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From Employment Concern

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ENERGY SECURITY ALSO NEEDS A SKILLED WORKFORCE

Ofgem recently brought necessary attention to the insecurity of UK energy supplies. But apart from the main energy security considerations of raw energy supply and climate change, the labour component in constructing and maintaining energy infrastructure is also an energy security consideration. Under current conditions, UK engineering construction skills to build and maintain energy facilities are disappearing.

The ownership and the operating of UK energy infrastructure is now privatised and liberalised, that is, it is in the hands of overseas companies. Contracts for expanding and maintaining facilities are similarly liberalised. Foreign firms can bring in their own workforce, or hire the cheapest and most flexible labour around, for the labour component of the contracts.

Safety effects: The effects on the engineering construction workforce have been the widespread exclusion of a well-trained and safety-conscious UK workforce in favour of cheap foreign labour, which is rarely trained to such high standards. With the 10 or so planned new nuclear energy facilities, safety should be a prime consideration in both construction and use of the utilities. Yet the current lack of accountability and the use of cut-price practices in regard to labour in the industry are poor indicators that safety will be a priority.

Training effects: A capable future workforce for energy facilities depends not only on a commitment to training, from the top, but also on the existing skilled workers passing on their knowledge. However, in the privatising and liberalising process there is no obligation on private companies to provide apprenticeships; by taking the short-term option of employing semi-skilled foreign workers, firms avoid any training commitment. The apprenticeship structure in the energy sector has mostly been lost. As the UK workforce in the sector ages without passing on skills, skills are lost and the UK will no longer have a skilled workforce. The workforce shift is resulting in UK engineering construction skills heading for extinction.

Downward pressure on working conditions undermining a sound energy security workforce: UK workers in the sector, with skills and safety training beyond that of foreign workforces, but expecting union NAECI 'Blue Book' industry agreed conditions, appropriate to their skills, are now being excluded from the industry for which they are trained. There is widespread unemployment among UK engineering construction workers, excluded from sites that employ thousands. The Olympics is a main example, but there are other large sites around the country too, and more coming online – all set to employ foreign workers while UK workers live on welfare payments.

The implications have been evident throughout the last year in industrial action as well as in the rejection of the terms and conditions on offer for 2010, which fail to guarantee fair access to work for the indigenous workforce.

Structural moves actually support the exclusion of the UK workforce: EU Directives allow EU firms that gain contracts, for instance within the UK, to bring in their own workforce, from any country. This has been reinforced by several decisions of the European Court of Justice.

The EU Posted Workers Directive requires that contractors meet host country industry norms of wages and working conditions. However, while collective bargaining agreements have legal standing in other EU member states, this is not the case in the UK. Here, only the minimum wage is a legal requirement, regardless of skills, and Peter Mandelson has confirmed that this is how the PWD applies in the UK. Even where firms are supposedly meeting UK NAECI requirements in respect of Posted Workers, they have been caught out undercutting.

The EU Posted Workers Directive also requires that workers have been with the firm for a set length of time but this is virtually impossible to check from the UK.

The system means that UK firms, expected to abide by union conditions, cannot tender competitively. However, if they use a foreign arm of their firm to get the contract, they can then bring in what are supposedly their regular foreign labour teams, outside of UK union conditions. In reality, though, these workers may in fact be newly hired overseas or even newly hired here.

Joining the union is not a real option for foreign workers, even if they were to forego their cheap labour comparative advantage. They would be sacked.

The role of staffing agencies in undermining safety, training and working conditions: The UK now has 16% of the global temporary staffing agency activity, a much higher level of staffing agency activity to population than the US and Canada, or any other EU country. There is heavy agency involvement in the construction industry.

When engineering construction workers are employed on this basis, as many now are, it is insecure employment, relieving employers of responsibilities, and without the rights of real jobs. Agency activity is widely used to employ foreign labour.

This widespread involvement of temporary staffing agencies also works against training a next generation of engineering construction workers.

The shift that is needed in energy supply: Effective climate change action and energy supply security require the removal of energy supply from the market situation wherein shareholder profits, high prices, and maximum sales are prioritised. Only state ownership can support policies that encourage energy efficiency.

To match a tight, well-organised energy supply that takes account of energy security and environmental concerns, we also need a planned skills transfer program for a sustainable, skilled, energy-facility workforce. Only a state owned energy industry can deliver this.

Clearly, there is no way forward on any of these essentials, with a privatised, liberalised energy industry. The conditions for maintaining a skilled UK workforce must be a primary consideration.

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