector workers opinion in ‘what works’ or does not. My argument is that ‘what works’ for New Labour is what casts it in the light of supreme moderniser: no unwieldy ties to the public sector or its ‘producers’, no undue or overbearing influence from their representatives, and no ‘tax and spend’ of the past to fund improvements. Crucially, ‘what works’ can be also defined as what most clearly differentiates New Labour from its Old Labour predecessors. Thus, a continuing theme has been that any reluctance on the part of public sector workers and unions will not be a barrier to the reforms envisaged:

[Labour Councillors will] take tough decisions, even where this brings them into conflict with public sector unions (Mandelson and Liddle, 1996: 227).

---

23 Peter Hain was a Shadow employment minister in 1997.
Where policy has to be adapted or changed it will be...There will be a
dialogue, there will be consultation. But no vested interest will have a
veto on reform (Blair quoted in The Guardian 16\textsuperscript{th} July 2001).

In terms of the relationship with New Labour, public sector unions face
particular problems, for there are fundamental differences between them. The TUC,
for example, has continually restated its opposition to “PFI, PPP and the further
privatisation or commercialisation of public services” (TUC 2003) as have individual
public sector unions, most notably UNISON, and the civil service union PCS, as well
as large general unions with public sector members like the GMB and TGWU. On
this basis, New Labour has struggled to convince its public sector ‘partners’ of its
status as a dialogic employer. Some union objectives have been met, to an extent,
over the ‘two-tier\textsuperscript{26} workforce that privatisation creates and the establishment of a
Local Government Pay Commission, for example (TUC 2003). But gains made
through negotiation with public sector employers remain limited. Moreover, in the
public sector, employment relations are “shot through with the all-important
dimension of political power” (Corby and White 1999: 3), and ‘working for’ New
Labour means these relations are shaped by a particular ideological thrust that also
needs to be examined on the context of the New Labour-union relationship. Put
simply, conflict, militancy and resistance in the public sector is immediately, if not
necessarily explicitly, resistance and militancy over fundamental principles of
government policy. Moreover, victory in one area of the public sector is assumed to
have a ‘knock-on’ effect across the whole sector in terms of potential claims by other
workers for improvement. More, importantly, perhaps for New Labour (since wage
claims can still be rejected), militancy over a seemingly particularised issue can
threaten to expose flaws in the overall ideological premises that policy is founded on.

Public sector militancy, therefore, places the relationship between New
Labour and the unions under its greatest strain. Essentially, in this respect, there is
clear continuity with previous Labour governments. However New Labour’s
programme and underpinning values means there are qualitative differences that
impact on its relationship and highlight its contradictory nature. Even small, specific

\textsuperscript{26} When public sector workers are transferred to the private sector (in PPP contracts, for example) any
protection in terms of conditions of service that are negotiated are not applicable to workers employed
after the transfer takes place. Unions are concerned about this creating a two-tier workforce in the long
term.
and localised strikes that appear straightforward can and do involve ‘taking on’ New Labour’s whole ideological thrust in terms of public sector reform. For example, the ‘unofficial’ strike by social workers in Glasgow in 1998 demonstrated the political will to fight any opposition to the government’s creation of a synergy of public and private. In this case, though ostensibly about the transfer of home care workers to a new department, thus breaching a UNISON boycott, the strike quickly embodied a challenge to the government’s embryonic Best Value regime, the key mechanism to ensure “pressure [is put] on local government to raise its game” (Blair 1998a: 17), and to the threat of the further privatisation of key services. The risks for the hegemonic Labour bureaucracy in the city were great, since plans were already in place to transfer all local authority housing to a quasi-private housing association and to modernise the city’s secondary schools under a Public Private Partnership. A victory for these members threatened to halt the envisaged reform of local government in Glasgow. At same time, this strike gave Labour councillors the opportunity to demonstrate their receptiveness to New Labour principles in a city that, in no small measure, is synonymous with entrenched traditions of militancy and working class rebellion. Despite its opposition to New Labour policy, UNISON repudiated the strike, wrote to every striker demanding they return to work, and national and Scottish leaders demonised key branch activists relentlessly for years after the strike had ended27. This strike provided an early demonstration of the New Labour approach to public sector employment relations and local government generally whereby the:

Redefinition of social justice in terms of opportunity and community means treating social service departments as part of the problem rather than part of the solution (Jordan 2001: 528).

Union leadership opposition to workers fighting the New Labour ‘modernisation’ that fundamentally problematises public sector workers demonstrates, still further, close, continuing, links between New Labour and the union bureaucracy, in spite of claims of a wholesale transformation of that relationship. Thus unions like UNISON support New Labour unequivocally, both financially and practically, at local, regional and national level. At face value, private profit (from involvement in

---

27 A UNISON investigation was launched into the conduct of one steward, Roddy Slorach, in late 1998. In 2000, two of his fellow stewards were sacked for supporting him at a Glasgow City Council disciplinary hearing. Despite a decision in their favour at an employment tribunal, they were not reinstated. Slorach was expelled from UNISON in 2000. Events within Glasgow need to be viewed in the context of a wider purge on left-wing activism in UNISON that affected branches in Birmingham, Sheffield and London (Socialist Worker 4th May 2000, 18th May 2000).
the public sector) may remain a “dirty word” (Mandelson and Liddle 1996: 22) for both unions and their members. But, for the union bureaucracy, the continuation of the Labour-union relationship remains paramount.

That strikes with specific and apparently limited causes in the public sector can threaten New Labour’s ideological foundations is demonstrated in even sharper relief when that strike occurs on a national basis. For example, the national firefighters strike in 2002-2003 was initiated as a fight for a ‘professional’ annual wage of £30,000 which the government claimed would cost the Treasury £16 billion (Socialist Worker 23rd November 2002). The Fire Brigades’ Union’s (FBU) claim also clashed directly with the government’s concern to hold down public sector pay and to avert large-scale militancy in the public sector. The government’s refusal to meet its demands drew the fifty-five thousand member-strong FBU and the government into a more generalised political struggle around competing agendas. The government seized the opportunity to tie any pay rise to its ‘modernisation’ agenda, involving the restructuring of work patterns and the possible closure of fire stations, whilst the FBU argued that the government’s review of the fire service was wholly premised on justifying cuts in services and personnel, the future privatisation of key fire service functions and the end of structured national bargaining on wages and conditions. The divergence between the position of the FBU membership and New Labour was obvious even before the run up to the strike. In May 2001 the FBU annual conference voted in principle to support election candidates and organisations opposed to New Labour as long as they share policies and principles with the FBU membership (The Guardian 9th July 2001). In addition, the 2002 strike ballot itself returned a ‘yes’ vote of 87% on an over 80% turnout (Fire Brigades Union 2002). During a six month long selective strike the New Labour government demonised striking fire-fighters and their union leaders, in a manner reminiscent of Old Labour during the 1966 Seamen’s Strike and the last national fire-fighters’ strike in 1978. The prospect, and subsequent reality, of war in Iraq allowed the government the scope to label the strikers as ‘unpatriotic’ and to appeal to the national interest in a time of political uncertainty.

Like the Glasgow social workers, a victory for the fire-fighters posed an all too visible threat to New Labour’s ideology of competitiveness and flexibility, and to its overall ‘modernisation’ strategy in the public sector. Union acquiescence is
absolutely critical in this arena, and, where this is not readily supplied, it will be secured through sustained government offensive. This challenges the whole notion of New Labour as a partner of workers and unions in the public sector. A consideration of New Labour as ‘the ultimate employer’, and a brief discussion of two particular examples of the government in conflict with workers (either implicitly or explicitly), highlights the need to explore the impact of New Labour’s whole approach, both as an ‘actor’ in the employment relationship and as a creator of policies that fundamentally shape the working lives of millions of people. Moreover, when the public sector is the focus of analysis, divergence between New Labour and the unions does not necessarily involve disagreements over disappointing or ‘weak’ legislation, or lack of action to promote trade unionism. There, conflict is generally premised on the government’s rejection of fundamental union principles or the rebuttal of the unions’ often longstanding opposition to key policy developments.

Again, there are clear parallels here with previous Labour governments. Militant challenges to Labour government policy by unions are met with sustained offensive rather than conciliatory approaches which draw on a sense of solidarity with the relationship. Being perceived as ‘standing firm’ against the unions was as much of a defining feature of Old as it is of New Labour. However, there is a critical aspect which helps highlight an important qualitative difference between New Labour and its Labour predecessors: the relative health of the UK economy, whereby the Treasury has the means to fund public service improvements on a large scale. In the run up to the 2001 general election, for example, there was a surplus in public finances of at least £20 billion (*The Guardian* 20th March 2001). In this respect, it is worth noting that Old Labour had an explicit commitment to the welfare state and social reform, not readily apparent in New Labour, but it achieved office in periods of economic contraction or catastrophic decline (Hyman 1989: 45; Panitch and Leys 2001: 86). With New Labour, former commitments to tax and spend have been replaced with chronic under-spending and business incursion even though money is available for the public services.

I noted earlier how a ‘false dichotomy’ of distinct and separate horizons of politics and economics for the Labour Party and the unions both debilitates the latter and sustains the relationship with Labour. It is my contention that New Labour’s
approach in the public sector is of central importance in relation to this 'false dichotomy' and the 'Chinese wall' between politics and economics fundamental to Labour's historic accommodation with capitalism, since it creates the greatest scope for the distinction to be blurred. The New Labour approach to the public sector helps draw together the intrinsic links between these distinct horizons. The re-conceptualisation of the public as not fully separate or distinct from the private, and its 'modernisation', framed in terms of enterprise, efficiency and profit, fuses politics and economics in an arguably novel way. As a result, each aspect of New Labour ideology is all the more evidently framed and shaped by its economic concerns and, importantly, clearly demonstrates a political encroachment into the unions' economic horizon. Unions' economic gains are limited by a political project more comprehensively and coherently against traditional union interests, placing the relationship under serious pressure. This is evident in official responses that attempt to promote a positive notion of a fundamentally changed, yet more relevant, Labour Party:

We've got to start from the fact that this is not a trade union party. It was but the relationship has altered because the sociology of Britain has altered (Monks quoted in The Guardian 9th December 2002).

These are important developments, though their intensification and impact are not easily assessed at this juncture. In this context, "the refusal to give a serious hike to public workers pay or the Treasury's near dogmatic insistence on Public Private Partnerships" (The Guardian, 20th March 2001) is difficult for unions to accept and is problematic for union leaders. It clearly represents a challenge to their ability to convince public sectors workers that the relationship with New Labour brings important benefits or that it leaves unions "better placed to make [our] views known - loud and clear" (UNISON 2003a28). Moreover, experience of New Labour in power challenges the notion that New Labour and union members have in common what many union leaders seek to mythologise, especially when the relationship is seemingly under threat:

---

28 This statement was made by Dave Prentis, the UNISON General Secretary in the Summer 2003 edition of U, its in-house magazine. Prentis was outlining, in particular, his response to the UNISON conference decision (2003) to maintain existing political funding arrangements after a two year review. The split-fund arrangement, where the Affiliated Political Fund is used to support Labour and a General Political Fund pays for general campaigning, though it is constitutionally barred from being used to openly criticise Labour was left in tact.
A system of shared values has kept us together and still does. We still share the same goals, and although we talk about and apply them in different ways, those shared values and goals remain of central importance to all of us. When our relationship hits bad times, as has happened and may well happen as we go through the first period of the Labour government, it is those shared values and goals that keep us together... The relationship is based fundamentally on those shared values which have not changed in 100 years and I do not expect to change in the next 100 years (Sawyer\textsuperscript{29} 2000: 129).

New Labour's ideological thrust in the public sector and beyond, its effective rejection of public sector workers as partners, and the continuation of the anti-public sectorism of the Conservative governments of the 1980s and 1990s, act as a barrier to the creation of the New Labour ideal of a cultural shift in employment relations there. They also help create a new context within which the relationship between New Labour and the unions operates. This, alongside the paradox of the weakness of unions in the face of New Labour and their leaders' relative strength in delivering acquiescence, has helped bring about important developments, the effects of which continue to unfold.

The first has been the pressure within unions affiliated to the Labour Party in recent years to discuss the continuation of that affiliation at annual conferences and whether political funds could donate to other parties. This has also involved reduction in funding from some unions on the basis that New Labour is acting contrary to member's interests (Ludlam 2003). The struggle to "democratise" union political funds is not without complexity and continues to meet with strong opposition. This is linked to the second development: the role and presence of the left in unions\textsuperscript{30}. One of the clearest manifestations of this has been the election in recent years of a so-called 'awkward squad' of union leaders that are characterised by their overt criticisms of New Labour and their defence of publicly funded and state-supported public services\textsuperscript{31}. This, in itself, is becoming increasingly problematic and there is clear evidence that this type of critique is becoming more generalised within the union movement. The 2003 Trades Union Congress opposed key government policies on

\textsuperscript{29} (Lord) Tom Sawyer was the first General Secretary of UNISON and is a former Chairman and General Secretary of the Labour Party.

\textsuperscript{30} For a concise and well-argued account of the importance and influence of left-wing trade unionists and political activists see Darlington (2002).

\textsuperscript{31} Most prominent among this group are Mark Serwotka of the civil service union, PCS, Bob Crow of the rail union, the RMT, Billy Hayes of the postal workers union, the CWU, and TGWU leader Tony Woodley.
university top-up fees and foundation hospitals and denounced New Labour's retention of anti-union laws and the occupation of Iraq (Financial Times 10th September 2003; Socialist Worker 13th September 2003). Notably in the current period:

Few union leaders could be accurately described as moderates these days...In short, the language used by union leaders at the Congress suggests that everyone has to be "awkward" now - a contrariness based in part on anger at issues such as foundation hospitals and Iraq. The latter issue started [Mr Woodley's] calls for Tony Blair's resignation. Even if these points are resolved, for many leaders it will not be enough. They regard New Labour as a virus that has taken over the body politic of the Labour Party and that will due course be eradicated (Financial Times 12th September 2003).

Undoubtedly, this poses particular problems in terms of the relationship between New Labour and the unions. However, as before, the intention here is not to suggest that breakdown in that relationship is imminent. There are crucial, countervailing tendencies. The first is connected to the tendency of some union leaders to try to separate out different functions for unions within the framework of the relationship, as a way of 'working through' the contradiction at its heart. This involves unions distinguishing between Party and government and 'uncoupling' their integral role in the Labour Party from negotiation and even confrontation with their government 'partner' (Sawyer 2000). In short, partnership issues should be kept out of party business and vice-versa. Explicit acceptance and proliferation of this strategy could help breath new life into the relationship at a critical point in its history. The second tendency - based on the notion of reclaiming the Labour Party from the Blair and 'modernisers' - is prevalent and, as alluded to in the quotation above, more closely resonates with the sentiment of some of the left within the union leadership, though its grip is weakening as New Labour's second term progresses.32

The struggle to wrestle the Labour Party from the grip of its current Third Way orientation and its commitment to neo-liberalism is still seen as a plausible strategy. The earlier distinction between New Labour and Old Labour has been

32 The decision by the RMT to break its financial links with New Labour in Scotland (The Mirror 9th December 2003) and support the Scottish Socialist Party, and the growing union support for a left wing electoral challenge to New Labour in the 2004 elections are indicative of this (see Socialist Review December 2003).
reformulated as one between New Labour and ‘Real’ Labour. It has also become increasingly significant in New Labour’s second term and important evidence of this in operation is beginning to emerge. For example, in the 2003 elections to the Welsh Assembly, the Welsh Labour Party campaigned (and won) on “the traditional values of Welsh Labour - no to foundation hospitals, abolishing prescription charges, subsidised bus travel for pensioners and young people and opposition to university top-up fees” (UNISON 2003b). Such a strategy is shot through with the assumption that the debilitation of the unions, the failure to ensure long-term improvements for workers in both the public and private sectors, and to deliver progressive measures that counteract the worst excesses of the Thatcherite legacy, are features of New Labour not of Labour per se. Yet, as discussed above, this involves invoking a mythology of a more beneficial relationship that has been transformed over two decades. This is crucial, not least because it is to an extent where the positions of the left and right converge, though they clearly approach this from different perspectives. Ironically, it is perhaps Blair’s warning:

The idea of a leftwing Labour government as the alternative to a moderate and progressive one is the abiding delusion of 100 years of our party (quoted in The Guardian 10th September 2003).

that is closer to the reality of Labour history.

2.6: Conclusion

Clearly having a Labour government has had an impact on trade unionism in the contemporary UK. Moderately supportive, if limited in scope and limiting in character, legislation has facilitated some growth in both membership and union recognition deals in specific periods. For example, between November 1999 and October 2001 there were six hundred and twenty nine new union recognition deals with employers signed, compared with one hundred and fifteen between January 1997 and November 1998 (TUC 2002a). Union membership has increased by one hundred and seventy-eight thousand since 1997 also though an increase of eighty-two thousand between 1999 and 2000 needs to be assessed in the context of a reduction of thirty thousand the following year (Department of Trade and Industry 2002: 344). Overall, therefore, net gains have not only been limited over the period of New Labour’s tenure thus far, but they are also not protected from other trends, like
manufacturing decline. The loss of over one million union members between 1991 and 2001 (ibid.) is far from being recouped through the legislative programme that New Labour brought forth. The predictions of some union leaders that union membership would be boosted by two million members (*The Herald* 5th June 2000) were premature and perhaps based on the over-positive assessment of New Labour. Expectations of union resurgence on the basis of the legislation have not been realised. The limits on gains are clearly connected to the limits of the legislation, but they are also linked to New Labour ideology. When flexibility, competitiveness and partnership are focused on, a less than positive picture begins to emerge. This suggests that future predictions and expectations need to account for wider ideological premises as well as the new rights. The overall impact of this on the public and private sectors suggests that unions have gained little in terms of power, influence and numerical strength since New Labour's election in 1997. The enduring character of the relationship between New Labour and the unions seemingly delivers more for New Labour than it does for the unions. Whilst the legislation may have resulted in an otherwise absent legitimacy for trade unionism in some workplaces and may act as a foundation for union renewal (Gall 2001), this amounts to legitimacy for a particular type of trade unionism (McIlroy 2001), institutionally divested of its oppositional character. Official union acceptance of the ideology of flexibility, competitiveness and partnership serves to preclude, in the long term, the sort of militancy that Kelly (1996) has argued remains the most effective counterweight to employer offensive. In this sense, the legislative programme and, indeed, the election of New Labour is, to an extent, something of a pyrrhic victory. An examination of New Labour in the public sector, in particular, offers further evidence of this.

None of this is to suggest that unions are powerless. The TUC have maintained campaigns, like that to increase the National Minimum Wage, and are often vociferous critics of some of the weaknesses in employment relations legislation, though they are weakly pursued. Yet the considerable support for the repeal of all anti-union legislation at the 2003 Congress - a position that had been marginalised from official orientation since at least the mid-1990s – demonstrates a renewed pressure on official union response. Evidence continues to emerge of the contentiousness of the alliance between New Labour and the unions, especially when analysis encompasses the wider membership. The consistent and active support for
the anti-war movement since 2001, and widespread campaigning against New Labour's public sector 'reform' that has clear resonance with the views of the public in general (The Guardian, 20th March 2001), are important examples of this. Moreover, New Labour is still a party born of organised labour and there remains concern to keep unions 'on side' with more obvious appeals to partnership in New Labour's second term of office. Pressure to do this is likely to increase after the decisions taken at the 2003 TUC congress, especially with a general election due in 2005 and the clear possibility of a leadership contest on the horizon (The Guardian 10th September 2003).

The scope remains, therefore, either to achieve greater gains for members through leaders' exploitation of the relationship or to expose the debilitating overall effect of the relationship itself. The campaign to 'democractise' union political funds, focused on a drive to loosen unions from their binding institutional links to the Labour Party, and the often overt support openly given to socialist alternatives by some trade unions, are important examples of this. Such initiatives are linked both to the 'awkward squad' and the re-emergence of wildcat strikes33. This threatens the foundations of the powerful bureaucracy of the trade union movement. However, the bureaucracy meet such threats using the financial, political and administrative resources at its disposal to initiate counter-offensives against independent militant action and initiatives that challenge the existing arrangements for the operation for political funds (Socialist Alliance 2002).

One important legacy of the last decades is that the contemporary Labour Movement has, within it, generations of members weaned on the pragmatism and class compromise that these resources have been used to promote and support. The spirit of flexibility, competitiveness and partnership applies conservative, bureaucratic, pressure not matched by pressure to have unions' core demands met by the government they support. Moreover, the bureaucracy is not above laying claim to 'success' in the name of the relationship between Labour and the unions. This clearly demonstrates some resonance with Minkin's analysis of an alliance sustained by "rules of solidarity...that produce within unions a sense of responsibility for the Labour Party" (1991: 654). However, his overall assessment of a contentious yet

33 One key example of this was the 'unofficial' strike by thousands of postal workers in late 2003.
mutually beneficial alliance is seriously challenged by some of the evidence above. Increasingly, the notion of a "transactional consciousness which adds a vital contribution to overall unity" (Minkin 1991: 654) is blurred as a consequence of the New Labour settlement. In the current context, it is difficult to accept his conclusion, and that of some of the union leaders discussed above, that the relationship draws strength "from an understanding of shared historical projects" (ibid), since there are clear and fundamental differences in trajectory especially in respect of the public sector – the focal point of any former sense of joint historical endeavour.

Unions still remain a concentration of labour power. This results in an inherent tension whereby improvements for workers are gained in the context of accommodation and compromise with employers. Two decades of defeats have lead to an overarching belief at the top of the Labour Movement that only accommodation and compromise can bring gains. The current ideological configuration New Labour embodies, and the unions' acceptance of flexibility, competitiveness and partnership, further exacerbates this tension. Driving through a New Labour agenda with clear links to business objectives in the name of efficiency, prosperity and even social justice has a major impact. Arguably one crucial sign is that politics and economics can be linked in public and political consciousness more obviously than at any other time in Labour Movement history. In the public sector, New Labour's aim for a synergy of public and private is at the heart of the antagonism between it and public sector unions. The question remains whether this synergy can fully occur and the separate horizons of politics and economics that sustain the Labour-union relationship be maintained. In terms of members' interests, the blurring of this distinction offers scope to challenge the notion that the "enduring alliance" is fundamentally a beneficial alliance. Moreover, the fallacy that New Labour's overall approach to employment relations is premised on - that the interests of capital and labour can be reconciled - leaves it fundamentally exposed.
CHAPTER THREE: A ‘TARTAN’ THIRD WAY? NEW LABOUR AND SCOTTISH DEVOLUTION

3.1: Introduction

The Third Way’s apparent concern for the renewal of social democracy and the reinvigoration of political engagement, seemingly involves bringing decision making closer to the people. Devolved government, especially for Scotland and Wales, was New Labour’s central mechanism to demonstrate commitment to this aim. Indeed, devolution has been defined as “the largest programme of de-centralisation in British history” (Mandelson 1997: 4). This chapter seeks to explore the extent of that de-centralisation in terms of the New Labour overall project in the context of Scotland. It is premised on the argument that Scotland is a critical site for assessment since, first of all, devolution in Scotland meant a home rule parliament and hence represented the greatest scope for de-centralisation. Secondly, Scotland is important because the creation of the Scottish Parliament in 1999 was heralded as the opportunity to develop a new type of politics (Brown et al. 1999: 12), distinct from the stale, adversarial, ‘yah-boo’, politics of Westminster. The Parliament was also expected to open up the possibility of developing ‘Scottish solutions for Scottish problems’, representing New Labour pragmatism in practice. Importantly, the issues around the election for the Scottish Parliament in 1999 mark this as a decisive year in terms of my argument overall. That year in Scotland also represents a crucial watershed in Labour’s transition from Old to New Labour. This is a process that, as I argue below, the union bureaucracy played a central role in shaping. This is important in Scotland but it also has wider implications throughout politics in the UK and, therefore, a case study of Scotland is central to our understanding of the whole New Labour project.

Due to constraints of time and space I have eschewed any attempt to offer fully detailed histories of either the process of devolution in the making, or of four years of political devolution in practice. However, this chapter is informed by detailed research into the first parliamentary election campaign in 1999 and an analysis of key political developments at that point and since. It is also focused on the extent to which New Labour ultimately pursues a distinct agenda in Scotland compared with that outlined in the two previous chapters, and on whether a distinct Scottish polity shapes
New Labour’s approach there. New Labour’s key ideological premises in relation to flexibility, competitiveness and partnership, and regarding the public sector, are also considered in the context of Scotland. Fundamentally, devolution has to be considered in the context of New Labour’s ideological premises in order to assess the extent to which the aim of bringing decision making closer to people is being achieved.

A central element of my argument, thus far, has been New Labour’s concern to synthesise oppositional categories and to represent its project as the method to overcome the antagonisms that define ‘Old Left’ and ‘New Right’. Crucial in New Labour’s syntheses is that of the interests of capital and labour. It is important, therefore, to outline specific contexts in which capital and labour act. In this respect, the ‘promise’ of a Scottish Parliament, and of the creation of a new political culture, helps define Scotland as a distinct arena within which to analyse New Labour.

The very nature of devolution when characterised as de-centralisation, suggests an opportunity to relate appropriately and effectively to geographical difference and regional particularism. The idea that Scotland is different is pervasive, and, by the time of New Labour’s election in 1997, the notion that Scotland had suffered a ‘democratic deficit’ over two decades under the Conservatives was persistent. In some respects, devolution was perceived as a reward for Scotland’s continuing support for Labour throughout this period. It was also a central mechanism though which to address Scotland’s wholesale rejection of Thatcherism as:

The legacy of Thatcherism was far more influential [than nationalism], based on hostility towards the public services and a rejection of civil society, of untramelled arrogance which could reorganise local government against all public opinion and of increasingly centralised government (Smith 1999: 249).

Devolution and the creation of a Scottish Parliament allowed New Labour to seemingly address the legacy of Thatcherism and rampant neo-liberalism, in terms of social and economic problems, most keenly experienced in Labour’s heartlands, without dismantling the Thatcherite settlement, remaining faithful to central tenets of neo-liberalism. Moreover, possible dissent in the face of New Labour’s ideological thrust overall needed to be circumvented or, if possible, eradicated, in this act of faith in Scotland’s ‘settled will’ and in its ability to govern in its own interests. Blair’s
claims regarding devolution not only resonated effectively with Third Way concerns for democratic renewal and over 'big' government, they crucially seemingly chimed with expectation in Scotland:

The demand for more democratic self-governance is fed by better educated citizens and the free-flow of information provided by new technology and media. We must meet this demand by devolving power and making government more open and responsive. Devolution and local governance are not just important in themselves: open, vibrant, diverse democratic debate is a laboratory for ideas about how we should meet social needs (Blair 1998a: 17).

Thus the creation of a Scottish Parliament was expected both to reflect specifically 'Scottish' values and, as noted above, offer 'Scottish solutions for Scottish problems'. However, the 'devil' is not just in the detail of this or that policy but also in the underpinning ideology. Hence, I will argue below that, whilst the thrust of policy developments is often represented as distinctly Scottish solutions, it is thoroughly New Labour in the final analysis. Such 'solutions' are also represented as chiming effectively with what are constructed as specifically Scottish values, in terms of a stronger commitment to egalitarianism in Scotland (McCrone 1992) and of a more left-wing orientation that sees Scotland mythologised as a "residual bastion of a latent social democracy" (Mooney and Scott 2003: 2). Put simplistically, this is suggestive of a Scotland where:

The advocates of Morningside care more for the single mothers of Cranhill than the stockbrokers of Surrey do for the unemployed of Brixton (The Observer 14th March 1999).

On the one hand, New Labour in Scotland have drawn effectively on such myths, especially when seeking to secure a 'yes' vote in the devolution referendum and in the first Scottish parliamentary election campaign in 1999. On the other, this element of apparent Scottish distinctiveness is problematic for New Labour since Scotland's obvious commitment to Labour may also reflect a commitment to the Labour of the Keynesian post-war settlement — in short — to Old Labour. However, appeals in New Labour rhetoric, at least, to the distinctiveness of Scottish values were used as a mechanism to reinvigorate Scotland's allegiance to Labour in its New Labour guise.

Whilst common sense assessments of Scottish values are imbued with the mythology of radical, egalitarian Scotland (Gall 2003: 5), myths need to be rooted,
however tenuously, to an element of reality. For the purpose of this chapter, one key
element of reality examined is Scotland's relationship to the public sector, in terms of
a strong connection that has continued in the contemporary period due, in some
measure, to material disadvantage that clearly intensified during two decades of
Conservative government. This is problematic for New Labour since it places
limitations on how it appeals to Scottish distinctiveness. The continuing reliance on
the public sector in Scotland suggests producer consciousness (or, from the New
Labour perspective, 'mentality') is at its strongest there. Clearly this presents New
Labour with difficulty given its overall orientation towards consumer commitment.
The unlikelihood of New Labour abandoning this commitment or the 'public bad -
private good' ethos that underpins its approach to public sector reform, has specific
consequences in Scotland. These began to emerge clearly in the period around the
first Scottish election in 1999. A brief analysis of the issues at that time, and of the
interim years of devolution in practice, help demonstrate a central argument of this
chapter - that the existence of the mythology of Scottish value-distinctiveness has
resulted in a more vigorous pursuit of New Labour's 'modernisation' and reform in
the public sector, that its rhetoric in Scotland and appeals to 'Scottish values' belie.
Arguably, then, Scotland is different though not in the way that one might expect.

Further, New Labour in Scotland has sought to develop its relationship with
business in a particular way and, from the outset, it was clear that the creation of the
Scottish Parliament was to be used as a springboard from which to engage business.
Commitment to business interests framed through the ideology of flexibility,
competitiveness and partnership is persistent and pervasive in Scotland, as it is
elsewhere in the UK, and there have been intense efforts to involve business in
decision making in Scotland. However the creation of the Parliament offered New
Labour a greater opportunity to increase business influence overtly. In the process of
trying to forge a new relationship with business and 'grow' the Scottish economy,
New Labour appeals to what are represented as a central, different though not
separate, set of Scottish values - those connected to the apparent 'entrepreneurial
spirit' of Scotland. Thus, New Labour's overall assumption that the interests of capital
and labour can be fused, and its objective to ensure this happens, are evident in
Scotland, though handled differently.
Overall, devolution has not allowed, what might have been expected to be a 'soft' version of New Labour to develop. Scottish solutions for specifically Scottish problems are, in the final analysis, thoroughly New Labour solutions. What became apparent, from as early as 1999, was that New Labour de-centralisation, in practice, meant the exploitation of national and regional difference, and the embrace of myths whilst remaining ideologically intact. This has also resulted in the development by New Labour of a specific type of mainstream politics in Scotland: "the politics of vision" that characterise the contemporary centre-left (Hassan and Warhurst 1999: 2). This chapter seeks to demonstrate how the New Labour vision for Scotland, though mobilising what is apparently specifically Scottish, especially juxtaposing the historic and the novel – embodied in the notion of a 'new' politics – parallels the New Labour world view, despite appeals to distinctiveness.

3.2: The 'Settled Will' of the Scottish People?

For many people, 1999 marked a decisive year in Scotland in terms of key changes to its democratic institutions and the possibility of the development of a 'new' political consensus. It is important therefore to discuss key issues that emerged around the election held in that year, though, as noted, it is not possible to offer a detailed account of them. The focus of this section, therefore, is on issues that emerged at this time which are important in the context of the wider aims of this chapter and my overall argument. The section is also framed by two overarching concerns. The first is to elucidate how the Scottish parliamentary election campaign in 1999 fully demonstrates New Labour striving to retain control in a context that, at face value at least, sees it at its most concessionary. The second is to characterise the context of the Scottish election as the definitive battle-ground between Old and New Labour, and to demonstrate how 1999 represents a decisive moment in the process of transition from Old to New Labour, a process that was all but complete by the second Scottish election in 2003.

One of the most important elements of the creation of the Scottish Parliament was that it seemingly demonstrated New Labour's readiness to de-centralise decision making. After two decades of rule by a party voted for by only a minority in Scotland, the idea of home rule resonated as a method for addressing a democratic deficit in the long term. The Parliament was promoted as a "fair and just settlement for Scotland" that would "strengthen democratic control and make the government more
accountable to the people of Scotland” (Dewar 1997 in Chadwick and Heffernan 2003: 181). This was supported by people in Scotland, who expected the Parliament to improve “democratic effectiveness” and almost four out of five people were optimistic that it would be responsive to Scottish people's needs (Brown et al. 1999: 141). Moreover, not only was the parliament to be accessible and accountable to the people of Scotland, it was also expected to actively promote equality of opportunity, ensuring that minorities were effectively represented (Brown et al. 1999: 13). These were to be central in the creation of the ‘new’ politics. Central, also, to the apparently new politics was a ‘fairer’ electoral system based on an additional member system of regional party ‘top up’ lists from which fifty-six Members of the Scottish Parliament (MSPs) were elected. This distinct electoral system, alongside the apparent aim to ensure the minority representation, not only helped characterise an ‘inclusive’ Scottish polity, it crucially meant that New Labour was effectively conceding overall control of the new parliament.

It is important, however, to examine this apparent concession more fully in the context of New Labour’s ideology overall. Firstly, it is worth noting that many of the ‘new’ responsibilities of the Parliament were already part of the remit of the Scottish Office. The parliament was to have limited legislative competence, with the responsibility for many key areas reserved to Westminster. Many of the main reservations cover areas that are arguably crucial in terms addressing the social problems from a Scottish perspective. For example, jurisdiction over social security, employment, ‘financial and economic matters’ and the misuse of drugs, are reserved powers. From the outset, therefore, the terms under which the Parliament was set up challenge the notion of de-centralisation given the Parliament’s fairly modest powers. Secondly, as I have argued in earlier chapters, New Labour, and Blair in particular, have outlined a specific vision for twenty-first century politics based on ‘true’ Labour values and a liberal, social democratic, consensus. With the Liberal Democrats increasingly emerging as New Labour’s most likely coalition partner in Scotland in 1999, the Scottish Parliament offered a renewed base for the consensual politics fundamental to the Third Way. Thirdly, there was also criticism that the list system

---

1 This is not to suggest that New Labour did not seek an overall majority in the Parliament. It is simply to note that a coalition parliament with New Labour as the strongest partner is not incongruous with Third Way thinking and that a specific, apparent yielding of power can actually result in the development of important mechanisms through which to retain it.
allowed for a certain amount of patronage, which allowed 'party favourites' to be selected and returned ahead of those who were seemingly more competent and, potentially, more popular with voters.

Paradoxically, despite New Labour's rhetoric in respect of fairness and responsiveness, its selection process for parliamentary candidates was the focus of negative attention as it seemed to indicate that the prospect of parliamentary devolution did not translate into power for the Scottish Labour Party. The media and opposition parties characterised Labour in Scotland as controlled by a "Millbank Mafia" (The Herald 7th April 1999) of modernisers whose task it was to ensure that Scottish Labour did not deviate from the New Labour project. It is clear that this was linked to opposition parties seeking to make political capital during the period of an election campaign – indeed a crucial theme exploited by the Scottish National Party (SNP) was that of 'London Labour' which Labour activists found difficult to counter (The Observer 11th April 1999).

Moreover, it is also the case that New Labour did make strident efforts to maintain the ideological efficacy of its project by making clear that New Labour in Scotland would not be allowed to deviate from the leadership's views on key issues. A crucial example of this, discussed in detail later, was the leadership's support for private finance being used for public sector reform (The Observer 11th April 1999) to which an estimated half the New Labour MSP candidates were opposed (The Scotsman 5th May 1999). Candidates for election were assessed by a selection panel, as opposed to using the 'one member, one vote' principle that had apparently been so central to the modernisation of the Labour party and the creation of New Labour. New Labour's selection panels' rejection of experienced and competent candidates for election to the parliament, who were popular with party activists, seemingly confirmed New Labour's 'control freak tendency' and fuelled speculation that prospective candidates were subjected to an 'ideological' test (Brown et al. 1999: 19). By far the most prominent candidate rejected by New Labour's selection procedure was Dennis Canavan, the popular Westminster Labour MP for Falkirk West.

---

2 The use of an electoral college in New Labour's selection of its candidate for leader of the Welsh Assembly, a key element of the devolution package, was also criticised in this context. Blair's favoured candidate Alun Michael was narrowly elected over Rhodri Morgan, the clear preference of the Welsh membership of the Labour Party. The trade union block vote, so long the subject of New Labour's distain, ensured Michael won (Scotland on Sunday 21st February 1999).
defending a majority of over thirteen and a half thousand (1997). As a vociferous critic of PFI/PPP and a supporter of the abolition of student tuition fees, his rejection as official New Labour candidate was illustrative of the New Labour strategy to ensure that its candidates and subsequent MSPs were 'on message' and fully supportive of 'modernisation'. Moreover, Canavan's claims that his non-selection was New Labour exacting its revenge for his voting against the government on cuts in benefits and student loans (*The Herald* 25th April 1999), suggested that, despite decentralisation rhetoric, the selection process for the Scottish Parliament enabled New Labour to punish dissent. Importantly, one opinion poll, conducted in advance of official campaigning, suggested that a majority of Scots believed that the Scottish Labour Party was a "puppet party controlled by its London leadership" (*The Observer* 7th February 1999). Canavan's decision to stand independently of Labour as 'the MP for Falkirk West', on a distinctly left wing, pro-public sector, platform presented New Labour with difficulties, not least since it helped expose the Scottish election as a critical site where ideological battle between Old and New Labour would be fought. Interestingly, this fight took place both inside and outside the Labour Party itself.

My argument that 1999 and the Scottish parliamentary election were decisive in terms of the 'ideological battle' between Old and New Labour, is supported by an analysis of further important political developments: the 'leftward' shift of the SNP in key policy areas, the emergence of a distinct New Labour position in these areas, seemingly incongruous with wider Scottish opinion, and the emergence of an embryonic socialist left, embodied in the creation of the Scottish Socialist Party (SSP) in late 1998.

The period in the run up to the Scottish election in 1999 saw the SNP shift its focus away from the question of Scottish independence by increasingly attempting to attract votes around 'social issues'. Indeed, in the party's manifesto, the pledge to hold a referendum on independence in the first term of the new parliament came tenth on a list of pledges, behind those to abolish tuition fees and the Private Finance Initiative (PFI/PPP) (Scottish National Party 1999), allowing it to be represented as a left alternative to New Labour. This resonated effectively with the preferences of Scottish voters, 51% of whom in an ICM poll believed that independence should be subordinated to other concerns, if the SNP gained the majority of seats in the new parliament (*The Observer* 7th February 1999). Furthermore, once New Labour
Chancellor Gordon Brown announced a one pence tax cut in his 1999 budget, the SNP announced its ‘penny for Scotland’ policy, suggesting that Scots forgo this one pence reduction on the standard rate of income tax and that the £700 million saved be used to increase public spending. Increasingly, as the party now most closely associated with a ‘tax and spend’ agenda, the SNP moved into Old Labour territory and “shrewdly exploited the political space that now lies between the social liberalism of New Labour and the old left” (The Observer 7th February 1999). The SNP made clear its intention to try to attract votes from people left behind by New Labour – its core support in “the cities, the housing schemes, the trade unions and the municipal workforces” (The Observer 11th April 1999) – with its promise of “social democracy with a Scottish face” (Salmond quoted in ibid). This drew criticism that the SNP had cynically adopted this stance because its leaders believed “that is where the country’s political heart lies....and that there were votes by the barrow-load to be won by a party which positioned itself in ‘Old’ Labour territory” (Neil 1999).

However, the SNP’s position did present New Labour with particular difficulties, since evidence at the time suggested that Labour supporters were increasingly disaffected with the failure of New Labour to advance a more progressive agenda, and crucially, with its continuing support for PFI/PPP (The Observer 7th February 1999, 18th April 1999; The Herald 16th April 1999). Indeed there was also some agreement amongst voters (49%) that New Labour in government was “just as right wing as the Tories” (The Observer 7th February 1999). More importantly, perhaps, for New Labour, was that as the SNP attempted to convince voters that it was a left wing alternative, both parties increasingly became “interchangeable for many voters: amongst the supporters of these parties, the other is by far the most popular second preference” (Brown et al. 1999: 151). The key challenge in the ‘new’ politics for New Labour was to differentiate itself whilst “trying to inspire loyalty with Labour switchers inspired by the SNP’s leftist populism” (D. Alexander4, quoted in The Observer 11th April 1999).

---

3 Although, there is not the scope to discuss this fully, it is worth noting that Neil’s commentary has some salience. Two important examples that seemingly support his position are the SNP’s use of PFI and support for it in the Perth in Kinross Council which it controlled at this time and its apparently contradictory, ‘New Labour style’, pursuit of business support throughout the election period.

New Labour sought to counter the SNP by reinforcing the idea of Scottish independence as a messy and costly ‘divorce’ and, crucially, New Labour was represented as the defender of the Unionist faith, a position long associated with the Conservatives in Scotland. Indeed, New Labour arguably further paralleled the Conservatives by adopting the type of negative approach to elections that they had used effectively against Labour, especially in the 1980s and 1990s. Key elements of the SNP agenda were parodied as misguided, ideological suicide, in the way Labour had been by the Conservatives, clearly presenting a challenge to the notion of a ‘new’ politics in Scotland. Thus:

For unilateralism, read Kosovo; for the Daily Mail, read the Daily Record; for tax and spend, read, well, tax and spend; for Clause Four, read separatism (The Herald 13th April 1999).

Centrally connected to this was New Labour’s overt effort to develop a key ideological concern in the Scottish context, its positive relationship with business. Whilst this is discussed in detail below, it is important to note that New Labour sought to differentiate itself from the SNP by demonstrating the capacity for fiscal discipline and an ability to work well with business, which had arguably resulted in victory at the 1997 election. A victory for the SNP would serve to discourage investment and job creation. New Labour, on the other hand, had evidently adopted policies since its election in 1997 which “have shown that New Labour understands, and is committed to, working with business for the renewal of our country” (McConnell 19995). This seemingly demonstrated the ‘import’ of the New Labour tendency of privileging wealth creation over wealth redistribution to Scotland and underpinned a raft of policies that, arguably, Labour’s grassroots support there found difficult to countenance. Moreover, in its approach to business, New Labour cast the SNP in a negative, clearly Old Labour light, stressing the burden on business it would create, which, I would argue, helped set the tone of the Scottish election as a key site in the battle between Old and New Labour.

A consideration of important debates over key policy areas further supports this argument. By far the most important of these was that over the use of private

---

5 Jack McConnell MP was the Scottish Labour Party’s Environmental Affairs spokesperson until his election to the Scottish Parliament in 1999. He became the First Minister of Scotland in November 2001.
finance in the public sector not least because, in the context of the continuation and
proliferation of PFI/PPPs, New Labour appeared most divided along 'traditional' and
'modernised' lines. As noted earlier, the New Labour leadership had made it clear that
there would be no deviation from its position and sought to ensure that the few
traditionally pro-trade union, pro-public spending, anti-poverty, parliamentary
candidates within its ranks, who had managed to make it through the party's selection
procedure, were brought into line. One such candidate was John McAllion, the most
well known amongst Scottish Labour's potential 'awkward squad', whom many
expected to become the 'Tony Benn' of Holyrood, who was promoted to become one
of Donald Dewar's spokespeople during the campaign. This failed as a strategy to
underplay division and dissent over fundamental New Labour premises, to an extent,
since McAllion continued to make his opposition to PFI/PPPs clear by publicly
calling on prospective MSPs to find an alternative (The Scotsman 30th April 1999) and
stating that there was "no real alternative to public investment" (The Herald 8th March
1999). McAllion's position clearly found resonance with Labour supporters and was
also echoed by key Labour figures in Scotland. For example "the party's biggest fund
raiser north of the border", its treasurer, Bob Thompson, claimed that PFI schemes
meant workers "were being sold like feudal serfs" (The Observer 18th April 1999).
Thompson also urged a re-think on PFI/PPPs, claiming they were:

Bad for the tax-payer and too expensive. It means our hospitals and
our schools are going to be owned and run by private companies and I
think that is wrong. I would call on New Labour to rethink their policy
(quoted on BBC News-Online 16th April 1999).

Moreover, a BBC Newsnight survey revealed that at least twenty-five of New
Labour's Scottish parliamentary candidates were against PFI/PPPs (The Observer 18th
April 1999).

There was also clear and vociferous opposition to PFI/PPPs in the trade unions
in Scotland, and the STUC annual congress in April 1999 was a crucial flashpoint in
the battle. In his opening address to the congress, the General Secretary, Bill Speirs,
stated that "public services must not be seen as a drain on funding and that PFI must
be stopped as it was inefficient and short termist" (Speirs 1999). With many unions
using this as the arena to bring their opposition into the open and Congress itself
poised to debate a key, hostile motion demanding a moratorium on PFI/PPP projects,
the issue was increasingly presented as a fissure within Labour and with its traditional allies that was "cracking open day by day" (BBC News-Online 16th April 1999). This situation was exacerbated by New Labour claims that staff affected by the controversial Edinburgh Royal Infirmary (ERI) PFI project were "absolutely delighted" with it (MacKay6 quoted in The Herald 16th April 1999). These were roundly rejected by workers there, and New Labour faced mounting opposition to PFI from outside the Labour Movement, most notably from the British Medical Association (BMA). Moreover, New Labour's apparent vulnerability on the issue was further demonstrated when their most likely coalition partner in the new parliament, if they failed to gain overall control, the Liberal Democrats, condemned PFI in their election manifesto as "expensive and inefficient" (Scottish Liberal Democrats 1999).

Overall, in response, New Labour sought to suggest that the development of a new infrastructure in Scotland depended on the use of private finance and to openly reject "the misguided notion that the Scottish taxpayer is well served by a narrow ideological approach to partnership with the private sector which can only leave Scotland with fewer schools and hospitals" (W. Alexander quoted in The Herald 16th April 19997). Hence the New Labour position on financing 'modernisation' in health, education and housing – key devolved areas – was maintained, and opposition was dismissed as an 'outmoded', even Old Labour, concern for ideology over pragmatism.

Thus, New Labour fought its election campaign in Scotland fully supportive of an extremely unpopular policy that paradoxically presented its greatest test in terms of de-centralisation, and bringing decision making closer to the people of Scotland. The use of private finance for public services, coupled with New Labour's continuing support for 'up-front' student tuition fees – a policy that all the mainstream parties, including the Conservatives, were opposed to – arguably demonstrated in sharp relief to Scottish voters the 'distance' Labour had travelled in its transition to New Labour. Hence the party of free education was exposed as the party of fee education and the New Labour flagship PFI policy set it against its traditional support.

The third strand of my argument that the Scottish election in 1999 was decisive in terms of the ideological battle between Old and New Labour concerns the

6 Angus MacKay was the New Labour Scottish Parliamentary candidate for Edinburgh South in 1999.
7 Wendy Alexander, MP for Paisley North was Scottish Labour's finance and industry spokesperson and Scottish parliamentary candidate in 1999.
creation of the Scottish Socialist Party (SSP) and its emergence as a credible, if infant, political force. Although it is recognised that this process was embryonic at that time, it remains important to note the development of an alternative, largely non-mainstream party that, in many ways, was also moving into the political space created by New Labour’s apparent abandonment of the assumed values of Old Labour. The possibility of a ‘new’ Scottish polity and the creation of a Scottish Parliament provided the SSP with a platform “to proclaim the arrival of a new and viable socialist force that can play a major role in the coming period” (SSP 1999a). The party, it was suggested, was well placed to fill the vacuum created by the “death of the socialist soul of the Labour Party” (Sheridan quoted in The Herald 13th April 19998). The party expected its left wing, pro-public sector, programme, focused on material inequalities and the rejection of “the profit-driven, free-market system” (ibid) to “have a real resonance with the people of Scotland” (Bonnar 19999).

Thus the SSP sought to relate to what it perceived as a gulf between the values of the Scottish people and those which guided the mainstream political parties, especially Labour, who had for so long been able to rely on their allegiance. It therefore proposed a new system of values based on priorities for the NHS, public sector funding, education and collective ownership, which it perceived were more in tune with the interests of ordinary working class people in Scotland (Scottish Socialist Party 1999b). This allowed the SSP the opportunity to set itself against “the old and the mainstream view that the free market is the only show in town...to point the finger at capitalism...to cut through the propaganda that nothing can be done...to challenge the New Labour notion that wealth creation is more important than wealth redistribution” (Sheridan 1999). Although it was seemingly moving into Old Labour territory, the SSP sought to differentiate itself as a new political force by claiming its aim was not to “reincarnate Old Labour or the ghost of Keir Hardie or return to the radical reformism long associated with Scottish politics” (McCoombes 199910) and stating its long-term objective of the creation of an “independent socialist Scotland”.

---
8 Tommy Sheridan is the National Convener of the Scottish Socialist Party. He was Scottish parliamentary candidate for the Glasgow Pollok constituency in 1999 and first-placed on the SSP’s Glasgow ‘top-up’ list.
9 Based on an interview on 21st February 1999 with Bill Bonnar, Scottish Socialist Party spokesperson.
10 Alan McCoombes was the editor of the SSP’s Scottish Socialist Voice in 1999.
The SSP manifesto outlined a programme rooted in the ‘poverty motivated’, community politics which had been central to its development and, arguably, central to political developments in Scotland, especially in the West. Whilst focusing on policies concerning key devolved areas, the SSP also demanded an extension of the powers of the parliament to include responsibility for all taxation that was underpinned by a call to “carry out a wholesale redistribution of wealth from big business and the rich to the working class and the poor” (Scottish Socialist Party 1999b), and control over the benefits system and employment legislation. The SSP arguably offered a political home to disaffected Labour supporters. Despite its protestations, the party was perceived, to an extent, as the standard bearer of Old Labour values and policies. It also presented a distinctly left-wing programme not coupled with an overarching concern to appeal to business interests like that of the SNP. New Labour’s de-centralisation in practice, therefore, helped give life to a new political force in Scotland and, as a result, the possibility for voters to retain Old Labour allegiance by not voting Labour was opened up in the most significant way for many decades. Moreover, in the context of Scottish devolution, as Brown et al. (1999: 151) noted: “policy preferences matter above all else... vague talk about the renewing democracy has not resonated with the people so much as quite traditional concerns with social and economic policy”. In this respect, the SSP played (and continue to play) a crucial role in exposing key distinctions between Old and New Labour, and thus helped define 1999 as a significant moment in the transition to New Labour in Scotland.

The outcome of the Scottish election in 1999, and the subsequent election in 2003, remains relevant in the context of the argument outlined above. As demonstrated in Table 1., to some extent New Labour did, and continues to, retain the support of its traditional base, if this support is more qualified. It emerged comfortably ahead in terms of ‘first past the post’ seats and in ‘top up’ list voting, in percentage terms:
Table 1.
Scottish Parliament Election Results, May 1999

<table>
<thead>
<tr>
<th></th>
<th>First Ballot &amp; Seats</th>
<th>Second Ballot &amp; Seats</th>
<th>Total Seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour</td>
<td>39%</td>
<td>33%</td>
<td>56</td>
</tr>
<tr>
<td>SNP</td>
<td>29%</td>
<td>28%</td>
<td>35</td>
</tr>
<tr>
<td>Conservatives</td>
<td>16%</td>
<td>16%</td>
<td>18</td>
</tr>
<tr>
<td>Liberal-Democrats</td>
<td>14%</td>
<td>13%</td>
<td>17</td>
</tr>
<tr>
<td>Others</td>
<td>2.7%</td>
<td>6.8%</td>
<td>3*</td>
</tr>
</tbody>
</table>

*includes 1 Independent, 1 SSP and 1 Green Party MSP.

(Adapted from Mooney and Johnstone 2000)

It is worth noting, however, that New Labour’s success was tarnished by the fact that a reduction on its 1997 vote of between seven and nine percentage points across both ballots. New Labour also polled less in the list vote than it had in 1983 – arguably a high water-mark for Old Labour. Moreover the election of the candidate New Labour had publicly rejected, Canavan, who not only beat his New Labour opponent by twelve thousand votes but also achieved 55% of a turnout of 63% in Falkirk West, did suggest something of a continuing commitment to Old Labour values. The election of Scottish Socialist Party convener, Tommy Sheridan, from the Glasgow ‘top-up’ list having come third on the constituency vote behind New Labour and the SNP, is also indicative of this commitment. In addition, the SNP made something of a breakthrough in Scotland’s Central Belt – traditionally Labour territory – and, whereas in 1997 there were four seats where New Labour held a less than twenty point lead over a second-placed SNP candidate, there were now thirty-four such seats (Curtice 1999). At this stage the “battle for the hearts and minds of a nation” (Sunday Herald 9th May 1999) was clearly set to continue.

Specific outcomes of the Scottish election in 1999, therefore, did seem to present a challenge to the idea that that “Scots still embrace Tony Blair’s new Labour vision....[which is] just as popular with voters north of the border as it is south” (Neil

---

The Scotsman 26th April 1999). Equally, though, the notion that these outcomes would help create a 'red shift' manifest in the Scottish Parliament proved premature. On the whole, for example, New Labour have not faced its predicted nemesis in the parliament in the shape of a divisive, "socialist faction" from within its own ranks (The Scotsman 27th February 1999; 18th March 1999). Indeed, from this historical vantage point, I would argue that, as ideological battleground for the Labour Party, 1999 marked the beginning of a process of Old/New Labour convergence in terms of its leadership and policy thrust. This in turn has had an impact on wider attitudes to the Scottish Parliament and its effectiveness. Given earlier 'faith' in the institution before its creation, it has clearly not lived up to expectations. For example in 1999, according to the Scottish Social Attitudes survey, 56% of respondents believed the Scottish Parliament would increase the standard of education in Scotland. By 2002 this had decreased to 25%. In terms of the democratic effectiveness that New Labour, in particular, placed at the centre of its claims for devolution, in 2002 only 31% agreed that the parliament had given people more say in how Scotland is governed, compared with the 64% in 1999 who predicted it would (McCrone 2003).

The 'awkward squad' outside the Labour Party – Canavan, Sheridan and Green Party MSP, Robin Harper – have made something of an impact, raising issues like the provision of free school meals, for example, and, in Sheridan's case, introducing a successful Bill to end the practice of 'poinding' and warrant sales for debt recovery. But they remained a minority force, though, as demonstrated in the table below, parliamentary activity and extra-parliamentary campaigning have helped consolidate and improve both the Green Party and the Scottish Socialist Party after their break-through in 1999:

---

12 This specifically Scottish process involved impounding and selling the property of a debtor. In recent years, it was most commonly used in the recovery of poll-tax and council tax debts owed to local authorities in Scotland.
Table 2.
Scottish Parliament Election Results, May 2003

<table>
<thead>
<tr>
<th></th>
<th>First Ballot &amp; Seats</th>
<th>Second Ballot &amp; Seats</th>
<th>Total Seats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour</td>
<td>35%</td>
<td>29%</td>
<td>50</td>
</tr>
<tr>
<td>SNP</td>
<td>24%</td>
<td>21%</td>
<td>27</td>
</tr>
<tr>
<td>Conservatives</td>
<td>17%</td>
<td>16%</td>
<td>18</td>
</tr>
<tr>
<td>Liberal</td>
<td>15%</td>
<td>12%</td>
<td>17</td>
</tr>
<tr>
<td>Democrat</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green</td>
<td>-</td>
<td>6.7%</td>
<td>7</td>
</tr>
<tr>
<td>Scottish Socialist</td>
<td></td>
<td>6.9%</td>
<td>6</td>
</tr>
<tr>
<td>Others</td>
<td>3.5%</td>
<td>9.0%</td>
<td>4*</td>
</tr>
</tbody>
</table>

*includes 3 Independents and 1 Senior Citizens Unity MSP.

(Adapted from BBC News-Online 2nd May 2003).

As discussed below, the issue of PPP/PFI has continued to be contentious (Speirs 2001\textsuperscript{13}) though, in terms of official parliamentary activity, it has not become the "most defining issue of the Scottish Parliament" (McAllion 2001\textsuperscript{14}) and opposition to it from workers, trade unions and MSPs has been either muted or focused on extra-parliamentary campaigning. Moreover, despite an often negative experience of PPP in Scotland\textsuperscript{15}, what turned out to be a muffled challenge to it in the context of the 1999 election by the unions (again discussed below), largely helped set the tone. Overall, the lack of overt, concerted and consistent opposition from an 'awkward squad' within Labour's ranks that was expected to emerge after 1999, and four years experience of devolution are indicative of an important trajectory – the ascendancy of New Labour's vision for 'reform' and 'modernisation' in Scotland. Support from a coalition partner in Scotland that has evidently accepted the New Labour vision, despite some early success in forcing through at least one key element

\textsuperscript{13} Based on interview, 11\textsuperscript{th} June 2001.

\textsuperscript{14} Based on interview, 20\textsuperscript{th} November 2000.

\textsuperscript{15} For example, the Edinburgh Royal Infirmary PFI project continued to be the focus of negative publicity. The hospital cost £180 million to build but the taxpayer is likely to pay more than £1 billion in rent to the private consortium running it over a thirty year period (Sunday Mail 2\textsuperscript{nd} December 2001).
of its own, arguably more progressive 1999 agenda, helped strengthen New Labour overall. Having outlined above key processes that helped define what was characterised as a 'new' era in Scottish politics, I now turn to examine some of these in greater detail and to explore 'actually existing' New Labour in government, in Scotland.

3.3: The Vision of Modernisation through Knowledge

Two key strands of New Labour ideology are clearly evident in its approach to Scotland and are crucial in framing both rhetoric and policy. They are 'modernisation' and the assumptions that characterise the 'knowledge economy'. Embracing 'modernisation' and the 'knowledge economy' are central and overarching elements upon which the success of the government's objectives in the Scottish Parliament is contingent. From New Labour's perspective, 'modernisation' has also been cast as what has ultimately delivered devolution and de-centralisation, though as noted, this is overstated. The mobilisation of the vision of the 'knowledge economy' reflects New Labour's wider concerns regarding the development of human capital and an apparently paradigmatic shift occurring as a result of demands of globalisation. However, in line with the effort to represent, relate to and, indeed, reinforce the special sense of 'a historic moment' in the context of devolution in Scotland, embracing the knowledge economy has been presented as a once in a life-time opportunity for Scotland's problems to be solved.

Hopes for the knowledge economy in Scotland are also imbued with a further, specifically Scottish twist, linked to its supposedly enduring social democratic values and, crucially, are intrinsically connected to the generalised benefits of economic transformation:

The Scottish Parliament shares its infancy with the information age. For the new Scotland, the real opportunity of the information age is not simply technological or economic, but the opportunity to renew some of our most revered values of social justice and equality of worth (W. Alexander, 1999: 166).

---

16 The Liberal Democrats made the abolition of 'up front' student tuition fees in Scotland a condition of power sharing in the new Scottish Executive in 1999.
17 In May 1999 Wendy Alexander became the Minister for Communities in the Scottish Executive.
The possible opportunities for economic growth are generally framed in terms of the demands, challenges and expectations of the ‘knowledge economy’, as are economic initiatives and strategies. Policy is defined as in the service of both relating to what is assumed to already exist, and of helping to create the appropriate conditions to allow the knowledge economy to develop further. For example:

We will significantly improve the skills base of Scotland to be better prepared to meet the demands of the knowledge economy. We will increase the apprenticeship programme to 30,000 (Scottish Executive 2003b: 218).

As Warhurst and Thompson (1999: 88) have argued:

Knowledge work has [thus] become a mantra for the country’s future economic development, offering Scotland a rationale for the development of human capital in the workplace, a blueprint for the creation and expansion of competitive ‘world class’ Scottish firms, the attraction and continued presence of foreign firms in Scotland and so a way of preventing Scotland becoming a peripheral low skill, low wage national economy within the intensely competitive global economy.

Yet the whole notion of the knowledge economy is problematic, not least since its apparent characteristics are notably vague, involving the development and utilisation of knowledge skills that are not only not clearly defined and are represented as motor of both economic and democratic growth:

In the economy of the 21st century, knowledge, human capital, is the future and fairness demands it is open to all (Blair 2003).

The ‘knowledge economy’ is uncritically accepted as the next ‘big thing’ and in Scotland in economic, social, and even cultural terms it is utilised as an ideological ‘life-raft’ marshalled to both inspire and to appear inspired. However in Scotland, as in the rest of the UK, it represents a vision that is being talked into existence with very limited results. Little close attention is paid to the quality of jobs that the knowledge vision assumes will be created. It is not clear, for example, how Scotland will be prevented from becoming (or for many, remaining) a low skill, low wage economy. Also, whilst a shift to services away from ‘traditional’ industries like manufacturing

---

18 This document set out the priorities of the Labour-Liberal Democrat coalition government after the second Scottish parliamentary elections in May 2003.
that dominated the Scottish economy in the past can be assumed, in rhetorical terms, to mean a shift towards ‘knowledge work’, the reality is very different – job content is often not what could in any way be classed as ‘knowledge’ work. Such work is often so routinised that, even when it loosely involves the transfer of knowledge, it bears little resemblance to the emancipatory ‘knowledge’ work central to the New Labour vision. Indeed as Warhurst and Thompson note:

The ‘McJob’ not the ‘iMac job’ is more likely to characterise new employment (1999: 88).

From the perspective of this research, the continuing existence of peripheral, low-skill, employment that the knowledge economy is expected to obliterate in the longer term, raises questions regarding the relationship between the New Labour/Third Way knowledge vision and the hard reality of a lack of evidence of work being transformed:

The blue-collar working class, the main focus of traditional leftist politics is disappearing. It isn’t true that manufacturing jobs are simply being replaced by routinised service occupations or ‘McJobs’. It is skilled workers, especially ‘symbolic’ workers who are in demand in the knowledge economy, not unskilled workers, who are in fact threatened with marginality. Moreover, even low-level service occupations can provide an avenue of mobility into better paid jobs in a way blue-collar work by and large did not (Giddens 2001a: 4).

Neither four years of devolution, nor so-called de-centralisation, have helped bring about the highly skilled (and perpetual upskilling), highly valued and well paid ‘knowledge’ work both predicted by Giddens and apparently sought after by the government in Scotland. Indeed, in relation to the main case study of this research, the electronics industry is one of Scotland’s largest exporter and major players in the Scottish economy. A key argument of later chapters is that the domination of local labour markets by both large electronics firms and the clusters of smaller one that have emerged around them, has a specifically negative impact on economies. This severely limits the possibility of a knowledge economy materialising as characterised in the knowledge vision. Moreover, electronics remained until recently a largely manufacturing based industry in Scotland. ‘Silicon Glen’ has not evolved in a way that necessarily mirrors ‘Silicon Valley’ in the USA. Rather, the retention of research and development functions in the ‘home’ countries of electronics’ major players, has
resulted in a 'host' country like Scotland relying on employment from labour intensive functions that are vulnerable to alternative, 'offshore', competition and to developments in the labour process. This vulnerability has been fully demonstrated in the first four years of devolution as more than eleven thousand jobs were lost in electronics in Scotland between 1999 and early 2003 (The Herald 12th January 2003).

The 'knowledge economy' is also interrelated to New Labour's vision of work, not least in the sense that appropriately trained, and skilled, knowledge workers are seemingly unlikely to ever encounter a lack of work. It is also linked to the New Labour vision of work as the panacea for ending social exclusion and eradicating poverty in Scotland. Unsurprisingly, the Scottish solution to the Scottish problem in this respect mirrors that of New Labour in the rest of the UK:

For most people of working age, the best way to avoid poverty is to be in paid work. Work is invariably the best route out of poverty. Two thirds of people who escaped from poverty in the early 1990s did so because someone in their household either started work or increased their earnings. So this is a government defined by its commitment to work (W. Alexander 1999: 158).

This demonstrates a further contradiction, both in terms of the knowledge economy and in terms of New Labour's characterisation of work. The vision of the knowledge economy and the representation of its benefits are implicitly underpinned by a 'high road' strategy of growth and development. Yet little evidence is advanced that this 'high road' is available or that employers are prepared to adhere to it. As Harrison (1997: 213) has pointed out, contemporary capitalist economies and their labour markets continue to be defined in terms of seeking a "low road to company profit" that involves cheapening labour and costs, 'outsourcing' to less developed countries, and subcontracting to low wage employers. There is clear evidence that major players in the Scottish economy are well advanced in a journey down this 'low road', as will be demonstrated in the following chapters. Devolution, thus far, has been unable to address this and the New Labour ideology of work ending poverty and exclusion does seem to be premised on a contradictory 'quantity over quality' that, though obscured in 'knowledge' and other rhetoric, has clearly negative results. As with the rest of the

---

UK, there is little recognition of continuing exclusion in work. For example, since the creation of the Scottish parliament the numbers of working poor have increased by 40% (Milne 2003: 7). Focusing attention and resources on promoting already exaggerated positive aspects of the 'knowledge economy' (Warhurst and Thompson 1999: 88) can serve to detract from fundamental New Labour claims regarding the benefits of work. Underlying the New Labour vision for Scotland is that any work is to be welcomed. This, and the reinforcing of the knowledge vision in the Scottish context, helps demonstrate a central element of New Labour's Third Way that sees continuities in socio-economic processes marginalised in relation to change (Raco 2002a: 42).

3.4: An Entrepreneurial Vision?

One central element of the New Labour vision for Scotland, exposed clearly during the 1999 election campaign, was its desire to foster a positive relationship with business, both indigenous and international corporations (MacDonald 199920). Whilst this has clear resonance with New Labour's UK wide orientation, as noted earlier, business has been, and continues to be, vigorously pursued. This has resulted in an active engagement with, what are assumed to be, specifically Scottish values. Although Scotland's political history, especially over the last two decades, is suggestive of both a rejection of neo-liberalism and a continuing commitment to the approach that helped characterise what became known as Old Labour, the relationship with business became central to New Labour's vision of the 'new' Scotland. Indeed the construction of a 'new' relationship with business represented a point of convergence with a New Labour nationalism. This is not based on the perceived stronger traditions of social solidarity and labourism, the focus on which had stood Labour in good stead in Scotland during the years of Conservative domination in the U.K., but on:

The new spirit of enterprise in Scotland...a nation where successful enterprise and social justice can go hand in hand... [where] politicians and public servants can support the wealth creation of Scottish industry and commerce... (McConnell 1999).

20 Lord MacDonald of Tradeston was the Scottish Development Minister in the UK in 1998.
This is also clearly linked to a concerted effort to adapt the Scottish political history to the demands of the New Labour project. Thus, at the earliest opportunity, New Labour sought to redefine the rejection of Thatcherism in Scotland in order to ensure resonance with the government's own priorities:

What [Scots] found most unacceptable about Thatcherite Britain was not its commitment to enterprise – that would indeed have been strange in the country of James Watt and Andrew Carnegie – but its lack of commitment to social justice (Brown and Alexander 1998).

This analysis is important because, firstly, it is not completely at odds with Thatcher's own assessment of the impact of her project in Scotland: “the balance sheet of Thatcherism in Scotland is a lop-sided one: economically positive but politically negative” (Thatcher quoted in Mitchell 1999: 33) and, secondly, it sought to demonstrate how well the concerns of the Third Way echo Scottish tradition. The concern to promote the enterprise values of the New Right alongside New Labour's concern for social justice, were characterised as particularly relevant in Scotland. Thus, the notion of an imagined community of entrepreneurs was marshalled in a distinct way in Scotland and this is important in defining New Labour's particular orientation there.

As Raco (2002b) has argued, one important role devolution played was that it helped create the scope for the government in Scotland to fully engage the business community and prioritise its needs effectively. Scotland could undergo the transformation into a dynamic entrepreneurial economy, through the mobilisation of business in the service of both devolution and the delivery of social justice. Despite similarities with the UK settlement in this respect, and clear connections between this strategy and New Labour's overall supportive relationship with business, and the ideology of competitiveness outlined in earlier chapters, important distinctions need to be drawn between the Scottish and UK New Labour positions. As alluded to above, the vision of the 'new' Scotland drew quite explicitly on two central discourses of an imagined past and future for Scotland – entrepreneurial and socially just Scotland, both imbued with an independence of spirit, linking individual endeavour to the common good:

From the beginning social justice has been central to our ambitions for Scotland. Central to our determination to build a society founded on
the values of fairness, equality and opportunity...I want to live in a Scotland that is prosperous and outward looking and ambitious for its future...I want a Scotland where achievement is celebrated and the value of everybody's contribution is appreciated. Creating and sustaining economic growth is central to that goal...Everyone needs to be engaged in that task – creating and sustaining wealth for themselves, for their families and for their country (McConnell 2002 quoted in Mooney and Scott 2003: 4-5).

[Business leaders should] encourage again those Scottish values that were once so pronounced in the culture of self-help and entrepreneurial ambition. Where our hard-headed, practical predecessors invested for the industrial revolution and mass production, our innovation may have been even more creative, weightless and instantaneous. Imagineers as well as engineers (MacDonald quoted in Raco 2002a, 40; 2002b: 17).

Whilst this has clear resonance with the marriage of social justice and economic efficiency at the heart of New Labour's political economy, the particularly Scottish twist illustrated here is important. Firstly, it allows for claims that devolution and Scottish policy is indeed relevant and specifically Scottish – hence meeting key objectives – whilst remaining firmly within New Labour's overall ideological priorities. New Labour's Third Way struggle to create syntheses between seemingly incompatible positions, discussed earlier, is clearly evident in this respect. Devolution and the harnessing of business interests for the 'common good' represents how the New Labour approach of overcoming antagonisms has developed in the Scottish context. The fusion of the interests of capital and labour in Scotland became possible, from the New Labour perspective, in a location where antagonism has historically been perceived to be at its most acute. New Labour has also sought to synthesise distinct sets of values and mobilise them as a single set presented as wholly and characteristically Scottish. Secondly, the powerful assumptions regarding Scotland as more left-wing than the rest of the UK, and even as the last bastion of the statist social democracy most closely identified with Old Labour, were effectively addressed. Actively drawing business into devolution in a positive way, not only gave New Labour the opportunity to try to allay business fears that the new layer of government meant the 'return' of an expansionist, over-regulatory, state, it presented it with the opportunity to differentiate itself from the SNP from the perspective of business. Even in Scotland, New Labour offered a 'safe pair of hands', fully in tune with
entrepreneurial interest. In doing so, the private sector was valorised and a particular version of tradition was utilised to support this. At the same time, a clear recognition of the continuing appeal of a more egalitarian tradition in Scotland meant:

[The] desire to remove 'old fashioned' attitudes, mentalities and practices [took] on a greater salience in Scotland (Raco 2002a:37).

Thirdly, the active role of business in devolution was legitimised through the creation of New Labour's business manifesto for the parliamentary elections in 1999 and the Pathfinders Initiative - a partnership between the government and business leaders in key sectors:

We have recognised the need to have business involved, not only in developing policy, but in implementing policy, and business has responded to Labour's lead. We are ambitious for Scotland and for Scotland's business, and we have set ourselves the objective of ensuring that Scotland is one of the world's leading new economies. We want Scotland to be a great place to do business (Dewar quoted in The Herald 30th April 1999).

Thus, like their UK counterparts, the business community in Scotland were granted the scope to take full advantage of New Labour's apparent ending of 'one-size-fits-all' governance (Turok et al., 2003: 9), encouraged by the New Labour notion of 'Scottish business solutions for Scottish business problems'. Indeed, when examined as ideology, the seemingly pragmatic mantra of de-centralisation through devolution and 'Scottish solutions for Scottish problems', is actually driven by an overarching commitment to 'business solutions for Scottish problems'. Hence:

Demands are made to make Scottish society more business-like - adopting the mentalities and practices of the business community to further Scotland's place in the global environment (Raco 2002b: 19).

New Labour's approach in Scotland also shares the Third Way duality that defines its orientation in the rest of the UK; social justice and economic efficiency are two sides of one coin. However, the apparently continuing salience of Old Labour values, demonstrated most obviously in Scotland's rejection of Thatcherism, was still

---

21 Pathfinders to the Parliament was published in March 1999 and was the culmination of collaboration between the government and business leaders in key sectors in the Scottish economy, setting out a business agenda for the new parliament (Scottish Office 1999).
problematic for New Labour. In this context, it is important to bear in mind a central Third Way premise:

The new social democracy seeks to preserve the basic values of the left: a belief in an inclusive society, a commitment to combating inequality and protecting the vulnerable - but it holds that many traditional perspectives have become counter productive (Giddens 2002b).

In political terms, problems were manifest in two important ways. Firstly, New Labour in Scotland faced its main challenge from an SNP arguably seeking to configure its own Third Way outlook in terms of a capacity for fiscal discipline and social justice aims. Whilst, for New Labour, the battle to promote itself as the safest pair of hands for the economy was won in 1997 at UK level, its pro-business, pro-market orientation had to be re-affirmed in the context of devolution. Secondly, Third Way wisdom asserting that “the limited electoral support for direct redistribution of income to the poor” (Giddens 2002a) was of less relevance in Scotland, since such an approach clearly was supported electorally there. The contradiction that this exposed for New Labour in Scotland meant that in policy and rhetoric New Labour sought to promote:

An alternative discourse to that of a socially-oriented, civic Scottish society. [Instead] Scotland is promoted as a community of entrepreneurial dynamism with a history of innovation and industrialism. Cultures of self-help and practicality are articulated in place of collective welfare and, by implication, a less entrepreneurial society (Raco 2002a: 40).

This business influence was not just palpable in rhetorical terms but also in the direction of policy. For example, although in the successful devolution referendum in 1997 a clear majority (64%) had voted for tax varying/raising powers for the Scottish parliament of plus or minus three pence in the pound, New Labour made it quite clear that this would not be used. In power, the first, New Labour dominated, Scottish Executive agreed not to use these powers in the first term of the Parliament (and subsequently not until at least 2007) to placate Scottish business concerns that they would be disadvantaged in relation to non-Scottish competitors. This resulted in the 'loss' of a possible income stream for the Scottish Executive of up to £690 million per year (McCrone 1999: 117). Thus, the attraction of the notion of civic, socially just,
Scotland, however mythological, brought forth key counter-balances from a business community concerned the ‘new’ Scotland might have the ‘wrong’ focus. If Scotland remained committed to the so-called tax and spend agenda of Old Labour then this was subordinated to business demands. Overall, appeals to ‘entrepreneurial’ Scotland, the rejection of ‘left wing reformist’ Scotland, whilst utilising common assumptions about shared progressive values and actively mobilising business to the cause of devolution, and explicitly taking account of its demands, demonstrated a clear shift in emphasis for Labour in Scotland.

Importantly, continuing to marshal key assumptions about Scottish society regarding social justice and community alongside the accommodation of business interests, has opened up scope for a further New Labour synthesis of interests. Enterprise and competitiveness is granted a new and crucial role as the ‘social glue’ of Scotland and has pervaded a range of Scottish Executive policies from 1999 onwards. Whilst the interdependence of social justice/inclusion and economic success are central to New Labour’s ideological thrust overall, demonstrably this is given a distinctively Scottish flavour without tangible divergence from its neo-liberal agenda. The shift towards ‘competitiveness as cohesion’ is demonstrated in key policy documents:

Growing Scotland’s economy is our top priority. A successful economy is key to our future prosperity and a pre-requisite for building first class public services, social justice and a Scotland of opportunity. (Scottish Executive 2003: 1, emphasis added).

At the same time cohesiveness is characterised as promoting competitiveness (Turok et al. 2003) and this fits clearly with New Labour’s free market priorities, whilst seeking to echo what are presented as specifically Scottish concerns. To re-iterate a point made in earlier chapters, New Labour’s over-positive assessment of the role of competitiveness and its dependence on economic efficiency to deliver social justice, underplays negative aspects of this focus, ignoring how:

The ways in which big business has been reorganising itself to become more competitive are proliferating low wage, insecure employment (Harrison 1997: 190).
This is particularly problematic given the difficulties that Scotland continues to face in terms of low income, poverty, morbidity and mortality, and poor housing for example (Brown et al. 2002). Despite the pursuit of the dual objectives of efficiency and justice by the government in Scotland, the proportion of working age people living below 60% of the median British household income after housing costs rose between 1999 and 2002 (Scottish Executive 2002a: 50). What is often lost in the notion of a marriage of competitiveness and cohesion is that, seeking to mobilise an assumed sense of egalitarian ideals in rhetoric does not necessarily translate into the wholesale creation of a programme of radical, progressive, policies. As a result, whilst there are differences in policy in some areas, New Labour’s neo-liberal settlement “premised on and actively promote[s] income inequality and insecure employment” (Mooney, Scott and Brown 2003: 19), similarly sets the agenda in Scotland. Thus:

...There is no simple, direct or all encompassing relationship between cohesion and competitiveness [at the level of the city]. The two do not necessarily go together particularly in the direction from cohesion to prosperity...Narrowly focused economic growth that excludes part of the population from improvements in economic well being may well undermine cohesion by increasing social disparities, stress and insecurity...(Turok et al. 2003: 55).

It is also useful to outline a further example that serves to demonstrate both the influence of business and the increasingly explicit appeal to Scotland’s entrepreneurial values by New Labour, and their apparent salience in terms of future success. Education in Scotland is one aspect of the “holy trinity” (McCrone 1992: 21; Brown et al. 1999: 3), alongside the legal system and religion that are characterised as both separate and distinct from the rest of the UK. Clearly, in the devolved Scotland, separateness and distinctiveness remain in these areas. Yet education in Scotland offers one of the clearest examples of the ‘fit’ with New Labour’s overall vision and the obvious prioritising of business interests with regard to educational priorities:

In a world of rapid change, entrepreneurship will become a core skill which all our young people will need to exploit the opportunities emerging from science and technology, culture and communications (Blair 1998a: 10).
We will make sure that every pupil has the opportunity to learn entrepreneurial skills at school. We will expand the number of Scottish schools involved in Enterprise Education from 10% to 100% (Scottish Executive 2003a: 3).

Indeed, at each stage, education is defined explicitly as fully in the service of business:

We will encourage local authorities to give school pupils the opportunity for ‘hands on’ enterprise initiatives...We will use the Future Skills Scotland Unit to identify the needs of business and we will focus on education and training services and the career guidance service to meet them (Scottish Executive 2003a: 3 & 4).

It is clear that this does not diverge from New Labour's overall approach and:

The subsequent elaboration and implementation of education reforms geared explicitly to the principles of the free market and to perceived national, industrial and commercial 'needs' have had as much impact north of the border as they have on the south (Littlewood cited in Mooney and Poole 2002: 7).

What is distinct is that this takes places within the context of a continuing myth of Scottish education as exceptional and crucially linked to egalitarian values (McCrone 1992). Significantly, “making government more accountable to the people of Scotland” and “policies on health, housing and education” responding “more directly to Scotland’s needs” (Dewar 1997, emphasis added) is focused on privileging business needs, and ‘other interests’ are perceived through a prism of economic demands. Moreover, the role of education as the bastion of growing the enterprise culture co-exists with, and is intrinsically linked to, education being offered as an important income stream for business in the ‘new’ Scotland.

3.5: Reforming the Public Sector in Scotland

As outlined in earlier chapters, New Labour pursues a particular version of ‘reform’ and ‘modernisation’ in the public sector that seemingly has the interests of the consumers of public services firmly at their core. Despite devolution, much of the New Labour settlement in terms of public service delivery remains the responsibility of the UK government, and key policy areas are reserved to the Westminster Parliament. Thus the welfare, work, benefits and taxation systems are the same in Scotland as they are in the rest of the UK. Yet policy in these areas, especially in
terms of public sector funding, was a critical issue in the 1999 election campaign. Since Scotland does have problems in relation to poverty, especially in the conurbations in the Central Belt, relating specifically to de-industrialisation, economic restructuring, spatial polarisation and demographic changes, there is overall greater dependence on public services. The responsibility for these is split, with the Scottish Parliament controlling social housing, health, and education - key elements of the devolved settlement. Thus future policy in these key areas represented the most appropriate arena to 'test' New Labour's apparent de-centralisation. Importantly, apparent satisfaction with\textsuperscript{22}, and dependence on, the public sector in Scotland are often conflated and represented as being characteristically linked to seemingly Scottish values: "Scotland's public services are firmly rooted in equality, solidarity, social justice and democracy" (Smith 1999: 252-253). Thus devolution was viewed by some as a crucial mechanism through which to realise a dream of Scotland determining "its own destiny in those areas that really matter in the nature and delivery of its public services" (Smith 1999: 250).

However, as my earlier analysis of the Scottish election in 1999 demonstrated, the possibility of "bottom up solutions" (Mandelson and Liddle 1996: 17), suggested by New Labour in the context of Scottish devolution, did not extend to public sector funding nor to developing a clear policy programme in the public sector at odds with New Labour's ideological thrust. Put simply, in this respect, what New Labour's devolution settlement entailed was that 'means' were not devolved, just 'ends', clearly in line with New Labour's overall approach. The outcome of the first Scottish election and the battle within Labour that occurred around it, as well as subsequent policy developments, confirm this. One of the most significant outcomes of devolution, thus far, is that it has resulted in support for an ideological commitment to 'modernising' old fashioned values in the public sector, and ridding it of the apparently inherent conservatism, summed up in the New Labour mantra 'what matters is what works'. Thus public sector reform in Scotland, like the rest of the UK, means, for New Labour, that:

\begin{quote}
In any conflict between pragmatism and ideology, pragmatism will always prevail....We believe that the interests of the consumers must always be put before those of producers. Even the best of the
\end{quote}

traditional public services could lose sight of their main goal – to serve the public – and often did (McLeish quoted in *The Herald* 21st August 2001).

Whilst laying claim to the notion that devolution would bring about ‘Scottish solutions for Scottish problems’, it is clear that these have to be rooted in the overall New Labour approach, and Scottish solutions are adapted, indeed, Scottish problems are redefined, in order to fit with the ‘new’ pragmatism of New Labour. The broader New Labour agenda, promoting the private sector’s role in public service delivery, remains paramount.

An important difficulty for New Labour is with Scotland’s continuing connection to the public sector through dependence, and its continuing commitment to public sector values, real or imagined. This creates a specifically Scottish problem, to some extent, in that Scotland is, at face value at least, all the more likely to retain the vestiges of the ‘producer focus’ New Labour seeks to eradicate. Not only is welfare service delivery of crucial importance in Scotland, but, in major conurbations, other key services are of crucial importance. In terms of housing, for example, the Conservatives ‘right to buy’ legislation had a lesser impact, and local authority provided social housing remained significant well into the 1990s. For example, this type of housing represented 31% of all tenure in Scotland as late as 1995 compared with 18% in England, and owner occupation at the time was still a full ten percentage points behind England (English 1998: 125). Moreover, in areas of the greatest deprivation, reliance on public sector provision is much higher. In addition, the public sector in Scotland is a major employer with an estimated one in five of the working population in the public sector in some capacity (Scottish Executive 2003b: 30). By 1999, overall per capita public spending in Scotland was 25% higher than in England (Neil 1999) and this suggested, from the New Labour perspective, a greater need to progress its ‘modernisation’ agenda. This, as noted throughout, takes place in line with the rest of the UK, and involves the continuation of the Conservatives’ privatisation, the use of private finance to fund improvements, and the outsourcing of key functions to the private sector. Some of this activity has had an explicit impact in Scotland, though not necessarily linked to specifically Scottish policy. The

---

23 Henry McLeish was then the First Minister of Scotland.
privatisation of the (UK) National Savings Bank at the end of the 1999, for example, saw the transfer of more than four thousand jobs to the private sector, more than half of which were in Glasgow\(^{24}\). Thus devolution has made little positive impact in this respect. Moreover, privatisation impacts on consumers of public services as well as producers and, as Mooney (2002a: 139) has argued, it is experienced differently by different sections of society. The poor can, and do, become further marginalised through the privatisation of services. It is questionable whether the rigour with which privatisation and private sector involvement in the delivery of public services reflects a genuine concern to develop Scottish solutions. Rather it reflects a concern to drive out reliance on public sector provision and any residual producer focus in Scotland. Thus:

The notion of the public (as in public services, public sector) is being reformulated as something that now necessitates the involvement of the private sector or the market (Mooney 2002b: 3).

This has occurred to such an extent that the whole notion of investment now conflates private sector investment and investment by the state. For example, claims regarding future investment often increasingly obscure the source of that investment:

We will continue to use the record level of investment in our public services to secure new and better facilities, particularly for our schools and hospitals...

We will develop the largest ever school building programme in Scotland’s history, renewing 200 more schools by 2006, rising to 3000 by 2009 (Scottish Executive 2003a: 12 &17).

This is reinforced through continual reference to New Labour’s apparent commitment to putting the consumer first and a focus on individual choice. For the 1999 Scottish election campaign this was clearly manifested in the debate over PFI/PPP:

---

\(^{24}\) See Macgregor 2001 for a comprehensive review of major changes in public sector employment between 1997 and 2000.
I am going to do what is correct for patients, and use the best and quickest methods of delivering that for patients (Galbraith quoted in *The Herald* 14th April 1999).25 And has continued in government rhetoric since:

The interests of the pupil, the patient the passenger and the victim of crime will always come first (Scottish Executive 2003a: 12).

Thus the crucial mechanism through which New Labour's 'modernisation' has been pursued – PPP – can be represented as of secondary importance in relation to service delivery in the devolved Scotland, as funding 'means' are underplayed in such rhetoric. Yet PPP is actually pursued more vigorously in relative terms in Scotland. For example, more than a third of PFI/PPP projects announced by early 1999 were in Scotland (*The Observer* 14th February 1999). At a regional level there, is further evidence of this, and, crucially, in Glasgow, the city synonymous with the values of municipal socialism, the process of reform through opening up public services for private sector profit is well under way. In this city, the modernisation of the entire secondary school system in 2001-2002 represented the “largest education-based Public Private Partnership in the UK” (Mooney et al. 2003: 17).26 Moreover, at the same time, New Labour's housing stock transfer programme for Europe's largest social landlord since the 1960s (ibid: 18) represented, for many, a concerted attempt to rid the city of the most obvious and enduring monument to municipal socialism – council housing (*The Economist* cited in Mooney et al. 2003: 13). Devolution, therefore, has served to reinforce and, indeed, strengthen New Labour's position in relation to its 'modernisation' programme, despite opposition to its controversial funding mechanisms. These examples serve to demonstrate how the rhetoric of Scottish solutions for Scottish problems is clearly tightly limited by the continuing focus on the overall thrust of the New Labour agenda.

3.6: Working with New Labour in Scotland: The Trade Unions

In keeping with the narrative and analytical direction of my argument overall, it important to explore the position of the trade unions in Scotland, and the contours of

---

25 Galbraith was the Health Minister in Scotland in 1999. Here he was speaking in defence of PFI/PPP.
26 A PPP project to 'modernise' the entire primary school system in Glasgow was introduced in 2003.
the relationship between New Labour and the unions in the Scottish context, albeit briefly.

It is often assumed that trade unionism is stronger in Scotland and that Scottish trade unionism is more oppositional in character and more militant. This can be argued to be the case in terms of strike activity (Gall 2003: 20-36) and in terms of numerical strength (Gall 2003: 39-40). It is not possible to discuss this fully. My purpose here is to briefly explore the extent to which what appears a greater propensity for militancy, and an apparently stronger union movement, impacts on the relationship between the unions in Scotland and New Labour, and benefits workers overall. In this respect, it is also important to return to the crucial issue of PPP and to explore the role of trade unions in the ideological battle between Old and New Labour in this context.

Although trade unions in Scotland played an important part in the delivery of devolution, in terms of keeping up the pressure for home-rule during the 1980s and 1990s (Aitken 1997), it is important to note that the industrial relations settlement of New Labour is the same for Scotland as it is for the UK. The reservation of key powers at Westminster leaves little room for manoeuvre on employment relations on a Scottish basis, especially in terms of the private sector. This places clear limitations on the apparent pursuit of Scottish solutions to Scottish problems 'at work'. The delivery of social justice at work in Scotland mirrors that of the rest of the U.K. Despite an apparent commitment by New Labour to reduce high levels of poverty and social exclusion in Scotland, the level of the minimum wage serves to limit the impact of work on poverty. Yet, as shown earlier, the focus on work as the route out of poverty by New Labour in the UK is also clearly evident in Scotland. The problems of this settlement, outlined elsewhere in the thesis, also have a similar impact in Scotland, though it is important to outline some differences. With regard to the benefits of the Employment Relations Act in Scotland, in terms of statutory recognition, for example, unions in Scotland have utilised the legislation relatively effectively. They have the second highest average level of all new recognition agreements of eleven UK regions (13% compared with 14% in the top two regions) between 1999 and 2002 (Gall 2003: 44-45). Moreover, statutory recognition is also
important in Scotland, since it creates the potential to recruit, organise and bargain in previously ‘infertile’ or openly hostile sectors. A leading edge sector in the Scottish economy like electronics, for example, infamous for non-unionism and anti-unionism, faced its first institutional challenge (Findlay 1999: 98) in the shape of statutory recognition. Whilst the combination of hurdles to recognition built into the Act, and twenty years of diminishing power, meant companies faced their weakest ever opponents, unions in Scotland are among the most active campaigners for recognition deals (Gall 2003:45).

In terms of New Labour’s partnership agenda, Findlay has argued that there was a particular ‘ripeness’ for this, and the possible cultural shift in employee relations in Scotland:

The size of the political, business and trade union community in Scotland facilitates close contacts at senior levels...Both Scotland’s industrial and trade union history, and successive opinion polls suggest that reforms to workplace governance would fall on receptive ears. Similarly the disaffection of Scottish employees with the highly individualist orientation of current management practice and their concerns regarding poor relationships between trade unions and employers...suggestions the appropriateness of a uniquely Scottish solution based on collective rights... (Findlay 1999: 100).

Despite an apparent lack of institutional support for it in Scotland, and the persistence of the reputation of Scottish militancy, partnership has been embraced and has taken a relatively greater hold in Scotland, than in the rest of the UK. A location characterised as synonymous with adversarial industrial relations has concluded twice the number of partnership agreements that could be expected, given the size of the workforce (Gall 2003: 52). This, alongside the recognition successes, noted by Gall, suggests two important developments. The first is that the union movement in Scotland has drawn advantages from some of New Labour’s legislative changes in the employment relations arena. The second, and perhaps, more significant, development is that its apparent embrace of the partnership agenda represents at least some trade union acceptance in Scotland of New Labour’s fusion of the interests of capital and labour.

---

27 This is an over-simplification of Gall’s arguments which comprehensively unpack crucial features behind such statistics using regional and European comparisons.
Whilst this clearly parallels trade union support for New Labour in the rest of the UK, it is still important to explore the relationship between the unions and New Labour in Scotland in greater detail, in the context of the ‘new’ Scotland. Like their UK counterparts, the unions in Scotland share an ‘enduring alliance’ with Labour (McIlroy 1998). However the Scottish Trades Union Congress (STUC) has no political affiliation to the Labour Party as such and its “special relationship” with the party is maintained “through the affiliation to Labour of individual unions in Scotland” (Speirs 2001). Although this lack of affiliation to the Labour Party may be taken to indicate a level of political distance from New Labour, and the scope to act against its interests, the history of this relationship suggest that this analysis is problematic. The unions in Scotland have played a significant role in Labour’s success, especially in terms of achieving electoral dominance over many decades. The unions and New Labour have remained ideological kin, and the cross fertilisation between key trade unionists and the Party is seemingly more overt in Scotland\textsuperscript{28}. The fight for a home-rule parliament helped reinforce this. Despite recognised weaknesses in New Labour’s industrial relations settlement, privileged and pervasive business interest outlined for Scotland, and its commitment to a Third Way devoid of a clearly defined role for trade unions (Giddens 1998; Waddington 2003: 337), the Scottish Parliament seemingly represented the possibility of developing Scottish Labour solutions for Scottish labour problems. After New Labour’s election victory in 1997, and the successful referendum vote, therefore, the next important battle for the unions and New Labour in Scotland was to secure a Labour victory at elections for the new Parliament.

However, as noted earlier, the crucial issue of PPP threatened to undermine this relationship and union opposition to it was at the centre of key public sector union demands, presented in their own manifestos for the new Scottish parliament (UNISON 1999; Transport and General Workers’ Union 1999). In the ideological battle between Old and New Labour, that I have argued occurred in 1999, this opposition placed the majority of unions and the STUC firmly in the Old Labour

\textsuperscript{28} In the 1999 elections this was clearly demonstrated in the number of union officials standing as New Labour candidates. For example there were five from UNISON alone standing in constituency vote. Significantly, two UNISON officials were disciplined for bring the union into disrepute by criticising New Labour, especially over PFI/PPP (The Herald 16\textsuperscript{th} April 1999 and see Irvine 2000).
'camp'\textsuperscript{29}. Unions' overall hostility to PPP was summed up in the STUC's own manifesto for the Scottish Parliament:

The STUC believes that public services are most efficiently and effectively delivered and ensure best value for the community and individuals when they are provided by directly employed public service workers......Using the Private Finance Initiative to fund investment in capital projects, such as schools, hospitals and houses should be avoided. The PFI is an inefficient means of financing the provision of public services. It is a short-term solution to a long-term problem of under investment (STUC 1999a).

Yet, the battle expected over PPP with New Labour did not fully materialise. Indeed, instead of the 1999 STUC Congress dealing PPP and, as a result New Labour, a fatal blow in Scotland, it capitulated on the basis of a concession, negotiated with Gordon Brown, to discuss "how best practice could apply in PFI deals" (\textit{The Scotsman} 22\textsuperscript{nd} April 1999) and on "better protection for transferred workers" (Speirs 2001). Hostile motions were shelved and replaced with a General Council statement that removed earlier calls for a complete moratorium on PFI:

Congress continues to have serious concern over the funding mechanisms being used to deliver this investment through PFI, including the major issues relating to staffing and conditions of service. Congress recognises that on these issues, initiatives such as the provision of proper framework agreements, may offer a way forward and calls for further discussions with the Government and the new Scottish Parliament to ensure that common principles, based on best practice, apply across the public sector (STUC 1999b).

Thus, in respect of a, if not the, crucial issue of the Scottish Parliamentary elections, the unions offered only a muffled challenge to New Labour and continued to support the Party practically and financially, despite being 'stonewalled' over their opposition to what emerged as its key ideological premises.

It is important now to examine this in relation to my arguments overall. What the issue of PPP demonstrated and continues to demonstrate, is that where there are

\textsuperscript{29} Although there is not the scope to discuss this in detail, it is important to note that there was some support for PFI/PPP from unions in Scotland whose members depended on such contracts for work. In April 1999, the examples of the Ministry of Defence contract to the BAe Systems yard in Govan, Glasgow and an information technology upgrade in the Post Office were cited as examples of the need to retain PFI/PPP (\textit{The Scotsman} 22\textsuperscript{nd} April 1999).
significant differences between Party and union demands, the union bureaucracy acts in the interests of the Party, often citing pragmatism as the reason for so doing:

In the end the STUC took the pragmatic, trade union route [over PPP] rather than the political one and confrontation was successfully avoided - that's something we're proud of (McNeil 1999).\(^{30}\)

This apparently pragmatic approach helps to elucidate a further point concerning unions in relation to devolution. Ultimately, what New Labour 'de-centralisation through devolution' actually represented was a further layer of governance with which to conduct bureaucratic lobbying, and, arguably, more scope to do so through greater access to key members of the Scottish government (Smith 2001; McAveety 2001).\(^{32}\)

In 1999, New Labour in Scotland was at its most vulnerable over PFI/PPP, yet the unions did not grasp the opportunity to maintain and consolidate opposition to a flag-ship policy. This, however, does not simply represent a blow dealt to PPP in the 'wrong direction' since, as noted in the previous chapter, union opposition to New Labour's flag-ship policies has rarely been allowed to result in concerted and overt challenges. The important point is that, effectively marginalising opposition to PPP during the Scottish election campaign, was a key element of a wider, crucial development.

If, as I have argued, 1999 and the first election for the Scottish Parliament represented a watershed in the transition from Old to New Labour in Scotland, then the complicity of the trade unions in this process needs to be understood. Further, this gave New Labour the necessary momentum to consolidate its Third Way premises in the Scottish context, and turned out to be indicative of how its relationship with the unions would operate under devolution. The continuing link with the unions in Scotland, and the mediation of the bureaucracy, has made an important, positive contribution to New Labour's experience of devolution thus far. The, arguably, greater need by New Labour for union support in the context of an extra layer of

---

30 Based on short interview, 8th August 1999. Duncan McNeil was elected MSP for Greenock and Inverclyde in 1999 and again in 2003.
31 Based on interview, 21st March 2001. Matt Smith is the leader of UNISON in Scotland.
32 Based on interview, 20th November 2000. Frank McAveety was the Labour leader of Glasgow City Council until his election as an MSP for Glasgow Shettleston in 1999 and again in 2003.
governance and, effectively, biennial elections, has brought little in the way of obvious benefits for trade union members. Certainly, the unions’ earlier critique of New Labour’s public sector reforms and funding through private finance has not been sustained in any systematic way.

Indeed, the outcome of the ideological battle over PPP in 1999 gives the appearance, at least, that differences in orientation have been overcome, with the New Labour position clearly remaining ascendant. Moreover no union ‘awkward squad’ to parallel that in the wider union movement has emerged, though the decision of the RMT’s Scottish region to pursue branch affiliation to the SSP, discussed in the previous chapter, suggests that ‘external’ influence can be brought to bear. This is not to suggest that there is no militancy in Scotland or that unions are so weakened in Scotland, by their relationship with New Labour there, that opposition to them has been actively extinguished for the foreseeable future. On the contrary, in 2002, for example, the number of strikes in Scotland was greater than in any other region (Gall 2003: 20). Yet, there is little to support Waddington’s conclusion that in that year there was an obvious “heightening tension in relations between trade unions and the Labour government” (2003: 335) in the Scottish context nor that “the extent of disagreement between the two is now more pronounced than at any time since 1997” (Waddington 2003:335). I would argue that devolution has served to marginalise any overt, distinctly Scottish, challenges to New Labour that call into question the whole nature of the relationship between it and the unions, for the time being at least. Significantly, however, whilst it may have been possible in the past to argue that:

The only obviously available political vehicle for socialism in Britain is the Labour Party, which, to put moderately, is not without its ideological incoherence and confusing twists and turns of policy (Nichols and Armstrong 1976: 127)

contemporary political developments in Scotland do, at face value, point at the possibility at least of an alternative conclusion. The existence and growing popularity of the SSP33, and its electoral success (Table 2. above) present a challenge to the bureaucratic premise that ‘there is no alternative’ which helps sustain New Labour in Scotland.

---

33 Membership of the SSP has grown from four hundred in 1999 to approximately three thousand in 2003 (figures provided by SSP Secretary, Alan Green, in February 2004).
To return to a point made in the previous chapter regarding the two distinct horizons that the Labour Party and the trade union bureaucracy seek to maintain in terms of politics and economics (Hyman 1989), it would appear that devolution has ultimately served to reinforce this 'false dichotomy'. Vulnerability in terms of flagship policy and a new arena within which union criticisms of New Labour can be aired, have not been systematically exploited. Indeed, the bureaucratic closeness of New Labour and the unions in Scotland serves ultimately to weaken the movement overall. Whilst devolution helps create a different context within which the relationship between New Labour and the unions operate, this has not resulted in New Labour in Scotland being less troublesome for the unions and more inclined to meet their demands, despite its apparently greater vulnerability. Nor has the relationship between unions and New Labour served to deliver a "land of milk and honey" (Mooney and Poole 2002) for unions and their members in Scotland, despite the rhetoric of opportunity, possibility and involvement. Indeed, the issue of PPP helps demonstrate overall accommodation of New Labour's demands and indicates a clear lack of unions grasping opportunities to use the creation of the Scottish Parliament to develop their critique of central tenets of New Labour's ideology. On the contrary, the unions ultimately 'delivered' for New Labour in Scotland, and the process of devolution was made easier as a result.

3.7: Conclusion

I have made clear that the much-vaunted 'historic' opportunity to create Scottish solutions for Scottish problems excluded any radical departure in terms of New Labour's reform and 'modernisation' programme in the public sector, and the ideological commitments so strenuously adhered to by New Labour in the rest of the UK have not been relaxed in Scotland even in key devolved areas. Thus:

Devolution gave the people of Scotland and Wales the power to elect their own governments, not to redesign the political platform of each party...[nor] that Scottish Labour politicians have free reign to redesign the party's values and core policies ... (The Guardian 11th May 1999).

This, in turn, demonstrates how, New Labour's perspective is informed and moulded through the Third Way conviction that "no feasible alternative model to the Third Way exists" (Giddens 2002b). The 1999 Scottish election, and the experience of four-
plus years of devolution, has been fundamental in marginalising any residue of an Old Labour, non-Third Way alternative, even in the locale and context where difference and alternative solutions were seemingly both possible and desirable. As I have argued above, the trade union bureaucracy in Scotland played a crucial role in this outcome. This role was more overt in Scotland than in the rest of the UK and significantly, especially in terms of the important issues of the election in 1999, this helped undermine support for alternatives, in the public sector in particular. To the extent that 1999 did present a historic opportunity, then it was one the unions failed to exploit in their members’ overall interests.

Since Blair has subsequently revealed he “has no reverse gear” (Blair 2003), it is important to recognise that, despite devolution, this applies equally in Scotland. As with New Labour elsewhere in the UK, commitment to neo-liberalism means:


In the devolved Scotland these have not only been framed in terms of a particular ‘historic’ moment, but also through appeals to assumed national characteristics. Full consideration of the overarching neo-liberal concerns of New Labour, equally evident in Scotland, arguably needs to temper any assertion of a ‘better’, more socially–just Scotland distinct from the UK New Labour settlement, since neo-liberal “commonplaces” are:

- notions or theses with which one argues but over which there is no argument (Bourdieu and Wacquant 2001: 2).

Thus, even in the context of devolution and de-centralisation rhetoric, an evaluation of New Labour’s claims for Scotland must account for the fact that any specifically ‘Scottish solutions’ will have to be neo-liberal, market solutions. Experience of the so-called ‘new’ politics demonstrates its underpinning by a ‘politics of vision’, prevalent in not only mobilising contradictory discourses of entrepreneurial and socially–just, democratic, Scotland but in its seeking to shape understanding of the Scottish context, that can serve to obscure the explicit application of neo-liberalism’s central tenets of marketisation, competitiveness and flexibility, and the Third Way’s
"what matters is what works". That this application is done in the name of the pursuit of social justice and social inclusion, represented as specifically relevant in Scotland, does little to temper its effects, as the following chapters amply demonstrate.
CHAPTER FOUR: WORKING THE 'THIRD WAY': WEST COAST COMPUTER INDUSTRIES

Work is central to the Government’s attack on social exclusion. Work is the only route to sustained financial independence. But it is also much more. Work is not just about earning a living. It is a way of life...Work helps to fulfil our aspirations - it is the key to independence, self respect and opportunities for advancement...Work brings a sense of order that is missing from the lives of many unemployed young men...(Harman 1997).

4.1: Introduction

Thus far, I have examined New Labour in detail, but largely at a general level. It is also important to explore a specific example of working life under New Labour, in order to draw out the impact of its ideological premises and to explore how its commitment to flexibility, competitiveness and partnership are experienced by workers.

One of the central questions that this research originally sought to address was whether the provision of new legal rights in the workplace by the New Labour government, particularly in the form of statutory union recognition, represented a renewed potential for labour militancy, though it should be clear from the preceding chapters that it was always quite unlikely that New Labour would deliberately create the conditions for this. However, as I have outlined throughout, underpinning ideology is absolutely central to our understanding of the context of experience that New Labour’s political economy shapes. Thus, whilst reference is made in the following chapters to specific elements of New Labour’s legislative programme and, in particular, its employment relations settlement, this case study need to be understood in the context of my argument overall.

Through exploring one detailed example of working life under New Labour, I seek to demonstrate central contradictions in its ideological premises, and offer clear evidence that the syntheses of interests central to the New Labour and Third Way ideology are not easily reached. Flexibility, competitiveness and partnership, for

---

1 Harriet Harman was then Minister for Social Security in the New Labour government, quoted in Fairclough (2000: 57).
example, considered in the light of this case study, are clearly shown as combining to create a countervailing force to the effective representation of workers and to the development of, what I would argue, is necessarily oppositional trade unionism. Moreover, important aspects of this case study help to challenge a fundamental New Labour premise, demonstrated to full effect in the Harman quotation above, that work, any work, is the panacea to what it perceives creates social exclusion in the UK.

I also seek to draw out what devolution means for work and employment in Scotland. Again, this relates to context rather than the impact of specific pieces of Scottish legislation. A combination of key powers being reserved to the Westminster Parliament, including employment legislation, and New Labour's overall ideological commitments, mean that devolution has made little positive difference. This is not, however, to suggest that devolution is not important in relation to this case study and the wider issues that it is indicative of. Indeed, what I seek to demonstrate in the final chapter is how devolution has impacted negatively, largely because it has helped create a blurring of political responsibility in respect of work and employment in the devolved Scotland. The rhetoric of 'Scottish solutions for Scottish problems' is exposed as contradictory in the context of reserved powers, in the crucial arena of employment relations. The devolution settlement has resulted in job creation being an objective of the Holyrood Parliament, whereas work and employment, in terms of conditions, pay and the overall treatment of workers remains the responsibility of Westminster. The evidence presented here suggests that the new layer of governance represents a further New Labour ideological obfuscation, which acts as a barrier to strategic development in relation to work, certainly in respect of those 'dream jobs' of the 'knowledge economy'.

4.2: West Coast Computer Industries

A central aim of my research was to narrate a process of developing militancy that emerged in perhaps the unlikeliest of factories. I felt this was significant within the Labour Movement for a number of reasons. In 1998, the production workers at electronics firm West Coast Computer Industries (WCCI), at the time an increasingly successful subsidiary of the Laird Group, began to gain media coverage for taking the type of militant action assumed, particularly by New Labour and a trade union movement increasingly moulded by a conciliatory approach to employers, as outdated and ineffective. They joined the steel-workers union, the Iron and Steel Trades Confederation (ISTC) in significant numbers and had begun to organise intensely
within an electronics industry that seemingly represented a ‘black-hole’ in terms of this sort of activity. Although it has been argued that trade unionism in electronics is more complex than it seems, and trade union organisation is not precluded in the sector in any ‘once and for all’ sense (Findlay 1993), organisational difficulties in this sector have helped construct a popular mythology of electronics as ‘union-free’.

WCCI was also significant in terms of the Scottish economy. In 1998 it was the tenth biggest employer in Scotland and ranked seventy-third in the top five hundred Scottish businesses (*Scottish Business Insider* 1999) with a reported turnover that year of £330 million (*Scottish Computer Headline* 2000). In Inverclyde⁲, an area around thirty miles to the west of Glasgow, WCCI was the third biggest employer behind electronics giants IBM and National Semiconductor, in 1998. It was a ‘young’ company in terms of its relationship with the area compared to both these long-established companies. Although the company had been in operation in nearby Ayrshire for more than twenty years, the Gourock plant, along with others in Dundee, had been acquired from Grimtec³ in 1997 for £21 million. The factory was situated only a few miles from the company’s main customer, IBM, and formed a central element in a cluster of local companies almost wholly dependent on ‘Big Blue’s’ continuing move towards flexible, decentralised, production. Harrison (1997: 220) characterises this as “lean and mean” production whereby:

> The business system is increasingly taking the form of lean and mean core firms, connected by contract and by handshake to networks of large and small organisations including firms, governments and communities.

WCCI was thus representative of a shift in the electronics industry from formerly paternalistic U.S.-owned companies, like IBM, who initially operated proactive employee relations policies, highly individualised reward systems, and that, in the process, sought to protect itself from meaningful trade union activity over many decades. This earlier paternalism helped construct a mythology around IBM that further served to keep unions at bay:

> IBM [was] one of the good ones. Unlike the fly by nights, ‘Big Blue’ has been a quality employer on the West Coast since 1951. Back in the 1960s and 1970s, it was a beacon of hope for Inverclyde, loved not only for its conditions but its attitude (*The Observer* 12th January 2003).

² Inverclyde includes the towns of Port Glasgow, Greenock, Gourock, Inverkip, Skelmorlie, Wemyss Bay and Kilmaclain.
³ This is a pseudonym used locally for this company.
However, the arrival of such younger, UK-owned companies, offering less favourable terms and conditions, like WCCI, has facilitated a shift within the older U.S. companies especially IBM. IBM has subsequently outsourced much of its labour intensive assembly operation and other low value functions. Although thousands of workers are still retained by IBM (decreasing year on year in terms of direct employment), thousands more workers represent a secondary labour pool, for which the company bears none of the socio-economic risk of earlier paternalism, embodied in its policy of 'no compulsory redundancies'. WCCI, and other companies in IBM's human 'raw material hub', are contract labour operations. Findlay and McKinlay (2000: 11) have argued that the rationale of companies like WCCI is:

At one and the same time reminiscent of the internal contracting systems of early 19th century factories and epitomises contemporary flexible outsourcing regimes.

This flexibility is also manifest in an internal labour market within WCCI, divided between a core 'permanent' workforce and a peripheral 'temporary' group. The labour of this latter group was sourced from outside WCCI through employment agencies. However, the evidence from this study unequivocally confirms that the core/periphery divide of both the internal and external labour market is problematic, and experience at WCCI is difficult to conceptualise in this neat way. What the evidence illustrates is that, importantly, so-called peripheral workers can, and do, have long-standing work relationships with one particular company without ever shifting into core employment. They are not temporary in its traditional meaning, but have continuing, if not continuous, 'short term' contracts that are differentiated only in terms of employment rights, pay and conditions of employment. Far from having a peripheral relationship to a productive 'core' they are an absolutely integral part of it. Increasingly, there was little or no distinction between 'core' and 'peripheral' tasks. Similarly, 'core' workers at WCCI, as what can be termed 'secondary' IBM labour, did not share the sense of security that has until fairly recently characterised core employment within the IBM. These 'core' workers only remained employed whilst the company retained its external relationship with a company whose employee interests are with their own 'core' workers. Fundamentally, this reliance on either one or a few external relationships, results in a lack of security and shifts the meaning of 'permanent'. As I will discuss below, WCCI and other companies in the local IBM cluster, help demonstrate key conceptual weaknesses in New Labour's understanding of the world of work that moulds both its rhetoric and policy.
Unsurprisingly, like their main customer, WCCI was extremely hostile to trade unionism. To a great extent, as will be demonstrated below, this remained the case throughout the period of the research, although, crucially, it did not remain 'union-free'. Firstly at its Gourock site and, latterly, in its Ayrshire plants, the ISTC gained union recognition. Organisation and recruitment at the former created the possibility of a 'beacon' at Gourock for other workers to emulate, especially those on whom the notable shift away from paternalism in longer established firms, was having a profound impact, in terms of labour market flexibility and deteriorating wages and conditions. Long-term, successful, trade unionism in this workplace had the possibility of encouraging others to organise, especially the WCCI workforce at the other plants in Dundee and Ayrshire. A key focal point in the recruitment and organisational drive was the struggle to achieve recognition for the ISTC at the plant. In 1998, and with the prospect of legislation on the *Fairness at Work* (DTI 1998a) proposals looming, including the 'right' to recognition, the company had indicated a preference to negotiate with the engineering union, the AEEU (now Amicus). The WCCI managing director, Albert McDee, had originally made it clear that he would not negotiate with the ISTC, which he considered an unprofessional union that stooped to personal attacks on him. He also suggested that the union's open critique of working conditions was motivated by its struggle to recruit members, and had little basis in what he believed was the reality of working for WCCI (ISTC Full-time officer 2001).

The struggle at this factory also grew in its significance for the wider Labour Movement. Given the company's long standing hostility to unions and the ISTC in particular, I saw this factory in 1998 as a key site to assess the impact of New Labour's employment relations legislation, especially the proposed 'right' to union recognition. The impact of the legislation, in terms of the ability of workers to take full advantage of an apparently central plank of New Labour's employment relations agenda, and what this meant in practice could be analysed through the situation at WCCI. Since an impetus to seek out a collective voice in this workplace was clearly manifesting itself as a militant orientation, this represented a useful site to explore one union's and one workplace's route through the New Labour employment relations settlement in the context of a particular set of circumstances — militancy and employer intransigence in a 'new' industry — not recognised by the ideology that underpinned it.

---

4 This is demonstrated by the 'coverage' that the WCCI struggle and recognition agreement was given, for example by the TUC (TUC 1999c) and by the press.
This factory and the company’s other Scottish operations were also highly significant for the ISTC, a union seemingly fully supportive of both the New Realist and, significantly, the New Labour turn (Upham 1997). The ISTC needed to tap into a new membership base. With the demise of the steel industry, membership had decreased from one hundred and eight thousand in 1980 to thirty thousand in 1997 (Willis 2001: 475). Thus, at face value, New Labour’s ‘fairness not favours’ agenda represented a life-line for the ISTC. The union had also become a key player in the TUC Organising Academy and WCCI in 1998 represented the first major site where the success of its ethos and method could be significantly tested:

The ISTC are at the leading edge of the expansion of the whole union movement now. Part of this is to get union officials out of their ivory towers and force people like McDee to face the facts (ISTC Full-time officer 1998).

For this union, WCCI also represented the possibility of a significant reversal fortunes, especially in Division One (Scotland) where membership stood at one thousand at the end of 1996 (Upham 1997: 268). To some extent, the struggle to organise and then gain recognition at WCCI reflected the ISTC’s apparent turn to community unionism “as a route out of crisis” (Willis 2001: 467), initially in Ayrshire in October 1997. However, although the ISTC tried to forge links with the local community in that area along the lines of those described by Willis, it was in Gourock that the ISTC’s activity bore fruit. For the Full-time officer involved, there were clear reasons for this:

The issues were more live in Gourock. We recruited very quickly in the early part of 1998. The man [the managing director] was ruling by fear and had been doing so in Ayrshire for years. There was a different mentality in Gourock (ISTC Full-time officer 2001).

West Coast Computer Industries’ increasing notoriety both in Inverclyde and beyond, due, in no small measure, to the activity of some of the respondents of this research raising awareness of conditions at the factory, marked it out as an important site through which to analyse the era of New Labour. Over four years this company,

---

5 Upham notes that the ISTC “was the only union affiliated to the [Labour] Party to nominate both Blair as Leader and John Prescott as Deputy Leader” (1997: 266).

6 The TUC Organising Academy opened in January 1998, backed by seventeen unions as the “flagship of the TUC’s drive to organise” (TUC 1998a) to put into practice the TUC’s shift towards organisation and recruitment (Labour Research 1998a).

7 By 1999 with the inclusion of the WCCI membership this had doubled.
its conditions of work and its problematic industrial relations, have become the most widely reported in the local area. Thus, even for those not obviously connected to the factory or the company, it was a difficult story to ignore:

**HUNDREDS OF WORKERS MAKE PROTESTS OFFICIAL**

**FURY ERUPTS OVER SHIFTS**

**UNION GETS TOUGH**

**SHIFT TO RESOLVE BITTER DISPUTE**

Clearly, such headlines seemingly characterised a set of circumstances that represented an anathema to the New Labour portrayal of working and working life at the end of the twentieth century. I seek to demonstrate below how the experience of one group of workers and key factors that help shape the local labour market in which they operate, reveals important differences between New Labour rhetoric and New Labour reality.

4.3: “Invest in Inverclyde”

It was also difficult to ignore the significance of WCCI both as a major employer and as a significant player in the local economy of Inverclyde. Notably, in 1998, it employed between one thousand and fifteen hundred workers in Inverclyde. The area has continued to bear the worst effects of the large-scale de-industrialisation of the last two decades, the restructuring of the labour market along ‘flexible’ lines, and the institutionalised shift in the balance of power in industrial relations that characterised the period of Conservative government. The emphasis in the local economy has been forcibly moved away from a variety of industries, like marine engineering, textiles, sugar and shipbuilding, towards what became known as the ‘sunrise’ industries of ‘Silicon Glen’ - computer manufacturing and electronics. This process has intensified since the 1980s. In the 1990s, there was further growth in electronics locally, largely as a result of the expansion of IBM’s supply chain, whereby components and labour were clustered for ready access.

Thus, at the beginning of the twenty-first century, Inverclyde’s economic base is narrowly focused on the electronics industry. As the industry accounts for more than 20% of total employment, the area’s flexible, segmented, labour market reflects the priorities of this industry, noted above (Inverclyde Council 2001b). Despite the

---

8 A selection of headlines about WCCI from 1998 (Greenock Telegraph and Irvine Herald).

9 “Invest in Inverclyde” is a promotional slogan used by Inverclyde Council to “promote Inverclyde as an attractive area in which to live, work, visit and invest” (Inverclyde Council 2001a).
continuing segmentation of the labour market that such priorities create and reinforce, the industry has become exempt from criticism by the local state because of reliance on it for employment, and the earlier paternalism of long-established companies that meant higher than average wages for local ‘core’ workers. Inverclyde helps demonstrate how the rhetoric of the ‘knowledge economy’, outlined earlier, has not translated into a secure strategy to create high-value, well paid, stable employment, and this has compounded the areas difficulties. Though, by late 2003, opportunities to move from secondary to primary labour market are very limited, and thousands of jobs have been lost or outsourced to non-locally based companies between 1998 and 2003, local politicians, remain supportive and understanding of the electronics industry’s ‘unique position’:

We pledge our full support to the electronics industry. We appreciate that global market pressures dictate that companies... need to reconfigure to respond to changes in world-wide demand (Leader of Inverclyde Council quoted in the Greenock Telegraph 15th January 2002\textsuperscript{10}).

Unfortunately, the global economy moves at such a pace that it is often difficult for [electronics] companies to offer permanent jobs to their employees (Cairns quoted in the Greenock Telegraph 28th October 2002\textsuperscript{11}).

Electronics companies in the area have constructed a particular brand of exceptionalism for the industry, using the dominant notions of the trajectories that help characterise New Labour’s version of globalisation, and have developed this by suggesting that these have greater impact in this industry than in others. Local politicians accept their analyses without scrutiny. The quotation below illustrates quite well the typical form this exceptionalism takes:

We are at the mercy of our customers. If they want a job done then we must meet the deadlines to survive. If this can’t be done then I can assure you jobs will go. We are not in control of our own destiny (WCCI Managing Director quoted Irvine Herald, 30th January 1998).

Yet despite the ‘difficulties’ which are assumed to mark the industry globally, local productivity has been substantial and clearly helped sustain companies like WCCI, especially during the period after the collapse of major Asian economies. At the end

\textsuperscript{10} Inverclyde Council was Labour-controlled until the local government elections in May 2003.

\textsuperscript{11} David Cairns has been the MP for Greenock and Inverclyde since 2001.
of the 1990s the gross value of manufacturing produced in Inverclyde was around £88,000 per head of working population annually, compared with a West of Scotland figure of £44,900 (Inverclyde Council 2001b: 26), in an area where weekly earnings are only 87% of the UK average (Inverclyde Economic Development Service 2002). Given the dominance of electronics in the local labour market and the fact that this industry accounts for more than 90% of local export value (ibid), the role they play in the creation of such trends is clear. The local workforce benefits little from the success of electronics outside the 'privilege' of being employed. Inverclyde Council admits to the existence of:

A labour pool that is working extremely hard in a low wage, low skilled economy (Inverclyde Council, 2001b: 26).

In April 1998 the overall rate of unemployment in Inverclyde was 7% compared with a Scottish average of 5.7%, based on the number of benefit claimants (Inverclyde Council Economic Development Department 1998: 4). By 2001, the figures were 4.8% and 4.1% respectively (Inverclyde Council 2001b: 26), although overall the reduction in percentage rate belies an increase in the actual number of local unemployed people of over three hundred between 1999 and 2002 (Strathclyde Labour Market Intelligence and Monitoring Service 1999; Greenock Telegraph 20th May 2002). Moreover, these figures offer only a partial representation of the problems faced in the area:

Inverclyde exhibits some of the most widespread levels of social exclusion and deprivation of any local authority in Scotland. When analysed by postcode sector three-quarters of the population were assessed as being 'most deprived'...A study in May 2000 found Inverclyde to be one of the poorest local authorities in the U.K., with 54% of the adult population classed as 'poor'...Inverclyde exhibits serious problems of urban decline with poverty, bad housing and a poor health record (Inverclyde Council 200b: 17 & 23).

 Yet the area was represented as the "export capital of Scotland" where the value of manufacturing exports annually has averaged £4.6 billion in recent years (Inverclyde Economic Development Service 2002, citing the Scottish Council for Development and Industry 2001). Such success is not mirrored in labour market trends where the norm is an increasingly high level of 'churning' of workers between the companies that supply labour for IBM directly, those that undertake predominately 'off-site' production largely on behalf of IBM (like WCCI), and the
unemployment register. This is made more complex by statistics on long-term sickness and incapacity benefit. In Inverclyde in 1999, for example, there were more than one and a half times as many people on sickness benefit as were registered unemployed (McCormick 2000). Higher levels of uptake for such benefits are a feature of areas where heavy industry was formerly dominant, and the increase in claims can be linked to the lack of jobs for older manual workers (ibid.). That many of the opportunities for work available are in local electronics companies like WCCI does little to ameliorate this situation, given both their reputation for poor pay and poor conditions. In addition, flexible and temporary contracts, characteristic of electronics locally, often contain a 'zero hours clause', where workers are laid off in 'down time' yet remain employed and are thus unable to claim benefits. In January 2001 around two hundred workers in Inverclyde were affected by a decision to evoke such a clause in their contract by their employer Montclaire Electronics: 

MontClaire Electronics is one of a number of suppliers to IBM of temporary labour services. IBM’s requirements have fallen...This is a situation which is outwith our control...This means that at this moment we do not have enough hours for all employees to attend work. The situation is changing daily and we must envisage most employees returning to work sometime in January (MontClaire spokesperson quoted in the Greenock Telegraph 23rd January 2001).

Unsurprisingly perhaps, there is no trade-off between pay and this sort of insecurity in Inverclyde, despite the notable success of electronics there. In 1997, the average gross weekly wage for full-time employees on adult rates was £323.40 compared with a Scottish average of £336.80 (Inverclyde Economic Development Department 1998: 6). By 2000 this differential between Inverclyde and Scotland as a whole had almost doubled (Inverclyde Economic Development Service 2002). In 2002 Inverclyde was placed two hundred twenty-first out of two hundred and twenty nine districts surveyed in a national league table of average earnings (Greenock Telegraph 19th September 2002). An average weekly wage of £352.75 in 2001/2002 means that average pay has increased by less than £30 per week over five years. Again, the dominance of electronics in the area represents an added complexity, since there has been a notable shift away from higher paid core workers towards using cheaper, temporary, workers. In the case of WCCI, the hourly rate for ‘core’ employees had increased by twenty three pence per hour between 1998 and 2002 to

12 This is a pseudonym for another local company who also supply labour to IBM directly.
£5.48 (Greenock Telegraph 5th November 2002), and the rate for temporary workers has increased from around £3.80 in 1998 (McCafferty 1998:15) to £4.50 (Greenock Telegraph 22nd May 2002).

The impact of the employment practices and low pay of the electronics industry on a significant proportion of the Inverclyde population is apparent. This is a U.K. wide phenomenon. In 1997 the average national hourly rate for full time workers on adult rates in this sector was £6.80 per hour compared to a higher average overall in other sectors, which, even in Inverclyde, was £7.87 (Inverclyde Economic Development Department 1998: 6). The situation at WCCI was more acute, and remained so, since, at that time, the hourly rate was £1.55 less than the relatively low U.K. average for electronics.

The shift from taxation on income to indirect taxation in recent decades, resulting in a higher overall tax burden being borne by the poorest (Brown et al. 2002: 51), has compounded the impact of low pay. In addition, Inverclyde residents faced the third highest council tax bills in Scotland (2002/03), with relatively richer areas like Edinburgh City, for example, paying significantly less across all bandings than in this deprived area (Scottish Executive 2002b). Moreover, in 2001-2003 the cost of renting a home from the local authority is the fourth highest in Scotland, higher than many nearby 'richer' areas like East Renfrewshire (Scottish Executive 2002c)13. By early 2003, average house prices were beyond the reach of many workers in electronics at £76,782 (Daily Mail 3rd January 2003).

The difficulties for organised, collective, struggle, and for building worker confidence and militancy, are clearly apparent in these circumstances. Workers are insecure, and low paid, with little 'safety net' to deal with the unexpected. Overall, for many workers in this area, and elsewhere, the flexibility so central to New Labour's agenda for employment and industry means dispensability at a level not experienced since the 1930s. Young people, who make up a large percentage of the electronics workforce, have known little else but this flexibility. However, many electronics workers have previously worked in the area's traditional industries and, unsurprisingly, at WCCI at least, they were amongst some of the most militant activists, who fought for the recognition of the union that in the summer of 1998 they saw as their own. What follows is the story of their struggle to organise and recruit for

13 Increases in the cost of renting a home by 2004 result in Inverclyde Council tenants currently paying the highest rents in Scotland.
the ISTC and to achieve union recognition in the face of a harsh, hostile, management regime. What fundamentally motivated workers to see this process through can be summed up with reference to the union's own literature on "good reasons" to join the ISTC:

Joining the ISTC brings you all the protection of joining forces with thousands of others in the same boat to speak with a single voice for a better working life (ISTC 1999a, 1999b).

However, as will be illustrated below, once that recognition was achieved, organisational weakness and the intensification of pressure at the hands of a unitary regime served to undermine the faith that workers had had in the ISTC:

It got to the stage where we were laughing when we got that magazine. The back page said ten good reasons to join the ISTC. We’d go through them all one at a time and say ‘shite, shite, shite’. But it wasn't just laughing cos it was lies, all lies and we were sick (Horse, WCCI activist 2001).

And WCCI workers remained extremely vulnerable as their mass redundancy in 2003 was to demonstrate.
CHAPTER FIVE: FORWARD TOGETHER

5.1: Resistance and the Struggle for Representation

In the previous chapter, I sought to partially outline the context in which the 'story' of WCCI took place. The aim of this chapter is to continue to narrate the process of developing trade unionism that emerged the factory between a period of overt militancy in 1998 and its eventual closure in 2003.

When this research began, West Coast Computer Industries was a highly successful subsidiary of the Laird Group with a turnover of £330 million. At that time the company also had sites in Tayside and North Ayrshire, where it had become the biggest employer in the area. The company also had operations in Ireland, China and the U.S.A. WCCI was a significant employer in Pitt County, North Carolina, having located there in 1993, and the decision to do so may well have reflected company concerns to keep costs low, unfettered by union involvement since the area:

Has the lowest unionization rate in the U.S. It is 93% union-free. Work stoppages are non-existent. All of the manufacturers that have located facilities in Pitt County since 1965 operate union-free plants (Pitt County Development Commission 1998, 2002).

As such, the lack of unionisation in this area has seemingly allowed trends of pay and conditions to develop similar to those in Inverclyde (and other area where electronics dominates). For example, in 2002, in Pitt County's industrial machine and equipment sector, where WCCI was a major employer, average weekly pay was $812 compared with the state-wide average of $989 (Pitt County Development Commission 2002). In addition, the Pitt County WCCI workforce was also value for money:

In three weeks, the local employees have learned what would probably take employees in Scotland three months to comprehend. They just pay more attention. They are picking up things faster and seeing problems and connecting them (WCCI Managing Director cited by the Pitt County Development Commission 2002).

The company's decision in 2001 to locate in China fuelled already existing fears about job security at WCCI in Gourock. Some workers claimed that the Managing Director had, in the past, referred to the possibility of setting up in China...
where, he apparently suggested, “people would work for a bowl of rice”. Overall, the company’s increasing ability to locate production in other locations strengthened its position and posed a significant threat to a newly organising workforce. The resultant intensification of the labour process under the WCCI regime acted as a significant motivator for people to join the ISTC. Paradoxically, increasing insecurity and the sacking of over three hundred workers in April 1998 helped breed a “fear factor”, which left workers nervous of becoming involved with the increasingly evident activity of the ISTC. Yet, by the end of 1998, the union could claim more than five hundred members at the Gourock site. The initial period of offensive of the newly established WCCI management, intent on flexing its muscle, was met by wildcat action. For example, many workers had ‘downed tools’ three times in a forty eight hour period to protest at new conditions which they claimed cut breaks, resulted in a loss of earnings, and forced some of the workforce into “working six nights in a row” (Greenock Telegraph 21st February 1998). Around seven hundred workers wrote to WCCI management refusing to accept the new conditions and claiming they had been “conned” into signing an agreement which, they believed, was only an affirmation that they had read the new conditions (Greenock Telegraph 12th February 1998). Subsequently, there was an across the board wage rise for core, permanent employees, which meant an hourly rate of £5.25 per hour up from between £3.20-£4.50. This increase however was linked to the acceptance of new shift plans at Gourock, like those operating in Ayrshire. It was also linked, by the Managing Director, to the apparent exceptionalism of the electronics industry, since according to him the shifts were “more suitable to an electronics industry that requires a high degree of flexibility” (Greenock Telegraph 2nd March 1998). In an attempt to marginalise dissent and promote division within an increasingly organised workforce, the Managing Director said continuing problems were due to the “minority who don’t want to work and who fall asleep on the lines or in the toilets” (Greenock Telegraph 2nd March 1998).

This latter comment is indicative of the managerial attitude that had begun to permeate rapidly when WCCI took over from Grimtec. Workers were a “shed-load of shite” to the Managing Director, who apparently complained that he had paid “£21 million for a shed, and a shower of drug addicts, alcoholics and single mothers” (ISTC Full-time officer and WCCI union activists). As for the ISTC they were “a shower of amateurs... a soap opera union” (WCCI Managing Director quoted in the
Irvine Herald 30th January 1998) and the Managing Director made clear his view of the union by claiming:

There would be no union in his factory as long as he had a hole in his arse (cited in Findlay and McKinlay, 2000:15).

Unsurprisingly, this was not a view shared by the workforce, many of whom linked the take-over by WCCI and its managerial culture as the catalyst for their seeking out union representation:

Most people are joining [the union] because this lot came in and started taking everything off us; taking breaks off us and starting to make a stand on things affecting people's lives (Vic, WCCI worker 1998).

To be honest most of the people I know were happy before and the numbers were still going out the door. It's only since WCCI that we need it (Nicola, WCCI worker 1998).

Although he believed the willingness to join the union was an indication of a growing mood of collectivism at the factory, the ISTC's Full-time officer felt that without issues, without an openly hostile and confrontational attitude from the management, its campaign would have been a lot more difficult. The Managing Director was one of the best recruiting tools the union had, and this acted as an effective counter-weight to the difficulties of communicating directly with workers, under the conditions of scrutiny and security at the factory. The 'staying power' of the ISTC and the obvious commitment of their Full-time officer impressed workers and, crucially, those workers who were prepared to take up the reins of agitation and recruitment at shop floor level, where there was no access for officials:

The GMB and the T & G came. But they never came back again. There was hostility to them two cos of the yards and the sugar houses. They dished out leaflets I think then fucking off. The ISTC came and came back and kept coming back. I was a bit wary because of the

---

1 Although it is worth noting that the nickname 'Grimtec' suggests the previous regime was similarly disposed.

2 One explanation for this comment is that both the GMB and the TGWU previously represented thousands in the area's traditional industries. 'Horse' was formerly a docker in Greenock, represented by the Transport Union and worked in the shipyards where the GMB dominated. The GMB is also associated locally with the current MSP who is a former official and was the Shop Stewards Convenor at the time the majority of the shipyards in the area closed.
miners' strike. But the full-timer apologised for it. He said all the right things - they were grass-roots, left-wing fighters (Horse 2001).

They stood by and kept coming. Not like the others who came once or twice and chucked it like the GMB and the AEEU. The ISTC stuck it out (Charlie, WCCI activist 2000).

The continuing activity of the ISTC outside the factory coincided with the intensification of the harshness of WCCI management techniques and allowed the membership base to grow. This, in turn, helped the new ISTC activists to harness the mood of militant collectivism that was developing. In the latter part of 1998, three main issues dominated discussion and served to galvanise workers' resolve to 'take on management'. The first was the holiday arrangements for the 1998 festive period. It is a striking feature of work in this company and, indeed, elsewhere in electronics, that what are considered 'traditional' local or national holidays are shifted to suit the overall demands of companies. In many local electronics factories, which are either US owned or particularly dependent on work from US owned firms, the financial year-end coincides with the festive break at the end of the year in the UK, and the flexibility that is imposed on workers over these holidays is extremely contentious:

The seagulls want us doing stuff on right up to late on Hogmany and on the second [of January]. But nothing ever interferes with the Fourth of July or Thanksgiving. That really annoys me (Manager in another electronics firm, 2nd January 2002).

The flexibility of these holidays was a feature of work at WCCI with IBM as their main customer, and in September 1998 WCCI management moved the traditional Boxing Day holiday (26th December) to September. Workers protested at this and saw it as indicative of management attacks on their conditions. They threatened a protest that involved turning up for work en masse on the day of the September holiday and

---

3 This is a reference to the fact that Scottish steel plant, Ravenscraig, where the ISTC was the main union, remained open during the 1984-85 miners' strike, using imported coal. The ISTC argued that this was necessary to secure the future of the plant. Ravenscraig closed in 1992. This was referred to by another worker at the first ISTC meeting I attended in response to the Full-time officer's criticisms of the tactics of the engineering union's rival attempts to recruit at the WCCI Gourock:

"See you're saying it's a Labour Movement, a trade union movement and we should all be singing from the same hymn sheet. Well I'm not going to criticise the work you've done so far. But maybe these young ones don't remember, but I do. I remember about your union not supporting the miners in '84 and if your union hadn't let your members handle scabby coal then we'd have brought Thatcher and the whole fucking lot of them to their knees" (Panda, WCCI activist 1998). 'Panda' also made reference to this again when interviewed in 2001.

4 This person uses this term for senior American managers: "we call them that because they come over here, eat all your food and shit all over you".
bringing a ‘Santa’ with them, and to take 26th December off. The ISTC Full-time officer said that he would be supportive of any action, but that he could only represent them individually since the union was not recognised.

A second area of contention, that helped galvanise the militant mood during this period, was the issue of the annual, ‘Xmas’ bonus. Under the Grimtec regime, and in the first year under WCCI, workers were given a productivity/attendance bonus at the end of the year. Given the general conditions at the factory, the workers were convinced that they would not get their bonus and again the activists used this to the union’s advantage.

The third motivation for militancy in late 1998 concerned the fact that a security worker, who was off sick recovering from throat cancer, was sacked. The company stated that:

Operation requirements and our informed view of when he would return to work, led to his agreement being terminated (WCCI spokesman quoted in the Greenock Telegraph 5th December 1998).

Hundreds of workers at the factory signed a petition for his reinstatement. The activists took the petition to the streets of Inverclyde and thousands signed it. They also sought a workplace demonstration and hoped that ISTC members all over Scotland would take part (Greenock Telegraph 21st December 1998). The ISTC Full-time officer’s aim was for “management to have a rethink” (quoted in ibid). The campaign over Duncy, the sacked cancer victim, helped galvanise support for the union and the decision to involve the whole community in condemning: “a company which fail to recognise any sort of level of common decency” (WCCI activist quoted in Greenock Telegraph 21st December 1998). It also represented one of the few demonstrations of the ISTC’s turn to community unionism locally (Willis 2001).

There is little evidence that the ISTC branch at WCCI fitted Willis’ model of community unionism. She suggests that “community unionists are in a position to forge unity on the left, linking the struggle for redistribution with that over recognition, the universal with the particular” (2001: 469) citing how the union in Scotland used “club nights and parties” to help further recognition campaigns (ibid: 475). The ISTC’s magazine also noted the union’s attendance at the Irvine Marymass festival in 1999 in this context (ISTC 1999a). There is no obvious connection with such events and ‘making links with the left’. Indeed one of the problems with this analysis is that there is little recognition of divisions within the left. For example, although the Full-time officer at WCCI Gourock worked openly with the Socialist Workers’ Party (SWP) over the sacked cancer victim, he was extremely sceptical and found them “too extreme” (Full-time officer 1998, 2000), for example over the calls to “occupy and nationalise” National Semiconductor when it announced the loss of six hundred jobs in October 1998. In the Inverclyde area the SWP were by far the most active grouping on the left and an unwillingness to work with them on the part of the ISTC limited its ability to forge the links that Willis discusses.
Activists continued to organise and linked the three issues above on one of many ‘subversive’ leaflets that struck a chord with a large number of workers:

**ONE WORKER’S OPINION**

*We all know that the wages and conditions in this factory have never been great but at least this time last year we had the Xmas bonus to look forward to. Well, it’s nearly December and we still don’t know if we’re getting one or not. Do the management know how much of a bonus they’ll be getting for all the hard work they’ve done over the last year. Has anyone taken the time to keep them informed of such an important decision? Now we hear the management want to start making deals with the workforce BUT*

*Not on trade union recognition*  
*Not on the poorer wages and conditions of the Agency Workers*  
*Not on the maintenance of the core workforce*  
*Not on giving Duncy his job back*  
*Not on the Xmas bonus*  
*Not on the attitudes of some of the middle and lower management*  
*Nothing about the continuing pressure on the assemblers and other line workers and its effects on health and safety.*

*What do they want to make deals about? More bloody overtime! We gave up the festive holiday this year at the company’s demand. So why haven’t we seen next year’s holiday rota yet? Think about it*  
*REMEMBER THE PROMISES. START VOICING YOUR OPINION*  
*START CASTING YOUR VOTE.*  
*JOIN THE UNION.*  
*JOIN THE FIGHT FOR RECOGNITION. UNITY IS STRENGTH*[^6]

These, and the attention of the local newspaper that was prepared to present the company in a critical light, meant 1998 ended with the union in an apparent position of strength. However, as Willis (2001) has pointed out, the possibility of statutory recognition served to shift the focus of the ISTC away from community unionism. Evidence from WCCI indicates that this was not solely a result of the Employment Relations Act in 2000, as Willis suggests (2001: 476). However, the Fairness at Work proposals were actively quoted by the Full-time officer and used to add further impetus to recruitment and organisation, though the potential advantages of new ‘rights’ for workers were often overstated by the ISTC at WCCI. In particular, the apparent right for a union to be recognised by a company under certain circumstances was used by the Full-time officer to motivate people to join the union.

[^6]: WCCI activists leaflet October 1998, original emphasis.
As noted earlier, *Fairness* was disappointing. The automatic right to recognition could only be exercised where a union had already achieved recruitment of more than 50% of the workforce. Where this was not possible, it was necessary for a majority of workers to vote for recognition, representing 40% of those eligible to vote. As 1998 progressed, it seemed that the ISTC at WCCI in Inverclyde would have little difficulty in passing the threshold of 50% well in advance proposed Employment Relations Act becoming law. However, the union continued to face the hurdle of management hostility that was clearly manifest in a company ballot to ascertain only core workers' opinion on 'workplace representation', without naming any union on the ballot paper. Eventually ballots (carried out by the Electoral Reform Society) of 'core' workers were held in both Gourock and Ayrshire on whether they wanted union representation and on which union they preferred from four unions: the ISTC, the AEEU (the company's favoured union), the GMB and the TGWU. The ISTC actively campaigned around the ballot and advertised in the local press. This paid off in Gourock, and when the Full-time officer announced the result of the ballot at a poorly attended meeting of workers in October 1998 it was clear that, at this site, the ISTC was the union of choice. However, the results of the ballot highlighted some serious difficulties. At Gourock nine hundred and sixty-five papers were distributed but only four hundred and fifty-two were returned. Of four hundred and eight workers who voted “yes” to union representation, three hundred and seventy-two selected the ISTC as their union of choice. The union could not, therefore, claim a resounding victory and the turnout of the ballot highlighted weaknesses in that, according to the Full-time officer, at least one hundred of their members were claimed to be temporary agency staff by the Human Resources Department. The fact that five hundred and thirteen workers did not vote raised questions about the balloting process, and about whether “young wans even bothered to vote”. At the Ayrshire factories, where one thousand six hundred and sixty-eight ballot papers were sent out, a majority of workers who voted (four hundred and sixty-one workers) said “no” to union

---

7 The '40% rule' represented a key point of departure for major unions and the government, alongside the proposal to exclude workers in small companies of less than twenty employees (Labour Research Department, 1998: 17). Subsequent amendments contained in the Employment Relations Bill 1999 meant ballots would only take place where 10% of workers were already members and there is a likelihood that the union would win the ballot (see Towers 1999).

8 This may have reflected to some extent a central tactic in management's resistance to union organisation. It was becoming increasingly common for overtime at premium rates to be offered on days when ISTC meetings were held.

9 ISTC members meeting 23rd October 1998.

10 ISTC member, speaking at the above meeting.
representation, although the ISTC was the preference of one hundred and seventy-eight of them.

The “fear factor” in each location was also blamed for the ballot results. Overall, this represented a setback for the union, though not an insurmountable one. High-profile organising and recruitment strategies, alongside a growing militancy by key ISTC activists inside the factory had had a positive impact and membership continued to grow. However, the intensification of management hostility, coupled with the continuing shift towards replacing core workers with temporary workers that served to reduce the ISTC’s ‘target audience’ at Gourock, impeded the union’s ability to recruit and strengthen its position.

The interplay of these factors suggested that the 50% threshold for automatic recognition was a moving target for the ISTC at WCCI. Moreover, the continuation of management’s casualisation strategy threatened the union’s ability to gain the required 40% of the eligible workforce in any future ballot, when the proposals became law. The 40% threshold did not ‘fit’ with “the current reality of a flexible labour market” (Labour Research Department 1998: 17), and the ISTC at WCCI was aware of the likely impact of this on its aims. Thus, though the ISTC continued to look to rank and file activity to disrupt production in order to raise awareness of conditions at the factory, the overall impetus was towards gaining recognition in order to trigger further membership growth. Achieving recognition could increase its influence and would allow a moderate union to back off from the militant activity, which had thus far characterised experience at WCCI for the ISTC. Normal industrial relations, therefore, was a key goal of the union hierarchy, though the Full-time officer was fully aware of the problematic nature of the management regime in this respect. The union was also aware of the possible barrier to its success presented by the company’s active encouragement of the engineering union, the possible recognition and growth of which could undermine the efforts of the previous few months. Towers (1999: 85) has noted, however, that though recognition and growth are connected, the latter is not contingent upon the former. Nonetheless, the ISTC believed recognition was needed to promote its further growth at WCCI.

A crucial difficulty emerged during this critical period, causing long-term damage to the development of the sort of independent, workplace organisation needed to improve conditions at the factory (Darlington 1994), sought by the leading activists. Although membership levels were around 60-70% by the end of 1998, it was
becoming increasingly clear that New Labour’s new employment rights were going to be rolled out over a relatively lengthy period\textsuperscript{11}. Clearly, the further intensification of WCCI’s casualisation strategy posed a significant threat to the ISTC’s efforts. Automatic recognition was no longer a foregone conclusion. The union would need to work hard to retain the faith of workers in the absence of recognition under extremely difficult conditions, in order to retain the base it would need to create a 40% majority in a future workplace ballot. A key difficulty here, discussed in greater detail below, was the division between core and peripheral workers. Clearly, joining a union whilst employed by an anti-union employer represents a significant risk for any employee, especially in a period during which employers in general have been given the upper-hand via anti-union legislation, even in the context of the promise of more ‘supportive’ legislation. For workers on temporary contacts, being the most dispensable segment in the labour market meant the added risk of being sacked. The notable fear factor at WCCI was greatest for this group overall, and thus the fear of joining a union was greatest. However, temporary workers did join the ISTC, and its activists made clear from the outset that they were prepared to fight for ‘non-core’ workers. They also wanted all WCCI workers to be in one ISTC branch. However the primary focus of the ISTC at WCCI, following management’s approach, to an extent, was on the core workforce. The union seemingly judged that its efforts needed to be concentrated on this group as the only it would have voting rights in a recognition ballot. Moreover, the ISTC policy nationally was apparently to recruit peripheral workers into a nationwide contract labour branch. Thus, a division was created that had long-term ramifications for trade unionism at the factory.

At the same time, the company also went on the ‘soft’ offensive and began to deploy what became a key tactic in its fight to undermine union organisation and worker militancy: ‘talking up’ its benevolent role in the local community, and underplaying the insecurity created by its employment practices. For example, the company announced an “early Christmas present” for the area in the shape of four hundred temporary jobs, apparently to cope with seasonal demand and to alleviate pressure on the current workforce:

The contracts will last until the end of the year at least and by then we will have a clearer picture of how the market is looking... [People have been working] twelve hour shifts, seven days a week ...I fully

\textsuperscript{11} The Employment Relations Bill was published in January 1999 but the new ‘right to recognition’, contained in the Employment Relations Act, did not become law until May 2000.
sympathise with them because at the end of the day they are human beings and not machines (WCCI Managing Director quoted in the *Greenock Telegraph 29th* October 1998).

The positive impact of this ‘gift’ was weakened by claims that the company had struggled to recruit because candidates for employment were failing a newly introduced drug test (*Greenock Telegraph 2nd* November 1998). The precarious nature of employment at the factory was highlighted in sharp relief early the following year when the company laid off the number they had taken on (*Greenock Telegraph 7th* January 1999).

WCCI’s ‘soft and ‘hard’ offensives, and weaknesses in New Labour’s legislation, meant voluntary recognition, concluded as quickly as possible, and in advance of the new legal framework, became the ISTC’s preferred option. From the point of view of the Full-time officer, the negotiation of a voluntary agreement, as confirmation of the position of strength that the union had developed during 1998, would achieve a goal that both New Labour’s legislation and WCCI strategy could have permanently impeded:

> We got over 50% in a short period. This put us in a position of power. But the company never really gave us credit at this stage and we built from that too. Then we got recognition. Thank God cos if they’d known the legislation the way they know it now they’d never have recognised the ISTC (Full-time officer 2001).

However, this also involved a more moderate approach to convince WCCI that the ISTC were worth doing business with and that militant wildcat action could be contained. Problems with the ‘rights’ that eventually came out of the *Fairness* proposals, and those associated with WCCI’s internal labour market, could be overcome, in the short term, but this involved significant restraint on the part of workers, especially the activists. It also meant the development of a more temperate outlook and set of goals. Hence the period of:

> Doing anything you think of... just doing it... anything. Showing this guy [the Managing Director] is a nutcase...putting your necks on the line...to get recognition (Jim, WCCI activist 1999, paraphrasing the Full-time officer’s advice in 1998).

had more or less come to an end.
5.2: Recognition in a Cold Climate

At the beginning of 1999, some activists were concerned that militancy was being undermined because the activity of the Full-time officer, and some members of the newly-formed union committee, was becoming too focused on discussions with management. The claim that recognition negotiations were at a ‘crucial stage’ had begun to permeate. There was also concern these were to be conducted in secret at a nearby hotel. At this stage, the biggest fear for militant activists was the possibility of a ‘no strike deal’ tied into the reinstatement of the sacked cancer victim.

In the middle of January 1999, negotiations were concluded. The ISTC and the management of WCCI had agreed the terms of union recognition at the Gourock plant. The commencement of the agreement coincided, and was effectively tied into, new terms and conditions at WCCI that served to formalise key strands of the management’s thrust since WCCI had taken over from Grimtec. Two examples help illustrate this point. Firstly the new contract of employment formalised the organisation of holidays around production requirements:

As the Company’s operations require, holidays are at specific times which are most suitable to customers, suppliers and Company production requirements. Dates of Annual and Statutory Holidays will be published, after discussion, on Notice Boards. There may be however requirements to meet certain commitments for employees to work during holiday periods... (WCCI Ltd 1st January 1999, Terms and Conditions of Employment, emphasis added12).

Secondly, although the Human Resources Manager had stated two months earlier that he felt random drugs testing at the factory to be “inappropriate” (Greenock Telegraph 26th October 1998), their use was now written into the new contract:

Any employee who ...is found to have taken drugs following a drug test... is likely to be subject to summary dismissal... It is a condition of employment that employees agree to submit to such tests at such reasonable times and places as specified by the Company13 (WCCI Ltd, Terms and Conditions of Employment, 1st January 199914).

12 Section 7 paragraph 1a.
13 It is not possible to fully explore the issue of drug taking at this factory in detail. When asked about this in 1998, one worker stated: “People take drugs, aye. But they’re no junkies. The shifts, the pressure on you means you sometimes do a bit a speed and puff stops you from decksing some bastard supervisor”. Hollywood (1979: 28) has argued that: “Drug taking [ ] is obviously a form of [ ] resistance and refusal to relinquish intrinsic satisfaction... drugs aid adjustment to work. By becoming absorbed in themselves, turning inwards, drug users can ignore the objective reality of the boredom and monotony at work”. In both cases, employers as well as workers evidently ‘need’ drugs in this context.
Further consideration of the recognition agreement offers insight into the shift away from militancy towards moderation that it helped bring about. Significantly, the first ‘casualty’ of this agreement was the relationship with the local press, the tool activists had used to highlight the worst excesses of the harsh regime WCCI, helping to build confidence inside the plant and fostering a sense of outrage at it in the wider community. In the new ‘post-agreement’ climate:

All matters discussed under this agreement should remain private between the Company and the Union at all times (WCCI Ltd/ISTC 199915).

Only when the full grievance procedure contained in the agreement was exhausted could the company and the union:

In the first instance make joint statements to interested parties on the particular circumstances (WCCI Ltd/ISTC 199916).

Any breech of this clause meant workers would be:

Subject to the appropriate disciplinary rules of the Company and the Union (WCCI/ISTC 199917).

Importantly, this meant they could not publicise their ‘victory’ in gaining recognition and limited the possibility for a return to a militant, aggressive and antagonistic strategy, however necessary it became to do so. It also neutralised any sense that militant activity helped breed success and reduced the impact that this victory could have had on the confidence of other non-unionised workers to initiate similar fights, even those employed by the same company. Effectively, this precluded the ISTC from forging greater links with the local community and making connections between conditions in workplaces like WCCI and more general local concerns – central aims of community unionism. Its ability to make such connections explicitly and

Yet, unlike the employer in Hollywood’s research, WCCI did not ‘turn a blind eye’. Drug abuse is particularly problematic in the Inverclyde area. At WCCI, the drug problem was described as “horrendous” by one worker and the company admitted that several workers were found to be “incapacitated” (Greenock Telegraph 26th October 1998). The local newspaper revealed that a bus taking workers to the factory was dubbed “The Marrakech Express” (Greenock Telegraph 2nd November 1998).

14 Section 13.
15 Section 6a.
16 Section 6b.
17 Section 6c.
consistently was severely curtailed by recognition. This also created problems for the activists who had played a crucial role in building up the support the union needed to force recognition negotiations in the first place:

Right after recognition was signed, we wanted to go to the Tele\textsuperscript{18} because they'd followed our fight and supported us. We imagined IBMers and that thinking these bastards can be beaten. But right away the management said 'there's to be no crowing about this, it's business as usual'. Well it was business as usual and a very fucking ruthless business indeed (Horse 2001).

The decision to accept, what the activists called a 'gagging clause', allowed the company to take the upper hand. It allowed WCCI to play-down recognition, especially to its main (anti-union) customer and meant the press would be notified when the company felt was appropriate. After weeks of adverse press coverage over the campaign to have the cancer victim re-instated, challenges over festive holidays wages for agency workers at the "scrooge firm" (Greenock Telegraph 28\textsuperscript{th} December 1998), and the sacking of eight hundred temporary workers, the Human Resources Manager announced that the company had agreed to recognition for the ISTC in an 'exclusive interview' to the Greenock Telegraph (21\textsuperscript{st} January 1999). The main thrust of the interview was to promote a Works Council that would be set up immediately:

The fulcrum of employee relations at WCCI will be a works council that will be freely elected with both union and non-union members able to stand for election (Human Resources Manager quoted in the Greenock Telegraph 21\textsuperscript{st} January 1999).

Overall, the attitude of management to recognition shaped the impact of the agreement and this limited the positive effect that it had on working practices and union organisation. The immediate benefits of recognition for the workers themselves, especially after their sense of victory was undermined, were not readily obvious. The terms of the recognition agreement had particular implications for the key activists most vociferous in their criticisms of the management regime, who became recognised union representatives. It was clear that 'toeing the line' would be a central feature of workplace unionism at WCCI since:

\textsuperscript{18} The colloquial term for the local newspaper, the Greenock Telegraph.
It is incumbent upon all representatives at all times to foster and further good relations between the Company, its employees and the Union (WCCI Ltd/ISTC 1999\textsuperscript{19}).

The recognition agreement also contained a clear set of objectives, seemingly uncharacteristically in tune with a ‘partnership’ approach, and that, if adhered to, represented a major step towards improving the general situation for the union and for workers:

The objectives of this Agreement are:

To develop and maintain the prosperity of the Company and its employees.

To promote and maintain mutual trust and co-operation between the Company, its employees and the Union.

To establish procedures by which matters affecting these relationships can be dealt with speedily.

To recognise that all employees, at whatever level, have a valued part to play in the success of the company (WCCI Ltd/ISTC 1999\textsuperscript{20}).\textsuperscript{21}

It certainly seemed to represent a key shift, in a short space of time, from the WCCI managerial outlook that the workers and the ISTC had become used to. Walsh, for example, notes how, previously, the WCCI Human Resources Manager was suspicious and critical of the ISTC and their methods, rather than unions per se, and

\textsuperscript{19} Section 4f.
\textsuperscript{20} Section 1a.
\textsuperscript{21} It is worth pausing here to compare this statement with stated principles of organisations that are key proponents of the ‘partnership’ approach. For example, the TUC’s first principle of partnership is “a shared commitment to the organisation” (TUC 1999c). This seemingly underlies the recognition agreement at WCCI. Similarly, the promotion of trust and co-operation at WCCI resonates with the TUC’s “recognition by both union and employer that they each have different and legitimate interests” (ibid.) There is also some ‘fit’ with WCCI’s stated objectives and the partnership model outlined by the Involvement and Participation Association (IPA) that “comprises three commitments to which all partners should subscribe: \textit{*} to the success of the enterprise, \textit{*} to building trust and greater employee involvement, and \textit{*} to recognising the legitimate role of each of the partners” (IPA 2001). They can also be linked to an extent with the partnership orientation of New Labour whereby there is a focus on “procedural mechanisms to facilitate operation” (Novitz, 2002: 492) and where the capital-labour relationship is characterised, from the New Labour perspective as potentially one of mutuality and trust (ibid: 493).
that the company could not envisage the ISTC playing a positive role in the future of employee relations at the plant:

The ISTC has undoubtedly excited the workforce with its methods. But our business dynamics are such that we are very open with the workforce. I don’t know what difference a union could make. Certainly we give advice to the workforce to this effect...This is definitely new territory for them. The ISTC is going into industries it has no history in, and it seems to be approaching our employees as if they were some sort of business deal (WCCI Human Resources Manager quoted in Walsh 1998: 37).

The role that the effort of the ISTC played in affecting the apparent shift from the comments above to the embryonic ‘partnership’ ostensibly represented by the agreement should not be underplayed. Indeed, Findlay and McKinlay (2000: 16) have suggested that WCCI could no longer ignore the ISTC, given their growing base within the factory and their “huge majority” in the workplace representation ballot. However, the company could have staved off recognition until legally compelled to enter into negotiations (more than a year away at this stage), and continued the increasingly overt drive towards the casualisation of the workforce. They could have also continued undermining the union overtly whilst overplaying the company’s benevolence and the ‘special circumstances’ that seemingly typified the electronics industry. Yet the company chose a route by which it apparently ran the greatest risk of legitimising the union at a critical stage. This could have helped galvanise existing support and aided membership growth. However, WCCI both agreed to recognition and maintained its pre-agreement hostility to the union, thus suggesting complexity in the company’s motivation to agree to recognition for the ISTC. Gall (1999: 25) has argued that some employers sign “constrained recognition agreements” whereby an employer may:

Establish means by which to lessen the value of the recognition agreement. This is done with a view to not only lessen the concessions an employer may have to grant but also to establish the limited nature of the new relationship and provide a basis for returning to non-recognition by undermining the faith of the members in their union.

Other key elements of the agreement itself offer insight into the nature of the complexity of the WCCI response to the ISTC and its activists. They indicate a strategy of ‘containment’ from the outset. There are two key examples of this. The first is the implicit control that the company was able to exercise over union
organisation through the limitations it placed on the selection of representatives. Certain categories of workers were to be excluded:

To be eligible to stand for election [as a union representative] an employee must have six months continuous service with the Company and have not progressed beyond the “recorded oral warning” stage of the disciplinary procedure (WCCI Ltd/ISTC 199922).

Given the harshness of a regime that “would issue the death penalty to a shop lifter” (WCCI worker quoted in Findlay and McKinlay 2000: 13), this clause served to limit the possible ‘pool’ that representatives could be drawn from. The second part of this clause was even more limiting and potentially damaging:

The company may object to any nomination if, in its opinion, the election of the candidate would prejudice the smooth working of the Agreement between the Company and the Union or the Company’s operation (WCCI Ltd/ISTC 199923).

This was a clear indication of the level of control over the development of workplace unionism that the company was allowed to exercise. Hyman (1975) connects such control to the overall, and generalised, influence by capital on the contours of the processes of industrial relations:

The basic character of capitalism exerts a pervasive influence on the nature of industrial relations, most crucially through the way in which it shapes the structure, actions and objectives of trade unionism (1975: 97).

The management at WCCI did not confine the exercise of their control over the selection process to the initial period after recognition was agreed, and sought to apply this clause as a method of undermining the development of union organisation over time:

Initially there were only two [representatives] that the company were comfortable with. One of them very quickly went into a supervisor’s job...There were two others that the company had real difficulty with because, in the company’s words, they were too militant. In the course of time, another one broke the rules of the company and we did a deal for him to keep his job. But part of that deal was that he had to stand aside from union activity otherwise he’d be out. The company would

---

22 Section 4b., emphasis added.
23 Section 4b.
always find fault but. Now they're trying to manufacture situations against Fay but he is very effective in the union. Titch was a rough diamond and he erred a bit but the company really attacked him. The trick will be to plan ahead for these attacks cos we know what they're about (Full-time officer 2001).

The company had ensured, through this agreement, a further way of exercising control and of undermining union strength, in the clause that many of the activists found most difficult to accept and to justify to themselves:

> Representatives will carry out, and **will endeavour to ensure that the employees they represent will carry out** all instructions of authorised Company officers which do not constitute a demonstrable safety hazard (WCCI Ltd/ISTC 1999).

This represented a major blow to activists who felt they were being expected to 'police' their fellow workers, and this served to undermine their faith in the ISTC:

> This agreement has thrown us back a year. The pressures and the threats are just getting worse. The stewards are being told to make the line workers 'up the pulse' [the productivity rate]. What's this union all about? (Jim 1999).

There were clauses in it that meant if the management came up with any proposals that didn't breach health and safety then it was up to the union stewards to get the workforce to do that. He [the Full-time officer] told us 'don't worry this is a bog standard union agreement' but I had arguments with that right away. Most people I knew wanted shop stewards that were fighters (Horse 2001).

The impact of such a clause and of the tone of the agreement overall needs to be examined in the context of the fight that these activists had put up in the few short months, since the ISTC had begun to focus its attention on WCCI at Gourock. Their commitment to the struggle to improve the conditions at the factory and to 'claw back' some control from management, and, particularly, the supervisors, remained but their overall loyalty to the ISTC was threatened, as the comments above demonstrate. At the core of the militant activity at WCCI was a clear resentment of how workers were publicly bullied and intimidated by supervisors. Goodrich (1975) notes that often it is not simply control that workers reject, but how that control is exercised. The

---

24 Section 4g., emphasis added.
way supervisors spoke to workers generally was a central source of antagonism at WCCI. But there was particular bitterness directed at how workers were ‘policed’:

‘Policing’ is pretty generally resented. And sometimes the objection is put rigorously into practice... All this is not the demand for control in the sense of an explicit theory of opposition to authority... But this resentment may easily be the ‘makings’ of such a demand (1975: 31).

The suggestion that newly elected representatives - many of them known ‘fighters’ - were to assume a ‘policing’ role over workers fostered resentment towards the recognition agreement and the ISTC, to the extent that some activists challenged whether recognition was a victory at all. Crucially, those who were ‘egged on’ by their fellow workers to become stewards, as they were generally seen as being able and willing to take on management, had most difficulty with the agreement. There was some tacit understanding that ‘toeing the line’ would be a component of recognition at WCCI, and some of the drawbacks of recognition were acknowledged by the Full-time officer:

It’s much more accountable in the early stages and much closer to real action. You could get people to react quickly to put management under pressure. Whereas with recognition, the legislation can be a cumbersome and laborious process and management use this to threaten and this can soften attitudes (Full-time officer 2001).

In this respect, there was little difference between the WCCI stewards and those in other workplaces. They needed to strike the balance between resistance and accommodation that is a central paradox that all stewards face. However, recognition at WCCI and the terms of the agreement, also conveyed upon them a new set of responsibilities and, at this stage, they had little of the organisational armoury that could have helped them overcome their sense of frustration. They risked becoming alienated from members if perceived as too readily diffusing conflict in ways that appeared contradictory to shop floor interests, but needed to continually seek ‘peaceful’ solutions to ensure their own credibility with management and, crucially, with the ISTC. The division that emerged between ‘accommodators’ and ‘resisters’ within the steward group created long-term difficulties for union organisation and the development of meaningful trade union activity. The frustrations of many of those who campaigned long and hard for recognition became apparent. The company had conceded little compared to the activists. The union gained little in terms of facilities
for the effective operation of its Gourock branch, the works council was to be the central conduit for employee representation and WCCI retained its ‘anti-union’ outlook. Crucially, there were few improvements that had a long-term effect on conditions at the factory and this, and the ‘set back’ that the terms of the agreement represented for some key activists, adversely influenced the development of an independent rank and file at WCCI.

Notably, despite the reservations discussed above, there was support for the recognition agreement and many saw it as a clear victory for the workers and the ISTC:

We are all over the moon about this and people have been lining up in droves to become members because their fear of being sacked over union involvement has now gone (WCCI worker quoted in the Greenock Telegraph, 21st January 1999).

However, despite the apparent impact on membership, even the ISTC Full-time officer later noted some misgivings, though he felt that recognition afforded the union some influence over the autocratic ‘hire and fire’ regime at WCCI:

This was a success for the ISTC. It was the first one since the whole organising thing was taken on board. We were at the forefront of that whole TUC initiative. But here pressure was on us to get that deal done. This assisted other workplaces and along the way we’ve finely tuned agreements - so other workplaces have benefited from recognition at WCCI. Some things we’d do differently but the fact that we could construct cases meant benefits whereas before they could dismiss at will (Full-time officer 2001).

The benefits to the company far outweighed those accruing to the workers. Before discussing this in more detail, it is useful to briefly examine the wider context in which this agreement was signed.

As noted above, to some extent the terms of the agreement echo key elements of the New Labour partnership agenda, and this helped shape its content and its operation. They also served to further limit the possibilities for militant action. Evidence from WCCI illustrates the central problem associated with such an approach:

The difficulty is that if unions become too wedded to a collaborative role, they may find it difficult to represent workers interests where they diverge from those of management (Novitz and Skidmore 2001: 176).
This was particularly problematic at WCCI, where there was little recognition of workers legitimate, divergent, interests on the part of management. Evidently WCCI was not the type of employer conceptualised within New Labour’s partnership model. Yet the terms that were agreed to by both sides in the recognition negotiations were clearly not too divergent from its *Fairness* perspective:

Trade unions are offered a secondary role which is primarily co-operative. The capacity for legitimate conflict in industrial relations is airbrushed away. The new culture of consensual workplace relations does not seem to entail so much ‘partnership’ as continued concessions to the management agenda (Novitz and Skidmore 2001: 176).

Arguably, what recognition, agreed to in this context, results in for companies like WCCI is the ability to manoeuvre towards apparently embracing trade unions and overcoming the difficulties that such companies associate with unions, whilst containing their most militant activists. What would have commonly been considered failure in a previously non-union firm could be used to achieve the company’s ends overall. For example, Findlay’s earlier analysis of union recognition in the electronics industry has illustrated how non-union companies generally perceived disquiet and union activity negatively:

> There were numerous comments [from managers in non-union firms] claiming that union presence was simply the result of management inefficiency; that if trade unions had gained members in a company then it was because management had failed... (Findlay 1993: 35).

However what Findlay also found in such companies was:

> an absence of any conception of separate or independent employee interests, linked to an idea that the good of the company served the good of all its constituent elements (Findlay 1993: 36).

Thus, in the context of partnership, it is possible that when confronted with union ‘gains’ and, with the Employment Relations Act, the threat of statutory recognition, a company will use this as a method to openly institutionalise (with the compliance of the union, tacit or otherwise) a commonality of interests in the absence of the paternalism of the past. The contemporary partnership approach, by design and its ideological underpinning helps foster and ossify:

> A collectivism within the company ethos while opposing collectivism that [does] not fit within their control (Findlay 1993: 36).
Though specifically concerning trade unionism within electronics, the two quotations from Findlay above sum up succinctly the approach to trade unionism that New Labour has now adopted. Thus it becomes apparent that, rather than the creation and facilitation of a new culture by New Labour, its partnership and fairness approach involves the adaptation and adoption of an orientation already in existence as an anti-union strategy.

5.3: ‘Best Box-Build in Europe’

It is clear that WCCI continued in its opposition to a type of collectivism that was beyond its control, using and undermining union recognition in the process. The union continued to strive to achieve gains by adopting a moderate approach. However, members had been anticipating a shift in management attitude and some improvement on wages and conditions, largely as a result of months of intense campaigning by the ISTC, and moderation was slow to deliver these improvements. This created difficulties for the union and especially its local representatives:

It has been difficult because people’s expectations have went through the roof in terms of now the union is recognised they want to see success after success after success. Yes, we are a go-ahead union and we want to represent members, first and foremost. But in the real world there’s got to be short term, mid term and long term goals. It’s not all going to happen tomorrow. It was always going to be difficult for local officials cos all eyes are on them (Full-time officer 1999).

The ISTC did achieve some successes especially in Employment Tribunals, though activists claimed there had been a rise in the number of ‘disciplinaries’ issued by managers since recognition. Hence tribunal activity represented both evidence of the questionable nature of management’s objectives in the recognition agreement and that the ISTC were still prepared to mount challenges to the WCCI regime:

After a sticky start and the company trying constantly to belittle our efforts, we lost a few cases. Then with successes at the tribunals the company was forced to re-think how they approached disciplinary and grievance procedures. We started to save jobs and had some tremendous landmark victories (Full-time officer 2001).

However, a key difficulty here was that tribunals meant cumulative individual successes rather than collective ‘results’ and little sense of collective achievement developed as a result. This is not to deny the positive impact of such successes. But

---

25 Workers often commented that this was how the Gourock plant was referred to by management.
they did not inculcate a sense of collective strength overall and they served to
demonstrate the continuation of management’s ‘hard edge’, despite recognition and
the partnership tone of the agreement itself. To some extent, such individual
successes helped breed resentment for each individual failure within the company’s
disciplinary procedure, or within the tribunal system, adding to the frustration of key
activists. The Full-time officer was nevertheless sceptical about over reliance on the
tribunal system and was concerned that the union be forced to represent any workers
who had aggressively “disobey[ed] a lawful instruction or a reasonable request” (Full-
time officer April 199926). He also refused to sanction any return to earlier militancy
as a protest against the apparent “scape-goating” of one worker and sought a
conciliatory approach to management in dealing with the problems workers outlined.
He felt they could achieve more this way27:

Jaw-Jaw is working for us. If there’s going to be on-going disputes
then there’ll be no wage review – you know that. There’s more ways
of doing stuff than hitting the tarmac. Come on – I’m frustrated as well
but we can’t act in haste (Full-time officer April 1999).

The lack of a sense of collective progression also frustrated efforts to develop the
branch as the vibrant organised locus of worker self activity that it had shown the
potential to become in the early months of ISTC activity. Overall, the sense of
collectivism at WCCI Gourock was undermined. There were clear implications for
workplace unionism and for the activists, some of whom began to synthesise their
suspicion and criticism of management with their opinion of the ISTC, which they
openly articulated as they struggled to retain credibility with members, who continued
to bear the brunt of a harsh regime:

Anyway, see this union? I look at them now as another management
team. They’re the managers of people’s expectations. We still have at
least four hundred not in the union. Why’s that? Some are cynical
because of previous experience – you know the yards and that and how
we were sold up the river. Other people are scared of that wee bastard
[the Managing Director] and let’s face it the union don’t really look as
if they’re up for a fight. One guy actually said to me ‘I know I’m
bottom of the heap and I don’t need a fucking union to tell me that’.

26 Speaking at a members’ meeting April 1999.
27 When asked what the union would be doing for one sacked worker he asked about the worker’s
“character” and rejected a call to “hit the tarmac” This worker was sacked on suspicion of theft after
being filmed on the surveillance camera’s inside the factory apparently ‘putting something down his
trousers’. Management claimed this was a ‘processor’. The worker claimed he was concealing a
newspaper as they were banned on the line. An Employment Tribunal later upheld the company’s
position.
How do we convince guys like that with our attitude just now? (Horse 1999).

People are becoming disillusioned. You know the way we are being treated. Every day it gets worse. People are saying what's the union doing for us and I don't blame them. Things are actually getting worse (Jim 1999).

Two key features of experience at WCCI help demonstrate the extent to which 'things were actually getting worse': continuing low pay and insecurity. Lack of progress on the former was brought fully to the fore within weeks of recognition, at the beginning of the annual pay negotiations:

We are in negotiations with the union and the Works Council but it is at a very early stage. As part of our annual pay review we have asked the workforce to accept a pay freeze. I know they will be disappointed, but I am hopeful they will understand because you only have to look around Inverclyde to see that manufacturing is in recession (WCCI Human Resources Manager quoted in the Greenock Telegraph 4th March 1999).

The company hoped that wage negotiations would be resumed in June 1999 and claimed that they were being "prudent" in light of the climate that prevailed in manufacturing at the time. However, given the harsh climate that continued to prevail within the factory, workers were understandably suspicious of the motivation behind the wage freeze:

The company claim that any new offer in June will be back-dated to the 28th February, but that it will be subject to affordability. In other words they will tell us in June that they can't afford it (WCCI worker quoted in the Greenock Telegraph 22nd March 1999).

Moreover, whilst the company looked for a wage freeze due to apparent difficulties in the electronics industry generally, workers felt they had played an important part in WCCI being isolated from the worst effects of the supposed down-turn in the sector:

There is no way we are prepared to accept this offer when shareholders are receiving a 10.7% increase in dividends. And it is even more galling when this offer is being made regardless of our productivity levels (WCCI worker quoted in the Greenock Telegraph 22nd March 1999).
The ISTC made it clear to workers that, despite a £29 million fall in the parent group’s pre-tax profit in 1998 (Laird Group 1999: 2), WCCI was central to the Laird group’s future success. Gourock was “the jewel in the crown of WCCI” (Full-time officer, 1999). WCCI’s turnover had increased 16% to £330 million in 1998, representing more than 60% of the overall turnover of Laird’s ‘service industries’ sector. The company had “consolidated its position as a leading supplier to the computer industry in Europe and the USA [in 1998]” (Laird Group 1999:6). Furthermore:

The main plant at Gourock which is responsible for the assembly, testing and distribution of over one million PCs per year, was restructured improving throughput and capacity (Laird Group 1999:6).

Thus the workers at Gourock seemed to be in a strong bargaining position. They were crucial to the success of WCCI and its parent company and their union branch was instrumental to the success of the ISTC in Scotland. However the Full-time officer made clear that he was looking for a compromise. Under pressure from the ISTC bureaucracy he looked for a ‘sign’ that the company could be “trusted” and that the workers would have “something to show” for their pay freeze (Full-time officer 1999). After some heated exchanges between members, activists and the Full-time officer at a meeting to discuss the issue, it was agreed to postpone the wage review until June 1999 on the basis of certain ‘concessions’: the sacked cancer victim was to be reinstated, the management agreed to the structure of the Health and Safety Committee, and agreed to paid time off to undertake health and safety work, including attendance at courses, and the union were to be consulted on training for the workforce.\(^{28}\) New pay negotiations were to begin on the 1\(^{st}\) of June and any award would be back-dated to 28\(^{th}\) February. The union clearly supported acceptance of the ‘deal’, stating “if we endorse this now we live to fight another day.” (Full-time officer 1999).

The second issue that continued to dominate at WCCI in the post-recognition period was insecurity. Clearly, given the number of temporary/agency workers

\(^{28}\) However, what the management had offered was not as conciliatory as first appeared. The local paper reported that the cancer victim was to be reinstated on the basis of new medical evidence (Greenock Telegraph 2\(^{nd}\) April 1999), paid time off to attend meetings and courses connected to health and safety was a legal right for safety representatives already (Safety Representatives and Safety Committee Regulations 1977, Transport and General Workers Union 1994: 60). The provisions of the Employment Relations Act 1999 (though not law until 2000) meant a recognised trade union must be consulted from on training policy and planning (ERA Section 5, DTI 2000).
employed at this and other factories like it, insecurity becomes part of the generalised experience. This leads to particular difficulties in terms of domestic planning and presents a clear challenge to the New Labour claim that work is the most effective route out of social exclusion. The agency workers at WCCI demonstrate how it is possible to work, sometimes for many years in one factory, and still to be excluded in various spheres including union representation and 'rights' afforded their permanent colleagues. The difficulty and strain of feeling insecure and dispensable, whilst being fully aware of the central role that you and your 'temporary' workmates play in the "assembly of one million PC's per year", is not readily quantifiable. It is also rarely discussed within official discourses on 'inclusion/exclusion':

Every time we [agency workers] are laid off then taken on again we start from scratch on our holiday entitlement...obviously we all want to be working but we also feel we do enough to earn holidays (WCCI worker quoted in the Greenock Telegraph 7th January 1999).

We [also] have agency workers who've been in the company for two years. But it's not like IBM who might have a reasonably good deal and get some of the benefits of core workers. Our agency workers don't get anything. It's a case of they [the company] will do things to get round legislation. They will be here for two years but they are laid off at closures. Closures are really holidays. We don't have floating days, we close. Well we don't close but we say we do. And at that time the agency workers are paid off so they don't have continuous employment at any time and then the company brings them back in again. So when production goes down then agency workers go (WCCI Human Resources Officer 2001).

These are make-believe jobs. You hear the word insecurity but do people really know what it feels like? Well, it's like when Thatcher was in only worse. You can't lay down any roots or make any plans. Of course you've got roots here but I mean work roots. At any time we could be finished up, any time... (Joanna, WCCI worker 2001).

This was rendered more problematic by the fact that insecurity also helped characterise the experience of the 'core' workers. Indeed, the insecurity of the agency group helped shape an overall feeling of insecurity. The 'core' group lacked any real assurance that WCCI were committed to them or to the Inverclyde area. Short-time working, introduced at the Dundee plants at the beginning of 1999 (Dundee Courier & Advertiser 26th January 1999), and the opening of a new production facility in

29 Based on interview, 12th February 2001.
Prestwick, as part of that area’s regeneration after restructuring at British Aerospace (Scotland on Sunday 20th December 1998) reinforced WCCI workers’ insecurity. Speculation that American firm, Pentair, was interested in buying WCCI from the Laird Group also fuelled this (Greenock Telegraph 6th February 1999). Overall, despite the productive success of the Gourock factory, there was an overriding feeling that if it could be dispensed with it would be. In the meantime, core workers would continue to be replaced by agency workers. The company did little to dispel this. Indeed, company employment practices reveal how grounded in reality workers’ fears were:

If somebody leaves from a job, apart from professionals, then they will fill that with an agency worker. They will not move a core worker into the job. I had a situation were I was interviewing for the store and they had one core worker and two agency workers who had been with us for about a year. And an agency worker said ‘it’s a core worker who’s leaving so will I become a core worker?’ But he wouldn’t. He would stay an agency worker in a core workers job. So, he would work with three other core workers doing exactly the same job - only he would be paid less to do this (Human Resources Officer 2001).

The ISTC understood the difficulties of insecurity at this factory, to an extent. The growth of the peripheral workforce was one of the central barriers to union growth. One of the stated aims of the Full-time officer was “to achieve secure employment for all the workforce” (1998, 2001) but both core and agency workers remained exposed to the company’s abuse of this division. The use of agency workers, insecurity, and the need to retain the core were the issues that dominated union meetings. The responses to concerns raised demonstrated an idealised notion on the part of the union about what could be done in terms of job security and the use of ‘agencies’:

All trade unionists should fight to increase the number of full-timers30. I know the company might need agency workers but we still need to fight to get some full-timers. We need to measure how many and how often, and try to put up a case to increase the core. So if its monitored then we can maybe make a case for keeping say ten good ones and building it up from there. We need to raise the need to increase the core with management. You can reflect on this - the idea of monitoring and building steps towards increasing the ‘core’ until you get it (Full-time officer August 1999).

30 ‘Full-timer’ is a term used colloquially to denote a ‘permanent’ employee. It distinguishes between these workers and ‘temps’ or more commonly ‘agency workers’.
Yet despite the 'quasi partnership tone' of the recognition agreement, the ISTC had not managed to obtain any commitment as far as security was concerned, nor any on the role of the 'peripheral' workforce. Indeed, despite the importance of the issue in the early part of the struggle to unionise, in the effort to gain recognition the role of agency workers was side-lined. Claims regarding "seeking parity for agency workers", "trying to get them a full-time job" (ISTC branch secretary 1999) and a new system being introduced whereby "there would be no [agency workers] at all" (ISTC branch committee member 1999), demonstrated a lack of understanding of the role of the non-core workforce. Such claims were also indicative of a misunderstanding of the power of the ISTC to change the situation, not discouraged by the Full-time officer. The difficulty here was that WCCI, and electronics firms generally, are key exemplars of the current configuration of capitalist production, and the creation of a division of the labour market between core and periphery is a crucial feature of this, though as I discuss below, these prevalent understandings of these concepts can be challenged with reference to WCCI. Indeed, New Labour's neo-liberal flexibility demands that labour be used this way: as a reserve army of labour within companies. This feature of contemporary flexibility is systemic and the lack of recognition of this by the ISTC at WCCI can be linked to key characteristics of trade unionism under capitalism.

Hyman (1975), for example, argues that unions' focus on collective bargaining leads to reaction rather than initiative, and that the right of capital to organise production in a particular way, creating particular labour market formations, is not challenged. On one hand this often confines demands to what is "considered realistic" (1975: 98). However, on the other hand, the case of the ISTC at WCCI demonstrates how a focus on the day to day issues of collective bargaining and on the development of bargaining machinery, meant that 'unrealistic' demands like bringing about the end of the use of agency labour were articulated without being acted upon. This is connected to another central feature of trade unionism, illustrated in sharp relief at WCCI:

Consciousness of capitalism as a system is [thus] remote from normal trade union perspectives; and the influence of the broader framework, because not consciously appreciated, is all the more powerful (Hyman 1975: 98).
Within the context of this factory, the influence of the 'broader framework' was not accounted for by the ISTC, nor its contemporary embodiment in New Labour ideology. The focus on unrealistic aims that dominated union meetings and, paradoxically, the retention of a general orientation towards a 'realistic' set of objectives, meant little was achieved overall, both in relation to job security and in terms of other material gains.

Fundamentally, from the ISTC's perspective, the necessity of taking up the use of agency workers was an 'economic' one, i.e. this issue needed to be discussed on the basis that the agency workers represented an economic threat, as they filled the role of 'cheap labour'. Political questions regarding who (or what) is ideologically responsible are rarely raised and never effectively addressed. This is Hyman's mechanical dichotomy between the economic and the political in essence (1989: 133).

Significantly, whilst I have noted in earlier chapters how this false dichotomy fundamentally moulds the relationship between Labour and the trade unions, it is clear also that this is crucial in shaping the activity of the union bureaucracy in relation to its members interests, even in the most localised circumstances. With the distinction between core and periphery blurred, the ISTC at WCCI could have developed ways of trying to unite workers on a political basis. This did not occur at a critical period in the development of workplace unionism at the factory. What did emerge though, after recognition, was a sectionalism that was exploited to the full by management. The limiting and often debilitating effects of sectionalism and the problem of privileging sectional over collective interests, discussed by Darlington (1994) for example, became obvious at WCCI, especially after the formalisation of procedure that occurred as a result of recognition.

As noted, in the early days of the struggle to win union representation for workers and recognition for the ISTC there was evidence of a clear attempt to include the temporary/agency workers by activists who supported their becoming 'full' members of the union branch. But the rules of the union and, indeed, the terms of the recognition agreement prevented this, and bred the sectionalism that employers' use of contract labour as a central element of production can help foster. This was further enforced when the proposed 'answer' to overcoming such division was to look upwards and "raise the need to increase the core [workforce] with management" (Full-time officer 1999), whilst allowing division to persist at the bottom - the very place where the workers had the greatest opportunity to transcend sectionalism. Post-
recognition “ambivalence” to agency workers can be linked to the “already enormous vulnerability of [core workers’] employment” (Findlay and McKinlay 2000: 19). However such ambivalence needs to be understood in the context in which it emerged. It was both a product of how the ISTC organised at the plant (and nationally) and WCCI management’s strategy to recognise only core workers for trade union purposes and, indeed, as the company’s only ‘real’ workforce. This resulted in a shift in orientation, which intensified in the context of both the recognition agreement and company restructuring that involved job losses for the core workforce. Earlier solidarity between the two groups was diminished rather than reinforced by the union because of bureaucratic procedure. This created disunity and the persistence of mutual mistrust that produced ‘competition’ between different groups of WCCI workers within the factory:

You got different wages. See like holidays and that, see when they wanted us in they’ve give us single time but with the full-timers they would even pay double or triple. They asked us to do overtime if the full-timers said no. Full-timers would keep saying no so management would ask us. Then it got to the stage that they were ready to go on strike cos the company asked us first, even though they were either working it or didn’t want to work it (Burrows, WCCI worker 2001).

This, in turn, had an impact on plant-wide union recruitment and left the whole workforce “highly vulnerable to a concerted counter-attack by employers” (Hyman 1989: 151), as the above comments illustrate. Moreover, the privileging of sectional interest, and the vulnerability it served to encourage, reinforced the sense of insecurity embodied in the sentiment: “there’s always some other poor bastard ready to take your place”. This galvanised the employer’s already existing strength, diminishing the empathy for agency workers that characterised the period of union growth and militant activity. In the post-recognition period, as management gained ground during restructuring, a more belligerent attitude towards agency workers grew and was often evident at union meetings. This was linked to the diminution of confidence in the union.

Mistrust and competition between WCCI workers was also manifest along geographical lines. Ayrshire workers in particular were demonised and parodied. Anecdotal evidence confirmed this: it was claimed at one meeting that in Ayrshire there were “streets named after him [the Managing Director]”. Again, ISTC rules, and the emergence of a more accommodative strategy to facilitate the effective operation
of the recognition agreement, meant that it resisted pursuing “an aggressive recruitment campaign outside other factories until the [Gourock] agreement had bedded in” (Findlay and McKinlay 2000: 16). This served to further intensify sectionalism, and the general vulnerability of all WCCI workers was not appreciated:

A lot of the work was moved to Ayrshire. Management ask us to train them up and the next thing you know most of the work is heading for Ayrshire. They say it’s not about that but we were the best box builders in Europe before they took over. They’re from his patch, down the road (Panda 1999).

They are the main employer in Ayrshire. People don’t have anywhere else to go and the [the Managing Director’s] family are really hated down there... It is very difficult - the family know [the workers] have nowhere to go. If you’re not professional then you work for this company somewhere or you don’t work. Up here [Gourock] it’s different because you can go and sign on with Addeco or any of these agencies and end up with IBM or Clairemont. There are other places operators can work plus you can commute more easily to Glasgow. So we don’t have the stranglehold on our employees that Ayrshire has (Human Resources Officer 2001).

Clearly, what I would term the ‘embryonic generalism’ of the earlier period was negated by the institutionalisation of workplace unionism at the Gourock plant. The lack of growth for the group of militant union activists meant no fully effective method of overcoming this sectionalism was developed. As the recognition agreement became bedded in, the union became increasingly ineffective at ‘making a difference’ and key activists lost heart, leaving the membership exposed to further offensive by management.

The lack of engagement with official union business on the part of key activists reinforced the division that had emerged with recognition. The branch’s dependency on the Full-time officer intensified, rather than diminished with experience, and his growing concern with the institutional security of the union at WCCI drew him into conflict with activists:

What we need to remember is that recruitment gives us clout. We need to put a positive spin on things. Realistically, 70% of the workforce is the safety net. Don’t allow [that] disillusionment to fester (Full-time officer 1999).
Yet bureaucratic efforts to secure industrial peace at WCCI and a clear shift in orientation away from militancy actually stunted organisational growth. A reliance on the Full-time officer and the wider bureaucracy secured little gains for the workforce, in terms of health and safety improvements, for example, even when breaches seemed clearly apparent to the workers. At meetings reference was made to "flooding management with grievances" and the "need to do a risk assessment" but little progress was made. The general feeling was that "you're only as good as your last shift in there" (Jim 1999) and this was later confirmed by the Human Resources Officer.

Many WCCI workers also struggled to take advantage of some of New Labour's new 'rights' that the ISTC had promoted during the recruitment period. For example, when asked about the Working Time Directive and the provision of longer breaks if work is particularly mundane and repetitive, the Full-time officer stated:\footnote{The Working Time Regulations 1998, Part II section 8 (DTI 1998c).}

> We’re saying this to the company. We’re asking about a mandatory eleven hour break. Remember last year [the Human Resources Manager] wrote a lot of crap trying to convince us that you were not night shift workers? Well you are and you are entitled to medicals. I suggest we raise Working Time Directive issues. There’s a lot of stuff in there about the supervision of young workers that the company doesn’t stick to. We need to educate about this because it should mean better terms and conditions. We need to challenge this (Full-time officer August 1999).\footnote{The Working Time Regulations 1998, Part II sections 7, 10, 11&12 (DTI 1998c).}

However, when challenges were not mounted, this bred fatalism which manifest itself at meetings and allowed earlier confidence in the union to wane. Whilst the growing lack of engagement with the union (for example the number of representatives decreased over the years) was linked to increasing insecurity and fear, it was also clearly linked to the orientation of the union after recognition. Voluntary recognition here was achieved because of militancy from the workers' perspective, especially the activists. Whereas, from the ISTC's point of view, it seemed to have been achieved in spite of militancy. Thus from the union's perspective, further gains could only be achieved within the framework of moderation that characterised the agreement. Yet this orientation depended on an employer 'goodwill' that was never forth-coming and placed the ISTC locally in a 'catch 22' situation. They adopted a more moderate outlook in the struggle for legitimacy in the eyes of a management, who did not
accept their interests as legitimate, and, in the process, they 'lost face' with many members who became quickly disillusioned. Weaknesses in union outlook evidently had an overall negative effect on trade unionism at WCCI. Fundamentally there was a rejection of what militancy could deliver on the part of the union, once the ISTC had gained formal access to the negotiating table with management – despite the limited results that this provided:

The company has been extremely lucky in their dealings with the union because I think at times I was surprised that the union didn't put more force into what they were doing and put more pressure on the company... I was impressed with how willing the union was to negotiate. Not quite give in but to give some way to management. That stunned me... there have been times when I've thought the company had quite an easy ride... I thought it ... made them [the union officials] look very weak. The union believes what management says about change and because of that it's like 'we will toe the line'. I have never known such an easy ride for an employer. I was surprised because I thought I was going into an environment that I thought was quite militant. I've never seen management have to back down - on anything (Human Resources Officer 2001).

Kelly (1996) argues that a militant outlook, compared to a moderate one, still allows for the adoption of different standpoints on the basis of circumstances. It does not suggest a once and for all refusal to enter into meaningful dialogue with employers, where this could be beneficial in the long term. Militancy is, however, built on members' willingness to act collectively and the nurturing of that capacity within them. The recognition of a fundamental antagonism between the two sides of the employment relationship, that Kelly argues exemplifies militancy, was an absolutely central feature of experience at WCCI and appeals to 'mutual gains' that the ISTC sought to use to gain recognition cut across this, to the detriment of unionisation overall. Moreover, given the hostility of WCCI from the outset, over-reliance on employer 'support' further compounded this, and there was no obvious attempt to "normalise and stabilise the situation" on the part of management (Findlay and McKinlay 2000: 20). Unsurprisingly, little progress was made on the two key issues of insecurity and pay as a result. With insecurity a continuing feature of employment at WCCI, even some important successes at Employment Tribunals did not assuage the fear of job loss.

In one ground-breaking unfair dismissal case for the ISTC at WCCI, an Employment Tribunal suggested that "no reasonable employer" would have called what the claimant did "gross industrial misconduct" (Greenock Telegraph 26th August 1999). The company however refused to comply with a
In relation to pay, as many union members had predicted, negotiations were not effectively concluded in June 1999. The company offered a pay rise of 2% which was rejected. By August 1999, the company offered a "no overheads deal" (Full-time officer 1999) that meant the percentage increase would remain the same but the company would look at improvements like good timekeeping bonuses or access to a company pension scheme. There was a clear mood to take action on pay at this stage, and the Full-time officer was adamant that "any action will not be union dictated". WCCI tried to make further gains through the wage negotiations and wanted 'extra' commitments on absence and time-keeping. The 'failure to agree' meant negotiations were shifted to national level and the activists' preferred option of a strike ballot became a consultative (indicative) ballot. The Full-time officer was worried that the company was successfully deluding the ISTC's national officials, allowing branch opinion to be ignored:

He [a national official] was thinking that [the Managing Director] was alright because he tries to put himself across as a sort of middle of the road or even left wing type but we know better. I think at the top level the union are thinking in terms of good industrial relations with this guy...[The Human Resources Manager] told them there was only a handful at our meetings and we were not representative (Full-time officer 1999).

In the consultative ballot 95% of respondents voted 'yes' to a full strike ballot and the committee sought to build for a 'yes' vote from the workforce. As the possible strike would take place during the crucial year-end period, this served add to the pressure the company was under from IBM to complete orders.

For some, the strike was seen as an important way for the workers to reassert themselves after a year of management having the upper hand. It also represented the opportunity to gain more than an increase in pay:

Well it isn't really just about money. We need to say to the workplace that an extra couple of bob is not good enough. They chuck a couple of coppers and people just jump to it. We need to show him [the Managing Director] that we're willing to fight. They will want to avoid strike action. So we can use this to raise other issues as well. We're only ten weeks away from next year's negotiations. We need to take a stand now. The hierarchy cost us a month arsing about. The membership will decide (WCCI union committee member 1999).

'reinstatement order'. The case was eventually settled privately and the worker received an undisclosed sum in lieu of reinstatement.
Despite problems with the ballot paper\textsuperscript{34}, 74\% voted for strike action on a turnout of 58\% and there was (for a short time) a renewal of the mood of militancy that had been a central feature of workers' experience a year earlier:

Less than a year ago the workforce [at Gourock] was second to none, but now we are totally demoralised...We've been treated like dirt. Every single thing they have told they are going to do has never happened and now we have had enough and are fighting back" (WCCI worker quoted in the Greenock Telegraph 23\textsuperscript{rd} December 1999).

With a two-day strike about to begin, the company sent workers letters detailing the impact of the strike on wages. Workers would lose overtime payments (for working over the festive period and the millennium holiday) if they did not work all working days in the week of the strike. Effectively this meant loss of earnings would not be confined to strike days. Anger at local level was overshadowed by the effort to seek a compromise on the part of the union's national officers, and the strike was called off at the eleventh hour on the basis that:

The management are making signals they are taking the situation seriously and are prepared to enter into a dialogue (ISTC Organiser quoted in the Greenock Telegraph 24\textsuperscript{th} December 1999).

By writing out to workers the company had demonstrated its ability to undermine the action by further exploiting organisational weakness and workers' reliance on 'extra' payments like overtime to earn a 'living wage', even at a period when the majority of workers elsewhere were having an extended break. Less than a year after recognition had been achieved the numbers that attended meetings had dwindled, and this, coupled with the fact that the most militant activists had lost faith, meant that moderation and accommodation was allowed to prevail even in the context of the mood to fight. Pressure 'from above' on the Full-time officer out-weighed that 'from below', and the continued dependence on him by the branch officers resulted in a lack of direction for the members. Claims that workers (even those who had voted for strike action) were prepared to cross the picket line left the committee feeling that they:

\textsuperscript{34} The ballot paper asked if the member was prepared to take industrial action, but the words yes and no were written inside the box. The committee was worried that 'yes voters', reluctant to effectively cross out the word yes, might have instead crossed out the word no - hence voting no to action.
Needed to get out of jail. [the full-timer] met with the [Managing Director] and said 'look I could stop this'. So they gave us an attendance allowance - 50p for every full day worked - back-dated to 1998. We stuck with the 11p an hour rise that the company had started to implement anyway (Charlie, ISTC committee member 2000).

For the Full-time officer the compromise represented a success:

The threat of industrial action put the company under pressure. They were forced to put money on the table that they hadn't before. Although it was disguised, it was real money. A lot of that was to hide it so they didn't have to pay it in Ayrshire. This is a real benefit that we would never have been able to achieve in the past...1999 was a success. Money was put on the table to avoid the action. It did amount to a 1.2% increase but came in a lump sum format. That was because he was pressurised. That collective strength is what [the Managing Director] fears most (Full-time officer 2001).

However the company were not forced to make commitments on any of the other issues that the committee had hoped the threat of action might bring about. Crucially, there was no long-term agreement on pay and the negotiations on the 2000 settlement were only weeks away. Furthermore calling off the strike did little to galvanise the collective strength that the Full-time officer felt had had such an impact. The company had achieved what it set out to do at the beginning of 1999: it successfully put off a wage increase for (almost) a year.

Clearly, the successful strike ballot demonstrated that, despite a year of conciliation and accommodation, when confronted with management offensive, the possibility of collective resistance still existed. But the ISTC's efforts to 'police' discontent, and to sap the collectivist and solidaristic sentiment that served the union's ends well in the early days of the battle to recruit and organise at the plant, had taken their toll. The outcome also served to highlight how the relationships of workplace unionism developed, once those relationships were formalised after recognition. The institutionalisation of bargaining certainly impeded the development of a sizeable group of committed rank and file activists. The relationship between members of the committee and the Full-time officer is of crucial importance here. As noted earlier, it became clear, after the recognition agreement was signed, that the committee was split between the militants and the moderates. Whilst the latter group had greatest 'faith' in the ISTC and in the Full-time officer:
He's a good guy. He's got a hard job to do. We get good support from him and the others. I think they're a good union. We get support because this is a new branch. He's closer to being one of us" (Charlie 2000)

both groups were forced to depend on him. Recognition brought them very little in terms of time to develop effective methods of articulating workers' grievances, and where they were most successful (for example in tribunal cases) the Full-time officer was generally heavily involved. Given his concern with the security of the union and the bureaucratic role that his position forced him to play, this reinforced the consensual, non-militant outlook, placing the overall orientation of the branch at odds with what the majority of members wanted. To an extent, this helped shape the relationship between committee members which verged on bureaucratic due to dependence on the Full-time officer, but was not fully so, since a lack of focus and procedural development impeded this. Nor was it fully democratic, largely for the same reasons. The “morality of ‘us and them’” (Lane 1974: 199) was retained but mostly at the level of rhetoric on the part of the union, and the reality of ‘us and them’ was never adequately used to allow the union to grow and, crucially, to improve conditions.

It is also important to explore the extent to which ‘modern’ working practices lend themselves to the effective development of a rank and file especially under regimes like that at WCCI. The union representatives remained close to their fellow workers since they were not relieved of their ‘productive responsibilities’ to carry out union business. Union office, therefore, did not remove them from the day to day ‘grind’ at WCCI. However, they had little time to develop as trade unionists because of this. This is not to suggest that the ISTC did not provide them with opportunities to learn. It is simply to note another facet which I believe hampered development, especially in the context described above where the harshness of the regime often dictated a pace that the ‘newly organised’ had difficulty matching. Moreover, despite agreeing to recognition, the company did not provide any facilities for the conduct of union business, and no official union meeting took place on company time or property. In addition, the intensification of casualisation over the years had a significant impact on union activity, especially compared with the most active period of recruitment in 1998. Casual workers are often “organisational inactive” (Gray 1995: 16) and recognition did little to improve this position. This is clearly illustrated with regard to net membership growth at this stage. As noted above, 1999 ended with
a strike ballot – of five hundred members – approximately the same number the union had at the beginning of the recognition negotiations, despite the number that joined as a result of recognition

5.4: Setbacks, Successes and Disappointments

Open struggle became more sporadic inside the factory. The next round of pay negotiations had an inconclusive outcome. The workers sought a wage rise of around 8% and the company sought another wage freeze. The union continued with the struggle to achieve non-wage improvements, largely in an effort to save face with members. In the meantime, outside of the factory and outside of Inverclyde, a different picture of working life at WCCI emerged as the company maintained its dual offensive of presenting itself as a key, benevolent, employer whilst ruthlessly restructuring. The Managing Director, who, for the workers, was by far the very embodiment of the harsh autocratic regime, was voted one of the country’s entrepreneurs of the year:

Albert McDee firmly believes that a good workforce working closely with management is vital to WCCI’s current and future success. He therefore places a strong emphasis on staff training and education and communication within the company (Ernst and Young 2000).

That is shocking. That is really...I have never heard such downright barefaced rubbish. I mean that is just... it is so not WCCI. The only thing I can tell you is that when that company went from Grimtec - there are a lot of people who are still there who were there at the time - who will tell you that you could physically see the change happening. Everything was wiped in one fell swoop. They have treated their workforce so bad. But there’s nothing - no civility - nothing (Human Resources Officer 2001, in response to the above).

In February 2000, WCCI again attracted the attention of the national media when it announced a new production facility in Irvine, Ayrshire, claiming it would generate around seven hundred jobs (BBC News Online 14th February 2000). Such a major investment by the company brought public praise from both the Scottish Enterprise Minister, Henry McLeish, and the First Minister, Donald Dewar:

The decision by West Coast Computer Industries to establish a further manufacturing facility here at Riverside Business Park provides a welcome boost to the Ayrshire economy. This continuing commitment to Ayrshire shown by WCCI can only further enhance the reputation of
a skilled and dedicated local workforce” (Dewar quoted in Scottish Computer Headline March 2000).

However, both politicians faced criticism in the Scottish Parliament\(^{35}\) when the company announced a few weeks later that it was to cut one hundred and forty jobs because of a poor trading market that had helped create a stockpile at its factories (Daily Record 21\(^{st}\) February 2000).

The announcement of expansion at Irvine, and the subsequent job losses, further fuelled job insecurity at WCCI. In the Gourock plant, however, the question of security was raised from different perspective, when the company announced its decision to outsource its security function and force a relatively well-paid and highly organised group of workers into alternative assembly work or redundancy. The thirty-five workers, 90% of whom were union members, were told of the decision at a weekend ‘offsite’ meeting and were informed that their jobs had already been filled by national security firm, Securicor. WCCI claimed:

The decision has been reached because of the very serious concerns the company has about the credibility of the security department at [the Plant] and... serious incidences of loss (spokesperson quoted in the Greenock Telegraph 20\(^{th}\) March 2000).

However, for the ISTC and the union’s members, this was a trial at ‘outsourcing’ key functions that could have serious ramifications for the whole core workforce. Two difficulties emerged during the period of uncertainty for security workers. The first was that they were in what was, effectively, a sub-branch at WCCI since they were not part of the hourly core paid group. In workplace terminology, they were “staff”, employed on different terms and conditions from production workers. Accordingly, any action or ballot for action would have been taken by this ‘sub-branch’ and not the main branch. This created the possibility of fellow union members being prepared to cross the security workers picket lines, particularly since support for their case was not universal. This was linked to the second difficulty - the function these workers performed:

The main problem now is whether we would get branch backing - the main branch. As far as [the members] are concerned the security

\(^{35}\) The jobs were “highly speculative” according to the South of Scotland MSP, Mike Russell. The First Minister believed the investment “was an important vote of confidence in the future of the Ayrshire economy” (Scottish Parliament, 2000).
guards are a bunch of bastards and good riddance to them. But this is for the whole branch and we can’t afford to be that selective. So we’re starting off with a petition for them. There’s no way anybody should be crossing a picket line (Full-time officer 2000).

The union did manage to secure backing for the workers and did bolster solidarity from other workers. The union planned to ballot the security workers over strike action, though the Full-time officer was confident that a favourable settlement could be reached, because the company had failed to consult the union or the workers on the redundancies. Moreover the company “could not afford a strike” especially if workers refused to cross the guards’ picket lines. It was not clear whether the union ‘could afford a strike’. Although production workers staged an unofficial walkout when the guards were informed of the company’s decision to transfer their work, further support could not be guaranteed. This was compounded by the fact that the most militant union activists at the factory had shifted into inactivity, especially at a bureaucratic level. Some remained as ‘agitators’ at shop-floor level, but part of that ‘agitation’ reflected their frustration with their inability to ‘make a difference’ and much of it was directed at the union itself, especially the Full-time officer. One key militant, who had resigned from ‘formal’ union activity, claiming the union did not support a sacked colleague appropriately, went onto long-term sick. This served to limit the possibilities for action, beyond the solidarity that could be garnered from a local union campaign to initiate a “one out all out” policy across the whole WCCI Gourock branch (Greenock Telegraph 28th March 2000). Within a few weeks the company and the union had settled on compensation for the guards through Employment Tribunal and alternative employment in the factory for the majority, allowing the union to retain some credibility and to reinforce its success in terms of legal representation.

Away from the Gourock plant, the ISTC continued to recruit and organise in the Ayrshire plants and membership grew with the announcement of potential redundancies in October 2000. The fact that the union could apply to the Central Arbitration Committee (CAC)36 to be recognised for collective bargaining at WCCI Ayrshire in December that year represented a significant breakthrough for the union. However, at the time when the ISTC needed to focus its efforts on the Ayrshire plants to achieve recognition whilst the company remained hostile, attention was again

36 Section 1 of the Employment Relations Act 1999 provides that the Central Arbitration Committee adjudicates on the statutory recognition and de-recognition of trade unions, where this cannot be agreed voluntarily (CAC 2002).
turned to Gourock when the company went on the offensive and placed all eight hundred workers on ninety days redundancy notice. Although the company predicted that three hundred and fifty workers would go in February 2001 (Greenock Telegraph 25th November 2000), many workers felt it was the beginning of the end for the Gourock site, particularly for core workers. They blamed a greater reliance on agency workers at other WCCI plants which meant the company could move work there from Gourock in order to save money. Moreover, they believed that if business improved in the New Year, as it often did in the industry, with a sizeable number of the core workforce removed, this would allow the company to increase the number of agency workers – fulfilling a long-term management aim. The workers showed their reaction with a return, albeit it brief, to the militant, spontaneous action of the period before recognition. They downed tools, refused to work for three days and began to build support for their cause locally petitioning in the main town centre. Two, formerly key, activists collected “more than three hundred signatures in an hour” (Greenock Telegraph 29th November 2000) and there was a mass leafleting campaign at the factory gates by them, other activists, and members of the Socialist Workers Party.

The spontaneous activity that workers engaged in when the announcement was made brought criticism some members of the branch committee, and from the Full-time officer, who was ‘shouted down’ when he came to the factory during the ‘sit-in’ to tell workers to get back to work:

You shit in the nest last Friday. You need to decide what you are going to do. We need to send a warning sign but nobody wants to see a padlock. It’s not for me to say - strike (Full-time officer 2000).

I have it on good authority that a guy was sent out over the weekend to look for any empty factories in the West of Scotland where this work could be done. We need to box clever here. Everything needs to be official or they’ve got us (ISTC Branch Secretary 2000).

Workers were worried about the number of redundancies and about the long-term security of the plant, as were union officials, as the comments above suggest. However, there was little evidence of a strategy being developed that could secure the future of the plant or that could resist the redundancies effectively, despite the fact that the Full-time officer believed these redundancies to be “false”, because of the apparent need to rehire in the next financial quarter. He sought assurances from the
company that redundant workers would be taken back on with ‘core’ status if the business outlook improved, though he was unable to secure this. It was made clear at a mass meeting of over three hundred workers that external pressure could be applied to the company through “lobbying” and the involvement of outside agencies like the STUC and local politicians. The role of militancy was also made clear:

The company are holding a gun to our heads about any wildcat action. Basically, it's get back to normal working or no talks. They'll stop negotiating with us and they're contacting the ISTC headquarters complaining about us. We need to save as many jobs as possible and get an enhanced package for those we can’t. I need to go through the motions and get the negotiations running (Full-time officer, 2000).

There was a definite mood of militancy at the meeting with calls to “save all jobs and never mind redundancies” but this was not harnessed. Also, as had increasingly become the norm at meetings, militancy was manifest as a criticism of the Full-time officer rather than as developing tactics to initiate an effective fight-back. There were no concrete suggestions or plans worked out to ‘test’ union officials when the workers were seemingly most united, for example. Company representatives had also gone on the offensive over spontaneous action:

J [a manager] said if there’s any action you’ll all be sacked”. We’ve been told that the place will shut if there are any wise-cracks, is this right? IBM will send nothing unless we are quiet. Any action and the place will shut (WCCI worker 2000).

Whilst the Full-time officer and local officials sought opinion on the sort of action that workers would be prepared to take against the redundancies there was little effective leadership:

You know how to hurt him but without it looking like action. He [the Managing Director] has threatened to get the police involved, but we have strength - that’s the thing we need to remember - that’s the last thing (Full-time officer 2000).

Strength? We need to do something with that strength. People sitting in that factory doing fuck-all work that’s strength - but then what? What’s going to be done with it? (WCCI activist, replying to above 2000).

There was also little evidence to support union suggestions that politicians would be fighting casualisation and workers were sceptical of their potential role:
Parliament must know about causalisation. It’s a UK wide thing. You can’t say they don’t know about it and that you’re telling them anything new. If I get kicked out I’ll go temping but I’m scared. And it doesn’t matter because New Labour turns a blind eye. It’s a Labour council in Ayrshire and they advertise it to employers as a low pay region (WCCI worker 2000).

The Full-time officer suggested a march and rally (“which would be difficult to organise”) and Gourock workers lobbying at the Ayrshire plants (“to brow-beat the Ayrshire people”). Despite the context of this meeting, the poor level of organisation, the lack of concrete decisions and the ‘unrealistic’ orientation that had come to characterise union meetings were all apparent:

IBM has a big responsibility to each and every individual in WCCI. They are being approached at a political level. They owe us jobs (Branch Secretary 2000).

The meeting and, indeed, the redundancy situation, also further illustrated the debilitating effect of the sectionalism that had divided the Gourock workers from their counterparts in Ayrshire. If the workers were to build the widest possible support for their cause then they would have needed the full support of the Ayrshire workers, but given that division had been allowed to persist with little effective engagement to challenge it by the union, the possibility of achieving unity at this critical stage was limited. The union officials were not able to demonstrate that they had developed plans to try to build solidarity between the two areas. Whilst the Full-time officer stressed this was needed, he still seemed prepared to countenance calls from some workers for the closure of part of the Ayrshire facilities, to ensure work could not be moved there. The impact of the lack of concerted effort previously in trying to overcome this division was fully realised during the redundancy period, though some activists eventually realised that the links with Ayrshire could have been developed through a recognition of shared interests:

They never really got anything else out of management. I now wouldn’t say they were on his [the Managing Director’s] side. They’re there for the money the same as us. They are feart to stand up to him. They probably had their militants as well (Panda 2001).

“Ayrshire’s no the problem. They’ve been working for that bastard for a lot longer than us. It’s nonsense that they fucking love him. They don’t and there’s always been ISTC members there as well (Horse 2001).
The Full-time officer stated explicitly that he could only openly sanction particular types of collective action: the application of pressure, raising grievances, pursuing a legal case, “bombarding the Mall37, sending letters to the Labour party”, but he “would be winking” whatever action the workers decided to take. But because of the level of dependency on this officer by branch officials and the wider membership, and the effective ‘withdrawal’ of the militants from formal activity over the previous months, the only decision taken was one to maintain the status quo to allow the Full-time officer to begin talks. The union were given “a week and a day” to negotiate with WCCI management. The frustration that this lead to for many members was later summed up by a former activist:

People were ready for it but it needed him. People needed the union guy to turn round and say...People do need that because a lot of people were fear. That’s all it was - fear. The committee didn’t have much to say about it. Everybody was just mad. Then they should have stuck to their guns. We could have taken them on and taken over and we would have got everything because it was the busy time of the year. They would have won everything over. I really felt it was a possibility right up to the Wednesday. That’s why I lost the nut at that meeting because it’s like talking to a brick wall. And I realised that for about three or four years I’d been talking to a brick wall (Panda 2001).

What was also demonstrated was that the dependency on the Full-time officer was mirrored in his own dependency on the union hierarchy, on the Labour Movement bureaucracy and, indeed, on the Labour Party to deliver on the workers’ behalf, though there had been little attempt previously to build any effective links38. Dependence on the ISTC’s bureaucracy had been clearly demonstrated in the past, as had its apparent inability or unwillingness to offer an appropriately active level of support39 but it is in the context of these redundancies that the dependence on outside pressure was fully illustrated. This is not to suggest that union members under threat should not seek to use the resources of the wider Labour Movement. However, what was suggested at this meeting was not that workers appeal for the solidarity of other union members, but that they try to apply pressure to the bureaucracy of the union

37 The town centre of Greenock, Inverclyde’s largest town.
38 The branch did affiliate to the Labour Party (in the constituency of the ISTC’s Scottish HQ, some thirty miles away) in 1999. It was my impression that what was being agreed to was not made clear to members at the meeting who voted for it. Moreover, I found no evidence that affiliation had brought the “extra clout” which the Full-time officer suggested would be the main benefit of it.
39 As noted earlier, the workers often complained at meetings about what they felt were clear breaches of health and safety at the factory. The elected committee seemed ill equipped to deal with these. Yet despite promises to the contrary, there were no effective interventions from national officers.
movement to apply political pressure to WCCI management and to IBM as its main customer. However, as I argued earlier, over-reliance on electronics in Inverclyde meant that to argue this sort of case was not viewed as politically expedient. Given that politicians clearly accepted the ‘upturn – downturn’ logic (and continue to do so) that companies represent as the ‘blight’ of the electronics industry globally, there was limited purchase in the union making such appeals. The Full-time officer either did not realise this or was unwilling to openly recognise it in the absence of a more effective and more militant strategy. For example, the local MSP was apparently concerned to “minimise the impact of the redundancies” (McNeil 2000) and tabled a parliamentary motion. However his ‘intervention’ did not necessarily signal a fight for WCCI jobs:

Myself and [the Westminster MP] are meeting today with trade unions and management... to see what the issues are, to see what can be salvaged. It may not necessarily mean the jobs. I mean we’ve got a whole generation of people who don’t expect long term jobs now...There are people there who you know are more ready to accept, if the deal’s right to leave and move on - see what they think of their chances. Or we have people – they’re permanent starts that think - ‘well is it worth it?’ The company have decided to cut their core and have an increased reliance on temporary workers... from that point of view I’m disappointed. There are a lot of issues... what would my role be in this, how do I support the trade unions... what are the management issues - can I be of any assistance there? (McNeil 2000).

These comments demonstrate how the MSP saw his role. He was prepared to play the facilitator, the mediator, and will only express ‘disappointment’. His approach is clearly underpinned by New Labour’s ideology, and there is explicit support in these comments for flexibility and competitiveness. There is also support for the New Labour shift from full employment to ‘full employability’.

No further collective action was taken against the redundancies and the company were inundated with volunteers for redundancy, hundreds more than they expected, and many more than the numbers of workers they needed to shed (Human Resources Officer 2001). Having, again, lost the opportunity to disrupt production at a crucial time in the year for the company, the union moved towards the negotiation of an enhanced package which they failed to achieve (Human Resources Officer 2001). The decision to “exhaust the machinery” meant no gains were made on behalf of the

---

40 Based on interview, 27th November 2001.
workers, with the exception of an apparent promise to bring core workers back as core workers if business picked up. What can be garnered from the following comments by the Human Resources Officer is that the scepticism of many workers, in this respect, was well-founded:

They know that come the end of March we’ll need to bring it back up again because that’s when the figures come in [the numbers of units that the customer requires]. So we’ll bring everybody back in as agency workers. The same people that we made redundant. One of the things the union fought for was that, should we be vamping up very soon after the redundancies, then we should bring back the core workers as core. I would be very surprised if managers don’t find a way round that. They’re never going to bring them back as core workers. The company would be on dodgy ground to bring them back that soon. So the union think they’ve negotiated something that they didn’t actually get (Human Resources Officer 2001).

The company also took the decision to ‘release’ hundreds of workers immediately, in advance of retraining and advisory support being put in place at the plant, and were criticised for thwarting the efforts of politicians and support agencies (Greenock Telegraph 27th January 2001). The redundancies “went smoothly” (Human Resources Officer 2001) at the Gourock plant and the company assured local politicians that it was committed to keeping Gourock open. The workers made redundant included the majority of the remaining ISTC activists, who had been central to the recruitment campaign in 1998 and to building the branch in the early post recognition period. This had a significant impact on union activity. The apparent success of the modern, consumer-service based trade unionism pursued by the ISTC came at a cost. For example, as the Full-time officer later admitted, the strategy of vigorously pursuing ‘check-off’ for union members at WCCI also had serious implications in the context of mass redundancy:

We need to be careful. We went to check-off from a direct debit situation after recognition. With hindsight I’m not sure that was the best option. In a massive redundancy situation it’s unhealthy that a seriously anti-union employer knows who’s all in the union. I don’t know if we will repeat this again. We’ve been hit hard with two hundred members at least gone” (Full-time officer 2001).^41

^41Check-off is the deduction of union subscriptions directly from pay. The bureaucratic functioning of the union meant that, despite what is being said here, there was little option for the branch locally, as check-off is a clear element of ISTC culture. For example at introduction of the Trade Union Reform and Employment Rights Act 1993 already “some 90% of the [ISTC] membership made its contributions directly at source” (Upham 1997: 255). Check-off was an issue that was discussed
5.5: The Beginning of the End

By the year-end in 2000, WCCI had lost 14.9% of their workforce nationally and had seen profits fall by 43.02% to £3.47million (Scottish Business Insider 2002). The impact of this on the Gourock site was as predicted: a serious reduction in the number of core workers. Across the Ayrshire plants more than two hundred workers lost their jobs. As noted above, this had helped bolster support for the ISTC there and this, in turn, helped strengthen the case that the ISTC put forward for recognition to the CAC. However, the fact that membership had grown during a period of redundancy, also formed a central plank of WCCI’s challenge to the recognition claim. Although the union were assessed to have a majority (51.3%) of workers in the bargaining unit as members, the company argued that joining a union during a redundancy situation meant members did not fully consider the implications of union membership. Membership under these circumstances, according to the company, could not be taken as support for collective bargaining (Central Arbitration Committee 2001). The ISTC’s case both highlighted and helped resolve some of the legal ambiguity in the statutory recognition procedure, in particular whether an “only just” majority constitutes the need for a ballot, and regarding the most appropriate date when the level of membership should be assessed (European Law Review 2001).

The CAC declared in the union’s favour in March 2001. WCCI sought legal redress through a judicial review at the Scottish Court of Session in order to overturn the CAC’s decision not to hold a ballot of the workforce. The company made particular issue of the date that the membership level was assessed, the narrowness of the majority, and argued that a ballot would be in the interests of good industrial relations. The Court of Session judged in June 2001 that the WCCI’s case was dismissed. The ISTC had won a significant victory over WCCI. During the CAC hearing the company argued that the union had played a role in “diminish[ing] the reputation of the company in the eyes of its clients” during the “disruption” (CAC 2001) at the time of the redundancies. The ISTC versus West Coast Computer Industries was also one of the first cases in which the CAC was forced to defend a regularly at early post-recognition meetings. The direct debit arrangements put in place for the intense period of organising and recruiting at WCCI meant special concessionary membership rates. The shift to check-off meant an end to these rates at a time when faith in the union was waning.

42 The CAC can only declare that a union is recognised for collective bargaining purposes without a ballot if none of three qualifying conditions are met. These exceptions are: the CAC believes a ballot would be in the interests of good industrial relations, the CAC is informed that a majority in a bargaining unit does not want the union to conduct collective bargaining for them, and that evidence is presented that casts doubt on whether collective bargaining could be conducted effectively.
decision under the new statutory recognition procedure and its interpretation of it (European Law Review 2001).

Despite this victory, thousands of job losses in the electronics industry nationally continued to breed insecurity at WCCI and elsewhere. Motorola in West Lothian shed three thousand jobs in April 2001. Compaq also lost seven hundred workers at its Erskine factory, many of whom came from the Inverclyde area, when it decided to “contract out” the manufacture of personal computers (BBC News Online 2nd April 2001). The WCCI redundancies of 2000/2001 had taken their toll within in the Gourock factory. The loss of many members and of the militant activists allowed the spirit of resistance that had characterised WCCI to dissipate. For activists looking back, unsurprisingly, there were mixed feelings about what was achieved by unionisation, about what went wrong and about what could have been done differently, especially in terms of building on an embryonic collectivism at WCCI that actually pre-dated the influence of the ISTC. The militants felt that dependence on the Full-time officer, and the approach that characterised the period after recognition, were at the root of what they saw as failure. There was also a sense that the ISTC had promised much and delivered little:

They were full of fighting talk. The full-timer said the ISTC was a left-wing, grassroots union. They said all the right things. After recognition they started to bend over backwards to do everything management said. They were full of promises saying the only way to get it was through recognition. They lied to us. They were not democratic, not grassroots, not membership led. They promote people who dance to the right tune. We [the militants] were too small and too isolated. They [the moderates] had the strength of the full-timer behind them (Horse 2001).

We impressed them as fighters, aye - [the moderates] loved that but right from the start they started shouting ‘where’s the full timer?’ ‘What’s meant to be happening here?’ A couple of us tried to make the point that we had to keep everything in the factory on the shop-floor. You know like kinda up to us - we push for stuff. But he [the Full-time officer] advised against everything. He didn’t want a strong shop-floor. He wanted the weak end of the committee to run everything but eventually the shop stewards that were left ended up with no respect. Then people just stop caring about the union (Jim 2001).

His [the Full-time officer’s] idea was direct debits all the time. They took ten minutes off us and we weren’t happy. We could have stuck together over that but he never really tried to unite us. Away at the
beginning I said we could draw up a list of things we wanted and he said that would come later but it never did. When we lost stuff it was always - 'we can get stuff back once the union is in'. After a year in we never got the stuff back. The ISTC's only achievement has been recognition, but for the union, and it hasn't made any real difference (Panda 2001).

When I see what's happened, I'm no even sure now that they were hated by management. I think it was a bluff. Why be so against the ISTC when they made it easy for management? It's a pure con (Doc, WCCI activist 2000).

5.6: Take-over and Restructuring

By 2002, five years after the WCCI takeover from Grimtec and almost four years after the ISTC set its sights on recognition at the plant, the workforce at Gourock numbered around five hundred representing both core and agency workers - approximately a third of the number employed when this study began. Although the company had won a £40 million-assembly contract from Tiny Computers for their Prestwick plant in late 2001 this did not create any new jobs (BBC News Online 14th August 2001) and their main customer remained IBM. Before outlining further key developments in the WCCI relationship with IBM, it is worth re-affirming the nature and contours of that relationship. The comments below serve to illustrate its central characteristics:

We are very well aware of the fact that nothing there happens unless IBM has said do it. Basically that's what it comes down to. And we will do things like - IBM wants three thousand boxes built by Saturday. Right, so we pull the workforce and organise it. Then they phone at four o'clock on Friday afternoon and say 'cancel that we don't want it'. So we have to apologise to the workforce, bearing in mind they're relying on that money. It's very much a puppet and the strings are being pulled by IBM. But like a lot of these big companies they keep their nice image and they use companies like ours to do the dirty work. All IBM care about is getting boxes built and they don't care how he [the Managing Director] runs it. He could chain the workers to the benches as far as IBM is concerned. They don't care how we do it. It's 'just do it and get it at that price'. So they keep their lovely image as great employers. It's like Marks and Spencer who have kids of twelve knitting jumpers in some back-water. It is very, very much like that (Human Resources Officer 2001).

However, even with this level of flexibility, IBM still sought to further develop what I would term its 'tight grip, loose accountability' strategy. In January 2002, IBM announced that the contract WCCI had with them was to be outsourced to US based
Sanmina-SCI. WCCI would still undertake the work (alongside eighty former IBM core workers who were transferred to Sanmina) on IBM servers, but for Sanmina rather than IBM.

The first reverberations of this were felt by WCCI workers when they were forced to take two days designated holidays from their annual entitlement in February 2002 in order to facilitate an audit for the Sanmina-SCI transfer. Whilst workers threatened a ‘lock out’ where they would turn up and not be allowed into the plant, the ISTC’s divisional organiser made clear that the preferred option would be to “get some compromise” (Greenock Telegraph 12th February 2002). The company “didn’t think people should be paid for sitting at home. Holidays are available and we want them to use them” (General Manager quoted in the Greenock Telegraph 12th February 2002). Moreover, under recognition, the company had the ‘right’ to force workers to do this. The full implications of the introduction of Sanmina into IBM’s supply chain were not to be realised until months later however. In the meantime the “job swap” was given the full backing of local politicians who saw this as a way of safeguarding work for Inverclyde (Greenock Telegraph 15th January 2002).

In August 2002, the Laird Group announced the sale of West Coast Computer Industries to its smaller Scottish rival, Simclar International for £30 million. For the WCCI Managing Director, who was to continue as the Chief Executive, the decision was needed to ensure “survival and getting the business positioned to move forward” (quoted in the Greenock Telegraph 9th August 2002) although Simclar’s Managing Director could not rule out job cuts in the WCCI Scottish workforce, which now numbered only thirteen hundred overall (The Herald 9th August 2002). As with earlier corporate restructuring, this added to the generalised feeling of insecurity that had become the norm at Gourock and this was exacerbated by rumours that IBM were to switch production from Greenock to non-UK locations (Greenock Telegraph 9th August 2002).

At the same time, politicians were apparently concerned about Inverclyde’s dependence on electronics, serving to create the situation of “a large number of people employed under temporary and short-term contracts” (Cairns quoted in the Greenock Telegraph 28th October 2002). However, as had become the norm, such concerns were framed with reference to the problematic nature of companies’ operation in the global market place:
Unfortunately, the global economy moves at such a pace that it is often difficult for companies to offer permanent jobs to their employees. This obviously causes insecurity for people and while these days nobody can guarantee a job for life, it is important that workers get help so that they are able to minimise any damaging gaps in their career (Cairns quoted in the Greenock Telegraph 28th October 2002).

This is clearly in line with the New Labour position that I outlined earlier. Unemployment is reconceptualised as “career gaps”, “help” is premised on New Labour’s ideological commitment to the development of human capital. In addition, the form this help takes is characteristically vague, more so in this case, as the Minister for Work at the time, Nick Brown, felt the sort of assistance generally provided would be seriously limited because the local labour market was:

Slightly anomalous because of the impact and prevalence of short-term contracts. I am not sure how much the employment service and Jobcentre plus can do to deal with the core problem – the short-term nature of the contracts themselves (quoted in the Greenock Telegraph 28th October 2002).

Recognising these difficulties is important since, in the context of wider problems in the area, it presents clear and significant challenges to the social exclusion/economic efficiency model that New Labour has sought to develop.

There are three key problems the government’s conceptualisation and analysis of exclusion in relation to efficiency, that will be discussed more fully later. The first is that evidence from WCCI suggests work is not the panacea for the ills that blight many working class communities, despite the unwavering faith that New Labour has in this premise. It is worth re-iterating that the conviction that work, any work, is central to Third Way ‘renewal’ of the UK. It has been the cornerstone of the political development of New Labour and is embodied policy terms:

There is a clear road map to our destination...The reason for the changes we are making is not for their own sake but because they are the means to the fairer society where aspirations and opportunity are open to all, which we believe in... It means an economy with a new job if your old one goes...It means that decent hard working people who play by the rules, don’t see others who refuse to, gain by it (Blair quoted in The Guardian 12th March 2002).

What New Labour has tried to overcome in such rhetoric is the persistence of ‘old’ divisions that, I would argue, its attempts at synthesis actually exacerbate. The evidence from WCCI demonstrates how in many cases the opportunity to labour
means just that and little else. New Labour’s characteristic attempts to exaggerate what are represented as novel and transformative trends, and to underplay key continuities, are put in sharp relief by the WCCI evidence. Insecurity, low pay and harsh management regimes are a continuing feature of the New Labour/‘new’ Scotland milieu. Moreover, these combine in workers’ experience to inculcate a sense that they are only ‘one wage packet away’ from the exclusion faced by their unemployed, excluded neighbours. The development of aspirations is stunted rather than encouraged through work, and their treatment at the hands of management mean they can experience the difficulties normally associated with exclusion. Hence increasingly, in-work exclusion is a feature of contemporary experience unrecognised by New Labour. Nor does employment legislation overcome this. Indeed, the overall ideological premises of New Labour, which I have outlined throughout, facilitate the development of the kind of workplace culture described above. This is far removed from the Fairness rhetoric or that of growing the Scottish economy for the ‘common good’. Yet it is not, however, an aberration to New Labour, for example, in the context of appeals to the entrepreneurial discourse that emerged in its representation of the central features of the ‘new’ Scotland. In this sense, the Managing Director of a company like WCCI is the very epitome of those the government sought to engage and enable.

The second problem, intrinsically linked to the first, is that if work takes on the role of universal cure then those that ‘provide’ work must be granted the full flexibility and freedom to operate, and politicians, in order to retain their ‘favour’, must remain silent on all but the very worst excesses of abuse. Often, particularly in places like Inverclyde, in which there is an over-reliance on one industry where responses to global restructuring have been matched by the hardening of its ‘flexible edge’, this is manifest in unquestioning loyalty to companies. Moreover, and equally as damaging to workers, the gratitude for the existence of work shown to companies by local politicians forms a crucial element of the myriad of forces that act against both the subjective and objective interests of workers.

The third difficulty is again linked to those above, and is clearly not unique to circumstances in Inverclyde or to electronics, though in the current circumstances both are key exemplars of it. It is also demonstrated in the comments of the Minister of Work highlighted above. Plainly, if difficulties are recognised then the next stage is finding a solution to them. This means ascertaining both who is responsible for them
and reasonably what can be done to resolve them. But New Labour’s ideological commitment to flexibility, competitiveness and partnership, that underpins its overall Third Way goal of synthesising ‘old’ antagonisms, does not effectively allow for this. The case of WCCI demonstrates what such commitments mean in reality. The message to employers is thus: do what you have to, to remain competitive, be as flexible as you have to and get workers ‘on side’ in relation to company goals by any means necessary under the auspices of an ever-vague partnership culture that can, and does, as WCCI demonstrates, result not in a softening of an antagonistic edge, as New Labour would have it, but in a hardening of it. Furthermore unions that offer tactic support for this position, like the ISTC, find themselves powerless at one level to resist it effectively in order to secure real gains for their members, as the ‘penultimate’ juncture in the story of West Coast Computer Industries serves to illustrate.

Towards the end of 2002, the workers at WCCI faced a situation that demonstrated the extent to which problems continued at the factory, and sought redress over low pay that had remained a feature despite the ‘deal’ of December 1999. In the intervening years no further pay rise had been awarded, the around twenty pence an hour extra that they had been granted then represented their last rise. With core workers on £5.48 an hour and agency workers on £4.50 per hour, the company went on the offensive and sought to introduce a system of ‘annualised’ hours whereby crucial overtime payments were to be cut. In production ‘down-time’ workers would be on short time and in busy periods they could work up to seven days a week for normal pay. In the busiest periods around the year end (December – January) normal working could be “up to sixty or seventy hours a week” (WCCI worker 2002). The rejection of the union’s claim for a pay rise of 6% and the subsequent rejection of the company’s offer of 2% precipitated the first ‘official’ strike at WCCI since recognition. The mood of the workers was summed up simply: “enough is enough” (Greenock Telegraph 5th November 2002). The four day strike planned over two shifts was to hit the company hard over their busiest time and the pickets stood firm. Three hundred workers in total were involved, but this highlighted the problematic of a dual workforce that had not been fully, nor openly tested. The obvious risks of taking strike action were not uniformly borne across the workforce, nor was protection over strike action universally available. This was manifest in the fact that many agency workers crossed picket lines, though some looked despondent on the buses that took workers past the pickets, despite the presence of striking fire-fighters who attempted to persuade them otherwise. These workers risked not just four days
pay but their livelihoods. Flexible employment, however long term, left them little choice in the absence of union membership or backing. Here the full effect of WCCI management’s development of a segregated workforce over many years, and the damage of the ISTC following their lead in organisational practice to a great extent, was illustrated in sharp relief. Moreover, the ratio of core to agency workers had been drastically reduced through continuous ‘replacement’ policies and restructuring, and the number of strikers and the number of those continuing to work was almost equivalent. The circumstances of the strike, the problematic intensification of causalisation, and the overall reduction in the number employed at WCCI over the five year period, represent the sharpest indication of the limited impact that the ISTC and recognition had made.

As in 1999, the outcome of this strike, which was halted in December 2002, was more favourable to the company than the workers. Indeed, what workers gained was similar to what was gained in 1999: a 2% increase, an ‘agreement’ on sickness and holiday pay\textsuperscript{43} and a lump sum (for core workers only) of £200 (Greenock Telegraph 21\textsuperscript{st} December 2002). Four years after the “£5.25 strike” that heralded the beginning of the openly militant period that ended in recognition at the plant, workers were forced to settle a key dispute against the injustice of low pay, on the basis of earning around thirty pence an hour more after years of struggle. The decision to call off the strike had not been an easy one, but other factors had begun to mitigate against its continuation: work was being outsourced by Sanmina to Eastern Europe and it was being done cheaper than at WCCI (Greenock Telegraph 21\textsuperscript{st} December 2002). Moreover agency workers in the factory during the strike and subsequently over an extended ‘holiday’ period due to end of the 8\textsuperscript{th} of January 2003 reported that there had been something close to “stockpiling and the packaging of important equipment” (WCCI agency worker February 2003).

5.7: Closure and the Saviour of Spango\textsuperscript{44}

What happened next is both the final element of the story of WCCI and the emergence of the realisation of a new one. It represents how workers at WCCI were failed by management, by the ISTC, and by local politicians all too comfortable in their impotence in the face of ‘sacred’ employers, as they try to negotiate the vagaries

\textsuperscript{43} It has always been difficult to judge gains made at WCCI since such gains were often connected to rights that were already legally enshrined. It is not know what was achieved here regarding holiday pay but the right to four weeks paid leave is contained in the Working Time Regulations 1998 (DTI 1998c). Nothing was gained in this area for the agency workers.

\textsuperscript{44} Spango Valley is the location of the IBM plant.
of the market. However it also signifies the development of a new configuration of
capitalist production, as the low-value end of electronics and responsibility for the
workers unfortunate enough to make their living there, are hived off from the core
employer at the hub of the entire operation of electronics production. Before outlining
events and examining this in more detail, it is worth illustrating WCCI workers
understanding of this:

One multinational makes a decision and conspires with a contractor
who whispers in the ear of another contractor and we lose our jobs.

Electronics companies are getting rid of their core workforce and
handing out jobs to contractors. The contractors use casual labour on a
minimum wage – who get called in for a few hours and then send them
home as soon as the pace slackens. You read about the docks in the
past, with people scrabbling for a job for a day. I sometimes wonder
how far we’ve come.

(Linzi and Davey, WCCI workers quoted in Socialist Worker 18th
January 2003).

On Monday 6th of January 2003, two days before its workers’ return after the
festive break, West Coast Computer Industries sent couriers to their homes delivering
letters telling them that the factory would not re-open. Five hundred workers were
sacked. For many of them, the first they knew about the factory’s closure was when
asked about it by news crews that had descended on Inverclyde. The company met
with the union at 10am, made the closure announcement at lunchtime and threw a
security fence around the factory preventing workers from either collecting their
belongings or bidding farewell to colleagues of longstanding. Crucially, this also
served to circumvent the possibility of workers initiating a fight-back from within the
plant and thwarted the development of a collective response.

The reasons for the closure that had been revealed to the union seemed straight
forward. According to the ISTC regional organiser at the mass meeting convened after
the closure announcement, Sanmina-SCI had reduced its production requirements by
80% because WCCI could not meet a new set of conditions that its customer
demanded. Under the new arrangements WCCI were no longer to be paid a separate
contractor fee and none of the cost of overtime payments were to be borne by the
customer. All fixed costs (building and equipment maintenance, for example) became
the full responsibility of the supplier, WCCI. The General Manager apparently told the union:

> The company could no longer continue production at Gourock under these conditions and pay the legal minimum wage” (ISTC organiser 2003).

Yet the company placed a different ‘spin’ on their decision to close the factory to the media:

> The electronics industry in Scotland continues to face serious global competition and our Gourock facility has become un-competitive in the face of lower cost economies in Eastern Europe and elsewhere (The Scotsman 7th January 2003).

The remaining 20% of the Sanmina work was moved to WCCI’s Prestwick facility which operated with almost exclusively agency labour and where “some” Gourock workers “might” be given jobs. There, the company had developed a “more competitive business model” which would allow ‘box build’ to continue in Scotland (WCCI spokesman quoted in Greenock Telegraph, 7th January 2003). In the meantime, the Gourock core workers were given ninety days notice and told they would either receive wages until April 2003 or they could apply for a lump-sum in lieu and statutory redundancy pay. Agency workers were simply sacked. There was no consultation or negotiation, though the union indicated that they “would be prepared to talk about wage scales if costs were too high” (ISTC regional organiser quoted in Greenock Telegraph 8th January 2003).

Within twenty-four hours local and national attention quickly shifted as IBM were about to make a major announcement about the future of production at their Spango Valley plant in nearby Greenock. In an ‘added twist’ to the WCCI story, on Tuesday the 7th of January 2003, IBM announced that Sanmina-SCI were to take-over their manufacturing operation as part of a wide reaching ‘outsourcing’ deal worth $3.6 billion over three years (Sanmina-SCI 2003). Six hundred and sixty ‘core’ IBM Greenock workers were transferred to Sanmina and a further seven hundred ‘agency’ and temporary workers were under threat. The restructuring meant jobs were only ‘guaranteed’ for a maximum of three years. It also brought an end to the days where: “to get a job in IBM in the 1970’s was to be sure of three things, a higher salary than

---

45 Under the IBM contract the customer helped finance the running of WCCI plants.

46 The strength of this apparent guarantee is discussed in the next chapter.
anyone else’s, the best pension around and a job for life” (“longstanding” IBM worker quoted in *The Observer* 12th January 2003). There was, reportedly, widespread relief that the work was to remain at Spango, not least from local politicians who praised the ‘historic’ and “potentially very exciting” deal (Cairns quoted in *Greenock Telegraph* 8th January 2003). “The three year deal” Cairns claimed “is an eternity in the electronics industry”. However, the decision fuelled resentment among the WCCI workers who believed that both IBM and Sanmina had ‘colluded’ to orchestrate their own demise.

The manner of the ‘saving’ of the jobs at Spango Valley, and the praise of both Sanmina and IBM by the local MP and MSP, in particular, drew vociferous criticism at a mass meeting of hundreds of WCCI workers, four days after the closure announcement. As one worker put it:

> How can Sanmina get away with taking on six hundred and fifty people and bagging us in the same week and how come McNeil and Cairns [the MSP and MP] are congratulating them? (WCCI worker 2003).

With the workers demanding ‘answers’ to their questions, the mood at the meeting was angry. Not all of that anger was directed at the companies involved and people took the opportunity to criticise the ISTC. This became more explicit when it became obvious that there would be little opportunity to discuss the possibility of collective action against the closure. Indeed, this meeting was not about:

> The past but about the future. What happens now is why we’re here. We need to focus. We can’t be sidetracked by what’s been said in the press etc. You need to be thinking about what the ISTC can do for us. Shouting won’t change anything (ISTC regional organiser 2003).

Thus, there was no strategy for resistance put forward by the ISTC. The purpose of the meeting was to introduce workers to representatives from internal and external agencies that could advise on retraining and to outline some of the mechanisms to be put in place to assist with job seeking. The “plain fact” was that the plant had closed and there would be “no reversal” on this by the company, what was needed now was to “move on” (ibid).

The difference between this meeting and those of 1998 when the ISTC first openly set its recognition sights on WCCI Gourock, was stark. The ‘grassroots, membership based, community’ union did not offer any effective leadership over the
Nor had their willingness to ‘play the game’ had any positive effects on the workers long-term security. No effective strategy for survival, either of the plant itself or of the union locally, had ever been developed. Workplace organisation had been at its strongest during the most militant months and in the early post-recognition period. With the departure of the militants, no effective counter strategy had been put in place. The union’s refusal to countenance any fight-back by the workers, even in the shape of a demonstration or a lobby, demonstrated how readily officials ‘gave up’ when faced with what they saw as an insurmountable hurdle. That this hurdle is linked, particularly, to the relationship between unions and Labour in power, is not recognised openly. However, that they were able to do this also demonstrates how, without the development of shop-floor organisation and rank and file leaders, the ‘will’ of the bureaucracy can thwart the impulses of resistance and the members’ ability to mount a collective challenge.

Darlington’s conclusions (2002) regarding the centrality of a layer of workplace militants, who are willing and able to provide leadership in the face of management attacks, are clearly relevant in this context. Evidently, as Darlington suggests, workers are not passive recipients of management dogma nor of union conciliatory approach in the face of it. The processes at WCCI, narrated above, have demonstrated the role of human agency, especially in the early period of activity. At the plant, initially at least, there was a group politically-minded activists well-prepared to argue with other workers about wider questions regarding the general organisation of production and of society. However, they were relatively few in number and their level of political ‘immersion’ was not deep enough to consolidate the general militant ‘sentiment’ of a large number of workers. Though these activists were significant recruiters for the ISTC, especially in 1998, and the workers did look to them for leadership, the group never reached the level of ‘critical mass’ (Kelly 1998) that would have been required to both help develop an effective rank-and-file, and to counter the ISTC’s recognition-and-respectability-at-all-costs approach. Nor could the militants hold onto a further, less politically astute group around them, lured by the union’s accommodative approach after recognition was won. Weaknesses were not simply political but organisational, and, it must be said, linked to the intensification of the labour process (‘upping the pulse’).

The open struggles with management which, as Darlington notes (2002: 101), help such activists learn “distinct lessons” and allow them to develop “a more
consistent, penetrating and critical analysis of class relations than existed generally in
the factory”, were heavily mediated by the ISTC’s Full-time officer. This again
impeded progress and helped sap self-activity. Frustration at this, and management’s
seemingly largely unchecked offensives, meant the all-too-soon, withdrawal from
meaningful activism by the core militants. This left the whole workforce vulnerable,
as the plant’s closure demonstrates. One crucial question posed by the lack of militant
development at WCCI concerns how to nurture it in the context of a workforce who
experience exploitation daily, yet lack a clear conceptualisation of it. Moreover,
unsurprisingly, given the lack of militant tradition in the electronics industry, there
was a distinct lack of active political affiliation although some of the activists were
clearly influenced by the Socialist Workers Party, either through membership or
through experience of working alongside local SWP members in relations to the
factory’s key issues.

In the absence of strong political roots within WCCI, the structural constraints
of management offensive, the pace of work and long-hours culture, and the ISTC’s
approach were felt all-the-more keenly, despite the seeds of militancy sown in early
1998 and its continuing impulses until closure. It is important to recognise that a
group of militant left-wing activists seeking to build an oppositional and effective
workplace unionism, however committed, may be operating in a context removed
from a ‘history’ of successful resistance and organisational resilience. Some
consideration of effectively ‘organising the un-organised’ is needed. Moreover, more
than two decades of the balance of class forces being tipped in favour of capital not
only creates the need to re-build and re-invigorate, it also means ‘starting from
scratch’ in many workplaces and industries. In the latter context, the issue of not
becoming an adjunct of a well-organised union bureaucracy is paramount, as the
impulse to do so can be greater due to a lack of experience and, it should be noted,
due to the spirit of partnership being encouraged.
CHAPTER SIX: REFLECTIONS ON THE ‘NEW’ WORLD OF WORK

6.1: New Labour in Inverclyde

This set of chapters began with a discussion of the Inverclyde context in which workers at WCCI and their employers operate. It is important to return to this context in 2003, and note briefly some local developments that have continuing relevance for the ‘story’ of WCCI, before summing up the key features I want to draw out from the WCCI study.

As the WCCI workers were coming to term with their fate, and the six hundred and fifty IBM workers were transferring to Sanmina-SCI, the knock on effects of the closure, and of the transfer, were beginning to reverberate around Inverclyde. Firms that were part of IBM’s local supply chain, and out-with it, suffered job losses. In total, in January and February 2003 Inverclyde lost more than two thousand jobs in electronics related companies. This has clear implications for both WCCI workers, in terms of gaining work in a drastically contracted labour market, and other workers in the sector. There are also implications for the ISTC, who had been gaining a foothold in some of these companies during their period of recruitment and organisation at WCCI. Forced retreat from the area is likely to result in a revision of Division One strategy, as it will be difficult for the ISTC to make up the ground (and membership) lost as a result of the WCCI closure.

Given the evidence above regarding the accommodating attitude of local politicians towards employers in the area, the necessity of bringing jobs to Inverclyde means an intensification of their gratitude to them. The praise heaped on Sanmina and on IBM for not sacking all of its three thousand workers, only one day after the company was implicated so explicitly in the closure of WCCI, were early examples of this. There is little evidence of the development of a strategy to encourage large-scale investment to Inverclyde to re-invigorate the local economy. ‘The export capital of Scotland’, so heavily dependent on electronics, is a title that the area cannot now sustain. Wider developments have compounded local difficulties as between December 2000 and March 2002, 10% of Scotland’s manufacturing jobs were lost
A more recent shift towards call centre employment, some of which is based at IBM, now faces competition from cheaper workers in the developing world and Eastern Europe, suggesting that earlier suggestions of Inverclyde becoming a ‘call-centre economy’ in the long-term may be premature and ignorant of the vagaries of that particular labour market.

Inverclyde’s experience of New Labour’s ‘modernisation’ and ‘reform’ of the public sector are also beginning to have an effect on the local labour market. Restructuring, and the downgrading of health services, in particular at the large general hospital, Inverclyde Royal, will impact on the numbers employed there in the long-term. A programme of school closure and the introduction of a PPP for the entire education system, as well as Inverclyde Council’s plans to impose millions of pounds worth of cuts announced in early 2004, will affect both public sector workers and the local labour market generally.

Overall, therefore, workers in Inverclyde have borne the brunt of the contemporary restructuring of the area’s dominant industry and face uncertainty due to changes that will affect other sectors employing there. This is compounded by the continuance of low pay in the area, where workers are now the lowest paid in the country at more than £100 per week less than the national average (Greenock Telegraph 17th February 2003). These figures suggest that average wages in Inverclyde have increased by only £30 per week since 1997, from £323.40 in 1997 to £352.75 in 2001/2 (Inverclyde Economic Development Department 1998: 6; Greenock Telegraph 19th September).

The effects of these problems have been illustrated in sharp relief through the evidence garnered from experience at WCCI as outlined by some of the workers, and by an analysis of developments at the plant, and within the company. Moreover, since its closure in 2003, further developments indicate the extent to which the situation is worsening, in electronics, in particular. In July and August 2003 “hundreds of workers, many of whom had worked for IBM contractors for six or seven years, had their jobs axed” (Greenock Telegraph 14th October 2003). According to the ISTC, these job losses brought the total in seven months to “almost one thousand” (ISTC divisional organiser quoted in the Greenock Telegraph 29th August 2003). Hewlett Packard (formerly Compaq) in Erskine also announced the transfer of two hundred and sixty ‘core’ workers to an employment agency. In addition, less than one year after the ‘historic deal’ that outsourced IBM production to Sanmina-SCI, the latter
announced that it sought volunteers for redundancy numbering around half of the workforce that it had taken over as part of the transfer deal (Greenock Telegraph 12th January 2004). Given such trends, WCCI has helped demonstrate the limited impact of New Labour’s agenda in the area of employment ‘rights’ and the limitations that are experienced as a result New Labour’s overall orientation.

One important observation is just how little devolution has had a positive impact. As noted previously, a combination of the sort of vision outlined for the Scottish Parliament by New Labour, and the reservation of key powers to Westminster, serves to compound Inverclyde’s difficulties. Neither the Westminster nor the Holyrood Parliaments have developed effective strategies to combat the problems experienced in places like Inverclyde. The characteristically New Labour responses to them below help demonstrate this:

The electronics industry has been a great success story. It is a very competitive, global economy in which change is happening all the time. The best things that governments can do is to ensure overall economic stability and to equip people with the skills so that they are well-positioned to get another job if they lose one...An important aspect of flexibility here [in the UK] is that it is easier for employers to take people on...Whatever challenge is facing individual communities, you have to invest in skills for the future...I am absolutely confident that Inverclyde faces a bright future economically...There isn’t a magic wand but you have the strengths to build on for the future (Smith quoted in the Greenock Telegraph 27th November 2003).

This is deeply disappointing news...I will be asking questions in Parliament, not only about the support which will be given to the workers affected by this announcement, but about how we are going to reform our economy and break the cycle of constantly lifting and laying workers. I will make representations to Enterprise Minister, Jim Wallace, renewing my calls for the necessary steps - from better transport links to real partnership working - to be taken in areas like Greenock (McNeil quoted the Greenock Telegraph 11th December 2003, emphasis added).

Harrison (1997: 222) has argued that what he usefully terms “the dark side of flexibility” necessitates public policy aimed at containing “the tendency toward greater polarisation of income and power based on whether one is inside or outside the core jobs in the hub firms”. There is little evidence in New Labour’s ideology that

---

1 Andrew Smith is the Work and Pensions Minister. He visited Inverclyde in November 2003.
2 McNeil was speaking in response to the redundancy announcement by Sanmina-SCI.
demonstrates any recognition of this crucial point, despite the rhetoric of politicians like McNeil. Moreover, as a member of the devolved parliament, he is not ultimately accountable for employment. Although his colleagues at Westminster are at face value at least, they, in turn, do not have responsibilities for the worst effects of this 'dark side' of flexibility. The overall result, in relation to Inverclyde's employment problems, has been multi-layered, New Labour rhetoric that amounts to twice the amount of hand-wringing and head-shaking, and very little else. That New Labour is in power in both parliaments results in non-antagonistic relations between two separate, though indistinct, layers of governance. This not only reinforces the grip of New Labour 'solutions' and its 'there is no alternative' premise, it also exposes devolution as both a 'toothless tiger' and as a centralising strategy. Thus, the 'knowledge' rhetoric, so readily drawn on in relation to the 'new' Scotland, New Labour's largely amorphous commitments to 'skill development' and 'full employability', contain little to effectively counter key elements of the reality of work in the era of New Labour.

Importantly, the story of WCCI outlined above, acts as a prism through which the success or otherwise of other central tenets of New Labour ideology, for example, flexibility, competitiveness and partnership and the role of work, can be examined and assessed. It is clear from this evidence that New Labour's apparent long-term aims are far from being met:

In the new world our aspiration must be full and fulfilling employment through work and training opportunities for all. And it must therefore be our objective to abolish not only our youth unemployment, but long-term unemployment, with our eventual aim to replace redundancy with the prospect of new work through retraining (Brown 1993).

Though the reaction of New Labour to the type of job losses and transfers, outlined above, do indicate a continuing willingness to draw on this type of rhetoric.

Lastly, the study of WCCI allows for a consideration of some elements of contemporary trade unionism, as experienced in the context this ideology helps create. Support for New Labour overall demonstrably cannot be separated from day to day union activity, despite efforts to do so. Thus, in this case, the ISTC's overall impact at the factory was severely limited. It's whole approach was based on its ability to take advantage of new legislation and the possibility of a new culture of 'mutual gains' and conciliation at work emerging, to which the ISTC were seemingly well-placed to relate. Yet, at WCCI, the thrust of New Labour's ideology of flexibility,
competitiveness and partnership helped create conditions that the union struggled to counter successfully by applying this approach.

6.2: Flexibility, Inclusion and the Rhetoric of Human Capital

One of the key questions needing to be effectively addressed, is what does flexibility actually mean? Earlier chapters outlined how New Labour conceptualises flexibility in the labour market. It means no jobs for life, allowing workers to 'up-skill' as they try to negotiate looser, more liberating (from a New Labour perspective) employment ties, and relative freedom from regulation for employers, ensuring companies remain competitive. Evidence from WCCI clearly suggests that a distinction needs to be drawn between what flexibility is represented as and what it actually means in terms of experience. Much of what New Labour say about flexibility can be dispensed with as rhetoric especially in terms of its apparently inherent empowerment of workers. Taylor (2002) for example argues that preliminary findings from the Economic and Social Research Council's "Working in Britain in 2000" survey illustrate that the view of a new world of work characterised by more flexible employment relations is overstated. Indeed:

The most startling overall conclusion to draw from the material is that many of the commonly held assumptions about today's world of work need to be seriously questioned. In fact, a disturbingly wide gulf exists between the over-familiar rhetoric and hyperbole we hear daily about our flexible and dynamic labour market and the realities of workplace life (Taylor 2002: 7).

Nevertheless, it is clear from the WCCI evidence that flexibility and job insecurity was a feature of employment there. This does not necessary challenge of all of Taylor's premises, but he does conflate length of job tenure and employment stability, thus disputing the existence of the type of flexibility that the Government both promotes and seemingly maps in its rhetoric. What the WCCI evidence illustrates is that experience there contradicts both Government versions of flexibility and challenges, like Taylor's, to it. I would suggest that, perhaps, length of tenure is indicative of wider insecurity and instability, hence something that could be termed 'negative flexibility' (Harrison's 'dark-side'). Moreover, the proliferation of the use of agency labour at WCCI plants and in other factories, especially IBM, meant an insecurity that workers increasingly associated with something called flexibility, however amorphous and ideological that concept turns out to be. That it has seeped into management rhetoric, whereby at places like WCCI it is used to both justify the
use of agency labour and abdicate responsibility for that labour, means workers are affected by flexibility. Politicians, too, as demonstrated above, seek to place a positive ‘spin’ on flexibility and their understanding of it as a ‘carrot’ for workers, is clearly far removed from the experience of many. Crucially, flexibility is also used as a ‘stick’ to force workers to adapt to otherwise disagreeable working conditions.

At WCCI this worked at multiple levels. For example, as noted above, the existence of agency labour on worse terms and conditions served as a constant reminder to ‘core’ workers of their own vulnerability. The drive towards decreasing this ‘core’, in the name of the necessity of operating flexibly due to the apparent pressures that the electronics faced, kept workers in fear for their jobs. Moreover, the longevity of the tenure of ‘temporary’ agency workers, despite what appeared to be the charade of sporadic lay-offs, not only exposed how little protection these workers had from abuse, it also challenged any notion that ‘core’ production workers were a necessary cog in the WCCI wheel. This compounded the insecurity workers felt as a more generalised reaction to a harsh management regime, whose operation of disciplinary and even sickness procedure also created a climate of fear. Of course, as was demonstrated in sharp relief in early 2003, the dependence of WCCI on IBM meant workers in the former negatively experienced the drive towards flexibility in the latter. Sennett (1998: 56) describes the impact of multinationals seeking flexibility in production across the globe thus:

...The large corporation holds the shifting corps de ballet of dependent firms in its grip, passing on dips in the business cycle or product flops to its weaker partners, which are squeezed harder. The islands of work lie offshore of a mainland of power.

Flexibility as a concept, therefore, can only be effectively described and analysed, and its effects appropriately measured, once the necessity of including both the objective and subjective impact on workers is realised.

As noted earlier, Harrison’s (1997) description of contemporary production as “lean and mean” is clearly relevant in the context of flexibility as the network clustered around the core company, in this case IBM, represent peripheral smaller firms that provide core functions and key stock on a largely just-in-time basis. Yet,

---

3 Anecdotal evidence from meetings suggested that workers needed to get a medical certificate from a doctor from the first day of illness in order for their absence to be viewed as legitimate. However, generally speaking, the norm would be for the first seven days of absence to be ‘self-certificated’. Workers reported that doctors charged a fee for supplying a certificate earlier.
what they also provide, for IBM, is just-in-time labour. Peripheral companies like WCCI are also 'lean and mean' and maintaining their competitive edge was fundamentally based on its operation of a further layer of contingent, just-in-time, workers. As demonstrated above, such companies are also increasingly dispensable as the networks of core companies expand into developing economies where labour is cheaper and ties to local communities looser. Overall, this current production configuration, embodied within electronics in Inverclyde, adds a complexity to the web of flexibility that New Labour rhetoric does not take account of. Moreover, the flexibility and competitiveness ideology increasingly necessitates, at the very least, a re-conceptualisation of dominant notions of core/periphery and temporary/permanent in the light of evidence presented here. As Harrison (1997: 199) has argued, the notion of an internal labour market based on valuable 'core' employees is being eroded, with training and re-skilling often taking place as an external function, thus undermining the benefits of training for promotion to the 'better' jobs within and organisation.

Gray (1995) clearly roots her exploration of flexibility in exploitation relations. The “flexibilisation” of labour cannot be separated from what she argues are the corollary attacks on working conditions and living standards. She has illustrated how workers experience of flexibility means lower pay and fewer rights and how this:

...sets up a vicious circle whereby new forms of work weaken workers' capacity to organise, which in turn facilitate further 'flexibilisation' and the intensification of exploitation (1995: 12).

Gray's term, “flexploitation” (1995: 12), clearly has resonance with the experience of workers at WCCI and is closer to the impact on workers of 'actually existing' flexibility than that promoted by New Labour. Further, I would argue that evidence from WCCI, in particular, and Inverclyde generally, exposes the contradictions inherent in the flexibility-competitiveness-partnership ideology. WCCI's 'dark-side flexibility' was central to its competitiveness and it, in turn, fell 'victim' to IBM's 'dark-side flexibility' as it sought to remain competitive.

Two further elements of New Labour's version of flexibility can also be challenged through the WCCI evidence, and, indeed, wider experience in Inverclyde. The first is the extent to which flexibility helps to achieve a key element in New Labour's apparent aims to advance a social justice agenda by facilitating the expansion of human capital. For core workers this is linked, often through partnership
and Human Resources rhetoric, to a commitment to the company and the harnessing of workers' skills to the good of the enterprise. It also often includes an apparent commitment that the company will help ensure workers have the appropriate skills both to do their work and to improve future employability. Unsurprisingly, these values also form the core of New Labour's improving human capital rhetoric. As noted previously, enhancing human capital is also central to New Labour's life-long learning agenda. Put simply, from the New Labour perspective, work is about much more than teaching people:

...how to get up in the morning...getting into work patterns and earning money and taking on this greater responsibility...but how do we generally make that an opportunity...how could we link it with education. What education and training is being provided, what could we provide if it wasn't there...maintaining not only the economic activities of the people but general opportunities through study (McNeil 2000).

For the government, enhancing human capital means the process of 'up-skilling', in work and out of work. As highlighted earlier in my argument, this is a central element of New Labour's embrace of the 'knowledge economy'. Indeed, skills acquisition and the enhancement of human capital rhetoric, have been highly significant in the creation of New Labour and a key component of its world-view:

[These] new economic requirements coincide with the Labour Movement's historic mission to enhance the value of labour. Two hundred years ago, capital was the scarce resource and labour was seen as simply a commodity – each employee virtually interchangeable with the other. Now everything has changed. Capital is more than ever a global commodity, highly skilled labour now acknowledged to be the critical resource. In this way, the successful countries of the future will be those that employ their citizens in the most productive and imaginative way (Brown 1993, emphasis added).

The WCCI case, and the experience of other workers in the IBM network, renders New Labour analyses problematic. For workers at WCCI there were clear difficulties regarding the acquisition of new skills, not least in terms of their employer's lack of commitment. Now, the skills that they acquired during the time they worked for WCCI are those acquired by many other local workers made redundant early in 2003, and since. Moreover, working long-hours in the conditions that characterised experience at WCCI represented a clear impediment to 'up-skilling' outside of work.

4 Based on interview, 27th November 2000.
Company imposed restraint on trade union and health and safety activity meant that there was little chance of personal skills' development through, what might be termed, a more 'traditional' route. Despite the rhetoric, the Government places no real demands on companies to assist in the achievement of its stated aim of creating a flexible, multi-skilled, workforce. Most Government-sponsored activity related to skills acquisition continues to be directed to the unemployed. This poses particular difficulties for temporary workers who, overall, gain least in terms of in-work human capital enhancement (Booth et al. 2000). In places like WCCI, up until recently at least, such workers were not technically unemployed for long enough to take advantage of the limited opportunities provided by state agencies.

Another element of New Labour's flexibility that can be challenged is how far it leads to work being available that protects workers from exclusion. As noted throughout, for New Labour, work is the panacea against the "scourge and waste" of exclusion. The WCCI evidence throws this premise into question. The organisation of production at WCCI, the segmentation of the labour force, the structure of the local labour market and the levels of pay inside the factory, and in Inverclyde generally, have a specific impact that serves to dispute the Government's simplistic conceptualisation of exclusion and inclusion. All WCCI production workers to an extent were representative of a working excluded, with the temporary/agency workers being the most excluded within the group. This exclusion is both objective and subjective. Moreover, once flexibility is conceptualised in relation to its 'dark side', then it becomes clear that not only will the number of working excluded grow, but also that key elements of New Labour ideology counteract each other. Hence flexibility and competitiveness can, and do, preclude 'inclusion'.

Overall, despite the evidence that Taylor describes as challenging much of New Labour's claims about flexibility, it would be wrong to dismiss flexibility as meaningless in terms of workers' current experience. Evidence certainly challenges the New Labour rhetoric about the positive aspects of flexibility. However the negative aspects of actually existing flexibility in the current world of work have serious consequences, and these are likely to intensify. One of the key indicators of this is the 'axis of flexibility' that Blair and his counterparts in Italy (Berlusconi) and Spain (Aznar) have sought to build as a counterweight to the most progressive European legislation in the arena of employment rights. For most people employed at WCCI, flexibility has turned out to mean rather more than 'playing around with your
holidays'. For these workers and many others and, indeed, their employers, flexibility clearly translates into state-sanctioned dispensability.

6.3: 'Actually Existing' Partnership

As noted earlier, like flexibility, partnership is a slippery concept at the hands of New Labour. It is also a concept at the heart of the New Labour project and especially the vision of relations at work, where partnership remains the central theme. At face value, partnership, from the New Labour perspective, means a concern for and commitment to the success of the enterprise - shared by employers and workers, the promotion of a culture of mutual gains, dialogue between employers and worker representatives (though not necessarily unions) and the recognition of the legitimate interests of both. The promotion of such a culture is fundamentally underpinned by the central New Labour premise that, in employment relations, there would be no going back a more militant era of the past. Since, at the beginning of this research, workers at WCCI seemed to be well advanced in their return to militancy in the face of increasingly harsh management, I judged, primarily, that the concept of partnership was not readily applicable to the situation at WCCI. In government rhetoric, partnership is characterised in its broadest, most benevolent sense, and couched in terms of mutual respect, understanding and progressive employee relations. On that basis, it seemed unlikely that this culture would penetrate too deeply at WCCI. At that stage, I expected WCCI to demonstrate how the notion that employers would be readily persuaded by the partnership philosophy could be challenged. At the very least, WCCI seemed to be one of the exceptions to partnership proponents, an anathema in the New Labour version of employment in the twenty-first century economy, and not the type of employer envisioned in its promotion of partnership. Much of the evidence I have presented supports this conclusion, and WCCI does demonstrate how New Labour's ideology of partnership is based on the flawed premise that the fundamental antagonism between employers and workers can be overcome simply via promoting a culture that just ignores this division.

However, further analysis of partnership in the WCCI context reveals that it is not simply the case that WCCI and partnership 'just don't go'. In the simplest of terms the government envisages partnerships for all employers especially since, from the New Labour perspective, it is the route to success and competitiveness for the enterprise. To dismiss partnership as having had little or no role to play at WCCI would be a mistake therefore. What WCCI shows is that general employer hostility
does not preclude such an employer from making partnership-style gains. This was
demonstrated first and foremost, as noted above, in both the tone and content of the
recognition agreement itself. Moreover, what was ostensibly a pay freeze over many
years presented as crucial for the survival of the enterprise, and even the control and
surveillance roles that were suggested for the union representatives, are not too far
removed from the partnership orientation that New Labour promotes. This helps
illustrate underlying elements of partnership, the impact of which are crucial, though
they are rarely focused on in government rhetoric directed at workers and their
unions. The partnership agenda seeks to create a once-and-for-all acceptance of the
ideology of competition, framed within the apparent demands of globalisation.
Partnership, whether open or implicit (in the case of WCCI) becomes a matter of
survival.

As noted throughout, competitiveness is key in Third Way analyses of the
global economy. This is also linked to the sort of flexibility, discussed, above since:

A key ingredient of competitiveness is to use the workforce efficiently
and effectively. For this purpose the workforce has to be properly
trained, to be prepared to work flexibly, and to co-operate with all
innovations (Collins 2001: 302).

The link between partnership and competitiveness is representative of another New
Labour synthesis whereby one element – in this case competitiveness – is privileged
over the other. Moreover, competition or competitiveness in industry is one of the
standards the government has set to measure its own success. If industry is successful
outside of a culture of participation in the workplace through partnership, then this
objective is still satisfactorily achieved. Therefore, partnership, in reality, often bears
little relation to the dialogic, 'fair' workplace of mutual gains and respect. There is no
impunity for the competitive, non-partnership, employer. From this perspective,
WCCI was not the antithesis of the type of company that would fit the New Labour
mould. During its six years in Inverclyde, WCCI maintained a clear focus on
remaining competitive, manoeuvring in an industry that had faced the impact of an
apparent world-wide recession in electronics. Yet, arguably, in order to do so,
management remained unitarist in the extreme, despite the implicit concession in
agreeing to union recognition. Dominant notions of partnership can be challenged on
this basis.
As Collins has noted (2001: 306), a ‘traditional’ employment contract relationship with the employer directing labour to its most profitable use, is weakened by its lack of provision of “incentive for workers to use human capital to improve the employers business” (Collins 2001:307). Hence, the notion of partnership is linked to efficiency and business improvement. As noted earlier, a central element of the dominant notions of partnership held by the government, the TUC and the IPA, is that it can be worker-centred offering clear benefits outside the salvation of the enterprise. But this erroneously shifts partnership away from its connection to competitiveness, which will continue to be sought by any means necessary. Evidence from WCCI demonstrates how it is possible to re-conceptualise partnership. There, in the absence of a partnership agreement, the competitive resilience of the company between 1999 and 2002 was largely based on a mixture of the company’s ability to reap partnership style benefits from their agreement with the ISTC, without similar gains for the union. This, alongside the less subtle hire-and-fire policies, had profound implications for the WCCI workforce. At the very least, this opens up the possibility of the existence of partnership ‘from above’ which is not necessarily contradictory to the ‘spirit’ of partnership that New Labour seeks to promote. There is an assumption that “fairness” breeds success, but at WCCI reality suggested otherwise. Thus ‘traditional’ contract relations were maintained from the employer’s perspective yet WCCI, whilst not explicitly utilising a human capital model as such, did ensure that the good of the enterprise was paramount.

This alludes to one of the central problems with the partnership model. This is that it is based, in ideological terms, on the illusion of a level playing-field - at the negotiating table, and, crucially, in employment relations generally. Hendy suggests that there needs to be clear recognition that:

Partnership at work is a concept which is only achievable where power is distributed in some sort of equilibrium. Respect for trade union rights and in particular the right of workers to exert power collectively would appear to be essential pre-requisites to bring partnership within reach. Britain’s trade union laws do not permit a level playing field (Hendy 2001: 17).

The retention of the anti-trade union laws of the previous Conservative government, therefore, actually precludes the development of meaningful partnership and is the clearest challenge to the clarity of the concept. Partnership therefore requires a
balance that is not readily struck. In the hands of New Labour, whose avowal of the
commitments of one side of the partnership (business) is apparent, the concept is
meaningless in terms of the improvement of working lives. That partnership is at its
most salient at the level of rhetoric, is demonstrated in the way that trends are
interpreted to imply that it is in the ascendancy. Undy's argument (1999: 321) that the
economic and political context in 1998, when the publication of *Fairness at Work*
forced employment relations to the forefront, was such that industrial relations
practice followed the pattern of the 1980s is persuasive. There little real evidence of
that the new culture New Labour proposed has emerged. The situation at WCCI also
supported the salience of this claim. Yet its proponents deploy partnership as a filter
through which each trend, each development in employment relations should be
understood. For example, when commenting on strike figures in 1999, a time when
partnership was a relatively emergent concept, TUC General Secretary suggested
these indicated a growing interest in partnership:

> Industrial action is at an all-time low and the partnership approach to
industrial relations is now the dominant mode. These figures should
nail the myth that unions are adversaries and show good employers
have nothing to fear from a proper partnership relationship with unions
(Monks quoted TUC 1999b).

Such comments demonstrate how partnership is talked into being and talked up, to
make reality fit with the concept rather than the other way round. It also illustrates
how the rhetoric of the leadership of the union movement mirrors that of New Labour
and the Third Way.

> There are clear difficulties with partnership in terms of what it means, in terms
of its benefits to workers, and in terms of commitments on the part of government and
employers to some of apparently central aims. Furthermore, as Hendy (2001) makes
clear, full reform of trade union law is the best guarantor of making partnership a
reality. Yet this is not part of the government’s agenda for industrial relations since:

> The existing balance of power, which favoured the employer, was seen
as appropriate, otherwise the Conservatives anti-trade union legislation
would have been subject to more radical changes (Undy 1999: 330).

Partnership also assigns labour a particular role. It formally reduces the
activity of rank and file trade unionists and seeks to circumscribe a more formal
understanding of ‘reasonableness’. At WCCI and elsewhere, this was linked to the
fusion of management and worker goals and, especially, appeals to "foster and further good relations" that were privileged over attempts to counteract the harshness of the WCCI regime. Partnership imposes an institutional regularity on the contradiction between union accommodation and resistance that has serious implications for the nature of workplace unionism. At WCCI, the union's struggle for formal involvement with the company took place in a context framed by the partnership agenda, and this forced them to accept the notion of a commonality of interests between workers, the union and the employer. This shaped the recognition agreement and, demonstrably, a version of workplace unionism that worked against the interests of workers. The fusion of goals was highly significant since it represented a step far removed from the goals that helped fuel the militancy of the earlier period before recognition. Clearly partnership represents a challenge to the autonomy of trade unions as it helps to institutionalise the trend towards acquiescence, outlined by Darlington (1994), which characterised the New Realist trade unionism of the late 1980s and early 1990s. Underlying both is the claim that unions can achieve growth and success if they "can convince employers of their value" (DTI 1998a: 23). WCCI clearly demonstrates the inherent failure of such an orientation, as value to employers is distinct from value to members. When the former is privileged this is damaging, especially where organisation is at an embryonic stage and a former antagonistic outlook on the part of workers was viewed, by workers themselves, as having achieved real gains. Thus, although ordinary shop floor workers experienced none of the new culture of participation in the workplace defined by New Labour's partnership goals, they were still affected by how their influence on the ISTC bureaucracy precluded certain forms of activity and agitation. It certainly did not encourage the sort of trade unionism that appeared to be wholly necessary to struggles in factories like WCCI and which would have helped workers develop as trade unionists and as political individuals.

Kelly (1996) has argued forcefully against partnership, as it represents a long term strategy of moderating goals and approach that threatens the ability of unions to act as a countervailing force. At WCCI this helped fuel antipathy towards the union, made manifest in open criticism towards the Full-time officer. The over-reliance on employer goodwill fundamental to partnership, and the blurring of the distinction between worker and employer interests inherent therein, was evident in the ISTC's overall approach at WCCI. It is unlikely that, had a more formal partnership agreement existed, an outcome more favourable to the workers could have been achieved. Given the general shift away from union involvement on the part of workers
and their increasing lack of faith in the union's ability to 'make a difference', partnership, wholly embraced, would not have drawn workers into activity. Even in its most embryonic form, partnership still helped weaken union development since:

The capacity for legitimate conflict is airbrushed away. The new culture of consensual workplace relations does not seem to entail so much 'partnership' as continued concessions to a management agenda (Novitz and Skidmore 2001: 176).

Final developments in the situation at WCCI help elucidate the problematic nature of partnership. The factory's eventual closure indicates how even a full and flourishing partnership agreement would not have saved a single job at WCCI as, even in the government's and the TUC's approach, commitment to security is weak and ultimately subordinated to flexibility and competitiveness goals. Nor could it, given New Labour's overall orientation towards business interests and efficiency. What WCCI demonstrated in sharp relief was the continuing limitations for workers, in an apparently new context, as they tried to assert power. It also demonstrated how, in the long term, participation through partnership is not a workable alternative to struggle from below that clearly recognises, as the WCCI workers did, a fundamental difference between the interests of capital and labour.

6.4: The Real Impact of New Labour's Legislation

When this research began, the most obvious legislative change that was expected to have a clear impact at WCCI was that introducing statutory recognition. As noted earlier, alongside the issues that emerged at the Gourock plant from mid-1997, the ISTC focused its campaign to recruit at WCCI on the possibility of taking advantage of statutory recognition when it became law. However, what emerged during this research was the necessity of shifting the focus away from individual pieces of legislation towards a wider goal of understanding the context created by the New Labour values that underpin them. Thus the impact of New Labour's reforms in the workplace can only be assessed when the government's orientation is conceptualised and its influence accounted for. I have sought to do this above and in earlier chapters. That "the devil is not only in the detail of Labour's policies but in the values and policy too" (Smith and Morton 2001: 120) was clearly borne out by the evidence from WCCI.

At this point, it is worth re-iterating the underpinning motivations of New Labour's employment relations reforms. Firstly, there was the clear acceptance that
any resurgence of militant trade unionism, assumed to characterise industrial relations under previous (Old) Labour governments, would be a barrier to New Labour achieving the dual aims of economic prosperity and political success. Secondly, it was recognised that what needed to be developed and promoted was a particular type of trade unionism that was subordinate to business or (even better) that could be harnessed by business to the extent that it posed little or no threat to the corporation or employers generally. It is a re-moulded trade unionism, with unions as acceptable partners to do business with business – in no sense a working class movement. In turn, this could facilitate the creation of a new culture of partnership at work between employers and employees, supportive of, though subordinate to, the partnership that developed between business and the government. Trade unions that conform to the partnership model, following the government’s line of ‘on your side – not in your way’, can be included. In the process, and in the longer term, non-conforming unions can be de-legitimised and de-stabilised. Central to all of this is a relatively parsimonious raft of employment legislation, including the National Minimum Wage and the Employment Relations Act, created to take appropriate account of the concerns of business.

In relation to New Labour’s claims regarding social justice, the idea that justice at work would result from its legislation has been challenged with reference to WCCI. Indeed, what WCCI clearly demonstrates is New Labour’s overall lack of commitment to social justice and a weak attachment, within Third Way ideology, to collective advancement through collective solutions. The fragmentation of collective power is assumed and collective action is undermined by the New Labour. This has a critical impact on working lives that places serious limitations on the ‘positive’ impact of the legislation overall. That the balance of power between employers and workers, which emerged from the mid-1970s under Labour and ossified in the years of Conservative rule, and its resultant weakening of trade unions in terms of both power and numerical strength, is maintained was clearly demonstrated in New Labour’s retention of the previous government’s employment laws. Hence employers and business’ position of strength would be maintained and increased under the stewardship of New Labour. In this context, it is important to assess employment legislation as a central element of this – as fundamental to bringing about this situation – rather than as a positive element of New Labour that is simply undermined by its wider orientation. Although New Labour’s industrial relations settlement is recognised as having serious limitations (Labour Research 1998b; Labour Research
Department 1999; Towers 1999; Hendy 2001, Smith and Morton 2001; TUC/Ewing 2001; Novitz and Skidmore 2001), it did receive a cautious welcome within the labour movement especially from the TUC. The trade union bureaucracy continue to imply compliant unions like the ISTC, had little to fear from the advent of partnership.

In relation to WCCI, there are three key elements within New Labour's legislation seemingly with the potential to impact upon the lives of workers there, given the particular type of management regime that has been outlined above: the introduction of the National Minimum Wage, the implementation of the European Working Time Directive, and the statutory recognition procedure contained in the Employment Relations Act. At face value, the impact of the minimum wage was clear. Employers would apparently no longer be able to achieve competitive advantage through cutting wages. Its impact was also characterised by New Labour in opposition, and in government, as both fully in keeping with its social justice agenda and, crucially, as demonstrating an ability to chart a Third Way course between employers and employees:

"We want a national minimum wage to tackle exploitation and because we believe that by ending exploitation we will make the economy stronger not weaker (Cook 1996)."

"Yes we work with business, but we also introduced the minimum wage (Blair quoted The Guardian 12th March 2002)."

Yet one of the key problems with the minimum wage, illustrated with reference to WCCI, was that set at such a low level (£3.60 in 1998 with gradual increases up to £4.20 in 2002) it had a serious impact on workers who earned just above or around this level. Once the minimum wage was introduced, employers like WCCI had little incentive to improve wage levels much above the minimum. Hence, in a period of over four years, workers there received wage rises of little more than a few pence per hour, despite some very successful financial years for the company. To the extent that workers received any reward in recognition of this, this was paid as a one-off bonus that had no effect on overall wage rates that stayed relatively close to the national minimum. The impact of this was keenly felt by the temporary agency workers and the level of the minimum wage, alongside other problems outlined above, impeded their ability to fight for higher wages. However, Gray's point that a high level of minimum wage "is crucial for the employed as well as the unemployed" (1995: 29) is
particularly salient in the context of WCCI, given the extent to which core workers were replaced by temporary workers on a wage of more than £1 an hour less. Whilst it may be important to view such measures as a step forward:

Minimum wage legislation should not be decried, it can do (and it has done) a great deal here and abroad to help those on the bottom rungs of the social ladder. Nor should legislative provisions for guarantee payments protecting workers against a sudden fall in income due to market fluctuations or unforeseen abnormal circumstances (Kahn-Freud 1977: 2).

It is important not to overstate their positive impact. The government continues to bolster low pay with in-work benefits and this illustrates the limited success of the minimum wage. Moreover, in its submission to the Low Pay Commission in January 2001, the TUC suggested that an estimated one hundred and seventy thousand workers were not getting the minimum wage (TUC 2001). These weaknesses also make clear how social justice ‘at work’ would not simply emerge as a result of New Labour’s minimum standards in the workplace. The closure of the WCCI Gourock plant in 2003 meant remaining work was taken over by the Irvine Riverside plant, where the workforce is predominantly lower paid agency workers. This suggests that, whilst the minimum wage apparently sought to end competition between employers through lower wage costs (Gennard 1997:13), competition between workers in the same companies is allowed to thrive. At WCCI, though inadvertently perhaps, the minimum wage, set at the level it was, acted as a further method through which the management could discipline workers – ‘lose your job here and earn over £1 an hour less elsewhere’- or worse still – ‘lose your job here and come back on £1 and hour less’. Set initially to fit with the CBI’s “comfort zone” of £3.50 (Gennard 1997: 22) at “just twenty pence more than Labour’s 1992 election promise, and nowhere near the ‘50 per cent of men’s median earnings’ - the Party’s original position” (Coates 2000: 130), the impact at WCCI was clear. This suggests that it could drive wages down generally in the long term. Whilst New Labour argues that its aim to remove the worst type of exploitation has been successful (DTI 1998a: 15), this is questionable. The outcome for the workers at WCCI suggests that firms still compete on labour costs and price rather than on quality.

One of the main problems with the Working Time Regulations experienced at WCCI was in some workers exercising their ‘right’ to paid annual leave. Under these regulations, employees with a contract of thirteen weeks or more are entitled to four weeks holiday. However, as alluded to above, WCCI seemingly used fluctuations in
the electronics market, and its general reliance on contract labour, to evade paid leave obligations. Indeed, the testimony of a Human Resources Officer suggested a strategy of non-compliance in this area, whereby WCCI used the notion of seasonal 'shut downs', common in electronics locally, specifically to minimise the cost of both contract workers holidays and perceived impact of core workers 'inappropriate' time-off. Workers ability to expose this practice, especially agency workers, was greatly impeded by the fact that:

Currently the onus is on the employee (with the notable exception of the National Minimum Wage) to instigate legal proceedings against employers who break the law (Citizens Advice Scotland 2001: 13).

Outside WCCI, evidence suggests that non-compliance with the Working Time Regulations is relatively common and entitlement to annual leave is the most significant area where non-compliance is a feature of experience (ibid: 9). This implies that experience at WCCI was not unique and that, in the absence of a commitment on the part of the government to ensure that new rights are universally available, their positive impact was, and remains, considerably weakened. It also confirms a freedom and flexibility afforded employers in terms of their responsibilities not granted to workers. What is perhaps surprising in the context of WCCI was the apparent inability to take advantage of new rights under the Working Time Regulations on the part of the unionised workforce\(^5\). Despite the Full-time officer mentioning these in a positive light, there was no evidence that the union would have been prepared to fight a case in order to win these rights. As soon as the regulations came into force, the company outlined what it believed to be the position of its 'night workers', who had particular rights under the regulations.\(^6\) Some months later, the Full-time officer stated the advice he had been given confirmed that the company were not applying the law correctly. However, this was not pursued. New regulations, regarding breaks for monotonous work and for young workers, were highlighted at meetings by the activists, but, again, these do not seem to have been invoked. This, coupled with what appeared to be a very weak application of already

---

\(^5\) Goss and Adam-Smith's comprehensive study of employer compliance to the regulations concerning holiday entitlement, in particular, suggest the presence of a union had a significant impact on employer compliance (2001: 204). Of course at WCCI, there was a union but whether the company was fully compliant with the Working Time Regulations across the board remained questionable.

\(^6\) Under the Working Time Regulations night workers are not expected to work on average more than eight hours per night, though this is specific to regular night working. WCCI interpreted their rotational 'three shift' patterns as not constituting regular night work.
existing health and safety law on the part of the union, suggested that laws could only be taken full advantage of with the backing of a strong union at local level:

The law does, of course, provide its own sanctions, administrative, penal, and civil, and their impact should not be underestimated, but in labour relations legal norms cannot often be effective unless they are backed by social sanctions as well, that is by the countervailing power of trade unions and of the organisation of workers asserted through consultation and negotiation with employers and ultimately, if this fails through withholding their labour (Kahn-Freud 1977: 8).

In this context, the partnership, flexibility and insecurity that I have outlined above interlink, and act as a countervailing force against the take-up of rights. However at WCCI, the union could have used the availability of these rights to construct a realistic set of demands around which to galvanise members' support. To an extent, one would expect these to be the 'bread and butter' issues that help sustain a union like the ISTC, and gains made to strengthen the union's position locally, without, it should be noted, recourse to militant or wildcat action. The reason why health and safety improvements, including those created by the Working Time Regulations, were not more vigorously pursued by the union locally or nationally was never fully apparent. However a key element of this weakness can be linked to the orientation of New Labour. The new legislation was not designed to re-create unions as a countervailing force. Moreover, this orientation, and 'light touch' enforcement procedures, limits the social sanction element of legal rights. In the struggle to prove their worth to employers, evidence from WCCI suggests that taking advantage of the most basic rights can be impeded by unions struggling to avoid the 'troublesome' label. This is exactly how partnership under New Labour works and why I have conceptualised union-management relations at WCCI as partnership-esque.

At face value, the introduction of a statutory recognition procedure under the Employment Relations Act 1999, presented unions with their best chance of renewal and revitalisation for decades, and created an opportunity to reverse the decline in both membership and influence that had characterised the years since 1979. For unions like the ISTC, it meant the possibility of overcoming the negative impact of de-industrialisation, and added value and legitimacy to their recruitment in sectors like electronics, where previously they had no influence. For workers, potential recognition apparently opened up the possibility of meaningful union membership free from intimidation and, crucially, empowerment and increased influence through
negotiation, where this was not previously available. Both these outcomes, again at face value, represented a challenge to entrenched employer attitudes regarding their ability to run efficient enterprises without impediment from ‘outside’ or worker interests. However from the outset, unions were told that they would need to convince employers that they could play a valuable role in employment relations for the good of the enterprise. At WCCI, it became clear from the resultant recognition agreement between the company and the union that the ISTC were well prepared to operate in this way, even if it acted to the detriment of the membership in the long term. Findlay and McKinlay’s claim (2000: 25) that the union agreed not to pursue recruitment and recognition at the Ayrshire plants aggressively also confirms, this and the negative outcome of such a strategy in terms of its divisiveness is well documented above. In striving to “replace the notion of conflict between employers and employees with the promotion of partnership” (DTI 1998a: 3), New Labour created legislation that assumed something of an ‘ideal type’ of employer. Mutual gains and a commonality of interests in industry and employment are problematic. New Labour’s approach to the employment relationship, that underplays a fundamental division between the exploited and their exploiters, shares the weaknesses of other syntheses of ‘opposites’ that characterise New Labour’s political economy. Post-recognition experience at WCCI illustrated this, and supports Kelly’s argument that:

Actions pursued by employers under conditions of freedom offer a far more reliable guide to their interests than actions pursued under the constraints of union power and pro-union legislation (1996: 99).

Clearly the possibility of statutory recognition placed unions in a stronger position to bargain in advance of the law actually coming into force. It also had the effect of legitimising aggressive recruitment and organisation campaigns. However, from there, the focus, at this factory at least, shifted very quickly towards achieving recognition. As detailed above there were sound reasons for this in the sense that WCCI were continually reducing their core workforce – the ISTC’s target group. What occurred then was the negotiation of a submissive agreement that undermined the opportunity of using recognition to strengthen the union. The delay in bringing the law into force – arguably to fine tune it to suit business needs – contributed to the ISTC’s apparent haste. Its endeavour to gain recognition from WCCI resulted in them gaining little overall in terms of “voluntary understanding and co-operation” (DTI 1998a: 3). This is not to suggest that voluntary recognition in advance of the
legislation was an overwhelmingly problematic course to chart. Given the nature of
the differences between the *Fairness* White paper in 1998 and the subsequent
Employment Relations Act of 1999, this may have represented the most 'union
friendly' route to recognition:

Its [the Employment Relations Act] language bears the imprint of legal
dvice tendered by employers representatives. The circle is squared: a
statutory union recognition procedure has been imposed on employers
despite their opposition; its procedures embody employers' wishes at
almost every turn despite unions' concerns. Examination of the
schedule reveals a series of rigorous tests that establish a highly
circumscribed right to trade union recognition (Smith and Morton

Yet, it was significant that WCCI chose not to wait for the legislation. Realistically,
the company could have held the union at 'arms length' until legally forced to do
otherwise. Findlay and McKinlay (2000: 16) have argued that WCCI could no longer
resist recognition at Gourock. A subsequent 'Trade Union Trends' survey seemingly
confirmed that the possibility of legislation helped change employer attitudes to union
recognition (TUC 1999c: 3). Yet it is important not to overstate the positive impact of
this apparent reconciliation with the legislation by *some* employers. Moreover, Gall
(1999) has outlined a variety of employer strategies to keep union influence in
abeyance, even within the context of statutory recognition.

What I believe voluntary recognition at WCCI indicated, achieved a full year
before the law came into effect, was a deliberate policy of containment on the part of
the company. On the one hand, the company could have continued successfully
without a recognised union. On the other hand, however, militancy and wildcat action
needed to be contained. The recognition agreement gave the employer some
credibility and allowed WCCI room to manoeuvre on new terms and conditions that
militancy was serving to block effectively. The ISTC had proved their worth, not
necessarily through negotiation per se, but through their ability to encourage workers
to draw back from militancy when recognition negotiations were at a 'crucial stage'.
The strategy of containment through recognition was also demonstrated in the lack of
overall legitimacy that the company granted to the union. The persistence of its anti-
union orientation, the continuing harshness of the WCCI regime, undermining the
union's officers on the shop-floor, and at regional level, and the company's renewed
promotion of a defunct Work's Council are all indicative of a deliberate policy. This
lack of engagement with the sort of culture that New Labour strives to create and,
ironically, the ISTC’s implicit engagement with it, contributed overall to the diminution of the strength of the local branch. WCCI therefore exemplified how union power decreased through statutory recognition, and how New Labour’s plans to circumvent the ability of unions to act autonomously could work. Employer concerns that New Labour might be ‘pro-union’ and unions’ hopes of benefiting in the long-term, in terms of growth in number and in influence, are contradicted to an extent.

New Labour’s employment relations settlement, including apparently positive legislation like the Employment Relations Act and, to a lesser extent, the Working Time Regulations, in the context of WCCI, suggest the development of a dichotomy between ‘having a union’ and ‘being unionised’. The former involves union presence, significant levels of membership and even recognition. The latter is linked to actual strength and ability to act in members’ interests through exercising power and influence over managerial decisions. New Labour’s overall ideological position, its orientation towards business and hostility to oppositional trade unionism, weakens both. However it may well be the case that the less effective former position will be characteristic of workplace trade unionism that develops out of the new legislation. The case of WCCI helps elucidate how ‘having a union’ of the type that developed there may present employers generally with an overall, very effective, ‘union busting’ strategy.

6.5: Conclusion

Clearly this case study of West Coast Computer Industries demonstrates how New Labour’s ideology of flexibility, competitiveness and partnership does not serve workers well. The thrust of my argument throughout has sought to show how New Labour’s ideological underpinning works against the interests of workers. Indeed, the ‘picture’ from Inverclyde generally suggests that this ideology serves, in the long term, to act against New Labour’s apparent aims for social justice. This, alongside New Labour’s continuing commitment to neo-liberal, market solutions generally, and to the anti-trade union laws of the Conservatives specifically, act as a highly effective counterweight to the very type of ‘mutual gains’ culture that it purports to promote. WCCI illustrates, in sharp relief, the contours of the ‘new’ world of work that New Labour both seeks to mould and to relate to. It is also indicative of the sort of trade unionism that can emerge within the New Labour context, especially where workers are encouraged to look ‘upwards’ to effect meaningful change, and union officials are not prepared to countenance, in line with New Labour’s overall aims, oppositional
trade unionism 'from below'. It is important therefore to analyse the impact of New Labour on work at macro-level by exploring examples of lived experience at micro-level to fully demonstrate the 'hollowness' of a supposed 'fairness not favours' agenda in the light of the totality of New Labour, and what it actually means.

Lastly, the WCCI evidence also makes clear how little impact devolution has had, in terms of social justice 'at work' and in relation to 'Scottish solutions to Scottish problems'. What has seemingly been de-centralised is responsibility for the effects of the worst excesses of a low-waged, low-skilled economy, whilst the framework through which to address structural inequality is not. The overarching ideological framework of the centre (i.e. the Project) remains intact. Moreover, if, as New Labour would have it, the existence of a Scottish Parliament addresses a fundamental democratic deficit then the supposed benefits of this are far removed from experience in WCCI and Inverclyde, and I would argue, from the experience of the majority workers in Scotland and the rest of the UK.
CONCLUSIONS: THE FORWARD MARCH OF NEW LABOUR HALTED?

There's power in the factory, power in the land, power in the hands of the worker. But it all amounts to nothing if together we don't stand. There is power in a union. Now, the lessons of the past we've all learned with workers' blood - mistakes of the bosses we must pay for. In the cities and the farmlands, to trenches full of mud, war's always been the bosses' way, sir.

The union forever, defending our rights. Down with the blackleg – all workers unite with our brothers and sisters in many far-off lands. There is power in a union.

Now I long for the morning that they realise brutality and unjust laws cannot defeat us. But who'll defend the workers who cannot organise when the bosses send their lackeys out to cheat us? Money speaks for money – the devil for his own. Who comes to speak for the skin and the bone? What a comfort to the widow, a light to the child. There is power in a union.

The union forever, defending our rights. Down the black-leg, all workers unite. With our brothers and our sisters together we will stand. There is power in a union.¹

Introduction

Clearly the purpose of this concluding chapter is to draw together some of the central themes of my argument overall and to highlight the most significant developments that I have outlined and analysed in the thesis. However, it is also worth bearing in mind that the work for this thesis was begun at the end of the last century and as such there have been further important developments in relation to this work that are as yet un-discussed or have been discussed briefly thus far. It is intended therefore to try to develop some points in this regard, and to briefly explore how more contemporary changes and continuities impact on what has been said so far.

¹ There is Power in a Union, Billy Bragg 1986.
Focusing on political trajectories, as this thesis does, brings with it added complexities. On the one hand, research into and analysis of events as they unfold means that 'calling a halt' limits the scope for discussion of further, connected, events as they, in turn, unfold. On the other hand, however, undertaking research of this nature creates the opportunity to utilise its concluding element to speculate in terms of what may occur in the political sphere and to explore how my arguments can be linked to possible developments. I have tried to challenge the dominant ideas regarding the development of New Labour in terms of its assumed 'beginnings' and those regarding the 'beginnings' of emergence of other important features of the contemporary period. Just as questions over 'beginnings' add complexity, therefore, what I am trying to suggest is that notions of 'endings' are as equally complex. Thus political horizons are continually evolving. In this sense, speculation, rooted in the detailed analysis of what are now 'past' developments that has been presented in this thesis, is both possible and necessary.

Also important is the need to discuss the areas where I believe more research is necessary in order to elucidate further key features considered here. In this context, I have also tried to briefly outline possibilities for research that would take the themes and arguments of this thesis further, selecting some areas for development in order to explore some of what is covered in my research in greater depth than I have had scope for.

As I outlined in the introduction, and as I have tried to make clear throughout, this piece of research is fundamentally shaped by personal, political, concerns. In the process, I have been forced to confront personal assumptions, particularly in relation to my own understanding of trade unionism and the possibilities for militancy. I quoted the Billy Bragg song at the beginning of this chapter because it is representative of a personal understanding of trade unionism, though it is rooted in a collective working class identity. All through this research, especially as it has drawn to close in the last few months, I have been forced to confront some of the ideas represented in this song. Essentially, this had not involved my rejection of them. However, what I have learned is that there is a serious, arguably urgent, task ahead of the Labour Movement and activists like myself if the sentiment of this song is to be
retained in any meaningful sense in the twenty-first century. I try to explore this below and utilise my own findings to discuss how this can be done.

In the final section of this conclusion, I also adopt a very personal perspective in relation to the outcomes of the WCCI 'story'. Here I simply represent actual extracts from the final pages of my research diary, written in the week of the factory's closure, after the final union meeting. In doing so, I seek to illustrate the 'meaning' of research for researchers and to demonstrate to full effect how claims to objectivity and academic rigour should never be allowed to detract from how events in the social world impact on those who seek to analyse it.

The Dawning of the New, New Labour Era?

One of the key features of New Labour that has been discussed is how oppositional interests are fused in its underpinning ideology. Central to my argument has been the endeavour to bring together dual aims like social justice and economic efficiency, and to synthesise the interests of capital and labour. Both are intrinsically linked to the pursuit of flexibility, competitiveness and partnership. The evidence presented in relation to both WCCI and the public sector has helped elucidate significant weaknesses in this New Labour ideological position. In both cases, it has been made clear how, within each fusion of antagonistic categories, New Labour clearly prioritises, increasingly in favour of capital and against what were perceived in the past as Labour's traditional interests. Exploring both the public and private sectors, as I have done, makes this all the more obvious. Hence, in the case of WCCI there is nothing in the New Labour settlement that was able to protect these workers. In fact, as I have emphasised, this case study has demonstrated how it actually represents a countervailing force in relation to workers' interests overall. This not only throws into question the very meaning of 'fairness' at the hands of New Labour, it represents an irrefutable challenge to its apparent social justice aims.

Increasingly, though, this presents New Labour with problems. The first among these is connected to a further central element of the New Labour ideology: its ability to relate to and to mould our experience of 'globalisation'. As outlined in The Political Economy of New Labour, key to the development of New Labour, and its political success, is the 'success' of a Third Way orientation towards global developments. It is presented not simply as a Third way but the only way to deal with
the challenges of globalisation and its effects. Yet, for the workers at WCCI, New Labour’s route through global challenges have similar outcomes to those of the previous Conservative governments: redundancy, poverty, and marginalisation. Devoid of its connection to the workers’ perspective, to a concern for outcomes that were at least perceived as at the core of Old Labour’s political programme, New Labour has little to offer. It is difficult to measure how this will impact on New Labour in the future. However, what may become increasingly clear, is the limited purchase of the ‘at least they’re not the Tories’ perspective that played an important role in the return of Labour in 1997 and 2001. This serves to weaken New Labour, particularly in relation to the wider political developments that are discussed below. This weakness is further compounded in relation to New Labour’s recent responses to the ‘dark side’ of globalisation as it impacts on working lives. A clear example of this is to be found in Blair’s recent analysis of the growing trend in off-shore outsourcing, not simply in relation to production but also in the service sector. In March 2004, Blair sought to highlight what he saw as the clear benefits of jobs moving to less developed countries. Put simply, this is good for business:

...contrary to every instinctive reaction, such methods are not merely necessary for business to survive, but can increase the provision of jobs if the extra competitive advantage is properly used (Blair quoted in The Guardian 23rd March 2004).

Clearly this presents difficulties in convincing many that this particular version of competitiveness is good for workers. Though, as has been outlined throughout, New Labour rhetoric is characteristically vague, this speech from Blair contains something which may help frame the New Labour future:

We have to take on and defeat the resurgent voices of protectionism (ibid).

Although this is rooted in Blair’s original Third Way analysis (1998a), there are clear echoes here of ‘taking on the forces of conservatism’ in relation to the public sector. This may represent a more explicit re-emergence of a New Labour battle on two fronts.
In relation to ‘taking on the forces of conservatism in the public sector’, and as a result, from New Labour’s perspective, improving service delivery therein, there has been limited success. The public sector remains a key battleground and New Labour ‘modernisation’ and ‘reform’ have done little to assuage this. Recent strikes by members of the CWU, the PCS and UNISON confirm that New Labour has been unable to talk militancy out of existence, nor is there much evidence to suggest that the public are prepared to embrace the ‘solidarity of the private’ that I noted it was seeking to develop. One important problem for New Labour in the future is that the cost of Public Private Partnerships will continue to ‘bite’, leaving actual service delivery vulnerable to the costs of servicing debts to the private sector. Moreover experience of ‘flagship’ PPPs, like that to build the new Edinburgh Royal Infirmary, have been problematic, and the apparent ‘trade off’ between the private sector profiting from public services and improvements in services has been increasingly questioned. The privatised railways are a key exemplar. Importantly, evidence suggests New Labour’s perspective is clearly at odds with public opinion and the government face its fiercest, well organised critics in the rail unions.

Thus far, the focus of ‘reform’ and ‘modernisation’ in the public sector has been on local government and the NHS. In both cases, it has been met with resistance. Most recently, in terms of the latter, New Labour’s introduction of foundation hospitals, which are seen as divisive and as a clear indication of support for ‘marketisation’, drew criticisms from outside and within the Labour Party. Whilst the impact of this is yet to unfold, given the extent to which New Labour stakes its claims regarding its closeness to the needs of consumers and its endeavour to bring about effective improvements, especially in the NHS, failure here could do New Labour serious damage. The difficulties of distinguishing itself from the Conservatives, outside of political rhetoric, may become increasingly apparent. Moreover, the costly ‘consultation’ and review culture, that has become a central element of the New Labour era in the public sector, has actually intensified people’s experience of ‘down grading’ and closure rather than bringing about improvements in popular understanding. The impact of this, too, continues to unfold, though faith in the listening element of consultation initiatives, the most recent example of which being New Labour’s ‘The Big Conversation’ with the public on services, is limited. This transfer of the ‘focus group’ concern of New Labour in opposition to New Labour in
government may help raise expectations that cannot be fulfilled. This leaves New Labour vulnerable to attack, not simply from opposition parties seeking to capitalise on a lack of improved services, but also from voter complaints regarding New Labour promising much and delivering little. This introduces a further, key issue concerning New Labour's vulnerability that I shall return to below: trust. The relationship between New Labour rhetoric and the reality of the experience of New Labour has been a key element of this thesis. But the persistence and pervasion of New Labour's consultation culture alongside reduced services brings an added twist, that is worthy of further study.

As noted above, thus far New Labour's rhetoric of 'reform' and 'modernisation' has been applied most in practice to local government and the NHS. Towards the end of this second term of office for New Labour, the focus has shifted to the reform of the machinery of central government, the civil service. The Chancellor's 2004 Budget Statement gives us a clear indication of both a key election issue for the 2005 and a definitive aspect of 'third term New Labour': a cull in the civil service that represents the "largest attack on the civil service ever mounted" (The Observer 21st March 2004). 'Efficiency' savings to fund a £20 billion switch to frontline services will involve, according to Brown, the loss of forty thousand civil service jobs, though other estimates suggest the number could be as high as eighty to one hundred thousand (The Guardian 19th March 2004). This development has further significance in relation to the themes explored in this thesis.

Firstly, the announcement that effectively gives tens of thousands of public sector workers their 'notice' was made by the Chancellor in the Budget with similar verve to that of a positive development, a 'pleasant' policy for the common good. Civil servants' modern 'partner' in government chose not to consult on or discuss the biggest mass redundancy ever faced in the history of the civil service. There was no evidence of partnership principle in this respect, no mutual gains, no recognition of distinct yet legitimate interests. Secondly, there is more evidence in this issue about New Labour's relationship with business that I have sought to highlight throughout the thesis. The merger of the Customs and Excise and the Inland Revenue departments, central to the Chancellor's proposal, involves the creation of a high-powered, well remunerated, post for a "captain of industry" to head the new
department (Brown quoted in *The Guardian* 19th March 2004). Thirdly, the main civil service union, the PCS, has indicated that it is prepared to take a "firm line" (Serwotka March 2004). This is significant in that PCS General Secretary, Mark Serwotka, is a popular and vociferous, 'awkward squad', New Labour critic, and the PCS has no Labour affiliation to hinder its struggle in opposition to New Labour government policy. His election, and that of Scottish Socialist Party member Janice Goodrich as President, represented the culmination of a struggle against the union's rule by New Labour modernisers that actually predated the election of the New Labour government. Thus New Labour is setting its face against a very different civil service union leadership than that faced by the Conservatives in the 1980s and 1990s. As a result of this, and cuts in relative terms and conditions, it faces a very different civil service. Indeed, PCS members in the Department of Work and Pensions were already taking selective industrial action on low pay when the Chancellors announcement was made. The civil service and the outcomes of the 'firm line' of the PCS are likely to develop as key sites for the further analysis of a new, New Labour era. One possible point of departure in this respect could be to explore the "protecting society" role that the previous Conservative administration saw as central to the portrayal of the function of Customs and Excise, and how this is forcibly re-conceptualised by the New Labour shift towards fiscal responsibility that the merger signifies.

Thus, the public sector, in terms of limited improvements in services, increasing costs, pressure to convince the public on its real aims in relation to modernisation, and a growing resistance to its objectives by workers, remains a key 'Achilles heel' for New Labour. Whilst the idea of a Summer or Winter of Discontent may be a distant dream for some (nightmare for others), the public sector represents, paradoxically, both the possible embodiment of New Labour success and its weakness. To an extent, as I noted earlier, in this respect there are clear continuities with Old Labour. However, it is the New Labour focus on opportunity over outcome that not only distinguishes it from Old Labour, but that also leaves it more vulnerable than its Old Labour predecessors. Moreover, New Labour's approach to public services has been one of the key themes of attempts within the Labour Party to 'reclaim' it from what is both perceived and portrayed as its Blairite 'virus' and, as such, is intrinsically linked to key political developments that threaten the Project.
A key claim made in the thesis is regards the ability of reformism to reinvent itself. Whilst New Labour demonstrates in sharp relief the difficulties of reformism without positive, lasting reforms, its limitations are also helping to give life to initiatives to reclaim Labour. One such development emerged at the end of 2003 with the foundation of the ‘New Wave Labour’ group of MP’s whose aim is to influence the party’s goals for the 2005 elections and steer it towards a:

Deeper democracy: challenging market fundamentalism...New Wave Labour is grounded in Labour’s core values of equality, fairness and social justice as well as recognising the importance of responsibility and economic opportunity (New Wave Labour 2004).

It is worth noting, firstly, that at first sight, such statements from ‘New Wave Labour’ seemingly bear the clear imprint of New Labour. Secondly, however, what is clear from ‘New Wave Labour’ material is an implicit concern for the ‘social’ that, despite its rhetoric, New Labour has struggled to convince its support for. Hence its manifesto is peppered with claims suggesting a definite turn away from New Labour: support for notions like “collective provision”, measures “against inequality”, “democratic socialism”, “markets have limits” etc. There are two main issues worthy of our attention here, however brief. The first is that New Wave Labour, thus far at least, in its tone and its apparent concerns is, to an extent, New Labouresque. Just as the Third Way seemingly represented a move ‘beyond left and right’, this is a move ‘beyond New Labour’. Hence the second point. What ‘New Wave Labour’ could represent is the emergence of a strategy for a post Blair horizon that takes the ‘best’ of New Labour and, ‘in its own image’, recognises those ‘mistakes’ of the past.

A clear difficulty, in respect of new initiatives within the party, is related to the transformation of how it operates, post-modernisation. A key element of New Labour is its leadership-driven, party professionals-led, character. This limits the scope of grassroots, membership-based, success in initiating further transformation of the machinery of the party. Whilst this favoured a popular ‘Blairism’, this approach is representative of a further problem for ‘future Labour’. It has helped to create and, in recent times, calibrate concerted and well-organised challenges outside the Labour Party in the shape, firstly, of the Socialist Alliance and, secondly, of the Respect Unity Coalition Party, in England and Wales. Launched late in 2003, the latter represents a shift from anti-New Labour ‘alliances’ towards the creation of a new
political party that is considered a highly significant development. Respect "stands for peace, social justice and public provision from the cradle to the grave...and the return to public ownership of our essential services" (Respect 2004). The focal point of its challenge to New Labour is the elections for the Greater London Assembly and the European Parliament in June 2004. Certainly, both the lack of dissent allowed within New Labour and its lack of concern for more 'traditional interests', have helped to increase membership and support for the SSP in Scotland. The influence of the Anti-War Movement has been obvious in both developments. Thus, it should be noted that the continuing occupation of Iraq, with all its inherent, financial and otherwise, problems for Blair and New Labour generally, and public opposition to it, presents Blair with his strongest leadership challenge at this juncture. Despite a contemporary move by some MPs, like Peter Hain, to try to reinvigorate grass roots activism through internal reforms (Catalyst 2004), and the apparent turn away from 'actually existing' New Labour by the 'New Wave' group, the war in Iraq and Blair's continuing support for George Bush is shaping up as Blair's 'poll tax'. It certainly raises questions over 'listening' New Labour, given the scale and size of an opposition that numbers many millions if demonstrations against it are taken as an indicator.

As noted earlier, the issue of trust is becoming increasingly thorny for the Blair government. This has concerned the ability, even willingness, of New Labour to deliver what its rhetoric says it will. It has also been related to the public's suspicion of spin and what I would term 'rule by red top', where, despite what is proposed by Blair and his ministers, and, despite claims regarding New Labour's connection to 'true' Labour values, the development of policy is often related to relentless tabloid headlines. Immigration and Europe are key examples of this occurring in practice. Hence, a question of trust regarding how firmly the government would be prepared to set its face against a critical media is raised. However, where the issue of trust has been most problematic for Blair has been over the war, the existence of 'weapons of mass destruction', and the reasons presented to justify war and occupation. It is not possible to fully explore the issue of the war here. What I am suggesting is that the war is doubly threatening for Blair. Firstly, in the sense noted previously whereby tragic developments in terms of casualties etc. can and will impact on the government. The second sense is, as noted, in relation to trust whereby further revelations
regarding the run-up to war will apply further pressure that could do serious damage. Overall, just as a central element in the demise of the previous Conservative government was sleaze, the weak-spot akin to this for New Labour could be trust.

One further possible problem that New Labour could face is a revitalised Conservative Party under the leadership of Michael Howard. For the whole of Blair’s term in office thus far, the Conservatives have never posed a clear political threat. Arguably, since 1997, elections have been exercises in damage limitation for them as they sought to confront a strong, ‘relevant’, and popular New Labour in the face of the Conservative Party’s own division, dissent, and leadership weaknesses. Currently, there are signs that this is changing. In this respect, I would like to posit two interconnected ways in which developments in relation to the Conservatives could impact negatively on ‘future Labour’. The first concerns the possibility of a quasi-Third Way Conservative Party – a ‘new’ move for them beyond ‘right and right’. Whilst, thus far, there is limited evidence for this, the success of New Labour in key ‘Tory domain’ areas, like public sector privatisations, could offer the Conservatives direction in their own policy developments. Moreover, Conservative developments need to be understood in relation to what the Party will inherit if elected to govern. For example, there is little in the flexibility, competitiveness and partnership ideology, as outlined in this thesis, which the Conservatives would find too problematic. Arguably, in addition, even the type of Labour Movement that New Labour has sought to construct, and the outlook of the modern(ised) trade union bureaucracy, may offer the Conservative Party a key site in which it could seek to construct new alliances. At this juncture, what is clear is that it will be unable to convincingly construct the unions as demonic, undemocratic, Labour puppet-masters, leaving a gap in the Party’s political posture of the last thirty years. A shift towards a more-consensual approach to unions is, therefore, not quite as ‘far fetched’ as it sounds. Hence it is possible to envisage the ‘transformation’ and ‘reform’ of the Conservative Party whereby old alliances are reconfigured (since it will need to re-engage business in the light of New Labour success) and new ones are formed.

The second issue is grounded more in contemporary reality. A central supportive factor for New Labour, despite the weaknesses, the contradictions, and the damage that it is able to inflict, is what I would term the ‘lest we forget mentality’. As
I noted in *New Labour and the Unions*, Blair himself has used the spectre of the return of the Conservatives as motivator to ensure some bitter pills were smartly swallowed, especially by the unions. But a key difficulty is, as New Labour has progressed, it has become problematic to counter-pose the two as diametric opposites. Ironically, this may be representative of an inadvertent New Labour synthesis too far, and the extent to which New Labour can now use the Conservative Party, and, especially, previous Conservative governments, as something to define itself against is waning. Moreover both parties face, not only an electorate increasingly disengaged from 'mainstream' political activity, but one that increasingly has little experience of the Conservative New Right in power, and no experience of apparently more worker-centred, redistribution-focused, Labour governments. It is the understanding of these distinct positions that kept many ordinary people loyal to Labour during the 1980s and 1990s. This change, I would argue, is more damaging to Labour than to the Conservatives. I also believe that useful research could be carried out in relation to these political developments in terms of engagement with the 'mainstream' democratic process, and, importantly, a possible rejection of it, whereby the lack of distinction between the two main parties at Westminster encourage people to turn away from elections as a key method of political expression. Signs are already emerging that they are but research could focused on the 'why' in relation to the political programmes of each party.

**A Weakening Link?**

A central element in the shifting electorate, and which party such changes might favour, is connected to the unions' fortunes, and the relationship between them and Labour. This is linked to continuing questions over the contemporary relevance of unions in a context where "only 18% of under twenty-nine year olds belong to a union" (Toynbee 2004). However, it also needs to be explored in relation to my earlier arguments about the maintenance of the 'false dichotomy' between politics and economics that underpins the Labour-union relationship. There are important issues that require further analysis, as events unfold. The first is relatively simple. Given the features of the New Labour era that I have outlined throughout, an acceptance of 'looking to Labour' politically, tacit or otherwise, can no longer be assumed. Increasingly, the bureaucracy of the union movement, if it is successful in its apparently distinct 'economic' aim of growing the movement (numerically at least), could be faced with a membership not readily able to draw on a sense of shared
historical endeavour and assumed, large-scale, gains made on workers’ behalf through the operation of the Labour-union link. This is an important development, and a key reason for viewing experience of New Labour as having inflicted damage upon this dichotomy. In turn, this, I believe, has forced unions to work harder in justifying the movement’s support for Labour, and, so far, New Labour has left this job largely to the unions. However, perhaps a defining feature of the coming period will see New Labour having to work harder in this area.

This is linked to a second point, regarding the difficulties both face in doing so. One central reason for reproducing the words of the Billy Bragg song at the beginning of this chapter, was that it represents the embodiment of a “them and us” perspective that has helped sustain Labour and the unions for over a century. Hence, the sentiment of this song helps sum up exactly what New Labour sets itself against ideologically. This ultimately raises this question of whether ‘modern’ trade union members across different industries and occupation would recognise the trade unionism of New Labour and the union bureaucracy as the movement that Bragg is describing. On one hand, perhaps New Labour would argue that, if it is the case that they do not recognise Bragg’s ‘power in the union’, then this is a clear indication of the success of New Labour, although there is some hint in it of membership ‘servicing’. On the other hand, without such underpinning values, I would argue that there may seem very little point in actively engaging with even the bureaucratic machinery of the union. Membership – yes, activity – no. Yet both unions and New Labour need such a movement, for without it faith in the joint historical project of reformism can wane. The idea of unions representing an alternative ideological programme, as the Bragg song alludes to, is at their very core. This is problematic for unions and for Labour. It is also related to a distinction that I noted in Reflections on the ‘New’ World of Work between ‘having a union’ and ‘being unionised’. The former is a starting point and is certainly the epitome of the union bureaucracy’s approach currently. Yet, as we found with WCCI, ‘having a union’ is no discriminator in relation to cuts and job losses. Nor is ‘being unionised’. However I would distinguish it from ‘having a union’ since I judge it to be representative of having consolidated, with meaningful activity that is necessary oppositional in character, the ‘having a union’ position to move towards vibrant organisation at grassroots level and something akin to the trade unionism Bragg describes. In the current New Labour
context, it appears that the ‘having a union’ position is the sole aim for the union movement, the ‘best’ that can be hoped for. Yet there are problems inherent in this for both Labour and the unions. If, as Blair and New Labour, and some union leaders would have it, unions are ‘on the side of business not in their way’ and, crucially, that they are servicing organisation like, perhaps, insurance companies, then what is there to engage with in terms of political challenges? Insurance companies do not look to their customers to take militant action to defend them against attacks from rivals. To take this analogy a little further in relation to other servicing functions, the ‘logical’ outcome of the position that New Labour claims it places trade unions in is that they would face competition from other ‘providers’.

Of course this is unlikely to be the case. What I am trying to address here is that unions continue to be central to Labour and to working life. The issue here, that is perhaps another key site for further exploration, is that what is marginalised by New Labour and the union bureaucracy, is any sense of trade unionism being a key feature of a ‘class for itself’. It is a sense of a collective historical endeavour that holds the key to the development of trade unionism and its continuing relevance in the twenty-first century. It is the fusion, not the separation of ‘political’, ‘economic’ and, indeed, class consciousness that breeds a vibrant, and, to adopt New Labouresque terminology, relevant, Labour Movement.

There are many important developments in relation to unions that I would like to examine. However, mindful of constraints of space, I would like to conclude this brief discussion with one further area where problems for both New Labour and unions may emerge. Before doing so, it is worth re-iterating that militancy, especially in the public sector, and hence against the New Labour grain, has continued apace. In some areas, like the Post Office for example, the last year or so has seen the ‘return of the wildcats’ (Socialist Review December 2003). As I write (April 2004), in Scotland, the national strike against low pay by Nursery Nurses, employed by Scotland’s local authorities, continues and this is the longest running, all-out-indefinite, national, dispute there since the Miners in 1984-5. Whilst there is not time to explore these in detail here, it is worth noting in relation to the latter, an important point that links to the final issue I want to discuss in relation to the Labour-union link. At this juncture, the strike is in the process of breaking down. Put simply, a central element of the
Nursery Nurses (and UNISON's) claim was for a Scotland-wide pay settlement and now the union is agreeing local deals with employers. The point that I want to make here is that, especially in the public sector and especially in relation to UNISON, New Labour's term in office would have been made much more difficult without the capitulation of trade union leaders and the marginalisation of members' interests for reasons of political expediency. In a sense, as I have noted in *New Labour and the Unions*, there is little to distinguish New Labour from its Old Labour predecessors. However, and this leads onto my concluding point regarding unions; Labour and the trade union bureaucracy can no longer rely on the assumption that the link will be maintained and hence deliver for Labour. Thus far, only the RMT have officially 'broken' and been subsequently expelled from the Labour Party, though other unions (the FBU and the CWU for example) have amended their individual operation of the link due to membership pressure. These, and the other unions maintaining the link, are however becoming increasingly critical of New Labour. This is clearly challenging, as is the continuing problematic relations with key trade union figures and the growing awkward squad. However, whilst New Labour faces problems with its affiliated unions, I would like to posit a further key problem for 'future Labour' away from those most obviously connected with the 'what do we get for our money arguments'.

A key element of the movement for 'democratic unionism' and 'democratise funding', discussed briefly in *New Labour and the Unions*, has of course been to try to force the whole question of the continuing link onto the union agenda, and to challenge the trade union bureaucracy to offer members a choice in relation to which political party their union helps fund. Most union rulebooks only cover affiliation with Labour, thus precluding funding for other parties, even where there is a democratic mandate to do so\(^2\). However, a further, significant, feature of this movement is to encourage unions without a political fund to set one up. Importantly, these are unions that are not already affiliated to the Labour Party. There are three points worthy of note here. Firstly, for the first time since the Conservatives

\(^2\) In the case of UNISON's 'fudge' of having two separate political funds, the Affiliated Political Fund (APF) and the General Political Fund (GPF) what appears, at face value, the epitome of democratic trade unionism and a compromise relevant to the traditions of local government and health service unions that merged, creating UNISON, appears otherwise, on further exploration. The APF pays money directed to the Labour Party and the GPF is used to further UNISON's aims politically through campaigning and the like. Yet the rules of the union state that the GPF cannot operate contra to APF interests. Hence an openly political campaign against New Labour policy could not be funded from the GPF.
introduced the legal requirement for unions to ballot their membership on political affiliation, those voting will not readily assume a ‘yes’ vote in such a ballot as a pro-Labour vote. Secondly, the growth in alternatives to Labour in this respect, especially, though by no means exclusively, the Scottish Socialist Party, presents progressive choices in such a ballot that have been hitherto unavailable. Hence New Labour could face much more concerted political challenges that are both well-funded and well-organised. Of course, Labour would likely remain one of the choices members would be faced with. However, and this is the third and final point, problems for Labour lie in which unions are likely to consider balloting their members. First amongst these could be the PCS, where as noted above, confidence in New Labour is diminishing and militancy against it is likely to increase. Then, until now, the AUT has had no political affiliation, and it has recently been involved in action against cuts in terms and conditions. Crucially, as the AUT’s recent action demonstrated, key features of many disputes are now becoming focused on linking what appear as ‘employment specific grievances’ to a critique of the general political climate. Hence, the AUT action was intrinsically linked to the National Union of Students campaign against top-up tuition fees, student poverty and debt. In any event, these have all the difficulties for New Labour of public sector militancy that I have already outlined. The possibility of unions and their members linking their ‘fights’ with employers with New Labour political policies adds to the potential risk for New Labour. Nonetheless, it is the possibility of a persistent and increasingly pervasive militancy (in relation to the public sector at least), not bound by any sense of delivering for Labour by having to ‘toe the line’ without experience of Minkin’s “transactional consciousness” (1991: 654), that presents New Labour with its greatest trade union threat. Thus, as events transpire, there is some likelihood that ‘future Labour’ will have to spend as much energy on re-stating the centrality of its relationship with the trade unions as the modernisation project did trying to underplay it.

Settling Down to the Scottish Settlement

By necessity, I will keep this discussion brief, not least because what I have already discussed above is clearly relevant in Scotland and, as such, will impact on developments in the Scottish polity. However, as I outlined in A Tartan Third Way, Scotland remains an interesting site for analysis in the light of the specific way the general New Labour milieu is experienced there. One key element remains the
persistence of the ‘is Scotland different, more radical etc?’ discourse. Given recent, ‘Scottish specific’ developments like the Nursery Nurses dispute and that the RMT’s historic decision was taken, firstly, by its Scottish membership, there is still much scope for further research in this respect. Here, though, I would like to briefly allude to what I currently perceive as issues related to Scotland, in particular, relevant to the key arguments of this thesis.

Firstly, as noted in Reflections on the 'New' World of Work, thus far experience of New Labour’s search for ‘Scottish solutions for Scottish problems’ actually demonstrates a paucity of solutions, as the final pages of the WCCI story and the discussion of developments in Inverclyde illustrated in sharp relief. The creation of ‘knowledge jobs’, Blair’s Third Way ‘a new job if you old one goes’ mantra, economic success (profit) delivering social justice, have been exposed as hollow in relation to the evidence I have presented. One important facet of this is continuing to develop is the abdication of ‘meaningful’ responsibility that the devolution settlement has facilitated. New Labour in power, in both the Westminster and Holyrood parliaments, has, I believe, helped reinforce and reconfigure the very democratic deficit devolution was expected to address.

I noted earlier how new layers of governance had not only not created greater democracy but are actually acting a barrier to the development of effective solutions, and were helping to ‘shore up’ New Labour’s ideological perspective with little practical improvement. I would like to briefly explore this process occurring in practice by looking at two important examples. For the first, I return to the Nursery Nurses strike. The Nursery Nurses seek a national agreement on pay and conditions. They are employed by local authorities, the majority of which are Labour controlled and grouped in the Convention of Scottish Local Authorities (COSLA). The workers’ fight is in one sense with each local authority, the first layer of power, but they are governed by Labour dominated COSLA, the second layer. An agreement cannot be reached so the workers have attempted to take their fight to the Labour-dominated Scottish Parliament, layer three, who claim they are powerless to intervene to impose a national settlement. The point here is not simply that New Labour dominates at each level, though this is significant, but that having it dominate at each level impacts to maintain New Labour’s power in the face of what its Scottish parliamentarians claim
is their *powerlessness*. It is difficult to perceive how a democratic deficit is being addressed in the 'government without power/power without governing' complex that has developed to characterise the devolution settlement in Scotland.

This is further demonstrated by what I argue is the creation of new facet to the democratic deficit, regarding policy decisions that do not affect Scotland being taken by Scottish Westminster MPs. This is particularly relevant in controversial decisions like those to introduce foundation hospitals and university top-up tuition fees that only passed in the House of Commons with the support of Scottish Labour MPs. At this current juncture, this is certainly presenting New Labour with a clear win-win situation. Unpopular policy is shored up by people whose constituents will not be affected by it, hence Scottish MPs do not need to justify their actions to them to any extent. In this sense, Scottish MPs run the least risk of being called to account by their voters and can therefore provide New Labour with an unquestioning reservoir of support. Labour's continuing domination in Scotland ensures there are enough of them to change the course of events in key areas where the government face opposition from its own (English and Welsh) MPs. Interestingly, this means that even a Scottish MP who is against a specific policy, has little to gain and very much more to lose by setting his or her face against the leadership. Again, there is little here to support any New Labour claims regarding democratic renewal and addressing democratic deficit in this situation. At face value at least, this creates something of a protective layer around the individual MPs *and*, importantly, around unpopular New Labour policy. However, it is worth recognising the damage that a democratic deficit, differently configured, was able to inflict on previous Conservative governments.

Whilst New Labour is strengthened by its domination of Scottish politics overall, it is important to point out a key area where this domination may help create weakness in the longer term. As noted above, Labour continues to dominate local government in Scotland. Indeed, the retention of local strength helped Labour to maintain a powerful political position in Scotland whilst 'frozen out' of government office. However, a central element of this, and Labour-dominated regional government, was the existence of a 'fall back' position whereby ultimately the blame for cuts in services, rising local taxation, the depletion of resources to manage etc., could always be laid back at the door of the Westminster Conservative government.
Unpalatable policy could be reinforced with a ‘heavy heart’ or even resisted, as part of concerted campaigns against a government ‘that we did not even vote for’. This, again, helped bolster support for Labour nationally, as the promise of badly needed, local, improvements were perceived as not only contingent upon the election of a Labour government but that these, in a sense, would then be a mere formality. Now, as I have suggested throughout the thesis, this has not turned out to be the case. This leaves Labour councillors with two clear and interconnected problems. Firstly, there is little scope to openly criticise the New Labour vision that they are charged with delivering, and this renders them largely unable to engage with wider political opposition and campaigns against the leadership of their own party. This is not to suggest that all Labour councillors are unprepared to criticise New Labour policy. Many were vociferous in the condemnation of the war in Iraq, for example. But there is a distinct lack of this, particularly where policy is directly connected to the delivery of local government services. Apparent Labour council support for Public Private Partnerships in schools and the sale of social housing to private housing associations, are key exemplars of this point. As with other possible problems for ‘future Labour’, the impact of this is yet to unfold. However, exploring this as it emerges or the routes through this taken by Labour councillors that face ‘credibility’ challenges, could form the basis of further research. Interestingly, a similar problem faces Liberal Democrat councillor whose party are also in Government in Holyrood, though their ‘third party status’ at Westminster clearly lessens the impact of this.

The final issue that I want to briefly consider is one that in no small has dominated the ‘business’ of Scottish politics almost since the first day of devolution in practice, the cost of the Scottish Parliament building. Up from a price tag of around £40 million, the as yet uncompleted Parliament building will cost more than ten times that. It is not possible to explore this is any detail, and it has already had more coverage than any other issue thus far in Scottish politics since 1999. But I refer to it here because of its possible wider implications. Importantly, in one sense, the story of the Parliament building has come to represent a dominant perception of the devolution settlement: was it worth it? There is a sense of frustration at the overall lacklustre Scottish politics that have helped to define devolution so far. This has lead to questions over the calibre of politicians, the conduct of parliamentary business where much of the interesting business of government is conducted via a complicated and
opaque committee system, and, importantly, where all key decisions are taken four hundred miles away in London. There is little sign or sense of a reinvigorated democracy and, I argue, the political battle over the cost of the building and the method of its commissioning, embody this. This creates two specific problems that I feel will not simply disappear once the shiny new building is opened to the MSPs and the camera-clad tourists who might flock to it. The first is already in evidence. Each time a public service or facility is under threat the question of the cost of the Parliament is raised. And this is done so from the increasingly dominant perspective that sees our elected representatives as feathering their own nests out of the public purse, whilst services are cut and key social justice promises are left unfulfilled. The first generation of Scottish New Labour MSPs will long be associated with this sentiment. This leads to the second problem. Being openly confronted with such an explicit cost of New Labour's 'new' Scotland, the question of benefit is never far away.

A Reflexive 'Moment' in a Long Struggle

I have chosen this, the final section of the thesis, as the most fitting point to return to the WCCI story. All too often what the reader is presented with in academic work is a somewhat 'sanitised' version of a very real and emotional process that impacts on the researcher as well as the 'researched'. Structure is often something that we impose after the event in terms of research activity and analysis takes place 'at a distance' from actual events. Bourdieu (1999: 608) has argued that:

...a reflex reflexivity based on a craft, a sociological "feel" or "eye", allows one to perceive and to monitor, on the spot...the effects of the social structure [within which the interview is] occurring.

When such an understanding occurs on the spot, it is important to highlight and utilise it, though when caught up in concerns for rigour, objectivity, and academic 'form' this is not always possible. Yet it is in such moments that the impact of the research process on the researcher is most keenly felt.

I would like to conclude my thesis by trying to demonstrate what I have described above in relation to the case study of this research, by presenting extracts from notes taken at the final union meeting that I attended at the time of the closure of
WCCI, Gourock. It is, in a sense, the final piece of the empirical jigsaw of WCCI. I believe it demonstrates an 'on the spot' understanding of social structure as the research is taking place in relation to the key themes of the research, and the sociological value of, just sometimes, simply 'telling it like it is':

What was happening here in 1998 was anomalous. Workers had moved from traditional industries to 'new' industries before but we were told that in this transition the collective aspects of their work were lost. The fight for jobs, decent jobs, had been replaced with a scramble for any job and a spirit of resistance consigned to the dustbin of history. Over the years, this was portrayed as the end of the organised working class, the end of trade unionism and the end of militancy, which was no longer to be a feature of local experience. In the years of Conservative rule, unions were beaten back by years of legislation - not just anti-union legislation but anti-working class legislation in the shape of the so-called rolling back of the state. Heads went down - perhaps there really was no alternative. The forces of the right at home and the irresistible forces of something called globalisation conspired to create a new configuration of the relationship between capital and labour, the latter irreversibly weakened in the process.

The batten down the hatches and wait for a Labour government approach of the 1980s was exposed in all its weakness in the election of 1992. Even on a programme barely recognisable to traditional Labour voters in terms of both redistribution and in terms of Labour's relationship with capital, Labour seemed unelectable. A radical 'modernisation' and reinvention of Labour that took full account of the purchase of the right and that could make meaningful the reach of globalisation into every aspect of working class lives was the only way Labour could now be elected. Only this would 'save' what used to be the working class. For the many, not the few! A return to a 'socialism' that 'worked'. One that was as relevant to a production line worker as it was to a company executive in the same factory. Flexibility was the key - no jobs for life. These ideas don't need to be explained to the people who worked at the 'leading edge' companies of the new economy in Silicon Glen. With flexibility, little regulation and a very supportive government in the UK, there would be little need to seek out foreign cheap labour. After all, it was readily available at home in the shape of an extremely expendable workforce beaten down by years of long-term unemployment or churning from shit job to shit job, always losing something of yourself in the process. Yet this was the context in which the WCCI workers began to flex what muscle they had to seek out a voice. Things were bad enough but that their boss and his 'pumped up' underlings did not attempt to conceal their overall power over the workers - swearing at them, intimidating them - meant something. It was a shift too far. Recognition of this did coincide with the possibility that a Labour government might be prepared to reign in companies like this. But something would have happened here anyway. 'Success' or otherwise might have been contingent on Labour's legal changes - but they would have gone for it anyway. Legislation did not provoke the early militancy. The regime and the workers' recognition of their position in the organisation of very profitable production did.

The promise of legislation, alongside the development of a new strategy motivated the ISTC to organise in this 'virgin' territory. And then what? Four years of 'jaw-jaw not war-war' that sapped militancy almost as quickly as it had sprung up. Who was really prepared for the influx of the raw, the unorganised? These were not well organised workers in any traditional sense - though many had come from a traditional
background. What might have seemed like indiscipline (the shouting, being drunk at meetings, ignoring 'the rules of the game') can’t be separated from the frustration of working at WCCI. This wasn’t really accounted for properly. This was a fledgling organisation from workers whose only real weapon was militancy. Once that weapon was taken away - before independent organisation could develop - they had nothing. When you actually exist in the world where production is organised around a dichotomy of core and periphery that in your experience is clearly a false one, there is an immediacy that means 'gains' and 'reforms' need to be got quickly. A slow methodical approach undermined this and needs to be seen as inappropriate in this context. Insecurity has become an emotional state as well as a material state. Where is the understanding of this completeness? When large numbers of workers – indeed a majority in one area – are concentrated into these circumstances, this helps breed a geographical insecurity that reinforces the interaction of the personal and the social. Four years later and now with the closure of the factory it is hard to see what real gains were made by the workers at WCCI. In fact closure has even been blamed on the uncompetitiveness of Gourock. How much more competitive can you get as a worker. You're paid buttons, you work long hours and crazy shifts. There has even been some debate over whether problematic worker-management relations have brought about closure – the old 'if they’d kept their heads down and their mouths shut then they’d have a job' argument i.e. union recognition, and the fight for it quickened their demise. The evidence for this is non-existent and other developments suggest otherwise. There’s no union in Compaq whose merger with Hewlett Packard brought hundreds of job losses and transfers here, in Ayrshire and elsewhere in the world. The job losses connected with IBM transfers to Soleantron then Sanmina happened in the absence of unionisation. How production is organised and the so-called competitiveness that is just the latest justification for the route out of capitalist crisis create the conditions for this devastation.

Were the workers right to fight? Of course. For a brief period there was a sense of dignity, a real alternative to frustration and a sense of clawing something back. WCCI were forced in some sense, however briefly as it turned out, to factor in the notion of workers having something resembling 'rights'. A mood of collectivism, however ineffectively harnessed, is still a mood of collectivism. The union’s inability (unwillingness?) to calibrate this did damage overall. You see in the brave new world of New Labour, collectivism for unions like the ISTC is a 'value'; an 'ethos'. It is stripped of any dialectical sense of collectivism as both an underpinning value and as a tool, a method. What use is it, divorced of its practical application?

I chose to do this research because I thought I was confronting clear evidence that the working class wasn’t dead. People spoke in class terms and their commentary on daily life at the factory challenged the right to profit at this level while they, and others like them, suffered. I remember a quote from somebody, roughly: ‘you don’t need to be able to spell gemeinschaft and gesellschaft to understand the trajectory of modern capitalism’. Plenty of “them and us” here to make Blair and Monks uncomfortable if they bothered to talk to the right people. But it needed organisation. Where is the campaign to defend these jobs? We’ve lost the ‘right to work’ and those who claim to give political leadership don’t seem to have noticed. Politicians’ platitudes are left unchecked.

WCCI was important for the insight it provides into twenty-first century production and its real effects – effects that politicians and (some) union leaders gloss over. This has been a very strange week. Briefly, I thought it was a joke when I was told a security fence had been built around the factory. The phone call to say the factory had
been closed was one I'd often imagined – the workers often joked that the place would be shut before I'd finished the research. I had been tipped off by someone high-up in another company that the 2000/01 redundancies would mean the factory's closure. I planned that this would be the end of my 'story'. That it wasn't was a bonus and the workers lived to fight another day. There was even another strike.

Seeing the fence and the security guards around the factory, and listening to news report after news report made the analysis of the closure surreal. I was unconnected to WCCI, yet it has been a central part of my life for more than four years. I can only describe how I feel as being like a ghost in a building that burnt down. As an observer, known only to a small core of workers by 2003, I had no legitimate comment to make. I really had to work hard to use the last meeting as an evidence gathering experience because I was deeply affected. Did researcher's distance really matter now? Maybe I could have broken the researcher's code of silence at earlier meetings and have made better use of all the information I was gathering. I might even have made a difference! The notion that these workers might eventually benefit from this research, as long as it was completed, seems so hollow now. Do we use people?

The final meeting was a bit of a shambles – one of the busiest I'd ever attended. It was also an example of a continuing resilience. The ISTC seemed a bit disorganised in terms of the conduct of the meeting – as ever – but they had brought along a collection of 'work' counsellors and advisers to discuss retraining and prospects – very New Labour but still, it was something. But this was a crucial meeting and this represented a squandered opportunity like many that had characterised the period since recognition. Yet the humour, the concern for the jobs of the 'young wans', the open criticism of the ISTC, of the company and other companies in its production network, suggested to me that somewhere in the room the seeds that had borne fruit for the ISTC in 1998 remained. This was the first meeting I'd been at without my activist buddies and I was known only to one man sitting at our table. I was the object of curiosity and humour but I played up the 'just ignore me – I'm doing a project for college' routine.

The noise of the cross-fire of anger and frustration at the company and my own exasperation at the union's refusal to talk about what went wrong or to fight the closure made my head spin. A representative from Scottish Enterprise informed the workers that: "if they wanted to work, they would work" – very Third Way – a new job if your old one goes. But isn't this a Tebbitesque insult – the kind that made us so determined to get rid of the Tories? I let my guard slip a couple of times and this was one of them. I said "shite" at this comment, loud enough for the men sitting at my table to hear. By far the best response to this insult was when one man shouted: "I want to retrain as a scuba diver because I'm drowning in my own debt". Another non-researcher moment came when the workers were filling out forms about retraining needs. They were eager for me to help – I was eager to take it all in. I was asked: "what do I put for occupation?" and I said absently "unemployed?", not realising that I was being asked whether this worker should make reference to his almost ten years in the brave new world of electronics or whether he should revert back to his 'trade'. And therein lies a story. There seemed to be a sense in which the years at WCCI and elsewhere in this new world represented a foray into something that turned out to be as temporary as they always thought it would be. I then remembered my Dad's 'excuse' for not having gone into electronics in the 1960s and 1970s when 'Big Blue' was seen as the model employer. He said it was a seven day wonder. He was right in one sense. The model employer myth lasted longer than
seven days but, just at a time when people like my Dad are getting grips with the idea
the computers are now the commodity, employment in electronics locally is
contracting. In a different sense, no seven day wonder could ever have truly shaped a
local economy, a local labour market — real lives — in the way that this one did. The
cost of electronics in Inverclyde will surely one day be measured in terms of its real
overall effects rather than in terms of the big houses that employment there once
bought or, more recently, the status for credit (some) employment there affords.
I was embarrassed leaving the final meeting because I thought I looked more shell-
shocked than everybody else — the real workers. I was worried that the waiting
photographers would think my ashen face would make a good ‘human interest’
picture for the papers next day. I couldn’t go for a drink with the workers though they
invited me, even offering to pay “cos students are always skint”. I didn’t really share
their experience and yet somehow I did. Somebody joked that they wanted to get to the
job centre before me because I’d be the “cleverest cunt on the bureau”.
The factory might be closed but there are people everywhere who could teach the
‘teachers’ about struggle, about fight, about a spirit that politicians can never wish
away. WCCI has taught me more about ‘two warring camps in a continuous struggle’
than books. It has also taught me that you don’t need to make a choice between
sociology and struggle. Properly conducted — they’re the same.


Central Arbitration Committee (2001) Case Number TURI/29/00,

Central Arbitration Committee (2002) 'What is the Central Arbitration Committee?',


‘Defiant Blair tells TUC he’ll keep the unions at arm’s length’, 13th September.


‘Employers set to face penalties if they fail to inform staff’, 27th June.

‘Brown and Blair warn unions over protests: TUC told no concessions’, 10th September.

‘Awkward squad goes home to plot’, 12th September.


Giddens, A. (2002a) ‘Don’t go back to the bad old ways of tax and spend, Mr Blair’ The Independent, 7th January.
Giddens, A. (2002b) ‘There is no alternative – the Third Way is the only way forward’, The Independent, 8th January.


‘Boss steps into shift row’, 21st February.
‘Pay rise offered for shifts deal’, 2nd March.
‘Factory admits drug problem’, 26th October.
‘Part- Time jobs boost for 400’, 29th October.
‘Drug test results shock plant bosses’, 2nd November.
‘Protestors back sacked worker’, 5th December.
‘Workers slam “scrooge” firm’, 28th December.


‘Union victory at West Coast Computer Industries’, 21st January.
‘US giants may target WCCI’, 6th February.
‘Workers asked to take a wage freeze’, 4th March.
‘West Coast Computer Industries urged to reward workers’, 22nd March.
‘Sacked cancer sufferer gets job back’, 2nd April.
‘Forklift driver wins unfair sacking claim’, 26th August.
‘WCCI workers to step up protest’, 21st December.
‘West Coast Computer Industries staff ready to strike’ 23rd December.
‘WCCI strike action called off’, 24th December.

'You'll be next!', 28th March.
'Christmas of worry ahead for workers', 25th November.
'Fighting for West Coast Computer Industries', 29th November.

'Firm "has gone back on pledge"', 27th January.
'Worker wins case - but no cash', 4th December

'West Coast Computer Industries workers threaten "lock out"', 12th February.
'Jobless queue up 700', 26th May.
'Situations Vacant', 22nd May.
'WCCI takeover "good news"', 9th August.
'Workers are among the lowest paid in the U.K.' 19th September.

'Let's work together', 28th October.
'Strikes loom at computer plant', 5th November.
'Pay dispute at computer plant is over', 21st December.

'Sacked factory workers unite', 8th January.
'Immense relief as IBM jobs are saved', 8th January.
'Inverclyde workers the lowest paid in the UK', 17th February.
'218 jobs axed at electronics plant', 29th August.
'Firms taken to tribunal', 14th October.
'We can't wave a magic wand', 27th November.
'Jobs shock for plant workers', 11th December.


(1999) 'They have to toe the Labour line', 11th May.
'Team Mates', 15th September.
'CBI and cabinet link up call', 14th September.
‘Call to break union links with Labour’, 14th September.
‘Better pay and due respect’, 20th March.
‘Job satisfaction falls for public workers’, 22nd March.
‘Council home transfers are “bad for tenants”’, 30th May.
‘Sweden asks: who set off riots?’, 16th June.
‘The relationship between the unions and the Labour government has soured since the election’, 9th July.
‘Blair defies unions on reform’, 16th July.
‘Learning called to account’ 11th September.
‘Course learning accounts suspended’, 24th October.
‘Firms applaud DTI’s new look’, 23rd November.
‘Hospital plan opens old wounds’, 5th December
(2002) ‘Blair and Berlusconi frame deal to free up EU markets, 16th February.
‘Blair spells out Labour’s future’, 12th March.
‘Blair lashes left as he calls for partnership’, 11th September.
‘A model moderator beset by doubts’, 9th December.
‘UK can benefit from jobs heading to India’, 23rd March.

'Poster campaign aimed at influence of “Millbank Mafia”, 7th April.

'Why the emotion is lacking for Alex Salmond and the SNP’, 13th April.

'Why Tommy Sheridan is wearing a suit’, 13th April.

'Galbraith defends the PFIs’, 14th April.

'Resignment blow to Labour: leading trade unionist says he can no longer defend the indefensible’, 15th April.

'A matter of spreading the risk’, 16th April.

'Labour PFI claims rejected’, 16th April.

'Loan shark remark haunts candidate’, 16th April.

'Denise is still a Menace’, 25th April.

'Brown gets down to business’, 30th April.

'Blair woos TUC with rhyme and reason’, 15th September.


'Minimum wage to rise by 10p’, 15th February.

'Law change braces unions for rush of new recruits’, 5th June.

'TUC chief attacks Blair on Charter of Rights’, 23rd June.

'TUC calls for £5 minimum wage’, 25th August.


Irvine Herald (1998) 'I won't deal with a "soap opera" union' 30th January.


*The Observer* (1999) 'Puppet Labour is worst for Scotland than Tories', 7th February.

'Salmond's wager with history', 7th February.

'Salmond leads Scots’ revolt against PFI’, 14th February.
‘Are we Different?’, 14th March.
‘Campaign exposes Labour splits’ 11th April.
‘Labour “is hiding real cost of PFI”’, 18th April.
‘Labour in disarray as poll looms’, 18th April.


‘Canavan to form left-wing alliance after election’, 18th March.
‘STUC steps back from battle over private finance’, 22nd April.
‘Campaign rocked by McAllion broadside’, 30th April.
‘SNP would be unable to halt PFI’ 5th May.


(2003) 'Beyond the crossroads' December.

'The wildcats are back' December.


'Outrageous expulsions', 18th May.

(2002) 'More than an echo of Thatcher', 18th May.

'Money is there for decent pay', 23rd November.


'Reflection of workers' growing anger', 13th September.


STUC (1999a) The Trade Union Agenda for the Scottish Parliament, Glasgow: STUC.

STUC (1999b) General Council’s Statement on PFI to Congress 1999, 21st April (accessed via author’s attendance/ observation at the STUC Congress, 1999).


(2001) ‘We have done all they asked…now they kick us in the teeth’, 29th April.


TUC (1999c) Focus on Recognition, London: TUC.


