

Subcontracted employment and its challenge to labour

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ABSTRACT

This paper argues that subcontracted employment is becoming paradigmatic. This form of employment has stark consequences for traditional models of trade union organisation that focus on collective bargaining with the employer. The paper highlights the need for subcontracted workers to put pressure on the ‘real employer’ at the top of any contracting chain. Drawing on the lessons from community-union organising efforts and particularly, living wage campaigns, the paper suggests that trade unions can effectively work with other social movements and allies in the community in order to secure the political leverage needed to change the terms and conditions of subcontracted employment. The paper illustrates these arguments by exploring recent experience of the living wage campaign in London. The paper draws on original research material from the Homerton Hospital and Queen Mary, University of London, to explore the progress of these living wage campaigns and their wider significance for labour organisation.

KEYWORDS:

Subcontracting, networked trade unionism, community unionism, living wage campaigns, non-worker organisations

Introduction

I first met Mike Bold, the UNISON branch secretary at the Homerton Hospital in east London in the Summer of 2001. He had long years of service, a devotion to both the hospital and the union, and a strong grasp of the problems facing the staff. In 1996, the hospital had been determined to save money and transferred some 250 catering, domestic and portering staff – including Mike as part of the kitchen team - to the company *ISS Mediclean*. When we met, Mike recounted the bitterness workers felt at being contracted out despite their years of service to the hospital. They felt angry that *ISS Mediclean* was able to employ all new workers on inferior terms and conditions without offering the NHS-standard rates, entitlements and pension. The new workers, doing the same jobs, had very inferior pay and conditions of work.¹

¹ When a service is contracted out in the UK, workers are covered by TUPE, (the Transfer of Undertakings (Protection of Employment) Regulations 1981). These regulations lay down the

While Mike spoke passionately about the injustice done to his colleagues, he also acknowledged his inability to get anything done. Since they had been contracted-out, the catering staff, domestics and porters were no longer able to negotiate with the NHS. Even though they worked hard to clean the hospital, to feed and move patients about, they were not treated as NHS staff, they had no channel to discuss their situation with NHS managers and they could only negotiate with the new cleaning contractor. Mike admitted that he was at a loss to know what to do. While he could continue to represent the day-to-day interests of his colleagues in meetings with managers at *ISS Mediclean*, he could not do anything to challenge the nature of the contract with the NHS Trust.

In February 2006 I was back at the Homerton Hospital to attend a UNISON meeting for stewards. Mike reported that they were just days away from finalising the arrangements for the complete harmonisation of terms and conditions between the contracted and the NHS staff. Most of the catering and domestic staff, who now worked for *Medirect* (the company that had won the contract from *ISS Mediclean* after re-tendering the previous year), were in line to receive London weighting, extra rates of pay for overtime, weekend working and covering bank holidays, an increase of about 50p an hour in pay (having secured gradual rises in previous years to move towards harmonisation), sick pay, improved holiday entitlement and carer's leave. In the five years since I had first met Mike, his UNISON branch had triumphed against all the odds. Pay had risen from £4.13 an hour (rising to £4.28 after three months) in Autumn 2001 to £5.89 an hour with a further £63/week London Weighting in Spring 2006 and the two-tier workforce was to be a thing of the past.

The UK is now replete with workplaces like the Homerton Hospital where low wage services have been contracted out. Subcontracting is commonplace across the public and private sectors. Yet Homerton Hospital's subcontracted staff are unusual in finding a way to challenge their inferior conditions of work. In this case, the domestic,

conditions for the transfer of employees from one employer to another. TUPE states that the terms and conditions of employment remain the same until they are changed by agreement. Thus while transferred workers have their terms and conditions protected, new workers arrive to fill these positions on new contracts with inferior terms and conditions of work. This creates what has been known as the two-tier workforce.

catering and portering staff joined the London living wage campaign to respond to the injustices of subcontracted employment. This paper explores the wider significance of subcontracted employment for labour organisation. Whereas the paradigmatic form of employment during the middle years of the twentieth century was the factory, here I argue that subcontracted capitalism is becoming paradigmatic today. The paper explores how living wage campaigns point to the way in which labour can respond to this new landscape of capitalism. Drawing on original empirical material collected at the Homerton Hospital and Queen Mary, University of London, the paper documents the progress of the living wage campaign at each workplace and highlights the wider implications for labour organisation.

Towards a new employment paradigm?

In recent years there has been something of a frenzy of academic and populist speculation about the future of work. Commentators have argued that there is no longer any security at work and that meeting the demands of flexible capitalism erodes individual character, family and community life (Bauman, 2003; Beck, 1999; Carnoy, 2000; Reich, 2002; Sennett, 1998). Particular concern has focused on the use of contingent or non-standard forms of employment such as fixed term contracts, temporary workers, agency staff and home workers (Benner, 2002; Forde, 2001; Forde and Slater, 2005; Peck and Theodore, 1998;). While there is clear evidence of the significant use of these forms of employment in countries like the UK, however, there are also counter-trends including some increased job tenure (Doogan, 2001) and increased labour market success for women (McDowell, 2003). In practice, published research has tended to reflect different ends of a polarising labour market which has career development opportunities for the desirably qualified and experienced workers at one end, and very little on offer to those less advantageously placed at the other.

It is significant that subcontracting is a practice associated with both ends of the polarised labour market. What started as a means to save money by cutting down on the labour and management costs of low waged workers has now spread to highly skilled professional posts (Juma'h and Wood, 2000). Recent surveys of employment and management change indicate that subcontracting is now far more widespread than other forms of flexible working in the UK (Cully et al., 1999; White et al., 2004). The vast majority of British workplaces now use subcontractors, and often outsource a

significant number of activities such as building maintenance, catering, cleaning, transportation, training and security. A survey of managers in 2000 UK-based workplaces found that as many as 93% had outsourced at least one service and as many as half had outsourced four or more services by 2002 (White et al., 2004, 25). Similarly, data generated by the 1998 British Workplace Employee Relations Survey found that as many as 90% of workplaces subcontracted at least some part of their work (see Table 1).

Table 1: Subcontracting and non-standard forms of employment, UK, 1998

	Private sector (%)	Public sector (%)	Total workplaces (%)
Subcontract one or more services	91	88	90
Temporary agency workers	29	26	28
Fixed term contract employees	34	72	44
Freelance workers	16	7	13
Homeworkers	8	3	6
Zero-hour contract employees	6	2	5
None of these used	5	6	5

Source: Workplace Employee Relations Survey of 1914 managers in 1998; from Cully et al (1999), 35

These figures reflect the fact that increasing numbers of workers are no longer directly employed by the organisation where and/or for whom they work. Beyond service sector jobs such as cleaning, catering, security and training, workers in sectors such as transport, distribution and manufacturing are also likely to be subcontracted. As documented by Naomi Klein (2000) in *No Logo*, brand-name companies selling manufactured goods no longer own their own factories. The leading multinational companies have subcontracted all their production, transportation and distribution requirements to third party firms. Governments and corporations are becoming hollow organisations, managing networks of relationships, their public image and their brands, rather than people and goods (see also Allen and Henry, 1997).

Thus just as the factory became emblematic of employment experience and the labour movement in the twentieth century – despite the fact that only a minority of the world’s workers were ever engaged in factory employment - I contend that

subcontracted employment relations are becoming paradigmatic today. Increasing numbers of workers are engaged in subcontracted employment relationships and this is reconfiguring the nature of work. Subcontracted employment has significant implications for the conditions, experience and politics of work. It is an effective way for employers to cut costs, shed responsibility, increase flexibility and disempower the workers involved.

Subcontracted capitalism means that increasing numbers of the world's growing workforce, and particularly those connected to the global economy, face constant pressure on their wages and conditions of work. The nature of short-term contracts and increased competition means that contractors are forced to cut back on employees' pay and standards of work. Moreover, given that they are no longer directly employed, these workers have no industrial relations contact with their 'real employer.' Even though the hospital trust, the 'manufacturer', the bank or the retailer sets the terms of the contract and determines the profit the contractor is able to make (even down to determining materials, head count and wage levels in many cases), the workers have no channel to bargain over these terms. Exposed to the pressures of competition, these workers are divorced from their 'real employer' and distanced from the people in the board rooms and offices who determine their conditions of work.

Thus subcontracting breaks the mutual dependency between workers and employers that has been so central to the labour movement in the past. When a company directly employs the staff on whom they depend, there is the potential to negotiate over matters of work. Each needs the other, and they have to co-operate, to at least some extent. Indeed, in many countries, protocols of labour law have developed to reflect this employment relationship, granting rights for union recognition and collective bargaining on the basis of the employment contract. Yet in relationships of subcontracted capitalism, those with the real power over the contracting process – the ultimate employers of all those involved in any particular supply chain or business operation – are generally not accessible to the workers doing the work. Meaningful collective bargaining, the *sine qua non* of trade union organisation is impossible. If workers are going to 'bargain' they need to find new ways of accruing power and putting pressure on those at the top.

However, if workers organise using established methods to demand improvements and increase costs, it is likely that they will end up losing their jobs, as the contract/order will be shifted elsewhere in the case of manufacturing, or they would be priced out of the marketplace in the case of service provision. This is demonstrated by a growing body of evidence in relation to cases of workers' protest involving international solidarity action, where workplace trade union organisation has resulted in the leading brands and retailers reconfiguring their supply chains to source their goods from elsewhere (see Bonacich, 2000; Bronfenbrenner, 2000; Cravey, 2004; Traub-Werner and Cravey, 2002). Somehow, workers need to find a way round the structural disempowerment at the heart of subcontracted capitalism. New indications of how this might be possible are outlined further below.

Subcontracted capitalism, networked labour organisations and living wage campaigns

Trade unions and labour organisations have started to develop new ways to respond to this paradigm of employment, all of them involving the establishment of new relationships or networks with non-labour organisations. While many of these efforts have been lumped together as part of a wider shift towards what is being called social movement unionism, networked trade unionism or community unionism, there are important reasons for considering subcontracting alone (Fine, 2005; Moody, 1997; Waterman and Wills, 2001; Wills, 2001a, 2002; Wills and Simms, 2004). As intimated above, this new employment paradigm poses particular problems for labour organisation, and it might be possible to respond without adopting the full social movement response.

Indeed, a growing body of research evidence highlights the ways in which alliance building can allow workers to secure the power needed to tackle the 'real employers' at the top of contracting chains. As an example, workers in the Southern production facilities that produce goods for leading brand-name manufacturers are starting to forge links with activists in the main markets of the global North (see Hale, 2000, 2004; Hale and Wills, 2005, 2007; Hale and Opondo, 2005; Shaw, 2002). The spread of codes of conduct, social auditing, corporate social responsibility and fair trade bear testament to the impact of this activity. Organisations like the *Clean*

Clothes Campaign (Euorpe), the *Maquila Solidarity Campaign* (Canada), *United Students Against Sweatshops* (USA), *No Sweat* (UK) and *Women Working Worldwide* (UK) have played a significant part in developing a new form of labour internationalism connecting workers with their non-labour allies in different parts of the world (Hale and Wills, 2007; Johns and Vural, 2000).

Moreover, while subcontracted workers in global supply chains have forged relationships with a wide range allies at the trans-national scale, other groups of workers have been effective through alliance building at a much smaller scale. At the Homerton Hospital, for example, subcontracted workers were able to make significant connections with local faith organisations that had an interest in the quality of local employment and the vitality of community life. The workers found common cause with faith leaders who saw the impact of subcontracted employment and low wages on their own congregations, who witnessed the impact of multiple job-holding on family life and who could be mobilised to put pressure on the NHS trust. Thus just as global manufacturing workers have forged alliances with development, feminist, corporate and anti-capitalist campaigners, local workers have forged alliances with a range of non-labour organisations including faith groups, community organisations and activist groups.

Such activity has been particularly well illustrated by the living wage movement. Living wage campaigns have allowed workers to make alliances with non-labour actors to put pressure on the ‘real employers’ at the more local scale. Since the first successful living wage campaign in Baltimore in 1994, this movement has spread across the US and more recently to the UK. The Baltimore living wage campaign was pioneered by a broad-based faith-led organisation in the city called BUILD (Baltimoreans United in Leadership Development) (Harvey, 2000; Schoenberger, 2000; Walsh, 2000). Concerned about the impact of subcontracted low wage employment on members of their congregations, BUILD established relationships with the American Federation for State, County and Municipal Employees (AFSCME) in order to unionise subcontracted staff working on city contracts and to put pressure on city politicians to improve the conditions of work. Since BUILD won a living wage ordinance covering city workers in 1994, numerous other community organisations, labour groups and networks of activists have successfully mobilised for

living wages across the US. At the time of writing there were more than 100 active living wage ordinances in American cities and counties (Luce, 2004; Pollin and Luce, 1998). Most of these covered workers on government service contracts but in a small minority (including Berkeley, Cleveland, Los Angeles, Miami, Oakland and San Francisco) they also covered those working on government-owned land such as airports or marinas and at companies in receipt of state subsidies (Fairris and Reich, 2005; Luce, 2004). The living wage movement has successfully argued that public money should be used to support living wage jobs.

In the context of the US, debate has centred around the extent to which living wage campaigns are an effective tool in the battle against poverty (Neumark and Adams, 2003; Freeman, 2005), about their impact on productivity and high rates of labour turnover (Fairris, 2005; Reich et al., 2005) and about their potential to rejuvenate the labour movement (Reynolds, 2001; Nissen, 2000). Others have highlighted the problems of enforcing living wage ordinances once they are passed (Luce, 2004, 2005) and of linking local success with wider political-economic reform (Freeman, 2005). Yet these analyses have not recognised the wider significance of this model for tackling the prevailing paradigm of employment. In practice, living wage activists have stumbled across a method of organising that has much wider significance in tackling subcontracted employment relations.

Living wage campaigns demonstrate that in order to change the terms and conditions of subcontracted employment it is necessary to generate the political power needed to expose the 'real employers' while also organising across the most relevant geographical scale. Given the nature of subcontracted employment, increased pay and conditions for one group of workers will simply be eroded over time with the subsequent re-tendering process it is necessary to take wages and conditions out of competition across a whole labour market. The SEIU's *Justice for Janitors* campaign has demonstrated this by tackling urban-wide labour markets for building services and living wage campaigns have done the same for public sector contracting (Savage, 1998; Waldinger et al, 1998; Walsh, 2000). But whereas living wage campaigns have been successful at the urban scale, where the 'real employers' and their workers are sharing the same geographical space, tackling subcontracted employment relations that stretch across a larger geographical canvas depends upon trans-national links.

Taking wages and conditions out of competition at this scale would require tackling the largest ‘real employers’ in one industrial sector (say textiles, or logistics) at the same time. While this poses a massive challenge to labour, the SEIU is beginning to think at this scale, as demonstrated by its campaign for improvements in the building services sector across the world’s largest cities (Anderson et al, 2008).

To date, trade unions have been slow to acknowledge the full impact of subcontracted employment. Their participation in alliance-building activities has been rather ad-hoc. Some living wage ordinances have been passed without any trade union involvement and in those where unions have been involved, they have often been marginal to the campaign (Nissen, 2000). In the minority of cases where trade unions have been fully involved, they have used the campaign to recruit workers, to identify new leaders and widen political experience and to create inter-organisational relationships that can support future campaigns. In his analysis of the impact of living wage campaigns on trade union organisations in the US, Reynolds (2001) found that such gains depended upon local union leaders who sought “to rebuild an effective progressive movement around economic democracy” (2001, 54). In cities such as Los Angeles, San Jose, Milwaukee and Baltimore, local organisers had a vision to mobilise workers as part of a wider political strategy to achieve transformations in everyday life (and for the situation in LA, see Pastor, 2001).

In London UK, the launch of a living wage campaign by a broad-based community organisation has met with a similarly mixed response from the trade union movement. While some local branch officials, like Mike Bold at the Homerton Hospital, have seized the opportunity of getting involved and some national union officers have also been very supportive, many activists and officials have been indifferent or even hostile to the campaign. As is demonstrated below in relation to campaigns at the Homerton Hospital and Queen Mary, University of London, this means that the wider trade union movement is not developing the capacity to respond to the new employment paradigm and that new organisations are filling the ‘organisational and representational gap’ that exists due to the absence of trade union organisation.

Campaigning for living wages in London

The London living wage campaign was launched in 2001 by an organisation called London Citizens, a broad-based organisation including more than 80 faith groups, trade union branches, schools and community organisations (see Jamoul, 2006; Wills, 2004).² Inspired by experience in the US, and stimulated by the strong relationship between London Citizens and BUILD, member groups were keen to challenge the subcontracted low waged labour market in London. Since 2001 the campaign has moved across different sectors of the labour market first organising around domestic and catering workers at a number of NHS Trusts, then moving on to tackle the corporate banks at Canary Wharf and the City of London, before its current focus on the Universities, the cultural sector and luxury hotels. At the time of writing the campaign has directly improved the wages and conditions of approximately 5000 contract cleaning and catering workers, many of them new migrants to London. The campaign has secured living wage clauses in the Olympic 2012 procurement process and established a living wage unit at the Greater London Authority (GLA).

The GLA's living wage unit now publishes an annually updated living wage figure for the capital. In April 2005 this was £6.70 an hour, in May 2006 it was updated to £7.05 and from April 2007 it has been £7.20, almost £2 above the national minimum wage (see GLA, 2007). This figure is based on detailed calculations of the cost of living for different family groups in London, and is now seen as an ethical benchmark for low wages in London. While the campaign has focused on wages, it has also involved a demand for increased holiday entitlement (to increase the minimal entitlement from 20 to 28 days a year), sick pay (to secure at least 10 days a year) and support for union recognition. London Citizens has an official living wage employers award that is given to those organisations that meet all these demands. In addition, however, a number of organisations have adopted the language of living wages independently of London Citizens and the movement has started to spread to other cities in the UK.

² London Citizens is the city-wide coalition that includes The East London Communities Organisation (TELCO) along with South London Citizens and West London Citizens. Although the living wage campaign was launched by TELCO in 2001, it has subsequently been taken up by the city-wide body.

At its best, the campaign in London has supported union organisation in the workplace alongside community-wide pressure on the ‘real employers.’ This has allowed the workers to strengthen or establish workplace trade union organisation as well as changing the terms and conditions of employment. The campaign has successfully forged relationships with local branches of the public sector trade union UNISON in the hospitals and in some local authorities and with the largely private sector trade union Unite (T&G section) at Canary Wharf and the City. However, in other cases, the campaign has won living wages without trade union involvement. This has made it harder to monitor the implementation of the award over time but it also means that the campaign has had much less impact on internal workplace relations. While individual leaders have come forward to take part in the campaign, to speak out about their terms and conditions of work, and to negotiate with the ‘real’ and contractual employers, they have not been connected to the wider trade union movement. Without trade union support they have had no opportunity to recalibrate day-to-day employment relations with their contractual employer. While the campaign has allowed non-unionised workers to tackle the ‘real employer’ and secure improvements in their wages and conditions of work, it has not allowed them to bargain over their day-to-day employment relations.

The campaign has thus demonstrated the power of this new form of labour organising to tackle subcontracted employment but it has also revealed the absence of trade unions in some parts of the low paid labour market in London. As Freeman (2005, 18) puts it, the campaign has illustrated the role of ‘non-workers organisations’ in the labour market. As he puts it in relation to the living wage movement in the US: “Non-worker organisations seek to fill the gap left by the absence of unions by bringing community pressures on employers to grant workers some of the economic benefits and rights that unions would have won for them.” In what follows I compare and contrast the impact of the campaign at the Homerton Hospital and Queen Mary, University of London. Both employ very similar populations of low waged, largely migrant, subcontracted cleaners. Both workplaces have been subject to a living wage campaign; Homerton’s running from 2001 to 2006 and Queen Mary’s from 2005 to 2008. Moreover, both campaigns were successful in winning major improvements in the terms and conditions of work. However, while the former involved the local UNISON branch, the latter secured much more significant benefits despite the

absence of trade union organisation. I outline the nature of subcontracted employment at the two sites before going on to introduce the campaign at each workplace. The material presented here has been collated since the start of the wider living wage campaign in 2001. I have interviewed the main organisers and leaders in the campaign as well as attending the regular steering group meetings for the campaign. Here I draw upon material collected via face-to-face interviews with five workplace leaders at Queen Mary, two leaders and eight workers at the Homerton Hospital as well as interviews with officials and organisers from UNISON and the campaign.

The living wage campaigns at Homerton Hospital and Queen Mary, University of London

Conditions of work and trade union organisation

The Homerton Hospital is a small NHS-funded hospital in Hackney, east London. Portering, cleaning and domestic staff were contracted out to the private sector in 1996 and since then, as many as three different companies have held the contract.³ Queen Mary, a higher education college that is part of the University of London, is located a few miles away in the neighbouring borough of Tower Hamlets. Workers are employed at three sites, one in the City, one in Whitechapel and one in Mile End. The cleaning services were subcontracted more than fifteen years ago and the longest serving cleaners recall working for three contractors during this time.⁴ Both workplaces now depend on large numbers of immigrant workers, many of them new arrivals to the UK.⁵ However, whereas a significant minority of the workers employed at the Homerton Hospital were still on NHS terms and conditions of work at the start of the campaign, none of the Queen Mary staff had protected terms and conditions of

³ The contract has shifted from *RCO* to *ISS Mediclean* and then *Medirest* in 2004.

⁴ This contract has shifted from *OCS*, to *Victoria Medical* and then *KGB*.

⁵ Research conducted at the neighbouring Royal London Hospital in 2005 provides a useful comparison here. Interviews with nearly 70 domestic workers who had been employed by *ISS Mediclean* having just been brought back into NHS employment, found that only tiny minority were born in Britain (3.3%) while the vast majority (96.7%) were born outside the country (59 out of 61). The respondents were most frequently born in Africa (45.9%, half of them in Ghana and Nigeria; and other countries of origin included Morocco, Sierra Leone, Uganda and Ethiopia) and South America and the Caribbean (26.2%, over 2/3rds of them from Jamaica). Broadly defined, Eastern Europe (including Turkey and Russia, but most frequently Lithuania) accounted for 9.8%, followed by India, Pakistan or Bangladesh (6.6%) and other Asian countries (6.6%). Only one worker was born in Western Europe. Although it is a truly global workforce, three countries alone (Ghana, Nigeria and Jamaica) were the countries of birth for over 40% of the sample (see Sokol et al., 2006). The two hospitals are very close to each other and to Queen Mary, and there is no indication that the staff employed at any of these workplaces are any less diverse in their origins (and for more on the 'migrant division of labour' in London, see May, et al., 2007).

work. While subcontracted staff at the Homerton were thus divided into a two-tier workforce whereby the longer serving minority of staff had TUPE-protected pay and conditions that were significantly better than those received by the newer staff, this was not true for the 120 cleaners employed at Queen Mary.⁶ In the latter case, all cleaners were paid the minimum wage (£5.05 at the time of the research), they were given 10 days paid holiday in addition to 8 bank holidays (two days short of their legal entitlement due to the closure of the College at Christmas) and no sick pay. While conditions were a little better for the staff working at the Homerton Hospital, non-TUPE staff also had no sick pay and minimal holidays. As their jobs were full time with some opportunity for overtime, many hospital staff worked long hours as a means to survive. In contrast, workers at Queen Mary were employed for just 2 hours a day. They started at 6am and worked until 8am, leaving before the students, academics and support staff arrived.

Staff in both workplaces were expected to take on very responsible positions, serving food to patients, cleaning the wards or being responsible for the security and cleanliness of large University buildings. As an example, one woman had to look after a ward of 18 rooms at the Homerton, working almost 12 hours a day. Likewise, supervisors at Queen Mary were expected to arrive at 5.30am, sign for the keys and manage their colleagues before returning the keys at 8.30am. At the time of interview, these supervisors had not had a pay rise for three years and they were paid just the national minimum wage. These staff were expected to induct all new colleagues, to oversee and complete all the work, to manage cleaning supplies and to report staff shortages. Such workers were critical to the functioning of the University – just as was true of domestic and catering staff at the Hospital - and yet they were receiving minimal pay and had very poor conditions of work.

Workers in both organisations reported a lack of collegiality with their colleagues. Rapid turnover, increased diversity and isolated working patterns appeared to prevent the development of any collective culture on site. As this supervisor at Queen Mary put it: “We don’t have a meeting, no regular meeting,

⁶ At the start of the living wage campaign in 2001 there were 250 staff employed by *ISS Mediclean* at the Homerton Hospital; 150 domestics, 70 catering and 30 portering staff. Of these, only 100 were ex-

which as colleagues we should. We never get the chance to get together to have a meeting and talk.” Likewise, this long-serving woman in the domestic department at the Homerton Hospital contrasted her social life in the old NHS days with the present saying:

Well, I used to have a lot of friends before, when we used to be the NHS staff but most of them are not there, they retired, so I don’t know these people very much, so I haven’t got much friends now ... They were friendly and they were, you know, we used to work sometimes together and talk at dinnertime but now I don’t know these people, half of these – nearly all these people, the new people, I don’t know them, you know, I don’t know their names or nothing.

Long serving staff in both workplaces also complained about the reduction in staff numbers over time. Workers had experienced an intensification of labour and were regularly not paid for covering additional work. Staff were also distressed at their exclusion from the machinations of the tendering process. They had no choice but to work for the company that was taking them on. As this member of the domestic staff at the hospital put it:

I feel very sad about changing all the time. You get used to one company and another one takes over and things is not the same when they change over, you know? Everything changes, you know?

Moreover, staff had no means to report their experiences back to the procurement officers working for the Hospital or the College. Long serving workers at Queen Mary, for example, reported that KGB was the worst of the three contractors they had worked for yet they had no scope to report this to manager within the College itself. Subcontracting divorced these workers from the people who made decisions about them and for whom they worked.

Workers at the Homerton Hospital were already unionised when they were contracted out to the private sector in 1996. In tandem with the staff employed directly by the NHS Trust, they belonged to the public sector union, UNISON. Historically, low paid hospital workers had been relatively well unionised and they resisted privatisation before it took place. However, while the union branch had retained most of its existing members, union density had started to decline with the

NHS staff covered by TUPE. By 2006, the ratio of ex-NHS to contractor-only staff had fallen even further to 70:150.

influx of new workers after contracting out. Moreover, even long-serving union members bemoaned the lack of power the union had. As this man in the catering Department explained: “Over the years, from when the lady [Mrs Thatcher] was in power, the union is not as strong as they used to be, no way.” Likewise, this domestic argued that: “First and foremost the union isn’t as strong as before, so while we have our views about the managers and things, there’s nothing being done.” Thus while they had union representation, many of the subcontracted workers at the Homerton Hospital had no confidence that the union had the power to act in their interests.

In contrast, there was no union organisation amongst the cleaning staff at Queen Mary. Although UNISON had a branch for directly employed support staff at Queen Mary, local officials felt unable to get more involved. UNISON’s regional officers also declined to support the campaign arguing that it did not meet their criteria for an organising campaign (not least due to the short hours of work and high labour turnover) or their proposed schedule of work. Thus although workers were being organised and mobilised to put pressure on their ‘real employers’, the union did not take advantage of the campaign. The union and London Citizens had different priorities and were not able to work together on the campaign. As Fine (2007) reports, a clash of structures, cultures and ideologies has been common in relationships between trade unions and emergent workers centres across the US. Whereas London Citizens sought to create a stronger broad-based organisation that could act on a range of issues and reshape the life of the city, UNISON’s officials were understandably more interested in defending their existing organisation and members. As such, the campaign at Queen Mary, was led by a ‘non-worker organisation’ and as yet, it has had no impact on trade union organisation.

The living wage campaigns: Homerton Hospital

The Homerton Hospital UNISON branch was one of the first union organisations to join London Citizens and get involved in the living wage campaign. London Citizens’ organisers already had a close relationship with Deborah Littman, a full officer at the union’s national headquarters and she assisted in securing the membership of a number of health sector branches. Homerton’s branch secretary, Mike Bold, was quick to see the potential of the campaign. He knew they could use the support of the community to put pressure on the NHS Trust – their ‘real employers’ – and he worked

closely with London Citizens’ organisers throughout the campaign. While his union colleagues from Mile End, Whipps Cross and the Royal London hospitals also joined the campaign, the Homerton was always the most active branch in the hospital-focused campaign.

The campaign advanced fairly rapidly at the hospital by using the existing union organisation as a basis for action. As is outlined in Table 2, the local UNISON branch were able to assist with preliminary research that made the case for a living wage and a full report was later put to NHS managers and staff at the trust. The union office also provided a base for organising activity and London Citizens’ organisers worked with a UNISON organiser to recruit and agitate workers for the campaign. Emergent new activists were trained by the union and staff at union headquarters worked on a claim for parity that was put to the contractors across the hospital sites in east London in 2002. A number of paid union officials were also able to assist in building up to industrial action and in the subsequent negotiations on site. The campaign was focused on the union and it had all the qualities of a traditional trade union campaign. Mobilising for living wages generated energy around the branch and it fed into increased membership, new leadership and a sense of dynamism around the branch. As a UNISON branch activist put it at the time of the campaign: “I think for too long the status quo has been that managers ... have been seen as proactive and unions have been reactive. It is a breath of fresh air to see the boot on the other foot where not just union officials, but union members and people who are thinking about becoming union members have all of a sudden become proactive and now the management need to be reactive. I wait with bated breath to see how ... [they] react.”.

Table 2: Key milestones in the Homerton Hospital living wage campaign

Activity	Date
Initial research to map the two-tier workforce at the hospital and compare conditions with those elsewhere in east London. Published as <i>Mapping Low Pay</i> (Wills, 2001b)	September 2001
Intensive recruitment of subcontracted workers led by LC and UNISON organisers. Establishment of an informal negotiating and organising committee for the campaign. Union training for new shop stewards.	Winter 2001-Spring 2002
Lobby of the NHS Trust board meeting calling for a living wage, attended by subcontracted and NHS workers, and LC representatives from mosques, churches and colleges. Petition with 600 signatures	May 2002

presented by a Catholic nun.	
UNISON and LC submit a joint claim for parity with NHS terms and conditions to the contractors across east London hospitals.	July 2002
Large demonstration and public meeting in support of the living wage held in east London. Mike Bold speaks on the platform with faith leaders; health service officials, politicians and community leaders present.	November 2002
London Citizens and UNISON organise a rally of 200 subcontracted health workers across east London's hospitals to build support for industrial action in defence of the claim.	April 2003
London Citizens assembly of more than 500 in east London pledges support for subcontracted health workers in their planned industrial action.	May 2003
Contractors, following pledges to honour the agreements from NHS managers, agree full parity with NHS terms and conditions by 2006. Accepted by UNISON members at the Homerton and Mile End Hospitals, and after a strike at Whipps Cross.	June 2003
Full parity in wages and conditions (except pension) for non-TUPE subcontracted staff following increments in the intervening period.	February 2006

The living wage campaign allowed the union branch to secure additional political support for their demands on the 'real employers'. While London Citizens' organisers helped with workplace organisation and activity, the wider London Citizens alliance also allowed the workers to win support from a range of organisations, to attract outside media attention and to raise their demands at a much broader scale. But while the campaign succeeded in winning parity between subcontracted and NHS staff, the fact that the improvements were phased in over three years made it harder for workers to feel the difference. High rates of labour turnover also meant that significant numbers of workers left before they saw any gains. And while the campaign was a success it had little impact on the day-to-day issues facing workers doing these jobs. The union still faces major challenges in retaining members, dealing with the contractor rather than the 'real employer' and making a difference on a day-to-day basis. In addition, although the union branch has remained a member of London Citizens, it is no longer as active as it was during the campaign. Once their demands were won and Mike Bold departed for another job, branch officials had less inclination for active involvement. Thus while the campaign broke new ground in allowing the union tackle subcontracting, it did not transform the

day-to-day challenges facing the staff nor did it foster especially strong relationships between the union and the wider community in the London Citizens alliance.

The living wage campaigns: Queen Mary, University of London

In contrast to the situation at the Homerton Hospital, the living wage campaign at Queen Mary took place without trade union involvement. As outlined in Table 3, the campaign began when London Citizens employed student trainees to research the terms and conditions of cleaners at Queen Mary during July 2005. From their early morning research visits, these students put together a picture of working conditions on site and they began to identify emerging leaders from amongst the cleaners employed. Organisers began to hold early morning meetings for workers after their shift and a small informal organising group began to take shape. A young man from Ghana was particularly important at this stage in the campaign. Working as a supervisor in one of the buildings he was also studying for an MBA, writing a dissertation about employee motivation! He spoke at a large public assembly in Walthamstow in September 2005, describing the working conditions at Queen Mary and asking for people’s support.

At this time, the campaign also started to draw upon the support of existing and new organisations in membership of London Citizens on and off campus. My own Department and the union branch for academics on campus (the Universities and Colleges Union UCU) both joined the alliance at this time and additional support came from leaders at other local institutions in memberships such as Mile End, Royal London and Tower Hamlets Local Government UNISON branches, the East London Mosque and the London Buddhist Centre. Echoing the impact that the community had on the NHS Trust, this alliance made a powerful impression on Queen Mary’s College Council. London Citizens organisers worked with a range of supporters to produce a short video letter explaining the case for a living wage which was presented to the College Council in April 2006. When confronted with the personal testimony of cleaners working on their own premises, senior managers and the governing body felt moved to respond.

Table 3: Key milestones in the Queen Mary, University of London, living wage campaign

Activity	Date
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Initial research into subcontracted workforce later published as part of <i>Making the City Work</i> (Evans et al., 2005)	July- September 2005
Request for a meeting with senior managers denied.	July 2005
KGB cleaner speaks out at LC assembly attended by up to 800 people including politicians and local officials, asking for solidarity in the campaign.	September 2005
Rally outside Queen Mary attended by 120 cleaners, students, LC members and the local MP to demand a meeting.	October 2005
Ongoing talks and video letter including representation from KGB cleaners, the student's union, UCU, local trade unionists, the East London Mosque and the London Buddhist Centre, presented to College Council.	January-April 2006
Agreement to become the first living wage campus in the UK.	April 2006
Queen Mary given the living wage employer award at a mass and rally in praise of migrant workers held at the Catholic Cathedral in London.	May 2006
Public commitment to bring all cleaning staff in-house made by senior managers at London Citizens' 10 th Anniversary Assembly in east London in front of more than 1000 people including local MPs, councillors and employers.	September 2006
London living wage (£7.20), 10 days sick pay and 28 days holiday (including 8 bank holidays) awarded to all subcontracted staff.	July 2007
All subcontracted staff to move back in-house.	January 2008

Less than a year after the start of the campaign, College officials announced that Queen Mary would be the first living wage campus in the UK. Although full implementation was to be relatively slow, cleaners moved from the minimum wage to the living wage, with improved conditions of work, in July 2007 (an increase from £5.35 to £7.20 an hour). The college also announced that from January 2008 all cleaners would be moving in-house. In a first for the campaign as a whole, cleaners will be able to work for longer hours, paid at a rate of almost £8 an hour, with full sick pay, a month's holiday and access to a good pension scheme.

In this case, the living wage campaign demonstrated its effectiveness in tackling the challenges of subcontracted employment, in constructing a broad enough alliance to target the 'real employer' and in making a lasting impact on the nature of work. While these workers still need union representation if they are to recalibrate their day-to-day working conditions, they achieved the kind of gains that were traditionally associated with the trade union movement. Indeed, the situation at Queen

Mary has highlighted the extent to which subcontracted capitalism opens up a ‘representation and organising gap’ between workers and their ‘real employers’ that the trade unions are often unable or unwilling to fill. Many unions remain reluctant to work with their allies in filling this gap and given this, it is likely that other labour organisations will continue to grow. Just as in the US, a growing number of ‘non-worker organisations’ (Freeman, 2005) are likely to develop within the UK.

Concluding remarks

This paper has argued that subcontracted employment is becoming paradigmatic. Such employment is now commonplace across the public and private services, distribution and manufacturing, and it has serious implications for labour in terms of wages and conditions, experience and power relations. Challenging the impact of subcontracted employment means that workers and their organisations have to identify the ‘real employers’ at the top of contracting chains. Securing the power to target these organisations is easiest through alliance building with a range of interested parties and it can be done with or without trade unions. In London, the alliance behind the living wage campaign has applied this model to a range of corporate and community targets including hospitals, financial service organisations, universities, museums and hotels. In most cases, a trade union has organised from ‘within’ while the community has put pressure on from ‘without’, but as demonstrated in relation to the campaign at Queen Mary, University of London, it is also possible to win major improvements without any trade union involvement at all.

By contrasting the nature of the campaigns at the Homerton Hospital and Queen Mary, University of London, this paper has shown that there is scope for unions to increase their membership, develop new leaders and win improved terms and conditions through forging alliances with non-union organisations. Although ‘non-worker organisations’ can lead such campaigns without trade union involvement, the lack of a union makes it harder for workers to recalibrate their day-to-day workplace relationships and exercise their employment rights. Thus the research highlights the added value of unions and their allies working together. Relatively shallow relationships across a network of non-labour organisations – as illustrated by the example of London Citizens – can yield significant gains. Moreover, if unions continue to ignore the ‘representative and organisational gap’ between

workers and their 'real employers' in subcontracted capitalism, non-worker organisations will continue to expand to meet this demand. The London living wage campaign demonstrates the way that in subcontracted capitalism union-community alliances are necessary to win traditional trade union demands, and unless they face up to the implications of subcontracted employment, it is unlikely that unions will reverse their decline.

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