

**The process and consequences of industrial restructuring
and plant closure: A case study from the UK steel industry**

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‘It was like standing on an empty stage; the actors had gone and there was nothing to show who they were or what the play had been about’

Barker (1998)

Visiting Ebbw Vale today and looking out over the site of the former steel works, it takes no little imagination to visualise 200 years of industrial history. This research, although ultimately about the social processes of industrial restructuring and redundancy at a general level, has used the case of Ebbw Vale as a specific analytical vehicle. It is therefore dedicated to the steelworkers – at all levels - of Ebbw Vale, their families, community and particularly those individuals whom I now count as friends. It is axiomatic to declare that life moves on. Nevertheless, such post hoc rejoinders can appear glib and unsympathetic to the participants in, who are often the victims of, industrial change. Ebbw Vale without a steel industry *is* unimaginable. Although regeneration is taking place and the life of the community will revive, it is no bad thing to occasionally take time out to wonder at the social costs of late Capitalism and whether its dramatic impact might be differently enacted.

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The other group of people to whom I dedicate this work are all those individuals who gave freely of their time to participate in this study. These include many managers and employees across Corus and ASW and especially the steel workers of Ebbw Vale (some now good friends especially Jeff Morgan and Dai Davies), their families, their community and the achievement of 'Peoples Voice'. Finally, the thesis is dedicated to the memory of Vernon Lewis.

Abstract

The central objective of the thesis has been to present an account of the industrial relations of industrial restructuring and plant closure. Whilst there are many portrayals of the circumstances of plant closure and particularly the implications for victims and survivors, academic interest has rarely focused on the whole process. Hence a key consideration has been the exploration of the full life cycle of plant closure: the complex dynamics of the processes of industrial restructuring, framed by historical, geographical and political contexts and the social and industrial relations processes therein. Included here is the attempt by one trade union to develop a post closure strategy of community unionism.

The context for the study is that of the UK steel industry and specifically the Corus restructuring exercise that took place in 2001 and 2002. The research strategy took the form of a qualitative, embedded case study. Hence although the closure of the Ebbw Vale steelworks was the focus for detailed investigation, the research encompassed the wider corporate organisation and also the community of Ebbw Vale.

The findings show that the crisis that engulfed Corus in 2001 was the result of the combination of historical, financial and political factors. The ability of the organisation to respond to crisis was almost fatally damaged by the power of the banks and tensions between Dutch and UK management. At national level, unions were also divided by internal divisions. At this level, there was no rapprochement between the representatives of labour and capital. Once, however, the requirements of restructuring moved to plant level and the reality of closing a site over a protracted period of time, the financial and human crisis of restructuring produced a different dynamic. There was a shift in the balance of power towards labour and constructive engagement between unions and management occurred. The findings also show that an organic link with industry and community might be a necessary but not sufficient condition for the success of attempts by unions to retain membership and influence post plant closure.

In conclusion, the findings demonstrate how industrial restructuring and plant closure are subject to different and distinct phases of negotiation shaped by wider political,

managerial and union strategies. The interplay of different forms of employee participation, the ebb and flow of power relations and the balance between conflict and cooperation are the key dynamics highlighted in this thesis.

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Introduction

The central objective of the thesis has been to present an account of the industrial relations of industrial restructuring and plant closure. Whilst there are many accounts of the circumstances of plant closure and particularly the implications for victims and survivors, academic interest has rarely focused on the whole process. Also, in general, much industrial relations case study research has been focussed on events at the micro level and failed to address adequately the wider set of conditions that has shaped industrial relations processes. It is these gaps in the literature that this study has attempted to address. Hence, a key consideration for the research has been an exploration of the full life cycle of plant closure. Central to this objective has been an investigation of the complex dynamics of the processes of industrial restructuring, framed by historical, geographical and political contexts and the social and industrial relations processes therein. Included here is the attempt by one trade union to develop a strategy for Community Unionism. The study therefore presents a multi-dimensional exploration of a single act of plant closure embedded in the wider political, organisational and social context of industrial restructuring. The study also aims to follow the example set by Nichols and Beynon (1977: viii) in their study of industrial relations the chemical industry in the North East of England and in an exploration of the structure of social relations of the capitalist economy, to 'connect with the lives that people lead' and 'tell it like it is.'

The context for the study is that of the UK steel industry and specifically the Corus restructuring exercise that took place between 2001 and 2002 and its aftermath. The research strategy was that of qualitative, embedded case study. The empirical content of the thesis is derived from the study of five steel works and based upon semi structured interviews, participant and non participant observation and the examination of documentary material. The study had a longitudinal element in that investigation of the impact of the Corus restructuring has continued and is ongoing. Although a specific case, that of the closure of the Ebbw Vale steelworks was the focus for detailed investigation, the research encompassed the wider Corus organisation and the community of Ebbw Vale following works closure. Contacts with Corus employees and union leaders beyond the case study sites allowed insights into the wider impact

of Corus and trade union strategy. Ongoing engagement with local community activists and politicians, underpinned the assessment of the impact of the closure on a particular trade union and the relationship between this union and the local community.

The study has shown how industrial restructuring and plant closure are complex processes subject to different and distinct phases of negotiation that are shaped by wider political, managerial and union strategies. Central to these processes of change are the interplay of different forms of employee participation, the ebb and flow of power relations and the balance between conflict and cooperation. Through the study it has been possible to develop a more rounded understanding of the nature of participation between representatives of labour and capital during times of crisis and demonstrate how historical forms shape contemporary processes. The findings also show that an organic link with industry and community might be a necessary but not sufficient condition for the success of attempts by unions to retain membership and influence post plant closure. This study appears to have considerable salience for the contemporary UK steel industry.

The thesis is organised around eight chapters. Chapter one provides historical context for the Ebbw Vale steelworks, the social and occupational characteristics of its workers and the industrial relations processes that typified the steel industry in general and the Ebbw Vale works in particular. Chapter two reviews the literature and debates that are reflected in the academic study of industrial restructuring and plant closure. Chapter three presents an explanation of methodological choices and underlying philosophical assumptions. The means by which data were gathered is also explained alongside a discussion of the credibility of the data. Chapter four presents the contemporary (at the time of the research) political and industrial relations context and process of the Corus restructuring in its wider sense. The financial logic that drove the restructuring is explained as is the political and trade union reaction that followed the decision to make more than 6000 workers redundant. Chapter five brings the focus of attention down to the local level. It examines the human and industrial relations implications of the decision to close the Ebbw Vale works and the unsuccessful attempt by the unions to pursue an alternative plan. Chapter six assesses the strategic response of one of the Ebbw Vale unions to job losses. This union,

'Community the Union for Life', or 'Community', developed a new division in order to provide support and skills to its members who were faced with redundancy. Chapter seven follows the development of this division as it overlaps and feeds into the wider union strategy for 'Community Unionism'. Through this strategy, Community aimed to retain members and influence in the community post closure. Chapter eight reviews the empirical findings and draws out their implications.

Chapter 1: The Ebbw Vale Steel Works: History, Industrial Relations and Belonging

1.0 Introduction

This first chapter provides important contextual material for the study. It describes the history of the Ebbw Vale steel works, industrial relations in the steel industry and the nature of occupational and community identity. These factors framed the social and economic processes that were involved in the work's demise. The first section provides a short description of the history of the works that and draws heavily on work by Tolliday (1987) and Caswell et al (2002). The chapter then builds on this historical outline by explaining the occupational and social characteristics of the Ebbw Vale steelworkers, their occupational identity and memory. The chapter then describes the culture and characteristics of industrial relations in the UK steel industry and the Ebbw Vale works. This is important as it offers an explanation of the organisation of work and the hierarchical division of labour and the relationship between the unions and why the negotiations between management and unions unfolded as they did. In conjunction with this, an assessment of the relationship between steelworkers and their unions and their unions and the local community provides insight into the likelihood of unions, Community in this case, developing strategies such as community unionism for life following plant closure.

1.1 The Ebbw Vale Steel Works: History and Decline

Although the iron industry was established in Ebbw Vale in 1790, the modern history of the Ebbw Vale steel works began in 1936 with the construction of what was at the time a technologically advanced wide continuous strip mill. It can in fact be said that in general terms the history of the Ebbw Vale works has been associated with technological innovation and high levels of performance in the context of a difficult geographical location. The construction of this mill followed the ending of iron and steel production in 1929, a development that had led to extremely high levels of unemployment and social deprivation. The construction of the new works was a politically motivated project in that the new steel works appeared to be heading for Lincolnshire until a sudden change of plan. It is generally believed that the government intervened to ensure investment went into a socially deprived location (Tolliday 1987).

Nevertheless its construction provided jobs and economic stability to a community whose fortunes had been intimately interwoven with the fate of the steel works.

From World War Two, the Ebbw Vale works received regular investment and was at the forefront of technological innovation. The first electrolytic tinning line outside the USA was installed in 1946-7. This was followed in 1950 by a substantial investment in blast furnace and milling capability. In 1958 the works commissioned a continuous galvanising line, the first of its type in the UK. Further substantial investment in steel making and hot milling and the construction of a second electrolytic tinning line, the fastest in the world, was announced in 1959. Concerns about the future viability of the works surfaced in 1958 when a new integrated steel works was constructed at nearby Llanwern. This concern was compounded by the designation of the Ebbw Vale works as a high cost operation and in 1962, 1500 workers were made redundant. Although output levels continued to make record highs the financial performance of the works began to deteriorate. Investment continued in the works and in 1967 the decision was made to construct a third electrolytic tinning line followed by a second galvanising line in 1969. Output records continued to be broken but concern about the future of the works continued. The managing director of the South Wales Group of steel works, within the structure of the nationalised industry, declared in 1969 that the future of the works would not be decided 'without final consultation with management and unions and the community of Ebbw Vale,' (cited in Caswell et al 2002: 324). Nevertheless, the world of steel making was changing. The increased need for bulk imports of foreign raw material and hence large ships and deep harbours, brought into question the future viability of works such as Ebbw Vale. This warning was made in the context of substantial losses. The anticipated decision that Ebbw Vale would be reduced in size was made in 1970. The ending of the hot process was to be gradual and completed in 1975. Although iron and steel making was to end, investment was made to increase tinsplate production by one third.

A review of the future viability of the Welsh steel industry started in 1966 when the Benson committee concluded that only the works at Llanwern, Port Talbot and Shotton could survive. The later, 1973 White Paper of the Conservative government however proposed that only Port Talbot and Shotton should survive (England 2004). Nevertheless, before steel working at Ebbw Vale finally came to a close, a Labour

government was elected. Tony Benn, the new Secretary of State for Trade and Industry on behalf of the government declared that the White Paper proposals were to be reviewed. The review involved the government, the British Steel Corporation and trade unions and was led by Lord Beswick. Although the newly formed Welsh TUC met with Beswick and local action communities sought to emphasise the impact of large scale job losses on communities, for Ebbw Vale, the conclusion of the review was to be disappointing. The review delayed the closures of East Moors and Shotton but confirmed that iron and steel production at Ebbw Vale was to cease. Both the government and BSC supported the conclusions of the review. For the government the central issues were support for redundant workers and the creation of new jobs. This was reflected in the Ebbw Vale works with the establishment of a Regeneration team that had responsibility for both workers and equipment (Caswell et al 2002).

In 1972, iron and steelmaking ended at Ebbw Vale with the loss of 4500 jobs. The works was realigned through a £57m investment as a tinplate producer. In May 1980 following the national steel strike, Ian McGregor the newly appointed Chair of British Steel presented the steel unions with a survival plan. This was predicated on increasing productivity, reducing costs, improving quality and customer service. The plan also involved restructuring the organisation around markets rather than regions. A ballot of all employees obtained a 78% majority in favour of the plan. The following years witnessed improvements in the financial situation of BSC and further output records at Ebbw Vale. The finances of BSC were damaged by the national coal strike and in 1986 Bob Scholey the new Chair of BSC made it clear to employees that the survival plan still faced dangers in the form of high raw material costs, price instability and adverse exchange rates, the same factors that had been blamed for the record losses in 1979. In 1987/8 however, the organisation made record profits of £410M. At the end of 1987 BSC was denationalised and members of the public and employees were offered participation at discounted rates in a share savers scheme. This was more than three times oversubscribed.

1.1.1 The Final Years

The final two major investment projects at Ebbw Vale took place in 1989. These involved mill refurbishment and the construction of a fully automated warehouse but at the cost of 140 jobs. In the same year, as aluminium products began to erode the market

share in the beverage sector held by tin, the tinplate business (consisting of the Ebbw Vale, Trostre and Velindre works) was reorganised. This resulted in the closure of Velindre. In 1990, as British Steel in its first year in the private sector made record pre tax profits of £733M, output levels at Ebbw Vale were at an all-time high. The reduction of pre tax profits to £254M in the following year resulted in the loss of 3500 jobs across the company. The deterioration in profitability continued alongside further reductions in employment levels. The Chairman of BSC made it clear that further job losses were necessary to reduce costs and increase yield (Caswell et al 2002). In the context of falling world demand for steel, 1992 saw the closure of the Ravenscraig steel works in Scotland and British Steel moving into loss, a situation mirrored across all European steel producers. The context of the European steel industry was one of fragmented ownership, state control and subsidy. This, the management of the privately owned British Steel argued, was a state of affairs that the European Commission needed to regulate. The Commission did move but support for the industry came in the form of financial support for redundancy costs for the 50,000 steel workers who, it was considered, would be likely to lose their jobs when the European steel industry restructured.

British steel continued to lose money. Falling demand and excess capacity led to falling prices. In 1994 the company returned to profit and was proclaimed by its management as the lowest cost producer in Europe. Nevertheless, in the attempt to further reduce costs, in early 1994 both the Ebbw Vale and Trostre works suffered job losses. The Chairman of British Steel, Brian Moffat made clear his view of government subsidies for the steel industry and also the rationale for the existence of the company. Subsidies, he contended, had been used as a short term and ultimately unsuccessful means of minimising unemployment. However, 'the steel industry is not about employment or national identity; it is about making money for its shareholders. It is not about subsidies it is about competition and if this is about mergers and partnerships with other companies ...then this is the way we should go' (cited in Caswell et al 2002:361; Gow and Bannister Guardian 2001).

During 1994/5, in the context of increases in both demand and prices and also beneficial exchange rates, British Steel became the world's most profitable steel producer, reporting pre tax profits of £578M. This good news did not, however, extend to Ebbw

Vale. In 1995 overcapacity in the tinplate industry was given as the reason to close a tinning line in Ebbw Vale and concentrate production at the Trostre works, with the loss of 165 Ebbw Vale jobs. Indeed, throughout the 1990s, both the Trostre and Ebbw Vale works were subject to a continual drive for increased efficiencies but with investment heavily skewed toward Trostre, a newer plant. At the end of the 1995/6 financial year, British Steel had increased its pre-tax profits to £1.102B, a record for the UK steel industry. Associated with this were increasing competitive pressures on the tinplate industry. Pre-tax profits for 1997/8 were £315M but by 1999 this had been converted to a £142M loss. The explanation offered by the company was a combination of economic downturn in Asia and the exchange rate for sterling. During the period under discussion, output and productivity records were regularly broken at the Ebbw Vale works.

1.2 Community, Politics and Steel

In order to understand the potential ability of Community to sustain participation by individuals in the form of a community union, it is important to understand the nature of the community of Ebbw Vale, its history, geography and the characteristics of steel workers who Community sees, in Ebbw Vale at least, as a key part of its core membership.

Life in the valleys of South Wales has engendered an ardent sense of community. In Ebbw Vale this has been particularly strong. Indeed, although the steel works had experienced continual decline in numbers since 1961, in 2001 the works still employed around 10% of the population of Ebbw Vale and around 85% of employees lived within a 3-mile radius of the plant and almost all within the wider Blaenau Gwent area. Rhodri Morgan felt moved to say in 2001 that, ‘The importance of the steel industry has declined everywhere and only in Blaenau Gwent is the Unitary Authority area and idea of a steel community near to being equivalent’ (Morgan 2001). Dai Davies the Westminster MP for Blaenau Gwent puts it more emotively:

Industries such as steel and coal give an identity to the people working in them and to the areas in which they are located. We need to ensure that young people have a role in life, a sense of belonging and a purpose to their existence. The industries were hard, are hard and are dangerous, but communities were built

around them. I have always looked at the area I represent as a community of steel—it was built around the steel industry and would not exist today without it'

(Davies 2007).

Asked if there was a strong sense of community in Ebbw Vale, one steelworker recollected that:

The abiding memory as a child is the towels because through the steel industry and I think it was the same in the mines, you had free issue towels every 12 months or whatever would be a new issue. So again a memory of that linked to the steel industry. It was like going on holidays it was like the fortnight [holiday] in the steel industry you'd see steel towels everywhere. The towels always had the same pattern; they were always sort of basically white with a fleck of probably green and brown down the side. So everyone who went off to the beaches, local places, like Porthcawl and Swansea or sort of seaside towns at certain times of the year all you would see is towels from the steel and coal industry and they're the sort of things I guess in memory terms always stick with you, you know, and I said the family link with the industry has gone back now generations.

Although less significant now, the impact of religion, particularly non-conformist Christianity, on social and occupational identity in the local community has also been important in forming the characteristics of the population and steelworkers of the locality. From the mid 19 century to the early part of the 20th century, in industrial communities such as Ebbw Vale, the Chapel was central to the life of local communities and hence an integral part of cultural activity and social identity. An ex Ebbw Vale steelworker was asked to describe the role that religion played in his life. Members of his immediate family were involved in the chapel:

My mum and her family going through my mother and my grandfather, they were much more chapel orientated. My father's parents and he went to chapel. As the years went on he sort of moved away from that, whereas my mum and my grandmother and grandfather stayed. At that time [1960s] events tended to

be organised through the chapels and churches, whether that be with some walk out, whether it be a trip to Barry Island, you know, again people would come together within in church and chapel for those type of events and I mean I, you know, picture book in the house where dress up in your fine house, walking through town, walk out and back to chapel, that was all part of growing up.

1.2.1 Steelworkers and the Labour Party

Employment in the form of mining and steel working have from the nineteenth century bound geography and community to work and collective identity in the form of occupation and trade union. To this must be added Labour Party politics. The relationship between the community of Ebbw Vale, the steel and mining industries and the Labour Party has been significant. From the inception of the Ebbw Vale parliamentary seat in 1918 and from 1983 the larger geographical entity of Blaenau Gwent, the constituency had, until 2005, returned a Labour Party candidate. Aneurin Bevan held the seat from 1929 to 1960 followed by Michael Foot who held the seat from 1960-1992. The majorities by which the Labour candidates have won this seat have on a number of occasions – 1983 and 1992 - made this seat the safest in the UK for Labour. The participation of Community in the Labour party has historically, been strong. Community and the ISTC before it, have been fervent supporters of the Labour Party and, ‘The Union encourages all branches to affiliate to their local Labour Party and to participate in relevant community campaigns’ (Community web site 11.4.08). Over the years numerous Labour Party councillors had been employed at the works.

Over half of the electoral representatives on the council were either serving or former works employees, six of the last seven mayors were works employees ...and ... [during the wind down period of the works] ’ ... both chairmen and secretaries of the 3 main union branches were members of the constituency Labour Party, whose MP, Llew Smith, enjoys the largest majority in the House of Commons. In fact the Works Council Secretary and AEEU Convenor, is Mr Smith’s election agent (ex works manager).

Indeed, a current Blaenau Gwent councillor, who had been employed at the works for thirty years, described the historic relationship between the local council and the unions as ‘tremendous’.

The relationship between the local Labour Party, and that of the Labour Party national leadership, changed dramatically in 2005. In response to a decision by the national Labour Party leadership to impose an all women's shortlist and a candidate of its own choice, Peter Law, Welsh Assembly member for the constituency, stood as an independent candidate against Labour at the 2005 General Election. Law overturned a 19313 Labour majority to win the seat; the swing against Labour being 40%. Following the death of Law in 2006, as Law held both the Westminster and the Assembly seats, these were again contested and once again won by two independents now representing the Peoples Voice party. The Assembly seat was retained by the same independent in 2007.

Dai Davies the People's Voice MP, when interviewed, described the decision of the people of Blaenau Gwent to reject and importantly to reaffirm this rejection of (New) Labour as reflecting a number of issues:

In 2005 the Labour Party took for granted a strong community. The Labour Party tried to impose its will ... the valley communities are still tightly knit and parochial. People want to know and support their own people.

He believes that the nature of the local community and crucially the personality of Peter Law had been instrumental in explaining why Law as an independent had beaten the Labour candidate while in other parts of the country Labour had imposed candidates without the same reaction. Law is seen by Dai Davies as being identified in the minds of residents in the community as entirely wedded to Blaenau Gwent. As to why Davies himself had been elected following the death of Peter Law, he believes that again the local candidate factor had been important; that only one year after electing Peter Law, emotional support for Law was still strong but that also the electorate would not rescind the decision to elect an independent so soon after taking such a decisive shift away from Labour.

Beyond the Welsh Assembly and Westminster, the number of Peoples Voice councillors in Blaenau Gwent has been steadily increasing. So much so that following the 2008 council elections, the Labour Party no longer has overall control of the council

with Peoples Voice and other independents holding the balance of power. The Labour Party has 17 councillors having lost 8; the Liberal Democrats have 2 councillors and the independents having 23 councillors, having gained 8. The number of Peoples Voice candidates now stands at 5. The council is now controlled by a coalition of Peoples Voice, Independents and Liberal Democrats, with Peoples Voice councillors taking key positions in the council.

Why might these developments be of significance to the ability of Community to build links with local organisations and attract new members? The leadership of Community as a union is closely aligned with New Labour. It opposed, for example, the campaign of Dai Davies. For Communitas to continue its close organisational and ideological ties to New Labour within the context of hostile community politics could put at risk its ability to develop coalitions and influence and develop its brand of community unionism.

1.3 Occupation, Identity and Memory

First Minister Rhodri Morgan in expressing sadness at the demise of the Ebbw Vale work refers to the ongoing memory of steel:

I share with the community the deep sense of loss that will be felt in Blaenau Gwent with the closure of Ebbw Vale. This site has been producing iron and steel since 1790 and the industry and the town have been inseparable until now. ... It's been a 29 year process of winding down since 1973, but in a town where the rugby team are known as the Steelmen, the steel and tinsplate legacy of Ebbw Vale will never be forgotten
(Morgan 2002).

Nevertheless, historical social and occupational networks are in the process of erosion. Growing commuting distances of existing steel workers, the growing diversity of a once homogeneous working class community, the changing nature of 'industry' and hence the makeup of the local labour market, are changing apace. Occupational memory will undoubtedly fade. It is important therefore, to understand the social forces that helped to shape the nature of the workers at the centre of this study. During interviews both in the Ebbw Vale case and across other research sites, a reoccurring theme that emerged was

that of a clear sense of occupational identity as steel workers. This was strong and ran across age, job titles, skill sets and union demarcations. The respondents were steel workers and proud of it. Workers had typically left school at the end of compulsory schooling, gone in to the works and stayed until retired or made redundant. This sense of occupational attachment transcended hierarchical boundaries. Managers were generally steeped in the industry, often the only industry they had known. Senior managers in particular worked their way up from junior ranks often spending years moving around sites, (unlike production workers) usually within BSC, developing their knowledge and seniority.

Job tenure in the steel industry has historically been long. The typical length of service of the Ebbw Vale workers interviewed was in excess of twenty years. This occupational longevity, albeit in a continually declining overall workforce, underpinned and propagated commitment to the industry. This was buttressed and concentrated through community and family associations. It was expected that sons would go into the works, often following their fathers and grandfathers. A former electrician in the works explained:

When you visited the careers office at the age of 14 or 15, which we did certainly in the seventies when I came up to my leaving the school, it wasn't "Where are you going to work?" it's "What are you gonna do in the steelworks?" Whether you would be an apprentice, whether you'd be on the production lines, whether you'd be a labourer, whatever. It was still that sort of feel. So the link to industry was there from a very early age.

Also,

[The] first thing you did when you left school and applied for a job was to apply at the steelworks. It was either the steel works or the pit. You looked at other industries after. It was like a culture thing in Ebbw Vale. Because you always knew that 99.9% of you was either likely to go in the steel works or the pit. I went for the works because I didn't like it underground.'

(Ex Ebbw Vale works production worker)

It was accepted that having a family member already employed at the works provided an advantage to job applicants. One respondent recalls the interview board he had faced to become an apprentice:

He [head of the apprentice school] was in charge of really all craft training. He coordinated all craft training. Then you would also then have probably two of the instructors, one electrical instructor, you would certainly have a trade union rep as well...Now this was tending to be and I'll be honest with you, where the links were. If the trade union rep knew your father, your auntie, your brother, your cousin, they would undoubtedly have an influence. It was very much the family link that could play a part. Again you had to have the qualifications, but the ultimate decision... if there was a choice and your family worked within, undoubtedly that played a part. It certainly added weight. In fact the story was told that if you came down to two, the one who's uncles, brothers, cousin, worked in the department would get the job if they couldn't decide in any other way, you know, it [family influence] was used there's no doubt about that.

Once employed, the occupational 'argot and mythology' described by Salamon (1975: 231) helped develop a sense of identity that marked out a steelworker from other workers. The 'cellar dwellers' provide a good example. These were workers employed in the large underground bowls of the steelworks who often kept cats to ward off rats (ex steelworker). A current Blaenau Gwent councillor who had been a carpenter at the works for thirty years recalled that, 'you could get anything done [at the works]. One lad always mended watches. We called him shaker as he used to shake the watches.' There was, 'Georgie Muscles', an Ebbw Vale steelworker, 'who for scout outings would pull buses through towns full of children with his teeth' (craft worker recollection from his childhood). Events like these and the larger than life individuals involved, placed the centrality, the normalcy, of the works to occupation, community life and personal identity in the minds of the community and children, the future steelworkers. The works was described by an ex worker as a 'town within a town' that was intimately connected to the community as a whole. In the late 1960s for example, 11000 people worked on the site. It was generally considered that there was not the same community spirit in for example Llanwern, because of the many outsiders who had moved to work there.

The close relationship between the Ebbw Vale works and the local community has, over the years, manifested itself in a number of ways. It was in the early 1950s, when the workforce had grown to almost 8000 employees, that a General Welfare Council was established. The remit of this Council was to attend to the general welfare of all employees including their physical, educational and physical requirements. The on site medical facilities were used throughout the town not only by work's employees but many people from the town used the centre in preference to their own GP. 'If you were ill the easiest place to get to was the medical centre because there was a fully equipped surgery on site and people would take their children there to be treated, you know, it was again part of the community. It was encouraged [by the company] really because of the family feel' (craft worker). Again:

Well again if you look back to the facilities that were generated outside of the steelworks, not only did they put huge – over many years, huge amounts of money into services like the local hospitals and schools, they also provided things in sport terms like the local rugby club, Ebbw Vale Rugby Club was heavily supported by them. [The Ebbw Vale rugby club will be affected by the closure as it derived some of its income from subscriptions collected at the works]. Sports facilities themselves, like you've got rugby grounds that were literally created by the steelworks, and the sense of community was in the works as much as it was in the street because departments played sport against each other. So the sense of community was huge ... If you go back to the sixties, when I was growing up, I would have been 10, there was probably some nine or ten thousand people working in the steel industry. So everyone had a link with that industry whether it be cousins, uncles, brothers, there was always a link with the industry and I think that's where the closeness and community was within steel terms comes from (electrician).

Similarly,

‘My father through his pay packet would purchase things from the [works] stores, like footwear. So I used to wear steel toe-capped shoes to school from the age of about 12 or 13 when you started wearing adult size ... Most people would buy things through the stores, like coats, you know, donkey jacket and the donkey jackets could be purchased through the stores. Duffel coats, so you tended to have a link with it even at an age of sort of 12 and 13 (craft worker).

The relationship between the local community and the Works was enduring and present during the closure negotiations. In a written account of his experiences during the final period at the work, a senior work’s manager involved in the closure negotiations expressed surprise that the Works Council put forward a series of demands relating to community issues:

One specific request made by the trade unions which didn’t fit the normal agenda of such discussions was to discuss the future of sports and leisure facilities such as club houses, bowling, tennis, sports fields and reservoirs owned by Corus. In an impoverished community these were the best and often only facilities available. Their provision for free use by the wider community was taken for granted and was a throwback to the General Welfare Council of the 1950’s.

The Works Council wanted the work’s social club and sports fields to be given to the community. In the view of this manager, ‘such requests were unprecedented as they were not part of the traditional trade union mandate’. He quoted a union official from the T&G as stating pressure from the local community to ‘wring concessions from Corus for all the damage they were doing’ was a factor in such demands. Management refused to meet these demands and the issues were passed to the Blaenau Gwent Council. Throughout the closure negotiations the unions argued that Corus had a ‘social responsibility to the community’, which had provided the plant with generations of workers’ (union negotiator)

In spite of the historic connections between the works and the local community and the concern expressed by lay union representatives that Corus discharge its perceived duty to the community, the local senior management negotiator at the works contended that there was a lack of concern by the local community for the fate of the redundant steelworkers and hence the absence of a fight against closure:

[In] a community where 39% of the population is economically inactive and 25% of those in work are part time, there is perhaps a limited sympathy for previously well paid workers who are about to also receive generous redundancy payments and further state aid.

This might be considered to be a somewhat jaundiced assessment of events but it is the case that the unions did not attempt to organise opposition to the closure within the community. Indeed there were tensions between the union full time officials – at the most senior level – and local shop stewards over such tactics. National officials of the two main unions at the works wanted to fight the closure. For the leading members of the process union, this meant organising a campaign amongst the community that in the view of the leading national officials of the two main unions, lay representatives sought to prevent.

In attempting to understand such events and the relationship between the works unions and the ‘community’, it is important to recognize that compared to major urban centres communities such as Ebbw Vale, although geographically compact and discrete, are not homogeneous social entities. Even amongst ex-steelworkers there were those who were made redundant immediately prior to the closure announcement and who received worse redundancy terms than those that were part of the final closure, those who were cross matched, those who took an pension and those who retired. If there was not a clear vision of what opposition to closure looked like amongst those inside the works, it is hardly surprising that there was not a coordinated groundswell of opposition from the community outside the works.

The march to the town Cenotaph the day following the production of the final coil was inspiring but in reality an emotional outpouring and catharsis rather than a defiant statement of resistance to closure. The local community certainly participated in this

requiem for the works but at no time were attempts made by either representatives from the community or unions to galvanise coordinated opposition to the closure. Indeed from discussions with civil servants from the Welsh Assembly it appears that as much as the local council was enraged at the closure of the works and the potential economic impact on the locality, it rapidly adopted a position of wanting to quickly resolve the closure process and move on to the task of rebuilding the local economy around a different economic base and external labour market.

In one sense it could be argued that in spite of historical affinities between the works and the community, the seeming lack of cohesion between unions and the local community does not auger well for future alliances. Alternatively, it could be argued that there is a like mindedness, one of moving on, leaving the past behind, that might facilitate future partnership and joint activities. The social characteristics of the steelworkers themselves are important factors for assessing the likelihood of ex steel workers participating in coalitions such as initiatives around, for example, community unionism.

1. 3.1 Occupational Communities and Trade Unionism

In conjunction with the strong occupational identity, forged through the nature and often longevity of work at the Ebbw Vale works, findings identified a keen sense of belonging by those interviewed to their local community. In this sense, the geography of the case study site is not, to quote Ward (2007:268), 'an optional extra to the understanding of work, employment and society'. The geography of Ebbw Vale is an important element of the social processes under investigation as indicated by the thoughts of those involved in the closure. There is no assumption here of an idealised, abstracted worker the existence of whom Ackers (1996) is correct to question. It is also accepted that the existence of industrialised geographical communities such as Ebbw Vale are now rare. Nevertheless, findings are entirely consistent with a clearly identified collective occupational identity heightened through the coincidence of occupational community and geographic proximity. This identity encompassed managers and workers alike.

For many of those made redundant, the desire to retain their occupational identity is strong. At a number of the sites studied, individuals regularly meet to catch up, to talk

about and remember their industry: 'A handful of us get together once a month for a meal and we still always talk in the "Royal we" about the plant, so it's still in the back of our minds' (group of former workers). As MacKenzie et al note, (2006) these social rituals act to maintain a sense of collective identity that resonates with the attachment to a trade union that was a 'normal' part of the lives of steel workers. The 'union effect' is clear in the case of the Ebbw Vale steelworks where attachment to a union was synonymous with employment as a steel worker. A respondent commenting on his first days at the works remembers the prominence and customariness of union membership.

The second thing that sticks in my mind ... was the induction into the union. It was never a question of "Will you join the union?" It was, in our case, it was the electrical union you know, and [the shop steward] would come in and say "These are the forms, fill them in, they were deducted from your wages, you don't have to worry about anything else"... Within the first week there was time set aside that they would sign it and that would be carried through. There was no stop on that. It was part of the job. It was a closed shop as such and it was never, they didn't ask the question, it was just taken for granted you would become a member of the union. So, that again, that sticks in your mind. (Ex Ebbw Vale worker)

These historical and occupational factors have implications for the continued collective organisation of labour and the ambitions of Community to develop its community branches. Through the nexus of occupation, location, union membership and social solidarity, the preconditions were potentially laid for continuing union organisation in the absence of a specific workplace.

1.4 Industrial Relations in the UK Steel Industry.

Historically, union density in the steel industry has been high. The ISTC (now Community) has been the main union for process workers whilst electrical and engineering workers have been represented by the AEEU, now UNITE. The GMB and TGWU have represented both semi-skilled and skilled (for example boiler makers) workers. Tinplate works have traditionally contained high numbers of TGWU members, usually congregated at the finishing end of the process. Rivalry in the steel industry between these unions, particularly at national level, has always been intense. This was

particularly the case in the 1970s. During this period although national bargaining took place, each union 'would try to do a deal' (national official T&G). The leader of the 'blast furnace men negotiated a deal that BISA KTA (forerunner of the ISTC) had rejected the year before just to show who was boss' (T&G national official). This internecine wrangling was again reflected in the tensions that developed between the ISTC and AEEU during the attempt by unions to develop a response to the Corus 2001 restructuring plan.

Until the 1980 national steel strike relations between management and unions were relatively harmonious. Industrial relations were associated with an extensive network of consultative arrangements across all levels of the organisation. The apotheosis of this consultative culture was the appointment in 1968 of worker directors. During this period, pay levels were determined through national bargaining on a union by union basis with other general terms and conditions of employment established through a joint union committee. Following the national strike this world of industrial relations changed. National pay bargaining ended to be replaced by single table bargaining at business unit level with productivity based bonuses determined at plant level. Site level 'lump sum bonuses' that could constitute almost 20% of earnings were contingent on the willingness of local unions to accept changes to working arrangements and staffing levels. The increased emphasis on local as opposed to national processes inevitably posed problems for union leaderships contemplating national strategic activity. The seeds of tensions between local and national union interests were hence sown.

A further feature of the industrial relations of the steel industry was the way that work had been organised. One facet of this was the historic divide between craft and process workers. The wage, skill and status of process workers were determined by seniority. Individuals would progress year by year on the basis of time served (the progression of apprentice trained craft workers was not structured in the same way). Management did not intervene in the operation of this process. The significance of the seniority principle to industrial relations was that it gave control over important aspects of the organisation of work to the unions. For although as Banks (1960) observed in a study of the transfer of workers from an existing to a new steel works, although seniority had not entirely governed the selection for redundancy, it provided a framework within which union involvement in the negotiation of redundancy was ensured. An additional dimension of

work organisation was the large number of craft occupational groups. These covered the spectrum of trades needed to support the running of a steel works, for example joiners, builders, plumbers, boiler makers, electricians, fitters, turners and more. As with the changes to the structure of collective bargaining, from the 1970s and particularly following the end of the 1980 strike, management moved to change the way that work was organised and crucially to increase its level of control and reduce that of the unions. This was manifested in a number of ways of which two are of particular importance. In order to simplify the organisation of tasks and increase inter-craft flexibility, the numerous craft grades were restructured into two new main categories, those of electrical and mechanical.

A second major change came in the 1990s with the introduction of teamworking. Negotiations between the unions and British Steel on the introduction of teamworking took place at national level as part of an initiative covering the whole of British Steel (Bacon and Blyton 2006; Greenwood and Randle 2007). Once an enabling agreement prescribing the main terms of teamworking had been agreed, it was left to individual sites to agree the precise details of local implementation. The thinking of BS management for the introduction of teamworking was clearly revealed in the Enabling Agreement. This was driven by the need for a 'substantial improvement in costs ... customer service ... manufacturing performance ... to respond effectively to the increasingly competitive threat ...' (Teamworking Enabling Agreement). Teamworking was also aimed at, 'removing barriers currently restricting employee contribution ... providing opportunities for all employees to contribute to improved performance' (Teamworking enabling agreement).

Teams were combinations of process and craft workers and the rationale of management for the introduction of teamworking (and hence its wider significance) was based upon a number of factors. Teamworking was designed to increase flexibility, cut costs and reduce the size of the workforce. The requirement for increased flexibility and hence multiskilled teams was the corollary of the strategic reduction in the size of the workforce. Correspondingly, the selection process for team membership was inevitably intertwined with that for redundancy. Team selection was achieved through criteria based on both competence and behaviour. The behavioural factors were designed to identify individuals who were most likely to agree to flexible working and who had

high levels of commitment to the organisation. Thirdly, the introduction of teams reflected the direct intervention by management in establishing patterns of selection, training and promotion. The principle of seniority had all but ended. Furthermore, through the introduction of teams, management had instituted direct means of communication with employees. In essence, through the introduction of teamworking, the balance of control over the organisation of work moved in the direction of management.

The role of the national union negotiators in the introduction of teamworking caused friction between local and national representatives. National union leaders, who had negotiated the enabling agreement, left in large measure the precise mode of implementation to local representatives. In a number of cases local representatives felt let down by what they had been given to implement, representatives of process unions due to the undermining of seniority and craft union representatives because of the requirement for craft workers to perform non-craft duties. Interestingly, as with redundancy criteria associated with restructuring in the UK steel industry in the 1960s, local unions representatives were reluctant to become involved in the establishment of teamworking criteria (Banks 1960).

During the period of the research, 2001-2008, the main national joint union committees for the Strip Business (this includes tinplate) were the Strip Trade Board for the ISTC, the Joint Consultative Committee (JCC) for the T&G and the National Crafts Coordinating Committee (NCCC) for the AEEU and GMB. These were primarily consultative committees, generally referred to as 'boards'. Negotiation on pay and main conditions were conducted through a separate mechanism which since the decentralisation of collective bargaining in 1990, and the introduction of single table bargaining, took place at business/divisional level (the two main business divisions were General Steels and Strip Products). This mechanism was the Multi-Union Committee composed of representatives from the ISTC, T&G and the AEEU. Representatives for this committee were delegated from the Strip Trade Board, NCCC and JCC. The management body SIMA, had been incorporated into the AEEU. Secondly, the industrial relations of restructuring and contraction had always been coloured by good redundancy pay and early pensions. 'The company put a lot of money up to buy jobs. Managers would say they always achieved redundancies without conflict

...Canteen talk was always; there will be cutbacks but money' (former Ebbw Vale BSC worker director). 'Ebbw Vale, had been fortunate that it had not encountered this issue [since the ending of steel making in the 1970s] due to the demography of the workforce with only 7 hard [forced] redundancies between 1992 and 2000' Demography would make such a situation untenable in future' (Ebbw Vale operations manager).

1.5 Bargaining at Ebbw Vale prior to closure

Four unions were recognised at the Ebbw Vale works. These were the ISTC (now Community the Union), the Transport and General Workers Union (TGWU), the Amalgamated Engineering and Electrical Union (AEEU - now part of UNITE) and the Steel Industry Management Associated (SIMA – part of the AEEU and now UNITE). The workforce was almost entirely unionised, the ISTC and the T&G being the largest unions and of similar size to each other. Main contractual issues affecting the tinplate business as a whole, for example pay and holidays, were dealt with at the business unit, strip steel, level. The team working agreement of 1997 was for example, negotiated jointly for both the Ebbw Vale and Trostre works. On pay, following business level negotiations involving union national officials, Corus directors would make a presentation to each site after which separate site level negotiations would take place. Although site level negotiations were not able to improve the value of the award, the way that the award was implemented and other issues such as work organisation could be negotiated. This often meant tricky bargaining for the unions in the tinplate sites, 'Management would try to play Ebbw Vale off against Trostre and try to get one site to sign first' (AEEU shop steward). If there was disagreement at site level, union full time officials would pursue the issue with senior business unit management. If agreement was still not possible the issue would involve union national officials and the next level of Corus management.

At works level, the activities of the Ebbw Vale unions were constituted around specific workplace branches. The unions coordinated their activities through the Works Council. This union body consisted of leading activists from each union, generally the chairs and secretaries. The Council elected a chair and secretary from its own number. The Council met with management each month. These meetings were primarily consultative and allowed both sides to raise local grievances and issues such as quality and productivity. The Council had once been more powerful and influential but as the workforce had

contracted so had the membership and influence of the Council. At the time of the research the Council consisted of one representative from SIMA, two from the AEEU and three from the ISTC. The Council chair was an ISTC member, the secretary an AEEU member. The role of the Council was central to industrial relations in the works. All major issues relating to local and national bargaining would go through the Council. Management understood that if it wanted to influence industrial relations in the works, although it had gradually developed mechanisms for direct communication with employees, at some point, the Work Council would need to become involved. This was particularly so during the run down of the site. Although historically the unions had, through the Works Council, worked and negotiated together on issues of mutual concern, individual unions had always had the right to reject a position that might have been agreed by the other unions. Nevertheless, the 'keen rivalry' exhibited by unions at national level between the T&G and the ISTC and particularly between the ISTC and the AEEU, although present at site level, did not exist to the same degree: 'at works level they got on' (T&G national official).

The perception of local management was that the unions at Ebbw Vale were inherently 'militant.' A former site manager described industrial relations at Ebbw Vale as, 'us and them.' He explained that this rarely manifested itself in open conflict and was a reflection of history and 'linked to local political culture' but 'there was no bridge building.' In reality, this analysis related to the period before the 1990s although prior to teamworking, demarcation had been strictly applied. The Ebbw Vale workforce had participated in the 1980 national steel strike and the site had 'suffered from a series of wildcat strikes' by the EETPU in the late 80's (HR manager). Craft workers had historically been on lower rates of pay than production staff. During 1989 craft employees took industrial action in order to remove this differential. Action included lightening strikes, work to rules and a 12-hour stoppage. In the 1990s strike ballots had taken place against job losses but had resulted in an overtime ban.

One production worker felt that, 'they [unions] ruled the roost but all that changed in the 80s'. This was not a view held by leading activists but perhaps indicates the changing balance of power between management and unions that occurred over time. The local managers interviewed were quite clear that the introduction of team working in 1997 was not just about the organization of work but about the ability of management

to more effectively control the way in which work was organized. This of course reflected managements' rationale for the introduction of team working across British Steel nationally (Blyton, and Bacon 1997).

1.6 Participation and Industrial Relations at the Ebbw Vale Works

1.6.1 Teamworking

Once the national enabling agreement for the introduction of teamworking had been negotiated, Trostre and Ebbw Vale participated in a single set of negotiations with teamworking being implemented simultaneously in 1997. The director of tinplate called the two Works Councils together and told them that 'if teamworking was not negotiated, then tin plate was dead' (ISTC shop steward). For three months, meetings alternated between the two sites and eventually an agreement covering both sites was signed. It was made clear to unions from the outset of negotiations that the implementation of teamworking would result in redundancies at the Ebbw Vale works. Hence at site level following analysis of work organisation, criteria for team selection were established. Individuals not selected for teams would be made redundant. Team criteria were based on, 'specific competence' (25% weighting), 'occupational assessment' (15% weighting), 'performance/personal record' (30 % weighting), 'service' (sliding scale up to 30% for over 31 years service). These headline criteria were broken down into weighted components, for example initiative, teamworking capability, qualifications, disciplinary record, attendance record, verbal and numeric reasoning. Competence was assessed by factors such as plant knowledge, communication skills, craft skills, quality, fault finding, health and safety.

Selection for teams 'came at a cost to both sides; renegotiated pay rates and earnings protection in return for 350 job reductions' (member of site senior management team; written evidence). Unlike some sites within BS, unions at Ebbw Vale generally avoided the integration of craft workers into the lines. The one exception to this was in the Pickling Plant where fitters were absorbed into teams. In other units, production workers were trained up to acquire basic skills. 'The idea was that if there was a breakdown that the specialist, one of the electrical or mechanical would come on to the mill and the team then would be the production peoples under the direction if you like of the craftsmen and that was the new team that was created' (Works Council representative). Production employees generally resented craft employees going onto

the lines. This was seen as taking away production jobs. 'Although the mechanical craft stayed on production, after two days, electricians were taken off the lines to be redeployed (again) as electricians' (process worker). Respondents from both management and unions agree that Ebbw Vale went along the teamworking route more willingly than did Trostre

Prior to teamworking demarcation was fairly rigid. If different unions staffed different works units, when moving between these units a fork lift truck for example would stop at the unit boundary. The boundary was invariably an imaginary line but only the appropriate union members could perform work within the units. All this changed with teamworking. Senior management was clear (as at other BS sites) that a central intention behind the introduction of teamworking was to gain control over the organisation of work.

In 1997 a watershed in industrial relations came with the introduction of a Team Working initiative across the business. Instead of the enshrined policy of seniority progression, management for the first time had the right to select its workforce on ability and traditional demarcation barriers were swept aside. This process gave job enrichment and autonomy to shop floor workers and an end to tiers of management.

(Member of site senior management team; written evidence)

Also:

Team working had also seen the end of locally negotiated wage rates for individual jobs, which in turn had been replaced instead by centralised collective bargaining on a flat job profile. Therefore the individual bargaining power of any trade union was replaced by an industry body negotiating on behalf of all.

(Same manager).

Unions were involved with management in the local implementation of the enabling agreement. This was a source of regret for some union activists.

Part of the problem with teamworking was that the union became involved in the selection criteria ... that was probably the most painful, other than the closure

itself, period of change in working conditions I've experienced, because you had craftsmen who would be selected, you had production who would be selected and you had people then forcibly redundant ... A mistake was not getting sufficiently involved in personal development. This in hindsight would have helped people to prepare for redundancy (secretary of the Works Council).

The concern expressed by union representatives over union involvement in selection of team members was well founded. The overwhelming majority of respondents considered the selection process to be problematic. Teamworking was generally considered to be a 'cost cutting measure' and the requirement to apply for ones own job was universally disliked and 'anyone who complained too much didn't get a job ... personalities came into it' (process worker). Such observations cannot have placed the unions in a favourable light. Indeed, as at other sites, local union representatives were placed in a difficult position in attempting to implement a national agreement often in the face of local opposition. 'The unions fought teamworking for a while. Seniority went, this was the big change' (craft worker). This individual described the implementation of teams as a, 'hard process.' The introduction of teams involved selection and deselection. Deselection meant redundancy or transfer to another section and '... someone else being bumped out.' Full time officials were not involved in much detailed negotiations but were central to establishing principles. Once the union fulltime officials took over:

We shop stewards were left in the dark. In our department it [teamworking] was a fiction. The full-time officials recommended it but the shop floor wanted more negotiations. This caused friction with the full-time officials. It split the union. Our department didn't get more money but the sparks and other union members did. We had to cover other jobs but got higher rates. We were never offered the same training as the other craft lads. We were told that technology had not caught up with grinding but we were involved in highly accurate measurements' (AEEU shop steward).

Not all individuals considered teamworking to be a negative experience. One process worker considered that 'day to day life did not change much after teams'. He was of the opinion that following the introduction of team working, the day-to-day working

relationship between the workforce and management improved. There was more dialogue between workers, 'when I first started it was just them and us'.

The ability of employees to affect the way in which their work was organised had actually started to decline from the end of the 1980s. In the late 1980s and early 1990s, computerisation was introduced into certain processes including rolling. This resulted in increased production but fewer employees. The new technology had a major impact on rolling and dramatically reduced the importance of roller men. 'They took the experience out of people. It meant that someone with a brush could run the mill. Young lads didn't have any respect for senior men and their experience' (production worker). Nonetheless, the introduction of teamworking to Ebbw Vale had an important impact on the relationship between unions and management and the balance of power. With the virtual dismantling of demarcation, union control over the organisation of work was diminished although a perhaps unexpected consequence was that the Works Council became more united. Just as employees had to become more flexible towards work, so did the unions in their dealings with each other. This provided the foundation for the unity of action displayed by the Works Council during the negotiations over closure and the 18 month run down period.

1.6.2 Initiatives for Involvement

Whilst teamworking had a major impact on employee involvement and the ability of management to control the organisation of work, and the 2000 redundancy selection process, the recent history at the site had also witnessed a number of involvement projects, mainly under British Steel. These had all been directed at initiating change and employee involvement in production systems, quality and corporate culture. These projects included, 'Transformation Mapping' a 'High Performance Project', 'Performance Improvement Teams', 'Primer Project', the 'Prosper Project', 'TQP', 'TQM'.

Over probably 1985 to the closure there were changes literally every day of the week. The works had experienced a history of change for change sake with no real change actually occurring ... Throughout that period whenever a new system raised its head ultimately it meant job losses. We had meetings, we had training sessions and then all of a sudden job losses crept in, once they were

achieved it died a death. Once the redundancies had been achieved, that was enough, 'we don't really care now, how you run the mill is up to you now on shifts, we don't really care. We've had our 150 jobs, carry on' (Senior AEEU representative).

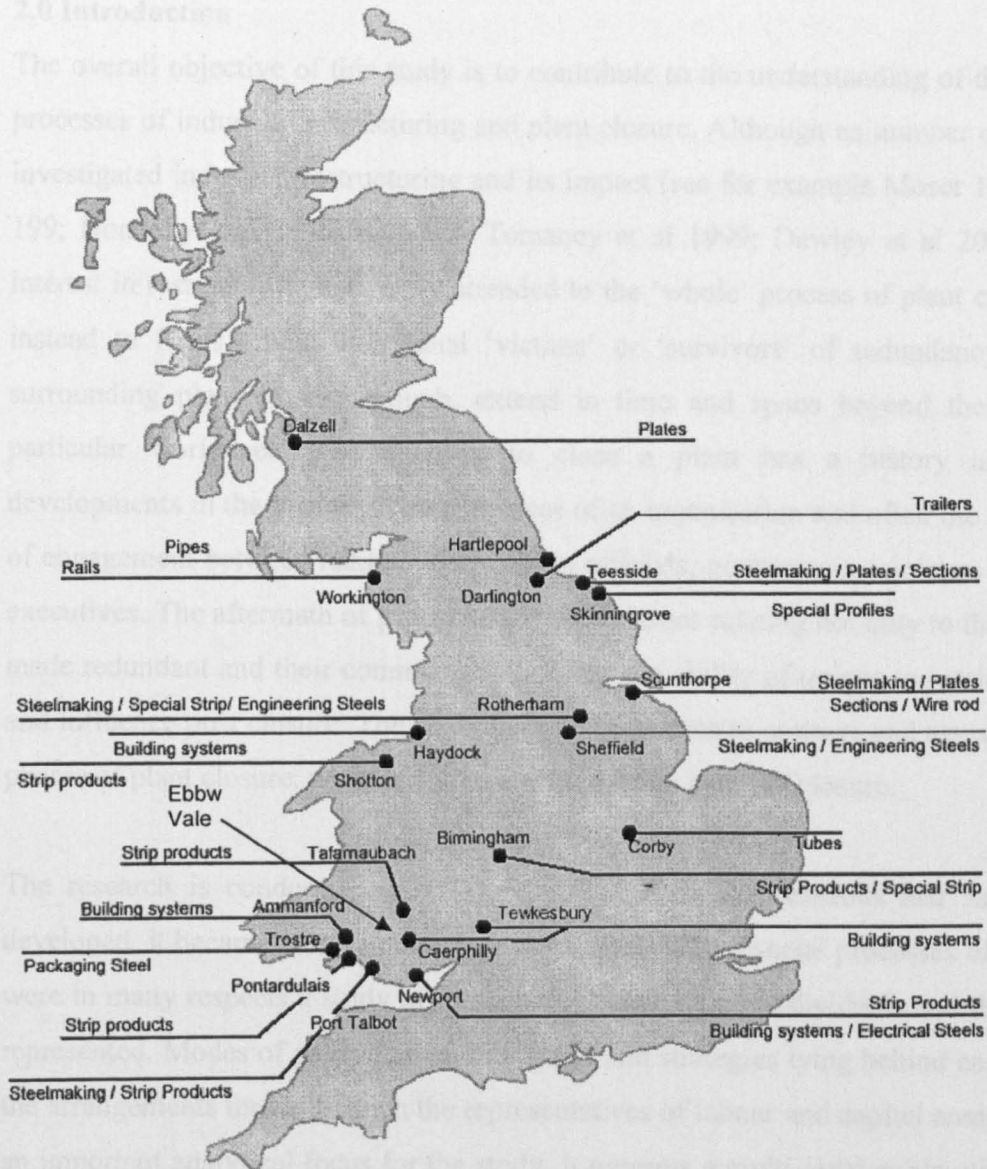
In the minds of employees, there was a clear association between involvement in process improvement projects and attempts by management to alter and more effectively control the organization of work and the job losses that these changes engendered was clear.

1.7 Conclusion

This first, context setting chapter, has described and explained the history of the Ebbw Vale steel works, industrial relations in the steel industry and the nature of occupational and community identity. All these issues and factors were interwoven in the determination of the fate of the Ebbw Vale works and the destiny of its employees and trade unions. The relative isolation of the community and its steelworks and the geographical difficulties of sustaining economically viable production proved crucial and in effect acted to separate off the works and its industrial relations processes from wider corporate, social and trade union support mechanisms. Even in the context of continuous technological innovation, political will and a committed workforce and unions that strongly identified with the works and its locality, these factors were to prove insurmountable objects to the attempt to retain steel working in the town.

The following chapter frames the contextual issues raised in this chapter and develops an analytical structure from which the events portrayed in the ensuing empirical chapters can be explored and understood.

Figure 1: Corus UK sites 2001



Source: Corus 2002

Chapter 2

Restructuring, Plant Closure and Industrial Relations: A Review of Issues

2.0 Introduction

The overall objective of this study is to contribute to the understanding of the context and processes of industrial restructuring and plant closure. Although an number of studies have investigated industrial restructuring and its impact (see for example Moser 1996; Milkman 199; Donnelly and Scholaris 1998; Tomaney et al 1999; Dawley et al 2008), academic interest in restructuring has rarely attended to the ‘whole’ process of plant closure tending instead to focus on the individual ‘victims’ or ‘survivors’ of redundancy. The events surrounding plant closure though, extend in time and space beyond the context of a particular workplace. The decision to close a plant has a history and relates to developments in the business circumstances of an organisation and often the macro politics of engagement between national trade union officials, government ministers and corporate executives. The aftermath of plant closure raises issues relating not only to the fate of those made redundant and their communities but also the ability of unions to retain membership and influence post closure. The study therefore attempts to connect and assess a number of phases of plant closure: what might be termed the life cycle of closure.

The research is conducted within the field of industrial relations and as the research developed, it became increasingly clear that a study of the social processes of plant closure were in many respects a study of interactions between key individuals and those who they represented. Modes of participation, the tactics and strategies lying behind engagement and the arrangements through which the representatives of labour and capital compete, provides an important analytical focus for the study. It presents a multi-level exploration of a single act of plant closure within a wider programme of corporate restructuring. Hence unlike most accounts of plant closure, the study has sought to locate the complex dynamics of plant closure and its aftermath in an historical, geographical and political context. Where, through the contested engagement between industrial relations actors, the act of plant

closure is subject to different and distinct phases of negotiation. Such negotiation is shaped not only by the product market and power relations at the plant but the nature of management and union strategy and the interplay of various forms of employee engagement. In order that these multifaceted interactions and phases of closure can be assessed, it has been necessary to understand not only the nature of participation between labour and capital inside the steelworks but also the interconnection between the world of work and the community in which the work is conducted. This has been achieved through an investigation of location, politics, participation, occupational identity and the nature of community. A number of connected literatures within the industrial relations field, therefore, underpin the research and analysis of its findings.

The starting point for this chapter is an examination of the literature relating to plant closure. This is followed by discussion of debates surrounding participation as they are relevant to the industrial relations of plant closure and this study. The processes of participation are information, communication, consultation, negotiation and collective bargaining. The forms of participation individual and collective, direct and indirect. Although direct participation through teamworking was important to the resolution of industrial relation in the Ebbw Vale works, a separate discussion of the teamworking literature in its wider sense is not relevant to the role, important though it was, that teamworking played in the closure process. The question of partnership was raised as part of union strategy as was industrial democracy but interestingly by politicians and not union representatives. These two forms of participation will therefore also be examined. Discussion then turns to the dynamics of management and unions as actors central to the restructuring process. Following the closure of the Ebbw Vale works, the ISTC attempted to retain its presence and influence in the community through what it termed Community Unionism (CU). The strategy of CU propagated by the ISTC was designed to connect trade unionism to the local community. Discussion of literature relevant to CU and also the potential importance of geography to plant closure and CU will connect back to the questions of location and occupational identity.

2.1 Corporate Restructuring and Plant Closure

As Winterton (2003: 1) observes in relation to industrial relations, 'there is little consensus as to what restructuring entails'. Usage of the term relates variously to developments in the international or domestic economy; changes in state policy; adjustments in product markets; managerial strategy for corporate level reorganisation; downsizing; plant level change. For the purpose of this study, restructuring refers to the impact of change in the international product market for steel on the organisation of one multinational firm and specifically a resultant plant closure, as played out in the UK. Plant level developments were framed by the interaction between the wider sphere of politics and that of industrial relations.

However restructuring is framed, as Clark (1990:406) points out, 'restructuring is normally considered to be a problem of 'simple economics.' He takes issue with this perspective and argues that in reality, 'social and political forces intersect with economic restructuring', also that human agency, corporate strategy and the law are central to the development and aftermath of industrial restructuring (ibid: 409). Furthermore, for Clark, restructuring is not a unilinear, orderly process with a clearly defined end point. This understanding clearly resonates with episodes of restructuring and plant closure that are regularly observed across industrial economies. Whilst the initial stimulus for restructuring might be financial in the form of performance, merger or acquisition, the importance of history, regulatory environment (legal, financial, labour), and human agency is clear if complex. Furthermore, in any assessment of plant closure, the impact on the community in which the plant stands, as Bluestone (1986) notes, can be extremely serious.

In respect of the connection between restructuring and plant closure, Kirkham and Watts, (1998) in a study of plant closure as a means of restructuring, note that a dominant context for plant closure in the UK is where a multi-location organisation elects to close a plant performing a similar function to one in a different location. They propose that at least four factors relating to plant closure can be identified. These are the general national economic climate, the performance of the specific industrial sector, organisational vitality and the

way that a plant is valued by the parent organisation. They argue also that the decision to reduce capacity through the closure of a plant is often taken before the plant to be closed has been identified, and that the profitability of specific plants is generally not the primary criterion for termination. Other, non financial factors are often critical in the decision making process. Their empirical research from 97 firms found that in around 50% of closure cases, neither unions nor branch management were involved in the closure decision. In the closure cases where alternatives to closure were put forward, these were generally based on keeping sites open but the savings in terms of fixed costs from closure was always the deciding factor and always outweighed savings from the reduction in variable costs associated with alternative plans. In reality, 'in only a small number of cases were alternatives to closure considered' (ibid: 1566).

In the case of the UK, as Massey and Meegan (1982: 8) note, job decline in contemporary Britain is nothing new. Even in the context of the post war boom in manufacturing industries, sectors such as cotton were already experiencing decline and job loss. These commentators point out that corporate decisions leading to plant closure and job losses are taken for reasons including geography as well as performance. Also, that 'job decline is not a simple category'. Employment levels can be reduced in the context of investment as well as disinvestment. Investment in more capital intensive or technologically advanced equipment might increase overall profitability and the job security of some but can still result in redundancy for others. Unsurprisingly, there have been numerous studies of industrial restructuring, plant closure and redundancy, or as redundancy is often termed in the management literature, downsizing. This research has approached restructuring from a number of perspectives but has generally focused on 'traditional' industries such as mining, shipbuilding, car manufacture and steel.

Once the decision to downsize is taken, Turnbull (1988: 211) suggests that employers use the opportunity of redundancy to 'shed their least efficient employees' and then invest in the survivors in order to raise productivity through the introduction of new working practices and technology. However, as noted by de Vries et al (1997) and Green (2004) the workload of survivors is generally intensified. This resonates with more recent work by

Devine et al (2003) on Canadian health care workers. This research found that survivors of redundancy are more likely to experience feelings of negativity, reduced control and stress than victims. This conclusion of course raises the question as to who the real victims of downsizing are. Indeed, de Vries et al interviewed victims for whom redundancy was the springboard to a new and more stimulating life. These individuals are described as 'those who do a Gauguin' (ibid: 24). However from the perspective of many redundant workers, Westergaard et al (ibid: 169) somewhat more bleakly, characterise a transition 'from security to uncertainty'. Although the detailed focus of analysis represented here is quite particular, this body of research is clearly of considerable importance and de Vries et al (ibid: 11) call for a reframing of the concept of downsizing to recognise it as 'a continuous process of corporate transformation and change.'

A consequence of the definitional opaqueness and multiple dimensions of restructuring, the academic literature of corporate restructuring and plant closure have been assessed from a number of analytical perspectives. These include product market logic, organisational strategy and in an attempt to cast light on management strategy for organisational downsizing and change, Freeman (1999) identifies two general approaches to downsizing. These are downsizing as an outcome of organisational redesign and redesign as an outcome of downsizing. The former is associated with fundamental restructuring and change which necessitates effective vertical and horizontal, communication participation with employees and particularly managers. Redesign arising out of downsizing, is associated with less advanced planning low level change and 'less and narrower' communication and participation (ibid: 1510). Whilst this research is important and provides detailed insights into aspects of industrial restructuring, academic interest in plant closure has rarely focused on the 'whole' process. Cameron for example whilst commenting on organisational change through downsizing notes the paucity of empirical research at the level of the organisation. He adds that, 'the literature reporting systematic, empirical investigations of the multiple causes, consequences, and dynamics of downsizing is paltry' (1994: 183). In fact as Forde et al (2008) suggest, research often centres analytical attention on the victims, survivors and executioners of redundancy programmes and their experiences following redundancy. Adverse reactions to redundancy have been identified for all three categories of employee.

Research by Westergaard et al (1989), Hinde (1994), Fallick, (1996), de Vries et al (1997), Turnbull and Wass (1997), Mollica and Gray (2001), Devine et al (2003); Parry (2003) and Grunberg et al (2006) is typical of this type of investigation.

A number of commentators have attempted to extend the breadth of analysis of redundancy, restructuring and plant closure. Moser (1996) for example, makes a contribution to the restructuring literature from an interesting perspective. She followed a closure process from the vantage point of an insider, as manager in a plant that had been consigned to closure. She has provided a month by month description of a year long closure process, which resulted in the loss of her own job. She explains how once a plant has been terminated, its relationship with the wider organisation can atrophy. In their study of the Scottish defence industry, Donnelly and Scholaris (1998) extend analysis of the experiences of redundant workers to the pre-redundancy period and attempt to assess the efficacy of the management of redundancy. Their research revealed that redundant workers (apart from those who were transferred to other sites within the company 'crossmatched') often found themselves in lower paid lower skilled employment. Unions were not only ineffective in attempting to bargain for better severance terms but furthermore lacked the insight and expertise to provide advice and guidance during the redundancy process: 'Trade unions generally do not regard this provision as part of their duties, nor do most have the appropriate expertise or facilities to directly provide advice and assistance on the many issues raised in the survey such as 'employment training' and 'welfare rights' (Donnelly and Scholaris 1998: 339).

From the perspective of economic geography, a more ambitious and broader analytical framework that engages with strategic corporate finance, regulatory environment and community has been suggested by Dawley et al (2008). A central conclusion from this research is that, 'we have also stressed the critical importance of grounding industry transformations in communities – both in steel regions and in more global communities of labour and capital' (Dawley et al 2008: 283) Although this work introduces the role played by industrial relations structures into analysis, there is no attempt to develop a detailed micro level assessment of industrial relations processes or the impact of restructuring at the level of the individual.

Milkman (1997) attempts this in her study of the Lindon, New York, General Motors (GM) car plant. Milkman investigated the strategy of GM to upgrade the plant through a \$300M, year long refit in 1985. The objective of GM strategy was to respond to increasing competition through the utilisation of increased levels of technology and a change to work organisation. Trade unions and management worked together to ensure that workers were trained both in tasks necessary to operate the new technology but also in motivational behaviour designed to increase commitment. Commitment would be engendered through the ability of workers to participate in day to decisions around production and quality. Milkman argues, however, that the interest of management in increased participation is not driven by 'altruism', but that 'the goal of worker participation is precisely to increase productivity and quality by mobilizing workers own knowledge of the labor process and by increasing their motivation to work and thus their commitment to the firm' (ibid: 140). Milkman contends, nevertheless, that the majority of workers do not resist the opportunity of increased levels of participation. The outcome of the 1985 Lindon restructuring was not an unmitigated success. Between 1986 and 1987, almost 1000 workers, one quarter of the headcount, agreed to redundancy through a job buyout arrangement negotiated between GM and the United Auto Workers Union (UAW). Such events impact not only on those individuals made redundant but also on the trade unions that lose membership. Milkman argues that following restructuring, 'the real challenge is how to enhance the resources with which workers might confront the newly transformed world of work now taking shape' (ibid: 19). How do unions, such as the UAW, adapt to the radically new situation facing its current and former members. Milkman believes that in the West, job losses from manufacturing will continue apace, though for those affected the belief that they universally experience 'nostalgia for the industrial past is deeply misguided' (ibid: 136). This, for many individuals, in the context of work that is or was hard and often dangerous, might well be true. Nevertheless, nostalgia for lost communities of occupation and locale seems entirely likely and rational.

The study of the closure of the Swan Hunter shipyard by Tomaney et al (1999) in many ways provides the most effective 'connected' analysis of the life history of a plant closure.

These researchers point out the rarity of attempts to connect studies of plant closures and the aftermath of closure in their local economies. Their research attempts to rectify this gap through analysis of the context of a shipyard closure in conjunction with the impact of its aftermath. The research found that the closure was the culmination of a long contested process. Redundant workers were differentiated in terms of their skill levels with higher skilled workers finding it easier to obtain subsequent employment.

The real value of this research by Tomaney et al is its emphasis on the interconnectedness of plant closure, redundancies and local context and the embeddedness of plant closure in social structures, institutions and social relationships. Furthermore, 'the intimate relationship between redundancy and its aftermath is problematic and complex, often involving both cooperation and conflict' (ibid: 402). The difference between the studies of for example Dawley et al (ibid), Milkman (ibid) and Tomaney et al (ibid) and the research presented here, is a central concern with the industrial relations processes that were played out at the different stages of closure and the human agency that drove these processes and the post closure condition of a trade union. In reference to the human and social dynamics of restructuring, Rothstein (1986) refers to the importance of the social production of redundancy. If the importance of the social dynamics of restructuring was ever in doubt, the insights into the 'merger' between Mittal Steel and Accelor provided by Bouquet and Ousey (2008) surely remove these. The importance of the personalities and psychologies of individuals such as Lakshmi Mittal, Guy Dolle and their substantial teams of lawyers and advisors in many ways overshadowed business strategy and the take over battle itself. Arising from the social production of redundancy it is clear that in the working through of plant closure, the interaction and participation between workers, employees, managers, trade union activists and politicians in both the local and national arenas, is important to understand. It is to these issues that discussion now turns.

2.2 Participation and Involvement

Interest in participation for this study is from the perspective of the strategic and tactical orientations and interventions adopted by those engaged in the Corus restructuring exercise and the closure of the Ebbw Vale works. Hence attention is not toward specific techniques for employee participation but in the more general processes of interaction between representatives of labour and capital in the sphere of industrial relations. Forms of participation of interest hence include information, communication, consultation, collective bargaining and partnership. The literature on employee participation is extensive and encompasses a wide range of structures, procedures and techniques and is embedded in more general theoretical debates as to the nature of participation itself. For example, under what circumstances might management offer opportunities for employees to participate in say the management of restructuring? Why indeed would workers and unions wish to participate? Does the process of restructuring affect the opportunity to participate?

The definitional status of participation is unclear and the terms involvement and participation are frequently conflated. Indeed, Dundon and Wilkinson (2006: 382) suggest that, 'the literature surrounding participation is confusing.' Nevertheless, involvement and participation and its contemporary homologue voice, are generally taken to encompass upward or downward information and communication, consultation, negotiation, codetermination and industrial democracy. Employee participation and employee involvement are often taken to mean different things. Whereas employee participation generally implies employees applying upward pressure to challenge management control, employee involvement is usually considered to reflect a desire by management to elicit commitment based upon mutuality and is hence a weaker, non union, form of employee engagement than participation (Bratton 2007). As to whether participation implies an individual or collective orientation, is direct or indirect or indeed if participation should be understood as a process or outcome, are all matters of debate. Dundon and Wilkinson (2006: 383) suggest that participation could be considered as an 'umbrella term covering all initiatives designed to engage employees.'

In the attempt to frame and categorize participation, a number of analytical frameworks have been suggested. Strauss (1998) suggests that for purposes of analysis, participation can be divided into three overlapping forms. These are requisite participation in order that work can be actually achieved, formal participation such as would occur in a meeting and informal participation as might take place in a canteen. A further analytical framework for framing participation, utilizing the terminology of employee voice has been suggested by Dundon et al (2004). These commentators refer to the work of Millward et al (2000) who consider voice to manifest itself along three routes. These are through means of representation by a trade union, indirect representation through for example mechanisms for joint consultation and direct employee involvement. Voice is visualized in four ways. Firstly, as a route for individual dissatisfaction. Secondly, as a vehicle for trade union action, 'to provide a countervailing source of power to management' (Dundon et al 2004: 1152). Thirdly, as a means of contributing to the efficiency of the organization through teams or upward problem solving mechanisms. Finally, as a demonstration of mutuality through for example partnership agreements. Marchington and Wilkinson (2005: 400) describe employee participation and involvement as, 'elastic terms' with wide definitional breadth and provide a succinct overview of the various forms of participation and involvement. They suggest that participation and involvement can be best understood if analysis is based upon the degree, level, form and range of subject. Degree relates to the ability of employees to genuinely influence management decision making. The level of participation relates to the where the participation takes place; department, plant or corporate level. Range refers to the nature of the issue. This could be canteen facilities or more strategic issues. Finally, the form of participation can be direct, indirect, and financial. In the same article, Marchington and Wilkinson envisage an 'escalator' of participation that pictures moving from weak to stronger forms of participation, from for example, information and communication, through to consultation then codetermination then employee control.

Although not specified explicitly in Marchington and Wilkinson's escalator, just as for consultation, collective bargaining as a form of participation is central to the act and study of industrial relations. Consultation, or as it is often described, joint consultation to

emphasise a representative dimension, is generally understood to be a different process to direct communication with individual employees in that it contains the possibility of influencing the views of management. There are a wide variety of consultative arrangements not all based upon union representation, for example works councils, staff forums, consultative committees, partnership forums. The recently enacted UK legislation for Information and Consultation might (arguably) add new vigour to the process of information sharing and consultation. Evidence suggests that joint consultative committees can be both additional to or substitutes for union representation. However, debate surrounds the potential for consultative arrangements to undermine collective bargaining arrangements and hence union influence (Kersley et al 2006). In any case, in UK law, employers must consult employees and unions in the case of proposed collective redundancies. Furthermore, this consultation must be meaningful and designed to identify alternatives to redundancy. What employers cannot do is to bypass union representatives if non-union representatives are present (BERR)

Burchill (2008: 84-85) cites Lord McCarthy's comments on consultation in a review of the Whitley Council arrangements in the NHS. McCarthy saw consultation as an important support for collective bargaining:

It should be accepted that the mere passage of information is not consultation. Consultation involves an opportunity to influence decisions and their application. It is best conducted when some attention has been paid to alternatives, but they have not taken their final form.

This definition of consultation and its difference from being informed after the event is for trade union representatives an enduringly contentious one as is the relationship between consultation and collective bargaining.

The nature and process of collective bargaining as a form of participation, has been central to the study of industrial relations. According to WERS 2004, the coverage of collective bargaining for purposes of setting pay in the UK declined from 30% of all workplaces (with

10 or more employees) in 1998, to 22 % in 2004. The decline has been more marked in the private sector, where the coverage fell from 17% in 1998 to 11% in 2004 (Kersley et al 2006). Nevertheless, where collective bargaining does take place, its forms, outcomes and the personalities involved, are of intense interest to the analysis and understanding of industrial relations processes. This is particularly the case during periods of restructuring, redundancy and plant closure. Collective bargaining can take place on the basis of highly codified procedures or can be informal and corridor bargaining is often an essential component of many deals. Nonetheless, irrespective of the degree of formality, bargaining is ultimately an engagement between people. The part played by the negotiator is central to the process and the role of full time union official as counter posed to the lay official, has been the source of academic debate. This debate relates to the thesis of bureaucratic conservatism, a Marxist critique of union bureaucracy (Kelly 1988). This suggests that in, for example, the case of plant closure, full-time officials would be content to compromise with management and see the plant closed. The corollary being that full time officials would not hence attempt to galvanise union members into defensive action. Through the need to maintain bargaining arrangements and constructive relationships with both managers and union lay officials, the official is compelled to mediate between labour and capital. As Kelly points out, this thesis rests on the counter assumption that union members and activists are naturally militant. Kelly cites Hyman's (1975) judgement that the relationship between lay and full time officials is necessarily one of interdependence but that it 'entails elements of both conflict and cooperation' (Kelly: 152). Kelly in summing up a range of critiques of union bureaucracy suggests that union full time officials face 'permanent tension between the need to mobilise members behind bargaining objectives and the need to discipline members and ensure their support for bargaining agreements ... to mobilise discontent and then sit on it' (ibid: 153).

The contemporary emphasis on voice rather than participation reflects a change in the role ascribed to employee participation. This, Dundon and Wilkinson (2006) suggest, relates to two underlying ideologies that frame the nature of participation. The first of these is industrial democracy: the right of workers to some degree of control over the running of their organization. The second is that of 'economic efficiency'. A reflection of the logic that

participation delivers increased commitment hence the likelihood of increased organizational success. The notion that participation equated to some form of industrial democracy was commonplace in the UK in the 1970s. Writing in 1979 for industrial relations practitioners, the then Director of the Industrial Participation Society Wallace Bell could conclude that, 'many people today identify participation with industrial democracy, power sharing, or codetermination' (1979: 1). Bell was clear that, 'participation cannot eliminate conflict [or] immunise a company from external influences and changes (ibid: 233). Also:

If a company's market changes and business goes down, that is a problem for management. It cannot be solved by participation and you cannot expect a sense of identity with 'us' as a company if 'we' as employees are liable to be made redundant by 'them' the management (Bell: 234)

Poole (1986) articulates such potential conflicts of interest in terms of power relationships. Debates about participation inevitably raised the broader issues of the 'exercise of power in industry and society at large ... Indeed, workers participation is viewed as the principal means of obtaining greater control over several aspects of their working lives and in so doing augmenting their power *vis-à-vis* that of management' (ibid: 13-16). The Bullock Report on industrial democracy (1977) was a high water mark for notions of this form of participation although opposed by many in the trade union movement. The provisions of the report provided for worker directors, who were installed in, for example, the British Steel Corporation. The election of the Conservatives in 1979 ended this experiment and from the 1980's the second ideological perspective described by Dundon and Wilkinson began to gather momentum. This was the perception that participation, now more frequently termed involvement, should be aimed at eliciting the commitment of individuals towards the objectives of the organisation.

The requirement for collective participation delivered through trade unions in the form of collective bargaining diminished and throughout the 1990's, the interest by managers in direct forms of communication and involvement increased (Kersley et al 2006). The

contemporary scene in which employee participation in all its many facets is enacted is, therefore complex. The political context is set by a government that is committed to liberal economic policies and labour flexibility but that has supported legislation facilitating individual rights. Nevertheless, compared to the previous Conservative administrations, the New Labour government has been relatively benign to trade unions hence collective voice through for example legislation enabling union recognition has been encouraged. In conjunction with this has been the effect of EU legislation. Examples are the European Works Councils legislation and rights to information and consultation. As Dundon and Wilkinson (2006) point out, consultation appears to be back in vogue. The interest of New Labour in individual voice and consultation at work has been framed by its wish to see individual employee rights develop alongside greater employee commitment to employers, the goal being increased economic efficiency. This has been constructed through a belief in non conflictual industrial relations through for example workplace partnership.

Ackers et al (2005) connect participation and voice to workplace partnership. The starting point for their analysis is that following the period between 1979 and 1997 when participation became to be increasingly characterised less by collective bargaining and trade union influence and more by direct forms of employee involvement (EI), the period since 1997 has witnessed a renewal of representative participation. They suggest that although social partnership can occur in non union forms, 'social partnership may offer a new vision of the place of trade unions in participation arrangements' (ibid: 25). The research findings of Ackers et al (ibid: 40-41) indicate that union only voice channels are declining as are the parallel union EI routes observed in the 1980's: 'partnership is going ahead with or without trade unions.' Their research is based primarily upon management respondents and the resulting limitations of this are acknowledged. Unions are of course not unaware of the problematic of partnership. Whilst 'new unionism' might have brought with it a strategic predilection for partnership arrangements as a means of acquiring a seat at the table, the policy of influential unions such as UNITE is to oppose 'non-independent' partnership arrangements that one of its predecessor unions, the AEEU would have readily embraced.

The survival instinct of unions is strong and when organisation and hence membership face collapse, witness recent developments in the UK steel industry, unions such as Community are willing to embrace partnership in a previously unimagined way. As is generally suggested in the partnership literature it is difficult to identify a standard form of partnership in practice. A set of key questions face unions when faced with management overtures for a partnership arrangement. These are assessed in the extensive literature on workplace partnership and the associated debates as to whether partnership is 'good' or 'bad' for unions (Ackers and Payne 1998: Kelly 1998: Guest and Peccei 2001. For a comprehensive analysis of partnership see Stuart and Martinez-Lucio 2005a). The questions faced by unions relate to the impact of partnership arrangements on their independence, ability to represent members, job security, and ability to influence change. It is the promise of involvement in the management of change that as Stuart and Martinez-Lucio (2005b) explain, underpins the sense of the US literature on partnership that in many ways has engendered debate on partnership and mutual gains in the UK. Citing amongst others, the work of Kochan and Osterman (1994), Stuart and Martinez-Lucio (*ibid*) point to the possibility of cooperation between labour and capital to generate mutual gains through enhanced organisational performance. The argument runs that it is not only in the interests of management but also unions to cooperate. Through the mutual gains organisation, organised labour can have influence at the all levels of the organisation; workplace, functional and strategic. Stuart and Martinez-Lucio (*ibid*) widen discussion on partnership beyond the level of corporate strategy. They argue that although much discussion about partnership in the UK is directed at processes in the workplace, the nature of regulatory systems and their ability to nurture (or not) partnership is a critical analytical variable. Furthermore, in the UK New Labour has attempted to 'reconfigure the form and content of management – union relations' around the needs of business and the individual (*ibid*: 7).

As a final comment on participation through partnership, research by Marks et al (1998) demonstrates that for unions to move towards partnership requires the construction of high levels of trust. In the context of job losses and job insecurity, this is difficult to achieve. In such circumstances partnership might well 'represent one means of sustaining (or regaining) management control while simultaneously enhancing managerial legitimacy'

(Hyman 2005: 256). This raises the question of potential tension between cooperation and conflict that Edwards et al (2006) argue is reflected in the process of participation. This analysis connects with that of Ramsay (1977: 481) who argued that, 'the framework of common interests upon which participation is premised is untenable and in practice the efficiency of such schemes in Britain has been for the most part severely attenuated by the realities of structural conflict'. Flowing from this analysis, Ramsey's generalised conception of participation and his proposition that worker participation could be understood as a cyclical feature within the capitalist economy (1977) spawned a debate that still endures. The following section offers an assessment of this debate and its relevance for participation particularly in the process of restructuring.

2.2.1 Participation: Cycles or Waves?

Ramsay's analysis (1977) suggests that the prevailing post war wisdom on employee participation was based upon the notion that increased participation was a natural, evolutionary feature of industrial society. This assessment he considered was not based upon rigorous sociological and historical analysis and was hence open to challenge. Ramsey's analysis of participation as 'a means for securing labour's compliance, was based upon a Marxist framework that capitalist production relations, and hence those between labour and capital, are inherently conflictual. He was clear that, 'relations in industry are indeed antagonistic' (1977: 482). Ramsay's conclusion from an analysis of historical, essentially macro level data, was that management expressed an interest in involving employees during periods when organised labour was relatively strong. In periods when labour was weak, a diminution of management interest could be identified. This could be explained by the fact that management always acted to retain control of the labour process by deflecting or absorbing pressure from labour; or in the words of Flanders, who he invoked, management, 'can only regain control by sharing it' (Flanders 1970: 172). The periods of either elevated or reduced levels of interest by management in participation, Ramsey termed, 'cycles of control'. In subsequent writing Ramsey emphasised that the cycle thesis did not suggest exact historical replication nor participation free periods. Participation cycles reflected an empirical observation that at certain times management would be more concerned to 'seek integrative solutions' in the face of resurgent labour

(Ramsay 1983; 205). The notion of control associated with the cycle's thesis relates to the offer of 'apparent' concessions to share power. Control is thus 'exercised chiefly at the level of ideological justification, through the direct effort to harness the energy of worker representatives to the support of management goals is also involved' (ibid: 206).

A critique of the cycle's thesis was conducted by Ackers et al (1992). Their view was that whilst the notion of cycles could possibly explain the rise and fall of management strategies for participation up until 1979 was unable to explain renewed interest by management in EI. From this date onwards, in the context of a government and labour market hostile to organised labour, the prevailing balance of forces between labour and capital would have predicted a diminution in participation and involvement initiatives. Ackers et al (ibid) point to a number of specific weaknesses in Ramsey's approach. Firstly, Ramsay's characterisation of participation was poorly defined and appeared to relate only to the sphere of industrial relations. Secondly, management might initiate modes of participation in response to stimuli other than labour, for example product market or technology. Thirdly, the increase in employee involvement initiatives from the 1980s occurred in the context of the contraction the manufacturing heartland of unions and expansion of employment in non unionised sectors. In this period, management was not therefore faced with 'militant' labour. Fourthly, that the zero sum outcome from participation that flowed from Ramsey's Marxist analysis, did not accurately portray the world of work where the possibility exists that participation might enhance employee's experience of work. Fifthly, Ramsay's approach was considered 'too narrow and partisan to serve as a useful general test of participation' (ibid: 274). Underlying this appraisal is the belief that profit not labour control is the key driver for business.

Ackers et al (ibid) argued that participation is complex and shifting and affected by a range of variables of which labour was only one. They did, however, accept that the cycle's thesis might obtain under certain circumstances but that any macro level theory must be able to explain micro level developments in general, this the cycles approach could not do. Marchington et al (1993:554), argued that: 'in our view a more fluid metaphor is required, one that displays greater sensitivity to the intricacies of particular workplaces and contexts

and can cope with the likelihood of counter-tendencies'. The notion of waves of participation it was argued, accepts that the shape of EI in organisations varies significantly over time, captures the variegated nature of involvement and participation initiatives that can arise even in the same organisation and that management motives for offering participation can differ depending on business contexts.

Ramsay (1993) accepted that the cycles thesis needed to incorporate a more detailed and nuanced understanding of the role played by managers in the field of employee participation. He however, strongly defended the utility of cycles. His defence rested on the view that the 'evolutionary view', that a growth in employee participation and was inexorable and natural was flawed. Also, that analysis of the motives for the introduction of participation initiatives must extend beyond the firm. The effect of pressures such as product and labour markets, political factors and the wider impact of sectoral, regional, national and global factors, of which managers might not have detailed awareness must be taken into account. Ultimately 'micro and macro theory are not substitutes for each other but mutually dependent' (ibid: 78). 'Waves are no substitute for cycles (and *vice versa*)' (ibid: 79).

The importance of the literature on waves of participation lies in the insights it provides to the engagement between the representatives of labour and capital and to the *process* of management. This latter process is complex, often tense and dissonant, where the influence of key individuals can be extremely important and often relatively short lived. Dundon et al (2004) contend that the 'ebb and flow' of employee involvement initiatives can be explained by internal management processes. Management processes however, reflect internal divisions, contestations and internal politics, as managers attempt to align strategy with business needs and external political imperatives (Marchington et al 1993). This analysis, surely reflecting management as it is acted out, is mirrored in the activities of union representatives. These issues and tensions are considered in the following sections.

2.3 The role of Management in Restructuring

A number of fundamentally important issues face those managing plant closures. Central to these is that of enabling an on schedule and disruption free closure. Guest and Peccei (1992) suggest that strategies for employee involvement in the context of redundancies and closure can establish management credibility and smooth the process of change. Their research on a site closure in British Aerospace (BA) suggests that whilst management strategy did not prevent employees experiencing stress, involvement was seen positively by many employees and eased the process of job loss. Two groups of workers did nonetheless, experience particular problems. These were those who found difficulty in obtaining work outside the organisation and those who were transferred to other sites within the company. This second category often felt coerced into relocating and also experienced hostility from new managers and co-workers. A further potentially significant finding from this research was that the judicious use of involvement strategies, management ensured that 'union opposition was effectively disarmed from the outset' (ibid: 36).

The BAe strategy had a number of key strands (ibid: 38-39). These were firstly, to minimise any risk of collective union disruption from the start. This was achieved by a carefully planned communication of the rationalisation programme, directly to the workforce and offering generous severance terms. Through this, the 'debate swiftly moved on from whether closure would happen and could it be prevented, to a discussion of how it was to be managed' by, for example, flexible leaving dates which individual members of the workforce could take up if they so chose. Secondly, a promise of no compulsory redundancies and the right to chose when to finish work. Thirdly, a package of 'special measures' to help employees through redundancy. These included help with job search, training, job application skills, financial advice, retirement advice, small business advice. Finally, all employees were offered the opportunity to relocate to other sites within the company. The overall objective of management was to present a face of reasonableness and fairness and the research found that there did seem to be 'a genuine concern' by management to act in a socially responsible way. In this case direct communication and involvement of employees acted to prevent a militant union response to closure and Guest and Peccei (ibid) make the general point that:

Because selective redundancies and more notably plant closures involve loss of livelihood, redundancy is arguably the critical test of any scheme of workers' participation or employee involvement. If management can gain workers' involvement in and support for a particular redundancy programme, retaining the goodwill of the workforce while their jobs disappear, then it should be feasible to involve them in most types of work-related issue.

Guest and Peccei (*ibid*) cite research by Hardy (1985), who argued that managerial credibility is crucial for concluding a successful closure. In the 1970s and early 1980s this was achieved through consultation with the unions, generous redundancy payments and ability to legitimise the decision. Nevertheless, exactly how management ultimately achieves legitimacy will, 'vary according to the circumstances' (Guest and Peccei 1992: 36).

In general it is clear that in a unionised workplace, management strategy for closure and redundancy must somehow take account of union responses. Neither unions nor management are homogeneous entities of course and the relationship between the two will be contingent on context and internal dynamics. As Martin and Fryer (1970: 82) point out, 'Management is a political system.' Managers are differentiated in a number of ways including personal characteristics, status, function, and whether locally or centrally based. On a day to day basis, relationships between managers might not correspond. In a period of plant run down, the needs of production management to maximise output might not correspond to those of managers attempting to train employees shortly to be made redundant. Local site management might not see the requirements of the run down period in the same way as corporate managers responsible for closure. Indeed, as Martin and Fryer (*ibid*) contend, during periods of elevated stress such as a plant closure, tensions between individual managers are generally heightened. This is unsurprising, for although managers act as agents of capital, as Willmott (1997: 1337) notes, within capitalist relations of production, managers are 'targets' as well as 'agents' of exploitation. As for most workers, managers are engaged in both productive and non-productive work and:

Receive generous salaries but they are ... not often consulted about the design of their organisation and the structures of their jobs. They are more likely to be the unwitting victims of reorganisation (more and more frequently); transferred, retrained or dismissed at the behest of organisational plans drawn up by distant consultants; regarded as human resources; shuffled and distributed by specialists in management developments and planning

(Anthony 1977 cited in Willmott, *ibid*: 1334)

This does not of course expunge from the managerial function the task of 'securing cooperation and surplus' (*ibid*: 1340). What is entailed is an acceptance that this function is messy and contested and can produce reactions that are quizzical, negative and sometimes hostile to higher authority and the organisation.

2.4 Restructuring and Union Dynamics

This same analysis can of course be applied to union members and their representatives. The political nature and organisational structure of unions provides the basis for potential dissonance between local, regional and nation levels and between lay representatives and full time officials that can manifest itself in a number of ways. Union members and activists are not of course a homogenous category of individuals and in their perspective of the significance of union membership differ from each other. Thus, Nicholson et al (1981) suggests it is unhelpful to posit a simple dichotomy between activists and non-activists. Activism, they argue, is better conceptualised in terms of a continuum of activist types. These are 'reluctant unionists', who join trade unions out of obligation; 'passive dues payers', who join unions willingly, but have no interest in collective activity; 'selective activists', who engage in collective activity on an issue-specific basis; 'apolitical stalwarts' who are committed to collective activity but are not motivated by ideological concerns; and 'ideological activists', whose membership and commitment to unions is intimately linked to their political or ideological standpoint.

The analysis by (Fevre 1989) of the south Wales steel industry provides insight into not only the industrial relations of the industry but the fraught internal politics of the steel unions. May 15th 1980 witnessed the signing of the BSC 'Slimline' deal that emanated from a government initiated survival plan, 'Return to Financial Viability' for BSC as part of the strategy for its privatisation. The government privatised £349M of assets between 1980 and 1985 (Beynon et al 1991). Massive job losses were required. The Port Talbot workforce was reduced from 11259 to 5701 between July to December 1980 (ibid: 25). Slimline involved the contraction of both Port Talbot and Llanwern but importantly, both plants would stay open.

What was unusual about the industrial relations processes associated with Slimline, was that during the course of the 1980 national steel strike, lay officials from the Port Talbot works were involved in secret consultations with local management, (not, according to Fevre (1989) negotiations), about the precise formula for the job losses emanating from Slimline. Local union representatives did not invite full time officials to these discussions. Full time officials were officially informed of the formula by BSC management. This resulted in the Welsh TUC asking the TUC Steel Committee to attempt to get the agreement relating to job losses withdrawn on the basis of lack of consultation between unions and between lay and full time officials. This was not to happen but the national leadership of the ISTC whose lay representatives had led the initiative to accept Slimline, under pressure from other unions, felt obliged to discipline several of the Port Talbot lay officials. The consequence of this was that for a number of years, 'there was no working relationship between full-timers and local union branches' (Fevre 1989: 34). In the wider union movement, schisms also developed between the Welsh TUC who wanted to organise an all out strike in the steel and coal industries (contraction of steel production impacted automatically on coal output) and the TUC General Council who refused to support this request. The strategic and tactical response of unions to workplace restructuring is thus far from straightforward and in the case of the UK steel industry has been coloured by the effects of the 1980 national strike and several waves of restructuring and redundancies. For Bacon et al (1996: 29) these developments are, 'the most important conditions that facilitated further changes in work organisation.' The dynamic between the local and

national union, just as between local and corporate management, can therefore be fraught and is formed in response to factors such as sectoral characteristics, local history, union politics and personalities.

This complexity manifests itself in different modes of involvement. Kelly and Kelly (1994), distinguish between 'easy' types of union activities such as voting in elections and 'difficult', activities such as speaking at meetings and becoming a representative which are more likely to be undertaken by ideologically committed activists. Ideological commitment to union grass roots activity can be strong but not necessarily synonymous with ideological commitment to higher level strategy. In his study of the car industry, for example, Beynon (1973: 318) describes the majority of shop stewards as being dedicated to the day to day grind of responding to management tactics and representing their members. Any idea of the development of a campaign for workers control or wider societal influence was alien: 'The shop stewards within the car plants might be militants but they are not revolutionaries.'

Frost (2001) has suggested a typology of union responses to restructuring. Drawing upon the literature on strategic choice, she argues that in order to understand the variation in outcomes of workplace restructuring, a focus on management strategy alone is inadequate and the response of unions must also be considered. She further contends that the traditional typology of union response to management strategy, that of militant or co-operative, is too blunt a conceptual tool to offer insight into what is a complex and contested process of change. Frost utilises the framework of Boxall and Haynes (1997) that focuses on the (complex) ways that unions interact with their members and employers and the context in which such interactions take place. Boxall and Haynes suggest that, 'a large union may exhibit more than one pattern of unionism (ibid: 586) and that the, 'Locus of leadership is more difficult to identify in a union ... at various junctures, it is possible to find full-time and/or lay officials pulling in one direction and strong groups of members in another' (ibid: 570). This reflects the tensions between lay representatives and full time union officers referred to by Fevre (1989). Frost in her empirical research in North American steel works, observed that when faced with restructuring, unions obtain more positive outcomes when lay representatives are involved in 'overarching committees' with

management (2001: 554). She concludes that in the case of a union response to management restructuring plans, the greater the degree of involvement by the union with management across the course of the restructuring, generally through consultation and negotiation, the more positive the outcome for the union, employees and management. Frost terms this form of union response 'interventionist' and is distinct from the less successful union strategy of simply responding post hoc to management actions; a 'pragmatic' response.

Although this characterisation of 'ideal types' of union strategic interaction with the restructuring strategy of management are important in signalling the move away from more static and deterministic models of union strategy, unions can and do simultaneously behave in both pragmatic and interventionist ways¹. Furthermore, as Frost (ibid) accepts in her call for future research, the role of conflict in the processes of union management engagement in her case studies was not developed. This is not to criticise Frost's work which was looking in a different direction. Nevertheless, as noted, the participation of employees, unions and managers in the processes of industrial restructuring involves both cooperation and conflict. As Edwards et al (2006: 126) argue, the nature of participation reflects a wider concern within labour relations, that between management control and employee commitment. Furthermore, although the interests of labour and capital can coincide, 'the issue of whether to cooperate thus turns on the balance of class forces prevailing at a given time.'

Management, labour and the representatives of labour, participate together in order that production can occur and wages and jobs are safeguarded. This raises wider questions about the fundamental nature of the means of and rationale for participation. For example, the location where unions and management interact is of considerable importance to the outcome of restructuring events. National level involvement between senior union officials and corporate leaders are of course crucially important in terms of high level strategy, terms of reference and the establishment of specific agreements. However, as Frost (2000)

¹ Both interventionist and pragmatic response presuppose union involvement in management proposals. Frost also characterises union non response under the headings of 'apathetic' and 'obstructionist' (2001:558)

observes, it is increasingly at the local level where the terms and outcome of restructuring are established and where there is a considerable gap in the research literature. Frost (ibid) also contends that research on how unions shape the outcomes of restructuring has tended to adopt a, 'relatively simple conceptualisation of labor actors' (ibid: 560-1) and that the response of local unions cannot be simply categorised as adversarial or cooperative. Two 'critical resources' are identified within the industrial relations literature as being central to the ability of unions to obtain successful outcomes from restructuring strategies. Frost terms these, 'political vitality' and 'network embeddedness'. Political vitality is the degree to which local union leaders are 'responsive' to their members. A high degree of responsiveness is considered important to the ability of the union to negotiate effectively with management. Network embeddedness is the form and depth of ties that the local union has with external organisations. These can be vertical and reflect connections with higher levels of the union and horizontal with different trade unions, community groups and social coalitions. These networks it is suggested provide unions with valuable information, resources and political leverage and Frost cites empirical evidence to demonstrate how networks can be important to the ability of local unions to respond to change. The ability of a local union to develop and utilise networks is connected to its own location. Union branches in workplaces in plants situated in large urban areas face different issues to those in comparatively isolated locations. Geography is, in other words, an important variable in the processes of industrial relations. This is especially the case at times of restructuring and plant closure. It is to this issue that discussion now turns.

2.5 Geography, Industrial Relations and Restructuring

The location and geographical scale of plant closure has an important impact on the process and aftermath of industrial restructuring. The literature on human and economic geography contributes to an understanding of these effects, (Herod 1991; Martin et al 1994; Ellem and Shields 1999; Herod et al 2003; McGrath Champ 2005; Pike 2005; Ward 2007; Dawley et al 2008). Nonetheless, for a number of geographers researching the social impact of industrial restructuring, industrial relations scholars are judged to have overlooked the significance of location to restructuring and plant closure. McGrath Champ (2005) in arguing for a 'spatial approach to employment relations,' refers to the, 'the geographical

void – the absence of spatial awareness within labour studies, industrial relations and scholarship concerning the world of work’ (ibid: 325). If underlying this critique is a concern to incorporate ‘geographical awareness’ into analysis of developments of the ‘world of work’ (ibid: 325), this is a correct call and one amplified by Ward’s (2007) call for increased levels of cross disciplinary research between industrial relations and economic geography. However, the importance of location is implicit in industrial relations research, certainly that based upon qualitative case study. Hence the criticism of McGrath Champ is somewhat exaggerated. Nevertheless, the important role that research into industrial restructuring from the perspective of economic and human geography performs is to bring location more clearly into view. This is important especially in coal, steel and shipbuilding communities, because the location of workplaces has not only coloured within plant industrial relations but also local politics in that local councillors and sometimes MPs, are often existing or former employees. Furthermore, especially in comparatively isolated communities, industrial relations and trade union politics can impact on the local community and hence on community life. The reciprocal process is of course also possible. This would be likely following plant closure. Or, as suggested by Sadler and Thompson, (2001; 660), ‘the institutions of organised labour contribute to the formulation of regional industrial culture’.

As with Frost (2000), Strangleman (2001: 254) connects geography and labour organisations through wider networks. These networks bind place, occupation, class and family, kin and generation. Strangleman emphasises these networks exist as holistic, interconnected entities, are historically contingent and in the context of changing labour markets, dynamic. In the context of restructuring and the critical case of plant closure, the relationship between organised labour, in the form of trade unions, and other parts of the network is likely to be of particular significance. Indeed Tufts (1998:232) has argued that: ‘The experience of organized labor over the last two decades has, however, put both unions and communities in positions where their survival is increasingly dependent upon mutual cooperation and collective action.’ Correspondingly, in their assessment of regional industrial culture, Sadler and Thompson (2001) assess the impact of the strategy of Community Unionism developed by Community the Union. This they conclude whilst

appearing to be radical, is in essence, 'best seen as a belated response to falling membership and an attempt to preserve a degree of independence, without any more fundamental reappraisal of the role of the union with regard to local communities'(ibid: 681). The features of community unionism described by Tufts (ibid: 228) of 'coalitions between unions and nonlabour groups in order to achieve common goals' are absent from the model of Community, at least, as practised in the North East of England. Nevertheless, the attempt by Community to pursue a strategy for trade unionism in the aftermath of restructuring and plant closure focuses attention on the participation of organised labour in a milieu spatially defined by geography, not factory walls and from the perspective of the life cycle of plant closure is important to understand.

2.6 Community Unionism

The last decade has witnessed a growing interest in the participation of organised labour with the wider community through what has been termed Community Unionism (CU). This has been in direct response to increased attention to debates on trade union renewal. Hence much analysis of CU is framed largely by interest in the continued influence and revitalisation of trade unionism and the collective response of the labour movement to developments not only in local but also international labour markets, (see Wills, 2001; Holgate, 2005; Tattersall, 2006; Fine, 2005; Urano and Stewart, 2007). Correspondingly, for many trade unions, practical involvement in community initiatives can be perceived as interventions directed at gaining influence amongst non-unionised workers often in workplaces not already unionised (Tufts 1998). Underlying this, union strategies for engagement with communities encompass a range of perspectives comprising servicing, organising, mobilising, often in combination with each other. Also, as noted by commentators such as Clawson (2003) and Wills and Simms (2004), CU has historic qualities that predate recent debates over union strategy for sustainability and revitalisation. The early history of industrial unionism reflects intimate ties between workplaces and the localities in which they were embedded, particularly those in communities such as Ebbw Vale. These issues provide important aspects of the practical and theoretical significance of and interest in, CU.

The notion of CU appears straightforward; trade unions acting in concert with non-workplace based community organisations. However, attempts to pin down the meaning of community unionism in terms of a neatly defined organisational form or analytical category have proved difficult. In order to understand what CU is, it is perhaps necessary to clarify what the 'community' in CU is and Tattersall (2006) suggests that the 'community' in CU can be understood in one of three ways. These are as a shared identity, a place and an organisation. These categories are not of course mutually exclusive. In the case of a steel community for example, the shared occupational identity of steel worker is framed by place which consists of both the steel works and the location. The sense of community is reinforced by organisation, which is manifested in both the company and trade union.

The academic literature has characterised CU in a number of ways. Fine (2005: 161), for example, suggests that, 'community unions identify with the broader concerns of their ethnic, racial and geographic communities. Lipsig-Mumme (2003: 1) offers an equally general definition of Community Unionism: 'Community unionism describes a whole series of ways that unions work with communities and community organisations over issues of interest to either or both'. Lipsig-Mumme further suggests that a range of forms of CU in practice can be identified. At one pole is the 'instrumental link' with communities (2003: 2) and at the other the 'transformative link' and between them a link based on an approach that enables organisations to 'identify common specific issues'. She suggests that the 'transformative link' category identifies common ground between communities and labour that creates a 'more permanent identity'. Within this category there are also two sub groups. The first relates to broadly based social movement activities such as the anti-globalisation agenda, the second to 'pre-union formations that are halfway houses between the union and specific communities' (ibid p. 3) such as workers' rights centres. Tattersall (2005) suggests that CU can be understood as reflecting a number of strategic forms based on coalitions between unions and community organisations. These coalitions range from loose arrangements inspired by one-off events that are often based on one-sided ephemeral engagements, to those that reflect deep and ongoing, mutually supportive, highly democratic but decentralised structures. Tufts, (1998: 228) also suggests that CU, 'is characterised by the formation of coalitions between unions and non-labor groups in order

to achieve common goals.’ In developing the notion of labour non-labour coalitions, Frege et al (2003) describe a vanguard coalition. This is an arrangement in which non-labour groups are subordinate to the trade union. Where the union offers non-labour groups the opportunity to support union objectives on the basis of union leadership.

Trade union involvement in initiatives involving the community has been described as an often pragmatic adaptation to a moment of crisis and often in response to initiatives instigated by community groups themselves but sometimes by trade unions (Tattersall 2006). If this is the case, what happens when the crisis has been resolved will be revealing of the dynamics that sustained it in the first place. It will also tell us something about the difficulties in sustaining community unionism beyond certain specific campaigns or events such as might occur with the closure of a steelworks. There is of course the possibility that sustainability in the sense of longevity, even when possible, might be neither necessary nor desirable. Nonetheless, if CU initiatives are to be sustained, the question as to whether unions organise *with* or *in* communities is important to consider. If it is important for a CU to survive beyond the immediate cause celebre, ongoing material resources and as with traditional trade unionism, activists are necessary. In any case, it could be that in declining industrial sectors such as steel, footwear and shipbuilding, union revitalisation is impossible irrespective of activism, union strategy and the nature of any community coalitions. If union activity is diminished or terminated it might well be it is in the political arena that a response to industrial and consequent social restructuring occurs. Beynon, (1973: 318) in his research in the car industry discusses the potential effect of the disillusionment of union activists with their union and political leaderships. In the absence of such leadership, workers will not ‘lapse into inactivity and acquiescence’, they will, ‘form their own organisations’. Additionally, Beynon et al (1991: xix) in their investigation of the steel and coal industries point out that the contraction of heavy and manufacturing industry and the ensuing dislocation of industrial communities in the 1980s, led to, ‘the emergence of new kinds of community politics’. In its progressive form this manifested itself in various types of environmental and community activity and organisations and centres for the unemployed run by the unemployed themselves. These commentators are not optimistic that such community and radical activism can of itself respond adequately to state power and

international finance capital. What is needed, they argue, is ‘a new kind of politics of production which can learn from the mistakes of the past and point the way to a brighter future.’ It is arguably at such junctures that community unionism should be characterised as social movement unionism (Waterman 1991) the corollary of which is possibly structured political activism.

In summary, evidence suggests that there is no one model of a community union or community unionism. Neither is it possible to capture every nuance within the spectrum of CU configurations. Perhaps CU is best understood not as a homogenous organisational or analytical entity but as a strategic intervention that is contingent upon a range of factors that can act either to draw people together or to erect barriers between them. These might include, *inter alia*, geography, occupational identity, sustainability, mutual trust, and activism. In their study of one such factor, occupational identity, Stephenson and Wray (2005) demonstrate that within occupational communities, social solidarity can arise out of (and be nourished by) occupational identity. Social solidarity it would seem is an essential condition for CU. Hence in industries such as coal mining, shipbuilding and steel working, occupational identity becomes important beyond its significance for the individual. In developing these themes from an historical perspective, Linkon and Russo (2002) suggest it is possible to describe many mining and steel towns as communities of memory where memory and place come together to form a deep seated basis for cultural identity and continuity. The role of occupational identity and memory and ‘the interpenetration between work and extra work spheres’ hence appear to be important features of both industrial restructuring and CU (Strangleman 2001: 258). A brief discussion of these issues is warranted.

2.7 Occupation, Identity, Community

Just as identity becomes shaped by memory and occupation, so occupational identities can collectively represent themselves in the form of occupational communities. This in turn can nourish the communities of memory described above (Linkon and Russo 2002; Stephenson and Wray (2005). It has been argued elsewhere that through the communal experience of work, particularly work that is challenging, skilled and often dangerous, a strong sense of

social collectivity can be forged (MacKenzie et al 2006; Gardiner et al 2007). These work based relationships might be heightened by specific geographical circumstances, for example relatively close geographical proximity and isolation (Salaman 1975; Strangleman 2001). In such circumstances, relationships and collective identities formed in the workplace can exist in dynamic equilibrium with personal lives and communities outside the workplace. 'Occupational identity, community identity, norms and values are produced and reproduced within the context of workplace and community networks' (Strangleman 2001: 259). In this sense, particularly in communities such as Ebbw Vale, the nature of local geography is an important element of the social processes under investigation (Ward 2007). For the individuals who are part of the occupational and social communities so described, there is no assumption of an idealised, abstracted worker the existence of whom Ackers (1996) is correct to question. It is also accepted that the prevalence of industrialised geographical communities such as Ebbw Vale are now rare. Nevertheless, for the worker who has been employed in the same works for decades, a clearly identified collective occupational identity is an aspect of the lives of managers and workers alike. As Salaman (1975) argues, shared occupational bonds can strongly form and influence collective identity and activity. This collective identity can also be reflected in and supported by collective organisations such as trade unions that can in turn play an important role in defining and perpetuating occupational communities (Metzgar 2000). This union effect is clear in the case of many former steelworkers where attachment to a union is synonymous with employment in the steel industry (MacKenzie et al 2006).

Research then, suggests that collective and class based identity are features of the occupational community of steelworkers (Westergaard et al 1989; Metzgar 2000). Furthermore Wesley (1970 cited in Salaman 1975: 230) proposes that 'men will act in such a way as to protect their identity and self-esteem' through occupation. This has implications for the continued collective organisation of labour and the ambitions of Community to develop its community branches. In the absence of employment in the steel industry, in the case of this study, in Ebbw Vale, continued membership of a union might act to provide an ongoing, vicarious sense of occupational identity. If, as contended by Stephenson and Wray (2005: 193) occupational memory can become 'the source and succour and inspiration for

activists', through the nexus of occupation, location, union membership and hence social solidarity, the preconditions are potentially laid for continuing union organisation in the absence of a specific workplace. If though, once occupational memory fades the 'community of memory' fades with it, so might the social basis for CU. The outcome of these competing forces will only be revealed over the passage of time.

2.8 Conclusion

Industrial restructuring, plant closure and redundancy, are ever present features of contemporary capitalism. In the West, this is particularly so in the steel industry where consolidation and job losses are continuing apace. Academic investigation of restructuring and plant closure has in the main, however, focused its attention on specific moments of plant closure or the experiences of the victims, survivors and executioners of redundancy. This body of work is undoubtedly important, especially so for those attempting to develop support strategies for individuals who have lost their livelihoods. Nevertheless, in order to better understand the whole process of plant closure, rather than only its aftermath, research is needed that addresses its different phases and hence the development of a more holistic understanding of its processes and consequences. It is this gap that this study has attempted to fill. Hence, in contrast to previous studies, this research has attempted to assess the process of plant closure across its breadth, framed by history, geography and politics. Restructuring and plant closure are though complex. They are subject to different and distinct phases of negotiation that are shaped by wider political, managerial and union strategies, the ebb and flow of power relations and the balance between conflict and cooperation. The exploration of these interconnected processes constitutes the central question for the study. In order that this overarching problematic can be explored, empirical data from relevant sources and levels are necessary. These are national and local politics, corporate and local management, national and local unions, employees and community members. In order for analysis and understanding to emerge, this data must be framed by relevant and connected literatures that can underpin the research and its findings. These are those that relate to restructuring, plant closure, participation, geography, occupational identity and community unionism.

Although plant closure has been studied from the perspectives of economics, geography, political economy, sociology and industrial relations, this research is conducted from within the field of industrial relations. Hence it is the discourse of industrial relations that frames the investigation and articulates the literatures referred to. The conceptualisation of industrial relations that has informed this study and that allows such articulation draws on work by a number of commentators. These include, Bain and Clegg (1974), Whitfield and Strauss (1998), Kochan (2000), Edwards (2003) and Nolan (2004). Through debates as to what the essential nature of industrial relations is, a conceptualisation emerges that captures the central interests of the field in its widest sense. Clegg's (1979: 1) often quoted definition of industrial relations as, 'the study of the rules governing employment', can only be meaningful, as Edwards (2003) argues, if the wider historical and societal contexts in which such rules evolve are assumed. One such important contextual factor, in unionised workplaces, is the presence of a trade union. Hence the study of industrial relations has had at its heart the functioning of unions and particularly their role in collective bargaining. In attempting to further clarify the scope of industrial relations, Bain and Clegg (1974: 91) building on work by Dunlop and Flanders see:

[I]ndustrial relations as a social system composed of actors—workers and their organizations, employer-managers and their organizations, and the state and certain of its agencies—interacting in a context composed of the labour and product markets and the work place and social environments.

More recently Whitfield and Strauss (1998: 294) call for a 'broadening of the scope' of industrial relations whilst Kochan (2000; 708), echoing the insights of Bain and Clegg (ibid), argues that, in respect of the future vitality of industrial relations research:

We need to take a more holistic approach to the study of work and put its relationships to other institutions in society, and particularly the relationship between work and family life, at the centre of our analysis. Given the increased number of household hours devoted to paid work, family and work issues can no longer be separate intellectual domains of spheres of public policy.

Finally, as counter to claims that the relevance of research in the field of industrial relations is in terminal decline, Nolan (2004:378) contends that, 'changes in the international restructuring of organisations', is reinvigorating the research agenda of industrial relations and have begun to challenge existing policy debates. (This study will hopefully add weight to this welcome development).

What this means for the study of industrial relations is the guiding conceptual rubric for investigation and analysis and that has informed the choice of literatures within which analysis is embedded. Put simply, the study of industrial relations cannot be confined to the workplace. Although the contest between organised labour and capital is central to analysis, this contest is contextualised by developments in the international product market and political arena that are bearing down on the workplace and hence not only on the lives of managers and workers but their families and the social environments in which they live. Furthermore, restructuring is impacting on trade unions whose survival and strategies for survival are of central importance to the playing out of industrial relations processes. Hence, for this study the investigation of the wider context of plant closure, the strategies and tactics lying behind engagement between representatives of labour and capital, assessment of the attempt by a trade union to retain its influence post closure, provide the means through which to investigate and understand the life history of plant closure in considerable detail.

The following chapters focus in turn on the different phases of plant closure and through this raise issues specific to each stage. For example, the role of information and consultation predominate in the chapter dealing with political and corporate engagement. The use of information, communication and the dynamics of collective bargaining are central to the run down period as are the experiences of those made redundant. These individual experiences, not just the processes of closure and redundancy, are described. The significance of location, occupational identity to strategies for community unionism is the main focus of the final chapters. The following chapter explains and justifies the methodological approach adopted for the study.

Chapter 3

Research Methodology

3.0 Introduction

This chapter describes and justifies the methodological choices made for the study. The study presents an analysis of the industrial relations of a plant closure. Its empirical approach is qualitative and exploratory and situated within a case study design. The chapter will discuss the reasoning that informed the approach to the research and the methods used. The chapter begins with an explanation of the research objectives and questions and a description of the research strategy and design. The methodological issues are then discussed including the ontological and epistemological beliefs that inform the research. This is followed by discussion of research setting, data and their collection and an assessment of the credibility of the findings. The chapter concludes with an assessment of the limitations of the study and some ethical considerations.

3.1 Research objectives and questions, design and strategy

The key objective of the thesis is to present an exploratory account of the industrial relations of industrial restructuring and plant closure across the life cycle of closure. As noted in the previous chapter, whilst there are many accounts of the aftermath of plant closure and the implications for victims and survivors the historical, geographical, political and economic contexts of closure have rarely been referenced explicitly. The central interest of the study is in the social process of restructuring and plant closure. How have the representatives of labour and capital interacted at multiple levels, to shape the negotiation of closure? The methodology is designed to engage with the individual and social dynamics of restructuring.

A number of research questions arise from the overarching objective of the research. How are decisions and strategies around restructuring and plant closure made? What determines their context and what are the key social dynamics involved in these processes? How much leverage do unions and management have and how is this

reflected in modes of participation between them? How do unions respond to plant closure and its aftermath and what factors might affect their response?

The study is essentially exploratory and aims to find out, 'what is happening, to seek new insights; to ask questions and to assess phenomena in a new light' (Robson 2002). The study was designed to prioritise understanding of social behaviour within the social processes in which it occurred (Bryman and Bell 2003). Data was generated inductively through qualitative, case study research. Methodological issues arising from these choices will now be explained.

3.2 Methodological Considerations

The choice of methodology arises from the nature of the questions under investigation. For this study, the central foci of interest were the forms, processes and interactions between representatives of labour and capital during industrial restructuring and plant closure. Although the wider process of restructuring framed the study, the specific case of the closure of the Ebbw Vale works provided detailed insight into local processes and outcomes. Following from the research objectives and interest in how and why questions, case study research was the means through which data were generated.

3.2.1 Case Study Research

Kitay and Callus (1998:101) suggest that the 'desire by industrial relations researchers to provide explanations and an understanding of complex social phenomena for which case studies are particularly well suited ...requires methods that are able to access a range of information sources and so assist in making sense of the social elements of social and economic life'. The case study was also, to use Yin's (1994: 44) terminology, 'embedded': although a detailed study of one plant took place, its fate was determined by the larger case of the Corus restructuring exercise which was also the subject of investigation. A particular value of the specific case of Ebbw Vale was that it was 'extreme'. It represented a distinct, indeed terminal, example of industrial restructuring. Yin (ibid) describes a potential pitfall of embedded case study research. This is when the wider case becomes detached from the sub unit and hence becomes simply context. Through the constant linking of national management and union strategies to their local impact, particularly through the management rationale for closure and the alternative union plan, this problem has been addressed. Indeed, the limitations of much research

into plant closure that this study has attempted to rectify make the integration of the different levels of analysis essential. In order to investigate these different and distinct phases of negotiation, the wider dynamics of restructuring and the various phases of plant closure reflected in the literature described in chapter two, need to be connected.

The important benefits of extending case study research beyond a specific nucleus of investigation are described by Burawoy (1998) through the extended case study method. Burawoy harnesses the extended case method through participant observation to the development of a reflexive model of science to run alongside positive (natural) science. Reflexive science is defined as 'a model of science that embraces not detachment but engagement as the road to knowledge' (ibid: 5). Through the extended case method, he (ibid: 5) argues, it is possible to extract the general from the unique, 'to move from the micro to the macro and to connect the present to the past in anticipation of the future'. The extended case method emphasises 'extralocal and historical context' and enhances the possibility of identifying, 'multiple processes, interests and identities' (ibid: 4-6).

Interviews are contextually defined through political, economic and social factors. For Burawoy (ibid), it follows that respondents are socially situated and hence as space and time are dynamic, situational knowledge is in constant flux. A corollary of this is that single cases must be aggregated into social processes. Social processes are, however, in turn contextualised by a wider field of social forces reflecting the impact of social processes external to the specific location of research. Burawoy concludes by arguing that local and external fields of social forces are dynamically intertwined and in a constant state of interaction and mutual change.

In this study, respondents contextualised by the Ebbw Vale works and community, were part of social processes at the works that were in turn contextualised by developments in the product market for tinsplate, corporate strategy, role of finance capital and national level industrial relations. The objective of this study has been to connect the pre closure politics of closure, the run down period of the works, the industrial relations processes during this period and post closure, community unionism. This, it is argued, is a clear manifestation of the extended case study approach as a means of investigation and analysis.

3.2.2 Ontology and Epistemology

Although the restructuring and plant closure took place in an institutional, procedural and legal framework, it was the social processes and human interactions that were the primary objects of investigation. The choice of methodology was driven by the requirement to access this dynamic, social world. Data was collected from individual accounts and narratives that were inscribed by history and place. The starting point for understanding the social world raises questions about ontology and epistemology.

As an explanation of the social world, it is argued that workers and social phenomena inhabit a historically determined but constantly changing social world, a world that workers themselves struggle to change. In the world of work, this is reflected by the dialectical antagonism between labour and capital that engenders both conflict and cooperation. An understanding of society and social phenomena is produced from knowledge of the material conditions and the social relations, under which people live, work and develop the forces of production (Engels 1954; Braverman 1974). This process is dynamic, not static. Conflict, antagonism and cooperation, involving individual and collective relations are constantly involved and evolving. This is an ever present feature at the 'frontier of control' between labour and management (Goodrich 1975). In summary, this is not a study of industrial restructuring through the lens of abstract statistics or remote aggregate categories. It is the study of people's lives and their communities as they respond to plant closure and industrial change through which they are themselves changed

The ontological belief that underpins this research is that there is a social world that is external to the individuals studied. They interpret their world and respond to changes in it. Although the morality of corporate decisions to close plants and make individuals redundant might be the subject of debate, what is real is that developments in the international product market for steel are driving forces for restructuring. The framework for engagement provided by legislation or bargaining procedures is real. The Ebbw Vale works did close. Workers were made redundant. Families and the community were affected. Unions did lose their membership base. Nevertheless, within this social reality, individuals are able to select courses of action meaningful to them and based upon their interpretation of events. For example, Corus management refused to consult on its plans in advance of the announcement on restructuring. This was

framed by its interpretation of the leakiness of the government but also by the absence of legal compulsion and its assumption that the unions would not take unlawful industrial action. Similarly, although participation between representatives of labour and capital might take place through specific procedures (much does not of course) it is fundamentally a human activity.

If, arising from the research questions, the aim is to understand both the nature of the social world in which the industrial relations of restructuring takes place and also how the participants involved in restructuring make sense of their world, the question arises as to what is considered as warranted knowledge of this world and how is it to be obtained (Gill and Johnson 2002)? It follows from the ontological position taken, that the methods of natural science, are not appropriate for the investigation of the objectives of this research. In order to understand the social world, it is necessary to access the thoughts and actions of participants in that world. This reality cannot be accessed through the same methods as those used to access the world of nature. For the objectives of this research, the logic of positivism, that it possible to observe the facts of a readily observable social world both neutrally and objectively as an epistemological basis for understanding, is not supported. Rather, a logic reflecting the requirement to understand human behaviour and a strategy that allows understanding of subjective meaning and the nature of the social world in which individuals create meaning is necessary. The epistemological orientation adopted is realist. It is realist not in the sense of naive or static realism but its method of grasping the social world and its structures, such as a codified bargaining arrangement, through the elaboration of concepts that appropriate the world and its structure independently of the senses. Understanding of this world is possible thorough the act of social science. It follows from this that the approach to data gathering was qualitative and essentially inductive.

3.3 Analysis of Data

The themes that guided the interviews and acquisition of data formed the basis of analysis. The themes in question related to the nature of interaction between government ministers, Corus executives and union officials; the experiences of workers when the Ebbw Vale closure was announced; the interaction between local lay union representatives and local management; the interaction between Community the union and former union members; the involvement of other stakeholders. Within each theme

the processes relevant to the specific stage of restructuring and closure were identified. For example at the national level, consultation during the lead up to the final closure decision, at plant level negotiation during the run down period to closure. Analysis of data took place as the research was conducted as 'the constant interplay of data gathering and analysis is at the heart of qualitative research' (Wiseman 1974: 317). Data was cross checked between respondents at different levels of seniority and through the use of documentary evidence such as internal memos and minutes of meetings.

3.3.1 Oral History

The question of memory and hence accuracy and veracity of historical recollection and its concomitant credibility for research data, is an important one for industrial relations scholars and amidst recent reflection on the state of industrial relations research, one that has received too little attention (Brown and Wright 1994; Burawoy 1998; Kochan 2000; Strauss and Whitfield 2000; Edwards 2005). Much data acquired as a result of interview is retrospective and to a greater or lesser extent historical; what was said, what was done. At issue here is in many ways the status of the fundamental units of data that qualitative research is based upon. If the status of the spoken word is in doubt, so must be the analysis and writing, however elegant and persuasive that flows from it. This study relied on such data. Industrial relations scholars can learn much from biographical methodologies and the oral and life history traditions in respect of understanding the nature of qualitative data. These fields of enquiry are large and beyond the scope of this section to assess in any detail (see Chamberlayne et al 2000 and Roberts 2002, for discussion of these issues) but raise issues that are relevant to semi or unstructured interviews particularly those that are long or repeat. Grele (1998) considers that interviewees represent historical processes not statistical randomness. Following on from this, Atkinson (1998) proposes that when respondents tell their story, they inevitably, subconsciously connect events and provide direction and structure in a quite artificial way. What ensues is not hence necessarily historical truth. Whilst this is a potential problem, Roberts (2002), suggests that accuracy is not the overriding issue and that what interviewees require is general trustworthiness. So although recollection might not be totally accurate it should be internally coherent and be able to stand the test of corroboration. The respondent's perception of what is true; their world as they understand it is elemental to their story.

Oral historians also emphasise the point that interviewees should not necessarily remain neutral. An interview is a collaboration and intervention in the development of a story and can be a means to develop knowledge at a deeper level. As a final note on oral history, Thompson (1988: 265) asserts that, 'oral history gives history back to the people in their own words.' This was clearly witnessed in relation to the closure of the Ebbw Vale works. Respondents, management, employees and union activists, continually used the occasion of interview to relive the history of the works, the personalities, the struggles, the moment of closure and its aftermath. Each version of their history contained commonalities but each referred to a personal interpretation of 'how it would have happened had it been re-run and I had my way': a means of catharsis undoubtedly but one that challenged official versions of history. This is important as official history inevitably reflects vested interests and power relations and through this process our understanding of history becomes more trustworthy and robust.

These issues are of interest to this study as for a small number key informants, managers, union representatives and politicians; an attempt was made to develop an oral history dimension to the research. For these respondents, through numerous interviews over the course of several years, a substantial amount of biographical information was purposefully acquired. Understanding the culture of the Ebbw Vale works was essential if the in-plant industrial relations beyond agreements and procedures were to be understood. Similarly, to gain insight into the culture of the local community, it was necessary to get a feel for the factors that might facilitate or hinder the development of community unionism. As an outsider, this was not possible through a relatively short interview. However, through a build up of personal histories and life experiences, it was possible to gain an understanding of historical processes, 'what industrial relations used to be like'. Also, just as Marshall and Rossman (1995: 88) suggest, 'one understands a culture through the history of one person's development', hence, through the exploration of individual histories, it was possible to acquire an understanding of community culture. Furthermore, through the act of collaboration in local elections with the Peoples Voice Party, it was possible to comprehend local politics and its antecedents in a way not otherwise possible. As Goodley et al (2004: 82) note, 'social enquiry is not a form of inquiry on human action as much as it is inquiry with human actors'.

Why use the words of respondents and which ones to use? For the dissertation it was interview data and the spoken word captured at meetings, in clubs, pubs, cafes, political debate and chance meetings that constituted the core of the empirical data. It is accepted that whilst interview data might constitute the bedrock of analysis, it is not the analysis itself. Words and quotations from interviews are proxies for 'truth' and care must be taken not to submit to the temptation of anecdotalism, the tendentious use of evidential material. In the study, quotations were selected and used to emphasise key issues that either reflected unanimity of belief or opinion that stood out starkly in its opposition to the majority view. It is surely appropriate that this data, the voice of those providing an insight into their world is given prominence in what is after all their story.

3.4 Background to the study

The Corus restructuring was announced in February 2001 and the Ebbw Vale works finally closed in July 2002. The fieldwork for the research was conducted between 2001 and 2008. The focus of this research was an investigation of the impact of redundancies in the Welsh steel industry. Five sites were included in the Welsh project, the four Corus sites of, Llanwern, Port Talbot, Shotton and Ebbw Vale and the Allied Steel and Wire (ASW) plant in Cardiff. Both the ASW plant and Ebbw Vale were closed although ASW reopened following its purchase by the Spanish firm Celsa. The setting for the research was therefore restructuring in its widest sense as reflected in the developments in ASW and Corus. The final, Ebbw Vale phase of the research followed on from these projects.

For both the projects described, the research methods used were interview, observation and documentary material both contemporary and archival. Interviews were semi structured. The initial field involvement was through the Framework 5 project. Through the lines of investigation agreed between the research partners, an interview schedule was developed. This was based upon a number of themes about which respondents were encouraged to talk. The themes related to experiences of change, restructuring, training and involvement of unions with management in joint learning initiatives. The Welsh project was investigated in a similar way. The main empirical work consisted of interviews with redundant steel workers, partners and key union, management and community stakeholders. The questions related to respondents experience of training

whilst at work but predominantly to their experience of the redundancy process and life after redundancy.

The interviews with redundant steelworkers sought to build up individual biographies of redundant workers' and their experiences of and attitudes towards the redundancy process, employment and work, learning and employability, social inclusion and family life. Central to this was the attempt to understand the post redundancy process, how individuals managed this process and the implications for guidance advice and learning. Agency interviews were conducted with representatives from Education and Learning Wales, Job Centre Plus, Cardiff County Council, Career Wales, SPT and the ISTC. Whilst the issues investigated varied from interview to interview, a number of common themes were covered, including the role of these agencies in the Corus and ASW redundancy process, inter-agency co-ordination, and perceptions of the local and regional labour market. During both projects, a number of themes that had not been the main focus of either project began to emerge and that were important to a clearer understanding of the main research themes and that were evidently of interest to the steel workers themselves. These were teamworking, the way that the processes of industrial relations had evolved since the 1970s and the significance of industrial relations and key actors, to the restructuring and closure process. The other theme that emerged was that of occupational identity and its significance to understanding the life course of current and particularly former steel workers (Gardiner et al 2007).

This background is important for a number of reasons. The studies provided a grounding in the processes and impact of restructuring in the UK steel industry. A rich variety of contacts and sources of information was established. Crucially, it was through the longitudinal process provided by the investigation of different aspects of restructuring, that interest in Ebbw Vale as a specific case study site was developed. Up to this point, interest in Ebbw Vale has been framed by the requirements of the SPT project and its focus on the fate of those made redundant. The themes of industrial relations and forms of engagement between unions and management surfaced continually. Through these insights, a new set of research questions evolved. The consequence of this was that in order to conduct a systematic exposition of the industrial relations of plant closure rather than simply the analysis of the post redundancy experience, the collection of more specifically relevant data was required.

Hence several more years were spent accumulating data on the closure of the Ebbw Vale steelworks and the circumstances surrounding it. This was also in the form of interviews, observation and documentary data. The ultimate outcome of this extended data gathering was the investigation of Community Unionism as an outcome of plant closure.

3. 5 Research Data

3. 5.1 The Interview Process

For the phase of the research exploring the Corus restructuring, interview questions examined management strategy for restructuring, the union response to restructuring and the political processes that accompanied the restructuring announcement. In summation, the interviews provided insights into the whole process of restructuring and from a number of different perspectives. A number of general observations can be made about the interview process (that apply to all phases of the study). As explained, the interviews were semi structured. The flexibility provided by semi structured interviews allowed the concepts reflected in the questions to stimulate discussion in an attempt to provide an inductive process of gathering data to unfold. May (1997:111) has described the use of semi-structured interviews as a source of thematic guides from which probes can be generated that allows a penetration beyond initial answers. This was responsible for the development of interest in the industrial relations of restructuring from the original research project. Similarly, in the Ebbw Vale specific interviews, the same flexibility provided insight into the close connection between occupational identity and trade unionism. Structured interviews would not have allowed this process to unfold. See appendix 1 for interviewee details.

Those interviewed included employees, redundant workers, family members, community members, agency representatives, local and national union officials; local, regional and national management; civil servants; politicians. The duration of interviews was between 0.5 to 3 hours with 1-1.5 hours being typical. Interviews were either recorded and transcribed or detailed notes taken. However, during the course of the study, a number of key informants were identified. These included Corus managers, union representatives and politicians. All key respondents were interviewed on more than one occasion, in some cases several times over a period of years. The repeat interviews allowed issues from preceding discussions to be clarified and also the

veracity of information to be assessed. The repeat interviews increased the familiarity between interviewer and respondent and led to a build up of trust. Also, through the attempt to develop an oral history dimension to the interviews, a substantial amount of biographical data was acquired.

During the seven years over which the study was conducted, both participant and nonparticipant observation at various meetings took place. The meetings included partnership meetings of state agencies and Community the union to coordinate support for redundant workers, meetings of the Ebbw Vale political party 'Peoples Voice' who the MP for Blaenau Gwent (and former steelworker) was a member of, union branch meetings and Communitas training sessions. Interviews were also conducted with groups of union representatives at several steel works, groups of redundant steel workers and Communitas redundancy councillors. The interview process was at times challenging. In the specific case of Ebbw Vale, those interviewed were generally and not surprisingly, despondent about their circumstances. Nevertheless, due to the long run down period of the works had had time to think through their futures. The ASW situation was much different. Workers were interviewed within days of the sudden and unexpected announcement that the works was closing. These individuals were shell shocked. Their job and company pension had gone as had any enhanced redundancy pay. To conduct interviews seemed almost ghoulish yet numerous individuals expressed gratitude at the opportunity to talk about their situation. This was a humbling experience. A senior union activist at the ASW works was angry and distraught and accused the author of being a 'company spy'. This was a difficult moment and only resolved through much debate and the opportunity for him to be present at interviews. He was eventually persuaded by my offer (that he did not take up) and the support of Communitas advisors that the interviews should continue.

Interviews were conducted in a number of locations. During the first phases of data collection, most interviews took place in various offices of Communitas. A room was allocated and privacy was assured. Interviews with managers took place at their place of work always in private. Interviews with representatives of agencies and civil servants also took place at the workplace. In the later stages of the research a number of interviews took place in the homes of respondents. At every opportunity, during visits to Ebbw Vale, individuals were engaged in conversation about the works closure, local

politics and the notion of community unionism. These discussions took place in bars, cafes and hotels. During the course of the research across all phases of the research, 272 individuals were interviewed. Details of interviews are contained in Appendix 1. These details do not include the many chance meetings and discussions that opportunistically took place during numerous visits to Ebbw Vale and Blaenau Gwent.

3.5.2 Sampling

For the first phases of the research, respondents were selected through either lists of redundant steel workers supplied by Communitas or from lists of employees supplied by Corus. For the redundant workers, the objective was to access a broadly representative group in terms of location, occupation and age. In order to address the various research objectives it was necessary to interview those finding new jobs, those taking their pension entitlements and those experiencing difficulties in finding new employment. Interviews with partners of ex-steelworkers were also generated through lists provided by Communitas and through a 'snowball' sampling method, whereby suitable respondents were identified in the course of interviews with redundant steelworkers. The employed steelworkers were selected on the basis of obtaining a cross section of ages and occupations from lists of all employees on each site. Through this phase of interviewing, individuals who would be able to provide insights into industrial relations processes were identified and interviewed again to discuss industrial relations and restructuring. It was through these respondents that other key actors, both management and union, were identified for interview. This was an important source of informant for the industrial relations phase of the research. Opportunistic selection of respondents also took place. This was largely based on prior contacts in the trade union movement and through cold calling Corus managers. Surprisingly, no requests for interview by managers were refused. The one failure in respect of requests for interview was from the general secretary of one of the three main steel unions.

In line with the overall methodological approach to the research, the sampling was not statistical but was based on convenience, snowballing and where possible was purposive. This was designed to provide as wide a variety of relevant actors as possible but also typical and critical cases (May 1997).

3.5.3 Documentary material

Documentary material was collected and assessed throughout the course of the research. This originated from a number of sources. Union literature consisted of policy statements and campaign material against the Corus restructuring, detailed information from Communitas relating to training and advice services that were available and the importance of the union community link. Members of the Ebbw Vale Works Council provided a voluminous amount of documentary material. This consisted of internal union memos, communications between the company and the Council, union policy statements and presentations to management and members and explanatory material associated with the union alternative plan and negotiations over severance terms. Union national officials provided copies of the union alternative plan and supporting material. Material from Corus came from local and corporate levels. It included material relating to managements response to the union alternative plan, internal memos relating to crossmatching and severance terms and detailed statistics covering output, quality and the financial rationale for the closure of Ebbw Vale. The Ebbw Vale Council (Blaenau Gwent Council) provide minutes of Council meetings where the closure of the Ebbw Vale works was discussed. The Welsh Assembly Government provided internal memos relating to its response to the Corus restructuring plan and its relationship with local councils. Through the offices of an MP, the House of Commons research department provided analytical material relating to the state of the UK steel industry and dates of meetings between Corus, unions and MPs with accompanied by relevant documentary material. Many of the interviews with redundant workers were complemented (with the approval of respondents) by detailed biographical material supplied by SPT. A substantial body of documentary material was examined, some of which will be archived in the Ebbw Vale Steel Industry Museum.

3.6 Credibility of findings

Saunders et al (2007: 147) suggest that the credibility of research turns on its ability to, 'reduce the possibility of getting the answer wrong'. In order that this can be achieved, the validity and reliability of research findings are of paramount importance. Hence, although social dynamics are, contested and changing, Silverman (2000) emphasises that this cannot rule out systematic research. Yin (1994:33-34) suggests that the construct validity of case study research can be strengthened through for example the utilisation of multiple sources of evidence and asking key informants to review reports.

This was achieved in the study. Both managers and union respondents, primarily through multiple interviews, were able to assess research findings. Questions as to the external validity, generalisability, of case study research is often questioned from the perspective of quantitative analysis. Quantitative research attempts to generalise through randomly selected samples from which inferences can then be made, within the bounds of statistical error, about a parent population. The ability to replicate this for a case study of for example, a steel works is unlikely. Is this then a fatal flaw for the generalisability of case study research? The answer hinges on a number of issues. Firstly, as for all research the objective of the research. If the objective of research is to obtain deep and rich data about a specific focus of study, the ability to generalise might not be a 'problem'. As though argued by Mason (1996: 6), for many researchers this is not a sufficiently satisfying answer, 'qualitative research should produce explanations which are generalisable, or which have wider resonance.' The claim that case study findings can be valid beyond their specific source depends on a different understanding of the nature of case study data. As Yin (1994:36) puts it:

This analogy to samples and universes is incorrect when dealing with case studies. This is because survey research relies on statistical generalisations, whereas case studies rely on analytical generalization

Silverman (2000) also offers a number of insights into the nature of generalisability. He suggests that purposive sampling of cases is important. This is so as it generates a focus of research that is directly relevant to the research question and hence where the issues under investigation are taking place. This means that immediately one extra level of interpretation is removed from analysis. In the study of restructuring and plant closure, the specific case study site was, due to restructuring, being closed down. This provides the potential to generalise to other steel plants in the same situation. This also follows for the study of industrial relations processes. The steel industry, certainly across the UK, Europe and the USA, is characterised by a number of common features. The specifics of the product market, the national institutional arrangements in which industrial relations are enacted both at national and local levels and the nature of the unions and management. It is argued, however, that it is possible to generalise the findings to other steel sites in the UK. Indeed it is possible to argue that the findings can

be generalised to similar union management structures in different manufacturing sectors.

Through the longitudinal nature of the study, familiarity with the industry and its industrial relations processes and the numerous repeat interviews with key informants, interviews provided high levels of access to the knowledge and experience of respondents and the validity of the findings were enhanced. Nevertheless, this study is of an industrial unit in what is becoming an unusual geographical setting and its utility to an understanding of the closure of say a call centre in an urban area must be limited. In this sense the population validity of the study is probably stronger than its ecological validity. In terms of repeatability, it is difficult to claim that the study is replicable in the way that a laboratory experiment might be. Although the findings were consistent across both union and management respondents, the contentious, tendentious nature of industrial relations and the epistemological issues therein, make this a difficult issue for industrial relations research.

Beyond the validity of case study research is the wider question of the validity of qualitative data itself. The spoken word presents a particular challenge to the validity and reliability of qualitative research. How is the credibility of qualitative field work to be assessed? Qualitative research is not driven by statistical logic. Indeed Bertaux (1981: 37) considers that interviewees are 'representative at a sociological level'. Becker (1970) provides an important contribution to the debate on the credibility of qualitative field work data. He argues that in relation to for example repeatability:

We should not expect identical results when two observers study the same organization from different points of view or when they study different substructures within the same organisation. What we have a right to expect is that the two descriptions be compatible, that the conclusions of one study do not implicitly or explicitly contradict those of the other' (ibid: 41-42).

Becker also argues that bias in controlled quantitative experiments is not unusual. This being the case, it is hardly reasonable to demand a higher standard from qualitative researchers. In reality because of its sustainability and access to many alternate sources of information, field research is less likely to suffer from bias. It is easier for

respondents facing structured interviews to bias results than respondents observed and interviewed in the field on a number of occasions. Respondents in the field are generally faced with panoply of social restraints on their behaviour and aberrant behaviour and willingness to dissemble will be prevented or be discovered. The same logic suggests that mistaken conclusions on the part of the researcher will also be identified. The longer the period in the field, the better the chance that these assumptions will be realised. In the present study, the potential problem with interview data relating to past events was overcome by the length of time spent asking the same questions often to the same people. The picture became steadily clearer and more stable. A situation akin to theoretical saturation. This was so much the case that on one occasion the researcher was able to correct the memory of a current managing director who had been a senior member of the tinplate restructuring team.

3.7 Limitations of the study

Although the research generated rich data across several facets of restructuring, there are inevitably a number of limitations to the study. One such issue is that although crucial interview data was obtained, investigation of the national level interactions between government ministers, union national officials and Corus executives was accessed largely through secondary data. This was thorough but perhaps lacked the insights possible through face to face discussion. Also, for the early phases of the research, redundant workers were selected by Communitas. Although this was very effective in terms of time and efficiency, there is clearly a bias here. However, it was through these respondents that as new themes for investigation were generated, doors were opened to different respondents through whom what became the central issues for investigation evolved.

Other limitations of the study relate to the interview process issues referred to above. The key data was obtained through semi structured interview and observation. Although the venue for interviews changed, most of the individual interviews took a standard form. Interviewer and interviewee were situated in a room and either faced each other or was positioned side by side. The environment was for most respondents quite artificial. It was also clear that for many production workers, the experience of being interviewed by a middle class researcher, was initially at least, somewhat unnerving. However, once interviews began, most respondents appeared to relax. Of course many interviews took

place with managers. Here the issue became one of interviewee bias. A number of managers were cautious about deviating from the company line. There was no magic wand to solve this problem. It was only resolved through repeated interviews and familiarity.

In relation to the question of validity, it is possible that during observation at *Communitas* advice sessions, advisors were acting for the camera. As Becker (1970) has argued, repeated observations over a long period of time, acts to rule out such threats to validity and a substantial number of interviews were observed over several years. Meetings of the Peoples Voice political party were very well attended and often raucous. It seems unlikely that my presence affected debate or outcomes. At the small meetings of union representative that were observed, it is possible that representatives were attempting to deliver a message about their employer or indeed union. Although union representatives from Ebbw Vale and Port Talbot became very familiar, other steel industry activists were often cautious and quite political.

Finally, it is accepted that the study is of an industrial unit in what is becoming a rare geographical (indeed industrial) setting. This might be seen as both an advantage, in historical terms but a disadvantage in terms of its typicality.

3.8 Ethical considerations

The research presented a number of ethical issues. These relate in the main to the not unusual consideration of confidentiality. A number of the key respondents were senior managers and union officials. If such respondents are willing to allow their interpretations of events to inform analysis and even more, to be quoted, then this is all researchers can ask and confidentiality is not necessarily a problem. If, however, the individuals interviewed are still employed with an organisation under investigation, ethical problems might arise. This is of course not unusual but in the case of individuals whose insights are so specific, they could have been made by a limited number (even one) of people, to use their analysis let alone quotes, carries a risk for the individuals in question. If permission is given, the problem might be obviated but those in senior positions in their organisations are potentially at future risk, in the case for example of a change in leadership. In the case where a senior respondent speaks off the record or asks that certain opinions are not referred to directly the situation again might seem resolved.

If, however the insights provide information that is crucial to the research findings, what then? Not to quote certainly but is the use of paraphrase acceptable? These considerations are not of course new but are encountered in new forms in new research and are ever present concerns. If research findings are kept under lock and key, the problem of anonymity is resolved but the ethical issues perhaps not.

In this study, two senior managers, a senior union official and a senior civil servant, provided information that was confidential and potentially controversial. The individuals asked not to be quoted but did not, for some of their comments, place an embargo on the use of their insights. In all cases, the identity of the respondents have been protected either by not specifically referring to them or by falsifying their positions.

3.9 Conclusion

As described in the introduction, the key objective of this study has been to present an analytical account of the industrial relations of industrial restructuring and plant closure; a central consideration being to explore the full life cycle of closure. The research strategy was based upon case study through inductive, qualitative research that privileged words and observation. It spanned multiple levels and processes and reflected the extended case study described by Burawoy (1998) Data was generated from a number of sources. These necessarily included the Ebbw Vale steel works and the community of Ebbw Vale. Data from a wider range of sources provided vital insight into the context of the UK steel industry and the industrial relations issues that framed the interaction between management and unions in the industry. This included arrangements for crossmatching, employee participation and the historic arrangements for redundancy that had for many years informed the expectations of union representatives, managers, local councillors, civil servants and politicians alike. Immersion in the 'field' over a period of years in wider developments across the political spectrum and steel industry, especially but not exclusively in south Wales, enabled insights and heightened sensitivity not only to national aspects of the Corus restructuring but also crucially to local events at Ebbw Vale. The following chapter provides the wider case context in which the specific study of Ebbw Vale was embedded.

Chapter 4

The Corporate Restructuring of Corus and the Politics of Participation

4.0 Introduction

Developments in the international product market, in which organisations such as Corus are embedded, inevitably frame the form and processes of industrial relations and modes of participation within these processes. Industrial restructuring is not, however, a determinate, economic phenomenon dissociated from human activity. The inherent conflict between the representatives of labour and capital, are made more complex by tensions and conflict within these groups. This chapter provides historical and economic context for the Corus restructuring and closure of the Ebbw Vale works and also assesses the complex interactions between those involved in the playing out of these processes.

The chapter is organised as follows. Following an assessment of developments in the international steel industry, the evolution of Corus and its strategy for restructuring is described. This is then followed by a discussion of the interaction between politicians, Corus corporate leaders and union national officials over the Corus plans. This discussion raises a number of issues relating to the nature of participation at this, the 'macro' level of engagement. These issues include consultation, collective bargaining, partnership and industrial democracy. The chapter concludes with an appraisal of the significance of the findings for understanding the complexity of the social dynamics and industrial relations of restructuring. This, the first empirical chapter, ends with a brief history of the Ebbw Vale steel works

4.1 The international steel industry: context and restructuring

The international steel industry is characterised by cyclical demand and supply, global excess capacity and also, compared to many other industrial sectors, fragmentation (this was still more the case in 2001). Consolidation through restructuring, such as that under investigation, is hence continuing. Between 1992 and 2002, world output of steel increased steadily from just over 700M tonnes in 1992 to just over 900 million tonnes in 2002 (IISI). Trade in steel is, however, highly international in character and with supply

and demand tending to be regionally mismatched. For example, during the period of the research, both China and the USA were net importers of steel whereas Japan and Eastern Europe were net exporters. The export of steel is though, not unproblematic as compared to its value, steel is an expensive commodity to transport. Financial logic suggests that production should be as near to consumption as possible. Nevertheless, steel production is capital intensive and associated with high fixed costs. The corollary of this is that in order to keep unit costs down, firms are driven to maximise production and if domestic demand is down must seek to increase their exports. Steel producers have only a limited opportunity to differentiate their products from competitors. A consequence of this is that competition on the basis of price is fierce hence undermining profitability and the ability to invest (EEF 2003).

Recent merger activity has been unrelenting and a number of major mergers have taken place. For example, in Europe, British Steel and Hoogovens merged to form Corus in 1999. Corus was subsequently taken over by Tata in 2007. Also, in Europe Aceralia, Usinor and Arbed merged to form Arcelor. Arcelor was subsequently taken over by Mittal to form Mittal-Arcelor, the world's largest steel producer. In Japan Kawasaki and NKK formed JFE Steel and in China Baosteel recently absorbed Shaogang and Guangzhou steel companies. The USA now has only four major steel producers (IISI).

4.1.1 The UK steel industry

Throughout its history, the UK steel industry has experienced continual restructuring and change. The immediate post war period was characterised by lack of investment in new technology, excessive transport costs and productive inefficiencies. As Blyton (1993) notes this state of affairs was underpinned by a pre-war legacy of weak competitive pressure and since 1950 uncertainty of ownership. The UK steel industry was nationalised in 1950, denationalised in 1953, nationalised in 1967 and in 1988 once again denationalised.

Morris et al (1992) and Blyton et al (1996), describe two post Second World War waves of restructuring that have affected the European and UK steel industries. They describe a first wave extending for a decade from the mid 1970s. By the time of the 1974 oil price shock and movement of the world steel industry into overcapacity, the UK industry was, compared to its major competitors, a relatively inefficient producer

(Blyton, 1993: 169). Following UK membership of the EEC in 1972 import penetration of steel increased hence compounding the competitive problem of the UK steel industry (Cockerhill and Cole 1986). This period was associated with retrenchment, reduction in output, increased pressure to restructure and job losses. Cost cutting and job losses accelerated and in 1975, crude steel production in the UK was 20.10 million tonnes. In the year 2002, it was around 10.80 million tonnes.

The second wave of restructuring that started in the mid 1980s, was characterised by the commitment of management to a changed organisation of work (Morris et al (1992; Blyton et al 1996). Also, following privatisation in 1988, the UK steel industry was increasingly exposed to world markets. Pressures for change have been remorseless and the period from 2001 can be considered to form another wave of restructuring and it is from this phase of development that the primary empirical data for this research has been obtained. Contemporary restructuring and change have been associated with and driven by heightened international competition and rapid product market change. Cost pressures, competition from newer producers, for example China, increasing demand for higher quality products with shorter lead times has led to increased decentralisation and product diversification. These developments have been allied with accelerated corporate consolidation and technological innovation, pressures for increased flexibility in production and distribution systems, and changes to the organisation of work (Wallis and Stuart 2004).

4.1.2 The UK steel industry: contemporary developments

As explained, restructuring of the UK steel industry since the 1980s has resulted in large scale job losses (Bacon and Blyton 2000; Blyton et al 1996). The impact of these developments on the human side of enterprise has been substantial. Between 1974 and 2000, the period immediately prior to the research, the European Union 'lost' more than 70 percent of its steel workers. In the same period in the UK, employment in the industry fell from 194,000 to 29,000 (IISI 2000). In 2000 Corus declared almost 5000 redundancies. In June 2000, of the 4,500 redundancies announced, approximately 1300 were in Wales. The sites affected were the Bryngwyn plant in Gorseinon, the Llanwern plant near Newport, the Aluminised Products in Pontardulais, the Port Talbot plant, the Shotton Plant in Deeside, the Tafarnbach plant near Tredegar and the Trostre plant near Llanelli. In October 2000 another 210 job cuts were announced, 145 of which were

in Wales, at Port Talbot and Shotton. In 2001, restructuring resulted in more than 6000 job losses in the UK, most of which occurred in Wales, including the closure of the Ebbw Vale works. These redundancies did not include around 1000 former Corus employees whose jobs had been recently contracted out. In April 2003 Corus announced a further 1150 UK job losses. The UK tinplate sector was again visited by redundancy in November 2004 and April 2008, when 78 and 300 redundancies respectively were announced at the Trostre works. In 2008 Corus (Tata) employed 23700 people in the UK. This compared to 35000 (in the UK) in 1999 and the 150000 employed by British Steel in 1980 (Corus 1999 Merger Prospectus; IISI 2002). Trade unions, individual workers and their communities alike have struggled to come to terms with change on such a scale.

A report by the Engineering Employers Federation to the Commons Trade and Industry Committee presents a useful overview of a number of key issues (EEF 2003). Corus UK inherited from its forerunner, British Steel, a strong reliance on domestic demand. The UK demand for steel has over the course of the last three decades fallen by 35% (EEF *ibid*). Occurring in parallel with this reduction in demand has been an increase in the share of steel imports which between 1973 and 2001 rose from 13% to 51% (EEF; ISSB). During the period of the research, two key factors were associated with the fall in the demand for and hence production of steel. These were the exchange rate between Stirling and the Euro and the decline in the UK manufacturing sector. The relative strength of Stirling against the Euro (between 1996 and 2002 sterling appreciated 35% against the Euro) meant steel exports became less competitive whilst steel imports became more competitive. This state of affairs produced downward pressure on the price of steel. Of particular concern for UK steel producers was the fact that the quantity of steel being imported in the form of manufactured goods had also been steadily increasing. In 1970 the quantity of steel entering the UK in this form accounted for around 5% of steel. In 2002, this figure was 42% (ISSB).

Although largely because of these challenges to UK steel producers, the productivity of the UK steel industry in general and Corus in particular over the period under discussion, steadily increased, in 2001 the prospects for the UK steel industry were not good. As the UK Steel Association stated in its written Memorandum submitted to the Select Committee on Trade and Industry on March 14th 2001:

Current economic policies are severely reducing steel companies' strategic options in the UK. The critical mass customer base in competitive manufacturing seems to be slipping away. With ROCE [Rate of Return on Capital Employed] at less than the rate of interest paid by a bank, UK outlook for most steel companies is grim. Unfortunately that could mean further retrenchment and consolidation to drive costs out of the system.

The EEF argued that for all steel companies: 'The real problem lies with inefficient surplus capacity that remains in operation either because of market imperfections or because of the high exit costs for steel companies (in turn a result of steels capital intensity). Also that: 'What is clear is that few if any steel companies around the world are currently making an adequate return on investment' (EEF 2003: 3).

4.2 Restructuring of Corus and the dynamics of corporate strategy

In June 1999, British Steel made public its intention to merge with the Dutch company Koninklijke Hoogovens. The rationale included scale, geographical and commercial overlap and synergies from shared technology and logistics. Following the merger the tinplate business, comprising the Ebbw Vale and Trostre works in Wales, Ijmuiden in Holland and Bergen in Norway, was given the new trading name of Corus Packaging Plus. In the final period of 1999, although British Steel reported losses, Hoogovens was in profit. The chairman of Corus, Sir Brian Moffat explained the losses as the result of adverse pricing and exchange rate effects. The financial report of April 1st 2000 again showed Corus making losses, due to the carbon steel business. An inability to raise prices and the continuing high level of Sterling against the Euro were placing significant adverse pressures on the profitability of the newly formed organisation. Corus acted to avert failure. In the face of end of year losses of £1.152M at December 2000, and ongoing losses of £1M each day, in early 2001, details of the restructuring plan were announced. A recovery plan was devised focusing on cash flow, cost reduction and customer performance. In a Corus press release, Sir Brian Moffat, Chairman and Chief Executive, said:

The radical measures announced today will significantly improve the Groups competitiveness and are crucial to the future of Corus' employees, customers and

shareholders. However, it is with deep regret that despite the support and commendable track record of our UK workforce, further significant job reductions have to take place. The proposed measures will result in ... The reduction of over 3 million tonnes of iron and steelmaking capacity in UK flat products, together with the closure of certain mills and process lines. These actions together with the benefits of the Group's interests in aluminium and stainless steel will create a sound platform for the Group to secure sustainable growth ... We are also announcing today an extensive refinancing package to be used to replace our principal existing bank facilities, thereby enhancing the Group's financial flexibility.

(Corus press release 1.2.01)

The restructuring of the UK side of the organisation was to involve the loss of 6050 jobs. These were spread across the organisation but Wales, particularly south Wales was badly affected. Shotton faced job reductions; Llanwern would lose its steel making capacity whilst the Ebbw Vale and Bryngwyn works would be closed. A list of job losses is presented in tables 4.1a and 4.1b. The survival plan involved a reduction of 2.5M tonnes of capacity and a major contraction of exports of carbon steel products. The Stock Exchange welcomed the measures and the share price of Corus climbed from its extremely low level on hearing the news.

Table 4.1 a: Corus 2001 Restructuring Announcement – Steel Works Redundancies

Flat Products	Job losses - number of employees
Llanwern	1340
Ebbw Vale	780 Plant Closure
Shotton	319
Lackenby	234 Plant Closure
Bryngwyn	127 Plant Closure
Strip central functions	200
Total job reduction	3000
Timescale	During 2001 and Ebbw Vale by mid 2002

Table 4.1 b: Corus 2001 Restructuring Announcement - Redundancies in Other Businesses

Other Businesses	Job losses - number of employees
Construction and Industrial	1086
Engineering Steels	390
Head Office Shared Services	400
Corus Tubes	298
European Market Unit	292
Electrical Steel	276
Corporate Centre/Functions	200
Corus Special Profiles	46
Corus Special Strip	35
Corus Rail	27
Total job reduction	3050
Timescale	2001-2003

Grand total of redundancies 6050

Source: Corus presentation at the Ebbw Vale works 1.2.01

The effect of the redundancies was to reduce the Corus workforce from 33000 at the time of the formation of Corus, to 22000 in 2003. The equivalent statistics for Wales were 11500 and 7000 respectively a reduction of more than 40% (House of Commons Select Committee on Welsh Affairs 1.3.01)

4.2.1 Chronology of the Corus restructuring

Although Corus received much criticism from trade unions and government ministers for its position on prior consultation, before the announcement of February 1st 2001, numerous meetings between Corus executives, politicians and civil servants took place. Senior executives from Corus Group met with Stephen Byers, the Secretary of State for Trade and Industry at the time, on several occasions (16/03/99, 08/10/99, 05/05/00, 14/06/00, 08/10/00, 15/12/00 and 18/01/01). Corus executives also met with trade unions on a regular basis: for example with the ISTC on January 8th 2001, the Trades Unions Steel Co-ordinating Committee on 14/02/01, representatives of all the steel trade unions on March 27th 2001 and with national trade union officials May 3rd 2001. Following a meeting on January 8th 2001 between Corus Executive Director Allan Johnston and a delegation from the ISTC led by its general secretary, Johnston issued a press statement stating:

I am pleased that the ISTC, as the biggest Union in the Company, understands the measures that Corus needs to take in its UK carbon steel activities in order to tackle the impact which currency misalignments are having on our UK customer base

(Corus Press statement 8.1.08)

Respondents from within ISTC have made it clear that the measures referred to by Johnston they believed related to defusing day to day industrial relations issues and not to wholesale job losses.

Corus contended that the purpose of the meetings had been to make clear the parlous state of the company and the need for restructuring of some form. Corus management pointed to a number of key discussions. During October and December 1999 Stephen

Byers (Secretary of State for Trade and Industry), Rhodri Morgan (Labour MP and First Minister for Wales from October 2000) and Alun Michael (Secretary of State for Wales), visited the Llanwern and Ports Talbot works and were briefed by management on the problems faced by Corus in respect of the exchange rate and climate change levy. In January 2000, the Corus group issued half year financial results that showed losses of £167M (pre tax) reflecting a downward trend in profitability. Corus arranged briefings at the Welsh Assembly and the Downing Street Policy unit and explained that certain sites were at risk. In July 2000, 1300 redundancies were announced in Wales in the Strip and Tinsplate businesses. The financial results returned by the Corus group for the nine months to July 2000 showed a pre tax loss of £165M. The performance of carbon steels was substantially worse (although the Hoogovens element of Corus returned a profit). Increased focus on cost control was again emphasised by Corus management. October 2000 witnessed events that from the perspective of employees and their unions must have been of considerable concern. A number of production units were closed, a blast furnace at Llanwern closed and some shift staffing levels reduced. Throughout the period from September to December briefings took place with the Secretary for State for Trade and Industry, MPs, AMs and civil servants explaining the serious financial condition of Corus took place in London and at the integrated works (excluding Teeside).

On December 5th 2000, Corus announced that the Joint Chief Executives, John Bryant and Fokko van Duyne had resigned. Bran Moffat, chair of Corus, immediately assumed the additional role of Chief Executive a position he had held two years previously. This announcement was accompanied by a management restructuring and statement that due to the adverse exchange rate between Stirling and the Euro, weak domestic demand, over supply of steel and deteriorating prices, 'it is inevitable that further major restructuring will have to take place in the UK'. The share price of Corus rose by 5.5p to 75p on hearing this news. The resignations of Bryant and van Duyne were not voluntary. That fact that Corus had joint Chief Executives at all reflected disagreement on the new Corus Anglo-Dutch board as to who should take the position. As the firm haemorrhaged cash, it was imperative that corporate decision making became more efficient. The Corus board eventually reached the conclusion that having two Chief Executives was an impediment to this objective.

There was another, crucial factor that drove the decision to remove Bryant and van Duyne. Popular wisdom at the time, as evidenced by ministerial and union rhetoric, was that Corus knew the precise nature (as opposed to a general belief that the organisation should be restructured) of its restructuring plans long before February 2001. This does not seem to have been the case. The high level strategy group established in 1999 to plan the future of tinplate for example, did not complete its deliberations until December 2000. The final, confidential, report of this group was made available for inspection at an interview with one of the members of this group; an individual working at the highest echelons of the organisation. This is not to say that as a result of the merger logic, the main board had not taken a general view as to what the company should look like or was not aware of the developing themes contained in the tinplate report and others like it relating to other parts of the organisation. Nevertheless, as Brian Moffat under cross examination at Parliamentary Select Committee meetings (of which more later in this chapter) repeatedly claimed, the exact final form of the restructuring was not decided upon until immediately prior to the announcement. The significance of this for the removal of Bryant and van Duyne was that once the strategic options available to Corus became clear, the organisation needed to move very quickly. The cost of restructuring included £220M for redundancies, £690M written off on closures plus a further £50M for the clean up of the Llanwern site. Yet the inability of senior management negotiators to conclude an agreement with the banks over this cost was delaying the announcement of the restructuring and bringing the organisation to the point of bankruptcy. The current chief executive of a UK Corus company is clear that the joint Chief Executives were removed as, 'the banks wouldn't play ball for two and a half months' and '[van Duyne and Bryant] didn't get their act together with the banks.'

4.2.2 Restructuring and plant closure: The Corus analysis

The 2001 Corus strategic decision to restructure was driven by a clear financial imperative based upon the analysis presented above. The rationale was articulated through a variety of media and was supported by most financial analysts the Stock Exchange and Corus shareholders. The chief spokesperson for Corus was Sir Brian Moffat, the Chair and Chief Executive of Corus. Moffat was supported in this task by a number of senior executives of whom Tony Pedder, head of Corus Strip, was the most prominent. The most illuminating debates and justification about Corus strategy occurred in the House of Commons and the Welsh Assembly. This was provided in the

form of open debates and Select Committee evidence on the impact of the restructuring and the question of consultation. The issue of consultation, important to the process of industrial relations, will be assessed later. Firstly the financial rationale behind the restructuring will be discussed.

As part of a Parliamentary investigation into the Corus restructuring, Sir Brian Moffat was questioned by the Commons Trade and Industry Select Committee (4th Report) on February 14th 2001 and the Committee on Welsh Affairs on March 1st 2001. He offered an explanation of the economic situation and the rationale for restructuring of Corus. He explained that because ‘the UK manufacturing base is getting smaller progressively’, 50% of the steel made in the UK had to be exported, compared to 30% 10 years previously. However, because northern Europe was being increasingly penetrated by less expensive (in Moffat's view probably below cost price) steel from the Far East and eastern Europe, ‘it is not feasible with normal commodity business to make money in Northern Europe, our nearest market’.

Moffat explained that 2000 had begun with buoyant steel prices after which they rapidly fell. In conjunction with this, the contraction in the UK manufacturing base and hence demand for steel had adversely affected Corus. Major customers such as Nissan UK for example, were buying non-UK materials in order to take advantage of the exchange rate, had adversely affected Corus. Additionally, although Corus UK had been increasing productivity and exports, foreign plant was new and functional skill levels generally higher; ‘The days have gone when steel was processed into manufacturing goods and in huge quantities exported from this country very successfully (ibid).

The economic and financial factors cited by Corus management as necessitating the restructuring exercise were laid out in a written submission by Corus to the House of Commons Select Committee on Welsh Affairs, March 1st 2001. This submission began:

The announced restructuring of the business – aligning operational capacity to the UK market, minimizing unprofitable exports and improving manufacturing efficiency – will lead to improved financial performance. The long term viability of the remaining works will ultimately be determined by market conditions. The fundamental driver behind the need for restructuring is the continuing erosion of

the UK industrial base and the increased competition in European markets exacerbated by the weakness of the Euro. Additionally manufacturing in the UK is being further disadvantaged by high energy process, climate change levy, transportation costs, high business rates as summarised below

Moffat was quite candid in his response to questions from the Select Committee and explained the financial logic for cuts at plant level. 'We load the lower cost plants and the higher cost plants with the highest cost business and the biggest losses have to be sacrificed' (ibid).

In reply to this analysis, on March 14th 2001, the Commons Trade and Industry Committee issued a press notice. This notice offered a blunt appraisal of the economics of steel production in the UK and noted that, 'We warn there is nothing to be gained from papering over the problems facing the UK steel industry including Corus.' The notice accepted that Corus was operating in a market where it had a declining share of a declining UK domestic market for steel as the manufacturing bases shrinks. Also that that UK exports faced not only increasing pressure as Stirling appreciated against the Euro but a decline in world prices for steel and increasing competition 'fair or otherwise' from Asia and Eastern Europe (Trade and Industry Committee Press Notice No. 7 of Session 2000-1, dated 14 March 2001). The committee argued that the strengthening of the Euro during the months immediately prior to the restructuring should have signalled to Corus that retention of capacity was hence possible. 'Were that to continue, [strengthening of the Euro] the case could be made for retention of capacity with additional investment'. This argument was pursued by the unions. Corus was not however, in agreement.

A second area of concern for the Committee was the question of investment. It 'urged ministers and officials' (within the framework of European Commissions rules on state aid), to facilitate capital investment 'in key manufacturing sectors, including steel.' The question of investment by Corus had been discussed in detail during the Select Committee on Welsh Affairs, March 1st 2001. During exchanges, Brian Moffat was quite clear that, 'The reason for the restructuring is that the United Kingdom assets have grown over large relative to the United Kingdom market ... We have more investment than we know what to do with. Our problem is we are too big for the market'. Moffat contextualised this analysis. He explained that over the course of the 1990s, the UK

customer base for steel products had been contracting and that cost pressures and transportation costs had made it 'impossible' to make money on 'basic flat products in northern Europe.' Also that since 1989 the UK side of what had been Corus was producing more strip products with less plants but UK demand had fallen and more product was being exported. Moffat further explained that the problems that Corus was facing were associated neither with efficiency nor productivity: '[It] is not about efficiency or productivity of the workforce. You have not heard me criticising them.' (Select Committee on Welsh Affairs, March 1st 2001)

The committee identified two areas of concern that related specifically to the steel industry. These related firstly to 'trade rules' and a call to the government to strongly pursue anti-dumping provisions, particularly in the case of the USA. Secondly, a call to government to ensure that 'extensive derogations' from EU rules for the steel industry were not given to accession countries. The committee finalised its press notice by emphasising its findings that it supported the view of the government that Corus management was practising short-termism:

Our broad conclusion on Corus bears out the accusations of short-termism levelled at it by Ministers and others: "nothing we have heard from Sir Brian Moffat has led us to believe that the cuts announced on 1 February are part of a long-term strategy for the company's survival, nor that there have been Government economic policies which could have produced a different short-term outcome. In addition - while regretting that Corus felt unable to take Ministers more fully into their confidence in December while they were preparing the proposals announced on 1 February, we are not ... convinced that there was much that ministers could have done to help the process.

(Trade and Industry Committee Press Notice No. 7 of Session 2000-1, 14 March 2001).

Apart from the accusation of short-termism, the analysis and conclusion of the Trade and Industry Committee reflected largely that of Corus. The main point of disagreement related to the significance in the strengthening of the Euro in the months immediately prior to the restructuring.

4.2.3 Government financial aid

The government offered to use taxpayer's money to ameliorate the impact of the Corus plans on three occasions. The first took place before the plans were announced, the second during the statutory consultation period, the third once the Corus restructuring plans had been confirmed. The first two offers were rejected. The first offer of financial support was made by the government in January 2001, before the restructuring announcement was made but when it appeared clear that the possibility of job losses and plant closures was real. The first initiative was an aid package prepared jointly by the government and the Welsh Assembly Government. The sum involved was up to £20M and designed to get round the EU rules outlawing state aid. The idea was to support Corus through environmental improvements to Corus sites, buying up surplus Corus land and helping Corus with its liabilities under the climate change levy, business rates with additional support for training and research grants. Corus did not accept the offer of support stating that the support could not resolve underlying trading conditions.

The second offer of support came after restructuring was announced. The rejection of this offer became the focus of acrimonious exchanges between Corus and the government. The financial package was the result of several discussions between unions and government. The ISTC led the initiative and persuaded government ministers to support the union plans. The good relationship between the General Secretary of the ISTC, Mick Leahy and Tony Blair and the New Labour project, as much as concern for a forthcoming general election were likely to have been important factors in securing government support for the union plans. The proposals presented to Corus on March 27th 2001 consisted of two plans. One was directed at saving the jobs Corus had announced redundant in February 2001. Corus and the government would share the wage bill for over 6000 workers for 12 months until a hoped for upturn in Corus's business occurred. Workers would work reduced hours and be trained in the extra time. This plan involved keeping all sites open but with reduced output at Llanwern.

The second plan involved acceptance of large scale redundancies and £11M for retraining. Corus management agreed to set up a working party that would include unions, management and government to look at the question of aid. This, union leaders construed as a change of position by Corus. They were, however, to be disappointed.

The offer to participate in discussions with the company was to rubber stamp an unchanged company position. The outcome of the meeting was presented as a Corus press release. It was at this point that the unions realised that Corus had rejected their proposals. Corus accused the government and Byers specifically, of being, 'outrageous' and as 'blatant electioneering' (Morgan, O. 2001). The relationship between the Corus senior executives, the government and unions had reached a low point. On May 3rd 2001, Corus confirmed that its original plan would be pushed through.

Corus has confirmed that the alternative proposals have been rejected following full consideration and evaluation. The circumstances facing Corus in the UK remain as outlined in our February 1 announcement.

Corus Press release 3.5.01

Once this point was reached, government aid was directed at helping those steel workers who had lost their jobs both in 2000 and 2001. To this end a joint WAG, government financial package of £135M was announced. This would provide a lump sum payment of £2500 to 12000 steelworkers as a resurrected ISERBS arrangement, support for training and regeneration.

4.2.4 Corus Tinsplate: strategic plan

This section explains the evolution of and reasoning behind the corporate plan that ultimately led to the demise of the Ebbw Vale works. Following the formation of Corus in 1999, as part of an analysis of the strengths and weaknesses of the new merged entity, a team of senior managers selected from both the UK and Dutch sides of the business was established to develop a new business strategy for the tinsplate business of the new organisation. This team, consisting of four UK and three Dutch senior managers, was headed up by the Managing Director of the tinsplate business that was to be named Corus Packaging Plus (CPP). The team quickly improved the performance and productivity of CPP. Its next and most important objective was to devise a future strategy for tinsplate.

At this time, 1999-2000, the European (home) market for tinsplate was 4.2MT. Of this European producers made approximately 3.7MT (the remainder coming from imports)

but their total output of tinplate was 5MT. The excess was exported outside Europe. Due to currency relationships this was a commercially unattractive proposition for all European producers. For the UK side of Corus the situation was complicated further by the relationship between Stirling and the Euro. The most favourable market for tinplate was northern Europe, followed by southern Europe. Exporting outside Europe, to the USA for example, was not profitable. Although following the increased efficiencies of the tinplate division it was possible to export at a reduced price, the Packaging Plus team ruled this strategy out. The main consideration was that other European exporters might do the same and the market would collapse. As a team member explained, 'we don't talk to competitors so need to second guess their plans. It's a game of chess arriving at the correct strategy was difficult. If you have deep pockets you can lower your prices and if competitors have a high cost base, they might exit [the market] but you can't do this if the competitors are strong.' Although the team had commercial autonomy, because tinplate relied on coil and hence the output of other parts of the organisation, any price changes would impact on the organisation as a whole. Thus, strategy for tinplate needed high level corporate approval. It was decided that Packaging Plus did not have a sufficiently low cost base or high enough quality output to make a price based strategy possible. The conclusion of the strategy team was that tinplate capacity needed to be reduced. For all the reasons discussed, the closure of Ebbw Vale was the solution to the problem. In an effort to prevent the total closure of the works, the team looked to see if, 'we could run Ebbw Vale at a lower output. We decided this was not feasible on cost grounds' (team member). 'The strategic decision was made to rationalise to three sites and close Ebbw Vale, due to its location and more limited product range' (Corus executive).

4.2.5 Ebbw Vale: economics of closure

The economic rationale for the closure of the Ebbw Vale works was of course contained within the internal logic of the overall restructuring exercise and as such was part of an interconnected plan. The vulnerability of the Ebbw Vale works had been identified before the announcement of 2001. A number of respondents from within Corus believe that a closure decision had been made in principle many years previously. One individual, in a senior position in tinplate was informed of the closure of Ebbw Vale in late 2000. He was subsequently told that the decision to close the works had been made in principle in 1998 before the formation of Corus. Although this view has not been

verified through other sources the context and seniority of the individual concerned suggests that his version of history is probably correct. There are of course methodological issues involved here; one of which is the nature of interview data acquired and its veracity. Information was often confidential, invariably embargoed yet from leading corporate players who had no apparent reason to dissemble. Corroboration was difficult due to the small number of individuals who had access to inside information. Furthermore, 'insightful' questions to other respondents could have revealed confidences by those who provided the initial insights.

The timing of the eventual closure of the Ebbw Vale works depended upon a number of financial factors that needed to cohere before a final decision could be taken. In purely cost terms, these were underpinned by the 'business decision to take out £400M of fixed costs' (Ebbw Vale works manager). The Ebbw Vale works manager explained that the works had not been closed years earlier (once the decision in principle had been taken) because, 'if we had shut then, [before the formation of Corus] Trostre would not have been able to supply enough tin for the UK. The Dutch would have saturated the market and wiped Trostre out'.

The closure of the Velindre tinsplate works in 1990, was the first overt indication of the decline of the tinsplate section of what was to become the Packaging Plus division of Corus. Although somewhat ironically, the opinion was expressed by one respondent that the decision to close Velindre was political and that, 'they kept Ebbw Vale open to shut Velindre.' Ironic in the sense that the same interpretation of events was applied to the 2001 decision to keep Llanwern open and close Ebbw Vale. A senior Corus production manager expressed the opinion that the workforce at Velindre, 'was very militant.' From the point of view of investment decisions by British Steel, workforce militancy was apparently seen as a negative indicator. Throughout the 1990s, competitive pressure due to falling prices and the use of alternative materials such as aluminium on the two remaining tinsplate works at Trostre and Ebbw Vale continued unabated. According to a number of senior management present in the tinsplate part of Corus and at the Ebbw Vale works at this time, although the tinsplate business witnessed substantial increased efficiencies, output did not correspond to market demand and, 'idle time at various points of the year were not uncommon'(Ebbw Vale manager). Investment in Trostre rather than Ebbw Vale was to prove crucial in the final reckoning. Due to the

comparatively modern design of Trostre and the large imbalance of investment towards it, as a leading member of the Ebbw Vale management team put it, 'Closure was inevitable. Ebbw Vale survived so long because it had good product and in British Steel the capacity equation was OK. After the merger this equation changed.'

The question of why Ebbw Vale and not Trostre was chosen for closure was a subject of much speculation by the Ebbw Vale workforce. Closure related to a number of factors. Besides the exigencies of the market for tinplate, geography and relative difficulty of transportation were perhaps unsurprisingly two such factors. For an ex works manager, the reason for closure was 'simple'. The problem was historical. 'The steelworks was built in the wrong place. It was a social, political decision.' This view refers to the decision in 1935, supported behind the scenes by the UK government, to re-establish steel making in Ebbw Vale instead of in Lincolnshire which was considered by many at the time to be the logical choice (Caswell et al 2002). Although there were political and technological reasons behind the construction of a new steel works in Ebbw Vale, Tolliday (1987: 250) considers that, 'In the short run it was bound to be far the cheapest producer in the country through its new technology, but in the long run it was hopeless location.' This was due to transport and raw material costs. Thus, without the necessary investment in later years, the viability of the works was always in question.

Beyond the geography and comparative newness of the Trostre works, an additional dimension as to why investment might take place in either Trostre or Ebbw Vale, was raised by both HR and operations managers. This was the question of industrial relations and relates to the previous discussion about the perceived militancy of the Velindre workforce. 'During the 80's industrial relations was very poor [at Ebbw Vale]. There were wildcat strikes when I came here'. Also, 'Investment for the wide mill was at Trostre because of better industrial relations. The T&G and ISTC were always trying to score points off each other' (former Ebbw Vale operations manager). Those trade union representatives interviewed did not share management's analysis of the state of industrial relations, indeed there was general agreement from management respondents that industrial relations at Ebbw Vale were, from the mid 1990's, relatively good. Nevertheless, it is the case that in respect of both Velindre and Ebbw Vale, senior managers pointed to what they considered to be poor industrial relations as being one factor in corporate decision making processes. In conjunction with the other factors

discussed, the investment in 1995, at Trostre, of a wide (1200mm) mill helped signal the death knell for Ebbw Vale. The level of demand for tinplate meant that investment in a new (wide) mill was only possible for one of the three BS tinplate sites. Trostre was chosen for the investment as it, 'was less costly to upgrade ...the location of Ebbw Vale was a problem' (Corus Divisional manager). Additionally, following the formation of Corus, the 1200mm mills at Ijmuiden and Trostre allowed these sites to be full range producers of tinplate. Ebbw Vale with its 1000mm mill was not. The ability of the 1200mm mills to produce DWI (Drawn Walled Iron) two part tins at high volume had become crucial to the commercial success of the tinplate operation.

4.2.6 Ebbw Vale: arithmetic of closure

The Corus Packaging Plus Division was based on four manufacturing sites. These were Ijmuiden in Holland, Bergen in Norway and Trostre and Ebbw Vale in Wales, of which Ebbw Vale was to close. A former Ebbw Vale works manager explained the specific financial logic behind the closure of the Ebbw Vale works. As can be seen from table 4.2, output from the Packaging Plus division was 2 million tonnes whereas demand was calculated by Corus to be around 1.45 million tonnes. In order though, to achieve the closure of Ebbw Vale, a number of operational problems needed to be resolved. Equipment would need to be removed from Ebbw Vale and installed at Trostre and Ijmuiden. Efficiencies at both these sites would also need to be improved.

Table 4.2 Corus Packaging Plus manufacturing capacities 2000

Capacity K. Tonnes			
		Tinplate	Non Tinplate
Plant	Location		
Ijmuiden	Holland	730	
Trostre	UK	400	
Ebbw Vale	UK	250	500
Bergen	Norway	120	
Product Capacity		1500	500
Total Capacity			2000

Source: Written account; Corus (Ebbw Vale Manager)

During this year long process, the Ebbw Vale works would need to continue to produce tinplate until the additional capacity of the two remaining sites was fully on stream. Corus then had a clear interest in the Ebbw Vale works continuing with business as usual in spite of the closure announcement and associated industrial relations issues. Had the union been aware of just how critical a factor this was for Corus it is interesting to speculate as to whether their demands would have been more strident. According to a member of the Corus project team, 'such a programme had never been undertaken in the company before whilst a plant remained operational'. The final piece of the commercial jigsaw that was necessary in order to close the Ebbw Vale works was the question of the half a million tonnes of non-tinplate product that the work produced and that was mainly for export. Its production was not commercially viable in the absence of tin production. Hence, once the decision was taken to end tinplate production at Ebbw Vale, the works would close. In the words of a senior Corus manager involved in the closure of the works:

The complication remained that Ebbw Vale produced a further 500kt of non-tinplate products, primarily for export, which would be unviable to produce on the site without the synergy of the tinplate operation. When Corus sacked its Joint Chief Executives, John Bryant and Fokko Van Duyne, on 6th December 2000, it signalled a change of strategy to reduce exposure to exchange rates through the elimination of UK exports. These products would either be manufactured on the continent or not at all, therefore Ebbw Vale could be closed.

(Senior Corus manager: written account)

4.3 Corus and the politics of restructuring

During debates over Corus strategy, much attention was focused by union leaders on the decision of British Steel at the time of its merger with Hoogovens to return around £700M to shareholders. The general secretary of the ISTC argued that as the steel industry was cyclical, 'it is always wise to have a safety net to take you through the bad times'. As Corus had given so much money to its shareholders and in the context of substantial debts, he argued that when presented with exchange rate issues, it faced serious problems. These views were echoed in the House of Commons. The Labour MP for Blaenau Gwent, Llew Smith, the parliamentary constituency containing the Ebbw Vale works asked in the House of Commons on January 31st 2001:

The Secretary of State may be aware that, on the day that Corus was formed, I received a phone call from its managing director, Tony Vickers, to tell me that there was no threat to jobs in Ebbw Vale and that the plant was secure. If we are to believe the serious press, that plant faces closure. We are told that redundancies will take place in Corus because of financial problems. If this is so, will my Right Honourable friend comment on the fact that, since it was set up, Corus has handed out £700 million to its shareholders, appropriated £900 million from the workers pension fund, wasted £135 million by buying companies abroad and given millions of pounds to sacked chief executives and massive wage increases to former Dutch managers? Is he surprised at what is happening to the industry and the steelworkers, given that Sir Brian Moffat has said that he was interested not in making steel but in making money.

The reasoning for the shareholders largesse was provided by Brian Moffat. When questioned by the chair of the Select Committee on Welsh Affairs on March 1st 2001, he explained that money provided to shareholders was 'to facilitate the merger'. The exercise was about 'financial engineering' and designed to facilitate 'what otherwise would have been a 70/30 merger more in line to a 63/37 % merger'. The senior management of the merging companies, the stock market and shareholders supported the deal between British Steel and Hoogovens on this basis. This gave British Steel 62% of the new company. These arrangements of finance capital were not amenable to involvement or alteration by politicians or trade unions. Indeed the leadership of the three main unions in British Steel welcomed the merger. The general secretary of the ISTC commented, 'Generally we welcomed the merger because most industries are now global and certainly steel is a global industry. In practical terms British Steel is a relatively small player in terms of the steel industry worldwide'. Similarly for the AEEE, 'We recognised it as a commercial necessity' (AEEU national official). The national officer responsible for the steel industry from the TGWU concurred with these sentiments: 'There is not a problem in our view with the shape of the company and its ongoing direction to expand into a global company. It was in that context that all unions welcomed the merger.' It is important to note that support by union leaders for the merger was based upon a number of assumptions. These were that Corus would retain its existing plant configuration that in excess of 20 million tonnes of steel would be produced, downstream activities would expand and as a counter to the cyclical demands for steel, its Aluminium business would also expand.

A reality largely unspoken by union leaders was that the unions could do nothing to halt the merger process. The government also accepted that it was powerless to prevent private companies from enacting strategic manoeuvres such as the one exercised by Corus. This was enunciated clearly by Rhodri Morgan, the First Minister of the Welsh Assembly, in a radio interview with the BBC on January 26th, immediately prior to the restructuring announcement: 'A democratic system has not yet been invented where politicians can prevent all factories closing down'. The head of the steel industry for the AEEU summed up the official position of the UK union movement on the merger that created Corus. He stated, 'It was their [British Steel] commercial decision to merge with Hoogovens and we obviously would not get involved in that partnership. That was a

commercial decision that they took and informed us of in the normal way that multinationals do' (Minutes of Evidence of Select Committee on Welsh Affairs, 1.3.00)

4.3.1 Political fallout

The political fall-out from the restructuring announcement of February 1st 2001 was considerable. Representatives of the UK government, the Welsh Assembly and local politicians were unanimous in their condemnation not only of the restructuring decision itself but the lack of prior warning, consultation or participation in the strategic decision taken by Corus. The relationship between Corus and the government (and Corus and unions) was tense. Paul Flynn, the MP for Newport West during a Commons debate on Corus on March 28th 2001, commented that, 'to put it mildly, the atmosphere during that dialogue [between government and Corus] was poisonous'. Labour politicians and union leaders expressed anger not only at the lack of consultation but also at the commercial strategy and financial reasoning followed by Corus. The Corus position on consultation was clearly and consistently articulated in the media and Parliamentary committee meetings. In response to questioning at the Commons Welsh Affairs Select Committee of March 1st 2001, Brian Moffat explained that Corus had consulted with unions: 'I have consulted with them ...on a regular basis'. Consultation meant 'talking' with all the parties affected and explaining the commercial context that Corus had found itself in. It had, Moffat explained, been made clear to national officials of unions that 'rationalisation' was necessary and that as soon as the restructuring plans were complete, 'we would start to talk with them but we had to complete the work first ... [and we] spoke with them within 24 hours of finishing the work ...after we had made the decisions about the closure.' Moffat was pressed by the Committee as to why detailed information had not been made available before the announcement. He added that employees and unions 'knew the options. They knew the vulnerable plants ... they knew the higher cost plants.' Furthermore, 'Because it was only then, in the light of the plan, that meaningful consultation could take place. You could not consult about theoretical restructuring.'

Corus management had met with a group of Welsh members of parliament three days before the February 1st announcement. The MPs were informed that no decision had been made as to the future configuration of the company. Moffat was therefore asked by the Committee as to why and how in the space of two days, a full restructuring plan

could have been developed? He responded that, 'We had not at that stage determined the final plan but we knew what the options were and we only came to the final decision on the day before the plan was announced' (Brian Moffat). Moffat further explained that the plan was 'very complex' and management had been working on the plan for two months but that the final position had not been reached until the day before the announcement. Interviews with Corus senior managers suggest that what Moffat told the Committee was essentially true. Correct in the sense that project teams, certainly the one set up to review the future of tinplate, had completed their deliberations by December. This fits in with the period of two months referred to by Moffat. What was not explained to the Committee was that decisions, in principle, about the future of various Corus operations had been made years before. What also seems true is that as Moffat explained, the cyclical nature of the steel industry and rapid fluctuations in trading conditions means that management responses must be made over ever quicker time scales. Moffat made it clear that, 'we cannot guarantee, unfortunately, the life of any plant'. It was certainly the case that Corus executives assumed that confidential information would leak from the government. This was alluded to in the press and was confirmed through interviews with Corus executives, 'Byers department leaked like a sieve' (HR Executive). Through the debate over the way that Corus had made its restructuring announcement, the Daily Telegraph took the opportunity to attack the government:

Sir Brian Moffatt yesterday scooped the coveted title of this week's hate figure, awarded by our venal government. The man who, as chairman of Corus, got so fed up with his pair of chief executives that he fired them and took the job himself, had the temerity to point out that steel is not a nationalised industry, thank you very much, so there was no good reason why he should tell the Prime Minister the details of his plans. This is just the sort of behaviour to get right up the noses of the Blair Project managers. They need to be in control, to decide how to leak sensitive information to minimise the damage, and make sure none of the blame can be stuck on them. It's a real shock when someone refuses to play their little game. (Daily Telegraph 27.3.01)

4.4 The Restructuring of Corus and the process of stakeholder participation

Speculation about an impending restructuring exercise had been widespread. The press had actually started to discuss an expected announcement by Corus in the latter part of 2000. The Sunday Times of December 31st 2000, for example, ran a story headed, 'Corus closures to cost 10,000 steel jobs'. The article concluded that:

Workers at Corus, the Anglo-Dutch steel giant, will have to wait at least a month longer to hear officially what their future will be ... The reason for the delay is that Sir Brian Moffat, the chairman, is expected to reveal even more devastation than had been expected. Executives at Corus have told The Sunday Times that the announcement of the mass restructuring will not be made until February.

(Parsley 2000)

The Financial Times on January 26th 2001 also described an imminent announcement. In an interview with the BBC on January 27th 2001, Rhodri Morgan explained:

If [Corus is] restructuring the strip mill division in UK and 85% of strip is in Wales it is clearly not going to get off Scott free. If they are talking about five to seven thousand job losses, well 85% of these job losses more than likely will in Wales. There is no doubt in my mind that we will receive a heavy blow whenever they make the announcement

(Morgan: Transcript of BBC interview).

Morgan had already presented his fears in stark terms to the Welsh Assembly on December 19th 2000:

I must emphasise that we have not been told of bad news this time but there are many who believe it is only a matter of time before that happens. However, it [Corus] has referred to substantial restructuring ... Fundamental restructuring usually means some massive bloodletting and city analysts are expecting a major announcement of that kind ... [It] is against the background of massive pressure from the city to see blood on the floor ... Early February or the middle of February is the date that we have been given

In a similar vein, the Trade and Industry Committee, issued an official press notice on March 14th 2001 (Press Notice No. 7 of Session 2001-01, dated 14 March 2001). This stated that:

We decided in July 2000 to look at the steel industry in view of the number of announcements by Corus of closures and cuts being trickled out in the first half of the year It then became apparent that Corus was considering a radical cutback and we awaited their proposals published on 14th February.

Moffat argued that Corus had announced its plans in a way that fitted with its responsibilities to its employees, shareholders and the law. Employees were informed simultaneously with the Stock Exchange, 'because that is the law'. Financial information, he argued, could not be supplied to either the government or unions in advance of the restructuring announcement as such knowledge was 'price sensitive and commercially sensitive information'. From a different perspective, a senior HR manager commented that, 'you can't blame Corus for not using continental employment law'. The Select Committee on Trade and Industry Fourth Report on February 14th 2001 accepted this position and concluded that, 'the plans announced on 1 February are of course those of a private company, responsible for its decisions not to Government or Parliaments, or even to its stakeholders, but to its shareholders.' The government also accepted the importance of commercial confidentiality in its dealing with Corus. Alan Johnson, for example, was asked in Parliament on January 8th and 22nd, 2001 what discussions he had had with Corus over the future of its steel operations. He replied:

Ministers and officials have close and regular contact with Corus on a range of issues and will continue to do so. It would not be appropriate to place a summary of such representations in the Library since they will include commercially confidential matters.

And:

My right hon. Friend the Secretary of State for Trade and Industry has had a number of discussions with the Chairman of Corus in the last two months on a range of issues. It would not be appropriate to divulge the details of commercially confidential discussions between Ministers and companies.

The share price of Corus had risen both in November 2000 when speculation of a radical restructuring began to circulate and also on December 5th when the joint Chief Executives had been forced out of the company. The share price rose once more, by 8 p to 82.75p at the news of the restructuring. By November 2003 shares had fallen to 32p. The downward movement in share price during the restructuring period, 2001-2003 perhaps suggests that the City, although initially supportive of the plan, became quickly disillusioned with its logic. (At the time of its takeover by Tata in 2007, the shares of Corus were trading at 545p a figure inflated by the prospect of takeover). The UK operation was by now felt to be burdensome in the Netherlands, where senior Dutch managers and union representatives were becoming increasingly alarmed at the prospect of the UK operations bringing the whole group down.

Once the Corus announcement had been made, in a House of Commons debate on the same day (February 1st) the Secretary of State for Trade and Industry Stephen Byers made an impassioned plea for the company to think again. 'On behalf of 6,000 steelworkers, their families and the communities in which they live, I urge Corus to think again and work with us to identify a better way forward'. In an announcement about the restructuring read out in both the House of Commons and Lords on February 1st 2001, whilst accepting that, 'the government recognise that it is for Corus and any other company to take commercial decisions they feel are necessary ...', Byers stated that:

Corus has failed to discuss its plans with the government. Relevant information has not been disclosed; the company has resisted any meaningful dialogue and has refused to discuss in detail its plans for the industry. We have expressed our anxieties to the company about that lack of information at the highest level.

In the ensuing Commons debate (February 1st), Paul Flynn, Labour MP for Newport West, criticised Corus for refusing to enter into dialogue with the government and its unwillingness to do a deal:

There have been many crises in the steel industry in the past 50 years. They have all been solved by common sense, agreements and deals done between Government and the industry ... by rumour, by denial of dialogue and by refusing to consider any alternative deal, Corus has callously and cynically manipulated the position, indifferent to the suffering of local people, entirely for the internal benefit of one single company

David Heathcoat-Amery, Conservative MP asserted that, 'we have been warning of these job losses for months. We have seen New Labour taking Old Labour for granted'. In the Lords, Lord Roberts of Conwy reminded the government that the Corus chief Executive had met with government officials in Downing Street the previous week. Wherever the opportunity presented itself, the Conservatives attempted to point to the longstanding rumours of a restructuring and also obtain political mileage out of the tensions between New and Old Labour and between trade union aspirations for participation (as limited as these were) and the more cautious stance of the government.

Alan Duncan the then Conservative Trade and Industry spokesperson pursued the theme of government dishonesty:

They are trying to escape from a real admission of their own policy by trying to blame someone else ... Byers anger was deceitful. He was never going to do anything. By saying the company didn't discuss things with him, he is cheating. He wasn't going to offer them anything. It's a lie that he was ever thinking of doing so. So what you are seeing is old Labour sitting on the benches in the House of Commons saying, "Re-nationalise" or "give them money" or "isn't it awful". And yet their own ministers were never going to do anything and aren't going to do so

4.4.1 Information and Consultation: government perspective

The position of the government on consultation (and the then draft Directive on Information and Consultation) was articulated by Alan Johnson, the Minister for

Competitiveness almost with prescience, in the House of Commons on January 31st 2001, the day before the Corus announcement. In his explication of government thinking he covered a wide range of issues relating to participation. Johnson argued that even if the Directive on Information and Consultation had been incorporated in UK law, in the case of foreign multinationals making decisions from outside the UK, there would only be 'the appearance of consultation.' Legislation such as that relating to European Works Councils was seen as important in such cases. He explained that the approach of the government to information and consultation was consistent with its perspective on employment relations as set of in the Fairness at Work proposals.

How do we genuinely influence decisions? Informing and consulting employees is an integral part of harnessing the energy and commitment of the work force. We are committed to the promotion of partnership. We believe in information and consultation. Our argument in relation to Europe ... is about the ends, not the means. Central to everything that we have done in relation to "Fairness at Work" is the attempt to encourage a genuine spirit of partnership.'

The reason for the delay in implementation of the Information and Consultation Directive was explained thus:

As far as the European Union Directive is concerned, our position has not changed. We are not alone in believing that it breaches subsidiarity. The European company statute that we agreed on 21 December has a full section on industrial democracy information and consultation, and that is the right way to proceed in Europe. However, we must protect our domestic situation.

Vince Cable of the Liberal Democrats presented an alternative view to that of the government on subsidiarity. Whilst in general he supported the subsidiarity principle, he suggested that trans-European companies act across nation states and 'to that extent, the subsidiarity principle does not apply to those companies.'

Johnson argued that legislation could not guarantee effective dialogue between employees and management, hence the government favoured 'a voluntary approach' as was reflected in the Partnership Fund and the TUC Partnership Institute. He continued:

We all grew up with free collective bargaining, civil rights only with a union card and no state interference. We have changed tack. ... We believe that employee involvement mechanisms must reflect the requirements of individual organisations. Employee involvement goes to the heart of the way in which an organisation is managed. Organisations vary greatly in that respect. Some operate in a global context; others are national or regional. They have different ownership structures and patterns of employment, and some are subject to Stock Exchange rules. Structures imposed from above will not work as intended.

How the government proposed to help employees of firms such as Corus overcome Stock Exchange rules, Johnson did not explain. What he was clear about was that 'The solution is not having token workers on the board, as we had under the Bullock proposals.' As far as the form of future government policy on information and consultation Johnson added that, 'It is important that we do not repeat past mistakes, such as the Bullock report, which was an experiment in industrial democracy'.

Backbench Labour MPs were generally critical of the government's stance and the issue of information and consultation was connected to participation through, for example, workplace partnership:

We need legislation and on-going consultation so that workers can participate in the business plans of their organisations and understand the imperatives for productivity and profitability. That partnership can work, and has worked in the past. Companies ignore that approach at their peril (Moran 2001).

Also

Today's industrial relations aim to be about partnership and problem solving. That partnership can work only if both sides are fully informed about the operation for which they are employed. It is wrong for employees to be told about key decisions after they have been made. It is wrong for workers to learn on the radio or from the press what is about to happen to their jobs (Organ 2001).

Tony Lloyd, the MP for Manchester Central, speaking in the same debate added that, 'The right to information and consultation is a simple trade union issue. It is morally right and proper that employees should know what is going on ... consultation, must take place during the periods when employees can make a difference to the decision making of management.'

Llew Smith the Labour MP for Blaenau Gwent supported this line of argument:

The sad thing is that the workers, public representatives and the Government are not being consulted and the meetings that have taken place have left the Government no clearer about what is happening. The people who work in the UK steel industry and who have built it up into one of the best in the world have the right to be consulted about the future of their plant. Not only have they not been consulted, but the management will not even tell them when the redundancies will be announced.

Beyond Parliament, BBC Wales Parliamentary correspondent David Cornock accused Stephen Byers of being 'disingenuous' to 'feign surprise at the news when the details matched the advance speculation', (Cornock 9.2.01). In the same article Cornock, widened his attack on the government. 'Had he not resisted a European Directive on worker consultation, Mr Byers and the workforce would have been kept informed ...' Cornock also pointed out that the government '... had courted big business for years'; had relinquished the ability to set interest rates and hence made it impossible to reverse the damaging impact that adverse exchange rates had had on firms such as Corus. Cornock also noted the absence of government support for Dafyd Wigley's (Plaid Cymru MP for Caernarfon) attempt to present a Parliamentary motion calling for public ownership of the steel industry. Patrick Burns, policy director for the Industrial Society also argued that the government should enact the (then) draft Directive on Information and Consultation:

That directive would make companies like Corus consult their workforce in advance of taking a decision. The workforce representatives would then be in a position to react and do something ... The Government could stop opposing the directive and see that the benefits would be very considerable. There is very little in employment relations that

there is consensus on, but on thing there is consensus on is that consulting your workforce before you take major decisions is very good for business, good for productivity. (Burns 2001)

Whilst the views of journalists are not to be taken as being synonymous with objective analysis, the comments of individuals such as Cornock and Burns and Labour backbenchers, reflects the wide range of issues, from government ideology to consultation rights and industrial democracy that the Corus announcement had engendered.

Perhaps the final word in this section should be left to a senior Corus executive who had been involved in the restructuring strategy. He described his experience of the events leading up to the restructuring announcement:

On the 6th October 1999 the Merger took place that created Corus. At the time there was a discussion internally about a restructure, but external to the company no one knew. The price of steel was going up, so the debate was 'do we or don't we restructure'. Then the stock market crashed and the price of steel dropped. The decision was made in December 2000 and then formally announced in February 2001. The sole objective was to tell the workforce first (rather than the government and shareholders), and this led to a huge political fall out. Moffat did not tell Byers first. There was no trust in the Labour government. There was a political backlash against Corus at the time, so there was no need to consult the government. Meetings were then held with the DTI, 48 in total. The company went through that 'execution' as best it could. The trade unions had access to all the documentation and the company worked with the unions but the company will always fall out with the union at the national level. Whilst there was consultation all the way, no decisions were changed due to consultation.

4.4.2 Corus and trade union relations

Both before and following the Corus announcement, the relationship between Corus and the government was taut. That between Corus and the unions was no less so. In 2000 Corus had announced more than 3500 job losses, hence the 2001 round of job losses was difficult for government and unions to take. This section describes the issues that

connected Corus and unions at national level. Developments at local level are the subject of the following chapter.

The national leadership of the unions affected by the restructuring, generally agreed with the Corus analysis of its own business situation. In the words of the general secretary of the ISTC 'we recognise that there are problems' and that the steel industry was 'highly cyclical' (ISTC General Secretary, Select Committee on Welsh Affairs, March 1st 2001). Nevertheless, unions argued that the steel industry was strategically important for the UK manufacturing sector and that its problems were short term. As such, any large scale restructuring and redundancies would reflect short sightedness on behalf of Corus management. Union leaders however contended that the development of a survival strategy for Corus was being undermined by the refusal of Corus to enter into a dialogue with the unions about its business strategy and investment plans (Minutes of the Select Committee on Welsh Affairs; March 1st 2001). The AEEU national official with responsibility for the steel industry argued that Corus investment strategy amounted to little more than, 'maintenance investment and sweating the assets'. There was a better way forward he argued. For example the involvement of the local community and local politicians had been instrumental in saving a steel plant in Workington, a plant that Corus had wanted to close but that was now profitable.

Following the announcement of restructuring, union leaders expressed anger at what they saw as the absence of any provision for consultation or bargaining over the restructuring strategy. Of the unions present across Corus, the three most prominent in their condemnation of Corus were the AEEU, ISTC and T&GWU. The national officer of the AEEU with responsibility for the Corus situation exclaimed that, 'Corus has kept us in the dark, then hit us for six. They have taken the heart out of our industry, shattering the workforce and their communities'. (Scunthorpe Evening Telegraph 2001). These three unions presented the union case to the Parliamentary Trade and Industry Select Committee that was investigating the impact of the Corus restructuring. The ISTC in its submission to this Committee's Fourth Report on the Corus situation declared:

The relative ease with which UK employees can be made redundant is one of the reasons for the short-termism of the Corus management. The chimera of

flexibility has for too long been used to drive down standards for UK employees. The situation at Corus, where the unions have offered to discuss flexibility but have had their offers spurned, shows that the only flexibility that some UK companies, such as Corus, are interested in are those of greater overtime and greater redundancy.

Following the announcement of February 1st 2001, union leaders maintained close contact with government ministers. A national official from the T&G who had led on the Ebbw Vale alternative plan explained that immediately following the announcement:

We met with Byers, Mick Leahy [ISTC], Bob Shannon [AEEU] and asked what the government could do. Byers said "Corus wouldn't talk to us so there's not much we can do. We are still waiting for the fine detail." Then we [same group of union leaders] met with Blair in Swansea in April. He said, "The government would not intervene" but he offered practical help.

After the announcement was made, union leaders issued a moratorium on all formal discussion of the Corus plans and redundancies. Also, in response to representations from unions, Corus granted a fourteen day period before which the 90 day statutory consultation period would take effect. This period was to allow the unions to consider a response. The moratorium was lifted on February 14th when union strategy was to develop alternative proposals for all the sites affected. Site level union plans were developed quickly and made available to Corus in early March 2001. Corus management was not persuaded that any of the plans were viable. During the period in which local plans were being developed, national level discussions also took place. The culmination of these was on March 27th when union leaders having gained government support and funding for an alternative national strategy met with Moffat, Pedders and their Corus team. The union alternative was flexible. Their favoured option was that of no redundancies but reduced hours and the provision of training to all employees. As explained in section 3.3.3, financial support for Corus employees would be provided by the government, Corus and the unions. The less favoured option was based on a much lower level of funding for training but the acceptance of plant closure and redundancies (interviews and Morgan 2001). Both options were rejected by Corus and Corus

management made this clear at a meeting with unions on March 28th. All the union proposals, including the plan by the ISTC to buy Llanwern and that of the AEEU to mothball Llanwern, were rejected. Consultation, other than that at individual sites on the mechanisms for contraction and redundancy, was at an end and the original plans for restructuring put forward by Corus were implemented without amendment. The disappointment of ISTC leaders that local stewards did not more strenuously oppose the Corus plans is still strong. They still believe a different strategy could have been successfully deployed. The local dynamics of closure will be discussed in chapter four.

The Corus press release of May 3, 2001 summed up its position:

Corus met with National Trade Union officials today (3 May 2001), at their request, following the series of meetings that have been held at each location affected by the restructuring announcement made on February 1. Corus has confirmed that the alternative proposals have been rejected following full consideration and evaluation. The circumstances facing Corus in the UK remain as outlined in our February 1 announcement. The Company has now agreed a closure programme with Unions at Llanwern, Ebbw Vale and Bryngwn. Following today's meeting, Corus can now focus on the implementation of its restructuring announcement and, together with Unions and Government, support those affected and their communities.

4.4.3 Union strategy and internal tensions

The process of developing an alternative, collective, union strategy, revealed tensions across the union national leaderships. The Corus plan affected numerous sites and business functions and was designed to rectify a number of commercial weaknesses. The plan involved capital write off and restructuring, the export profile of Corus, job losses and transfers and logistics both in interplant supply and transport. In short, the plan was complex. The leadership of the AEEU argued that any joint union plan had of necessity to reflect this complexity:

Corus's plans themselves do not just rest on a single solution. They are all based around the complexities of how one plant has supplied another. If we look at the evidence, Sir Brian Moffat has referred to how that is made up. That is why,

rather than us produce just one grand plan across that, we have gone into those intricate details plant by plant, each of the plants looking at their own commercial solution for this problem and bringing it forward before we meet Corus again' (AEEU national official, Trade and Industry Select Committee 14.2.01).

The ISTC leadership however, wanted the union response, involving a plan for each site affected, to be negotiated centrally through a single, national level channel. Through this means, site specific issues would be discussed together not separately. This, the ISTC argued, was the best chance of the unions controlling events and of preventing Corus from pitting one site against another. Also, through this mechanism, the unions could present a united and coordinated face to Corus. The Steel Coordinating Committee, the national coordinating body for Corus unions, was however split on this. The AEEU argued for its site by site response. Corus was also in favour of this approach and this was ultimately the logic that applied.

The position adopted by the ISTC leadership was also comparatively belligerent. It attempted, for example, as a way of controlling the bargaining agenda, to limit the information going to the company: 'we stopped information going to the company' (former ISTC member of full time leadership). Corus management was also determined that it, not unions, should control the process of communications: 'The control of communication channels was clearly critical in creating both a favourable climate and a mandate for the closure agreement itself' (a former Corus works manager).

Leading members of the ISTC still believe that, 'the unions gave in too easily' and that the relationship between some union officials and the company was, 'too cosy' (former ISTC member of full time leadership). Furthermore, leading members of the ISTC consider that Corus management consciously manoeuvred to undermine union solidarity by attempting to drive a wedge between the unions. Corus executives since interviewed deny that this was their ambition. ISTC officials believed that the AEEU officials were particularly susceptible to management overtures.

4.4.4 Trade unions and restructuring through Partnership

On a number of occasions during discussion and debates on the issue of consultation the ISTC referred to the refusal of Corus to accept its offer of partnership. In, for example, its submission to the Select Committee on Welsh Affairs for its meeting of March 1, 2001, paragraph 1.4 states, 'Corus has rejected offers from the ISTC and other trade unions to work in partnership for the good of the company, its employees and its shareholders'. The whole of section 6 of this submission is devoted to the offer of partnership that would also involve the UK government and the Welsh Assembly. Partnership from the perspective of the ISTC would commit Corus to a training regime before restructuring and, or redundancy took place. The general secretary of the ISTC complained that Corus had refused to work in partnership and that it was 'paternalistic' in its dealings with unions. The representatives from the AEEU and T&G both argued that that the company had nothing to fear from bringing the unions into its confidence and that it was happy to do this when trading conditions were good. The ability of the unions in Corus to develop partnership arrangements with Corus, however, depended not only on the willingness of Corus to engage but also on the ability of the unions to work in partnership with each other. The tensions between the AEEU and the ISTC have already been described in relation to the alternative plans. The relationship between these two unions was further strained when on February 14th 2001 the General Secretary of the AEEU implied that 4000 of the 6000 soon to be redundant Corus workers might be offered jobs with a telecommunications firm, EXi. The leader of the ISTC described this as a 'cruel deception'. For the prosecution of an effective, united response to the Corus strategy, the conflict between the ISTC and AEEU was a significant weakness.

Union leaders raised the iniquity, in their eyes, of the way in which workers in the Dutch side of Corus had been protected by an Employment Pact. This was highlighted in the submission by the ISTC to the February 14th (2001), Select Committee meeting. The Pact, which ran from 1999 to 2004, committed Hoogevens to work in partnership with unions to develop forward strategy for organisational success and employment security (Liesinck and Greenwood 2007). Through the Pact it was agreed that employees would be warned of potential labour surpluses and measures would be taken to train and redeploy rather than resorting to making workers redundant. The Pact was enacted through a Central Employment Committee whose function was to propose

solutions to anticipated problems. In its submission to the Select Committee, the ISTC noted that:

There is no similar body [Central Employment Committee] in the United Kingdom which might give working people here a chance to contribute to resolving human resource issues by agreement and to the stable growth of the economy.

Related to this, union leaders in their presentation to the Select Committee on Welsh Affairs of March 1st 2001 raised the more general issue of the UK versus the European models for involvement of unions in corporate decision making. Mike Walsh of the ISTC argued that there is a requirement in Dutch law for firms to engage in a 'public' and 'transparent' consideration of proposals to close large units of employment. John Rowse of the T&G explained that in the UK, however, 'the trick is to get the company to talk to us before these announcements are made'. Bob Shannon of the AEEU made it clear that UK unions did not expect that involvement in the European sense would protect every job:

It is not a recipe that says that every plant, every job, will be saved and nothing ever changes. It gives confidence to the workforce that those changes have been examined properly with alternatives being looked at.

Nevertheless, a former Corus HR executive, present at the time of the restructuring, was clear that, 'you can't blame Corus for not following continental industrial relations practices.'

As a final note on the transnational dimension, it might have been expected that the Corus European Works Council (EWC) would have provided a vehicle through which a concerted trans-national union alternative strategy could be developed. Following discussion with a UNITE activist who was an AEEU member of the EWC at the time of the 2001 restructuring, it was clear that this was not the case. Although the Corus restructuring was the object of discussion, there was no attempt by unions to use the EWC as a vehicle through which opposition to the job cuts was coordinated. 'There was general distrust between the UK and Dutch councillors' (AEEU Works Council

member). Following the restructuring announcement, Jos Duyhoven, an executive member of the Dutch union, FNV, considered the extent of cut backs in the UK had a finite limit: 'I don't believe Corus can go further without these important British sites' (Duyhoven 2001). When pressed by a BBC reporter if he would support industrial action in support of British workers, he was noncommittal.

The subject of partnership between Corus and unions received wider attention. Denis MacShane, MP for Rotherham and chair of the MP group of MPs with interest in steel industry, raised the issue both in the Commons and the media. Writing in the Guardian of January 30th 2001, he argued that the management style of Corus, in the form of Brian Moffat, reflected a 'style of company leadership which has no place in a new century'. MacShane argued that 'win-win' partnerships with government and unions were necessary and that Corus believed in, 'its divine right to manage without reference to other stake holders in the steel communities'. MacShane proposed that, 'Corus must develop a political understanding of how government works and seek [to influence policy] in partnership with unions and MP's'.

During a Commons debate of March 28th 2001, MacShane proposed that, 'the lack of effective partnership in the steel industry, despite the best efforts of the Iron and Steel Trades Confederation and the other steel unions, undoubtedly contributed to the problems that we are facing'. Corus management had, though, a clear view of how government worked and didn't trust it to deal confidentially with issues of strategic importance. The offer of partnership was also directed toward the process of jointly working through the alternative plans that ISTC and the other unions had submitted to Corus. This offer was not taken up by Corus. The apparent indifference that senior management showed towards the alternative plans put forward by the unions would seem to support MacShane's analysis. Nevertheless, certainly within tinplate (Corus Packaging Plus), interviews with senior managers involved in the 2001 restructuring, indicates they were genuinely distressed by the news that they had to visit on the workforce of Ebbw Vale. 'We [tinplate restructuring team] were desperate to look after the workforce.' Also, during the closure announcement at Ebbw Vale, '[senior managers] were visibly upset by the decision' (manager tinplate restructuring team).

4.4.5 Restructuring and Industrial Strategy

The written submission by the ISTC to the Select Committee on Welsh Affairs, March 1st 2001, raised the question of an industrial strategy for the steel industry. This was in respect of participation by both government and unions. The ISTC contended that: 'Corus has no long-term commitment to retention of steel-making capacity in the UK and that the government and the Welsh Assembly must develop a strategy in the UK before it loses critical mass and declines irretrievably'. Union involvement in industrial strategy with Corus would be through partnership to, 'ride out the temporary market conditions of diminished demand for strip steel products and a weak Euro ... [and] ... take a more rational analysis of future capacity and workforce requirements.'

The notion of an industrial strategy for the steel industry, just as the idea of partnership, was echoed in Westminster. In a debate in the Lords on February 1st 2001, Lord Ezra argued that because manufacturing industry was experiencing difficulties from the need to restructure, 'the Government should be studying the issue and should be bringing out a White Paper in which they could formulate a strategy [for the steel industry]. Had they done so, it would have been easier for the management of Corus to take a long-term view relating to such a strategy.' Responding for the government, Lord Sainsbury declared that, '[I] am not certain about a strategy, but we have policies that obviously impact on the different factors that influence manufacturing ... I doubt if a manufacturing strategy will take us any further.'

The extent of interest by steel unions in participation in industrial strategy for the industry is an interesting one. Both the leader of the ISTC and AEEU national officials whilst welcoming the merger through which Corus was formed, demurred at the thought of involvement in that decision: 'It was their (BSC) commercial decision to merge with Hoogovens and we obviously would not get involved in that partnership. What we wished then, once the decision was taken, was that it would be as successful as it could possibly be ...' (National Official AEEU, Select Committee February 14th).

Discussion with leading union officials suggests no taste for nationalisation of the steel industry still less the industrial democracy talked about in the 1960s. Perhaps in his dismissal of all things 'Bullock', Alan Johnson captured the spirit of the times. This being the case, the proposal by the ISTC to purchase Llanwern might be considered

curious. Indeed the suggestion was viewed with not a little scepticism by many business commentators. Nevertheless, the proposal was a real one. Leading members of the union at that time leave little doubt that the attempt was serious. The union commissioned research that provided reassurance, to the union leadership at least, that at an output of 20M Tonnes, the operation of the works could be profitable. The response of Corus to the proposal was negative. Llanwern would be a direct competitor to Corus and the issue turned on the fact that the markets for steel products, particularly steel products, in the UK was falling. Brian Moffat summed this up thus:

[E]ven if they were financially able to do that [purchase Llanwern], and by that I mean actually maintain it in operational terms; the fact is they would prejudice other plants. There is too much capacity that is our problem. We have got a diminishing market size and as our efficiency improves the market has not improved in size in the UK with it, such that our exports are now in flat products approaching 50 per cent of what we make... I have made it quite clear, and it is one area where we are totally in agreement with the unions, I am not complaining about the efficiency or productivity of our workforce or the co-operation.

(Moffat 2001)

Union leaders were left angry, demoralised and not a little disunited by their inability, even with government support, to press home any of their alternatives to the Corus plans. Industrial action was threatened but did not appear ever to be seriously considered. Leading local activists confirmed that in the case of Ebbw Vale, 'this [industrial action] was never really on the agenda'. Perhaps the words of Bob Shannon the AEEU national official in his evidence to the Select Committee on Welsh Affairs provides a suitable valediction and insight into the necessity for unions to develop new strategies for dealing with the impact of international financial capital and multinational employers:

If you look at the industry's record, you do not have to look into a crystal ball to read the book on what the workforce have actually done over the years. They have accepted pay freezes and they have accepted reductions in capacity. They

have accepted a whole range of difficult things. All the national officers from time to time have to go down to the plants and explain unpleasant news and the commercial rationale behind that. I cannot find a single incident where the workforce has never reacted positively. They have not always liked the news that has come across in terms of what the company needs to do but they have always responded ultimately in a positive way. You have to ask yourself what has changed. What is the difference now in the way that the company is organising itself?

4.5 Discussion

The changes within the product market that drove the restructuring of Corus seemed inexorable. Yet in responding to these forces, the direction of Corus strategy was by no means clear. In the context of a difficult relationship with the banks, the internal tension, almost polarisation, between UK and Dutch management as to the extent of restructuring, acted to distort management thinking. UK managers were determined to protect as much of Corus UK as possible. Managers from the Dutch side of the organisation wanted the cuts to be more substantial and swift (interviews with Corus executives involved in the 2001 restructuring). This is interesting when the national industrial relations contexts are considered and the comparatively consensual home framework for industrial relations in which Dutch management operates is considered. There was concern and anger amongst both Dutch management and unions at what they perceived to be the potential impact on the job security of all Corus employees by the loss making UK operations. The effect of these internal divisions was a somewhat clumsy restructuring plan. The Observer newspaper of February 4th 2001 described the job that Corus management made of the restructuring as a 'pig's ear', that the creation of two chief executives was 'botched'. Furthermore, when the exchange rate and prices moved in an adverse direction, the newspaper commented:

According to people close to the company, Corus panicked. One said: 'You had two chief executives, which was confusing for a start. Van Duyne was used to running Hoogovens, which is a small company, and was not used to the glare of the FTSE, and he was used to European boards, where chief executives are less powerful. You had these two guys going into the board and presenting different schemes - shut down Teesside, close Llanwern, cut across the group. There were

three very difficult boards from July onwards, where the non-executives said, look these are your responsibilities. By November Moffatt said "enough".'

The assessment of the Observer is perhaps somewhat harsh. Corus senior management was operating under tremendous pressure. A Corus executive when interviewed described Corus management at this time as 'making policy by the seat of its pants.' Could the position of UK management have been strengthened by going public and involving the UK government and unions in a debate about Corus future strategy? Corus management presumably for reasons of management culture and the financial rules of the game chose not to consider this option. Also, Corus did not trust the government with confidential information.

Behind the public gaze and official positions, communication (not consultation) between Corus executives, government ministers, union leaders, and local politicians did, as ever, take place. It was customary for Corus and BSC before it, to inform unions and politicians at least 24 hours before any major announcement involving job losses. 'We were tipped off by the company. We couldn't go public but we did a bit of work behind the scenes' (T&G nation official) and 'I can't think in my 30 [plus] years in the company where we haven't told local politicians, union leaders and civil servants in advance' (Corus senior executive and member of 2001 restructuring team). Advance notice is usually 24 hours but often longer.

It is also the case that the cost of restructuring in terms of written off plant and redundancy payments were so substantial, particularly in the context of an ailing company, that the banks took some time to be convinced that the Corus strategy should be underwritten. 'The banks drove a hard bargain' commented a former Corus senior HR manager. In conjunction with the internal management divisions described, it is likely that these factors contributed to real uncertainty surrounding the precise form and extent of the restructuring. It is hence likely that final agreement within Corus as to what was to be announced did not occur until soon before the announcement was actually made. Even had Corus senior managers wished to consult with union leaders and politicians, it is arguable that a detailed strategy with which to consult was unavailable. Union leaders would argue that it is precisely at such moments that consultation should take place.

4.6 Conclusion

For Corus, the nature of consultation was clear. Until its restructuring plans had been finalised, there was nothing to discuss. Stock Exchange rules and commercial confidentiality took precedence over all other considerations. This was followed by the interests of its employees. In short Corus did not consider the possibility of revising its strategy for participation, nor was it inclined to engage in political haggling with the government. The government claimed surprise at the Corus announcement. This reaction was itself surprising. That Corus was about to announce a major restructuring was not in doubt. It had been widely anticipated and trailed in both the media and trade circles for months before the announcement was actually made. The WAG First Minister Rhodri Morgan made it clear that he at least amongst Labour politicians was expecting very bad news. The government was widely criticised in the media and by politicians of other parties for not acting either on media speculation or soundings from Corus. Tony Blair was quite clear that the government could have 'done little.' This same conclusion was reached by the Commons Select Committee that met to investigate the Corus restructuring. In reality though, the government did act. It attempted to broker support packages to Corus. These were necessarily constrained by EU legislation but were substantial enough. Once the final position of Corus was known, the government was again directly involved in the development of support packages for redundant steel workers and their communities.

A further criticism of the government pursued by the media and both Labour and Conservative MPs (for different reasons) was that of its opposition to implementation of the then draft Directive on Information and Consultation. The trade unions most directly involved in the restructuring, the T&G, ISTC, AEEU although generally unhappy at the reluctance of the government to accede to the requirements of this legislation, did not use the context of the Corus restructuring to attack the government on this issue.

The refusal of Corus to enter into the spirit and institution of partnership was condemned by unions and politicians alike. It is ironic then, that leading players from two unions central to the alternative strategy, could not agree on a common strategy amongst themselves. The divisions within Corus senior management were mirrored in

the leadership of the union coalition. The ISTC was and still is, convinced that the leadership of the AEEU attempted to undermine its alternative proposals and that Corus management attempted to use the AEEU leadership for the same ends. The research has not been able to confirm or otherwise the reality of such claims but what is real is the perception in the minds of leading actors that they are true. Nevertheless, conflict between two leading unions was a fatal flaw in the development of a coherent and more effective union response. Looking at partnership through a different lens, the question of more deep seated forms of participation was raised during the debates over the restructuring. There was agreement amongst the unions that meaningful consultation requires early access to company plans. In the case of the ISTC, an attempt was made to take control of an entire steel works. Yet all the unions leaders involved were clear (as was government) that ultimately, corporate strategy is the concern of management and that industrial democracy was off the agenda.

As an insight into the industrial relations of restructuring and participation between representatives of labour and capital, the study raises a number of issues. From the perspective of the government, for ideological as much as practical reasons, it could not become involved in the internal strategic deliberations of a multinational company. In the knowledge that such intervention was not possible, government ministers attempted to fudge the question of consultation and claim ignorance of the Corus plans when it was clear that substantial job losses were almost certain. An issue for the government was of course that of retaining the support of its friends in the trade union movement. In this sense, the government was in a cleft stick. Its belief in workplace partnership and espousal of mutual gains was being undone by the requirements of finance capital and rapacious needs of the international product market. Understanding the strategy of Corus, follows from this. Its sole interest was in protecting the integrity of the company. In this way, Corus argued, its main stakeholders, shareholders and employees, would be best served. This analysis presents a serious problem for unions. What form of participation do unions actually want or indeed require and how do they obtain it? Furthermore, beyond the sharing of information, consultation and collective bargaining, how far should participation go? On this issue, the position of the unions was disjointed, unclear and characterised by internal conflict. Yet the ability of unions to respond to the ongoing and quickening pace of international restructuring seems to require crystal clarity and collective agreement on such matters.

Through the study, this chapter has provided insight into the social processes and industrial relations of restructuring at what might be termed the macro level. Although these will act to frame developments at the local level, it is only through an investigation of plant closure through the experiences of those directly involved that the social impact of closure can be fully understood. The following chapter follows the path of plant closure to this, the local level.

Chapter 5

The closure of the Ebbw Vale steelworks: Industrial Relations and the Management of Closure

5.0 Introduction

This chapter assesses the events that led up to the closure of the Ebbw Vale steel works. The history, forms and processes of industrial relations at the Ebbw Vale works frame these developments and outcomes. The introduction of teamworking was particularly significant as through its introduction, the balance of power between management and unions began to change in favour of management. It was also from this point that management started to communicate more directly with employees. The closure process is assessed through exploration of attempted survival plans and following the closure announcement and its impact on employees, by an explanation of the process of engagement between unions and management over the union alternative to closure. Particular attention is given to management strategy for dealing with the closure announcement and its ensuing rationale for communication and bargaining with employees and the Works Council. The equivalent strategy adopted by local unions is also assessed as are the tensions between and within both management and unions. The role of the Works Council was central to the industrial relation processes at the works and it was through this body that developments at the national level were connected to the local in the form of the union alternative plan.

5.1 The Survival Plan: Redundancies in 2000 - Option 'A' and Option 'B'

An important feature of industrial relations at Ebbw Vale, as in other parts of Corus and its predecessor British Steel, was that redundancies were resolved through 'natural wastage' or voluntary rather than 'hard', forced redundancies (operations manager). For example 'a key cornerstone of the Trade Union's standpoint throughout the 90's was in acquiescing only to job reductions through natural turnover, otherwise enforced redundancy would be contested' (operations manager). Hence, although regular rationalisation took place between 1992 and 2000, hard redundancies had been few. This situation had been facilitated by the age profile of employees but was about to end. In October 2000, management announced that for the first time in recent history, the

future of the works was at risk. The workforce and Works Council were presented with two alternatives. Option 'A' and option 'B'. Option 'A' involved total closure. Option 'B' through a reduction in costs and output, was described as a two year survival plan. It involved the loss of 261 jobs by March 2001. Also involved was a two week halt to production in November 2000 during which time employees would receive half pay. The unions considered that they had no choice but to go along with option B. The four shift system established with the introduction of teamworking that involved a 5th floating shift, was disbanded.

The method used to select the 261 redundancies was that used for the establishment of teams in 1997. Unions had a 'monitoring and appeal role on behalf of their members' (operations manager). Individuals were informed whether they had been selected or not in a 20 minute interview with their line manager. The redundancy terms available were those emanating from the 1992 closure of Ravenscraig. Agreement to accept option B was concluded with all unions. Full time officials were not involved. An ISTC branch official, described the selection of the 261 workers for redundancy as, 'the worst week of my life ... men cried, some fainted ... you were scared to say to your mates that you had got a job ... some men cried because they had got a job, some because they hadn't.'

Within one month of this announcement, the implementation of the 261 redundancies was made more complex by the secret decision three months before it was publicly announced, to close the works. A senior manager described his dissatisfaction at this state of affairs:

Whilst the financial logic [closure] was in place, due to the need for secrecy neither plans nor consideration had been developed as to how this would be physically enacted over the next 2 years ... Surreally preparation would have to continue on cost reduction plans alongside discussions with the trade unions and suppliers on the long- term survival. Therefore management had covertly developed a final closure strategy whilst portraying a public face that despite the difficulties they were prepared to fight for the future of the plant.

One process worker who had been made redundant when the pickling plant was closed described hearing about plan 'B' as, 'the worst day of my life'. Pickling plant workers

were told individually that of the 70 employees, only 30 would be retained. The selection process was supposedly on the basis of points related to the number of skills each individual possessed. Points were translated into a letter with only a high point's score and letters A, B, C being (officially) sufficient to safeguard a job. Workers were unaware that points were being accumulated or calculated. For one individual, the reality was that the selection process was subjective and based upon personality. He was graded a D and not selected as one of the 30. He appealed against this decision. His manager asked him what grade he thought that he should have received. He replied, 'an A'. His manager replied that A's were not being given to anyone. He informed the company that he was pursuing his claim to an industrial tribunal. Just before the tribunal process kicked in, he was offered a job. He considered himself 'lucky' to have retained his job but feels that management, 'treated people badly'. He is critical of the union (ISTC) for not being involved in the point's issue. Indeed a Works Council member considered that, 'we [the unions] should have dealt with the 261 differently. We should not have let management free reign to select and tell.'

5.2 The Closure of the Ebbw Vale Works

5.2.1 The Closure Announcement

Throughout the month of January 2000 speculation on the plant and tensions grew. Rumours (some very accurate) sourced from the Netherlands had to be repeatedly denied ... The actual announcement date was to be determined by the conclusion of a financial restructuring deal between Corus and its bankers, but would come at less than 24 hours notice (Ebbw Vale management team lead negotiator).

The closure of the Ebbw Vale steel works was announced to a mass meeting of employees at 9.10 a.m. on Thursday February 1st 2001. The announcement took place in a large meeting and function room, the Lever Hall that formed part of the social and community facilities provided by the works. That an announcement about the future of the works would take place was, for many, not a surprise. The problems that had beset Corus and that were likely to necessitate restructuring had been trailed in the media for months. Speculation at the works was not surprisingly rife and there was a spectrum of opinions as to what the eventual fate of the works would be. For the chair of the multi-union Works Council, the closure was, 'not a bolt out of the blue' but the actual

announcement was still 'a shock' to him when it arrived. As part of his job, this individual chaired meetings of team leaders, twelve in all. He was aware the night before that an announcement was planned for the following morning but not what its content would be. He asked the team leaders what they thought the announcement might be about. Eleven out of the twelve thought perhaps redundancies but not closure. This was the general feeling amongst the workforce. As is typical in declining industries, talk of plant closure is normal. One respondent although surprised by the actual announcement said that from the moment he had started work at the plant as an apprentice in 1975, 'the talk had been of closure.' 'I had a feeling that the works might suffer but not close. What made us most angry was they moved 4 ETL line [Electrolytic tinning line] to Trostre. This hurt more than the closure. 4 ETL was our biggest and best line, so why move it? We still need tin so why shut us down?' He was convinced that that the decision to close Ebbw Vale was political.

Some employees discovered that the works was to be closed just before the announcement was made. Some through mobile phone calls from family and friends. The news spread like wildfire but for all employees the first occasion they heard the news directly was through the mass meeting in the Lever Hall. One craft worker first heard the closure announcement this way. His first thought was, 'what am I going to do now, I've been here 24 years what's out there for me? Is there life outside or do I try and stay in Corus?' He had heard that it might be possible to transfer to Trostre he would however need to move house. After a great deal of thought, he and his wife decided that, 'our roots were in Ebbw vale, why should we move?' He considered that all jobs in Corus UK were now insecure; "I didn't want to be looking over my shoulder for the rest of my life". Similarly, another employee heard the closure news at the Lever Hall meeting. He 'couldn't believe it'. On hearing the news, he described the reaction of those at the meeting as, 'hostile to a man'. Managers also described the atmosphere at the meeting as 'hostile' (HR manager) with employees at various points leaving the hall. Upon hearing the announcement, the initial emotion experienced was described by one individual as, 'anger.' The announcement was not made from the stage but from in front of the doors. He had heard that police, expecting trouble, were stationed outside the hall. The workers were angry but the event was trouble free. At the end of the meeting, '... people didn't want to know ... there were only a few questions.' Workers on late and night shifts were briefed as they arrived for work.

An assumption generally held by those interviewed was that if as a result of restructuring a plant was to close it would be Llanwern: 'There was speculation that a plant would close but everyone at Ebbw Vale thought that it would be Llanwern' (team member). For this individual, the closure announcement was totally unexpected. He had been working on the night shift hence was not at the meeting where the closure was announced. (The night shift was informed of the closure whilst on shift). His wife found out and rang him at home. He was 'devastated, shell shocked'. His wife was 'numb'. For one individual his first thought was, 'how well the audience took the news. At Trostre there would have had chairs thrown, they are more volatile at Trostre'.

Following the announcement, back in the works, the relationship between production workers and management was difficult. There was tension between older and younger workers as to who, if any, were to be selected for jobs at other sites. Older workers wanted to improve their pension situation, younger workers just wanted employment. 'Management encouraged people to work like mad to keep production up by putting one against the other' (production worker). The family lives of those affected was no less difficult. It was, 'a tense time' (engineer). This individual and his wife looked at the possibility of relocating to another works. They considered the pros and cons and 'do I leave the industry?' They eventually decided that they did not really want to leave their house. He had taken out insurance against job loss and hence had a 12 months period when he knew that the mortgage would be paid. There were a number of other reasons why he decided ultimately not to leave Ebbw Vale. His parents were disabled and he had two young sons both of who were settled in a local school. His wife had spina-bifida and would have found relocation particularly difficult. Each individual had their own personal story of uncertainty, difficult financial decisions and family tensions to tell.

The closure aroused strong emotions in all those involved and a number of the workers blamed their unions as well as the management for allowing the works to close. One union member was critical of the role played by his union in the national restructuring exercise. 'Corus wanted Llanwern to go, so because the union had more members at Llanwern, they sacrificed Ebbw Vale'. He feels that the union had always had a close relationship with the company and most issues of importance were discussed. However,

in respect of the closure his view was that the union 'just rolled over and negotiated terms. We were the best plant; we should have taken action at the time, particularly with what we know now. The workforce thought that we should have done something. We were too scared of losing our redundancy money.' He feels that the union now has very little power at a national level. In a similar vein, a member of a different union was very critical of the role of his union in its involvement in negotiations and the development of a survival plan. 'We would have been better doing it ourselves. We were only interested in the image of the Labour Party'. This individual was and is, extremely bitter; his eyes moistened with emotion as he told his story. These criticisms were essentially directed at the national union leaderships by union members who appeared to be more interested in the role of the union than the typical union member might be, the stalwarts referred to by (Nicholson et al 1981). The thoughts of such members are important for union leaderships to understand.

The majority of those interviewed were not however critical of the role of the unions, certainly not of their local representatives. Indeed, discussions with the leading members of the Works Council over a period of several years, makes clear that leading site activists had no interest other than getting the best deal for their members. This was recognized by management. A member of the management closure team described the Works Council secretary and elected spokesperson of the Council as, 'a great guy, fought for his guys. Thoughtful, not emotional. He would listen, not ranting and raving.' The management team that made the closure announcement was also affected by the decision it had announced. A member of this team explained that:

Vickers [Tony Vickers] was visibly upset by the decision. I had an office on site. When I went back to it the cleaning ladies were crying in the corridor. How would I feel? I would be crying too. I said come in and have a cup of tea. The works manager was desperate to get people retrained or crossmatched.

5.2.2 The closure announcement and management strategy

Management communicated the closure announcement through a carefully planned sequence of stages, the mass meeting of which was but one. In the words of a senior member of the Ebbw Vale management team that made the announcement, 'a strict timetable of events was laid out in order that the cascade could be controlled.' This

manager explained how this strategy unfolded. At 8 a.m. the managing director of the Tinplate Division informed the works management team of the decision, 'This was received in shocked silence with no questions being asked.' Only two Ebbw Vale senior managers knew in advance that this decision had been taken. The union Works Council was the next group of individuals to be informed at 8.30 a.m. Perhaps not unsurprisingly, this was a difficult meeting. The union representatives had been informed the evening before that a presentation was to be given the next morning and expected bad news but not closure. 'As soon as we walked in I knew we were closing because of their [managers] faces' (ISTC Works Council representative). While this meeting was taking place, the closure was released to the press. This was before the mass meeting with employees. 'They tried to stop us from going to the mass meeting' (ISTC representative). The Council representatives told management that they would not be prevented from attending. The meeting became tense with one Council member telling management that he would 'break the door down.' Management had expected the announcement to the Works Council to be awkward. A member of the announcement team explained the thoughts of the management. The feeling was that the presence of the Council at the mass meeting might 'spoil the announcement' or 'act as a focal point of mass protest against it.'

The mass meeting, with Works Council in attendance then took place. Those managers who were involved in planning the announcement had been debating the best method of informing the workforce of the closure. There was a suggestion by outside managers involved in the closure process, that the decision should be communicated by the Works Council or email, 'avoiding the risk of physical confrontation' (site manager). This was rejected by the site manager who considered that management had a duty to announce the message face to face. 'I believed that management had a clear duty to deliver that message in person and could never hope to retain the respect of the workforce over the coming months otherwise ... this was simply a matter of management responsibility and personal integrity.'

Following the mass meeting, the management team and Works Council briefly discussed the situation. One union representative asked a manager, 'if we had any chance [of the works staying open]? He told me slim. I said to him that we had to work together now to get the best deal. I was shocked that the whole plant went. I thought it

would be a death by a thousand cuts. I blame the management. There was no investment. It took several weeks to sink in.’ Like many employees, the predominant view of the Works Council was that the Ebbw Vale works had been sacrificed in order to save the processing part of Llanwern and that this was politically driven. This belief was only partially true. In that Corus management had not bowed to political pressure it was wrong. However in that Dutch executives had wanted Corus UK to be diminished to an even greater extent than had been announced and had wanted the whole of Llanwern to close, it was correct. Following the mass meeting, the local MP and leader of the local council were officially informed of the closure. Both were hostile to the news and to Corus.

At 1p.m. the managing director and HR director of CPP and senior site managers met with the Works Council. The site managers considered this as the first of what were to become known as ‘coffee mornings’. In the words of local management, who would be left with the task of running the plant for the ensuing 18 months, ‘this meeting was designed to defuse emotion and begin to build bridges on an inter-personal level for what could be a very long journey ahead. Ultimately this session had the single objective of ensuring that both parties would return to talk the following day’ (site manager written testimony).

5.2.3 Management strategy for communication and participation:

Following the closure announcement, management’s strategy for communication with the workforce and communication, consultation and collective bargaining with unions, was well thought out and implemented with great determination. The strategy was based on a number of principles but underpinned by the necessity for the plant to operate at full but gradually diminishing capacity until its final closure.

Customers needed reassurance when placing long term orders that deliveries would not be affected due to either industrial action or performance. The two financial quarters around the announcement are traditionally the busiest for the business and loss of custom would be financially disastrous (site manager).

The primary task of the business unit and works management was to retain the support not only of the Ebbw Vale senior management team but also line managers, ‘bring them

on board with the process' (site manager). These individuals were in the same position as employees, shocked and unsure as to their future employability. The day following the closure announcement, managers and the Works Council received a presentation explaining how the final 18 months of the plants life would evolve. The presentation was designed not only to provide factual information but to spell out how management intended to negotiate with the unions.

Like all the presentations we were to give over the coming months, the Works Council would see this first. We were clearly recognising and preserving their status as the workers representative body ... the tone [of the presentation] was conciliatory and clearly identified a role for the Works Council (a senior site manager).

Senior site management explained that during the closure period, its game plan for interaction with unions was based on a process whereby it, 'set a pace and agenda for everything from negotiations through to manning numbers' and that 'management's negotiating stance was they wished, 'to negotiate locally with the trade unions, not on a national basis'(senior site manager). This latter fact reflected the national bargaining strategy of Corus and ultimately that of the AEEU (but not that of the ISTC). In order for this to be successful, however, management needed to 'win over' (site manager) the key source of alternative power in the works, the Works Council. This it did through ensuring that the Works Council was intimately involved in key issues relating to the closure. Included here were both the logistics of the phased closure and the viability of the plant up to its closure. This process was facilitated by the fact that the main management and union actors through constant negotiations over restructuring and redundancies over a period of many years knew each other well. This apparent sharing of power was though, conditional. Conditional that joint deliberations were directly communicated to the entire workforce on a regular basis and crucially that the management agenda was implemented in full. Regular, weekly, often more frequent jointly signed briefings were sent to all employees throughout the 18 month run down of the works. A manager directly involved in the development of management strategy explained its intension

Despite the emphasis over the preceding years for management to engage with the workers directly and therefore containing union influence, this policy was now being reversed. In addition to the joint communiqués the trade unions were actively being encouraged to participate in workforce briefings. Both negotiating parties within the works quickly recognised the need to control information for their own purposes. Management recognised that rumour was very disruptive to the production process and that information on the talks had to keep flowing to demonstrate that a negotiated settlement was the only route forward. Equally well they saw it important that the role of the Works Council was under-pinned nor did they want unrealistic expectations generated (written comments)

All this is not to say that unions did not make gains through collective bargaining as important benefits were negotiated. The point is that in the absence of an overt challenge to management's authority, there was little incentive for management to change its strategic direction. Management also attempted to exploit the isolation felt by the Ebbw Vale Works Council. Of the sites affected by the restructuring, the Ebbw Vale Works Council had been the first to conclude a closure agreement against the wishes of some national union leaders. Senior management was quite candid that, 'this in turn made it easier for Corus local and national negotiating teams to manipulate discussions, a process which was sometimes veiled as cooperation' (former member of the Ebbw Vale management team).

5.2.4 Local union strategy towards closure

The difference between the closure strategy of management and that of the unions might be described as the difference between being proactive and reactive respectively; there are reasons why this was the case. Although prior to the February 1st announcement unions had been expecting cut backs and redundancies, the idea of closure had for most union activists not been considered. In terms of the development of a strategic response, whilst management had been able to think its strategy through, local activists had been placed on the back foot. The Ebbw Vale Work Council had not been deaf to press speculation about an impending Corus restructuring. The Council chair had met with local councilors and members of the Welsh Assembly and Westminster MPs and suspected he was not being told the whole story. Nevertheless firm speculation suggesting that Ebbw Vale might be under threat did not appear until the end of

January, providing little time for planning. Whether national leaderships should have been more proactive is a moot point.

The industrial relations processes that were set running by the closure announcement that are raised in chapter three are still controversial. Following the closure announcement, union strategy became a complex mixture of multi-union, local and national initiatives. The leadership of ISTC, who at national level was leading the response to the Corus restructuring plan, was clear that a general defence of jobs in Corus was necessary rather than a response based on a plant by plant approach. Strategy had to 'work backwards ... we had to defend the spiders legs in order to protect the heart that was Llanwern' (An ISTC national leader). Unions have always considered steel making sites as the redoubts of steel industry vitality, union membership and employment. Correspondingly, if the 'satellite' sites were kept open, there was a likely market for Llanwern steel that would help justify the continuation of steelmaking at Llanwern and in turn the spiders legs. The strategic perspective of the ISTC, as explained, was not accepted by leaders of the other steel unions. This led to severe tensions between the leaderships of the ISTC and the AEEU. This was not generally reflected at site level. What local tensions within the union camp that did exist, tended to be intra-union and between national and local officials.

5.3 The Ebbw Vale union alternative local plan, context

As described in chapter three, following the February 1st announcement by Corus, the unions persuaded Corus to defer the statutory 90 consultation period by 14 days. Corus agreed to this request. During this 14 day period, in order for the unions to consider their position, a moratorium was declared on all discussion of Corus strategy. Following this 14 day period, union representatives at all sites affected by the restructuring were instructed by their leaders to develop alternative plans. The local plans were individually rejected by Corus in early March but framed the formal, collective national response of unions to the Corus strategy developed through the union National Steel Coordinating Committee. The response document, 'Corus Restructuring: The Trade Union Alternative' dated March 2001, presented the analysis and position of the unions at national level. This response, presented to Corus on March 27th, was again rejected.

The union response document began by stating the analysis of the state of Corus and the international steel industry accepted by the unions, 'differs in several crucial respects from the spin which Corus has put on the information it has released. The trade unions are concerned that Corus has drawn up its proposals on the basis of the worst possible scenario regarding the demand for steel in Western Europe and the movement of Stirling against the Euro' (Response Document: 3). The document then proceeded to develop arguments, enlisting support from financial analysts and government ministers, to attack the Corus position in respect of perceived short-termism, its analysis of the nature of steel prices and demand and also for sacrificing jobs and capacity in order to, 'show an excessive profit next year, to boost the share price and to pay of share holders (ibid: 3). The response accused Corus of being 'impervious to constructive comment' (ibid:4) and suggested that the support of the unions for a changed Corus strategy would enhance the damaged image of the company in the eyes of the public.

The response raised the matter of consultation. 'They [unions] have repeatedly proposed that the form of consultative arrangements practised in the Netherlands should be the model for the whole of the company ... The unions would be as forthcoming as possible in response to a genuine offer of partnership from Corus and signs of loyalty and willingness to co-operate with our members' (ibid: 4-5). The final section of the response delineated specific union proposals. It is here that the unions proposed that 'the objectives of the company to become highly profitable ... may be reconciled by reducing activities in the plants under threat for an interim period of a year or so' (ibid: 7). The mechanism for this would be through the local plans. 'They [the local plans] amount to a package which is practicable and would involve operating all the plants threatened with closure for a period at a low level of activity but would keep open the possibility that production at around the present rate could be resumed when the expected improvement in trading conditions comes about' (ibid:8). The response ended with reference to the agreement of Corus to support affected employees through training. The unions also stated that the union alternative plan would be supported by the government through financial support (the extent of which was still uncertain) to Corus in retaining workers on short time work or training for the year of reduced activity.

5. 3.1 The Ebbw Vale alternative plan in detail

Although at national level the planning of an alternative to the Corus strategy was coordinated through the ISTC, at each site the leading role for the development of local plans was allocated to a specific union. At Ebbw Vale, this was the T&G, through a national officer. Local management sensed tension between local union representatives and their national leaders. Management also believed that the local nature of the Ebbw Vale negotiations would act to create a sense of inevitability about closure amongst employees and the Works Council. Union national policy was to leave the development of site level plans to local lay activists. With appropriate support, this had logic to it. Nevertheless, management was convinced that through this approach, a division had opened up between national and local union representatives. 'The Ebbw Vale Works Council was furious, seeing this as an abdication of responsibility by the national officers' (senior works manager). Local reps felt cut adrift ... there was no coordination [between national and local levels]' (Corus Packaging Plus HR manager). This perception, correct or not, did not act to persuade management of any unity of purpose within trade union ranks and coloured management strategy towards the unions. Any sense by management negotiators of disunity between local union activists would however have been greatly misplaced. Union activists from all unions were unanimous in their view that the closure decision had 'brought people together' ISTC representative. Each union held its own branch meetings but primarily to quell rumors, there were also regular multi union meetings sometimes involving management. 'All the unions worked well together' (Works Council chair). This was particularly true of the relationship between the activists. The closure brought the unions together in a way that had never been achieved before. The Works Council was provided with an office that it retained for the duration of the closure period. This helped to sustain the ethos and practice of inter union partnership.

On February 14th 2001, following the ending of the moratorium on discussion of the Corus strategy, a period of consultation was announced. At the Ebbw Vale site, this began on February 19th. Management and the Works Council began a process of consultation, 'on the rationale for the closure and also to allow trade unions to develop an alternative plan' (joint management Works Council briefing note 19.2.01). From this date, until the presentation of the survival plan to management on March 7th, discussions between the Works Council and management took place on a daily basis.

The Council was provided with some financial and production information by the company accountant. The Council was also helped in its endeavours to produce a plan from a number of outside sources. The Secretary of State for Trade and Industry the Secretary of State for Wales and the First Minister of the Welsh Assembly, were all party to discussion. The plan had input from union research departments and the local Blaenau Gwent Council Economic Development Office. The chief officer of this department, who was involved in putting together the rescue plan, considered that the local works manager was 'very supportive' and provided valuable factual information. However, Corus corporate management, 'did not want to engage. Corus corporate politics were complex'.

The reason for lack of engagement is not difficult to fathom. The Corus Board was not willing to change its own plan and hence was not interested in alternatives. Although it was a union national official who led the construction of the Ebbw Vale plan, it was the Works Council who owned the process. In the words of the national official, 'in all previous closures it was always the national officials that concluded the deal. In this case it was the local reps that did the deal. They wanted to settle.' A member of the Works Council considered that top union officials were too far removed from the shop floor, 'we were better off without them' and 'at the end of the day, it was our plan' (Works council member). As the secretary of the Works Council explained:

Yes, as a works council, it was the works council delegates that looked at alternatives to total closure, and really all we came up with at that time was where as we had two route for production throughout the site. We said "Well, if you want to cut capacity, we'll lose one part of production, but keep the other," saving I guess at the time from 1000 jobs to probably five and a half, 600. So there would have been a significant reduction and a loss of 400 jobs but we would have had some production left and we would retain 600 jobs. In business terms some of the unions provided statistics, but in terms of putting it together we did it ourselves. It was simplistic, it was not a plan that would say "Well, it's a business for the next 20 years" it was purely to save, in our opinion, as many jobs as we could. But, as I said, in hindsight there was never an option, there was never a possibility of that plan being accepted.

The Ebbw Vale survival plan was 'not detailed but designed to flush the company position out' (lead union national official). It was presented to local management, on March 7th and passed to directors of the Corus Packaging Plus business unit for consideration. The Prime Minister pronounced all alternative plans commercially sound and called on Corus to give consideration to the union proposals. The chair of the Works Council considered that at the end of the day, the 'unions could save the works'. The plan was based on cost reduction and the acceptance of job losses.

The Works Council does accept that to retain Ebbw Vale at current operating levels and costs is not viable in the current economic climate. Areas where cost savings can be made have therefore been explored extensively (local plan: 1).

The main logic behind the union plan was that in terms of the tinplate business, the Corus proposals were based on a 53% increase at the remaining UK tinplate manufacturing site, Trostre. This the Works Council described as risky and optimistic as the Trostre site was less efficient than Ebbw Vale and a producer of poorer quality product. The proposed alternative was to operate Ebbw Vale at a reduced cost base. This, compared to closure costs would be cost neutral over a two year period, reduce the risk of underperformance and customer dissatisfaction and allow Corus to respond to a predicted (by the union alternative analysis) upturn in demand. The reduced cost base that the alternative plan proposed was based upon cost reductions in a number of factors. These are listed in table 4.1. The reduction in wage bill would be achieved through a contraction of the workforce to 500, a loss of almost 300 jobs. In summation, the unions argued that their plan provided a two year cost neutral window in which Corus could assess the capacity of Trostre and market demand. The plan stated:

We believe there are the following advantages to the proposals when compared with a precipitous and unrecoverable decision to close the plant immediately:

- **It allows time to judge whether the market will upturn.**
- **It allows time to assess realistic capacity at Trostre.**
- **It avoids short term closure costs (savings in operating costs must at least make this cost neutral).**

- It retains full capacity.
- It minimises the social and political consequences.
- It allows time to assess the closure options and costs if the market continues to fall.

(Alternative plan: Page 4)

Table 5.1 Ebbw Vale Union Alternative Plan: Cost Savings

Cost item	Existing	Proposed Saving
Wages	£27m	£14m
Energy costs	£11.6m	£2m
Rates	£1.5m	To be negotiated
Transport (internal)	£0.5m	£0.4m
Maintenance (inc contracts and spares)	£8.5m	£1.5m
Site contractors	£6.6m	£3m
Painting on plant	£0.1m	£0.1m
Total	£55.8m	£21m

Source: Ebbw Vale Alternative Plan: T&G and Corus

5. 3.2 The Alternative Plan and its final rejection

On the grounds that even with the proposals contained within the alternative plan, the ‘works would continue to sustain significant losses’ (Ebbw Vale internal communication 12.3.01), on March 12th the plan was rejected. National union officials made clear their intention to pursue the plan further at a national level meeting with Corus arranged for March 27th. At this meeting all alternative plans were again rejected. It was however, agreed that Tony Pedder (an Executive director of the Corus main board), would visit each affected site in order to hear first hand the plans presented by local union representatives, explain the Corus position and deliver a final verdict. At Ebbw Vale this meeting took place on April 2nd. The meeting was attended by members of the Works Council, senior management from both the works and the Corus Packaging Plus board (representatives of operations and HR) and union full time officials from the ISTC (2) and the T&G.

The management team was led by Tony Vickers the MD of CPP. Management set the agenda and tone for the meeting. Tony Pedder explained that his remit was to, 'adjudicate on behalf of the Chairman [of Corus] and give a final decision today' (Ebbw Vale internal joint company union communication No8; 2.4.01). The T&G full time official complained that, 'union officials normally received and expected more notice to attend and prepare for such an important meeting' (minutes of the meeting). The CPP HR director explained that, 'The meeting had been arranged at the earliest opportunity in the interests of removing uncertainty' (minutes of the meeting). The Works Council presented the union survival plan, 'The presentation was made by the Works Council, by us. There was a full time officers but the presentation was ours and no disrespect to them but we knew our industry, we knew our plant and it was we that created it' (secretary Works Council). The CPP HR director then gave a presentation reiterating the Corus strategy and explaining why the union plan had been rejected on March 12th. The presentation was followed by a debate chaired by Tony Pedder during which time each side restated its position. Following the debate the meeting adjourned for Pedder to make his final decision. The final decision of Pedder was that the union case was not convincing and that the Ebbw Vale works must close. His justification for this was based upon the original, unaltered, Corus analysis. That the problems faced by Corus were not short term and not solely due to exchange rate pressures. Market conditions were actually worsening. Pedder also stated that that the decision to concentrate on a single UK tin plate manufacturer should have been made earlier. Pedder accepted that the Corus strategy was a challenging one for Trostre and that social issues in the locality were difficult and Corus would attempt to assist with the provision of resources. Nevertheless,

He needed to take realistic and not optimistic views. There was a need to be a low cost player and to sweat the assets. The Ebbw Vale unions had presented a good case however the gap was huge. The way ahead was for a single site. Perhaps this should have been grasped far earlier rather than continuing down a cost reduction route' (Ebbw Vale internal joint company union communication No8; 2.4.01).

Pedder concluded by stating that for him, he was closing out the process but accepted that the unions would need to confer with their national officials. The union side

confirmed that they would do this. The Works Council would seek advice as to how best to progress issues at local level.

The adjournment during which Tony Pedder made his decision to close Ebbw Vale was the source of anger amongst union representatives. At the start of the adjournment the unions told Pedder he did not have the authority to decide on the merits of the alternative plan, this was Moffat's role [Sir Brian Moffat; Corus Chair and Chief Executive]. The T&G felt that it should have gone to board level for consideration not just one man. 'Pedder had to go out to make a phone call; I guess it was to Brian Moffat. Pedder then told the T&G official at the time that as far as they were concerned Tony Pedder made the decision ... Yes, Tony Pedder, was there as Moffat. He said 'When you look at me, you see Moffat' and that was how it was left' (Works Council member).

Pedder went out of the room and in minutes he was back to say that there would be no change to the Corus plan. So having cleared that, which took some quarter of an hour or so. The actual decision then took ten minutes, but the delay tactics made our meeting longer I think than most others. This puts into perspective really what the consultation process was about. From Teesside to Shotton to Bryngwyn and Llanwern, I think the average time taken to consider the plan was 15 minutes. We, I always claim that we took longer than any of the other plants, took 25 almost 30 minutes... but 15 minutes of this consisted of Pedder talking on the phone. At Bryngwyn the process took 10 minutes. EV was the longest (Works Council secretary).

Council members were angry that thousands of jobs and whole communities were written of in minutes. The meeting with Pedder was in effect an exercise in downwards communication. Neither meaningful consultation nor negotiation took place.

Management thinking on the union plan offers an interesting insight into the internal social dynamics of the industrial relations of plant closure. Written testimony and interview data with managers who led the Corus negotiations at local level helps understanding of this process. Management explained that the law in insider share

dealing prevented the release of confidential financial information to employees at individual sites as many of them were share holders. Nevertheless, at a meeting on February 20th, 2001, the Works Council was for the first time presented with detailed financial information relating to the profit and loss situation of the Ebbw Vale works. The Council had asked to see the books. This the site manager explained, 'I can't but I will get permission to show the December figures.'

As a plant where most of the products were exported, the scale of the losses was immense and obviously beyond the scope of conventional efficiency improvement measures, the numbers visibly shocked them. For the first time they saw that the survival plan of October 2000 achieved only 25% of the fixed cost savings that would be gained from the closure. This briefing session had been intended by the management team to present a concise review supporting their case against which the trade unions would resign themselves to defeat. Not only did it achieve this but also effectively it left the unions without a legitimate basis on which they felt prepared to build an alternative proposal. The unions would now also have to sell a message of no contest to their membership who now had their hopes raised by the possibility of such a plan being created without using the figures which management had presented. Simultaneously, they were receiving messages from the other plants that Works Councils were working on credible rescue plans actively aided by management. Expectations amongst the workforce and the wider community grew daily fuelled by the press that a successful counter plan could and would be developed. The Works Council had no option but to deliver. Equally, the management team had felt uncomfortable during the period when the trade unions had constructed their survival plan, there had almost been a transference of roles where management had argued almost surreally at points that union plans to reduce manning were unworkable in certain areas (written testimony, works senior manager),

These comments are of course the thoughts of management but they do resonate with those of Works Council members. There is no doubt, however, that local union activists never wavered in their opposition to the closure and their belief that the Corus restructuring strategy would ultimately fail. This management accepted. Nevertheless, the Works Council understood well the nature of the product market that its members

felt beleaguered by the weight of decades of cutbacks, its sense of isolation and the power of forces ranged against it. As a union national official of the ISTC put it, the effect of 'the drip, drip, drip,' of years of cut backs and job losses.

Members of the local, Blaenau Gwent Council did not participate in the presentation to Tony Pedder and the lead negotiator from the local management considered that the Council had resigned itself to the closure of the works. He was highly critical of the limited support that the Council provided to the unions.

In personal conversations with members of the Authority at the time they made it clear that they had to move their emphasis away from manufacturing. 41% of employment was in the manufacturing sector ... against a UK average of 17.6% and 20% for Wales. They perceived the saving of Ebbw Vale could only relieve the inevitable in the words of one Executive member. They saw their future strategy as pursuing leisure and recreation, education, retraining and improving transport links with the more prosperous M4 corridor (lead negotiator)

Numerous of the Blaenau Gwent Council and its officers were either former steel workers or had associations with the Works. The idea that these individuals were not supportive of the works is not entirely accurate. Council members were hostile to Corus and did not trust its representatives. Local management not unsurprisingly guardedly reciprocated these emotions. The local partnership between the Ebbw Vale political establishment and big business that in many ways both in terms of well paid employment and material resources had for generations helped to sustain the local community, had been terminated. That the Council had not effectively planned for such an eventuality might be true. That it saw no possibility of Corus changing its mind over the closure decision and therefore had to 'move on', is also the case and was a logical response to a sea change in the industrial landscape and local labour market.

The plan presented to Corus Packaging Plus business unit management on March 7th was essentially the same as that presented to Corus at the national level meeting on March 27th. At this meeting, the local agreement had been further developed by national officers to contain a section on the social impact of the closure on the local economy

and a clearer section on the alternative survival plan. 'Closure of Ebbw Vale would have disastrous social and economy (sic) consequences for Blaenau Gwent, which is already one of the most deprived local authorities in the UK ... THE TOTAL IMPACT ON THE LOCAL ECONOMY WOULD THEREFORE BE IN THE ORDER OF £60M PER ANNUM (upper case in the original: Ebbw Vale alternative plan, 27.3.01)

5.4 Agreeing closure

Following rejection of the unions' alternative plan, the Ebbw Vale Works Council faced a decision of fundamental importance. Would it organise industrial action to defend the works and the jobs of its employees? This decision could not be taken in a vacuum. National union policy stated that discussion on closure or the terms and conditions of redundancy should not take place.

There was never an option, there was never a possibility of that plan being accepted and once Tony Pedder had left the room, I say, within 10 minutes he came back and told us that it had failed. So, then really there was a decision to be made as to whether we fought the closure or whether we then accepted closure and got on with the business of the day, which would have been to negotiate a deal for closure. The works council felt that to actually fight it in terms of industrial action would have been futile, in fact it probably plays right into the company's hands because if we walk through that gate they'd have closed the gate and that would have been the end of us, and there was a lot of people with a lot of service, a lot of money at stake (Works Council secretary).

Even before the April 2nd confirmation by Corus that the Ebbw Vale local plan was to be finally rejected and against the wishes of union national officials (particularly those of the ISTC), the Ebbw Vale Works Council agreed with management that without prejudice to the outcome of the meeting of March 27th, informal dialogue would continue. An agreement to this effect was drawn up:

Informal discussions to date have been very constructive, open and transparent and have a positive impact on the morale of our workforce despite the high degree of uncertainty which exists at this time. We jointly agree therefore that it is in the interest of both parties and Ebbw Vale employees particularly, that we

continue this dialogue to consider our mutual agenda of items which need to be dealt with whatever outcome is concluded on the 27th of March.

(Agreement between Ebbw Vale unions and management, signed March 13th 2001).

Local management was under intense pressure to conclude a closure agreement and at the same time not provoke industrial action and was hence pressing local representatives to negotiate a closure deal. This interim arrangement thus fitted in with the determination of management to obtain a closure agreement from the unions but also retain a sense of business as usual for the 18 month plant run down period. The resolve of local union leaders to oppose closure was therefore affected by both local and national factors.

The management were extremely impatient to get an agreement signed, as this would allow work to start on preparations for the removal of equipment from Ebbw Vale, the programme was already several weeks behind schedule (operations manager).

Managers 'pressurised the Works Council on a daily basis' (site manager). Although the media had suggested that the Ebbw Vale unions were considering industrial action, discussion with Works Council members confirmed that this was never the case. 'This was never seriously considered' (Works Council member ISTC). Nevertheless, local management was aware that the national leadership of ISTC wanted to fight the closure and would support industrial action if it was proposed. Furthermore, although the local union leadership did not contemplate industrial action some employees did want the unions to fight closure. Management would also have been aware of this and that national union officials, 'always led the company to believe that if the members wanted action we would support it' (T&G national official). A speedily concluded closure agreement was hence important for management to achieve. The significance of a closure agreement would however resonate beyond Ebbw Vale. Acquiescence by the Works Council to the Corus strategy at any of the affected sites would act to puncture the already frail inter-union solidarity that the leadership of the ISTC was trying desperately to maintain. Although the public face of national union policy was total

opposition to the Corus plans and hence non engagement with its content, the three main unions had differing rationales of how best to proceed.

Historically, at times of redundancies, craft workers had more easily than production workers been able to transfer to other steelworks. The AEEU was therefore, keen to pursue this avenue. The T&G leaned towards a pragmatic approach of obtaining the best terms possible. As traditionally the T&G had large numbers of members in tinplate works (this was the case with Ebbw Vale) this pragmatism was injected into the deliberations of the Ebbw Vale Works Council. The position of the national leadership of the ISTC was hostile to engagement with the Corus plan. According to a senior leadership figure within the ISTC, a key thrust of union strategy was to ensure that the morale of members in the affected sites was kept as high as possible. 'It was crucial that the members should resist attempts by management to accept enhanced severance packages' (deputy general secretary ISTC). The ISTC called on all union branches affected by the restructuring not to sign agreements that would, 'surrender jobs' (ISTC Head of research).

The Ebbw Vale union representatives were therefore aware of the importance and for some, stigma, of being the first to agree to closure. This acted as a disincentive for formal acceptance of closure. Nevertheless, management was trying as hard as it could to persuade the Works Council to agree to this. Works Council members were advised that Corus head office would view an early agreement in a positive light. 'This situation was further manipulated through management ... leaking their regular internal updates on the discussions in the other plants to further pressure the Works Council' (Ebbw Vale operations manager). Management was increasingly alive to the developing tensions between local and national union officials and the possibilities that it raised for its own bargaining strategy:

The national position of each trade union was still officially not to negotiate. This situation intensified the sense of isolation from their leadership felt by the Works Council members, and relationships became increasingly strained. Conversely it made it easier for the management team to exert influence locally with the Unions and direct the shape of the local negotiation, whilst the Corus

management position was co-ordinated out of its London headquarters (senior site manager).

Besides pressure from management and union national officials, the Works Council was under additional pressure from its members as although some employees wanted to fight the closure, the majority did not. 'The problem was that the Works Council was pressured by [union] members to get the best deal' (union national official heading up the Ebbw Vale union plan). The history of the Ebbw Vale Works had been of stern opposition to forced redundancies. When the heavy end of the works had closed in the 1970s, local representatives had wanted to fight the closure. It was full time officials who had controlled the closure talks, 'there was a lot of hostility between local reps and full time officials, a lot of hostility' (union representative at the time of the heavy end closure). Now, faced not only with job losses but complete closure, it was national union officials, not all, but influential ones, who were urging the Works Council to oppose the closure. The pressure was ratcheted up further by the attendance at branch meetings of retired members who berated current union representatives for 'caving in' in a way which they would not have done (T&G representative). Crucially, the Works Council was doubtful as to the strength of its own alternative plan:

Now, again, hindsight is wonderful thing, but looking back on it when the company had gone to the banks and asked for a loan of in excess of £2 billion to make these cuts, the chances of a trade union coming up with alternatives I think was nil, but I think it was done and I'm sorry to say in some respects I think it was done in political terms to try and show that there should be consultation in the future. Now there's a huge difference between consultation and negotiation, you can consult till you're blue in the face, but if the decision is to close is gonna remain that ain't negotiation. So I think we were starting from a very low position anyway (Works Council secretary)

The leadership of the ISTC was determined that agreements accepting the Corus restructuring plans would not be concluded. In order to achieve this, meetings and rallies with work based union representatives and their members were arranged at all sites affected by job losses or closure. The ISTC assistant general secretary would address each meeting. For the Ebbw Vale site, the ISTC leadership aimed to organise a

rally outside the works. This was to involve not only representatives of the ISTC leadership and steelworkers but their families, 'mothers and babies in push chairs' (ISTC assistant general secretary) and people from the community. The rally was planned for April 12th, and designed to capture widespread media attention boost morale and put a marker down to Corus that closure was not a forgone conclusion. However on April 11th, before the rally could take place, Corus management, determined to agree closure with the unions, arranged a meeting with the Works Council. At the meeting, the Council accepted that the works would close. An agreement was formally signed on April 13th. The Ebbw Vale works was the first of the affected sites to sign such an agreement. A member of the Works Council explained, 'at that moment in time I think we were the first works to enter into a closure agreement negotiation. It was just the fact that Shotton, Llanwern, Bryngwyn were gonna come at some time later, they hadn't got to that stage, purely because our closure date [first round of redundancies] of July was probably one of the earliest.' In the view of the ISTC full time leadership this was a betrayal. It signified the end of any meaningful fight to save jobs at Ebbw Vale and would undermine inter site solidarity.

Corus formally and irrevocably rejected all the alternative plans put forward by the unions on May 3rd 2001. With this a central concern of the union leadership became financial support for redundant workers and their communities. Individual redundant workers would also benefit from an ISERBS scheme negotiated with the European Commission by the UK government. The ISERBS, Iron and Steel Employees' Re-adaptation Benefits Scheme, emanated from the Article 56 of the Treaty of Paris, The European Coal & Steel Community Treaty (ECSC). The ISERBS scheme allowed governments to support the social cost of restructuring in the industry through the provision of limited aid. The Modern ISERBS, announced in May 2001, provided for a tax free lump sum in addition to redundancy pay of £2480 for eligible redundant steel workers. The eligibility period was from January 1st 2000 to July 23rd 2002 at the termination of the ECSC Treaty. As long as workers registered for eligibility, the entitlement could be drawn after the Treaty termination date:

The Iron and Steel Employees Re-adaptation Scheme (ISERBS) was announced in May 2001 as part of a package of measures to alleviate the impact of large

scale redundancies in the steel industry. Section 8 is the legal basis for ISERBS as the scheme provided for assistance to encourage arrangements for ensuring that any contraction of an industry proceeds in an orderly way.

(Industrial Development Act 2006 paragraph 49: <http://www.official-documents.gov.uk/document/hc0607/hc06/0652/0652.pdf>).

The Secretary of State for Trade and Industry, Stephen Byers, speaking in the House of Commons on May 3rd 2001, explained:

For the individual steelworker, we will provide training opportunities and support from the Employment Service. In addition, to assist those individuals we will introduce a modernised form of the previous iron and steel employees' re-adaptation benefits scheme ISERBS. We shall do this under article 56 of the European Coal and Steel Community treaty. Under our proposed scheme, we will draw down European Community funds, which are available only until July 2002, so that each worker will receive an additional lump sum of about £2,500. That will complement the support for training that we are also making available and the employment credit for the over-50s. The revised ISERBS scheme will cover not only those steelworkers affected by the announcement of 1 February, but all those made redundant from January 2000. About 12,000 steelworkers will benefit. A programme on a similar scale is being announced by the First Minister in Wales.

At site and business unit level, managers, particularly HR management, liaised with union national officials and the DTI to ensure that all employees who could benefit from 'The New ISERBS', did so. Although HR was very clear that in relation to employees wanting to volunteer for redundancy in order to provide a crossmatching gap, 'operational requirements come first ...we are not here to look after the leavers' (Corus HR)

The chronology of events at Ebbw Vale had been as follows. The local plan was presented by the Works Council to local management on March 7th. The plan was assessed by the CPP management team. On March 12th, representatives of the CPP

management team met with the Ebbw Vale Works Council and union National officials to reject the union proposals. The rejection of this and other plans were the subject of the key national level meeting between Corus and union leaders on March 27th. The plans were again rejected. It was agreed that personnel from the Corus main board would visit all the affected sites to hear the local plans presented, debate the issues and make a final decision. At the Ebbw Vale site this meeting took place on April 2nd. The Ebbw Vale plan was again rejected. On April 13th, the Ebbw Vale Works Council and management signed a closure agreement. Corus formally announced the final rejection of all union alternative plans on May 3rd 2001.

Table 5.2 Chronology of key events leading to the Ebbw Vale Closure Agreement

Date	Event
1.2.01	Corus announces restructuring
7.3.01	Ebbw Vale Local Plan presented to management
12.3.01	Joint union management meeting at Ebbw Vale where plan was rejected by management
27.3.01	National level meeting - unions and Corus. All the union alternative plans rejected
2.4.01	Final assessment of the Ebbw Vale plan by Works Council and Corus Corporate management. Ebbw Vale Alternative plan finally rejected
11.4.01	Mass meeting of employees accept closure
12.4.01	Ebbw Vale Works Council and local management agree closure
13.5.01	Closure agreement signed
3.5.01	Final rejection by Corus of all union plans

5.5 Collective Bargaining: The issues for closure

Following the ending of the moratorium on negotiation of the Corus plans, the Works Council began to clarify the issues that it might need to discuss and negotiate with local management should the closure decision be confirmed. These discussions began in

earnest with the initial rejection of the Ebbw Vale alternative plan on March 12th. This move took place without any commitment by the Council to accept the closure plan. Following the announcement of closure, unions, through the Works Council displayed an unprecedented unanimity of purpose and harmony of work. 'We decided we were all in this together, we are here to represent the members, as far as we are concerned we are all one union now (Works Council chair).

In previous terms and I'll say this again, hand on heart, it's the closest I think that six, eight month period and beyond, right through to closure, it's the closest I have ever worked with the Works Council or I had ever worked, because up until that time any agreement was the property of each individual union. So if the ISTC decided to go to a branch and put up an agreement where they may have been paying, whatever, and they had turned it down, so we had to as well (Works Council secretary)

From the February 1st announcement, the senior site manager believed that, 'the only recourse for the Ebbw Vale trade unions was to engage in a collective bargaining process with management over the closure at this point'. In his opinion, 'the Works Council members felt more comfortable within the traditional process of negotiation, which to many of them was routine, rather than compiling business plans.' This for different reasons corresponded with the thoughts of the Works Council. Once it had accepted that the works would close, because of its concern for those being made redundant in the first phase of redundancies, the Works Council felt under pressure to quickly conclude an agreement formally accepting closure. As explained, this decision was taken in the knowledge that national union policy opposed negotiation on closure agreements or enhanced severance packages. The Works Council drew up a 31 point 'issue list' and negotiation on a closure agreement and the list of 'issues' began in earnest in March.

We then entered into a process over the next probably 13, 14 weeks of negotiating a closure package and that virtually was Monday to Friday every day for some 12 weeks and talking through things from rota patterns to what would close first, what would close last, monetary recompense in redundancy terms,

right across the piece ... negotiations were intense, as I said it was virtually everyday we met [with management] (Works Council secretary)

The closure of the works was to occur in two stages with 330 employees leaving in July 2001 and the remainder one year later. Hence, although the list of issues for consideration covered a wide range of subjects, some matters required quick resolution whilst others could be the subject of ongoing discussion. Issues proposed for negotiation included items such as holidays, counselling, amenities, advice, contactors, shift flexibility, customer service, plant performance, and training. The most important issues for the Works Council were severance arrangements (pay and pensions) and the provision of alternative jobs through for example cross matching (relocating redundant workers at other Corus sites). The issue of overriding importance to management was simply to conclude a closure agreement. The most pressing concern for the Works Council was though, those redundancies emanating from the first phase of the closure at the end of July 2001. This posed a serious logistical problem for the Works Council. The redundancy selection process for these 330 employees had begun within weeks of the closure announcement being made. However, because of the time taken to pursue an alternative plan, then negotiate the terms of closure, the time remaining to attend to the needs of the first phase redundancies was quickly running out. The problems facing the Works Council was of course compounded by those 261 employees who had been selected for redundancy in 2000 as a consequence of plan B, some of whom were still employed.

The opportunities of helping and assistance for those people was limited, that was a significant point for me. We did what we could and we made as many promises as we could, but it was a very, very difficult time ... we did what we could. We bought Careers Wales on site, we brought Job Centre Plus on site, services as much as we could...The first phase had that, they had those facilities, but nothing, very little else. The one thing we did lose, significantly lose as an opportunity for those people, was the chance of going to another Corus site, a cross match, which means that a body from one site would move to another and the redundancy, if you like for the person finishing was in the second plant (Works Council member).

For all the reasons described, a closure agreement, 'Memorandum of Agreement', was finally signed on April 13th 2001. This allowed the logistics of closure to commence. The phased closure meant the galvanizing line closing in July 2001 with the loss of 150 jobs, the number 4 ETL being transferred to Trostre during August and September 2001 and the transportation of the double reduction mill to the Ijmuiden works in Holland. The Closure Agreement provided a detailed list of every condition considered necessary by management for the run down of the works to take place in an orderly and commercially viable way. The continuing importance of high quality output from the Ebbw Vale works was at the forefront of management's strategic and tactical considerations. Besides itemising the steps towards closure, in its opening clauses the Closure Agreement articulated explicitly the reasons for the closure and the unsuitability of the union alternative plan.

Whereas within Corus Packaging Plus there is overcapacity, too many plants, our market not growing, the UK cost base unsustainable and with Ebbw Vale having limited product range and

Whereas the Multi-Unions Committee [Works Council] presented counter proposals on the 7 March 2001 which were subsequently found to be financially unsustainable

(Memorandum of Agreement [closure agreement]).

This arguably provided an ideological commitment by the unions to closure hence making it more difficult for the national union leadership to unravel the agreement.

5. 5.1 Additional Payments

During negotiations over the closure agreement, an area that the Works Council had unsuccessfully pushed hard for was an improvement to the level of redundancy pay being offered by Corus. The standard Corus formula for redundancy pay was based on that agreed for the closure of the Ravenscraig works in Scotland some ten years previously. The Works Council argued that, 'The 1992 Agreement was clearly negotiated against a commitment from the Company at that time that wherever practicable employees would be considered for redeployment. That is not possible in this situation for the vast majority of our members' (letter from Works Council to the

Packaging Plus HR director, 1.4.01). However, just as the unions had been cautious about Ebbw Vale being the first site to formally agree closure, so management did not want to be the first to agree improvements to the redundancy deal. When the Ebbw Vale closure agreement was signed, talks between unions and management were still taking place at national level and the other sites affected by the restructuring. As a consequence of this, the desire to conclude negotiations and attempt to help the first wave of redundant workers, the Works Council agreed to sign the Closure Agreement but insisted on the insertion of a supersession clause (clause 14). This allowed for any improvements to redundancy pay agreed at either national or plant level and subsequent to the signing of the Ebbw Vale closure agreement to be retrospectively applied to Ebbw Vale employees. Management agreed to this compromise. The insertion of the supersession clause was to prove insightful as subsequent national negotiations led to an improvement to the 1992 Ravenscraig formula for redundancy pay. The consequence of which was that on May 21st management applied improvements to the Ebbw Vale severance package.

What we did was to conclude the agreement we had a clause entered into it, a covering letter that basically said if there was an improvement in redundancy terms gained at any other plant or at national level, that it would be retrospectively included in our agreement ... in the basic redundancy terms we hadn't got an increase but we had a covering letter ... They concluded the agreement [at Llanwern], which had an increase in redundancy payments As our letter stated it was then included in our agreement. So we lost nothing. We made sure that we had tied up all loose ends in that respect ... (Works Council Secretary).

Immediately the agreement on closure had been concluded, the Works Council opened up negotiations on improvements to redundancy payments at site level. The Council argued for an attendance bonus as an incentive for experienced employees to stay at the works until its final closure. Management agreed to negotiate on this and a locally negotiated attendance bonus of £2000 was agreed. This would be paid to each employee made redundant. This bonus would reduce in line with increasing absence from work. The other element of the final redundancy package negotiated locally related to the site level 'lump sum bonus'. The calculation of this bonus was based upon quality, yield and

man hours per unit of output. This was in other words a performance bonus that was common across Corus sites. This bonus was important as although it was calculated on a quarterly basis, along with basic pay, overtime and shift allowance, it formed part of monthly pay. The bonus did therefore have an impact on earnings right up to closure. What took the Works Council by surprise was that it was management who had proposed a beneficial change to the bonus formula. The bonus was capped at a maximum level but could vary downwards. Management offered a higher cap for the final 18 months of production than that used to calculate redundancy pay – 19% versus 17%. A clear incentive for employees to continue to focus on production. The chair of the Works Council commented that, ‘we didn’t need to negotiate for this; we could put it to one side and concentrate on other things.’ The reasoning behind management support for this was explained (in written form) by a senior site manager:

- a) A realisation that deterioration in earnings across the closure period would significantly impact morale.
- b) Elements of the bonus were impacted by factors and performance in other plants. Therefore it was important to take these out and return to a situation of self-determination for Ebbw Vale.
- c) The new bonus structure would better reflect the ongoing need for flexibility but still drive for improved performance and in so doing offered increased headroom.

The improvements to the formula for redundancy pay negotiated outside Ebbw Vale increased the number of weeks entitlement for employees aged between 39 and 44. The rate had been 1.5 weeks pay rising to 2.1 weeks for those over 45. The new formula provided 1.5 weeks for those aged 38 and younger but incrementing to 2 weeks for those aged 44 then 2.1 weeks for those aged 45 and above. This was significant for Ebbw Vale as 60% of its workforce was under the age of 45. A further improvement was that the amount of service included in the calculation for redundancy pay was changed to take into account months and not just completed years service (Addendum to Closure Agreement). It was made clear by management that enhanced terms were to be, ‘considered as an addendum to the 1992 agreement and will cease to apply as of 31 July 2002 other than those required to work beyond the Works closure date as identified by

management' (Addendum to the Closure Agreement). The Addendum also made clear which redundant Ebbw Vale employees were included in the amended provisions:

'In addition this addendum to the Agreement is only applicable to those employees whose jobs were covered by the closure announcement of 1 February 2001 and who remain in employment until July 2001/July 2002. It is recognised and accepted that job reductions announced prior to the 1 February will not attract the benefits covered by this addendum to the Closure Agreement' (Addendum to the Closure Agreement, May 21st 2001).

The Works Council accepted these caveats in the knowledge that those individuals made redundant through the announcement of October 2000, would not be entitled to the enhanced severance terms. Some of these employees were still present on site and would leave employment at the same time as those from the first phase of the closure announcement. This was a problem for both management and unions. For the Works Council it was a serious difficulty that engendered strong criticism of the unions by those affected. Those made redundant from the 2000 announcement (ISTC members), had also had their earning reduced as a consequence of altered shift arrangements. They would therefore be worse off than their workmates, some leaving at the same time, in terms of pensionable pay, redundancy lump sum and attendance bonus. Those members of the Works Council interviewed are still uneasy about not being able to retrospectively apply enhanced redundancy terms to these employees. For management, harmonious industrial relations were a necessity for uninterrupted output and a group of resentful workers might undermine this objective. The site manager considered that many employees believed that the two sets of redundancy terms had been deliberately engineered, 'a cynical ploy' to reduce the redundancy bill. This, he emphasised, had not been the case. That two sets of redundancies were running simultaneously was a factor that had placed local management in a difficult position and that should have been avoided.

Throughout the closure agreement, the Work Council had attempted to cover all eventualities. However, because of timescales, although those made redundant in July 2001 benefited from enhanced redundancy terms, the availability of opportunities for

training and crossmatching were greatly reduced compared to those employees who remained.

We made sure that we had tied up all loose ends in that respect. So beyond that the next thing was we looked very quickly at the closure in July 2001 of the two units and we did what we could. We bought Careers Wales on site; we brought Job Centre Plus on site, services as much as we could. The one thing we did lose, significantly lose as an opportunity for those people, was the chance of going to another Corus site ... there was very little opportunity for us to do anything with the first phase (Works Council member)..

As a consequence of the transfer of plant from Ebbw Vale, around 50 individuals from the first phase did though, have the opportunity to relocate to the Trostre site.

5.6 Presentation of the Closure Agreement to employees

Once the closure agreement had been concluded, it fell to the Works Council to present the case for closure to employees and seek ratification. This, unsurprisingly, was an anxious moment for the Council. 'The key bit for me and one of the most difficult things I have ever done as a trade union representative or in all honesty in terms of my life I guess was that it was the decision taken by the Works Council to present the closure document to a mass meeting' (Works Council member). This was the first occasion that the Works Council had addressed a mass meeting of all employees and members of the Council did not know what to expect.

A problem for the Works Council in its attempt to sell the agreement to employees was that in the audience there would be individuals there were present from the October 2000 redundancies and also, as the closure was to be phased, workers would be associated with two major forthcoming waves of redundancy. Two hundred and fifty employees would be required to leave in July, 2001, the remainder on July 31st 2002. What made the situation potentially incendiary was that these three groups of individuals would experience differing job opportunities and severance deals. This mix of employee groups was a major problem for unions and management alike.

The Council not surprisingly, viewed the meeting with some concern.

We'd never done it before and we held a meeting at a place called The Lever Hall, which is one of... the place is close to the site and part of the site and we had some 500 people there. Now bear in mind in terms of the core employees there was probably 900 but you had production going on. We didn't stop production; we weren't bloody minded in that respect. We had 500 people and to stand up in front of those people and present an agreement for closure was probably the most difficult thing I've ever done and again I made the presentation, it was supplemented then by the other senior officers of the works council and it was very, very difficult, and there was questions we couldn't ask, couldn't answer rather. I mean the primary ones at that time, bearing in mind this was now the April time, number 2 galvanising line and 4EL was shutting within weeks. The opportunities of help and assistance for those people were limited, that was a significant point for me. We did what we could and we made as many promises as we could, but it was a very, very difficult time (secretary Works Council).

The mass meeting took place on April 11th and the precise terms of the agreement negotiated with management since March 12th when the Ebbw Vale plan was rejected was presented to the meeting. The Works Council made it clear that it considered that the 1992 redundancy terms should be improved and if this was subsequently the outcome of negotiations elsewhere, the enhanced terms would be applied to Ebbw Vale employees. The Council also informed the meeting that the Work Council would be submitting a claim for a one off payment to those made redundant as a result of the closure announcement. The Council asked the meeting to 'endorse the agreement' (Works Council presentation) and recommended to all present that at a subsequent set of branch meetings for each union, the closure agreement should be accepted. The meeting supported both propositions. The separate union meetings took place on April 13th. The agreement was accepted by all union branches and with it all opposition to the closure of the works. The end of steel working at Ebbw Vale was in sight. 'On the 13th April 2001, Good Friday, all of the Trade Unions signed the agreement accepting the closure of Ebbw Vale Works. The relief amongst all of the parties was palpable' (site manager).

Interviews with former Ebbw Vale senior managers who led the closure negotiations, again revealed the detailed thought that went into obtaining the closure deal. There is no doubt that the unions would have presented the closure agreement to their members for ratification. Nevertheless, management was active in encouraging an initial mass meeting:

The management had two objectives in doing this. Firstly a mass meeting was more likely to be attended by the self interest groups such as those near to pension and the more moderate majority. This in turn would enable the full agreement to get a fair hearing. The alternative of doing this at branch meetings was far more unpredictable both in content and attendance. Secondly a mass meeting in the presence of the Works Council urging support would make it more difficult for any single official to back down if challenged at a branch meeting. This could otherwise be a real risk (local management lead negotiator).

5.7 The run down period – April 2001 to July 2002

During the run down of the works, morale apparently swung up and down from week to week. It was determined largely by the availability of opportunities for relocation. The chair of the Works Council described the final 18 months at the works as, ‘very emotional. I learnt more in that 18 months than any other time but I wouldn’t want to go through it again’.

Similarly, for the site training manager, himself a former ISTC union activist, the period during which individuals for the first phase of redundancies from the 2001 closure announcement were selected, was a particularly difficult time. ‘People kept asking me, “Do you think I will stay?” Sometimes I knew that answer but couldn’t say anything. One boy said he was leaving. I knew that he would be OK but could not tell him to stay. I regret that.’ This manager was not happy with the way in which individuals in the first wave of closure redundancies was selected. He described the process as, ‘shite ... it was too subjective. Each departmental manager was instructed to select not solely based on competence or skill levels but characteristics such as communication skills and absence record.’

From the perspective of industrial relations, once the terms of the closure agreement had been finalised, the task of the Works Council was to try to ensure that as many employees as possible either found work, or left the company with an acceptable deal. The deal in question was either redundancy pay, extension of employment to reach pension age, an early pension or a combination of redundancy pay and pension. The key issue for Corus, as discussed, was to ensure that output and quality were maintained at high levels. The elements of the closure agreement that related to severance pay and ongoing pay rates through the operation of the lump sum bonus scheme, management hoped would support this objective. Although an agreed formula for establishing the level of average pay that went into calculating redundancy payments had been agreed, ongoing wage rates were still tied to the lump sum bonus scheme that fluctuated with plant performance. Similarly the attendance bonus was connected to absenteeism. Management emphasised wherever it could, the importance of continued output. The Corus strategy for tinplate UK, of course depended in this.

It is essential that plant performance and key performance indicators are maintained and improved. In particular: availability, yield and customer satisfaction...It is imperative that absenteeism and overtime is minimised. Full co-operation will be required as appropriate to maintain operations. Employees and Trade Unions will support management in the application of the Absence Policy (Proposed Agreement-Plant Performance & Cooperation. Put to union members (and accepted) by the Works Council)

Also:

[A]n individuals ongoing earnings between now and 31st July, 2002 are subject to a live lump sum bonus system limited to actual plant performance. Under the Closure Agreement this has the potential to yield a cap of 19%; there is no guaranteed lower limit. Therefore, plant performance remains crucial to each individual's final earnings. The recent pay round negotiations require a 1% consolidation on the bonus system however, the cap remains at 19% and we mutually believe this is achievable through sustaining our performance.

(Joint Management/Union Communication, 18: 23.1.02)

The highly emotive issues that remained to be resolved were those of alternative jobs and crossmatching to other Corus sites and the ability of employees to reach the age of 50, and hence obtain a pension.

5. 7.1 Crossmatching

Crossmatching is the process whereby a worker made redundant from one site is provided with a position at a different, receiving site, if an individual at the receiving site decides, with management approval, to voluntarily leave employment. The 'vacancy' would usually be created through the offer of a redundancy package to the receiving site employee. Although in BS and Corus, the opportunity to cross-match had been a longstanding feature of the management of restructuring, it presented a cost to the organisation and in the recent past had been limited largely to internal transfers. Due to the size of the 2001 restructuring exercise, unions renegotiated the ability to be cross-matched between sites.

Now, again the cross match opportunity had been stopped by directors, industrial relations at Corus, British Steel some years previously, because you've gotta bear in mind if a man in Ebbw Vale of 30 is made redundant the cost to the industry compared to a man of 50 finishing in Port Talbot, is significantly different. So they actually had stopped cross matches outside of your own plant. Yes, then they stopped it. We then had to renegotiate. We raised the issue, I think we probably one of the first sites to do so because of our numbers. It was then debated nationally and at director level and the decision was that it would be reversed, that they would allow cross matching across sites. So it was reintroduced if you like. (Work Council member)

For employees of Ebbw Vale crossmatching meant the potential to be transferred to, Trostre, Llanwern, Port Talbot, Tafarnaubach and Ijmuiden in Holland. The Ebbw Vale Works Council and management worked together to maximise the number of crossmatching opportunities. Council members worked with their union counterparts in target sites to obtain volunteers whilst the Ebbw Vale works manager performed the same job with relevant managers. The Works Council and management provided joint briefing sessions to all employees that explained the cross-matching process. The

decision to accept an Ebbw Vale employee was ultimately at the discretion of the receiving sites management. From the Ebbw Vale side of the crossmatching equation the Works Council and management agreed:

We have therefore jointly agreed a process which will leave both management and T.U.'s impartial in the short-listing process. We will use a skills matrix identifying those skills provided by Corus since the inception of teamworking in 1997 and for which we have the relevant records. Each individual will be responsible for ensuring that this record is accurate for themselves and it is this matrix which in future we will supply directly to Corus Plants/External employers asking for assistance in short listing (joint Council/ management communication)

The importance of the teamworking agreement is again demonstrated. Although the Works Council was involved in monitoring and facilitating the crossmatching process, the Closure Agreement made it clear that a decision to cross match was ultimately that of management:

Crossmatching Opportunities

The following principles will apply:

- seen to be fair
- by Management selection
- need to realistically manage expectations
- maintain ongoing operations at Ebbw Vale with no disruption to Trostre Works Performance Improvement Programme

(Closure Agreement section 7.1)

Interviews with managers involved in the closure negotiations, provide an insight into the strategic intent in their support for crossmatching:

The reason for this [support for crossmatching] was again part of a strategy to diminish resistance to closure, although it did have altruistic overtones. Management were keen to retain key individuals both at management and shop

floor level for several reasons. They would need additional, experienced, high calibre personnel at Trostre to grow the works. It would be easier to move equipment with the existing manning in situ. Cross matching redundancy opportunities in Trostre circumvented the possibility of that works becoming involved in any disruptive action and gave opportunity to those in Ebbw Vale thereby maintaining morale (management negotiator: written comments)

Whatever the motives and stratagems behind the crossmatching exercise, it was a generally successful process with 350 employees being redeployed or crossmatched. Whilst these statistics are impressive, the impact of crossmatching on many individuals was hard. This was the case for craft workers and process workers, the latter for whom crossmatching was not a well established procedure. There were, for example, few opportunities for those made redundant in July 2001.

A requirement for crossmatching to Trostre was that individuals relocate to live in the area. This was a tough decision to take particularly for those who had family commitments. The decision to apply for crossmatching and the wait for a decision caused tremendous tensions in home lives. One individual described how, 'it was all we [he and his family] talked about for weeks. I knew that I had to move or lose a lot of money'. Eventually this individual was informed that he would be allowed to work until October 31st, attain his 50th birthday and consequently receive a pension. 'Last year we went through hell. It put a real strain on my marriage'. Even for those who were able to commute to for example Port Talbot and Llanwern, the stress of driving to and from shifts took its toll: 'One boy fell asleep driving home. He knocked three cones down' (individual crossmatched to Port Talbot). Another individual, who was 49.5, had gone to Llanwern in order to reach his 50th birthday. At Ebbw Vale he worked in the quality control department. At Llanwern he was given a job in the coal cutting pit. The job was 'so awful' that he resigned. He was offered a similar job but his wife would not let him return to work. This particular individual lost a substantial amount of money. For some employees, the offer of a job at another site engendered feelings of guilt, 'you couldn't be seen to be jumping for joy at being given a job, a lot of the boys had nothing' (crossmatched craft worker). The human side of restructuring can easily be lost in headline statistics and policy debates.

5. 7.2 Training support for employees

Both management and the Work Council were keen to ensure that as many employees as possible were presented with the opportunity to receive support for training. Local management considered that, 'Corus had neither the personnel nor the facilities required to undertake any form of serious retraining for personnel leaving the industry given the numbers involved' (Operations manager). Negotiations between the Works Council and management led to a strategy of attempting to obtain maximum involvement from state agencies that would 'undertake various programmes and provide the finance' (Operations manager). Management agreed to 'undertake to release personnel for training subject to plant requirements and would release personnel to external employers only on condition that there were sufficiently trained individuals left to replace them ... release was conditional on the performance of the plant which management maintained as sacrosanct, a view supported by the Unions who wished to sustain earnings potential' (Operations manager).

Local senior management was highly motivated to provide employees with training and in an attempt to attract as many individuals as possible to training opportunities a Personal Development Programme (PDP) was established. The Personal Development Programme was rolled out at the end of January 2002. The programme was a process jointly administered by the Works Council and management and directed at those employees who had not been offered alternative jobs in Corus. The aim was to provide a number of basic employability skills such as CV preparation, interview skills, general IT skills and a personal employment reference.

It was seen to go to the outside world was a big step. Most of these people had been on the site for 20 years plus, never worked anywhere else, had been part of the industry. No CV, no interview skills, their inside qualifications didn't do anything for outside work, it was basically seen that the PDP would create an opportunity for every individual to have a skill wherever possible ... The coaching, mentoring, monitoring, encouraging, all the things we did within that PDP process took place right up until the last day and in fact has continued beyond in another guise, but that was very, very significant, the creation of the PDP (Works Council secretary)

PDP training consisted of CV preparation; individual coaching in interview skills; general IT skills; a personal employment reference. This latter provision was designed to ensure that employees were able to reference all the skills, both informal and formal that they had acquired over a working life. Individuals who signed up for the PDP programme had to commit some of their own time to the training.

Those made redundant from the October 2000 plan and those who had left the site in July 2001, did not have the opportunity to participate in the PDP scheme. Nevertheless, there was general praise for management training initiatives. The secretary of the Works Council drew a distinction between the first wave of 2001 redundancies and those emanating from the final closure. As described, workers made redundant in the first phase had little or no training support and crossmatching opportunities were extremely limited. Also for the first phase, ELWA had only just been established, SPT was not around and the union representatives had not had time to investigate what if any training and funding opportunities were available. During this period in the context of unwillingness by the company to fund training, SPT decided that it would provide funding for courses such as FLT training and Passport to Safety. An FLT training centre was established on site. Corus provided the facilities but SPT paid for the courses. Although Corus made an input to the training effort, 'production still came first and most of the training was in your own time. Some people were quite bitter that Corus didn't give paid time off' (training manager).

Management was involved in other initiatives directed at placing redundant workers in employment. In order to showcase the skills of the Ebbw Vale workforce, the site manager distributed profiles of workers to employers in the region. Potential employers were invited to tour the works. In a similar vein, management worked with Steel Partnership Training, the Work Council and the Job Centre to promote the Ebbw Vale workforce to local industry.

5. 7.3 Pensions and those under 50 'life planners'.

The rules of the British Steel Pension Fund provided a full pension at the age of 55 and from 50-55 a pension actuarially reduced by 3% for every year between 50 and 55. For those leaving the employment of Corus aged less than 50, their pension was not available until the age of 60. The rules of this scheme, 'the company had used to coerce

employees to take voluntary redundancy aged 50+ for many years' (operations manager). An issue hence, much discussed by unions and management was the fate of those who were at the closure date would not be quite 50 and hence able to access their pension. These individuals were desperate to reach pensionable age, 'The Llanwern job is packing coils. I would have done anything to get a pension. I would have taken bricks out of a blast furnace' (Ebbw Vale Llanwern crossmatch). Management agreed that those employees, described as 'life planners', who would reach the age of 50 by the end of February 2003, would be retained in the business. There were 22 such individuals.

5.8 Final closure: Statistics and Commemoration

During the period between the closure announcement and site closure, the performance of the works surpassed all expectation witnessing high levels of output, quality and safety. 'Not only were the personnel statistics unprecedented but also the plant operated at record levels of performance from the point the agreement was signed, significantly boosting the earnings of the employees it covered' (site manager).

During this time the plant has achieved record yields. For example in May 2002, through Yield was 87.6% which represents a record yield for the fifth consecutive month...Up to May 2002, the plant had gone 231 days without a Corus LTA [Lost Time Accident]. Accident frequency rates remain very good with the all injury rate at 14.4 (39.0 better than last year and 24.2 better than target) ... During 2001, the Ebbw Vale plant averaged 4.2 Lost Time accidents per 100,000 man hours worked (compared to a Corus average of 14.02).

Corus press release June 2002)

The closure process had also been relatively successful in minimising the number of workers made redundant.

By the end of September 2002, of an original workforce of 850 [at the time of the closure announcement] threatened with compulsory redundancy and covered by the [closure] agreement, only 107 of these were made compulsory redundant. All of these were related to the first phase of redundancy in July 2001. Over 350 employees were redeployed or cross-matched across Corus, 130 of these mostly

shop floor employees and their families were relocated to the CPP sites in Llanelli, Ijmuiden in the Netherlands and Norway. The balance of the employees opted for early retirement, left for other jobs or took voluntary redundancy (works manager).

Thus, fewer than 300 employees left Ebbw Vale on July 31st 2001, 90 of whom were in receipt of a Corus pension. Each employee was provided with a personally tailored reference. A ballot was held to select 24 individuals who would work until October 30th 2002 on decommissioning. Representatives of state agencies remained on site until July 31st whilst to resolve problems relating to severance and ISERB arrangements, HR personnel stayed until December 2001.

Team leaders were briefed every six weeks and the final team leader's brief of June 7th 2002, focused on the works final closure. It contained statistical data relating to output and the shut down process to be followed for both personal and performance. It informed team leaders that a 'sundry sales procedure will be launched on 8th July ...only loose item may be purchased. No machinery or workshop equipment available. Limited value of items which can be purchased by an individual up to £100.' The brief also referred to the commemorative gift that was to be given to all employees:

As part of closure agreement the Works undertook to produce a commemorative gift for the final 1078 employees. This takes the form of (Team Leaders Brief 7.6.02):

- A specially commissioned book of the history of Ebbw Vale 1790-2002
- A specially commissioned video to complement the book
- These are supplied in a commemorative tin which is a limited edition of 1200

The brief ended with the statement, 'We should be collectively proud of our achievements.'

The final coil came off the Ebbw Vale lines on Friday July 5th although operations continued until week ending July 13th. On the day of the final production, seventeen months after the closure announcement had been made, a conference was held at the on site Lever Hall. This was organised by the ISTC to present awards to its Advocate

Workers (Union Learning Representatives). The Euro MP Glynnis Kinnock made the presentations and used the occasion to attack the actions of Corus and that it had not brought the government into its confidence prior to the restructuring announcement. Corus senior management present at the ceremony kept their counsel but were privately angry that the conference had been used to open up what they considered to be old wounds from a 'partisan' and 'naïve' perspective (Corus HR executive). The same HR executive whispered that, 'they weren't told because Byers department leaked like a sieve.' Whilst ISTC officials seemed to be comfortable in the presence of Corus management, the animosity between the government and Corus seemed as strong as ever.

The closure of the works was a difficult time for all employees, for some life changing. Many employees were of course managers who had specific problems to deal with. One process worker expressed sympathy for 'most managers who were in the same position as the rest of the workforce. Some of the senior management lived out of town; if they came in it got a bit nasty'. This was certainly the case for one member of the senior management team. 'My child was given trouble at school. A few of the teachers were a bit funny... I couldn't go into certain pubs' (senior management team). The closure period was, however, a positive experience for inter union relations and brought the unions together in a way that had never been achieved before. 'During the final year of the works, the unions met together on a regular basis. During previous rounds of redundancy, the union side of the works council had been at loggerheads. The final closure was different; it acted to bring the unions together' (Works Council member).

On July 6th, the day following the production of the final coil, there was a procession from the works into the town. Several hundred workers led by union representatives marched to the Ebbw Vale Cenotaph where a plaque commemorating the death in war of works employee, was taken from the works was relocated. An estimated 700 town's people had gathered by the cenotaph to wait for the procession to arrive. The scene was emotionally charged.

We decided relatively early on that we would have some form of celebration of the history of the site because we felt that it deserved that and again to his credit the Works Manager at the time came up with the two ideas, the one was a

commemorative tin, a book and video of the works. The other thing that we looked at that then was something to mark the event in the community. We thought long and hard about it and the Works manager came up with the idea that on the steps of our general offices was a stainless plaque... it was there to commemorate those that had died in the First and Second World War and been linked to the industry. He came up with the idea that we'd locate this plaque at the Cenotaph in Ebbw Vale, so that each year there would be a memory, if you like, of the steel industry, and initially we thought we thought "Crikey", you know, to arrange all this and whatever and for my sins it was, as secretary of the works council it fell upon me to organise it and thank God it worked out remarkably well. What we had was that we had a stone made which again thanks to the manager, Corus probably wouldn't like me saying it, this stone was some £800, it was granite that we had mounted in the cenotaph with the plaque then on it. We had an Ebbw Vale brass band and we had a march ...[led by the Works Council] ... a massed march gathering inside the plant, which again took some marshalling ... and we had a march then up from the works, up to the centre [Cenotaph], which it isn't far, you're only talking I guess half a mile but as we came up and there was some, I guess there was hundreds rather than tens on the march itself, probably two, two and a half, three hundred, but as we came up around to the cenotaph the people from the public were then gathered around it, I've never felt anything like it in my life, to say you nearly cried is an understatement, the feel that was around the cenotaph that again, is something I'll never forget and John Powell, the previous manager, who had originally placed the plaque unveiled it for us. ... The vicar led the crowd in a hymn of remembrance. From the back of the crowd someone started to sing the Welsh National Anthem and the whole crowd joined in.

(MP Blaenau Gwent; former Ebbw Vale union activist and Works Council secretary: Interview transcript).

Two hundred years of steelmaking had come to an end.

5.9 Conclusion

This chapter has presented an account of the course of a steel works closure from the perspective of both local management and unions. In order to better understand the process of interaction between unions as manifested in the Works Council and their management counterparts, the industrial realities terrain has been described and assessed. As is usual, the formal and informal rules of engagement between unions and management were established over a long period of time. Various attempts by management to involve employees in corporate culture produced a cynical reaction. This was a response to the associated experience of job loss and increased management control over the organisation of work. Perhaps the apotheosis of this was the introduction of teamwork. Through teamworking, although unlike in other plants across the organisation, craft workers remained essentially outside teams, demarcation was broken down. The introduction of teamworking was described by both union and management respondents as a 'watershed in industrial relations'. From the introduction of teamworking on, the ability of the unions to control the organisation of work and crucially to defend jobs in times of restructuring was greatly weakened. The selection criteria devised for selecting *in* to teams was subsequently used to select employees *out* for redundancy, with minimal input from the unions. A state of affairs that union activists later regretted. Through teamworking, tensions also developed between local lay activists and their full time equivalents. These fissures were to be important during the closure process in buttressing a local response to closure.

The localness of the negotiations for closure of the Ebbw Vale works was clear and somewhat unusual. In previous rounds of major restructuring, national union officials would have been involved in directing negotiations. In this case it was local lay representatives who deliberately and determinedly negotiated closure. From the perspective of industrial relations, management was alive to the peculiarity of the closure and wherever possible attempted to exploit it. The Works Council was for example encouraged to participate in the management of the run down of the works. Regular joint union management communications flowed to the workforce. As managers explained, the preferred (and since teamworking almost normal) process of direct communicating with employees was replaced by indirect communication but to legitimise Corus strategy. 'The control of communication channels was critical in creating both a favourable climate and a mandate for the closure agreement itself'

(senior site manager). The Works Council was alive to the nature of its role and in terms of membership alienation, the potential price of such participation but saw direct involvement as a pragmatic response to getting the best deal for its members.

The management approach towards communication with employees and the Works Council and participation of the Council in closure issues, was based upon a carefully crafted strategy. This was designed to encourage isolation of local unions from other sites and their national leaders and drive as quickly as possible towards an agreement on closure. A calculation of management was that employees would want to maximise their earnings, increase their chance of reaching pension age or become crossmatched. In other words, not to take industrial action in opposition to the closure. The Works Council was presented with the same issues and resultant conundrum. Would workers resist closure, a course of action being urged by some influential national union leaders? The preparation of the alternative plan acted to crystallise the thinking of the Works Council. It realised that the plan was not likely to persuade management to change its mind hence a negotiated settlement was the best way forward. The plan was rejected by Corus and in the face of a determined and focused campaign by management led the Council to settle. A closure agreement was hence concluded, the first amongst sites affected by the Corus restructuring plan. The unions were left with little choice, as they had realised but to get the best deal they could for the workforce. Nevertheless, the commercial pressure on Corus and hence local management to attain a stable closure period and maximise plant performance was enormous. The Corus strategy for its tinsplate operation depended upon it. However, even had the Works Council wanted to exploit this situation, it is highly unlikely that employees would have given support.

The workforce were divided by their own personal needs and the skilful deployment of financial benefits by Corus management to buy off resistance (a senior site manager)

It is interesting that local actors from both sides of the industrial relations divide were face with pressures from their national leaders but possessed different opportunities to become involved in decision making processes. Local management was presented with a higher authority that wanted the goal of business as usual. The Works Council was faced with pressure from some of its national leaders to fight the closure. Corporate

management would not brook dissent. However, for local union leaders, ultimately it was union members, dispirited by years of restructuring but for many presented with positive outcomes, who were the higher authority that in the end mattered the most. In a way though, the pressure on local management from its national leaders did deliver for employees. The attendance and lump sum bonuses negotiated at local level fed into better earnings and severance packages. The improved redundancy terms negotiated at national level delivered enhanced levels of redundancy pay. Not all employees benefited, particularly those made redundant in the first phases of closure. Most employees from the final redundancy phase did though benefit, in terms of pay, pensions, redundancy pay and alternative employment. Participation by the Works Council in the closure process did then achieve gains and cannot be seen simply as capitulation.

The final moment of the closure, the participation of the community with industrial trade unionism, can be seen as a form of community action in partnership with unions. Nevertheless, this was in reality a lamentation, not a challenge to corporate power. The political leadership necessary for such a course of action was not present. The closure of the works did, however, leave a legacy of participation between the community and the union. This was in the form of SPT that had worked with Corus and its employees to offer advice and signpost training opportunities to those about to be made redundant. An SPT office was established in Ebbw Vale town centre and became a busy focus for many former steel workers, many of whom had been left jobless from the first waves of redundancies. The office was staffed by three former Ebbw Vale employees. Two of these had been members of the Ebbw Vale Works Council, one of whom had been its secretary. The other SPT advisor was a former union activist but had ended his days in the works as a training manager. The legacy of SPT is an important part of the story of the closure of the Ebbw Vale works as it demonstrates the role that unions can play in a post plant closure situation. In the case of Ebbw Vale, besides its crucial work in the provision of advice and training, SPT also promoted trade unionism and in effect performed a role in keeping trade unionism alive, post closure. It is to the role of SPT that the thesis now turns.

Chapter 6

Partnership, Learning and Employability: Communitas (SPT)

6.0 Introduction

This chapter explains the evolution and structure of Communitas, the strategic motives that lay behind its creation and the relationship between Communitas and its parent union Community. During the early period of research, the trade union Community was named ISTC. Its training division, Communitas, was named Steel Partnership Training (SPT). [For the sake of simplicity, unless required for historical pertinence, the names Community and Communitas will be used throughout discussion]. Empirical evidence is then provided of the activities of Communitas and impact that it had. Data was collected from several sites which were ASW, Ebbw Vale, Llanwern and Shotton. The involvement of Communitas in the course of restructuring and redundancy is assessed through its involvement in both notice and post redundancy periods. This account of the influence of Communitas provides insight into the experiences of individuals who were and still are affected by restructuring and redundancy and the issues that to them were of most concern. This is important as although the processes and forms of partnership and participation over the course of plant closure can be usefully assessed from the perspective of organisational forms, institutions, and agreements, the human side of restructuring can easily be omitted from analysis. The chapter also offers insight into the relationship between Communitas and other state agencies involved in the process of redundancy. The chapter concludes with a discussion of some recent developments.

6.1 Communitas: Origins structure and function

The rationale for and the context within which Communitas was established, is exemplified by the fate of the Ebbw Vale steel works where through consolidation and restructuring, workers face diminished levels of job security and often redundancy. Also associated with restructuring in the steel industry has been a change in the skill requirements of employees. For those remaining in the industry, a wider set of skills is often necessary in order to take on the tasks of those made redundant. Furthermore, as steelworkers have often spent

decades in the industry, many lack formal qualifications and some basic skills. As Wallis and Stuart (2004) point out, this means that the acquisition of transferable skills to enhance employability is increasingly important. The activity of *Communitas* prior to the closure of the Ebbw Vale works where it was involved with Corus and other agencies in the provision of advice on training and job search skills, demonstrates the type of support that unions can provide in the case of plant closure. As Donnelly and Scholaris (1998) note, this is not generally observed.

Steel Partnership Training was established in 1997. The name Steel Partnership Training evolved to that of Knowledge Skills Partnership (KSP), then to its current title of 'Communitas: EU Limited', or *Communitas* for short. *Communitas* is a not-for-profit company limited by guarantee and a wholly owned subsidiary of Community. At the time of the research, the national structure of *Communitas* was based upon a board of five directors all of whom were union lay activists. It had seven offices throughout England, Scotland and Wales. *Communitas* also runs a number of Learning Centres. These centres offer training in basic maths and English, computer and language skills and are open not only to union members but also family members and local communities. The decision to establish a specific section of the union to deal exclusively with the employability needs of its members was taken for a number of reasons. Prior to the formation of *Communitas*, Community like most unions, provided education to its activists. It was concerned, however, that such training was an increasingly insufficient response to mounting job insecurity and the growing numbers of redundant steelworkers. Unlike their counterparts in craft unions, the majority of Community members generally lack accredited and easily transferable skills. This has impacted negatively on their employability particularly outside the steel industry. The ending of the EU, ISERBS (Iron & Steel Employees Re-Adaptation Scheme) arrangement that helped fund re-training of steel workers, exacerbated this problem. The role of *Communitas* was and is, to offer guidance, support and direction to union members who needed to respond urgently to redundancy or those who wanted to proactively develop new skills ready for the labour market.

The following message from the General Secretary of Community makes clear the nature and intent of Communitas:

Our world is becoming much less predictable economically, the advances of technology develop phenomenally and global competition gets ever fiercer. Many of our members in manufacturing have suffered heavily from restructuring and redundancy ... One-industry towns can be devastated from plant closure. It is therefore essential that our members understand the need for re-training and updating their skills. We must make sure that the resources are available to enable them to succeed in new jobs with new skills. Aware of these issues, Community, started to develop education and training programmes for our members in the late 90s and these early efforts grew rapidly into Communitas EU Ltd, (formerly known as Steel Partnership Training Ltd) being established as a wholly owned subsidiary of this union in 2000.

Over the next few years, I see Communitas making an ever increasing contribution to the development of Community. The union and Communitas working hand in hand, will make sure that all our members have access to our vocational education resources as the world of work changes around them ... Communitas will lead by example in helping working people re-construct their lives through the personal development of their own skill, responsibility and effort.

(General Secretary of Community: Communitas web site: 1.4.08).

Communitas is not simply a strategic intent. It has been and is still successful at helping redundant workers back into employment (Stuart et al 2006). The services that Communitas provides are directed mainly at individuals who have become redundant or who are under threat of redundancy. Also, through its Union Learning Representatives (Advocate Workers but increasingly termed Union Learning Representatives (ULRs) the work of Community and Communitas overlap as 'Community Union believes strongly in encouraging members to improve their employability and life chances through lifelong learning' (Communitas web site 2008). The notion of lifelong learning features prominently in the strategic

objectives of Communitas and readily connects Communitas to its parent organisation: 'Lifelong Learning is the most successful trade union function of the modern era and Community are the leaders in this field already' (Community: A Sense of Community 2007: 6). Beyond the workplace, Communitas aims to support those with basic skill needs and the families and communities of members, 'we aim to assist them to engage in lifelong learning, which will provide them with new skills to increase their employability in the labour market beyond the steel and metal sector' (Communitas web site 28.3.08). Learning in the community is to be developed through Learning Centres of which at the time of the research there were three. The wider objectives of Communitas include training for its branch officials in the challenges of the contemporary economy, the provision of increased levels of training for all workers, employability skills for workers threatened with redundancy and a commitment to obtain government and European funding to support these objectives (Communitas manager).

Communitas has drawn down funding from a number of UK and EU sources and receives substantial support from its parent union. The annual return for Community for the year end 2006 show that the parent union was owed £309647 by Communitas. Community and had also provided an unsecured loan to the sum of £950000 (Certification Officer). Other sources of funding are Union Learning Funds (English Scottish and Welsh); Department of Trade and Industry Partnership at Work Fund; Welsh Assembly; Single Regeneration Budget; Rapid Response Fund; Skills Development Fund; Regeneration Zone Funds; Regional Development Agencies; European Social Fund (ESF) Objectives 1 and 3. Communitas claims that:

Since it was established in 1997, Communitas has delivered packages to around 10,000 individuals who have faced redundancy in the steel and manufacturing sectors. These services have been highly successful in enabling redundant workers return to employment with as many as 79% of redundant workers going on to find new jobs.

(Communitas web site 2008)

6.1.1 The operation of *Communitas*

Communitas has a clearly stated *modus operandi* that entails three strands of activity. These are building good relationships with employers, developing partnerships with state agencies and providing support for members both during and following redundancy. *Communitas* is, according to a Community full time union official in south Wales, notified of redundancies either through its parent union or directly by employers in organisations where Community members are present. Once redundancies are announced, parallel engagement with employers takes place. Bargaining takes place between management and Community officials, either lay or full time. Also and simultaneously, discussion between *Communitas* advisors and management takes place to identify training issues and discuss the extent of company support for training. Joint meetings with management, involving both parts of the union, also take place. Following this, *Communitas* advisors then arrange an initial interview with employees to explain the process for accessing various sources of help and support available; 'how to make best use of our partner agencies' (*Communitas* manager). Clients are directed to Jobcentre Plus and in Wales, Careers Wales (Careers Wales was established in 2001 and is funded by the WAG. It provides free careers advice). *Communitas* also discusses training needs with employees and signposts training opportunities and sources of funding to access training. *Communitas* provides help with writing CVs and application forms, interview and job search skills. *Communitas* advisors also draw up action plans and connect employees to what *Communitas* terms 'partner agencies'. In the case of Wales, the partner agencies are those involved in job finding, training and career advice. Interviews with Community representatives and *Communitas* advisors confirmed that this process occurs in practice.

The process is not however, without tensions and a *Communitas* adviser provided an insight into the conflict that can develop between *Communitas* and Community. During an advice session the adviser was holding with a worker facing imminent redundancy, a union official from the union organizing department wanted involvement in order to persuade the individual to retain his union membership. The *Communitas* adviser refused to allow this, telling the organizer, 'no this is confidential ... She put in a report about me'. The adviser did however make sure that the individual was made aware of the reduced subscription

rates for unemployed workers. The implications of these developments can only be generalized to other regions of the union with caution but they do suggest that the simultaneous operation of two autonomous parts of the union in recruitment, one overtly the other more subtly, has the potential to dilute rather than synergize recruitment and revitalization.

6.2 Communitas and redundancies at Ebbw Vale: The notice period

Even for employees familiar with years of job losses, redundancy represents a major shock. Although respondents realized that the parent group, Corus, was not performing well and despite living in the shadow of job losses for years, none of those interviewed at Ebbw Vale considered that the works would completely close. Cutbacks yes, closure no. Indeed, the closure of the Ebbw Vale works is still viewed with disbelief and anger by its former employees. Many workers sought initially to hide their own concerns about the effect that redundancy might have on the family unit from their families. The emotions experienced by those about to lose their jobs might be expected to have significance for their feelings toward their union. Could the union have done more? Should the closure have been fought? What help and advice was their union able to provide? Although all unions present at the Ebbw Vale works offered advice on request, through Communitas, Community, was able to provide a service specifically designed to provide help and support for surviving redundancy and also, addressing employability. This was an avenue through which the parent union of Communitas could potentially garner kudos and continued support. Following the announcement of redundancies, the requirement for rapid and coordinated action was critical. The work of Communitas began during the run down period of the Ebbw Vale works. This was initially in the form of support for the training efforts of management and state agencies and then increasingly through a coordinating role for other agencies and its own training initiatives. This role was developed off site through the Communitas Chief Executive and on site through its union learning representatives.

Both management and the Ebbw Vale union Works Council were keen to ensure that as many employees as possible were presented with the opportunity to receive training. However, given the numbers involved, local management had neither the personnel nor the

facilities required to undertake any form of serious retraining for personnel leaving the industry. Negotiations between the Works Council and management led to a strategy of attempting to obtain maximum involvement from state agencies which would 'undertake various programmes and provide the finance' (Operations manager) Management agreed to release personnel for training but 'release was conditional on the performance of the plant which management maintained as sacrosanct, a view supported by the Unions who wished to sustain earnings potential' (Operations manager).

Within the constraints provided by the demands of Corus that output from Ebbw Vale continued at maximum levels, the Ebbw Vale works manager was highly motivated to provide employees with training. In an attempt to attract as many individuals as possible to training opportunities, as described in chapter 4, at the end of January 2002 a Personal Development Programme (PDP) was established that was jointly administered by the Works Council and management and directed at those employees who had not been offered alternative jobs in Corus. The aim was to provide a number of basic employability skills:

The programme recognises that whilst we have a highly skilled and trained workforce, the application of such skills in the external environment might not always be obvious to prospective employers. We also appreciate that many personnel have not applied for external employment for many years and will need assistance in the process to improve their prospects ... This process is also actively supported by all of the Works' Trade Unions (internal memo from the works manager)

PDP activity was supported by Career Wales. The Job Shop and ELWa were present on site from April 2002 to help with job search and training opportunities. This support was further enhanced by the activities of Communitas that injected urgency into the training programme. One of the ways this was done was through the creation of a small group of ULRs by the parent union, Community. Two hundred and ninety three employees undertook at least part of the PDP programme offered by management. According to company statistics, '145 received offers of cross match/vacancy within Corus ... 50 have

found jobs outside Corus ... 28 are being retained to 31 October on the site clearance team and are still available for cross match ... of the remaining 70, 37 are over 50 years of age and may not be seeking full time employment' (internal memo; 30.7.02)

The secretary of the Works Council drew a distinction between the first waves of redundancies in 2000 and 2001 and those from the final phase of closure. Workers made redundant in the first phases had little or no training support and crossmatching opportunities were extremely limited. Also for the first phases, there was no PDP or ULRs, ELWa (Education and Learning Wales) had only just been established and Communitas was not on site. Also, the Works Council had not had time to investigate what if any training and funding opportunities were available. This role was later performed by Communitas. Management worked with Communitas, the Work Council and the local Job Centre to promote the Ebbw Vale workforce to local industry. A Jobs Fair was held on site on May 29th 2002. The WDA and Newport and Gwent Chamber of Trade helped with publicity. Thirty six organizations attended with the endeavor considered by all parties to have been a success.

6.3 Communitas, Agencies and Partnership

The operating rationale of Communitas was (and still is) to work wherever possible in partnership with state agencies and this was manifested in the response to redundancies across all the research sites. The agencies involved were, ELWa, Careers Wales, and Jobcentre Plus. The timing of the redundancies was particularly difficult for ELWa whose remit it was to plan and fund post 16 learning as it had only just been established. (ELWa ceased to exist in April 2006. Its functions are now carried out by the WAG's Department for Children, Education and Lifelong Learning).

We were established in April 2001, so we needed the CORUS restructuring like a hole in the head – although it was obviously worse for the workers. We were just establishing ourselves and then Corus is a disaster. We were given a budget of five and three-quarter million to develop a support package for redundancies at Corus. Our remit was to help workers at risk of redundancy and we take people at their

word, we were not to challenge people's views of why they were at risk. We were to provide them with the appropriate skills and training to help them move quickly into other employment. We were a conduit for funding (ELWa manager)

In order to better respond to incidences of redundancy, the idea of 'Team Wales' was developed. Team Wales was a partnership of organisations set up to offer support services to both employers and workers facing the prospect of redundancy. Involved were Careers Wales, Jobcentre Plus, Welsh Development Agency (WDA: became part of WAGs Department of Education, Lifelong Learning and Skills in 2006), Wales TUC. Communitas worked with the Team Wales partners and was particularly effective following the redundancies at ASW in 2002. The Welsh Assembly Government established an additional support mechanism to help redundant workers and those under notice of redundancy, the 'ReAct' initiative. Through ReAct, employers are subsidised and given financial support for the training of individuals who have not already received state funding for training. In addition to these arrangements, as a direct consequence of the Corus redundancies and closures at Llanwern and Ebbw Vale, a Community Learning Network covering the districts of Blaenau Gwent, Monmouthshire, Torfaen, Caerphilly and Newport, was established by the Welsh Assembly. This network now named RISE, 'is a partnership of all those with an interest or stake in Lifelong Learning and the provision of learning' (RISE 2008). The RISE network involves a wide range of providers of learning and advice that includes FE colleges, careers services, community initiatives, the WEA, voluntary organisations, universities, the private sector, Wales TUC, workplace trainers. RISE has as its remit the use of learning as a vehicle for economic and social regeneration. It is structured around learning centres of which there are already more than 200 offering IT and work based skills.

Following the announcement of the Ebbw Vale 'pre-closure' redundancies in 2000, Jobcentre Plus established a job shop at the works in November 2000. From this office workers could obtain information on the availability of jobs.

We kept it informal, people had been in the industry a long time, they're not used to the job centre. We tried to deliver everything that we could do from a job centre. We put out information on local employers; because no-one would have left Corus once they worked there, they wouldn't know what was around. People looked far and wide for work - out to West Wales - it's a misconception that people wouldn't look for work, they went into lots of jobs from all areas. ... We left it open for people to call in the office in the Job Shop and see ELWa onsite. With Corus it was difficult to release people for training, which was a problem.

Advisor, Jobcentre Plus Ebbw Vale

Although at the Ebbw Vale works Jobcentre Plus worked with ELWa in 2000, due to funding constraints the involvement of Communitas at Ebbw Vale did not begin until summer 2001. The relationship between these organizations appeared to be good and the role of Communitas was accepted by the other agencies: 'we attributed some of the training advice that we gave to SPT, in order to maintain their funding. That was July 2001, we left in August' (Advisor, JobcentrePlus Ebbw Vale). Also:

SPT were late on site. They had early teething difficulties incorporating, and demonstrating the added value they brought to what was already there. It was good news in the end. Where SPT scored was in their unique relationship. SPT argue they have a unique relationship with the workers; they can act as onsite advocates for the workers. So SPT argues that without them we weren't getting enough people. Others would argue. But they came in a step ahead of Jobcentre Plus in terms of providing people. Cynics would argue that those that don't want help are still not touched. But in the interests of partnership, they play an important role in unravelling the role of agencies for people onsite.

(ELWa representative)

The special relationship between Communitas and redundant steel workers was observed during numerous interviews between Communitas advisors and its 'clients'. By the time

that Communitas had become established on the Ebbw Vale site, redundancies from 2000 and the first wave of redundancies resulting from the closure plan had taken place. As explained, these workers did not benefit from cross matching or from the sustained training and placement exercise that swung into action in late 2000 and early 2001: 'People were very bitter' recalled a worker who survived the first cut. As they had already received their redundancy packages the company refused to take them back onto the books to be able to apply to become cross-matched or receive enhanced redundancy terms. In fact even later in the closure process, employees who were 45 and over who had been made redundant before closure and who had been told that there were no jobs available, picketed the gates of the works following its closure. A respondent considered that, 'the pickets felt very let down by both the company and unions.' This being the case, the good publicity that the study revealed was garnered by Communitas for its parent, was important.

From mid 2001 on however, agencies, Communitas and management worked closely together to provide training and job information.

SPT would do pre-redundancy training. The principle was that people had been in CORUS for 25 years and never had training courses etc. The ESF [European Social Fund] application was that they would provide a sloping ramp for people into more specialist training. So while still at CORUS people could do their generic training so they would be ready for the big step into job specific training. We've now managed to resurrect the concept, after teething problems (ELWa manager)

6.3.1 Problems in receiving support

There was appreciation by many workers for the efforts of local management in its efforts to provide training in basic skills. One Ebbw Vale production worker praised the support that management provided on for example, interview technique, CV writing and basic IT skills; 'management were a great help. I couldn't fault them'. However, support over and above specific skills – counselling, financial advice, outside training and job opportunities, was not perceived to be very good. In this respect, 'you were left to your own devices' (production worker). Due to the requirement to keep the mills rolling, individuals found it

difficult to leave the line in company time to be trained. The two parts of the union were not able to fix this problem. Other problems also presented themselves. Corus, it seems, did not appear to welcome the involvement of agencies in the case of 'soft', redundancies. These are redundancies considered to be non-compulsory as opposed to forced or 'hard' redundancies. Management and unions would agree that individuals who volunteered for redundancy constituted 'soft' redundancies. Disagreement arose about the status of workers aged 50 and above. Management generally considered redundancies amongst those who reach the age of 50 and hence with substantial pension rights, as soft. Unions took the view that if such individuals did not wish to be made redundant they were actually hard redundancies. The research shows that individuals had a mixed experience of the notice period, attributable in part to the determination of Corus management that output would not be adversely affected by training and also differential access to agencies. These issues highlight the crucial role of the employer in contributing to the success of on-site support initiatives for those who are to be made redundant. At Ebbw Vale this was true in respect of granting access to agencies, providing suitable facilities and training and allowing workers to leave the line.

At Ebbw Vale, Communitas quickly trained five ULRs, one of whom was a member of a different union, the AEEU. These individuals were supported by the company in their efforts to help and advise redundant workers to find training opportunities. A works training manager who was a member of Community and who had once been a leading union activist first became aware of Communitas when he met the Communitas Chief Executive at an onsite workshop on training needs. An HR manager told him that he had been enrolled for a Community Advocate Worker (ULR) course. He 'had no idea' what this entailed but thought, '...well it's another string to my bow'. During late 2001, the company was seemingly unwilling to fully fund training. As a response to this, Communitas decided that it would provide funding for courses such as Fork Lift Truck (FLT) and Passport to Safety. An FLT training centre was established on site. Corus provided the facilities but Communitas paid for the courses. Although Corus made an input to the training effort, 'production still came first and most of the training was in your own time. Some people were quite bitter that Corus didn't give paid time off' (training manager). It was then

decided by Communitas to establish a Communitas branch and office in Ebbw Vale. This was accomplished and one of the ULRS, a leading Community union activist at the works, also became the branch secretary of the 'community branch' of the union. Hence at Ebbw Vale, Communitas and the Community notion of community unionism were closely tied

The encouragement given by Corus for Communitas to establish ULRS and facilities for Communitas funded training, yet not to fully fund training itself, indicates some interest by management in partnership around learning. This seems to reflect a pragmatic response to cost and output needs on the part of Corus and the employability needs of its members for Community. It is highly unlikely that employees would have obtained the same level of support for training without the intervention of Communitas. The findings suggest that an extension of the role of Communitas was constrained by an adverse balance of power between the union and management.

At the Llanwern works, Jobcentre Plus was already on site when the redundancies were announced, and sought to arrange meetings with each worker over a six week period to offer advice on benefits and access to jobs. In addition, outside employers and other local agencies were also invited on-site for a series of open days. Evidence indicates that during the notice period agencies worked reasonably well together. At the time of the Llanwern redundancies, the 'Rapid Response Service' (RRS) for significant redundancies was on trial at Jobcentre Plus, and this agency was asked to take a lead and co-ordinate the actions of other agencies. The RSS is a Jobcentre Plus service that provides support and advice to workers under notice on condition that all agencies and groups, including unions that are involved in supporting employees do so in partnership under the lead of the RRS. Unlike the other sites studied, ASW employees did not experience any notice period. Once the closure of this site had been announced, the speed of response by Communitas and other agencies was hence vital and in practice impressive.

Yet across all the research sites, steelworkers were often unclear about the roles and responsibilities of individual agencies. One worker explained, 'Looking for work is all new to me. I went to the wrong building at first'. This he found 'very demoralising'. He had no

direct contact with ELWa and found the Job Centre, 'no help at all'. In order to help him navigate his way through an unknown and intimidating process, he wanted advice both before and following his redundancy. 'What do I do, where do I go?' For workers many of whom had been with the same employer for decades, this experience was not untypical. The agencies themselves acknowledged problems existed, 'the support for those made redundant has been disjointed (Careers Wales manager). Again:

Informal communication between the steelworkers is important. Rumours are important in terms of communication. If one person has discovered a course, others want to get on it too. Other people are simply unaware of job opportunities and are not in the loop (Careers Wales manager).

Nevertheless, the mood of the majority of those interviewed if uncertain and at times confused could be summed up by the comment: '...the lads aren't crying in their tea, they are getting on with it but a little help wouldn't go amiss' (production worker).

6.4 Communitas: Training and advice post redundancy.

The fact that many 'clients' knew the Communitas advisors from their days in the steel plants provided almost instant trust in a way not possible for other support agencies. Once redundant, the ability of Communitas advisors, themselves recently redundant, to offer insightful and sympathetic advice to redundant workers, particularly redundant steelworkers, was well received and reflected positively on Community the union. One production worker had used the Communitas Ebbw Vale office on a number of occasions and thought that Communitas was, 'good'. He wanted to train in the field of social services and Communitas were, 'looking into something'. A different production worker was delighted that the licensed FLT training arranged through Communitas had been instrumental in him finding work at an enhanced rate of pay. 'Communitas is a good set up ... it gave me what I asked for'. He felt that Communitas, 'is excellent' and 'is a good focal point ... it's is good to talk to someone'

Following the final closure of the Ebbw Vale works, observation of numerous Communitas adviser meetings with clients, demonstrated that respondents were very quickly made to feel at ease. For those who were uncertain, demoralised and often embarrassed, this was an important first step for frank and open discussion about what were often sensitive issues, such as basic literacy, numeracy and skill needs. The informal counselling role offered by the Communitas advisors was important and helped to overcome the isolation of redundancy and the loss of the social network enjoyed at work. Respondents described a number of factors as being important to the way in which Communitas operated. The open door policy, lack of necessity to book an appointment, immediate assistance, cups of tea and the automatic provision of ongoing support, were all seen as major benefits of the way in which Communitas operated. A spares engineer was impressed with Communitas, 'They are good ... people need to turn to someone, Communitas is important for this'.

A number of important issues arose in relation to the immediate post-redundancy period. These related to the availability of information, sources and availability of funding, the match between individual training plans and local labour market needs and the nature of organisational coordination between advice and support agencies. Many respondents expressed a feeling, initially at least, of being 'passed around from pillar to post'. A guiding, coordinating hand was often missing but one that Communitas was attempting to provide.

6.4.1 The coordinating role of Communitas

Following the closure of ASW, non participant observation at a multi-agency strategy meeting revealed that agency specific targets and agendas can sometimes get in the way of co-ordinated, focused support for redundant workers. This is perhaps inevitable, since the primary goal of Jobcentre Plus, for example, may be to find people work, whilst the main objective for ELWa might be to provide appropriate training and funding opportunities for individuals. In the observed meeting, the role of the Communitas representative was crucial in the generation of a constructive, mutually agreed strategy. Whilst representatives of different agencies were pursuing their own briefs, the Communitas representative, as a neutral broker, was able to take control of the meeting and ensure a satisfactory and

connected outcome. Representatives of state agencies were prepared to defer to Community but not to other agencies. The single minded focus on workers (all employees not only Community members) rather than processes and protocol displayed by the Communitas representative, allowed a clarity of focus not possible for others present at the meeting. Through the agency partnership coordinated by Communitas, ASW employees were presented with a one-stop opportunity at a social club (the Railway Social Club) to receive guidance and support at a critical time. For all redundant workers the first port of call was the Communitas advisors who talked the workers through the Communitas application form for training needs and provision. The Communitas advisors then worked through a Communitas “*ASW Action Plan*” document. This form contained categories for, existing skills experiences and hobbies; development or training requirements and employment goals. Redundant workers were then presented with a carousel of agencies that they went to in turn to receive advice on all aspects of support and guidance. The initiative was highly successful and respondents were unanimously approving. Communitas, in particular, gained a great deal of kudos from this exercise. This situation highlighted how Communitas was able to provide a bridge between agencies and the constituency of workers, as well as playing a vital humanising role, allowing workers to handle an alienating process. As one ASW worker put it:

‘...the only real support that we [from ASW] received was at the Railway Club. [This was] ‘... really helpful and put us in touch with ELWa, the job centre and the DSS ... it was really good having all that advice in the same room’

Similarly:

I’ve only seen Steel Partnership. It was all muddled. The company didn’t do anything. KPMG gave some information to the workers. They were slightly better than the union - they sent out one letter. All the tradesmen were in AMICUS – they were disgusted. SPT have been great.’

And:

SPT have been the best of all. They are more understanding – because they have the industry background – the struggle of industrial people. A lot don't think it can happen to them.

These quotes are typical of those interviewed. This is a process of participation in the lives of redundant workers that has not been replicated by other unions. The Welsh Assembly Government also recognised the success of the partnership arrangements that Communitas had not only entered into but had in practice led:

ELWa and Steel Partnership Training (SPT) are providing support for a range of advice, guidance and training packages; including courses for HGV licenses' and fork-lift truck driving certification. The Council is assisting with IT training, CV preparation and improving interview techniques. SPT has seen nearly 700 ex-ASW staff and contractors in the last few weeks alone. Training and support are very much tailored to the needs of the individual with all the various agencies working closely together. For example, ELWa is providing support for one bilingual former steel worker who wants to become a Welsh teacher in Butetown while the WDA is supporting another who wants to set up his own boat building business (WAG 2008)

6.5 Preparation of workers for the Labour Market

Post redundancy, training was seen by the majority of respondents as crucial to future employment opportunities. Even for those moving into retirement, respondents saw the opportunity to train as an important source of future focus and activity. A cause for concern for a number of individuals during the initial post-redundancy period was an apparent lack of information on courses and sources of funding for training opportunities. Additionally there was a perceived difficulty in obtaining information quickly on specific courses that they had identified as being able to help them pursue employment opportunities. The research also revealed that compounding these problems, particularly for those who had not

entered a classroom or formal training situation for many years, there was substantial self-doubt about their ability to acquire new skills. These individuals, mainly non craft workers, were generally pessimistic about their ability to obtain anything other than poorly paid, low skill work. For older workers, in particular, training, especially classroom training, was often seen as an ordeal. These concerns were summed up typically:

‘I was very afraid. It was a big factor. I’ll never forget what the most traumatic experience for me was. I knocked on the door, I opened the door and I see all these faces half my age, looking at me and I thought to myself, oh my God, what am I doing here? I almost turned round, that’s what I felt. I thought, oh, they’re all bound to be better than me, young whiz kids’

(Former employee, Ebbw Vale)

One redundant worker became interested in the ‘passport to safety’ course. A Communitas representative made it clear that if ELWa was sitting on money, she would ensure it would be freed up and used. This assertiveness and focus was received very positively.

Through Communitas, one redundant worker attained a HGV 1 license and a FLT license. He described Communitas as, ‘really helpful ... gave good support ... if it wasn’t for SPT, I wouldn’t have had any idea what was available’.

‘SPT is excellent, it offers advice, has given hope and shown what people can do with different skills’ (redundant steelworker)

Another former electrician felt that Communitas was ‘good’, particularly at finding the answers to queries. It arranged for him to complete 16th edition electricians qualification vital for employment as an electrician and Passport to Safety courses.

These comments were typical of those interviewed.

The perception amongst many employees, particularly production workers, that their skills were unrecognised by potential employers was strong and that this left them at a relative disadvantage in the labour market compared to both craft workers and other job seekers. For example a 55 year old steelworker who could not find alternative employment, believed that a barrier to employment was that the skills that he had acquired were too industry specific. He claimed to have been to a number of interviews where he was asked, 'what experience do you have? He asked, 'who wants a 100 tonne tipper operator? ... my skills were useless elsewhere'. In the words of a number of redundant workers '...they [qualifications] open doors for you' ... 'in this day and age they [qualifications] are very important, they make you marketable' ... 'It's gone mad you need a certificate for everything'.

Similarly from other respondents:

'...the steelworks was all I knew ...'

'...it's daunting. I thought the skills I had were no good'

Although many respondents believed that their skills did not meet those demanded by the labour market, local agencies consistently emphasised how the skills acquired by steelworkers were valued in the labour market. In both pre and post redundancy interviews between steelworkers and agencies (such as Jobcentre Plus and Career Wales) that were designed to identify skills to facilitate transitions into alternative employment, agency representatives claimed that employers perceived steel employees as good workers, reliable and disciplined. These are social skills that are important to employability. As one Jobcentre Plus representative put it, 'people [during interview] underestimated their skills and talents'. Many had accessed their jobs with no qualifications, often through family, and had never had to go through a formal application process. One interviewee at Jobcentre Plus said he could perform only general labouring work. When pressed, it turned out he had been responsible for the rosters of forty men and had developed significant IT and organisational skills, 'he just didn't recognise that he had these skills'. Through observation

of numerous advice sessions, it was clear that the counselling and guidance provided by Communitas advisors was often decisive in persuading individuals that their skills, often tacit, were significant and could be codified hence encouraging many individuals into training and crucially training that was relevant to the individual.

In sum, the perception of those who had used the services of Communitas was overwhelmingly positive. This might not be surprising in the sense that the offer of help and support in a time of personal crisis will generally be gratefully received. Nonetheless, had the services of Communitas been considered poor or incongruent with the work of other support agencies, the impact on perceptions of the parent union, to which most Communitas clients belonged, could have been negative and damaging to retention of members, a consideration of no concern to other agencies. Interviews also pointed to the importance of Communitas in the success of multi-agency responses.

6.5.1 Communitas: Issues following redundancy

Interviews consistently pointed to the impact that redundancy was having beyond the redundant worker. Redundancy and resultant uncertainty caused stress and disharmony within families and some respondents were conscious and concerned that they might take their own stresses out on their families and put strain on relationships with their partners and children. Others explained how the shared response to adversity had brought their family relationships closer together. For one individual, the support from family and friends following redundancy 'has been the only good thing that has come out of it all'. Some individuals seemed to go through stages, at first hiding issues, then turning to partners for support. As a mechanism for helping to support family relationships, there was praise for Communitas in that Communitas courses were being extended to partners. Here the future direction of Communitas appears to be inextricably tied to its relationship with its parent union and its intent to become a community union an intention that has been described by a senior organising official as, 'work in progress.'

6.6 Contemporary developments

The activity of Communitas has not been unproblematic. Doubts have been expressed by leading Community activists as to the relevance and 'value for money' of Communitas: 'It's a democratic accountability issue. The union is controlled by the NEC, Communitas isn't' (NEC member). Nevertheless tensions arising from such concerns seem to have been assuaged by a policy of increased transparency surrounding the control and financial structure of Communitas and recent first hand experience of the benefits to members of the work of Communitas by a number of its critics. However, although support within its parent union for Communitas is still strong, in policy and financial terms, its continued viability depends on its perceived relevance by those outside the union leadership and its ability to win funding. In recent years Communitas has contracted and in July 2008 it employed only fifteen employees operating from a reduced number of offices. The latest round of cost cutting in the UK steel industry will in all likelihood though, lead to a new expansion of its services.

6.7 Conclusion

The UK government through its Green Paper, 'The Learning Age' presented its view of what contemporary trade unionism might consist of:

..... Learning is a natural issue for partnership in the workplace between employers, employees and their trade unions. Businesses with their desire for improved competitiveness and employees concerned with job security and future prospects have a shared interest in learning. This joint activity ... signals a new and modern role for trade unions.

(DfEE 1998: 35)

The new and modern role for unions envisaged by the Green Paper, 'The Learning Age', as quoted above, describes a vision for partnership through learning at the workplace. Community also envisages a new and modern role for unions around learning. This vision though reflects a strategic intervention directed at support for workers under threat of

redundancy, retention in membership of redundant members and the connection of partnership and learning to its organising and servicing strategy for sustainability and revitalisation.

The strategic partnerships developed by Communitas extend from initial contact with employers to state agencies involved in employment, training and careers advice. As Stuart et al (2006) point out, the primary aim of Communitas has been to increase the employability of workers who are either redundant or under threat of redundancy but also to engage with employers through partnerships on training to enhance existing skill levels across a workers lifetime. The partnerships strategy of Communitas although emanating from one model, is enacted through pragmatic responses to local conditions and issues (Wallis and Stuart 2004). Thus the activity of Communitas in Ebbw Vale has not been the same as that in Llanwern or ASW. The sustainability of the Ebbw Vale office has not only been the result of the demands of clients but through the personalities and beliefs as to the importance of the work of Communitas and trade unionism of the Communitas advisors.

The leadership of Community believes that although unions must have a role in developing learning at the workplace, support given to workers - particularly to redundant workers – must extend beyond the place of employment and include the development of partnerships with the communities in which they live.

As an integral part of Community, Communitas Ltd strive constantly to provide the best education, training and learning opportunities to the members, their families and communities. Community understands that work in the 21st century has been transformed. Work now requires longer hours for less pay and less job security and where small changes in take home pay can have big consequences for the family budget. To adapt to this new world of work, a new type of Trade Union is needed. One that is designed to protect workers rights and entitlements in the workplace while building stronger communities and involving local neighborhoods. We call this approach Community Unionism, and it is the foundation of our success (Community 2008).

The creation in 1997 of Steel Partnership Training by its parent union, was in the context of the UK, highly innovative. It represented a strategic shift in the union's understanding of the needs of its members both during and following restructuring and a way in which unions can defend their membership base and independence. Furthermore, although the involvement of Communitas in Ebbw Vale began in the run down period of the works, Communitas has retained an office in the town, thus providing an important legacy of trade union activity. For these reasons, the study of Communitas as a response to restructuring and the post redundancy experience of unions and workers, is important.

If the strategy of Community for the development of Community Unionism succeeds, it will provide a bridge between industrial unionism and participation in the union by communities beyond the workplace; a form of trade unionism that straddles the workplace, community membrane. It is to the question of community unionism that the final empirical chapter turns.

Chapter 7

Collective Solidarity and Community Post Closure: A new form of (Community) Unionism?

7.0 Introduction

The process of restructuring that led to the eventual closure of the Ebbw Vale works travelled from the board room of Corus through debates between Corus executives, government ministers and national union officials over the meaning of consultation down to the Ebbw Vale works itself. At site level the Works Council alternative strategy to closure was developed and rejected. The works duly closed but for one of the unions involved in the works, the ISTC, an important legacy, that of *Communitas* remained. As the previous chapter has shown, the leadership of Community sees the activity of *Communitas* as able to connect with its wider strategy for 'social unionism' and its specific form, Community Unionism (CU). In the context of this study of restructuring and plant closure, an investigation of the CU strategy of Community is important for a number of reasons. Firstly it offers insight into a post closure state. As the objective of this study is to investigate the life history of plant closure, this is necessary. Secondly, the strategic response to union organisation following plant closure suggested by the Community strategy is novel and if successful an important example for other unions. Thirdly, it is important to identify what the Community model of CU looks like and examine the factors that might support or hinder its development.

This chapter begins with an examination of the strategy of Community for community unionism. This is followed by an assessment of the roles that the activities of *Communitas* and learning play in connecting Community to the local community. Recent organisational change in Community is then explained. This is followed by a discussion of impact on community relationships that the connection between Community and politics might play. The final section of the chapter assesses the relationship between the steelworks and the community and the role that occupational identity and memory might play in sustaining the participation of former steel workers in union activities. The chapter concludes with a discussion of the nature of community

unionism and the potential for sustainability of the form of community unionism being developed by Community the union.

7.1 Community strategy for Community Unionism

In response to the decline in the industries in which it has traditionally organised and the resultant contraction in its membership, the Community (then ISTC) leadership undertook a strategic review of its structures and potential for membership growth. This review began in 1997 and culminated in the decision in 2004 to realign the objectives of Community around a broader membership base primarily through merger but also through an extended focus on community participation. This process was formalised on July 1st 2004 when, through the merger between ISTC and the Knitwear Footwear and Apparel Trades (KFAT), 'Community: The Union for Life' was established.

The evolution of the ISTC from an essentially industrial union towards one based on a more general membership base had actually begun earlier. Prior to its merger with KAFAT, the union had changed its name from the Iron and Steel Trades Confederation, to simply ISTC and had also in 2000 merged with the Power Loom Carpet Weaver and Textile Union (PLCWTWU) and the National League of the Blind and Disabled (NLBD). Following the 2004 KFAT merger, in 2007 Community absorbed the small National Union of Domestic Appliance Goods Operatives (NUDAGO). Although these attempts to staunch membership loss have only been partially successful (in 1989 ISTC had 32861 members, at December 2006 Community membership was 33459), one effect of these mergers has been to diversify the membership in terms of gender and ethnic composition arguably making the union more attractive to other unions and a wider potential membership (Certification Officer 2006). The key element of Community strategy has been a pragmatic response to membership decline through merger with other small unions. These mergers have been the main source of new members through a route that has avoided being absorbed into a larger general union. Beyond the requirement to maintain a viable membership base is the objective of becoming a 'community union'. Community declares itself to be a national union that has "rebranded" itself as a Community Union with a 'social agenda' (Community web site 30.8.07). Indeed Community is the only union so far to have strategically re-branded itself as a community union in such an explicit way:

‘It is time to redefine the role of trade unions. We will work within the communities our members live in and link up with voluntary and political organisations alike to add our experience, work-based skills and community spirit for the benefit of us all’ (Community General Secretary)

Also, the union website declares that:

‘[C]ommunity is growing. Outside the workplace, we are developing community unionism in partnership with our members, charities and community groups. These partnerships will allow Community to invest in our members and their families and communities’ (Community website 28.3.08)

Rule 3e of the Community rule book (Community website 1.4.08) defines community members as:

Community Members shall be all persons other than those covered by rule 3d including, but not limited to, persons in members’ families, students and young persons not immediately seeking work, those retired from employment, those unable to work by reason of illness or disability, those performing voluntary tasks in the community including community organisers and those seeking educational training with a view to work. The NEC shall have the right to establish special branches of *Community Members* for the purposes of representing members who are students. The NEC shall in its absolute discretion have the right to exclude any particular group or class of persons from being *Community Members*.

In contradistinction to community members, rule 3d defines working members as:

Working Members shall be those members performing work for pay, whether full or part time, temporary or permanent, including those working through agencies and the self-employed and those temporarily not performing work for pay for a maximum period of twenty-six consecutive weeks immediately following the date when they last performed work for pay.

This regard for the interest of unemployed members and the desire to retain redundant members in the union is not new. Between 1980 and 1981 for example, as a consequence of accelerating redundancies in the steel industry, union membership dropped from 226500 to 170400. This was associated with numerous branch closures. In response to these membership losses, branches (holding branches) for redundant members were established. The membership of these branches was extended to new school leavers who were without work. This tactic helped to stabilise union membership (Upham 1997). The existence of geographical or general branches, as they are sometimes termed, is of course nothing new in the trade union movement. What is different in the case of the Community approach is the intent to extend membership to family members, those currently unemployed, the wider community, those seeking training and community groups such as churches.

From the perspective of the closure of the Ebbw Vale works, it was considered necessary to retain an organisational presence within Ebbw Vale and the wider geographical locality of Blaenau Gwent. The community branch was, therefore, considered necessary as a vehicle for retaining the membership of redundant steel workers. In this sense, the Blaenau Gwent geographical branch has replaced what had been a branch structure based upon the steelworks. This is not however, seen as its sole function. In line with the policy of Community to expand its membership base beyond that of the steel and metal sector, the community branch is also designed to act as an organisational hub not only for ex steel workers but also their families, the unemployed, individuals working in small and unorganised workplaces and members of the community. Hence although the move towards community unionism has been a strategic response to industrial restructuring and membership loss, senior representatives (full time officials) from Community with direct responsibility for organising, describe a number of objectives in the establishment of community unions. These include membership retention, political influence and involvement in community issues. Beyond this, the national head of organising for Community is clear that, 'community unionism is not just about membership, it is an end in itself.' An organised presence in the area is also important for continued political influence. Community members have always been active in the local Council and Labour Party.

7.2 Communitas and Community Unionism

In the case of Ebbw Vale, 'Communitas' (at the time of the bulk of the research, SPT), has been an important vehicle through which participation by the union in the community has developed. Communitas has been mainly active in communities that have experienced substantial job losses. Although the main function of Communitas has been to provide help and guidance for redundant workers across a range of social and job related issues, the physical presence of Communitas offices staffed by ex-steelworkers who had themselves been made redundant and who were almost all Community members, has acted as an important indicator to its 'customers' of continuing union activity. The geographical, community branch established in Blaenau Gwent (that includes Ebbw Vale) was organized by a long standing trade union member who retained his Community membership following redundancy from the steel works. This individual was a leading activist at the Ebbw Vale works who now and who is now a Communitas advisor in the Ebbw Vale office of Communitas.

The Communitas advisors have ensured that those seeking advice have been made aware of the importance of union membership and that it was Community that had established Communitas: 'we do make people aware of the union, we give them a form and make sure they know about the reduced subs. for unemployed' (Communitas advisor). Those who are already union members are reminded of the importance of continued union membership and the reduced subscription rates that are available to unemployed and retired members. This form of union activity is undertaken with a certain amount of delicacy. Sources of funding used by Community emanating from the European Social Fund and the Welsh Union Learning Fund (WULF) cannot be used for union organising and recruitment and the advisors are genuinely concerned not to place such funding streams in jeopardy. The use of the Communitas office in Ebbw Vale has however been a physical and social manifestation of the presence of Community the union that has allowed it to maintain a presence in Ebbw Vale and other localities where redundancies and union membership losses have occurred.

7.2.1 Learning and membership retention

As described in the previous chapter, in the case of Ebbw Vale and the wider Blaenau Gwent community branch, Community's visibility has been largely, though not exclusively, manifested through Communitas and its employees. The research

demonstrated that the services provided by *Communitas*, through employees who are alert to the importance of recruitment, draws individual 'clients' into contact with *Community*. Many *Communitas* clients know the advisors from their days in the steel plants. This is a valuable connection and provides almost instant trust in a way not possible for other support agencies. The ability of *Communitas* advisors to offer insightful and sympathetic advice to redundant workers, particularly redundant steelworkers, has been well received by those seeking advice and has reflected positively on *Community* the union. Hence, although *Community* branches are distinct from the structure of *Communitas* and its advisors, the provision of general support and advice and opportunities for training offered by *Communitas* offices, is potentially an important tool for membership retention and recruitment.

Through the Ebbw Vale *Communitas* office, *Communitas* is now attempting to establish a learning centre. The centre will initially provide IT skills to anyone who is interested and further cement the association of training support to *Communitas*. Computer hardware is in place and new funding from the Welsh Union Learning Fund will provide tutors. This aspect of the work of *Communitas* connects to the establishment by *Community* of *Community Learning Representatives*. These individuals will have the responsibility for publicizing the benefits and availability of learning opportunities and union membership to the community at large. This activity is currently taking place in for example the steel town of Port Talbot. Here *Community* and *Communitas* have in effect acted in concert. In response to the sacking of a number of individuals for drug and alcohol problems, *Community* and management have established a new drugs and alcohol policy. The impetus for this came from the union. The company has employed a councilor whose role it is to work in the community at large. Union representatives and management are looking to open a drop in centre in the middle of town. The site convener, a long standing *Community* activist is a leading advocate of this initiative. He believes that 'the union is part of your life, your family.' This partnership arrangement has led to another development designed to provide a wider range of training to the local community. At the time of the research this project was just getting off the ground. The objective is to offer training in areas such as languages and IT not only to employees but to family members and the local community. The plans are ambitious and aim to involve local schools and colleges and involve the Corus training college. The training will be delivered at a custom built, on site training centre. In this case it is

clearly the union that is driving community links rather than *Communitas*. What is clear is the conscious attempt to connect with former steel workers and the community.

7.3 Community Vision for Community Unionism

The strategy of *Community* for establishing and developing its version of community unionism in Ebbw Vale is based upon the retention of ex steel workers in membership. *Community* sees the ex-steelworkers as providing, the bedrock of continued union organisation. The passage of time and the strategy of membership diversification will presumably dilute the concentration of steelworkers but initially at least it is upon these individuals that the continued vitality and wider relevance of *Community* in such areas will be based. As discussed in chapter one, the ability of *Community* to achieve this strategic goal is connected to the affinity of steel workers to their union and the historic connection of these steelworkers to their local community.

Although the idea of community unionism predates the closure of the Ebbw Vale works, the establishment of the community branch, post dates the closure. During the period immediately following the closure announcement when first the alternative plan, then closure terms were being negotiated, there was no attempt to establish a community branch in Ebbw Vale. *Community* was entirely focused on the attempt to save jobs and improve redundancy terms. Hence, neither the 'vanguard coalitions' discussed by Frege et al (2003), let alone the transformative forms of community unionism described by Lipsig-Mumme (2003) were present. However, unlike the other unions present at the works, *Community* took the decision to establish a community union branch in the locality.

From this moment on it is possible to assess events and potential developments from a different perspective. As explained, *Community* describes its vision for community unionism as going beyond the workplace. Although perhaps not transforming itself into a new organisation, (the continued centrality of the workplace is clear), it could be argued to reach out to communities and community organisations in a way not before attempted by UK trade unions. In the words of a leading member of the union who had been involved in the closure negotiations and the development of the strategy for community unionism:

‘Our members should be more involved in their communities. If there are issues in the community, in schools and churches then we should be involved. We want to extend our influence to families. For example we have a schools programme. Community unionism is not just about retaining members.’

As Clawson (2003) and Wills and Simms (2004) suggest, this form of union activity would have been familiar to past generations of steelworkers in Ebbw Vale. The links between the works and the town were intimate both geographically and socially. Workers in the main walked to work. Their families used company facilities. Family members worked side by side. The works unions reflected not only communities of occupation and collective solidarity internal to the works but an external reciprocating relationship with the community at large. Participation in the workplace was entwined with participation in the community. The profundity of this relationship has lessened with the passing of time but has not disappeared and its echo is what the success or failure of Community strategy might well depend upon.

The stated objective of Community through its strategy of community unionism is the wider objective of extending union influence to the community. Nevertheless, the elemental strategic objective is that of sustainability and union revitalisation. A leading member of the Community research department explained that community unionism had been introduced in conjunction with the policy of expansion and merger: ‘We have ten thousand members in Corus UK so had we not gone for community unionism and merger our membership would be ten thousand’. The respondent explained that, ‘in textiles, hosiery, shoes, many workers have never had a chance to join a union. We are trying to provide a more individual package of unionism to people.’ However beyond the necessity of increasing membership, ‘we are consciously trying to connect with communities and religious groups to form a new form of unionism.’ This new form of unionism is particularly aimed at those ‘outside the movement ... young people have no experience of unions.’ This respondent was also clear however that a pragmatic interest in membership numbers was by no means the only consideration for community unionism. If, through the organisational form of a community branch, Community can secure the participation of ex steel workers in union activity, it has a basis for extending its influence into the wider community and retention of its political influence in the area.

7.4 Reorganisation and Geographical Branches

In a recent (2005), reorganization of the national union structure, geographical community branches like the one in Ebbw Vale have been absorbed into a smaller number of larger district branches. This change has been associated with a restructuring of the organization of the union around four regional directors and a greater emphasis on the services that the union can provide to its members through for example, the new Member Services Centre (Community web site 2008 Project Olympus). The rationale behind the move to branches covering a larger geographic area was explained by a national official. Although the geographical branches that were established following the 2001 redundancies were an important means of holding redundant members (they were often referred to as holding branches) and a potential means of connecting with local communities, they were a defensive response to crisis. The decision was taken that through the larger district branches, (there are four such branches in south Wales), Community would still be able to offer a home to unemployed or redundant workers but be better placed organisationally to appeal to workers in general who were between jobs and particularly those in the 4th sector. These branches are serviced by appointed branch secretaries, not elected lay activists, the only appointed lay officials in the union. This is the case as the size and potential importance of the district branches means that, 'the dedicated secretaries can be more focused' (Community Regional organizer). The same organiser explained that the union leadership believed that the local holding branches were 'stagnating ... we want to move away from the holding branch bed and breakfast mentality. The members were in limbo. We are now trying to engage better with members.'

The general strategy for revitalisation is being constructed around (a typical) attention to both servicing and organising but in combination with an evolving attempt to marry these options to the participation of communities and community organisations. The strategy for community unionism has seen a changed organisational basis from a focus on the immediate geographical location (of crisis), to a wider regional scale and an increased emphasis on learning initiatives. The overall strategic development contains clear elements of the ways in which unions have always worked but the attempt of Community to move beyond traditional organisational structures and strictures by the

incorporation of geography, history, occupational identity and memory into a strategy for revitalisation is innovative.

This recent strategic readjustment has also been associated with a 'hefty' increase in subscriptions. This has led to a petition from some members opposing the increase and a number of defections to the other unions. During the period that this strategic change has been implemented, the way in which *Communitas* connects with its parent union and hence community branch structure has also been changing. A *Communitas* adviser (and long standing Community member) considers that, 'we [*Communitas*] are not seen as part of the union ... I am not really informed about the structure of community branches. We have lost all contact with the community union. It's being run by someone from Cardiff as far as I know.' How these tensions and the extent to which the community initiatives are sustainable will only be revealed over time.

7.5 Conclusion: Community Unionism: Form and Prospects

What kind of community unionism then does that of Community represent and what of the prospects for its sustainability? The union rule book makes apparent the primacy to the objectives of the union of work place activity. Community is clear that; 'Community's first priority will always be representing our members at work' (Community web site) and 'The main object of the union is to regulate relations between workers and employers ...' (Community Rule Book 2007; rule 2). Here Community presents itself as an orthodox manufacturing union focusing its energies on its relationships with management and the retention of jobs. The significance of the structures and strategies of the firm are paramount and no sense of community unionism is present. The work of *Communitas* as a vector for community activity has been an important part of the development of community unionism and an active and dynamic relationship between Community in the form of *Communitas* advisors and redundant members has been witnessed. This relationship is arguably missing or moribund in many workplaces. The development of strategy for community unionism and *Communitas* has been deliberate and focused, perhaps visionary and top down. Conceivably emanating from a combination of this top directed policy and belief in the centrality of the workplace by many activists, as reflected in the rule book, a tension within the union has accompanied the development of community unionism. As explained in the previous chapter, a number of leading activists are sceptical of the

benefits that *Communitas* provides and until recently have been in favour of closing *Communitas* down. The subscription increase associated with recent strategy change has also caused additional irritation amongst many members.

The stated intention of the Community leadership is that community unionism is ‘an end in itself not just about recruitment’ (union national organiser). That community unionism will reach out not only to individuals and families of ex steel workers but also community organisations, including faith groups‘ and help breath life back into communities’ affected by plant closures and industrial restructuring. Evidence for the practical application of this ambition is mixed and a number of factors are likely to be important for the success of community unionism. Amongst these is how Community sees its mode of interaction with the local community. To what extent does the union intend to participate within the community or with it? Involved here is the extent to which the structure of the community branches will enable the union to participate with local communities and their organisations. As presently constructed the community branches are integrally connected to the main union structure. A consequence of this is that the typical bureaucracy, hierarchy and power relationships associated with traditional unionism are present. Research elsewhere has demonstrated the problems and tensions that can develop between traditional union structures and non union community based organisations such as church groups (Holgate forthcoming). From the way that Community has configured the participation of union activity into community events, it is not clear how the union will be able to overcome such problems.

It should be made clear that what the research is casting light on was and is community unionism in a nascent form. An organisational structure in its infancy. In many respects, a notion, that although described in words and rules, was and is, still looking for structure and vigour. Nevertheless, Community represents a specific form of community unionism, one that reflects the vision of a new form of ‘social’ trade unionism. In practice through the continued centrality of the workplace community unionism manifests itself through geographically large community branches contained within existing organisational structures and serviced by appointed officials. Not a practice where community unionism is the starting point for overall union activity. Not the transformed structure described by Lipsig-Mumme (2003) or one that reflects the deep reciprocal relationships that for example Tattersall (2005) constitute the most

effective form of community unionism. However what marks out Community and its attempted metamorphosis into a community union as of particular interest, is its deliberate, strategic attempt to move away from what it terms a 'conventional union'.

In summary, trade union involvement in initiatives involving local communities is often pragmatic adaptations to moments of crisis (Tattersall 2006). In the case of Community the crisis was the restructuring exercise by Corus and in the specific site of interest for this research, the closure of the Ebbw Vale works. The findings suggest that the social and community unionism that Community is attempting to develop, is struggling to differentiate itself from the requirement of the union to continually reorganise and service its members in order to stay in business. The union is attempting to adopt a subtle strategy through which it can simultaneously become more attractive to potential new members, better service existing members and retain redundant workers in membership. The initial crisis response to the 2000 and 2001 redundancies in the steel industry has given way to a more considered strategic perspective on union vitality. In this schema, attempts to develop community unionism appear to be increasingly through the combined Community and Communitas initiatives around learning and that are associated with workplace organization. For communities such as Ebbw Vale, it seems likely that if trade unionism amongst former steel workers is to survive, a lot will depend upon local and historical occupational factors. It could of course be that in declining industrial sectors, for example, steel processing, revitalisation is impossible irrespective of union community activity. Nevertheless, if Community can retain both membership and influence through its previous identification with the community and occupational memory, stability if not revitalisation is arguably possible. The extent to which this is sustainable in the long term as occupational memory fades will be interesting to observe. It is of course possible to claim that a community union has already been established in Blaenau Gwent. This is that between the wider community and the People's Voice political party. How the politics of Community allow it to connect with this phenomenon will be equally interesting to see.

Chapter 8

Conclusion

8.0 Introduction

It has been argued that the study of plant closure has reflected a limited breadth of analysis (Tomaney et al; 1999). Edwards (2005: 275), has also argued that industrial relations case study research has tended to focus on events at the micro level and hence failed to address adequately the wider set of conditions that underpin industrial relations processes. It is these gaps in the literature that this study has attempted to address. The study presents a multi-dimensional case of plant closure embedded in a wider organisational process of restructuring. Unlike most previous accounts of plant closure, this study has sought to locate the complex dynamics of plant closure in their historical, geographical, political, economic and social contexts. It has shown how the act of plant closure is subject to different and distinct phases of negotiation that are shaped not only by power relations at plant level but the nature of wider management and union strategy and the interplay of different forms of employee participation. Through the study it has also been possible to develop a more rounded understanding of employee participation and demonstrate how historical forms shape contemporary processes.

In this study, respondents contextualised by the Ebbw Vale works and community, were part of social processes at the works that were in turn contextualised by developments in the product market for tinplate, corporate strategy, the role of finance capital and national level industrial relations. In attempting to connect the pre-closure politics of closure, the run down period of the works, the industrial relations processes during this period, and post closure and also community unionism, this study is a clear manifestation of the extended case study approach as a means of investigation and analysis.

The chapter is structured in the following way. Following discussion of the interplay between product markets and finance capital on plant closure, management and union processes are assessed. The next sections highlight the forms and dynamics of

participation that were identified. This is followed by discussion of the attempt by Community to establish a Community Union following the closure of the Ebbw Vale works. The chapter concludes with a comment on the demise of the Ebbw Vale works its decoupling from corporate and industrial relations processes and the role of collective memory in the regeneration of the local community.

8.1 The impact of product markets and finance capital on plant closure

The driving force for the Corus restructuring was the international product market for steel. This reflected increased levels of consolidation and competitive pressure that Corus was struggling to respond to. Domestic demand for steel products had contracted substantially and import penetration of steel goods into the UK had increased. Corus business strategy was directed at increased exports to Europe in the face of mounting price competition. A further and intractable problem for Corus was the adverse exchange rate between Stirling and the Euro that was undermining profit levels from exports. This state of affairs did not arise overnight of course and the merger that formed Corus was itself a response to these circumstances.

What the study has shown is not only the force of the product market in determining restructuring but the role played by finance capital in terms of dictating the pace of restructuring and also in framing the information about restructuring that workers receive and the level involvement that their representative are allowed. In the weak institutional context of the UK, and the absence of strong international links with other unions, it is difficult to see how UK unions can respond effectively to the restructuring strategies of multinational companies. If this is the case, then contemporary developments in the UK steel industry are likely to be played out in a similar way to those in 2001. What is ironic is that in 2001 when unions and government offered to support the wages of Corus employees for 12 months, Corus refused on the grounds that underlying problems in the product market would not change. Corus (now part of Tata) has recently (2008) asked the UK government for a similar form of support. The government has so far refused, preferring instead to support the finance sector that is inextricably connected to the condition of manufacturing industry.

8.2 The importance of management processes

The study has cast light on the internal management processes that occur during periods of extreme commercial pressure, restructuring, plant closure and redundancy. During such periods, management strategy is far from determined. Certainly in the case of Corus, the tensions between Dutch and UK executives were a source of strategic uncertainty. The way that management processes and decisions unfold and are coloured, inevitably shapes industrial relations processes at other organisational levels. This underlines the importance of multilevel analysis of restructuring across the timeline of its occurrence. For example, crucial investment decisions were informed by the belief of management that the Ebbw Vale workforce was militant. The corollary of this was that investments were directed elsewhere. This helped to signal the end for the plant. This factor was not of course the only one in the closure decision. Management also considered the geography and cost base of Ebbw Vale to be problematic compared to that of Ebbw Vale's sister plant, Trostre. Once the restructuring strategy impacted at local level, the processes of industrial relations were no less complex and contradictory. The site manager, who had been promoted from within the works in the November prior to the closure announcement, discovered that the decision to close Ebbw Vale had already been taken. Yet as far as the workforce was concerned, a recently agreed survival plan, involving redundancies, would ensure the survival of the works. Hence covert negotiations amongst management over closure ran in parallel with overt negotiations between local management and unions about survival.

The closure announcement, clearly representing a disaster for employees, was also difficult for those making the announcement. In private, senior executives wept and on a personal level the run down period was a difficult one for many managers. Certain public venues became off-limits and the children of the site manager were given a tough time at school by other children and some teachers. This inevitably feeds back into the way that managers perceive their own situation that is of course for many, as precarious as employees. Willmott's (1997: 1337) proposition that managers are 'targets' as well as 'agents' of exploitation is reflected in this study. The membrane that separates the worlds of work and society in communities such as Ebbw Vale is thin indeed. The understanding that management is a 'political system' and that the relationships between managers are often tense, even corrosive, is amply demonstrated in the case of this restructuring (Martin and Fryer 1980:72).

8.3 The significance of union processes

The study has provided insight into the way in which history and conflict and cooperation act to shape outcomes within and between unions. At national level, union leaders were unanimous in their condemnation of Corus for its refusal to involve them in its deliberations on restructuring. The language used by union leaders was that of consultation and low conflict partnership. Consultation, it was argued, was necessary before restructuring plans were made public. Union leaders, nevertheless, accepted the logic of the merger that led to the formation of Corus and that business decisions leading up to merger were not the domain of unions. They also made it clear that they also understood the difficult trading conditions that Corus was in. There was no taste for industrial democracy. However, it was only through partnership, union leaders argued, as a deep seated ongoing process, that mutually beneficial solutions to difficult trading decisions could be found. Corus management was deaf to both the definition of consultation used by the unions and also partnership working. What was clear though was that the Chair of Corus, Brian Moffat, genuinely believed he had consulted properly with unions and indeed the government. It was just that his was a particular definition of consultation, that of painting a general picture and engaging with the statutory requirement to consult following the announcement of redundancies. As stakeholders, unions were at the bottom of his list of priorities.

Once the Corus announcement had been made, union leaders cooperated to pursue their objective of extending the consultation period but conflict soon developed between union leaders over general strategy for opposition. The conflict between the ISTC and the AEEU (now subsumed within UNITE) engendered by their different preferred strategic response to Corus resonates today. Former ISTC leaders are still convinced that AEEU officials colluded with management (no concrete evidence of this was discovered during the research). This conflict reflects, to some extent, historic differences between steel unions. What is inescapable though is that whilst unions wanted partnership and participation with Corus, at national level at least, they were unable to demonstrate it amongst themselves. The events studied in 2001-2 look to be repeating themselves, this must be of concern for trade union strategists. Through the

study, the negative impact of internal conflict to the outcomes of industrial relations processes has been demonstrated.

The study has also shown that the differences between unions at national level were not manifested at local level but tensions between local and national union representatives were. These tensions did not manifest themselves in a way that the critique of union bureaucracy might suggest (Kelly 1998). At Ebbw Vale, although leaders of the AEEU and GMU, were adopting a pragmatic line, the ISTC leadership was determined that the unions should not agree to closure. Local management was just as determined to persuade local unions to agree to closure in order to begin the rationalisation of tinplate production and assure customers it was business as usual. Significantly all local union leaders considered that the works could not in reality be saved and for most employees the best course of action was to negotiate improved severance terms, alternative jobs and optimise pension arrangements. On the surface at least, it was national full time union officials who were more militant than local activists. Whether this reflected, as some local representatives believed, that national officials were just playing for time in order to save steel making at Llanwern, remains a point for conjecture.

Management and union processes at Ebbw Vale cannot be fully understood without an understanding of the significance of the introduction of teamworking. This produced a profound change in industrial relations. Through teamworking, seniority was ended and with it union control over the organisation of process work. Also and crucially, the balance of power between management and unions was fundamentally altered in favour of management. The rules of the game for communication and participation between management and workers changed with direct participation becoming the management process of choice.

8.4 The Dynamics of Participation.

The study has demonstrated that over the various phases of restructuring and plant closure, forms of participation are determined by a mix of factors but underpinned by the balance of power not just between management and unions but in this case involving government. In the study, these outcomes were connected to the nature of government ideology towards the labour market underpinned as it is by support for

workplace partnership and the provision of a range of individual and collective employment rights but is that is committed to a market economy and a flexible business environment. The reluctance of the government to support the Information and Consultation Directive and its clear opposition to any notion of industrial democracy offers a window into government thinking on these matters.

As the requirements of restructuring moved to plant level and the practice of closing a site, the financial and human crisis of restructuring produced a different dynamic. In the case of Ebbw Vale, the balance of power between management and organised labour shifted in response to the need to maximise output for the final 17 months of its life. This was critical to Corus tinplate strategy. Local management had no choice but to develop forms of participation that involved the unions through the Works Council. In this situation, the provision of information and willingness simply to communicate, were not sufficiently strong forms of participation. From the introduction of teamworking and the major change that this engendered in terms of increased management prerogative and control over the labour process, local management had been nurturing direct forms of communication. Once closure had been announced however this strategy needed to change. The possibility of industrial action or guerrilla warfare had to be averted. This, management calculated, meant the requirement to communicate regular information, in short involve the entire workforce in the run down period but now union activists had to be part of the process.

The Works Council became the hub, the legitimising authority, through which regular jointly agreed information and communication with the workforce took place and thorough which management intended to subtly retain control of a volatile situation. Management understood that in order to establish effective direct participation, it had little choice but to enact this through indirect means. For its part, the Works Council was content to be at the heart of the process of closing down. The involvement of the Works Council was not a passive one. Although much of its interaction with management was consultative, collective bargaining did take place and elements of the severance package were improved and alternative employment sourced.

The relationship between local and national union representatives was significant in the case of Ebbw Vale and one variable that local management had little control over was

national union policy. A number of leading national union full time officials did not want local representatives to agree to closure. For local management this presented the possibility of industrial action. Local management was desperate to induce the Works Council to agree to closure, which it eventually did. However a major factor in its acceptance of closure was that the relationship between the local union and national officials had started to corrode. The Works Council was not amenable to persuasion by national officials that the closure should be opposed. Constructive participation between the local and national spheres of the union had in effect ended. Whilst this was the case, the working relationship between local unions had never been better and through the Works Council the separate unions became in many respects one. Similarly, the Council worked in partnership with management in a way never before experienced. Crisis had forced constructive participation between the unions and also between unions and management but ultimately on management's terms. During the run down period of the works, corporate management and national union officials left their local counterparts alone to get on with the job of closure. It is outcomes such as these, generated in response to crisis that can act to hide the deep seated antagonisms between labour and capital.

8.4.1 Participation, Cycles and Waves

What do the findings mean for the waves versus cycles debate? The economy was generally buoyant; the government of the day although committed to the needs of business was in many respects benign to organised labour. From the perspective of cycles, it might be expected that where labour was organised (and in the steel industry it was), the prevailing macro conditions would induce management to involve employees and unions more widely. This study has shown this was the case but conditionally. At corporate level, there was no involvement. Developments in the product market and the requirements of finance capital were the determining factors here. The balance of power was clearly in favour of management. Yet at local level Flanders postulate that management, 'can only regain control by sharing it' were precisely borne out (Flanders 1970: 172). Management needed the participation of employees and unions. In the present study, participation was 'a means for securing labours compliance', (Ramsay 1977: 482). The antagonism between labour and capital and the contradictions inherent therein, were manifested in different ways in response to the prevailing balance of power between labour and capital. This study suggests that both concepts, cycles and

waves, are necessary for an accurate conceptualisation of participation: cycles through its focus on macro level capitalist production relations, waves on workplace micro processes. Cycles must take account of trade cycles, not just political cycles and the role of social processes; waves must take account of international product markets, politics and the role of organised labour. In summary, just as for restructuring and the social process of redundancy, forms of participation are multifaceted and take place on rapidly changing terrains: both waves and cycles are necessary for explanation of modes of participation.

A number of final comments on the issue of participation in relation to trade union strategy can be made. The inability of union leaders to construct a conflict free partnership amongst themselves was a fatal flaw in the development of a coherent and more effective union response to the Corus restructuring. A second and related matter reflects that of engagement with Corus. What forms of participation do unions want? In the case studied, union leaders seemed to rule out a demand for industrial democracy. Yet other than general requests for better consultation and partnership, the position of the unions was unclear and disjointed.

8.5 Community Unionism

The main focus of attention following plant closure is the welfare and life chances of those who have lost their jobs. From the perspective of trade unions, another major concern is the ongoing condition of the union in terms of its remaining membership levels and influence. The attempt by Community (ISTC) following closure to sustain a membership base and influence in Blaenau Gwent through its strategy of CU was a novel strategic response to plant closure. This strategy goes some way to answering Linkon and Russo's (2002) questions as to how unions can adapt to contemporary restructuring and enhance the resources that their members have to confront the transformed world of work. However, although the ongoing presence of *Communitas* and its advisors was (and still is) a continuing reminder of trade unionism and a recruiting focus for new members, in this location the wider union strategy for CU did not succeed to the extent that the union had hoped. The decision by the union leadership to widen the geographical boundaries of community branches moved the focus of attention away from the former steel community. This tactical realignment does not equate to failure. Furthermore, the strategy for CU consciously aims to manifest trade

unionism in a new way, one that is geographically unrestricted by workplace boundaries. Yet it is organisationally amorphous and evolving. The CU that Community is attempting to develop is caught up in the requirement of the union to continuously recruit, organise and service its members those who are both working and unemployed.

Yet a community branch is developing in Port Talbot, another steel community. Here workplace activists through a partnership on learning with management is using learning through a workplace based learning centre as the focus for bringing local people into contact with the union. What the research has shown is that an organic connection between the community and the trade union was missing in Ebbw Vale and Blaenau Gwent. It is likely that in order for community based unionism to develop, trade unions need a tangible connection to a community or community organisation, one that is based upon mutual need and perhaps a sustaining workplace base. Perhaps the lesson more generally for unions is that in the absence of a natural issue around which a trade union can connect to a local community, the union must offer something that was not previously present. Training and advice might constitute such issues. The findings also suggest that without an appropriate organisational strategy for CU, links with industry and community might be a necessary but insufficient condition for the success of attempts by unions to retain membership and influence post plant closure.

In the case of Blaenau Gwent, a community union or perhaps more accurately a social movement union, has in fact evolved. This is based upon local politics in the form of the People's Voice Party, to which Community (the Union), as a supporter of New Labour, is opposed. This Party has ousted New Labour from office and holds the balance of power in the local Council. Peoples Voice has provided an independent, local political voice that in an organic and complex way, arguably reflects the disillusionment of the community with official politics be it trade union or (New) Labour and a desire to confront the power of multinationals and finance capital and the social effects of industrial restructuring.

8.6 Concluding comments

In many respects the likely closure of the Ebbw Vale works was signalled many years before its final demise. Its difficult geography, the ending of steel making, investment decisions in favour of Trostre and the deteriorating trading position of Corus (and

before it British Steel), were difficult adversities to overcome. It cannot be concluded, however, that the closure of the works was inevitable. As Linkon and Russo (2002) argue, deindustrialisation is not a natural economic process. The flight of capital is not devoid of human agency or class conflict and can hence be contested. Throughout its history the works was time and again at the leading edge of technology. Its workforce was skilled and committed not only to the works but also to the community in which the works stood. Its products were good. Neither did the works lose sympathy from trade unions or the political class, although New Labour was not prepared to prosecute such sympathy through political action.

Geography did, however, not only act against commercial viability, it helped to weaken social solidarity. Although in the steel industry the relationship between the national and local union has often been fractious, at times of crisis it has generally acted in concert. In this study, local activists doubted the motives of the national union campaign to keep the works open. They considered them a feint in order to protect Llanwern. The union leadership, certainly of Community, was quite explicit that the core, steelmaking plants could only be effectively protected if the branch plants, 'spiders legs' were kept open. This does not mean though that national union leaders did not genuinely wish to keep Ebbw Vale open. The differences between national and local union leaders were though, exploited by management who moved to take advantage of the growing sense of isolation felt by the Works Council and convince it that the only road to go down was that of closure. In conjunction with its sense of disconnection the Works Council did not have confidence in its own alternative plan. It also calculated that many employees would see their chances of additional payments and the possibility of alternative employment, undermined by industrial action. For all these reasons, the Works council agreed to closure but was determined to negotiate the best deal for workers that it could.

Just as local unions chose not to fight the works closure, neither did the local Borough Council or community at large. The Borough Council although angry at the closure news was not surprised and was already preparing to move on from a labour market dependent on heavy industry. Why a coalition of unions and community did not form and organise to fight the closure, as had happened in some steel communities in the past, has no simple answer. The construction of such a coalition was certainly the ambition of the leadership of Community (the Union) and one that management had

worked hard to foil. Once the Works Council had agreed to closure, any stimulus for such a fight had to come from either the community itself, or from a political party, in the case of Ebbw Vale in 2001, the (New) Labour Party would seem to have been the obvious choice. No such call to arms materialised. Although the march by steelworkers to the Ebbw Vale Cenotaph the day following production at Ebbw Vale ceased was joined by a large contingent of from the local community, this was a lamentation not a challenge to corporate power. The decoupling of the Ebbw Vale works in terms of corporate strategy, union activism and social solidarity, was perhaps the final straw in its long fight for survival.

Post closure, the experience of the closure of the steelworks in Youngstown, Ohio, in the USA in the 1970s offers insights for the community of Ebbw Vale. Many in the Youngstown business community were concerned that the continued celebration of the memory of the steelworks was acting to anchor the community to its past and prevent it from moving on. Linkon and Russo (2002: 240-245) however, argue that such memory is important to the formation of collective identity that in turn can, 'provide a unifying force for shared struggle and community development.' Furthermore, if the 'difficult' parts of social and industrial history are forgotten, those important events through which working class history is formed, struggles over social and economic justice and trade union activism, and through which real social and economic gains are made, 'we can see ourselves as belonging to a community of failure, a place that cannot act for itself.' This study suggests that this will not become the fate of the community of Ebbw Vale.

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Appendix 1: Interview Data

The fieldwork for the research was conducted between 2001 and 2008. The initial fieldwork took place as part of a three year European Union Framework 5 project headed by Prof. Mark Stuart at the University of Leeds. This seven country project focused on union management strategies around partnership and learning for coping with restructuring in the European steel industry. The author was employed as the researcher for the UK study. A second six month project ran at the end of the EC project. This was funded by the (then) ISTC through its training arm, Steel Partnerships Training, now Communitas and again headed up by Mark Stuart and managed by the author. The focus of this research was an investigation of the impact of redundancies in the Welsh steel industry. Five sites were included in the Welsh project, the four Corus sites of, Llanwern, Port Talbot, Shotton and Ebbw Vale and the Allied Steel and Wire (ASW) plant in Cardiff. Following the completion of these projects, data collection focusing specifically on the thesis continued until 2008 and is ongoing. More than 270 interviews took place. This number excludes the many informal discussions and meetings with union members and members of the public during numerous research trips to Ebbw Vale.

A: Framework 5 Project: Numbers of interview respondents in each occupational category, per site

Role Site	Unit Leader	Deputy Team Leader	Team Leader	Unit Trainer	Union Reps*	Process Development/ Technology	Project Management	Total
Avesta	5		2		1			7
Port-Talbot			1	1	5			2
Shotton		1	1	1	2	2	1	6
Scunthorpe			1	1	5	1		3
TOTAL	5	1	3	1	13	3	1	18

*All union representatives *also* appear in other (their role/occupational) categories. Total column therefore excludes figure for union reps

Role Site	Manufacturing/ Production Management	HR Management	Training Management	IR/ER Management	Team Craft	Team Manual	Days Craft	Total
Avesta	1	1			2	6	1	11
Port-Talbot		3			7	15		25
Shotton	2			1	5	9	3	20
Scunthorpe	1	1	1	1	5	3	4	16
<i>Total</i>	4	5	1	2	14	33	8	72

Role Site	R&D	TQM	QC Non- management	Design Engineering	Electrical Engineering	Financial Controller	Production Supervisor	Total
Avesta	1		1		2	1	1	6
Port-Talbot	1							1
Shotton	1	1	2	1		1	1	7
Scunthorpe					1		1	2
TOTAL	2	1	3	1	2	1	1	16

Note: For the case of Scunthorpe, interviews have been supplemented by attendance at four meetings of the Learning Centre steering committee. This committee is composed of union learning representatives and senior management. It exists to oversee the running of the new learning centre and has negotiated a learning agreement between the craft unions and Corus Scunthorpe management.

Above totals and number of employees from which interviewees were selected

<i>Site</i>	<i>Total number of employees in Work Unit¹</i>	<i>Number of employees interviewed</i>
Avesta (SMACC unit)	300	24
Port Talbot (Concast unit)	230	28
Scunthorpe	850	21
Shotton	425	33
<i>Total</i>	1805	106

1. The numbers in this column refer to the production units where the interviews were focused. Overall numbers employed at each site are much larger than that of the individual units. Functional specialists were invariably based outside the specific units in question.

B: Wales Redundancy project

No	Date of interview d/m/y	Site	Interviewee category	Sex m/f	Age/DOB
1	9/12/02	Cardiff	Ex-steel worker	M	60
2	10.12/02	Cardiff	Ex-steel worker	M	16/12/67
3	10/12/02	Cardiff	Ex-steel worker	M	28.03.67
4	11/12/02	Cardiff	Ex-steel worker	M	26.03.74
5	14/01/03	Cardiff	Ex-steel worker	M	24/02/54
6	14/01/03	Cardiff	Ex-steel worker	M	18/11/53
7	15/01/03	Cardiff	Ex-steel worker	M	09/05/59
8	16/01/02	Cardiff	Ex-steel worker	M	05/03/57
9	16/01/03	Cardiff	Ex-steel worker	M	12/09/41
10	21/01/03	Cardiff	Ex-steel worker	M	03/12/53
11	21/01/03	Cardiff	Ex-steel worker	M	12/09/41
12	21/01/03	Cardiff	Ex-steel worker	M	10/05/40
13	22/01/03	Cardiff	Ex-steel worker	M	26/01/67
14	22/01/03	Cardiff	Ex-steel worker	M	21/02/52
15	22/01/03	Cardiff	Ex-steel worker	M	16/08/46
16	22/01/03	Cardiff	Ex-steel worker	M	06/05/53

17	22/01/03	Cardiff	Ex-steel worker	M	17/06/45
18 See above	22/01/03	Cardiff	Partner	M	06/05/53
1	17/02/03	Newport	Ex-steel worker	M	17/03/49
2	18/02/03	Newport	Ex-steel worker	M	17/03/46
3	18/02/03	Newport	Ex-steel worker	M	?
4	18/02/03	Newport	Ex-steel worker	M	04/04/51

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5	19/02/03	Newport	Ex-steel worker	M	03/02/69
6	19/02/03	Newport	Ex-steel worker	M	02/04/45
7	19/02/03	Newport	Ex-steel worker	M	52 y.o.
8	14/04/03	Newport	Ex-steel worker	M	25/07/49
9	15/04/03	Newport	Ex-steel worker	M	26/05/65
10	15/04/03	Newport	Ex-steel worker	M	04/03/45
11	16/04/03	Newport	Ex-steel worker	M	24/02/49
12	07/04/03	Newport	Ex-steel worker	M	29/06/57
13	07/05/03	Newport	Ex-steel worker	M	26/06/69
14	08/05/03	Newport	Ex-steel worker	M	?
15	08/05/03	Newport	Ex-steel worker	M	26/05/76
16	08/05/03	Newport	Ex-steel worker	M	01/05/53
17	09/05/03	Newport	Ex-steel worker	M	29/11/66
18	12/05/03	Newport	Ex-steel worker	M	?
19	12/05/03	Newport	Ex-steel worker	M	03/10/78
20	14/05/03	Newport	Cross match to Port Talbot	M	?
1	06/03/03	Shotton	Ex-steel worker	M	To be added
2	06/03/03	Shotton	Ex-steel worker	M	To be added
3	07/03/03	Shotton	Ex-steel worker	M	To be added
4	20/08/03	Shotton	Ex-steel worker	M	To be added
5	20/08/03	Shotton	Ex-steel worker	M	To be added
6	20/10/03	Shotton	Ex-steel worker	M	50
7	20/10/03	Shotton	Ex-steel worker	M	25
8	22/10/03	Shotton	Ex-steel worker	M	57
9	22/10/03	Shotton	Ex-steel worker	M	53
10	28/10/03	Shotton	Ex-steel worker (Office)	F	57
11	28/10/03	Shotton	Ex-steel worker	M	44
12	03/11/03	Shotton	Ex-steel worker	M	59
13	14/11/03	Shotton	Ex-steel worker	M	52
14	20/11/03	Shotton	Ex-steel worker	M	56

15	21/11/03	Shotton	Ex-steel worker	M	Over 50
16	24/11/03	Shotton	Ex-steel worker	M	54
17	24/11/03	Shotton	Ex-steel worker	M	49
18	24/11/03	Shotton	Ex-steel worker	M	57

1	29/01/03	ASW	Steel worker	F	47
2	29/01/03	ASW	Steel worker/Partner	F	45
3	29/01/03	ASW	Partner	F	60
4	29/01/03	ASW	Partner	F	50
5	29/01/03	ASW	Steel worker/Partner	F	50
6	29/01/03	ASW	Steel worker/Partner	M	61
7	30/01/03	ASW	Partner	F	52
8	30/01/03	ASW	Steel worker/Partner	F	50
9	30/01/03	ASW	Partner	F	42
10	30/01/03	ASW	Ex-steel worker	M	48
11	30/01/03	ASW	Partner	F	40
12	07/07/03	Shotton	Partner	F	55
13	07/07/03	Shotton	Partner	F	43

No	Date of interview d/m/y	Site	Interviewee category	Sex m/f	Age/DOB
1	6.8.02	ASW	Ex	M	52
2	7.8.02	ASW	Multi- agencies - ELWa; Gateway Cardiff; Cardiff Council - training and enterprise and business		

			development unit; Job Centre Plus; WDA; SPT		
3	7.8.02	ASW	Ex	M	51
4	7.8.02	ASW	Ex	M	48
5	7.8.02	ASW	Ex	M	46
6	8.8.02	ASW	Ex	M	-
7	8.8.02	ASW	Ex	M	50
8	10.12.02	ASW	Ex	M	38
9	10.12.02	ASW	Ex	M	31
10	10.12.02	ASW	Partner	F	35
11	14.01.03	ASW	Ex	M	
12	14.01.03	ASW	Ex	M	
13	14.01.03	ASW	Ex	M	
1	8.8.02	EV	Ex	M	
2	9.8.02	EV	Agency - Blaenau Gwent Business Resource Centre, Training manager	M	
3	27.01.03	E.Vale	Ex	M	40
4	27.01.03	EV	Ex	M	43
5	27.01.03	EV	Ex	M	42
6	27.01.03	EV	Ex	M	36
7	27.01.03	EV	Ex	M	39
8	27.01.03	EV	Ex	M	29
9	27.01.03	EV	Ex	M	54
10	27.01.03	EV	Ex	M	43

11	27.01.03	EV	Ex	M	49
12	27.01.03	EV	Ex	M	50
13	27.01.03	EV	Ex	M	50
14	27.01.03	EV	Ex	M	54

15	27.01.03	EV	Ex	M	31
16	27.01.03	EV	Ex	M	51
17	27.01.03	EV	Ex	M	42
18	12.02.03	EV	Ex	M	40
19	12.02.03	EV	Ex	M	56
20	12.02.03	EV	Ex	M	50
21	12.02.03	EV	Ex	M	50
22	13.02.03	EV	Ex (Also senior lay union representative)	M	50
23	19.3.03	EV	Ex	M	51
24	19.3.03	EV	Ex	M	56
25	19.3.03	EV	Ex (contractor)	M	34
26	19.3.03	EV	Ex	M	50
27	20.3.03	EV	Agency: Blanau Gwent Economic Development	M	-
28	15.4.03	EV	Ex	M	52
29	15.4.03	EV	Ex	M	47
30	16.4.03	EV	Ex	M	52
31	22.5.03	EV	Ex	M	51
32	22.5.03	EV	Ex	M	56
33	22.5.03	EV	Ex	M	34
34	22.5.03	EV	Welsh Assembly Member	M	
35	23.5.03	EV	Ex	M	40
1	1.7.03	Pt Talbot	Ex	M	54
2	1.7.03	Pt Talbot	Ex	M	61
3	1.7.03	Pt Talbot	Ex	M	66
4	2.7.03	Pt Talbot	Ex	M	60?
1	5.3.03	Shotton	Ex (also senior lay union rep)	M	
2	7.7.03	Shotton	Ex	M	37
3	7.7.03	Shotton	Ex	M	30
4	7.7.03	Shotton	Ex	M	58
5	17.7.03	Shotton	Taken back on for contractor	M	58
6	17.7.03	Shotton	Manager Jobcentre Plus Flint	M	-
7	31.10.03	Shotton	Ex	M	57

1	10/12/02	ASW Cardiff	Partner	F	
2	10/12/02	-	Agency : Cardiff	M, M	-
3			County Council		
4	7/1/03	-	Agency : Jobcentreplus	F	-
5	21/1/03	ASW Cardiff	Ex-steel worker	M	Age 54
6	21/1/03	ASW Cardiff	Ex-steel worker	M	In 30's (need to check age)
7	22/1/03	ASW Cardiff	Ex-steel worker	M	2/2/51
8	22/1/03	ASW Cardiff	Ex-steel Worker	M	11/11/57
9	22/1/03	ASW Cardiff	Ex-steel worker, (administration rather than production)	F	12/05/70
10/11	22/1/03	-	Agency : Career Wales	F, F,	-
12	22/1/03	-	Agency : Career Wales	F	-
13	22/1/03	-	Agency : Career Wales	M	-
14	23/1/03	-	Agency : Education and Learning Wales	M	-
Miscellaneous union					
1	5.3.03		ISTC NEC - Shotton	M	
2/3	13.5.03		Senior union lay reps – Pt Talbot	M, M	
4	12.6.03		AMICUS official	M	
5	16.6.03		Asst Gen Sec ISTC	M	
6	23.9.03		ISTC NEC member	M	
7	12.12.03		GMBU national official	M	
Miscellaneous management					
1	5.3.03		Production Director Shotton	M	
2	5.3.03		TQM manager Shotton	M	
3	13.5.03		Training manager Pt Talbot	F	
4	15.5.03		Senior HR manager Pt Talbot	M	

Total = 153 (ASW and E.Vale group interviews categorised as a single interview; if counted as individual respondents then total = 160)

Interviewee category: i.e. Ex = Ex-steel worker, partner, agency/agency name

C: Ebbw Vale specific interviewees

Respondent	Number
Union representative/ Works Council member	6
Employees (all male):	
Craft workers	13
Process workers	21
Other	5
Managers	6
Union full time officials	6
Vicar	1
Council member	3
Council Officer	3
MP	2
Welsh Assembly member	2
Agency representative	3
Union branch meeting	2
Peoples Voice meeting	2
Communitas advisors	3
WAG Civil Servants	3