

State restructuring, labour market policies and ‘depoliticised’ agencies: implications for work organisation, state employees and public sector unions in the United Kingdom and Australia.

Peter Fairbrother, RMIT University, Australia

Anne Junor, The University of New South Wales, Australia

John O’Brien, The University of New South Wales, Australia [presenting author]

Michael O’Donnell, The University of New South Wales, Australia

Glynne Williams, Leicester University, United Kingdom

Correspondence: John O’Brien: john.obrien@unsw.edu.au

Synopsis

This paper examines the reactions of public sector employees and unions, over the past decade in the United Kingdom and Australia, to changes in government income support and labour market policies, and to the restructuring of work processes required to administer these changes. Drawing upon the notion of ‘depoliticisation’, as well as the resistance literature, it argues that as labour-management relations made it more difficult for workers to engage in collective resistance to unwelcome changes in their work, individual resistance took the form of an affirmation of earlier collective regulation in the workplace.

INTRODUCTION

The paper focuses on the organisation of work and industrial relations in the public sectors of Australia and the United Kingdom. We explore how industrial relations processes and outcomes are influenced by the complex interrelationship between state restructuring, labour market policies and the delivery of services through intermediate agencies. This analysis utilizes Burnham’s notion of ‘depoliticization’. Burnham argues that the delivery of state services through intermediate government agencies, acting as providers of services ‘purchased’ by a central state body, aims to distance government from political responsibility for the outcomes of its policies. In essence, depoliticisation as a governing strategy can be defined as *the process of placing at one remove the political character of decision-making* [sic] (p. 21). In that sense it remains highly political. The process of ‘depoliticization’ will be examined in Centrelink and the Job Network in Australia and the Department of Work and Pensions and Jobcentre Plus in the United Kingdom. In the case of Centrelink, this process was multi-layered with Centrelink determining benefit eligibility and policing ‘participation’ in employment, while the actual employment services were provided by a privatised Job Network. In contrast, for Job Centre Plus outsourcing has been piecemeal, with services still largely delivered in-house (and more recently by the ‘third’ sector). JobCentre is distanced from central government by executive agency status. Within the organisation decisions about benefit eligibility were separated from job services. The paper also explores the responses of the main unions representing public services employees, the Commercial and Public Services Union (UK) and the Community and Public Sector Union (Australia), and the responses of employees themselves. The paper is based on detailed qualitative research conducted by the authors in both countries.

State workers are traditionally highly unionised. What happens, however, when government attempts to marginalize state sector unions and undermine their

effectiveness? This paper will draw upon the worker resistance literature (e.g. Ackroyd and Thompson 1999, Bacon and Storey 1996; Burawoy, M. 1979; Scott 1990) to suggest that workers will find ways to resist managerial authority and work intensification on an individual basis when the capacity for collective organisation is restricted. The paper will not only examine individual resistance, but will consider the responses of state unions to more aggressive approaches by government and their managerial agents. It will consider changes to labour market policies, their impact on the work of employees and the differing responses of the two unions and their members.

PARTICIPATION-BASED LABOUR MARKET POLICIES

Since the latter part of the 1990s both states developed more 'participation'-based employment policies whereby the provision of unemployment benefits were subjected to more rigorous monitoring of beneficiaries' attempts to seek employment. Failure to seek employment and to meet other requirements could lead to suspension of benefits. This had implications for staff and 'customers' in both Jobcentres and in Centrelink offices. A Jobcentre worker reported that the regulation of participation increasingly took precedence over the provision of benefits

There is a concerted effort to make the aspect of the benefits almost a secondary concern. But it's not. If the customer is desperate for money that's going to be their primary concern - the job can come later. (Benefits Processor, Jobcentre Plus, 2005)

In Australia, similar developments highlighted a clash of values for many Centrelink employees. They faced an increasingly complex task of determining eligibility and also had to deliver the bad news where customers were in breach of requirements. Staff perceived that Centrelink had shifted from providing people with options in exchange for income support to a growing sense among 'customers', the contracting agencies and government, that Centrelink was primarily an enforcer of tighter and more complex rules.

There is a requirement of Centrelink staff...rather than being empathetic to the needs of the customer, that they actually support and implement government policy as their primary focus (IT programmer, National Support Office, 2007).

Outsourcing in the UK was more incremental. These services are still largely public sector functions, provided within JobCentre Plus, although, in part informed by the Australian example, private and 'third' sector provision of job placement and training is increasingly important.

FROM PARTNERSHIP TO PRIVATISATION IN THE UNITED KINGDOM

Whereas the Conservative government reforms of the 1990s were primarily concerned with the delegation of management authority and fragmentation of supposedly 'monolithic' arrangements, New Labour claimed it had a different approach:

The post-1997 phase has built on this towards a system based more on partnership and collaboration between different parts of the public sector. The focus has shifted from outputs to outcomes, and there is a drive to take a longer-term view in policymaking and a consumer view in service delivery. (Jeremy Cowper, Modernising Government Secretariat, n.d)

The integration of Employment Service and Benefits Agency work began in 2001, before the establishment of Jobcentre Plus, with the setting up of 'Pathfinder' offices. These offices brought both sets of activities under one roof in a sequential process. The overall process is the same in each case. Having booked an appointment, clients are interviewed by a Financial Assessor, who checks entitlements and initiates the benefit claim. They are then interviewed by a Personal Advisor, who is responsible for identifying barriers to employment, referral for training and carrying out job searches. After the client has left, the 'back-room' activity of getting the correct benefit paid on time is the job of the Benefits Processor.

From 2005, the organisation shifted the focus to economies of scale. Work was progressively moved from individual job centres to district call centres and processing centres. In the context of the ongoing government campaign to radically reduce civil service employment, this reorganisation was seen by staff as a way of justifying redundancies. In part, this move was justified in terms of the failure of integration; the time taken to process benefits had increased between 2001 and 2003 (Karagiannaki, 2005). Staff also saw it as another manifestation of the Agency's ideological marginalising of benefits.

You don't just come in and claim benefit anymore ... You are literally just coming in there because you are desperate for money. They didn't want [those] people in job centres. They are making the receipt of benefits almost impossible ... they don't want benefits to be associated with job centres. (Benefits Processor, May 2005)

In this way, workers are put in the front line of an organisation that seemed more, not less, impenetrable.

The knock-on effect is that you get the irate person coming in and shouting at staff. But there is nothing that you can do about it. If somebody (previously) was in dire straits, you could pay them. But there is absolutely no way now that you can get any money from anywhere ... If they have asked for an early payment because of a crisis, they would be turned away (interview, Personal Advisor, July 2005)

The government announced its intention to promote alternative 'service delivery channels' from early in its first term, ostensibly in the quest for choice as well as efficiency. This approach was formalised in the Home Office 'Compact' in 1998, which set out a broad prospectus for dealing with the voluntary and community sector' (Home Office, 1998). The 2004 Gershon review recommended specific funding arrangements for the newly named third sector. By 2005, Labour's view was that the voluntary and community sector should be considered on equal terms (Labour Party, 2005).

Outsourcing from JobCentre Plus has primarily focused on job search and training activities. Borrowing from the Australian experience, government has portrayed private and third sector expertise in these areas as inherently superior to in-house capabilities. By 2006, third party provision accounted for approximately one sixth of all job entries referred by JobCentre Plus (Select Committee on Work and Pensions, 2007.) In Australia, if a 'customer' lived within 32 km radius the requirement was to attend the office personally. In the UK, the introduction of call centres for initial applications meant that only pre-booked visits were possible (thus 'training the customer' in order to 'reduce

footfall', (House of Commons, 2006: 110). In disadvantaged areas such as South Wales, this meant that customers had to rely on inadequate public phone systems in order to make contact (interview Job Centre worker and PCS branch secretary 2006). This was interpreted as reflecting the government's desire to make significant reductions in civil service staffing. The initial focus on the third sector, portrayed as both benign and distinct from for-profit companies, had some effect in blunting criticism (see Davies, 2008 for an evaluation of contractors' performance). Outsourcing and privatisation also included more 'traditional' cases, most notably the twenty-year deal to lease-back most properties under the Private Finance Initiative (DWP, 2007).

MONITORING COMPLIANCE IN AUSTRALIA

Established in 1997 and with more than 27,000 employees working in over 1,000 locations, Centrelink is the Australian Commonwealth statutory authority administering government support services such as welfare benefits and referrals to employment assistance to 'customers' under purchaser/provider arrangements with client agencies who are responsible for framing policies and programs. Nevertheless, Centrelink in recent years has come under increasing pressure from the Department of Employment and Workplace Relations (DEWR), its largest client department, to become more efficient and to restructure business processes. Such pressures have intensified the pace of work and imposed costs on Centrelink staff in the form of stress and change fatigue. Staff have been in the front line of 'delivering' government policy to welfare recipients. Particularly between 2004 and 2007, as eligibility for benefits tightened under more stringent Welfare to Work' policy changes, it fell to front-line Centrelink staff to scrutinize individuals' job-search activities more closely, and to suspend eligibility for 'breaches' of job-search and compliance rules. Beneficiaries were summoned more regularly into increasingly crowded Centrelink offices, whose open-plan design dated from an earlier, less punitive era.

There was thus an increasing disjuncture between the policing of the unemployed and the concept of customer sovereignty – a notion that derived from the founding mandate of Centrelink as a 'service delivery agency'. While acknowledging that eligibility rules limited sovereignty, the founding CEO of Centrelink had argued that the task of front line employees was to maximize the opportunities available to customers, and at least initially, workers were given wide discretion about the nature of assistance to be offered (interview with Centrelink CEO, 2002). The separation of eligibility from the provision of job services, however, further undermined the notion of the relative autonomy of the customer. By 2005, the changing nature and increased intensity of their work exposed front-line staff to increased levels of customer abuse

[...] the amount of customer aggression at the moment and I think that's a direct result of the fact that a lot of customers are in the offices [...] they become more crowded, people have to wait longer and that whole stress level goes up for both customers and staff in the customer service centres (IT programmer, 2007).

Thus as eligibility provisions tightened, customer distress and abuse of staff increased in both Australia and the UK (Junor, O'Brien, O'Donnell 2009; Bishop, Korczynski and Cohen 2005, Korczynski and Bishop 2007).

UNION REACTION

The nature of the reaction in the two countries reflected the different regulatory environments in which the unions operated. In the UK civil service unions had been a prime target for the Thatcher and Major governments. During that period the major public service unions had come together to form the Public and Commercial Services Union. Until 2000 it had a relatively conservative leadership willing to embrace the partnership arrangement offered by New Labour after 1997. In 2000 a rank and file member, from the Department of Work and Pensions, Mark Serwotka, was elected secretary. He initially faced a hostile executive. In the subsequent election in 2005 he was re-elected unopposed, with a much more supportive executive. The PCS was partially transformed from being a leadership-focused organization to one that sought to mobilise members at the local (office), regional and national level. While it did not depart from the formal partnership arrangements it began to contest the government's downsizing agenda arguing that the reduction of public services was neither in the interests of its members nor of the populace generally. At the local level many offices in government agencies had functioning union structures that continued to play an active role in local bargaining over issues such as staffing levels. The strategy of the PCS leadership was to enhance this structure and use it to mobilise the membership generally on staffing levels, and more recently on pensions. This approach featured widespread regional stoppages from 2004 to 2006 and a general strike in 2007.

The CPSU faced a different set of regulatory arrangements. Whereas the PCS could operate both locally and nationally, the CPSU had to operate much more at the agency level after 1996. While the capacity to strike was much more limited than in the UK, the CPSU was able to bargain with agencies every two or three years. Its capacity to resist management changes between bargaining periods was circumscribed, it least had a regular opportunity to regulate as much as could, as well as make wage agreements with agency managements. Indeed union-negotiated agreements covered almost 80% of the public service membership (O'Brien and O'Donnell 2007). Thus the potential for the periodic mobilisation of members was integral to the negotiation calendar. In the UK no such calendar existed. Thus the PCS used major government initiatives as an opportunity for member mobilisation.

EMPLOYEE RESISTANCE: SUBSTITUTING FOR OR ENHANCING UNION POWER?

Most Australian agencies operated under a set of agreed arrangements that needed be enforced between bargaining periods. While the government was prepared to permit its managers to negotiate with unions, it set down increasingly tight restrictions on union activity between agreements by limiting union official access and requiring that local union work-based structures lost the 'privileges' that it has enjoyed until 1996. So while employees could look to the union for leadership and protection during bargaining periods, there was much less capacity to rely on union activity at other times.

In Centrelink the issue was work intensification engendered by the government's ever tightening restrictions on welfare provisions. After 2004, for instance, there was a concerted effort to force people with disabilities and single parents back into the workforce. Centrelink workers bore the brunt of administering these policies. Management, on the other hand, was concerned with increased absenteeism ('unplanned leave') in the workplace which it claimed was higher than in other frontline agencies. It attempted to reduce the amount of leave available to employees. In the run up to the 2004 general election it was able to persuade the CPSU to agree to a reduction of paid leave entitlements from 20 to 18 days per annum. The union was

concerned to secure an agreement lest the post-election bargaining environment became less favourable – a fear that was justified by events. Nevertheless, management attempted to keep the average numbers of leave days taken below the figure of 18. The union could still take up individual cases but it had virtually no capacity to take industrial action to enforce the agreed leave provisions. After 2004 leave became one of the key points of struggle at the workplace, largely conducted by workers rather than unions.

A big thing now is access to leave. ...At the last agreement, we traded off two of those days for calling them special leave...and management are making it really hard for people to access that special leave, so now effectively they only have 18 days. Centrelink themselves have a target...but once a full timer equivalent has 13.33 days, Centrelink don't want them to go over that figure, despite the fact they might have 18 days per annum (interview with union delegate, regional office, 2007).

It was, however, a struggle conducted by individuals in support of a collectively agreed employment condition. Indeed the attempt by management to restrict a legislated right made it more likely that some employees would stretch it to its limit.

You have staff that are sick and if they take a day off and stay at home they might be back at work the next day. But if you go to a doctor, by the time you get into the doctor it's in the afternoon of the day off. Most doctors will then give you a certificate for the next day as well (Special Program Officer, 2006).

Management exhortations to reduce leave were counter-productive:

The other thing they do is publish leave tables and stats of everything and how everyone is traveling. You can compare with everyone else and all the rest of it. But that means nothing to anybody on the individual level. If your child is sick tomorrow, well you are going to take the day off. You aren't going to worry about where our branch fits in with leave tables or levels or anything. It hasn't got much credibility (Finance Officer, 2006).

Prasad and Prasad (2000: 388) reject the definition of resistance in terms of a conceptual continuum running from open confrontation, through subtle subversion and ambiguous accommodation, to disengagement. Authors like Kondo (1990) and Barnes (2005), also argue that oppositional behaviour, as 'strategy in action', may simultaneously involve consent, accommodative coping and resistance, expressed through actions that are 'planned and accidental, strategic and spontaneous, often retrospectively constructed' (Prasad and Prasad, 2000: 402). Thus when Centrelink workers took 'mental health days', they were combining accommodative coping, dissent from the work they were being asked to perform, and a symbolic affirmation of leave entitlements collectively-won (Junor, O'Brien and O'Donnell 2009: 31).

The focus of union activity in the United Kingdom was the resistance to job cuts, either through direct reductions or indirectly by outsourcing employment services. In Australia the restrictions on union activity outside bargaining periods meant that employees in Centrelink resorted to more traditional means of resistance by asserting the right to take

leave in accordance with collectively-won entitlements. In UK there is no notion of a bargaining period. Provided the legislative provisions covering industrial action, such as balloting for strikes, are followed, then industrial action can be taken at any point. Moreover, while there had been reductions of benefits such as facility time for union representatives, unions still possessed a tolerated legitimacy in many workplaces. The downside, however, was that the right to bargain had to be secured by union action, rather than being an outcome of an agreement. While Centrelink had faced significant job cuts initially, and there was continuing concern about work intensification, the union did not need to – not could it – give precedence to job reductions. In the UK the prime national issue was one of job reductions, with pay being of lesser consideration. Thus PCS had to resist the effects of job cuts on particular offices as well as organise at the national level to contest the government program of overall reductions in the civil service and gradual privatisation of job services.

CONCLUSION

The delivery of welfare services in Australia and the United Kingdom met Burnham's test of 'depoliticisation'. In the UK, the 'third sector' played an increasing role in service provision, while in Australia the provision of employment services was privatised via the Job Network and Centrelink was established to 'sell' its services to other government agencies. In both countries governments simultaneously distanced themselves from the implementation of labour market policies while at the same time tightening control over work processes and costs and restricting eligibility for welfare for 'customers'. This process of tightening welfare provision was also accompanied by stronger restrictions on union activity in Australia and by the downsizing of civil service employment and the partial privatizing of services in the UK. These different arrangements influenced the nature of union reactions. In the UK the PCS became much more a centrally-led but locally focused organisation eventually able to mobilise its members nationally against a government that was increasingly perceived as anti public sector. In Australia, regular rounds of bargaining meant that unions mobilised to regulate working conditions but were less able to enforce these conditions between bargaining periods. In Australia, frontline staff experienced rising work intensity and increased customer aggression and responded making increased use of personal leave provisions negotiated in collective agreements. Struggles over the use of personal leave became a quasi-solidaristic form of resistance as staff sought to regain rights at work achieved through collective bargaining but which management had made increasingly difficult to access. An escalating cycle began, of management attempts to control staff use of personal leave entitlements and individual employee assertion of a right won by the union through collective agreements. While the policy directions of both governments were remarkably similar, employee and union reaction differed according to the contrasting regulatory arrangements in the two states.

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