

# Britain: Unions responsible for harsh conditions facing temporary agency workers

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Tony Woodley, leader of the Transport and General Workers Union (T&G), used a column in the *Guardian* this week to set out his union's campaign over the plight of temporary agency workers.

The article was a trailer for his speech to the Labour Party conference on the same subject, and private members bill to parliament next month, backed by the Trades Union Congress. Its objective was to portray the trade unions as standing firm against "greedy employers" and super-exploitation. But in so doing Woodley's comments stand as a devastating indictment of the trade unions, which have collaborated with management and government in producing employment conditions synonymous with the 1930s.

Woodley described the situation facing agency workers—"second-class citizens in the world of work"—as the "single biggest employment issue" in Britain.

"Gone are secure, directly-employed jobs with training, sick pay, paid holidays and a respect for health and safety law," he wrote. Some one million workers are "denied equal rights in our workplaces." As permanent staff are replaced by agency workers—on lower rates of pay, without overtime and holiday rights—"we have hire-and-fire, migrants duped into accepting poorer terms, two—and three-tier workforces and a 'take a cut or take a hike' approach from the bosses and the gangmasters," Woodley stated.

As examples, he cited the case of a "63-year-old worker threatened at gunpoint by his gangmaster's thugs for daring to complain. Or a young, pregnant Polish worker forced to live in a car for weeks after her agency kicked her out of her accommodation, her passport taken by the agency so she can't even go home." One leading hotel chain was employing Chinese migrant labour "on £3.75 an hour, paid in brown paper envelopes because, officially, they don't exist."

A report earlier this year by the TUC, "Agency Workers: Counting the cost of flexibility," showed that while temporary work still accounts for just 6 percent of overall employment (and temporary agency work for one percent), it is overwhelmingly concentrated in the poorest paid, most labour intensive sectors and amongst younger, unskilled and migrant workers.

UK employment law, the report explained, distinguishes between "employees" and "workers." Most agency employment is defined as the latter, serving to exclude agency staff from crucial protections. They have no security of tenure, and can be laid off at

any time, despite one-quarter of so-called "temporaries" being employed, often on zero-hours contracts, for over one year.

Pay differentials vary between 60 and 94 percent of permanent earnings—"employers are free to discriminate against agency workers in terms of pay and/or working conditions"—and in many cases, staff do not receive even the minimum wage rate to which they are legally entitled, and can be subject to penalties, such as deductions for food, fares, uniforms, etc.

Neither Woodley nor the TUC's report addressed how such conditions had been made possible. They are presented as the inevitable product of a globally competitive labour market, which is exploited by a few unscrupulous employers.

Woodley's article portrayed the problem as one mainly involving migrant labour. "Community cohesion" was being damaged by the use of immigrant labour to force down wages, he wrote, warning that "Left unchecked, these tensions will worsen as insecure British workers blame migrants for driving down their pay," and the workers themselves would be left "vulnerable at the mercy of exploiters and the right-wing hate-mongers."

It is certainly the case that almost 700,000 eastern Europeans, mainly from Poland, have applied for work in the UK since 2004. Most of these are concentrated in London, the southeast and the east of England. There are numerous instances—especially in the meat-packing industry in the latter region—where hundreds of permanent staff have been laid off and replaced by agency workers. The Unite union cites the Dawn Pac meat plant in Bedford where it says agency workers, many of whom are Polish, were forced to accept a 20 percent pay cut earlier this year.

The TUC report also outlined the appalling situation in social care and the tourism industry. But the situation is not confined to such traditionally notorious employment sectors. Nor is it specific to migrant workers, as Woodley implies.

A report in the *Guardian* also earlier this week highlighted the growth of agency labour in more "established" industries.

It cited A&P shipbuilders in the northeast, which recently won a Ministry of Defence contract. The firm employs predominantly Polish workers via a recruitment firm it part owns, where "The workers are paid £5 an hour less than permanent staff and can have contracts terminated with a day's notice." Coca-Cola in Wakefield has also "been using an agency to recruit Polish workers to do quality checking for £5 an hour less than local workers," the report said.

Quebecor World printing, which produces the *Observer*

magazine amongst others, is reported by Unite to have “steadily replaced its permanent workforce in unskilled areas with agency workers. Some 90 Poles and Lithuanians are currently working long shifts for significantly less pay than permanent staff,” the *Guardian* continued, while at Trinity Mirror printing, “Most of the agency staff at the Newcastle newspaper printing site are African migrants on lower rates of pay.”

At BMW’s engine-making factory in Birmingham, the newspaper continued, two-thirds of the 700 shop-floor workers are local agency staff, “paid up to £5 an hour less than permanently employed workers doing the equivalent job and have fewer benefits. Some temporary staff have more than five years’ experience with the company, according to the union.”

Similarly, at the Cowley plant, Oxford, out of the 4,700 workforce some 1,200 are agency workers.

While union membership in the private sector has declined to less than 20 percent, in many of the examples given above the growth of casual, low-paid work has occurred in unionised companies.

This apparent anomaly is even more striking in the case of the public sector. Here union membership is almost 60 percent, but this sector is a major employer of agency labour.

The TUC report found that some of the larger local authorities employ up to 20 percent of their workforces through agencies. Over the last two decades both Conservative and Labour governments have sought to slash public spending and privatise vast swathes of social provision. As a consequence, entire departments and workforces have been “tendered out” to private contractors.

Earlier this year, it emerged that temporary workers were queuing up outside Salford council depot for work in scenes reminiscent of the docks in the 1930s. From 5 a.m., agency staff gathered outside the building for employment as refuse workers and road sweepers. Agency staff do not necessarily have to turn out—usually they must wait for a telephone call—but in Salford those not chosen could receive a compensation payment of between £10 to £20. One worker told the BBC how he had been standing in line daily for five months, waiting between one to five hours to see if he would be picked. His hourly rate was £6.75 an hour, compared to a council employee’s £8.49.

Woodley’s protests aside, the unions now presenting themselves as opponents of casualisation are the same ones that have directly facilitated its growth. Not once over the last years have they sought to oppose the attacks on workers’ wages and conditions.

The mantra of the trade union bureaucracy has been exactly the same as that of the Labour government and the Confederation of British Industry—that nothing can be allowed to interfere with ensuring a “business friendly” economy.

On this basis, the trade unions have refused to lift a finger in defence of welfare rights—the dismantling of which has been a far more significant factor in the growth of a large reservoir of particularly young workers forced to rely on temporary, low-paid employment than European Union expansion. They have accepted wage freezes, productivity hikes and bargained away employment conditions all in the name of ensuring Britain’s “global competitiveness,” while systematically demobilising any

opposition to Labour’s privatisation agenda. In many areas—such as the National Health Service, education and social services—unionisation has been a major factor in enabling the growth of unstable, temporary employment.

Woodley’s article was a cynical evasion of this reality, and yet another threadbare attempt to portray the Labour government under Brown as a force through which workers could protect their interests.

It should be noted that in the weeks leading up to the Labour conference the unions had agreed a deal with the government which effectively bars all discussion on Labour policy at conference. Woodley’s remarks were therefore framed around a “contemporary resolution” presented by the T&G, upon which no discussion was held and no vote taken. It therefore committed the unions to nothing.

In another sleight of hand, Woodley presented the absence of employment protection for agency staff as the result of “European inaction”—thereby covering over the fact that the Labour government has been at the forefront of blocking a new EU directive on agency working that had met with venomous hostility from the bosses’ organisation, the Confederation of British Industry.

Unfortunately for Woodley, just days before he took the podium at the Labour Party conference to deliver his snow-job for Brown, it was revealed that the government had signed a multimillion-pound deal with an Australian-based job agency firm as part of its efforts to drive disabled people off benefits.

WorkDirections UK, run by Therese Rein, the wife of Australian Labor Party leader Kevin Rudd, has won six four-year contracts under the government’s “welfare to work” programme, which has outsourced job search services to private companies. Earlier this year Rein was forced to sell off her Australian recruitment business amid complaints that it would represent a conflict of interests should her husband be part of a Labor government following the general election, and that it had been underpaying some staff.

Rein’s successful bid came after it was advised that Transfer of Undertakings (Protection of Employment) regulations—which guarantee existing conditions, such as sick pay and pensions, in the event of a transfer of business—did not apply.



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