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## Producing hyperflexibility: the restructuring of work in Britain



Change is opening up new horizons; but there is fear of what may lie within them. Technology and global financial markets are transforming our economies, our workplaces, our industrial structure. Economic change is uprooting communities and families from established patterns of life. The way we live, as well as the way we work, our culture, our shared morality, everything, is under pressure from the intensity and pace of change ... It can be exhilarating. But it is certainly unsettling ... Politics is going global. All of us are seeking to make sense of, and manage, change. The key to the management of change is reform. The pace of reform has to match the pace of change. Societies that are open, flexible, able easily to distinguish between fundamental values, which they must keep and policies, which they must adapt, will prosper. Those that move too slowly or are in hock to vested interests or what I have elsewhere called forces of conservatism, reacting negatively to change, will fall behind. (Tony Blair, 2000a: 1, Speech at the World Economic Forum, Davos)

**I**n his speech to the Davos meeting the British Prime Minister, Tony Blair, conjures a particular image of global change. On the one hand, he constitutes the problem of globalisation and restructuring as an imperative that is disciplined by ‘fear’, ‘uprooting’, ‘pressure’, ‘unsettling’ and ‘falling behind’. On the other, he offers a best practice solution to the defined ‘problem’. The message is that if the ‘right’ policy response is made to globalisation – one that is ‘exhilarating’, ‘managed’, ‘open’ and ‘flexible’ – then there is no need to be afraid. The speech goes on to state that Britain has made the ‘right’ and ‘flexible’ policy response at a pace that matches the speed of social change.

What we can see here is one face of the making of a particular kind of global restructuring, one that for many commentators is captured by a ‘British model’ of neo-liberal or hyperliberal capitalism. Yet, how can we make sense of a ‘national capitalism’ given, for example, the prevalence of German banks in the City of London, the Japanese multinationals on northern business parks and the migrant workers providing much of the ‘flexible’ labour? This conundrum has been discussed at the heart of the globalisation debate, with those who see globalisation as a process proclaiming the convergence of national

capitalisms around a neo-liberal policy agenda (Strange, 1997b), and those who see a nationally defined 'project' declaring globalisation to be a 'myth' (Weiss, 1998). Neither perspective, however, actually problematises the dichotomous representation of a globalisation 'outside' and a national capitalism 'inside'. As is clear from Blair's speech, it can be highly politically expedient to represent globalisation as 'outside' and beyond effective control by governments, and to position a national policy programme as a necessary response.

This chapter challenges the opposition of globalisation and 'national capitalisms' by exploring the making and remaking of a 'British model' of hyperflexibility.<sup>1</sup> Through a reconceptualisation of 'models of capitalism' as shifting and circulating webs of power, I question how it has been possible to represent a flexible 'model', and why this representation has emerged as a best-practice that is lauded by international agencies such as the OECD. A particular set of meanings of globalisation are produced through the discourse and concrete interventions of a restructuring programme. Hence, globalisation and restructuring are not separable as 'outside' cause and 'inside' effect. Nor is the programme of restructuring ever complete, uncontested or without contradictions. Flexible workers and a flexible labour market rest upon an array of social practices that translate, enable or confound the policy programme. Viewed in this way, the British model is not bounded, rational and strategic, but the institutionalised face of ongoing contradictions, struggles and contests in everyday practices. I argue that such a view serves to break open the political usage of a 'British model' to discipline workers in Britain and elsewhere. A particular kind of globalisation is thus made and remade, and I argue that we should question how this has become possible, and why it has taken the form of hyperflexibilisation. The first section explores how national capitalisms have been understood within the globalisation debate and outlines an alternative understanding that follows from the IPE of social practice developed in chapter 2. I then go on to explore the making of globalisation in the British discourse of hyperflexibility and the historical representations of state, capital and labour that have made this possible. Finally, I discuss the contemporary restructuring of working practices in Britain, revealing the contests and contradictions that characterise the politics of the flexibility programme.

## Globalisation and the 'national capitalisms' debate

In the debates surrounding globalisation and social change, the idea that national models of capitalism compete within a 'larger' global economy has served a particular heuristic function. For those who represent globalisation as an irresistible process, the argument that this bulldozer pushes previously unique national capitalisms onto convergent policy lines serves to bolster their globalist position. For a number of scholars, the denial of such convergence is simply nostalgic for 'times past' and neglectful of greater 'systemic trends' (see

Strange, 1997b; Radice, 2000). However, for the comparative political economists and historical sociologists who focus on national models of capitalism, the salience of 'embedded' institutions and practices call the process of globalisation into question (see Berger and Dore, 1996; Weiss, 1998; Hirst and Thompson, 1996; Zysman, 1996; Crouch and Streeck, 1997; Hollingsworth and Boyer, 1997). Hence, as Held and McGrew have it, the telling of a story of embedded national culture has become the 'sceptic's resource' (2000: 4), marshalled to show that 'the impact of globalisation ... is best approached through a firm grounding in the detail of individual national cases' (Coates, 2000: 20).

The polarisation of the 'process' versus 'national project' accounts of globalisation, however, constructs a somewhat false dichotomy. The process reading relies on an image of the global as a 'larger' system (Radice, 2000: 730), and the state as 'in retreat' (Strange, 1996) – opposing the realms of global and national. The national 'project' reading, by contrast, appeals to the 'mythical' construction of the 'powerless state' to call globalisation into question (Weiss, 1998; Hirst and Thompson, 1996) – essentially favouring internationalisation as an explanatory device. What both positions overlook and obscure is the representation and reproduction of globalisation, in large part through the debates taking place within and across national capitalisms. A central source of the diversity and contestedness of globalisation is the differentiated meanings generated through the webs of power that constitute competing forms of capitalism.

In chapter 2 I discussed the use of Polanyi's concept of embeddedness by IPE, and in particular, the need to shed light on the tensions and contradictions present in the institutions of market societies. There is scope within the national capitalisms literature for such contradictions to be captured. Colin Crouch, in his review of David Coates's 'Models of Capitalism', for example, comments that there is a need for 'accounts which take note of mixes, incoherencies, contradictions within cases' (2001: 134). Coates and Hay similarly present the British Labour Government's policy programmes as 'constructed and contested wholes, whose contradictions, internal consistencies and conceptual limits are as vital to their trajectory as are their axioms, theories and content' (2000: 1). Yet, despite their critical contribution to the national capitalisms debate, these studies fail to acknowledge the contingency of representations of globalisation, almost as though all governments in all state-societies were perceiving and interpreting the same external problem, and only responding in different ways. Indeed, they declare their focus to be 'the character and interaction of foreign and domestic economic policy' (Coates and Hay, 2000: 2), delineating 'foreign' from 'domestic', and 'politics' from 'economics' in a fashion not dissimilar from orthodox approaches to IPE. As a result, they do not probe the webs of power that make, enable and contest globalisation in particular ways, and surround and suffuse the restructuring agenda.

Following the 'IPE of social practice', with its emphasis on historicity, contingency, shifting webs of power and everyday life, I suggest that the so-called models of capitalism are less coherent and more contradictory than they are commonly depicted. They represent particular realities that have been produced and reproduced over time, and which enable specific claims to be made about the nature of globalisation. In this sense they are 'imagined communities' (Anderson, 1983: 13), within which programmes of restructuring are not bounded or discretely 'national' phenomena. Rather, the programmes are fluid and historically contingent, and engage with transborder programmes across governments, firms, international organisations and social groups. The image of a coherent 'model' of capitalism is reconceptualised as a 'programme' in a 'world of programmes [that] is heterogeneous and rivalrous', and in which 'the solutions for one programme tend to be the problems for another' (Miller and Rose, 1990: 10–11). Miller and Rose's innovative use of Foucault's 'governmentality' allows us to see programmes of government as produced through networks of power relations that cut across boundaries of state/market, politics/economics and domestic/international:

The classical terminology of political philosophy and political sociology – State v. Civil Society, public v. private, community v. market and so forth – is of little use here ... Operationalising government has entailed the putting into place, both intentionally and unintentionally, of a diversity of indirect relations of regulation and persuasion that do not differentiate according to such boundaries. (Miller and Rose, 1990: 8)

Programmes of policy designed to restructure social practices can thus be understood as incomplete, non-linear, and extending into and across the realms of state-society<sup>2</sup>, workplace, family and community. Recalling the insights of Lefebvre and Foucault, 'we do not come to institutions alone. We live them in historically specific ways' (Kaplan and Ross, 1987: 4), and 'one must analyse institutions from the standpoint of power relations, rather than vice versa' (Foucault, 1982: 222). Following our 'IPE of social practice' perspective, then, viewing the restructuring of work as a *programme* is distinct from a coherent elite *project* because it analyses the means by which globalisation is constituted as a problem, and the rendering of the problem as manageable via interventions of flexibilisation. It problematises the reception of a policy programme into everyday life, highlighting the negotiations, contestations and translations that ensue. As Miller and Rose highlight: 'Technologies produce unexpected problems, are utilised for their own ends by those who are supposed to merely operate them, are hampered by underfunding, professional rivalries, and the impossibility of producing the technical conditions that would make them work' (Miller and Rose, 1990: 11).

In the light of a conception of programmes of restructuring as problematic, contested and unpredictable, the British programme of hyperflexibilisation begins to look less like a strategic 'best practice' project. The making of

'global Britain' is simultaneously a particular rendering of globalisation and a specific policy programme resolution of globalisation: the national and global become fused. In the remainder of this chapter I will explore the British programme of restructuring to reveal the historical practices that it rests upon, and the contemporary practices that interpret and give meaning to, enable or confound its existence.

### **Producing flexibility in 'global Britain'**

In the preceding chapters I have argued that the construction of a discourse of labour flexibility rests upon the production of a particular mode of knowledge about globalisation and social change. The discourse of restructuring for labour flexibility in British state-society has depended upon a representation of globalisation and restructuring which is now widely understood to transcend individual governments and party politics (Hay, 1999; Smith and Morton, 2001). As a number of studies of neo-liberal policy programmes have demonstrated, drawing on Foucault's concept of 'governmentality',<sup>3</sup> government both discursively constructs a problem to be addressed, and structures specific forms of intervention to 'solve' the problem:

All government depends on a particular mode of "representation": the elaboration of a language for depicting the domain in question that claims both to grasp the nature of that reality represented, and literally to represent it in a form amenable to political deliberation, argument and scheming. (Miller and Rose, 1990: 8)

This precisely captures the means by which successive British Governments have depicted a 'global' domain as a problem to be solved, claimed to grasp the 'imperative' nature of this problem, and rendered it amenable to the construction of particular programmes – among them the flexibilisation of labour. The depiction of globalisation that is dominant in British state-society has legitimated a programme of restructuring in work and labour. A central problem for a study such as this that seeks to politicise restructuring is that the representation of globalisation in Britain is 'naturalised' so that the politics of restructuring are nullified. The problem is presented as technical and open to rational solutions, rather than as contestable. Contrary to the conspicuous efforts to remove the politics from discourses of globalisation and flexibility, it can be shown that the programmatic attempts to transform working practices are contradictory, contingent and contested.

There is little doubt that Britain has become the embodiment of all that is presumed to be flexible in a 'global era'. The British Government itself advertises Britain as 'the most lightly regulated labour market of any leading economy in the world' (Blair, 1998: 1). The British media claims that Britain offers the most competitive location for inward investment (*The Sunday Times*, 8 July 2001). International organisations and institutions seize upon

the British case as their example of flexibility par excellence (World Bank, 1995; OECD, 1994). Indeed, even academic commentators who are critical of the British neo-liberal engagement with globalisation concur that 'while the belief is that the UK is running to catch up, it has actually got far ahead of the game' (Hirst and Thompson, 2000: 336). The image that is created is one of a clear winner in a FDI 'beauty contest', where the major attraction is a deregulated and flexible location with 'no strings attached' that is 'as easy to exit as to enter' (*Observer*, 2 August 1998: 14). The significant question here, before we can even begin to consider the consequences of British hyperflexibility, is how this representation of a deregulated and FDI-attracting 'model' has been made possible. Within this question, the first step is to consider the central dynamics of the meanings that have been attributed to globalisation in governing British state-society. A unique and particular set of stories about the 'global' arena are told and retold to enable a programme of hyperflexibility to be perpetuated.

The first significant face of the making of a 'global Britain' is, perhaps paradoxically, one in which government (in the sense of legislative and regulatory functions) is distanced from the structural dynamics of the wider world economy:

The balance of risk in the world economy is shifting – with the slowdown in demand in a number of countries, especially Asia ... These are problems that can only be addressed together ... Since 1996 the world semiconductor market has slumped ... As a result, companies in this sector have been closing and cutting back around the world. Fujitsu and Siemens were two casualties of this change in world conditions. As they made clear, world conditions, and those alone, caused these closures. It would be totally dishonest to pretend Government can prevent such decisions. I do not intend to do so. (Tony Blair, 1998: 1, Speech at Doxford Park, Sunderland)

In this speech given in the wake of two high profile FDI 'exits' from the northeast of England, the forces of global markets are presented as 'squeezing' state authority and closing down the space for governments to exercise 'command over outcomes' (Strange, 1996: 3). It is just one example of a pervasive representation of globalisation as having 'inevitable consequences' that are beyond authority and control. Globalisation is clearly presented as a process whose origins are 'out there' and 'bigger than us' and beyond the control of mere governments. In effect, FDI capital has become the embodiment of globalisation in the British debate. Such a representation is laced with political expediency – the construction of an external threat enabling politicians to 'present their policy preferences as the more or less unavoidable consequence of forces over which they can have little or no control' (Moran and Wood, 1996: 140). As a result, highly political questions, such as the ease with which inward investor firms are able to exit Britain (Watson and Hay, 1998), become depoliticised through the exercise of constructing distance between global

economy and national state-society. In effect, the governmentality of an environment to attract FDI is positioned as a legitimate realm of political intervention, while the withdrawal and closure of plants is positioned in the 'other' realm of the global economy.

The second face of the dominant British representation of globalisation is one in which global forces are embraced and harnessed through the 'rational' and 'sensible' policy measures of deregulation (see Department for International Development, 2000; Blair, 1998). Having located globalisation at a safe distance, the process then becomes something that must be 'responded to' in appropriate ways. Globalisation is thus constructed both as a problem that is out of governmental reach, and as a conundrum that is amenable to political intervention: 'My view is that the global market, in the end, is a good thing for us ... and the way to handle its consequences is to prepare and equip ourselves for the future. Not to try and resist it or ward it off or say it shouldn't exist' (Tony Blair in BBC interview, cited in Coates, 2000: 262).

The representation of the global market as an external and ambiguous threat/opportunity that must be 'handled' serves to discipline the range of political responses to be discussed. The implication is that 'resisting' or 'warding off' the consequences of globalisation is a futile act that looks nostalgically into the past rather than bravely into the future:

This Government is firmly committed to embracing the changing nature of the international reality as a condition of domestic success. We do not want to cling to a Little England. We want to build a Global Britain. A country which accepts globalisation as an opportunity to be seized, not a threat to be resisted. (Robin Cook, 2001, Speech at the International Institute of Strategic Studies)

The image of 'building a global Britain' that is attractive to foreign industrial and financial capital is contrasted with one of 'clinging to little England'. The 'international reality' is not open to question in this representation, but is established as incontrovertible fact. The inherently political questions that are engendered by 'seizing globalisation' are effectively sealed off from discussion and contestation by the framing of the problem. The statement of what globalisation 'is' explicitly warns against any social or political negotiation that may delay the necessary response.

Finally, the British production of a flexible and deregulated labour market in response to globalisation is canonised and celebrated in the language of international institutions and organisations. The OECD, in its evaluation of member countries' restructuring programmes in labour and work, commends Britain for 'prominent structural policy reforms', including cutting unemployment benefit, reducing employment protection and liberalising industrial relations (1997, 9-10). The report concludes that 'improved labour market outcomes in the countries that have gone the furthest in implementing the Jobs Strategy, including the United Kingdom ... and deteriorating conditions

in those that have not, is an indication that the strategy works' (1997: 15). There is notably less attention given in the report to the high drop-out rates from education that are exhibited by precisely those countries that are commended for their flexibility (1997: 22). Put simply the problems of an 'inflexible' labour market are defined in such a way that the negative effects of deregulation can be masked. The British 'model' of deregulation and flexibility runs seamlessly alongside the discourse of flexibility that is communicated by the World Bank (1995), OECD (1994; 1997), and CEC (1993), so that 'market friendly' programmes of restructuring are replicated (see Cammack, 2000). In this sense we can see the British representation of globalisation and hyperflexibility as in a dialectical relationship with other transborder 'packages' of neo-liberal ideas. Yet, if we open up this 'package' we can see that hyperflexibilisation is made possible through webs of distinctive historical and social practices through which power is exercised. The problematisation of British hyperflexibility begins with the identification of the uniqueness and peculiarity of the practices that tend to enable it. It is not that British state-society fails to exhibit contest over 'what ought to be' in the global restructuring debate, but rather that this contest is masked by the specific representations of state, capital and labour in global social change.

### Historical representations of British capitalism

It is notable that over recent years, despite the ascendancy of governmental appeals to the building of a 'new' and 'global' Britain, there has been a simultaneous revival of attention to the histories of British capitalism. The Tom Nairn and Perry Andersen 'exceptionalism' debates in *New Left Review*<sup>4</sup> have been revisited in contemporary discussion of the historical tensions between financial capital and industrial capital in Britain (see Cox *et al.*, 1997; Ingham, 1984; Hutton, 1995). The suggestion that is made by these literatures is that Britain has historically oriented its political and productive practices towards 'external' capital and investment, while maintaining an ambivalence to the 'internal' regulation of capital and labour. For many of the national capitalisms school this dualism in the history of British capitalism is used to rebut claims to globalisation in favour of a world where national political economies remain key (see Hirst and Thompson, 2000). However, the historical representations of state, capital and labour in British state-society can be interpreted precisely to problematise the separation of a 'global' from a 'national' sphere. Representations of what the 'global' means are distinctively fashioned through debates in British state-society, drawing on historical practices and understandings, and reinvigorating past tensions and contradictions.

*State and market*

British programmes of governmental representation and intervention have rested upon the depiction of distinct and opposed realms of state and market. In accounts of British 'early start' industrialisation the process is described as 'market driven' so that 'by the end of the eighteenth century, government policy was firmly committed to the supremacy of business' (Lee, 1997: 210; Hobsbawm, 1975: 68). The state is described as 'permissive' in its role of safeguarding 'private interests and the liberation of private energies' (Gamble, 1994: 72-3). The webs of power surrounding and suffusing industrialisation are revealed to produce the 'individual' as the central actor in social change. The cotton industry appeared to require little in the way of state co-ordination, enabling small-scale private entrepreneurs to 'launch themselves' into an international marketplace (Gerschenkron, 1962; Hobsbawm, 1975).

The cotton industry was launched, like a glider, by the pull of the colonial trade to which it was attached ... In terms of sales, the Industrial Revolution can be described except for a few initial years in the 1780s as the triumph of the export market over the home: by 1814 Britain exported about four yards of cotton cloth for every three used at home, by 1850 thirteen for every eight. (Hobsbawm, 1975: 50)

The central actors in social change, as described here, are essentially individual entrepreneurs operating in an overseas market. The industrial revolution did not in some automatic and 'natural' sense produce the primacy of these realms, but it has created the possibility for the market to be depicted as an external sphere within which individuals privately engage in business. The state is thus legitimated as an actor that stands apart from the market and intervenes in order to 'harness' private initiative to the 'pull' of the international market. As Polanyi has it: 'economic liberals must and will unhesitatingly call for the intervention of the state in order to establish it (the market system), and once established, to maintain it' (1957: 149). This nineteenth century liberal construction of the market as simultaneously external and 'larger' than the state, and also an 'opportunity' to be seized, has been revived by contemporary British appeals to globalisation.

*Finance and industry*

The relative isolation of British financial capital from the process of industrialisation, its historical international orientation, and the short-term conception of time governing finance-industry relations, are all oft-cited and broadly acknowledged features of a peculiarly British capitalism (see Hall, 1986; Hutton, 1995; Cox, 1986; Woolcock, 1996; Hirst and Thompson, 2000). In the context of early industrialisation, Britain's manufacturing industries were financed privately from non-bank sources and, in particular, from accumu-

lated profits. Financial expansion itself developed through individual private investors and foreign capital, leading to what Arrighi terms ‘cosmopolitan finance capitalism’ (1994: 162). The organised and universal banking system characteristic of Germany, for example, did not feature in the development of British industrial or financial capitalism (Arrighi, 1994: 163). Indeed, the City of London had established itself as the world’s centre for commodity trade by the late eighteenth century, and was relatively decoupled from industrial production. As a commercial centre the practices of the City of London were reproduced to serve the short-term needs of commercial activity, rather than the longer horizons of indigenous production (Ingham, 1984). On the one hand, it became possible for industry and finance to be defined and managed as distinct and separate realms. Meanwhile, on the other hand, tensions and contradictions continued to surround the dual character of Britain as the first industrial economy and the world’s major commercial entrepot (Ingham, 1984: 6).<sup>5</sup>

Ultimately, the contradictions of industrial and financial capital in Britain remain central unresolved tensions in contemporary debates. The building of ‘global Britain’ is a fragile and precarious exercise precisely because it rests upon the maintenance of the industry-finance tension. The attraction of financial capital to the City of London relies upon the maintenance of perceptions of Britain as a deregulated and open social space. As the Chairman of Citibank reminds us ‘the Eurodollar market exists in London because people believe that the British Government is not about to close it down. That’s the basic reason and it took you a thousand years of history’ (cited in Ingham, 1984: 41). Just as London’s status as an ‘offshore’ centre relies on historical perceptions, so the British governmental predilection for ‘shareholder capitalism’ (Secombe, 1999) rests upon perceptions of the City’s ability to secure high short-term returns on investment. Industries are thus locked into raising capital on the stock market with its emphasis on immediacy and flexibility. As a result, it is widely argued, British industry is preoccupied with financial soundness to the detriment of longer-term investment in skills and innovation (Woolcock, 1996). Contemporary claims that Britain’s competitive advantage lies in its ability to attract FDI with a deregulatory environment can thus be seen as one manifestation of the concealed tensions between industrial and financial capital. Since 1979, outflows of industrial investment from Britain have consistently exceeded inflows (Economist Intelligence Unit, 1998), and redundancies in British-owned multinationals have far exceeded job creation in inward investor firms (Coates, 1999).

### *Labour*

The distancing of state from market in British state-society is evident also in the historical understandings and practices that have shaped the role of labour in social transformation. In many senses it is difficult to conceive of a system of industrial relations in the British context because a ‘system’ has historically

been avoided and constrained. Industrial relations have tended to be constituted through the everyday practices of work, and have generally not been subject to state intervention or legal constraint. A web of power in which workers have negotiated or contested their own individual contracts has, in effect, become part of a British 'common sense' understanding of industrial relations. In terms of organised labour, the early craft unions actively sought to admit only those workers within the same occupation, and to exclude less-skilled workers or the 'labouring poor' (Hobsbawm, 1964; Middlemas, 1979; Gospel and Palmer, 1983). The excluded workers organised their interests in more politically oriented general unions, representing workers from across different industries. This divisive and internally competitive system established the organisation of workers' interests at a subsector craft level, and at a transsector general level, but mitigated against the emergence of industrial unions such as those characteristic of continental Europe (Visser, 1995; Fulcher, 1991; Heise, 1997). The combined effects of the historical organisation of labour around the Trades Union Congress (TUC), a 'loose confederation with few sanctions' (Hall, 1986), the internal competition between unions themselves, and the lack of state co-ordination of industry-wide bargaining, have been to construct the workplace as the social space of industrial relations, and the individual worker as responsible for their own working terms and conditions.

[A] common way of ensuring labour discipline, which reflected the small-scale, piecemeal process of industrialization in this early phase, was subcontract or the practice of making skilled workers the actual employers of their unskilled helpers. In the cotton industry, for instance, about two-thirds of the boys and one-third of the girls were thus 'in the direct employ of operatives' and hence more closely watched. (Hobsbawm, 1962: 66–67)

The devolution of responsibility through supply chains and contract labour is evident in this depiction of labour discipline in early British industrialisation. I am not suggesting that contemporary discourse of deregulation and labour flexibility simply follows from historical practices in a linear or path-dependent fashion. The role of labour in an industrial political economy has of course been highly contested and constantly challenged and redefined. However, the location of responsibility for restructuring away from the state, and into the lives of individual workers within individual firms does recall historical divisions and fault lines. From this perspective the British programmes of restructuring have drawn upon a logic of 'pro-competitive disengagement' (Vogel, 1996: 263), whereby individual entrepreneurs and individual workers carry the personal risks of restructuring. The dominant stance of the 'externally oriented' British hegemonic state (Overbeek, 1990: 35), thus provides the language and assumptions necessary for the reproduction of the problem of globalisation: 'Even now, many in the UK ... hark back, sometimes

unconsciously, to the “golden period” of the British Industrial Revolution and the years that followed, carrying in their minds lessons from the efforts of a few brilliant entrepreneurs’ (Graham, 1997: 119).

It is possible to view the major themes in contemporary British restructuring debates as drawing upon historical understandings of capitalist organisation, contesting and rearticulating these past understandings in the light of contemporary questions. The contemporary debates that define the British programme of the restructuring of work continue to raise questions of the conceptions of state, market, finance, industry and labour that were unresolved in past practices. The tensions and contradictions of historical practices can serve to reveal the politics that is so often obscured by the technical and rational treatment of ‘strategy’ in the contemporary flexibility discourse.

### The contemporary restructuring of working practices

The contemporary British debates about the restructuring of work reinvigorate some of the nineteenth century representations of state, market, finance, industry and labour. This is not to say that Britain has produced a form of labour flexibility that is ‘natural’ given its historical practices, but that the themes of individualisation, self-responsibility, the ‘distancing’ of state from industry and society, and faith in the entrepreneur have re-emerged in new forms with new tensions and contradictions. The implications are that Britain has a unique ‘semantics of flexibility’ (Lemke, 2001: 203) that is produced, contested or enabled through social practices and, therefore, cannot be offered as an unproblematic model of globalisation management. I am not claiming here to offer an exhaustive account of all of the policy debates and restructuring patterns in contemporary Britain. The purpose of this analysis is to explore key dimensions of the British restructuring programme, and to reveal the tensions and contradictions in its making. As a result, this should be seen as an exercise in politicisation, since in each instance the emphasis is on the contested and difficult nature of transforming the working practices of everyday life. The disturbances and tensions within the programme may be seen as potential gaps or spaces for alternative tactics, where Latour’s ‘translation’ and ‘displacement’ of intended strategy takes place (1991: 105), and where the ‘movement back and forth’ of Scott’s (1990: 191) ‘infrapolitics’ may be seen.

#### *‘Functional flexibility’, training and skills*

Representations of ‘global Britain’ have positioned so-called ‘functional flexibility’ centrally in the strategy of rapid response to global competition. As defined by the Employment Department, functional flexibility means ‘having a labour force that is able to carry out a wide range of tasks’ so that firms may possess ‘adaptability in allocating labour between different parts of the production process’ (Beatson, 1995: 1, 51). It is argued that the demarcated

'jobs' that make up a production process, for example mechanical, electrical, quality monitoring, cleaning or maintenance tasks, could become 'rigidities' that prevent firms from responding to shifts in markets. In this representation 'a premium seems to be placed on speed of reaction: on rapid product change and an ability to cut costs fast' (Crouch and Streeck, 1997: 6), so that the adaptability of firms becomes a key strategy. A central feature of task restructuring, for example, has been the debate on 'teamworking' within HRM circles (see Sengenberger, 1993). Working practices are reorganised into teams or 'cells' that become akin to individuals responsible for multiple tasks, and managers are able to redeploy teams 'flexibly' in the production process. At its root functional flexibility carries a discipline of 'replaceability' that strengthens employers' ability to dispense with particular production roles, and instils a pattern of self-management on workers.

While the discussion of how to create 'multi-tasking', 'multi-skilling' or 'upskilling' working practices has taken place transnationally (OECD, 1994; International Labour Organisation (ILO), 2000), state-societies have framed these questions differently and in the light of their existing and past practices. For countries with relatively protected and high-cost labour, the 'replaceability' discipline is constrained and the questions have tended to be about the skills and training of workers, often at a co-ordinated sectoral level (Culpepper and Finegold, 1999). The British questions, by contrast, have been about how to create a business-friendly functional flexibility in which, as the Employment Department defines it, employers have 'no constraints on how they organise work' within the firm (Beatson, 1995: 135), and also have access to an external pool of relatively unregulated agency or contract labour. Indeed, it is predominantly at the level of the firm that the defining and contesting of functional flexibility takes place in Britain. The absence of state institutions or societal interests mediating between the state and the firm on questions of training and skills (Lane, 1994; Rubery, 1993), including the absence of trade union consultation, has reinforced a web of power that enables employers to define a hyperflexible agenda, yet also mitigates against firm-level incentives to invest in training for fear of 'poaching' by competitors.<sup>6</sup> The result is that a low skills 'low road' of labour cheapening (Esping-Andersen, 1996: 17) has found easy purchase in the British debate, and functional flexibility has come to mean 'flows' of workers in and out of contracts, and in and out of different tasks.

The programme of functional flexibility in Britain exhibits tensions both in terms of its own logic and representations, and in terms of its wider implications for society. First, in terms of its own market rationality, the interventions that have structured functional flexibility have produced a 'fallout' effect that could be understood as uncompetitive and 'inflexible'. The dissolution of skills and training provision that accompanies the rapid flow of workers in and out of jobs/tasks/contracts has been identified as a central problem for British firms. In effect, the emphasis on individual access to a wider labour market of contingent labour has limited the scope for flexibility

within the firm and led to talk of skills shortages in Britain (Marsden, 1995; Rubery, 1999). The ad-hoc and management-led character of the programme, coupled with the division of workers along skilled/unskilled and core/contract lines, has arguably stifled consultation and innovation in the workforce, producing a 'low trust' environment (Lane, 1997; Rubery, 1993: 11–12).<sup>7</sup> The in-built paradox here, even viewed from a neo-liberal or business perspective, is that skills flexibility within the firm requires investment in training, which in turn necessitates some level of state regulation or co-ordination of the labour market.

Finally, in terms of a wider and more critical picture of social inequality and exclusion, the British programme of functional flexibility has contributed to a shifting of responsibility and risk on to individuals. In the face of diminished collective provision, the responsibility for education, training and personal security is attributed to the individual. Skills become an individual possession to be traded in an open market, rather than the shared resources of a society. UNDP statistics show that the UK has among the highest levels of functional illiteracy in the OECD countries. The UK level of functional illiteracy is calculated at 21.8 per cent of all 16–65 year-olds, a level that compares to 20.7 per cent in the US, 14.4 per cent in Germany, 7.5 per cent in Sweden and 29.5 per cent in the Russian Federation (UNDP, 2000: 172). The blurring of the boundaries between secure and contingent work has also resulted in a gendered 'functional flexibility' that finds women providing contract services for cleaning, catering and domestic functions (Anderson, 2000). Inside the claim that competitiveness can be achieved via rapid response and adaptive functions, there are tensions and questions that will continue to resurface in the restructuring debate.

### *Working time and 'non-standard' employment*

The debate surrounding the reorganisation of working time reveals a great deal about the negotiated and contested nature of social change in the sphere of work. For many commentators, the 'speeding' up of social change and the temporal rhythms of everyday life have transformed working practices beyond all recognition (see Rifkin, 1995). However, conceptions and experiences of working time are highly contingent and contested, and the restructuring of working time is a profoundly political exercise, and not an automatic technological reality. The restructuring of working time for maximum flexibility is programmatically highly ambiguous. Consider, for example, the contingency of meaning applied to flexible working time: the possibilities range from the complete ownership and abuse of temporal experience by an employer, as in bonded or slave labour, to the 'family friendly' flexibility that may be a desire of working parents (Hewitt, 1993). At one extreme the sense of time is governed entirely by the slave-master, while at the other the sense of time is expressed by the worker in terms of the demands of their own experiences and

everyday workplace and household lives. In this ambiguity there lies considerable space for social tensions and political contestation.

The British governmental making of 'hyperflexibility' asserts a duality of strategies for the managerial defining of working time flexibility: the management prerogative to liberalise the regulation of working time within the firm itself, coupled with the freedom to access an external labour market of part-time, fixed contract or agency workers to extend the possibilities of time organisation. On the axis of time within the existing practices of the firm, the emphasis is on the ability of employers to vary the hours worked by employees. Prior to the incorporation into UK law of the 1994 EC Directive on working time, approximately four million people worked more than the 48 hours per week set down in the Directive, a figure that represented one-quarter of the full-time British workforce (European Industrial Relations Review (EIRR) 275, 1996: 12). Successive Employment Acts of the 1980s and 1990s had enshrined in law the prerogative of individual firms to govern working time, leading the ILO to report that Britain had 'made a concerted effort to substantially deregulate working time' (ILO, 1995). The Labour Government's 1999 Employment Act does not reverse the deregulation of working time and represents an effort to reinforce a system that has 'minimal effects on managerial prerogatives' (Smith and Morton, 2001: 124). The maximum use of the exceptions and derogations in the EC Directive by the British Government allows the working time of 48 hours per week to be spread into longer periods of average hours, and permits exemptions in many areas.

On the axis of temporal flexibility via the euphemistic 'non-standard' employment contracts (they are rapidly becoming 'standard'), the British programme has made a virtue of the ascendancy of contingent working practices:

The UK exhibits a good deal of flexibility on the extensive margin, both in terms of the prevalence and use made of part-time and self-employed workers, and in the degree to which employers face constraints on their ability to change employment levels. While UK employers may face greater constraints on their behaviour than in the USA, these constraints and regulations are liberal compared to other EU countries. (Beatson, 1995: 134)

This excerpt from a report published by the Employment Department explicitly frames access to contingent labour in terms of competitiveness and the attraction of FDI. The virtues of the expansion of contingent labour are also expounded by arguments that Britain's low levels of unemployment are, in part, due to deregulation and the expansion of alternative and 'more imaginative' forms of work (OECD, 1997). Yet again here the emphasis is on the self-discipline of individuals who will accept disruptions to daily life in the form of unpredictable working time, in exchange for the relative security of a job. Indeed, the flexible labour represented by homeworkers linked by information and communication technologies is even presented as empowering and emancipatory (see CEC, 1997; Negroponte, 1995).

When the programme of flexibilisation of working time is opened up to reveal political and social practices, the picture that emerges is one of contradictions and contests. At one level successive British Governments have been engaged in a series of contests with the EU over the state's authority to determine the level of regulation of working time. The central provisions of the EU Working Time Directive regulate the working week to 48 hours, stipulate minimum rest periods and set a minimum level of annual paid holiday.<sup>8</sup> The British Conservative Government challenged the Directive on the grounds that it was introduced through the back door of qualified majority voting in the area of health and safety. Following the failure of their challenge to the legal basis of the Directive in the European Court of Justice (ECJ), the British Government issued a consultation document to the effect that 'implementation needs to be carefully tailored to the circumstances of British business so as to minimise disruption and avoid undue burdens' (cited in EIRR 276, 1997: 14). Tensions thus surround the defining of working time flexibility and the authority of the state to maintain a deregulated environment. In a further example of such tensions and contests, in June 2000 the High Court referred to the ECJ the case brought against the British Government by the TUC. This case was brought claiming the failure of the Government to fully implement the EU Parental Leave Directive. Again, in this instance the Government had sought to tailor the Directive to the demands of the market by limiting the entitlement of 13 weeks unpaid parental leave to parents of children born on or after 15 December 1999. While this dispute remains unresolved at the time of writing, it is illustrative of the contests that surround the making of a particular British hyperflexibility.

The contested nature of the restructuring of working time is evident also in the public debate in Britain on 'who benefits' from temporal flexibility. Despite the rhetoric of empowerment espoused in Labour's White Paper 'Fairness at Work' (Department of Trade and Industry, 1998), and the representation of Britain as the most flexible European location for business, in terms of everyday social practices Britain could be said to be the most inflexible working location in Europe. European surveys of worker views indicate that Britain is the least 'family friendly' state-society in the EU, and that the term flexibility is employer-defined in Britain (EIRR, 323, 2000: 14). The meaning of flexibility of working time is thus revealed to be highly contingent and politically constructed.

In the governmental framing of the restructuring of work we see the blurring of the boundaries between 'work' and 'no work', or as Deakin and Reed have it, a 'substantial churning between unemployment and low-paid, irregular and short-term work' (2000: 143). The question of whether Britain has been successful in reducing levels of unemployment, a claim that features prominently in transnational debates on work, is thus reopened. Historically low levels of unemployment in Britain (6.3 per cent on the ILO count in 1999), conceal a concentration of unemployment in 'workless' households.<sup>9</sup> A

fundamental tension in the British restructuring of work is the simultaneous intensification of work and the denial of 'the right to work flexibly' for workers (*The Guardian*, 29 June 2001), while exclusion from work clusters in marginalised households. Questions are also exposed as to the nature of work that is generated in a 'low wage strategy' and a deregulated temporal context. A report funded by the Department for Education and Employment estimates job creation at 1.5 million over the next 10 years, with 50 per cent of these thought to be in the part-time service sector (cited in EIRR, 276, 1997: 14). The astounding growth of call-centres across Britain looks likely to form a key element of this jobs growth, currently accounting for 33 per cent of all call-centre work in Europe (IRS, 2000). The tensions and struggles that surround and suffuse this form of job creation tend to be concealed in the discourse on hyperflexibility. Two-thirds of call-centre workers are women, and 27.5 per cent are on part-time or agency contracts. Workers in British Telecom call-centres staged a one-day strike in November 1999 in protest against a 'culture of harassment and bullying' (EIRR, 312, 2000: 13). In order to circumvent the strike, British Telecom recruited temporary workers from an employment agency for one day only. The meanings of working time flexibility are thus displaced and contested, and have unpredictable or unintended consequences.

### *Wage determination and collective bargaining*

A highly visible sphere of the debate surrounding the reorganisation of work has been the relationship between wage levels and the competitiveness of firms. Within this debate, the neo-liberal assumption has been that wages are most flexible and competitive where their determination is decentralised. Different national models of wage determination are commonly contrasted in policy documentation, and a competitive 'benchmark' established: 'In most countries where relative wages have been flexible (the US, Canada, UK, Australia), both the relative employment and unemployment rates of the unskilled changed little during the 1980s. In comparatively inflexible Europe, on the other hand, both relative employment and unemployment rates deteriorated' (OECD, 1994: 11–12).

In the discourse of hyperflexibility the benchmark is Anglo-Saxon political economies that have deregulated pay bargaining to the level of individual firms. The British programme of restructuring has embraced the logic that 'wage determination is best left to those economic agents most closely affected by market conditions' (Beatson, 1995: 70), and has become a key benchmark in international policy literature (OECD, 1997). Successive legislative interventions have deregulated wage determination, removing mechanisms such as wage councils, arbitration procedures and enabling the use of individualised contracts of employment (see Table 3.1). Recent legislation by the Labour Government in the form of the 1999 Employment Relations Act, though

Table 3.1 Key legislative reforms of industrial relations in Britain, 1980–99

**1980 Employment Act**

- Restriction of the closed shop, picketing and secondary picketing.
- Removal of provisions for compulsory arbitration for union recognition.
- Reduction of unfair dismissal provisions; and maternity rights to reinstatement.

**1982 Employment Act**

- Restriction of lawful union action; removal of immunity of trade unions against claims for damages in the case of an unlawful strike; restriction of definition of trade dispute to make solidarity action, sympathy strikes, and inter-union disputes unlawful.
- Further restrictions on closed shop (ballot required on existing closed shop and 85 per cent majority vote needed for its lawful continuation).

**1984 Trade Union Act**

- Members of principal executive bodies of trade unions must be elected by secret ballot every five years; unions lose immunity unless a secret ballot is conducted and won before strike action.

**1988 Employment Act**

- Post-entry closed shop is made illegal and unenforceable; no strike seeking to enforce post-entry closed shop is lawful.
- During a lawful strike, union members who cross the picket-line cannot be disciplined.
- Extension of secret balloting in union elections.

**1989 Employment Act**

- Various provisions which extend labour market regulation to the small firm sector are withdrawn; repeal of discriminatory provisions restricting hours of work for women and young people above school age; abolition of Training Commission – previously Manpower Services Commission – its functions being taken over by the Department of Employment; unions no longer represented on industrial training boards, which are downgraded to non-statutory status.

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introducing statutory recognition procedures for trade unions, reinforces company-level bargaining.

The themes of individualisation, self-responsibility and freedoms for the entrepreneur are strong throughout the British debate on pay flexibility. Data from the Workplace Industrial Relations Surveys (WIRS) demonstrates that the percentage of workplaces with arrangements for collective bargaining fell by one-half over a 14 year period, from 60 per cent in 1984, to 42 per cent in 1990, and 29 per cent in 1998 (Millward *et al.*, 2000: 186). Over the same period, profit-related pay increased from 19 per cent of all workplaces in 1984, to 44 per cent in 1990, and 46 per cent in 1998 (Millward *et al.*, 2000: 214). The overall trend is toward a detachment of individuals from collective ties that

**1990 Employment Act**

- Abolition of all legal protection for the pre-entry closed shop; refusal of employment to non-union members made unlawful.
- Employers given greater freedom to dismiss workers taking part in unlawful strike action; immunity removed for union officials, including shop stewards, who organise support for persons dismissed for taking part in an unlawful strike; all remaining forms of secondary action made unlawful.

**1993 Trade Union Reform and Employment Rights Act**

- Workers given right to join union of their choice; employers allowed to offer workers financial inducements to leave the union.
- Employer must be given seven days warning in advance before official industrial action; all pre-strike ballots must be postal and subject to independent scrutiny; users of public services have right to seek an injunction against unlawful strike action.
- Withdrawal of support for collective bargaining (removal of requirement for Arbitration Commission to encourage collective bargaining).
- Removal of all remaining minimum wage fixing (abolition of Wage Councils).
- Requirement for employers to give written statement of terms and conditions to full-time employees under regular contract; extension of jurisdiction of industrial tribunals to cover breaches of employment contract; extension of maternity leave for women and protection of pregnant women against unfair dismissal; protection of workers victimised over health and safety at work issues.

**1999 Employment Relations Act**

- Introduction of statutory trade union recognition and derecognition procedure.
- Clarification of existing legislation on industrial action and ballot procedures.
- Tribunal protection for workers dismissed due to lawful industrial action.
- Right to representation in disciplinary and grievance procedures.
- Parental leave and maternity provision amended.

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*Source:* Compiled from Visser and Van Ruysseveldt (1996); Smith and Morton (2001); Deakin and Reed (2000).

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might inflate wages beyond market values, and a simultaneous attachment of individuals expectations to the performance of the company. The focus of the wage determination debate has been the terrain of the workplace itself and has taken place in abstraction from discussion of working conditions. The flexibility of pay in Britain has been positioned at the heart of the 'competitive labour market' and is disciplined by the threat of job losses if demands become unreasonable or inflationary.

The British representation of the problematic of pay flexibility, and the interventions that are made in the light of the problem, harbour a number of distinctive tensions and contradictions. In common with other aspects of the restructuring of work debate, the inculcation of a culture of wage flexibility is

contradictory both in its own market-centred terms, and in terms of tensions within everyday social practices. First, the business-friendly logic of wage hyperflexibility assumes that the 'low-road' of flexible and low-cost labour is attractive to firms and likely to increase investment in Britain. The assumption is that firms will be attracted by cheap labour and by an environment that enables them to structure incentives and disincentives through pay and rewards. Yet, the high-profile exit of inward investor firms from Britain, and their continued presence in perceived 'high-cost' locations raises questions of this assumption. In the wake of the announcement of closures by Ford in May 2000, and Motorola in April 2001, for example, trade unions have contested the British 'low cost' route to competitiveness. In both instances production from the British plants is to be transferred to German plants with higher labour costs. The pay flexibility programme that is manifested in Britain is highly controversial and contested and does not in any sense 'resolve' the conundrum of managing globalisation.

Finally, the fetishisation of flexible pay arrangements in the British programme of restructuring masks the divisions and inequalities that exist between different workers and their experiences of pay and collective bargaining. While the 1998 Minimum Wage Act and the 'New Deal' policy are presented in terms of 'tackling social exclusion' (Blair, 2000b), they embody an individualised discipline that reinforces social divisions (Gray, 1998). The minimum wage, established in April 1999 at a rate of £3.60 an hour, is differentiated for younger workers, with workers aged between 18 and 21 entitled to a minimum of £3, while workers younger than 18 are exempt. The level set also includes gratuities, affecting the wage levels of part-time and service-sector workers in particular. Early analyses of the effects of the minimum wage suggest that many employers continue to flout minimum wage legislation, while workers in precarious employment remain silent for fear of dismissal (TUC, 2001). The business-friendly exemptions that are built into the minimum wage tend to intensify divisions between workers along the lines of age, sector and gender. The New Deal programme has similar disciplinary features that, for example, remove entitlement to benefits where an individual fails to satisfy their 'welfare to work' contract (Krieger, 1999: 26). In sustaining the hyperflexibility programme in wage determination, British state-society is creating a social fallout that is simply shifted to other areas of welfare and social policy. At the time of writing, the OECD's most recent economic survey of the UK, while generally looking favourably at the UK's restructuring strategies, states that 'employability remains wanting, as do work incentives for some at the fringes of the labour market. Against this background, poverty, including among children, is unacceptably high' (OECD, 2000: 17). A subtext of the British programme of restructuring sees the number of people on very low incomes, and the number of children living in poverty increasing (Joseph Rowntree Foundation, 1999).

*Industrial relations*

Within the hyperflexibility discourse, organised systems of industrial relations are represented as ‘rigidities’ that impinge on the competitiveness of state-societies and firms. In particular, organised trade unions are viewed as impediments to the flexible firm’s responsiveness to global markets – limiting the scope for new working practices, driving up labour costs, disrupting production with industrial action and restricting access to contingent and contract labour. Thus, the neo-liberal assault on embedded systems of industrial relations taking place through the 1980s and 1990s is often explained as a necessary ‘outcome’ of the economic selectivity of globalisation (see Freeman, 1994; Blank, 1994). While some commentators remind us that transformations in industrial relations are highly political, exhibiting a strong national institutional character (Boyer, 1995; Abraham and Houseman, 1993), and representing an ongoing social creativity through contest and reaffirmation (Crouch, 1993), the hyperflexibility programme seeks precisely to depoliticise. Deunionisation is presented as a necessary process of depoliticisation and the workplace is reconstructed as a site of economic efficiency and individual responsibility.

The British programme of industrial relations restructuring has revived historical understandings of the relationship between state, industry and workers. British industrial relations institutions and practices historically developed out of an unregulated, decentralised and individualised process of social struggle at the workplace (see Lane, 1994). The regulation of bargaining, employment rights and worker organisation emerged out of norms, tacit understandings, customs and everyday workplace practices. Mechanisms of consultation, co-operation and negotiation have been weak, built on conflict lines and divisions that orientate to adversariality, both between management and workers, and between worker groups themselves. Contemporary restructuring has relied upon historical representations of voluntarist industrial relations so that ‘a decade and a half of Thatcherism has only served to reinforce the voluntary nature of British industrial relations. The company, more so than before, now occupies centre stage’ (Visser and Van Ruyseveldt, 1996: 78). The right to strike, for example, has existed in Britain only in the limited sense of immunity from damages claims, and this negative right has been removed in subsequent legislation that abolishes immunity and sees a ‘return to private law’ (Brown *et al.*, 1997).

Trends in the governmentality of industrial relations in Britain between 1979 and 1999 demonstrate that, with the exception of the implementation of EU Directives, the emphasis has been on restricting the influence of trade unions and devolving industrial relations to the level of the individual – recasting industrial relations as ‘employee relations’ (see Table 3.1). The transformation of rules governing industrial relations practices, and the use of complex disciplinary interventions on industrial action procedure, has been

understood as the ‘end of institutional industrial relations’ in Britain (Purcell, 1993; Bassett, 1986), and the rise of ‘new’ workplace employment relations (Ackers *et al.*, 1996). The series data derived from the WIRS reveals that trade union recognition in British workplaces has fallen from 64 per cent of all workplaces in 1980 to 42 per cent in 1998 (Millward *et al.*, 2000: 96). In the private sector the last available figures (1998) are 29 per cent of all workplaces in manufacturing and extraction, and 23 per cent of all workplaces in private services. Alongside the process of union derecognition, the growth of single-union and no-union deals in new ‘greenfield’ production sites has exacerbated the trend to decentralised representation (Millward, 1992). There has been little evidence of a co-ordinated trade union response to the individualisation of industrial relations; indeed the debate has tended to occupy space that is managerially defined and fused with human resources discourse.

A central question for contemporary analysis of the restructuring of industrial relations in Britain is whether the election of a Labour Government in 1997 has reversed the trend towards the individualisation of industrial relations. The overwhelming finding seems to be that the Labour Government has reinscribed the individualisation dynamic with ‘global’ overtones (see Hay, 1999; Coates and Hay, 2000), and that given their ‘enthusiastic adoption’ it is ‘inappropriate to continue to attach the label of “Conservative” to this legislation’ (Smith and Morton, 2001: 121). In terms of assessing the means by which the programme of restructuring is *exercised*, however, it is perhaps misleading to focus wholly on who is *wielding* the power to promote change. The legislative offensive on industrial relations in Britain cannot be viewed simply as the wielding of power by government and capital, and the disempowering of unions. Following a Foucauldian perspective on the productive capacity of power, it is important to recognise that the proclaimed ‘death of industrial relations’ is actually a reconstitution of industrial relations, with new tensions and contradictions produced and reproduced. In later chapters I will explore the dynamics of contest and collaboration that continue to make the workplace a political site: here I will confine myself to a brief comment on patterns of tension and contradiction in the British programme of restructuring itself.

The British programmatic interventions in industrial relations have relied on the representation of politics as the ‘problem’ that gets in the way of global competitiveness. Yet the manifest diminution of union influence has not squeezed out the political space for contest and dissent. There is little evidence to support the deregulationists’ assumption that deunionisation creates a more peaceful and stable mode of industrial relations (see Table 3.2).

In terms of institutionalised industrial relations the numbers of workers involved in industrial action have declined at similar rates in neo-liberal and corporatist state-societies, with the Anglo-Saxon countries demonstrating no particular tendency to a benign industrial relations climate. If we look to less formalised modes of industrial dispute and dissent, British restructuring appears to be accompanied by ad-hoc expressions of discontent, with the

Table 3.2 Workers involved in strikes and lockouts (thousands)

	1980	1990	1995
Australia	1173	730	344
Canada	441	270	124
Germany	8451	257	183
New Zealand	128	44	31
Sweden	747	73	125
United Kingdom	834	298	174
United States	795	185	192

Source: Compiled from ILO World Labour Report, 1997–98.

Advisory, Conciliation and Arbitration Service receiving record levels of enquiries in 1998 (EIRR 305, 1999), and a TUC ‘hotline’ receiving devastating numbers of calls from call-centre workers with grievances (EIRR 328, 2000). The decentralisation of industrial relations to the level of the workplace has enabled firms to restructure rapidly and without consultation with workers. As the general secretary of the TUC, John Monks, stated in response to the Labour Government’s 1999 Employment Relations Act: ‘there is going to be a lot of fencing going on between unions and employers at the moment’ (*The Financial Times*, 6 June 2000: 14). Meanwhile, there is scope for employers to contest statutory union recognition, and it has been suggested that this will spawn a new breed of consultants advising on anti-union corporate strategy (Smith and Morton, 2001: 133).

In sum, the British programme of hyperflexibility has structured a ‘fast but fragile’ approach to restructuring. Transformations in working practices are represented as inevitable responses to outside pressures, and the interventions made are not negotiated in any formal sense. Paradoxically, the reliance on legislative power and the failure to discuss or debate restructuring in a wider social forum has made the programme fragile in the sense that it is brittle and ‘inelastic’ (ILO, 1999a). Indeed, in response to a perceived lack of communication channels, some German companies with plants in Britain have developed employee representation arrangements to enable consultation with worker groups.<sup>10</sup> The current vogue for ‘corporate social responsibility’, fuelled in part by the publicity surrounding the anti-globalisation protests, reveals that firms are aware that they take social (or more accurately shareholder) risks in publicly excluding workers from restructuring decisions. While the corporate social responsibility debate may be a ‘smokescreen to avoid statutory legislation’ (David Coats of TUC, cited in *The Observer*, 8 July 2001), it is intriguing to reflect on why firms may consider this smokescreen necessary. The high public profile of issues such as the use of child labour in the supply chains of MNCs has led firms to consider the management of social

and ethical risks, and trade unions to organise to expose such practices.<sup>11</sup> The decentralisation of industrial relations to the level of firms has paradoxically blurred the boundaries between industrial relations and wider social debates about work and labour, and raised some opportunities for organised labour to engage with these wider debates (Hyman, 1999b).

## Conclusion

In this chapter I have argued that the British programme of restructuring has drawn upon distinctive representations of the roles of state, industry, employer, manager, worker and labour organisation, in order to normalise and depoliticise hyperflexibility. In a unique framing of the problem, globalisation is represented as dwelling above and beyond the realms of politics and society, safely lodged in a space that is removed from discussion and debate. At the same time, a discourse of 'harnessing' globalisation is constructed, on the basis of which interventions are made to individualise the risks and responsibilities of work and working life. Far from being a universal global 'benchmark' of neo-liberalism, the British programme rests upon past practices and perceptions of 'what ought to be' that are contested through complex webs of power. At the level of national debates the restructuring of work is politically and socially contingent. It cannot be understood as driven in a linear direction by exogenous forces, nor as a project defined by a coherent and identifiable global elite. In the archetypal neo-liberal setting of what is often described as Anglo-Saxon capitalism, the flexibility discourse is enabled by social power relations that are unique, shifting and contingent. We thus see a distinctive 'making' of flexibility along three central dimensions.

First, the terms that are used to define the problematic are distinctive – giving rise to a particular set of questions that remain essentially open to contest and dispute. The terms of debate in Britain have tended to surround the making of a location that is attractive to external financial and industrial capital. Within these terms, labour is represented as a contingent commodity, disciplined into the restructuring of working practices under the threat of failure to attract and maintain the FDI firms that provide employment. It is not simply the case that institutionalised forms of industrial relations are removed from the equation, but rather that a particular form of individualised relationship between employer and employee is enabled and reproduced over time. In essence, it is not that globalisation automatically depoliticises and codifies the workplace through restructuring imperatives, but that the globalisation debate is given a particular meaning, and that meaning legitimates deregulatory interventions.

Second, the programme of restructuring occupies a distinctive social arena in British state-society – with the workplace constituted as the central terrain of change. The risks and responsibilities of individuals are defined in the workplace, a domain that is carefully constructed as 'non-state', depoliticising

the restructuring of working practices, making them 'corporate' and, therefore, 'essential' to competitiveness. The paradox is that the exercise of power in the workplace, expressed as creating a 'benign' industrial relations climate, has structured the kind of insecurity that makes the workplace a space of 'footdragging' resistance and infrapolitics, something that will be explored more fully in chapters 5 and 6.

Finally, the conception of time underlying the British debate is distinctive and reveals the making of a particular representation of globalisation. The hyperflexibility discourse is overwhelmingly constructed in terms of speed and flexibility of response to changes in global markets, and to the demands of consumers. In the opening paragraph of this chapter I cited Tony Blair's Davos speech in which he states that 'the key to the management of change is reform. The pace of reform has to match the pace of change'. The way that global change is constructed thus legitimates a particular style of reform, disciplined by the caveat that 'those that move too slowly will fall behind'. The making of a particular set of meanings of globalisation has enabled a programme of interventions to create an 'optimally flexible' labour market and concomitant 'optimally flexible' working practices. The economic expediency and rationality that is imputed to such interventions effectively attempts to close off restructuring from wider social discussion or debate, or to manage this through exercises in corporate social responsibility. It is this 'closing off' that paradoxically renders hyperflexibility fragile, and offers space for the framing of resistance or the consideration of alternatives. The vulnerability of the 'fast but fragile' programme has been manifested, for example, in a skills shortage and productivity problem (OECD, 2000), and in the high-profile exit of inward investor firms. These questions have been debated publicly, with attention drawn to the slippery nature of a deregulated and low-cost location from which firms can make a rapid exit. The creation of a shareholder society in Britain has served to legitimate much of the 'fast' discipline because it is perceived to be necessary to ensure returns on investment. Yet, the exclusion of the vast majority of people from this society, and their subjection to the dictates of shareholder short-termism, exposes a fragility that does contain spaces for struggle, and the politics of dissent and disaffection.

## Notes

- 1 Hyperflexibility implies a discourse of flexibility that embodies a sense of rapidity and immediacy of response in social practices. In effect, this is the sense implied by most international economic institutions and by those state-societies that have embarked on a programme of what Cox has termed 'hyperliberalism' (1991/1996: 199).
- 2 Robert Cox argues that: 'Today, state and civil society are so interpenetrated that the concepts have become almost purely analytical (referring to difficult-to-define aspects of a complex reality) and are only vaguely and imprecisely indicative of distinct spheres of activity' (1981/1996: 86). His use of 'state-society complex' captures this interpenetration and suggests that analyses of differences and contradictions in state-

- societies can serve to open up the 'actions' that are so often ascribed to unitary states.
- 3 Examples of the use of 'governmentality' to understand neo-liberal policy programmes are abundant. Among the most prominent, see Lemke (2001), and Miller and Rose (1990). See also Foucault (1982) and Simons (1995).
  - 4 For contemporary discussion of the British exceptionalism debate, see Nairn (1993) and Anderson (1991).
  - 5 Interventions designed to reconcile the interests of industrial and financial capital have been made throughout the history of British capitalism (see Langley, 2002).
  - 6 From 1964, the establishment of industrial training boards in Britain structured a clear framework of institutionalised incentives and disincentives within which the firm made its training investment decisions. State involvement in the form of levies raised as a percentage of payroll saw penalties put in place for firms who failed to develop effective training programmes, and structured rewards and incentives for firms who undertook quality training in the workplace. In the 1989 Employment Act, the demise of the industrial training boards was accelerated through the abolition of union representation on the boards, and the downgrading to non-statutory status.
  - 7 The practice of teamworking, for example, while a long-established method of maximising skills utilisation and 'humanising' work in Germany, has become a management-defined method of weakening the boundaries between occupations in Britain (Ackers *et al.*, 1996).
  - 8 It has been suggested that European labour law reflects, and is inspired by, national experiences of labour legislation. The EU Directive clearly follows a continental European approach to the regulation of working time and is in conflict with Anglo-Saxon liberal flexibility (Bercusson, 1997).
  - 9 Deakin and Reed (2000) report that in 1998, 18 per cent of working-age households had no adult in work, a total of 3.15 million households. This figure compares with 8.3 per cent or 1.2 million households in 1979.
  - 10 Insights gained from interviews with British components plants owned by German multinationals, July 1998 and October 1998.
  - 11 Insights from interview with union officials from the AEEU, March 2001.