Cross Border Trade Union Collaboration in the Context of Competition and Arbitraging Labour in an Enlarged Europe

Paper be presented at ESRC Research Seminar Series
‘Changing Cultures of Competitiveness’
Seminar 3: Competitiveness, Production and Labour Relations
University of Manchester, 9th July 2008

Corresponding author:

Jane Hardy
Business School
University of Hertfordshire
College Lane
Hatfield
Hertfordshire AL10 9AB
j.a.hardy@herts.ac.uk

Ian Fitzgerald
School of the Built Environment
Northumbria University
Ellison Place
Newcastle Upon Tyne
NE1 8ST
ian.fitzgerald@unn.ac.uk
ABSTRACT

An enlarged Europe after the May 2004 and January 2007 accessions has provided more extensive territories over which firms and states can arbitrage labour costs and workers can seek employment. The main aim of the paper is firstly to present a political economy which sees migration and international production as part of wider processes of restructuring in general, and arbitraging labour costs in particular. Second, the paper explores the notion of organised labour as an important contester of process and outcomes of migration in relation to the example of Polish migrant workers in the UK. It is argued that three structural conditions underpin migration; uneven development within (and outside Europe); an intensification of competition and the drive towards flexibility. Further, capital is not footloose and migration has been used by countries such as Ireland and the UK to supply labour for a range of jobs in food processing, transport and other public services. States continually draw and redraw boundaries in line with the demands of domestic capital and labour markets, which creates hierarchies of migrant labour in terms of legal status and access to regulated work. It is argued that the ability of trade unions to intervene in labour markets to prevent social dumping and promote inclusion depends on; how far they adopt a policy of inclusion (rather than exclusion); the strength of trade unions in the receiver and sender countries; and the extent to which rhetorical exhortations for solidarity can be turned into concrete policies at different levels of trade union organisation and as well as across national boundaries.
1. INTRODUCTION

The accessions of May 2004 and January 2007 enlarged the European Union to include the former communist countries of Central and Eastern Europe (CEE). This extended the territory over which firms could restructure their operations and workers could seek employment. The accepted figure is that two million Poles have left to seek work in other parts of Europe. Poles are by far the largest group from CEE, and make up between 60 and 70 per cent of migrant workers in receiver countries. Although it is a free world for capital, the mobility of workers in seeking better lives elsewhere is severely constrained. This is not simply the case for workers trying to enter from outside the European Union, but also within the EU itself. In 2004 only three EU countries, the Sweden, the United Kingdom (UK) and Ireland, opened their labour markets to new entrants from CEE.¹ The latter two countries experienced the largest wave of immigration in the post-World War Two period.

In the UK research on migration in an enlarged Europe has been driven by the examining labour market impacts and skills shortages at the level of national and regional government (Gilpin, 2006; Home Office, 2007; House of Lords, 2008; McKay and Winkelmann-Gleed, 2005; Zaronaitė and Tīrze, 2006), while bodies such as the Citizens Advice Bureaux and the British TUC (Trade Union Congress) and its affiliates have documented the exploitation of migrant workers (Carby-Hall, 2007; CAB, 2005 and 2006; TUC, 2003 and 2004; Fitzgerald, 2006, 2007, 2008 and 2009). A growing body of academic literature has begun to address issues and challenges for trade unions both in the UK and other receiver countries, and in particular how labour organisations can intervene to prevent social dumping and to promote social inclusion (Datta et al, 2007; Donaghey and Teague, 2006; Dundon, 2007; Eldring, 2007; Friberg-Tyldum, 2007; Kahnmann, Ahleberg, 2006 and Meardi, 2007).

This paper enriches these accounts by setting the challenges for labour in a political economy of migration between old and new member countries of the European Union, in terms of the structural underpinnings and institutional shaping of migration. Second, the paper looks at the way in which the migration process is contested by labour organisations and explores the factors which influence and determine the possibilities of cross border collaboration in the widest sense. The discussion in the
The argument developed here, contrasts with those perspectives that view international labour migration and international production as discrete processes, rather it is argued that they interrelated aspects of European restructuring in general, and the arbitrage of labour costs, in particular. The first part of the paper aims to articulate this relationship analytically by focusing on three structural conditions which link international production and international labour migration, and argues that the same processes that have promoted emigration have also induced immigration.

Second, in this account migrant and indigenous workers are not simply viewed as passive victims of states and capital, rather it is argued that migration and foreign direct investment are contested processes. Individual workers have agency in terms of taking advantage of differential wages and opportunities across national borders and collectively workers have agency through trade unions and labour organisations in intervening in, contesting or collaborating with migration processes. This paper examines the possibilities for organising migrant workers and their ability to resist exploitative practices in the context of Polish migrant workers in the UK, which demonstrates both the possibilities and problems of cross border collaboration.

2. STRUCTURAL CONDITIONS FOR MIGRATION

International production and migration in the context of the European Union are linked by three sets of structural conditions. These conditions are first, uneven development in an enlarged Europe which have laid the conditions for both the push factors underpinning outward migration and the pull factors in the receiver countries; second, competition and a European wide drive to flexibility as part of the neoliberal agenda; and third, the tension between the mobility and immobility of capital as firms consider the options for reengineering their operations.

Uneven development in an enlarged Europe
Inequality and uneven development, both between and within countries, have long been recognised as a problem in the European Union. Disparities between existing member states, however, have been exacerbated by the accession of the post-communist economies, which are characterised by markedly lower levels of GDP and wages. While it is acknowledged that cultural linkages may partly explain migration from Poland to the UK, it is argued that the primary explanation for this large flow of workers is economic. Push factors have to be understood in the context of structural change and the social and economic transition reforms in Poland and other post-communist economies from 1990 onwards. With the highest rate of growth among the former communist countries, the most rapid privatisation, as well as the highest level of foreign capital, Poland came to be viewed as a glowing example of market success (Hodgson, 2004; Paci et al, 2004). However, while the fundamentals of the economy have been sound according to conventional economists (Paci et al, 2004), the development of the economy has been highly uneven in terms of its geographical and social impacts (Hardy, 2008).

Table 1 shows the relative economic position of Poland on the eve of accession in 2004. GDP per capita is significantly lower than that experienced by those economies with which it is often compared such as Hungary and the Czech Republic and is much closer to Latvia and Lithuania. Further, the unemployment rate for Poland in the same year was not only the highest of the countries selected for comparison, but the highest for the whole of the European Union (Eurostat).

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP per capita EU 27 = 100</th>
<th>Unemployment (% of working population)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovakia</td>
<td>57.2</td>
<td>18.2</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>75.3</td>
<td>8.3</td>
</tr>
</tbody>
</table>

Table 1

GDP per capita and unemployment for selected countries, 2004
Hungary | 63.3 | 6.1  
--- | --- | ---  
Poland | 50.7 | 19.0  
Ireland | 141.8 | 4.6  
Latvia | 45.8 | 10.4  
Lithuania | 50.5 | 11.4  
United Kingdom | 122.0 | 4.7  

Source: Eurostat

In addition, to unevenness between Poland and comparator countries, there are also marked differences between the Polish regions. Unemployment was 14.6 per cent in the Mazowieckie region (which includes the capital city Warsaw) and at the other end of the spectrum it was 24.9 per cent in Dolnoslaskie; of the sixteen regions, seven had unemployment rates in excess of 20 per cent (Eurostat). Further, unemployment rates were and continue to be significantly higher for young people (GUS, 2008).

Growth in Poland has been accompanied by rising levels of poverty and inequality (Smith et al, 2007; Glass and Fodor, 2006; Podemski, 2007). The experience of Poland is typical of the experience of the restructuring of labour markets across Central and Eastern Europe (Rainnie et al, 2002; Woolfson, 2006)). Job security has been replaced by insecurity, through casual contracts and an increase in self employment. Greater differentials in the value of formal wages have emerged, while the unemployed rely on low-value state benefits and on informal legal and illegal income-generating activities. Work has become increasingly precarious and casual, with a plethora of different forms of flexibility. The uncertain legal status of temporary contracts, reflecting their relatively recent appearance in CEE labour markets, has seen employers resort to the use of self-employment contracts, enabling avoidance of health and safety responsibilities, regular pay increases and payment of social contributions, and to shed staff more easily (EIROnline 2002; Smith et al, 2008). In some workplaces employers have been quick to dismiss workers who try to join or organize unions (Solidarity, 2007a). Flexible labour markets are more progressed in Poland and Latvia, economies that have embraced neoliberal, market driven reforms.
with the most enthusiasm, and these economies between them account for the largest number of outward migrants.

The UK and Ireland, on the other hand, have been deemed to be among the most successful economies in Europe with high rates of growth. Ireland has been the beneficiary of significant EU structural funding and the recipient of large amounts of investment by global IT companies. The UK’s economic success, until the end of 2008 at least, was attributed to its success in the financial services sector, because of the critical role played by the City in recycling global surplus value. Therefore unevenness is the outcome of trends in the restructuring of the global and European economies, one feature of which is the growth of an advanced service sector, and in particular, in financial services. The division of labour that has emerged since 1990 is that the post-communist economies of Europe have produced lower value and less technologically advanced goods than those of the core (Hardy, 2007). The high income lifestyles of a layer of professionals in the workforce demand low wage jobs to service them in hotels, restaurants and gyms and sometimes as domestic labour in the core European cities such as London and Dublin (Perrons, 2004; Sassen, 1988; Massey, 2007).

Uneven economic development, however, has an even more complex dimension that extends beyond the European Union. Rather than seeing migration as bilateral, the relationship between Poland and the UK should be viewed as one (important) link in a chain of investment. Workers from post-communist countries, bordering on the EU, such as Belarus and Ukraine have sought jobs in Latvia and Poland. In Poland as a result of mass migration and the receipt of EU structural funds, the unemployment rate had fallen to 12.4 per cent by 2007 (GUS, 2008), but nevertheless remained the highest in the European Union with persisting regional disparities (Eurostat). Labour market shortages have emerged in particular localities and sectors such as construction, which has attracted legal and illegal migrants from outside the EU to fill labour shortages. North Korean workers, for example, have been employed in agriculture and the Gdańsk shipyards in Poland (Solidarity), while women have been employed in textile factories in the Czech Republic (Bricker, 2006). The fact that they are working under the surveillance of a representative of the North Korean government suggests that they are being employed at low wages in poor conditions (Zaryn, 2006; Demick, 2006). This has brought fears that these migrant workers in
Poland will be the source of social dumping and downward pressure on wages and working conditions.

**Competition and the drive to flexibility**

The second structural condition that links international production and migration in an intensification of competition and drive to flexible labour markets as part of the neoliberal agenda. The completion of the Single European Market (SEM) in 1992 represented an intensification of competition across the European Union. The abolition of non-tariff barriers and the opening up of public contracts for tender provided the impetus for the deep restructuring of firms, which was reflected in a sharp increase in mergers and acquisitions and increasing concentration (UNCTAD, 2007). Although post-communist economies have been sites for foreign investment since 1990, their accession widened the territory over which firms from the core economies in old Europe, US and Japan could reengineer their competitive strategies. Many accounts of contemporary capitalism, particularly in the core economies have privileged innovation, learning and knowledge as the most salient aspects of competition in what are viewed as increasingly ‘weightless’ economies (Hutton, 2004), where ‘creating assets depends less and less on physical mass, and more and more on intangibles such as human intelligence, creativity and even personal warmth’ (Coyle and Quah, 2002). Undoubtedly product and process innovation, and time to market are key areas of competition, but these are in addition to and part of the necessity of cost reduction at all points in the value chains of firms.

The recruitment of migrant workers is encouraged in receiver countries, even when there is the possibility of recruiting indigenous workers, because migrant workers play a pivotal role in the struggle between employers and workers in the control for the workplace. The role of migrant workers in lowering wage bills has two interrelated aspects; first, there is the possibility of social dumping, which refers to a situation where migrant workers are employed on lower wages and worse conditions of service and second, flexible contracts can be used to lower wage bills. There have been a number of well documented high profile cases of social dumping such as the Irish and Viking ferries disputes (Dundon *et al*, 2007; Donaghey and Teague, 2006) and the Vaxholm dispute (Ahlberg *et al*, 2006; Woolfson and Sommers, 2006) when employers tried to directly replace existing workers with lower cost A10 workers.
Evidence of the impact of migrant workers on the UK labour market, however, is contradictory. The UK government reported few adverse changes in levels of indigenous employment and wages due to A8 migration (Gilpin et al., 2006; Byrne, 2008). However, a House of Lords report (2008) suggested that wage competition was evident among low skilled workers. Workplace studies show much more evidence of downward pressure on wages and working conditions. Reports have documented the way in which conditions of service have deteriorated as indigenous workers have been replaced by cheaper A8 workers in food processing plants in the Northern and Eastern regions of the UK (Fitzgerald, 2005 and 2007). Further, there have been employer attempts to bed this into other sectors, notably in construction. In contrast to a Home Office Report (2007: 18), which suggested that there had been wage growth in construction, the evidence from a TUC regional project suggested this was not the experience of migrant workers in this sector (Fitzgerald, 2006). Teams of skilled Polish workers were being paid as little as £3.20 an hour, which was not only below the minimum wage, but also some distance from the local rate of £14.00 (ibid).

The second source of reducing the cost of wage bills relates to flexible contracts to deal with short terms changes in production. There is nothing new about the idea of flexible reserve army of labour as Engels (1845) pointed out;

*English manufacture must have, at all times save the brief periods of highest prosperity, an unemployed reserve army of labour, in order to produce the masses of goods required by the market in the liveliest months* (ibid: 56).

A flexible reserve army of labour is central to industries that are highly dependent on flexible, seasonal labour and this is institutionally embedded in the UK through special schemes in agriculture and hospitality which allow migrants to come and work exclusively in these sectors (see Table 1).

Beyond, the way in which migrant workers are used as a flexible reserve army of labour, there is growing evidence of migrant workers being used to extend casualisation through agency employment. Temporary employment agencies are ubiquitous in the new and old European states (Coe et al., 2006) and have shifted from being stop-gap providers of labour in an *ad hoc* and pragmatic way to being
institutionally embedded ‘purveyors of flexibility’ (Peck and Theodore, 2005; Peck et al, 2007). In Table 1 the category of ‘administration, business and management’ is the sector in which migrant workers are placed, who then work ‘flexibly’ across a number of other sectors, often on a day to day basis. The central role of agencies in supplying temporary labour has often led to the invisibility of migrant workers at the bottom of supply chains and interviews revealed examples such as a group of A8 agency workers driving delivery lorries for major supermarkets on zero hours contracts where they were called to jobs at one hours notice.

Table 1: Sectoral profile of A8 registered workers

<table>
<thead>
<tr>
<th>Sector registered</th>
<th>Number of workers registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration, business &amp; management</td>
<td>317,540</td>
</tr>
<tr>
<td>Hospitality &amp; catering</td>
<td>151,945</td>
</tr>
<tr>
<td>Agriculture</td>
<td>80,310</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>58,810</td>
</tr>
<tr>
<td>Food/fish/meat processing</td>
<td>39,145</td>
</tr>
<tr>
<td>Health &amp; medical</td>
<td>34,915</td>
</tr>
<tr>
<td>Retail</td>
<td>35,230</td>
</tr>
<tr>
<td>Construction &amp; land</td>
<td>33,105</td>
</tr>
<tr>
<td>Transport</td>
<td>21,425</td>
</tr>
<tr>
<td>Entertainment &amp; leisure</td>
<td>12,200</td>
</tr>
<tr>
<td>Education &amp; cultural</td>
<td>8,065</td>
</tr>
<tr>
<td>Real Estate &amp; property</td>
<td>5,305</td>
</tr>
<tr>
<td>Financial services</td>
<td>2,450</td>
</tr>
<tr>
<td>Computer services</td>
<td>2,095</td>
</tr>
<tr>
<td>Extraction industries</td>
<td>2,070</td>
</tr>
<tr>
<td>Security &amp; protection</td>
<td>1,965</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>830</td>
</tr>
<tr>
<td>Utilities (gas, electricity, water)</td>
<td>735</td>
</tr>
<tr>
<td>Government</td>
<td>540</td>
</tr>
<tr>
<td>Sporting activities</td>
<td>505</td>
</tr>
<tr>
<td>Law-related services</td>
<td>370</td>
</tr>
</tbody>
</table>

Source: Border and Immigration Agency (2008)
A film by Ken Loach about migrant workers in the United Kingdom, *It’s a Free World* (2007) was an excellent documentation of the exploitation and precarious experiences of migrant workers, however, it focused on ‘bad apple’ employers on the fringes of the labour markets. The reality is that A8 workers are central to British capitalism and indirectly (or directly employed) by some of the largest companies. Undoubtedly some agencies are run on a semi-legal (sometimes semi-criminal) basis, however, others such as Adecco are large transnational corporations themselves. Therefore, rather than viewing social dumping as the action of maverick or ‘bad apple’ employers, it is structurally embedded in flexible labour markets.

In the UK migrant workers can be linked to the neoliberal agenda, which is one of flexible labour markets as a way of reducing total wage costs. However, rather than understanding this mechanism as being the outcome of rogue employers, it is the product of the logic of competition. This is well illustrated by the experience of two sectors – food retailing and transport. In the case of food retailing migrant workers are used in all parts of the value chain; picking it, plucking it, moving it and selling. In rural East Anglia in the UK A8 and Portugese workers are widely used on farms and in food processing factories with evidence of poor working conditions, bullying and gangmasters running some small towns. It is not the case that employers from East Anglia are particularly ‘exploitative’, but they are locked into a highly competitive market where supermarkets, which dominate the food chain in the UK (more than in other countries), continually force them to drive down prices and costs with sophisticated techniques like online auctions.

In the case of transport, migrant workers have been widely used to drive lorries, usually employed through agency employment, and directly employed as bus drivers. In the case buses, the impact of privatisation has been to drive competition based on winning contracts by tendering the lowest cost, which in turn embeds the incentive to push down wages. An interviewee described how in 2006 a bus company from the Midlands organised a meeting in a hotel in Warsaw which advertised in one particular bus depot. Large numbers of drivers attended and the following week twenty drivers left their jobs in Poland to come to the UK. On their arrival in the UK they were paid the minimum wage hourly wage they had been promised, but their overall income was much lower than they expected as there were no guaranteed hours. Therefore
the potential for employers saving money was the flexibility of the contract, rather than the hourly wage rate itself.

**The Mobility and Immobility of Capital**

The third structural factor underpinning the arbitrage of labour costs is the mobility and immobility of capital. Much has been made of the mobility of capital in neoliberal accounts which view lower labour costs as a source of comparative advantage and a positive aspect of economic integration believing that foreign investment would be the ‘engine of growth’ (Lipton and Sachs, 1990; Dobosiewicz, 1992, Donges, 1992; Hunya, 1992) in post-communist economies. Critics of transnational corporations (TNCs) have a negative view of this process arguing that relocation on the basis of lower costs means a race to the bottom in terms of wages and working conditions. However, both of these perspectives present a simplistic view of how firms arbitrage labour costs by underplaying the range of options that exist for reengineering the corporate division of labour, which includes the possibility of outsourcing directly or offshoring one or more parts of their value chain (Schoenberger, 1988 and 1994; Kessler, 1999)

Poland, the Czech Republic and Hungary, in that order, have nevertheless received the strongest flows of foreign investment and between 1995 and 2004 stocks in these countries grew fivefold (twice as fast as the stock of world FDI). Poland was in the lead ($61 billion) followed by Hungary ($60 billion) and the Czech Republic ($56 billion); together they accounted for three quarters of the total inward FDI to new EU members. (UNCTAD, 2005:86). However, these claims of footloose capital, need to be put into perspective. First, although FDI flows to and stocks in CEE have been given a high profile they are peripheral in the context of the European Union as Table 2 shows. In the EU the three strongest economies UK, France and Germany account for 44 per cent of FDI stocks, whereas the three strongest post-communist economies only accounted for less than 5 per cent between them. This pattern is also reflected in the comparatively small share of flows of FDI that these three countries received in 2006.
### Table 2

FDI stocks and flows in CEE accession countries as a percentage of GDP

<table>
<thead>
<tr>
<th></th>
<th>Stocks of FDI as a percentage of EU total</th>
<th>Flows of FDI as a percentage of EU total</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>27</td>
<td>20</td>
</tr>
<tr>
<td>France</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Germany</td>
<td>15</td>
<td>12.5</td>
</tr>
<tr>
<td>Italy</td>
<td>8</td>
<td>5.6</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>0.2</td>
<td>0.9</td>
</tr>
<tr>
<td>Hungary</td>
<td>0.07</td>
<td>1.0</td>
</tr>
<tr>
<td>Poland</td>
<td>0.02</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Source: Adapted from UNCTAD, 2007: 251 and 255.

Second, not all FDI has been seeking low labour costs. In the first stages of transformation in the early 1990s, TNCs seeking market access such as those involved in food processing, detergents or cigarette production, were in the forefront of privatisation to get new markets and consolidate their competitive position across a wider terrain. By two the two sectors which received the largest amounts of foreign investment have been in finance and the retail sector (and particularly supermarkets) where strategies have been driven by the oligopolistic strategies of TNCs increasing their European reach and access to new markets. The most high profile sector in which labour cost arbitrage explains FDI is in the automotive sector. Most global automobile producers have a presence in CEE either as producers or manufacturers of components to supply Poland and other parts of the firms’ European and global networks.
3. INSTITUTIONAL CONDITIONS FOR MIGRATION: THE ROLE OF THE STATE

Whatever the demands of capital, it is ultimately states that establish the rules and institutions of migration by drawing and enforcing national boundaries. Böhning (1984) summarises this succinctly; ‘Demand, then is accrued economically, screened politically and given effect administratively’. The state faces the dilemma of, on the one hand of maximising the supply and flexibility of its national labour force, while on the other minimising the cost of reproducing and maintaining those workers. The process of reproduction usually takes place in the country of origin, and that of maintenance in the receiving country, although this is circumscribed by complex regulations governing entitlements to welfare, health and education.

States can increase and decrease the requirements for citizenship, the openness of borders and the rights of citizens. The problem they face is of managing mobility and immobility, to ensure a reserve army of labour to fill shortages in labour markets. This intensive management of labour puts huge strains on the organizational capacities of states. They need to constantly intervene and remould their institutions and the relationship between the state and labour, by drawing and redrawing the line between insider and outsiders, to produce a sort of hierarchy of immigration status in terms of rights and privileges. Further, they face the dilemma that capitalism produces tendencies towards labour mobility, with pull factors in expanding parts of the system and push factors where the landscape and workplaces of the system have been decimated. Therefore the dynamic nature of capitalism needs a constant movement of workers to work in new areas and industries, but it also needs a degree of stability and embedded skills to compete with other capitalists. David Harvey quotes Marx’s example of the cotton famine in Lancashire in 1860s when management acted secretly with the government to hinder emigration; ‘Partly to retain in readiness the capital invested in the blood and flesh of the labourers’ (Marx, 18xx).

Therefore tensions between fears about disturbing the established economic and social conditions and the demands of domestic labour markets has led to full labour market integration between old and established Member States being achieved through differential institutional arrangements. The regulatory regime of UK and
Ireland is based on a liberal, flexible labour market model, which along with Sweden, relaxed all controls in 2004 giving A8 workers the same rights as EU-15 nationals. The UK has relaxed all barriers, but in an effort to monitor the scale of migration has introduced a Worker Registration Scheme for those A8 workers who are employed. Denmark, Norway and the Netherlands have all operated transitional regimes before fully opening their labour markets to A8 (A10 workers) with special safeguards to prevent social dumping (Dølvik and Eldring, 2006a and 2006b; Eldring, 2007), while Germany and Austria operate much more restrictive regulatory regimes opting for a transitional restriction of labour migration (Kahnmann et al, 2005). In 2006 Spain, Portugal, Greece and Finland lifted restrictions while France, Italy and Belgium have reduced theirs.

Drawing the boundaries of borders and establishing the criteria for citizenship is not straightforward because states do not act on behest of capital, particularly as different sections of capital have different labour market needs and place different demands on political leaders. In the United States, for example, there has been intense lobbying by employers in agriculture food processing and hospitality to regularise workers while other sections of capital do not want to bear the financial burden.

The state is the confluence of social and political forces within countries which define, encourage or curtail and regulate the movement across borders and Castles and Miller (1999) propose four models of citizenship in Western countries. The first, illusory where attitudes to immigrants are not associated with citizenship, rather the deliberate disregard of immigrant communities. In Japan and Italy a blind eye has been turned to substantial illegal immigration. ‘it is a non-decision that ensures a high degree of marginalization and exclusion, and a cloak of political silence under which more local racism can be practiced (316)’. The second, model is exclusionary in which kin, ethnic and linguistic status provides the basis of citizenship. In Switzerland, Germany and Belgium, where this model has tended to predominate, migrants arrive primarily through regulated guest worker programmes. Although legal status is recognised, it is subordinate to that of citizens of the host country. Third, the imperial-republican model combines complex and unresolved models of citizenship which ties civic status to residence and allows the transition from immigrant to citizen more easily than the exclusionary model. This applied particularly to second
generation migrants born in the host country and to citizens of ex-colonial states. This model is exemplified in Britain, France and to some extent the Netherlands. Fourth, the multicultural model in which immigration is usually permanent and the transition to citizenship assured. In its ideal form identities are plural and earlier immigrant cultures are defined in the light of new waves of migration. This is a very idealised model, as in the USA there is unequal power between the dominant white culture and plurality of black, Hispanic and Asian cultures and groups.

4. LABOUR ORGANISATIONS AND CROSS BORDER SOLIDARITY

The drive for employers to arbitrage labour costs through foreign investment and the use of migrant workers poses significant challenges for labour organisations. This section considers the dilemma as to whether and how far meaningful cross border collaboration can be established to prevent social dumping and to promote integration and cohesion. It is argued that three factors affect the ability of trade unions to contest exploitation; how far trade unions engage with or exclude migrant workers from their organising strategies; the strength of labour organisations in receiver (and sender) countries and how far labour organisations can move from rhetorical exhortation to concrete policies to bring about inclusion.

Inclusion or Exclusion

Solidarity between indigenous and migrant workers cannot be taken for granted, and therefore the first condition for engaging with migrant workers is the decision as to whether to try and include these new labour market entrants in the trade union movement or exclude them. Castle and Kosack (1973) provide a fascinating analysis of the trade union response in the United Kingdom to waves of migration in the 1960s, which points to an attitude of laissez faire at the national level of the British TUC. This approach could be characterised as a sort of benign indifference, which was manifest in a rhetoric of being against discrimination, but a lack of any practical policies to address the issue. At workplace level Castle and Kovack (ibid) point to highly divergent responses ranging from refusing membership to black workers in some skilled unions to active recruitment drives with leaflets in a range of languages in other unions. While current policies towards migrant workers by trade unions are
characterised as positive and proactive by some (Avci and McDonald, 2000; and Wrench 2000, 2006), others have pointed to a lack of trade union application in the spaces often populated by Black and Ethnic Minority (BME) workers (Fitzgerald and Stirling 2004; Holgate 2004; Perrett and Martinez Lucio, 2006).

There are three aspects as to why the British TUC and several of its affiliate trade unions have adopted a positive and proactive response to Polish and A8 workers. The first motive for engaging with Polish and A8 migrant workers is their ubiquity and pervasiveness in the UK labour force and the implication that ignoring a key new layer of workers could undermine the credibility of the trade union movement as a whole. Secondly, the need for social justice and concerns about exploitation have underpinned the engagement of trade unions with migrant workers in both Poland and the UK. Third, beyond solidarity, trade unions in both the sender and receiver countries have concerns regarding the employers use social dumping and attempts to divide the labour force.

First, the scale of migration to the United Kingdom from A8 countries and Poland, and the geographical and sectoral spread of these workers means that simply disregarding them would be to ignore an important source of recruits and activists and leave some sectors of the economy as virtually trade union free zones. The lead National Migrant Worker Officer (Head of the Migrant Support Unit) emphasised this policy change commenting ‘...in the T&G the migrant agenda is being supported top down and we believe that we can’t be credible as a trade union if we do not deal with this situation.’. It is no exaggeration to suggest that these migrant workers in general, and Polish workers in particular, have transformed the UK labour market. Although A8 workers are concentrated in particular sectors, these migrants can be found across an expanding number of sectors in manufacturing and the service sector as Table 1 shows.

Further, the geographical spread of migrant workers is more extensive than previous waves of immigrants and the growth of A8 registrations in the North of the United Kingdom are greater than those in London and the South East. Therefore a salient feature of this current migration is its geographical reach and concentration in small towns, which as a senior GMB officer commented, had implications for organising:
What's distinctive here is the size of this accession with migration across all industrial sectors. Organising waves of migration is not new, but a sector approach to organising Polish workers does not work. That gives us a whole range of new organising challenges.

Historically it’s been different for us. Migration is now dispersed in differing sectors, geographic areas and by ethnic groups..........and we now have to deal with that. (Lead National Migrant Worker Officer - Unite)

To underline this argument, A8 migrants cannot be regarded as peripheral to the UK’s workforce; their contribution in terms of numbers and the breadth of occupations has fundamentally altered the labour market.

The second reason for ‘inclusion’ focuses on concerns about exploitation and the need for social justice. In the UK the legal status of A8 and Polish workers in the labour market has not removed the threat of abuse by employers. Half of Polish migrant workers had encountered problems at work in the UK, nearly a quarter had no written contract and this figure was even higher for agency workers, over a quarter had problems with payments, including not being paid for hours worked, discrepancies between pay and pay slips, unauthorised deductions and errors in pay calculations (Anderson et al, 2006 and 2007). In some cases wages have been reported as being withheld for months.

Similar concerns about the poor treatment of Polish migrant workers have motivated Polish labour organisations to explore cooperation with British trade unions. Anger at the exploitation of Polish migrant workers in other EU countries was reflected in comments by officers from Solidarity’s International Office.

On a personal note I am fed up with hearing the stories of Poles being abused as guest workers. Just being the cheapest labour and being humiliated in so many cases (Officer 1 from Solidarity’s International Office, Gdansk)

Our job is not to stop the migration happening, but to make sure there is someone to prevent the abuse. …They thought they were
going to places where they thought the streets were paved with gold and the amount of frustration, disillusion; the amount of human tragedy, the loss of their money and savings (Officer 2 from Solidarity’s International Department, Gdansk).

Interviews with Polish trade unions demonstrated an implicit understanding of the notion of arbitraging labour costs. This was reflected in the recurring theme that Poland was treated as a developing country in that large transnationals (TNCs) were perceived as locating to benefit from low wages and treated workers in an ‘undignified’ way. In their view the perpetuation of low wages by foreign investors was a major contributory factor to the stream of outward migration. It was suggested that when firms were unable to move to Poland, they simply ‘poached’ Polish workers to work in the home country, depriving the country of talent and entrepreneurialism.

Third, inclusion and cooperation were motivated by fears of social dumping, where workers from ‘new’ member states were often seen as generating social tensions when moving to jobs in ‘old’ member states (Donaghey and Teague, 2006). There are wider implications for cohesion in local communities and workplaces if A8 workers are regarded as undermining the pay and conditions of Western European workers. The potential for fracturing social solidarity and creating a breeding ground for xenophobia (Kropiwiec and King-O'Riain, 2006), was manifest in activities of extreme right wing groups exploiting fears in several UK towns (Blake, 2008; Norfolk, 2007).

The use of A8 and Polish migrant workers to displace indigenous workers, deflate wages and worsen conditions of service has been an important motive for engaging with and organising these new labour market entrants. This spectre of a divided workforce based on ethnicity and/or ‘us’ (indigenous workers regardless of race) and ‘them’ (newly arrived migrants), is central to the trade union movement’s focus on recruiting migrant workers. There was a general political consensus by sender and receive countries, that migration in the context of a wider Europe with increased mobility, migration, should not be allowed to divide and rule workers and accelerate a ‘race to the bottom’ in terms of low labour costs.
The strength of sender and receiver country trade unions

The ability to organise migrant workers in receiver countries is conditioned by the strength and union density of their labour organisations. Trade unions in the UK and Ireland, the two main receiver countries, have faced declining trade union memberships. In 2005 35 per cent of workers were members of trade unions in Ireland compared with 46 per cent ten years earlier (EIROonline). This can be explained, partly at least, by few recognition agreements with foreign investors, particularly those from the United States and Japan in computing, electronics, call centres and financial services. This both reflects and is compounded by an ideological hardening of attitudes towards labour organisations illustrated by the dispute over recognition with Ryanair. In 2006 UK trade union density was 29 per cent with membership strongest in the public sector, former nationalised industries and manual occupations (Gall, 200x). The decline of traditional manufacturing and the growth of new private sector production have further contributed to membership decline.

The National Secretary of the OPZZ affiliated construction workers’ union (Związek Budowlani) suggested that the strength and organisation of receiver country unions was critical in their ability to organise and represent migrant workers. In the UK where regulation was weak and union density low there was seemingly less success organizing Polish migrant workers than in countries such as Belgium and Holland, where there is strong formal power and success in organizing even unregistered workers. Sweden has the second highest level of trade union membership in the EU (78 per cent). However, the high profile Laval un Partneri dispute demonstrated how even well organised and strong trade unions faced difficult challenges in preventing social dumping (Woolfson and Sommers, 2007). A firm using Latvian workers were contracted to build a school in Sweden; after unsuccessful lobbying the building site was picketed by the Swedish construction workers union with a strike held by the electrician’s union in solidarity. Swedish unions were put under considerable pressure and accused of xenophobia, but eventually the firm pulled out of the contract (ibid).
With regard to sender countries Table 3 shows that CEE economies are at the bottom of the league table in terms of trade union membership. These low levels of membership, however, need to be understood in the context of the deep restructuring of workplaces as the closure or privatisation of State Owned Enterprises eroded their traditional basis.

Table 3
Proportion of workers in a trade union in selected countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Proportion of employees in trade union</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denmark</td>
<td>80</td>
</tr>
<tr>
<td>Sweden</td>
<td>78</td>
</tr>
<tr>
<td>Finland</td>
<td>74</td>
</tr>
<tr>
<td>Ireland</td>
<td>35</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>28</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>22</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>20</td>
</tr>
<tr>
<td>Hungary</td>
<td>17</td>
</tr>
<tr>
<td>Latvia</td>
<td>16</td>
</tr>
<tr>
<td>Poland</td>
<td>16</td>
</tr>
</tbody>
</table>

The ability to negotiate internationalism and cross border collaboration also has to be understood in the context of the strength and organization of labour organizations in A8 countries. Assessments of the current state of the Polish trade union movement are pessimistic (Meardi, 2002 and 2004; Gardawski 1999 and 2003; Crowley and Ost, 2001; Cox and Mason, 2000; Pollert, 1999; Ost, 2006). Pointing to the fact that trade union density has fallen from 18 per cent of the population in 1991 to only 6 per cent in 2002 (EIROon-Line: 2002), it is suggested that their role is declining and peripheral.
There are two main unions in Poland; Solidarity and OPZZ, which was the ‘official union’ under the previous regime. Solidarity and OPZZ have approximately 900,000 members each and the remaining 1 million are members of a series of smaller trade unions. A third new confederation formed in 2000 is the Trade Union Forum (Forum Związków Zawodowych: FZZ). This includes unions representing workers significantly affected by migration such as the nurses (Ogólnopolski Związek Zawodowy Pielęgniarek i Położnych, OZZPiP - All-Poland Trade Union of Nurses and Obstetricians) and seafarers (Federacja Związków Zawodowych Marynarzy i Rybaków: FZZMiR- Seamen’s and Fishermen’s Trade Union).

Solidarity joined the European TUC in 1996. However, deep seated antagonism heightened by participation in parliamentary politics meant that Solidarity successfully blocked the entry of OPZZ from the ETUC and the ITUC from 1998 - when it first tried to join - until 2006 - when it was eventually allowed membership. Therefore for OPZZ from 1990, there followed a period of isolation from pan-European bodies. The International Department of Solidarity has been at the forefront of new initiatives, which included information points planned for their largest sixteen regional offices. Essentially these provide information on the countries to which workers are considering migrating, as well as specific information about particular sectors and jobs and any collective agreements that might exist. The centres provide information about unions with which Solidarity is cooperating in order that workers can access further help and information on arrival. Further, there has been co-operation with the British TUC with meetings and the issuing of joint statements. Practical initiatives have included the secondment of a Solidarity organiser to the North West TUC.

OPZZ and Solidarity are both in favour of open labour markets and cooperating with other European labour organisations to prevent social dumping. The FZZiZ (Seamen and Fishermen’s Trade Union) however, exhibited a very different strategy, which appeared to collude with arbitraging labour costs, by becoming active agents in the migration process. In the face of large scale redundancies in their industry, they put resources into retraining workers or helping them update their skills. In particular, they were active in seeking workplaces for their members.
abroad by in effect acting as an employment agency. However, this new orientation of the FZZiZ was controversial and met with the disapproval of OPZZ, (of which they were a federated union) and their eventual exit. A union representative from FZZiZ argued that they were positively helping their members who would otherwise use ‘cowboy recruitment’ agencies. According to the interviewee they could negotiate in advance the nature of the work, the payment, conditions of service and accommodation. However, none of this done in conjunction with UK trade unions, nor did they appear to encourage their members to join labour organizations that could represent them in redressing grievances and abuses work.

**Bureaucratic, rhetorical or concrete solidarity**

With low levels of trade union membership in the UK, Ireland and the A8 sender countries, the previous section appears to paint a dismal picture of the possibility of intervening in migration processes and engaging and organising migrant workers. Even where trade union density was high in Sweden, there was no guarantee that social dumping could be easily resisted. This section, however, argues that beyond the focus on numbers, it is important to look at how far labour organisations can move from rhetorical exhortation and bureaucratic declamation to concrete policies. There are a number of key questions; how far have these national policies been adopted in by the different trade unions affiliated to the TUC, and how far are activities manifest at lower levels of these labour organisations. Further, are there examples of cross border collaboration that go beyond international committees and officials of the trade union movement.

The recruitment of the newly more internationally mobile Polish workers has brought a different set of challenges to those which unions have faced in the past. Large numbers of these workers are concentrated in the private sector and in agency employment, where there has been very limited success in recruitment. This problem is exacerbated by language barriers, and a lack of Polish institutional knowledge about UK labour traditions. Further, this new wave of migrants is younger and more feminised than previous waves, with 82 per cent of A8s aged between 18 and 34 and women comprising 43 per cent of new A8 workers in the UK (Border and Immigration Agency, 2008).
In the UK labour organisations have embedded their migrant worker strategy into wider strategies and initiatives. The TUC for example, have shifted from having a separate migrant worker strategy to including migrant workers under the umbrella of vulnerable workers.

*An amount of this is not just about people’s nationality, but about their employment status, for example agency workers. So unions have to deal with the agency question and not just the migrant question (TUC interviewee).*

*I think importantly where unions have been successful in migrant workplaces it has been to concentrate on characteristics other than migration……..we spent a lot of the time talking about the attitudes of agency workers to joining trade unions. References to migrant workers came up all the time. So we are trying to move the argument off of migration status and deflect the “us-and-them” comments “they don't speak the language”*. (TUC Regional Secretary Three)

Further, engagement with A8 and Polish migrant workers is embedded in the organising model, which has been championed by the TUC and its New Unionism task group. Part of this TUC organising strategy is to support the concept of broadening trade unionism, to include migrant workers and those at the lower paid end of the labour market; a centre piece of this has been the TUC organising academy.

One of the most novel strategies for recruitment and engagement has been the use of the union learning agenda. Fitzgerald (2007) cites how both USDAW and BFAWU used onsite learning centres to make first contact with Polish workers by giving them access to computers, which enabled them to book flights home and communicate with family and friends. A successful example of engagement, recruitment and inclusion through the union learning agenda is provided by the GMB in the Eastern region. They recruited four Polish Union Learning Representatives in one factory and used this as a springboard for providing ESOL classes and courses on *Know Your Rights*.

There are a number of challenges in organising migrant workers, the first of which is to locate and recruit migrant workers, often employed in non-unionised workplaces or employed by agencies. Once target groups of workers have been identified
strategies need to be formulated to persuade migrant workers that joining a union is in their interests. Beyond initial recruitment how is it possible to move members from passive membership to self organisation and activism to create sustainable memberships and branches. Further, after recruiting migrant workers, how far do specific policies need to be devised or changed to meet particular migrant workers concerns. Underpinning all of the policies and strategies used for recruitment, organising and integration are centrally driven resource constraints.

One strategy to secure sustainable Polish migrant worker membership has been the establishment of the Southampton Polish holding branch by the GMB. The central aim of this branch was to bring together dispersed Polish members and encourage confidence in speaking and organisation so that they can ‘stand their corner’. The success in recruiting female migrant workers was reflected in the fifty-fifty gender composition of the branch and the fact that five of the seven branch officers were women. The branch has grown in size from fifty members in 2006 to 500 in 2008. The recruitment of a layer of activists who can relate to, recruit and organise Polish workers was a feature of all the case study unions and a number of activists had been employed as full-time organisers (Fitzgerald, 2007).

The GMB’s success led to a recruitment campaign in another factory owned by the same firm.

…we went in [to the other factory] and recruited forty people in one day – Latvians, Lithuanians, Russians as well as Poles. The key to recruiting these workers was a Latvian woman. Had she not been there we would not have been so successful, as it would have been seen as everything for the Poles. (GMB Full Time Officer)

One of the most striking findings of the research was the plethora of initiatives across the UK, which have sprung up at ‘grass roots’ level to engage with Polish and A8 migrant workers, often independently of national strategies. The second, salient feature was that these have pioneered a variant of community unionism, where trade unions have engaged with a broad spectrum of civil society actors, such as churches, community groups, NGOs and advice centres. In some cases, for example the Polish Southampton branch, the GMB union were used by the local council as the vehicle
through which to deliver a range of services such as language classes and local entitlements. The initiatives ranged from fishing trips in East Anglia to promote integration and cohesion, music lessons in the North West as a way of teaching English and family outings in the Southern area to engage with the wider community (see Fitzgerald and Hardy, 2007 for a full discussion of UK trade union initiatives). In the case of Ireland Dundon suggests that the weakness of the Irish labour movement has led to ‘soft organising’ with an emphasis on cultural diversity and racism as the main vehicle for campaigning for migrant workers. These community based initiatives could be understood as ‘soft approaches’ to trade union organising but may provide the foundation for developing harder mobilising strategies (Dundon, ibid).

In addition to established policy making forums, forging cross border linkages has been a significant strand of the strategy of the TUC and individual unions. However, international collaboration is viewed as problematic in some quarters. Research on transnationalism is underdeveloped (Wills, 1998; Waterman and Wills, 2001) and much of the existing work has focused on single-industry case studies such as motor vehicles, shipping and textiles (Anner et al, 2004), or on European Works Councils. Further, it has been suggested that cross-border collaboration is not necessarily a positive experience as relationships between unions could be characterised more by competition than cooperation (Lillie and Martínez Lucio, 2004).

Other literature has pointed to a situation where some weaker trade unions in ‘new’ Europe (Cox and Mason, 2000) have colluded with employers in ‘old’ Europe to supply labour at wages below the ‘going rate’ (Woolfson, 2007). This raises issues as to how unions are cooperating and exchanging information across national boundaries to try and prevent the undercutting of wages and working conditions (Dølvik and Eldring, 2006a and 2006b; Eldring, 2007). As we have seen he Union of Seamen and Fishermen in Poland, rather than forging links with unions in the UK, have transformed themselves into an agency supplying labour for employers (Hardy, 2007).

Despite the difficulties in establishing meaningful cross border collaboration, links have developed between the TUC and Solidarnosc which have operated on two levels. There have been practical projects, the first of which was the introduction of a Polish full-time organiser to the North West. The project itself was financially
supported by regional affiliates and the Solidarnosc organiser directly worked with these to recruit Polish workers. At a national level the TUC signed a memorandum of understanding with Solidarnosc in December 2007, which essentially articulated what is already happening and is demonstration of cooperation on migration issues (see Hardy and Fitzgerald, 2008 and 2009 for a discussion from the perspective of Polish trade unions).

A smaller union, the BFAWU (Baker, Food Union) pioneered an innovative approach when it concluded an agreement with a North West based employment agency. In addition to the rights that other unions have negotiated with agencies (for example the T&G and Manpower), they also have a broader remit to audit Polish agency accommodation (Fitzgerald 2005). The agreement is that the agency ‘suggests’ joining the union to its new recruits in Poland, and on their their side BFAWU ‘suggests’ to locally based employers that they engage with this agency as they are ‘reputable’.

Overall if these international relationships are being formed on a short-term or crisis basis then there is a strong likelihood of failure, as trade union cooperation has to be developed over the long term (Ramsay, 1997). While the TUC were trying to develop a longer term relationship with Solidarnosc, union engagement by the other case study unions was tentative, embryonic or still under debate.

5. CONCLUSION

Emerging divisions of labour after accession have contributed to the existence of a periphery of A8 countries from where the core EU economies can draw a reserve army of labour. Firms face the constant dilemma as how best to reengineer their operations and arbitrage labour costs within and across national boundaries in order to reduce costs in the context of increasingly intense competition. States have to balance their need for skilled and unskilled labour, and the demands of different sections of capital against the economic and political costs of maintaining migrant workers. Labour is far from impotent in the face of current economic restructuring and by 2008 workers in Poland were facing new opportunities.
In Poland by 2008, a fall in unemployment from 20 per cent in 2003 to 12 per cent in 2008 (GUS, 2008) produced the paradoxical effect that it was easier to fight for higher wages and union recognition. At the same time labour shortages have opened up the possibility of social dumping as workers were recruited to Poland from outside the EU. Emerging regional and sectoral labour market shortages have afforded significant opportunities for trade unions (Meardi, 2007). A new pattern is emerging in the nature of industrial disputes across Central and Eastern Europe (Meardi, 2007), and in Poland this is reflected in a shift from defensive actions, focused primarily on the non-payment of wages and redundancies in 2003, to disputes focused on wages and trade union recognition in 2006 and 2007 (Hardy, 2008).

ENDNOTES

1 By 2008 other countries had opened up their markets to varying degrees.

2 This project draws on interviews from a project funded by the ESRC on cross border trade union collaboration and Polish migrant workers in the UK.

3 In contrast to Solidarity’s celebrity status in international circles for its opposition to the communist regime, OPZZ was regarded as a pariah organization. In December 1981 Martial Law banned, not only Solidarity, but all trade unions, and in 1984 OPZZ was founded as a counterweight to the opposition movement. This became the official – and only legal union - established by the Communist Party, which absorbed all existing trade unions into a federated organization. There has been long standing conflict between Solidarity and OPZZ, particularly as the communist government had confiscated Solidarity’s financial resources and buildings and given them to OPZZ in 1984.

REFERENCES


Norfolk, A. (2007) BNP advances on Middle England to exploit ‘fear’ of Polish migrants, Timesonline, to be found on [http://www.timesonline.co.uk/tolnews/politics/article169042.ece](http://www.timesonline.co.uk/tolnews/politics/article169042.ece) last accessed 27 June 2008.


SOPEMI (2007) International Migration Outlook


