

An obscure industrial dispute in northern England may herald increasing labour unrest in the European Union. The freedom of contractors on big industrial projects like power stations and refineries to choose who they employ is likely to be under threat.

Trouble breweing on the industrial front

| by Chris Cragg

The south bank of the Humber in England's Lincolnshire is a forbidding place at the best of times, but in mid-winter it can be very bleak indeed. It is the site of the UK's third biggest refinery, Lindsey, owned by Total and capable of producing around 11 million tonnes of oil products a year. The refinery is being upgraded and all seemed to be going perfectly smoothly.

So why in late January did 650-odd contractors walk off the site in bitterly cold weather and demand "British jobs for British Workers"? Over the next few days, they were joined in protest by workers from some 16 construction sites across Britain. The list of sites is a roll call of UK energy plants. The workforce protested at the Sellafield nuclear reprocessing plant and the South Hook gas import terminal. Stanlow, Grangemouth and Coryton refineries were included as were two nuclear power stations at Heysham and Torness. Drax, the UK's biggest coal-burner, saw trouble too.

These wildcat strikes caught everybody by surprise, with the exception of a small

number of shop stewards from the trade unions Unite and GMB. Total did not see it coming and its response was rather pained. The facts are that its HDS3 unit's completion had been contracted out to Jacob, the US engineering company based in Pasadena, California. Jacob, in its turn, had hired the Italian company IREM, after it had taken bids from five British and two other companies from mainland Europe. Total directly employs 550 people at Lindsey, pretty much all of them British. It has between 200 to 1,000 contractors on site at any one time, again mostly British. The 100 or so Sicilians and Portuguese from IREM were to be paid the UK national rates and work under the same conditions. Meanwhile, they were on barges on the Humber, watching television. Their boss rather endearingly remarked that if his men couldn't work, then they had the right to claim back the Italian boss of the English soccer team, the popular Fabio Capello.

Needless to say the British political establishment and the press went into overdrive. Prime Minister Brown, saving

the world up a mountain in Davos, was promptly attacked for allegedly inventing the striker's slogan "British jobs for British workers". Lord Mandelson, the Business Secretary was ill-advised enough to suggest that British workers might like to go and work abroad. The press celebrated the excitement by saying that the contract to IREM was far larger than it actually was and by headlines about how "Brown must come down from the Mountain."

The accusations were not long in coming either. The workers were 'racist'. This was 'protectionism' and people should remember the 1930s. There was a danger of 'nationalism' and thus 'a resurgent fascism'. Besides, with some 47,000 British currently 'posted' abroad and only 15,000 foreign workers 'posted' in the UK, the Brits were winning, thank you! The EU got its usual share of abuse, but like breathing, this is quite medically normal.

In any case, the whole issue was sorted out quickly. The Government's Advisory, Conciliation and Arbitration Service (ACAS) leaped into action and a dispute

started on January 30th was over by February 5th. The Lindsey strikers got the promise of 101 new jobs on the construction project. The Italians were not fired and England will keep Capello, as long as he remains successful.

Very angry |

So everything is back to normal then? No, and the reasons are not difficult to find. First, the UK is about to engage in its biggest push for energy infrastructure for decades. Secondly, the strikers got what they wanted very quickly for interesting reasons. And last, but by no means least, a great many people across Europe are very, very angry.

The National Grid in England has warned that its peak margins are declining rapidly and demand could exceed supply by 2015. With an aging power station stock, 23 GW of capacity will need replacement by 2020. With this in mind, the first new 1650 MW power station is under way at Staythorpe for RWE. Alstom is the contractor and has chosen Spanish sub-contractors Montpresa and FMM. Both plan to use Spanish workers only.

Next comes the controversial Eon unit at Kingsnorth, which is supposed to be carbon-capture ready, but rumours abound too about exclusive foreign workers. Then comes, in no particular order, RWE at Tilbury and Blyth, Scottish Power at Longannet – scene of some



Photo: Owen Humphreys, IFA

Can one, for example, imagine Alstom bedding down a load of British pipe-fitters on the Loire to replace an aging nuclear reactor? In this the British have partly themselves to blame since the old contracts with British construction companies were blown to bits by privatisation and liberalisation. The French and Germans now own the British power sector.

of a foreign workforce is that it can be kept – on barges – firmly under the sub-contractor's thumb.

So why did the strikers win so quickly? The answer lies in the refinery blockade of 2000 and its little sister in 2008. Road truckers blockaded the refineries and panic buying did the rest. The government took note. The power and refinery workers and construction colleagues can shut down the UK economy in less than two weeks. Did the oil companies take legal action? No thanks! Did the police like the idea of shifting them? Sorry Sir! Did they get what they wanted? Pretty much.

True, court decisions have persistently upheld the rights of employers to use foreign nationals from other EU states. However the European Court is not noted for its supply of emergency workers to keep the lights on should its actions provoke industrial unrest.

As for the anger, when a bank boss gets a pay-off of £2.8 million when his bank had to be bailed out for losses of £2.8 billion, you do not need to be very sensitive to feel it crackling like electricity in the cold winter air. ■

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recent action – and Scottish and Southern at Ferrybridge.

In short, the Lindley action is a skirmish in a longer war. Of course, all this infrastructure building can be seen from London as part of a grand Keynesian recovery. All the money will whistle down the famous 'multiplier' won't it? Well, if it goes to company-fed foreigners sitting on barges in the Humber it won't!

The construction workers have their ears to the ground and they aren't stupid.

So why don't British companies win bids? Total maintains that the Italians earn British pay rates. Since the deal is confident, nobody can prove this, but it suggests that if labour costs are the same, something else is wrong; namely that the British construction sector is unskilled, lazy, tea drinking and not fit for purpose. However, for RWE/Alstom/ Eon or British politicians to say this would invite commercial or political suicide, not least because it isn't true. The only advantage