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Inequality and Identity in Contemporary Processes of Labour Market Restructuring Andrew C. Forsyth

Contemporary processes of labour market restructuring have resulted in increasing social and spatial inequalities in the United Kingdom. While the well-discussed issues of class, race and gender continue to be correlated to inequality, the decline in numbers of manufacturing jobs and rise in low-level service work has brought a new reality of identity-correlation. To remain employed, workers must increasingly present an identity that is appealing to employers: one that transcends geography and current job role. Thus, in today's labour market with its increasing economic polarisation, previously strong social and work identities are challenged by the logic of capital.

The 'labour market' in the United Kingdom (UK) and much of the industrialised work has experienced significant contemporary change. Over the last thirty years, the labour market, the mechanism through which people are allocated to particular work, has been restructured with increased 'flexibility' now a key trait. While the number of firms adopting flexible practices is often exaggerated, their rise, together with the numerical decline of manufacturing industries, has brought new social and spatial identities. It is evident that flexibility's lean production methods and non-standard employment strategies have resulted in increased employment inequalities.

IDENTITY

Before considering the interplay of inequality and identity in today's labour market, the concept of 'identity' needs to be considered. "Central to the recognition and articulation of difference", identity, in popular usage, refers to individuals' continuing sense of self.¹ Critical reflection suggests its formation in contradistinction to the 'other'; where the other is temporally, spatially and culturally subjective.

If identity is, at least partially, controlled by individuals' distinction to others, it is always relational and thus embedded in local social and cultural processes. Anthony Giddens' conception of 'structuration' is useful here: human agency exists but choices are made within structures (constructed and replicated by acts of individual agents).²

While older theories have presented identity as static, more recently it has been seen as "hybrid (unstable, mixed and multiple)".³ When identity is declared hybrid or global, there is room for overstatement. The sociologist Tim Phillips, empirically surveying Australians' identities, notes that "the most popular kinds of geographical identity [are] found to be based on local forms, rather than in national or global manifestations".⁴ Individuals' sense of self may remain most strongly attached to close geographical locality. The geographer Doreen Massey attempts to account for differences in the local while affirming the reality of global economic processes. She proposes a 'global sense of place' where places exist as specific instantiations of the meeting of global flows; a constructive means to conceptually hold together geographical scales.⁵ This provides a useful tool to examine local group identities in an increasingly global labour market.

Equally, studies of identity have often treated self-identity in "non-divisible terms... [where] the individual is presented as attached to a collation of social identities which neither overlap nor interact". When considering the role of identity, with inequality, in today's labour market, multiple creative sources must be recognised. Identity may be a multifaceted self-

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¹ Doreen McDowell and Joanne Sharp, A Feminist Glossary of Human Geography (London: Arnold, 1999), 32.

² See, e.g., Anthony Giddens, *The Constitution of Society: Outline of the Theory of Structuration* (Cambridge: Polity Press, 1984).

³ McDowell and Sharp, Feminist Glossary, 132.

⁴ Tim Phillips "Imaginary Communities and Self-Identity: An Exploratory Quantitative Analysis", Sociology 36, 3 (2002): 613.

⁵ Doreen Massey, "A Global Sense of Place", Marxism Today, 35 (1991): 24-29.

⁶ Ibid., 599.

understanding; a discernable social position, the end-result of a process larger than the individual; or an imposed characterisation.

CONTEMPORARY LABOUR MARKET RESTRUCTURING

While it is difficult to fully describe the complex, interrelated factors that create labour market conditions one concept that usefully suggests its current logic is "flexibility". Flexibility is the ability of labour markets to change to meet societal imperatives and economic profits. John Atkinson suggests several major forms: "external numerical flexibility" where employers adjust the numbers of workers employed; "internal numerical flexibility" or "temporal flexibility" where employers adjust the working hours of employees; "functional flexibility" where employers adjust workers' activities and tasks; and "financial flexibility" where employers differentially adjust workers' wages.⁸

Flexibility finds form in many processes of contemporary capitalism; a situation sometimes characterised as the achievement of a move from Fordism to Post-Fordism: "top-down, high-volume, low-cost production" replaced with "high-quality customization".9 'Just in time' production, introduced from Japan, is one example, where "parts, supplies and workers are delivered to the production process at the very point at which they are needed".¹⁰ 'Lean production', equally, is a management philosophy that seeks the end of waste through flexibility; 'peripheral workers' are "employed on a non-standard basis" allowing employers to take on new workers only when needed and to fire workers easily if demand decreases.¹¹

This move to non-standard forms of employment is widely recognised as a key component of today's economy. While this change is most noticeable for low-income waged labour, the geographer Linda McDowell suggests that flexibility is found not only in "poorly paid and unskilled 'servicing jobs'" but also in "highly paid and skilled" employment. Decreasing job security is, however, differently experienced: highly skilled workers often find excitement and reward in frequent job changes; for the unskilled it is, instead, exposure to the prospect of unemployment and hardship.

The rise of non-standard conditions for employment is a symptom of "the long decline of manufacturing employment" in the UK. ¹³ McDowell notes that in the middle of the twentieth century over two-thirds of waged labour was in manufacture while by the turn of the new century this figure had dropped to less than a quarter. ¹⁴

In very simple terms, therefore, the contemporary labour market in the UK exhibits a shift from permanent to flexible working arrangements and a move from manufacture to services. Before considering the societal and spatial impacts of the processes of the contemporary labour market it is worth noting, however, that the newness of these phenomena and their extent are highly contested.

Jamie Peck notes that despite employers' articulation of the rhetoric of the inevitability of flexibility it is often in their interests to maintain traditional patterns. ¹⁵ McDowell suggests that flexibility is exaggerated: "despite the rise in non-standard patterns of work... standard full-time jobs still significantly outnumber non-standard contracts (by two to one for all employees in the mid 1990s)". ¹⁶ It is essential to remember that work is always located in a particular place. This 'local' Peck conceptualises as a "prior set of possibilities". ¹⁷ Local conditions influence the shape of the labour market; for the labour market is embedded in institutional practices, and embodied in workers' identities. These practices and work identities have continued influence despite any imposition of new forms of employment. Tod Rutherford, in examining the restructuring of local labour markets in Canada, for example, questioned employers across regions and found that when asked how they would 'deal with the need for increased production' there were noticeable distinctions by location. "In Kitchener, the most selected strategy was to hire full-

⁷ Harriet Bradley, Mark Erickson, Carol Stephenson and Steve Williams, Myths at Work (Cambridge, UK: Polity, 2000), 31.

⁸ John Atkinson, "Flexibility, Uncertainty and Manpower Management" in *IMS Report No. 89* (Brighton, UK: Institute of Manpower Studies, 1984).

⁹ Marvin Finkelstein, Net-Works: Workplace Change in the Global Economy (Oxford, UK: Rowman and Littlefield, 2004), 63.

¹⁰ Bradley et al., Myths at Work, 36.

¹¹ Ibid., 40.

¹² Linda McDowell, "Father and Ford Revisited: Gender, Class and Employment Change in the New Millennium", *Transactions of the Institute of British Geographers* 26 (2001): 455.

¹³ Linda McDowell, "Masculinity, Identity and Labour Market Change", Geografiska Annaler, 86, B (2004): 45-56.

¹⁴ Ibid., 47-8.

¹⁵ Jamie Peck, Work-Place: the Social Regulation of Labor Markets (New York & London: The Guilford Press, 1996), 133.

¹⁶ McDowell, Father and Ford Revisited, 450.

¹⁷ Peck, Work-Place, 136.

time employees with 38 percent of respondents, compared with less than 25 percent in the Sault."¹⁸ Local norms, and workers' identities, still condition responses to global flows of capital.

SPATIAL IMPLICATIONS OF LABOUR MARKET RESTRUCTURING

The moves towards flexibility have brought increasing polarisation of income and job opportunities for workers. While differentials in wealth are intrinsic to the logic of capitalism, since the 1970s the "gap between high and low earners has been steadily widening" in the UK with the income of the poorest tenth declining, in real terms, by 17 percent from 1979 to 1992. 19 Allied with decreasing real income for the poorest is the 'casualisation' of work with increased numbers in non-standard (self-employed, part-time) jobs. This has increased a division between the "work-rich and the work-poor". 20 This distinction becomes an identity and is socially replicated: children of under-employed parents and grandparents are also statistically likely to be under-employed. This is often understood as a systemic class disadvantage but McDowell suggests that, to some extent, "conventional distinctions of class, race and gender have become less relevant". Instead it is the ability to "construct mobile, portfolio careers" that allows social mobility. Group identity, while powerfully correlated, is clearly not the only factor in success. The ability to construct a mobile, portfolio career, nonetheless, is correlated with the classic barriers or enablers of class, race and gender.

Flexibility has also led to functional changes for workers. Longstanding demarcation of tasks in workplaces has been eroded and replaced with increasing economic distinction between qualified, 'credentialised' workers who must multitask, and those without qualifications or recorded skills.²³ This has been understood as a segmented labour market. Peck outlines segmentation theory as holding that "the social space of the labour market is not only divided into submarkets... but also... the rules governing the behaviour of labour market actors differ from one segment... to the other".²⁴ A primary set of workers is invested in; a secondary set is recruited directly from the labour market and will not receive expensive training. In the flexible workplace the primary, core, set of staff possess reasonable job security while the unskilled secondary, peripheral, set receives little investment and is always expendable.²⁵ An individual's opportunities at work depend on their form of recruitment and the group they are deemed to inhabit.

With the decline of manufacturing the geographical availability of work is polarising. It appears that "low-paid, monotonous work in the service sector" is often the only work available for the "geographically restricted". Greater London and the South East are the location of most "high-status, well-paid producer services" jobs and "associated professional occupations". McDowell interestingly suggests, however, that other regional inequalities may be diminishing as the new logic of polarisation sees "service sector expansion in many British towns and cities"; for service sector work often requires proximity to centres of population and is not, therefore, concentrated in particular regions. This is not true in all sectors: since 2000 many well-known British companies including BT, Prudential and Lloyds TSB have transferred call centre telephone information services overseas, particularly to India. The importance of a region's employment identity, moreover, impacts opportunities: Glasgow's twentieth century legacy of declining heavy industry still impacts the popular imagination of the city notwithstanding local authority attempts to present Glasgow as a city that 'Smiles Better' and is 'Scotland with Style'.

The negative implications of labour market restructuring are not, however, inevitable. Strategies of employers, workers and the state define power relationships that allow societal and spatial inequalities in the new economy. It is evident that 'lean employers' often search out "economically vulnerable environments". Spatial inequalities of labour are reinforced as employers

¹⁸ Tod Rutherford, "Requiem or Rebirth? Internal Labour Markets and Labour Market Restructuring in the Kitchener and Saint Ste. Marie Regions" in *The Canadian Geographer/Le Géographe canadien*, 50, 2 (2006): 197-216.

¹⁹ Bradley et al., Myths at Work, 137.

²⁰ Ibid.

²¹ Bradley et al., Myth at Work, 138.

²² McDowell, *Masculinity*, 46.

²³ Bradley et al., Myths at Work, 40.

²⁴ Peck, Work-Place, 46. I have rendered the US English 'labor' into UK English 'labour'.

²⁵ Ibid., 133.

²⁶ McDowell, *Masculinity*, 47.

²⁷ Ibid., 48.

²⁸ Ibid., Masculinity, 47-8.

²⁹ Suman Gupta, "Information Services Outsourcing and Migrational Anxieties"; available from http://www.open.ac.uk/Arts/ferguson-centre/archive/roehampton-conf-abstracts-july2004/ RCAsuman21.htminternet; internet; accessed 4 July 2007.

³⁰ Bradley et al., Myths at Work, 44.

are able to introduce working patterns that favour their interests over workers. Workers sacrifice conditions previously expected because of the lack of availability of other work. Far from employers being forced by economic conditions to adopt new practices it appears that flexibility is often an "ideology" that is embedded as the dominant discourse through its celebration by powerful interests.³¹ Work practices favourable for employers are made almost inevitable through persistent articulation of their necessity.³² Language reinforces the position of those with power: conditions undesired by workers, micro-management of their time and activities for example, are presented as 'quality management' and 'team-working'; diminishing workers' ability to protest and resist.

In such a framework, workers' abilities to control their situations may seem minimal. For non-standard workers there is little leverage: "they can be easily replaced and are less likely to be represented by a trade union than standard workers". Home, temporary and even part-time workers may not come into contact with union officials making it problematic for a trade union to represent their interests. Union officials may even strengthen distinctions between primary and secondary workers in protecting established workers against secondary workers' wish "to gain secure permanent employment". Where workers have sought-after skills that are not readily available to employers they may exercise power but even then their ability to do so will be determined by institutionalised power.

These trends are not universally applicable. Despite increasing globalisation, firms are necessarily located in certain countries with certain legislative identities. The achievability of lean production methods in the UK in the 1980s and 1990s emerged not simply from global economic trends but with anti-union legislation and the Conservative Government's courting of companies.³⁵

In Canada the introduction of 'Employment Insurance' penalised contingent work; perpetuating the existing structural inequalities.³⁶ While in the United States (US) mid 1990s welfare reform empowered employers as unemployment benefits were restructured to ensure that the unemployed took up work regardless of its quality or their interest in it.³⁷ Despite this, Joel Blau notes that the US public consistently favours full employment through "interventionist government policies"; with 71 percent in agreement even during Reagan's administration.³⁸ This contrasts sharply with the opinion of established political and economic interests; "what is at issue... is not markets themselves, but the distinctive American policy towards them".³⁹ For Blau, government policy on health care, family allowance and day-care preferentially favours employers over employees, expanding inequality.

State economic policy is, of course, experienced right down to the local scale. In the UK, the contraction of council house provision resulted in London's Camden Council "accommodating those with the greatest need and in the weakest labour market position" in the remaining council houses. 40 This spatial concentration of social problems built a powerful local identity of under-employment and state dependency.

SOCIAL IMPLICATIONS OF LABOUR MARKET RESTRUCTURING

In the context of labour market restructuring, the specific experiences of women and working-class young men provide strong indications of the importance of social identity. For Peck, the labour market is socially constructed therefore while flexibility for white men may be "about multiskilling, responsible autonomy, and task redefinition... for many women and black workers it means lower pay, irregular employment, and harder work".⁴¹ Labour markets are not an economic abstraction removed from prejudice or bigotry. Choices only exist when they may be meaningfully exercised. For many women motherhood results in a

³¹ Peck, Work-Place, 137.

³² For the role the media plays in this process see the work of the Glasgow Media Group; available at http://www.gla.ac.uk/centres/mediagroup/publications.htm; internet; accessed 4 July 2007.

³³ Bradley et al., Myths at Work, 62.

³⁴ Ibid., 62-3.

³⁵ Ibid., 40.

³⁶ Susan Silver, John Shield and Sue Wilson, "Restructuring of Full-Time Workers: A Case of Transitional Dislocation or Social Exclusion in Canada? Lessons from the 1990s" in *Social Policy and Administration*, 39, 7 (2005): 786-801.

³⁷ Sharon Beder, Selling the Work Ethic: From Puritan Pulpit to Corporate PR (London: Zed Books, 2002), 183.

³⁸ Joel Blau, Illusions *of Prosperity: America's Working Families in an Age of Economic Insecurity* (Oxford, Oxford University Press, 1999), 203.

³⁹ Ibid., 77.

⁴⁰ Paul Watt, "Urban Marginality and Labour Market Restructuring: Local Authority Tenants and Employment in an Inner London Borough" in *Urban Studies*, 40, 9 (2003): 1786.

⁴¹ Peck, Work-Place, 136.

compounding of experienced inequalities. Low-skilled, low-paid, part-time work is often the only option for mothers who must work to keep out of poverty while caring for their children. This trend, however, reflects traditional class differentiation: while "65 per cent of women in professional and managerial occupations work full-time, only 6 per cent of women in unskilled jobs do so".⁴²

Likewise, young working-class men are "turning out to be a liability in the labour market".⁴³ With the decline of manufacturing industry, unskilled young men compete in the jobs market with young women of a similar background. The jobs available, service jobs at the bottom of the market, place high value on "servility and deference — stereotypically feminine characteristics".⁴⁴ McDowell notes that such work "depends on 'service with a smile".⁴⁵ The performance of waged labour, in this context, includes showing deference to clients and superiors, and fulfilling conventional norms in appearance: "weight, height, accent, hirsuteness and decoration… appropriate clothing".⁴⁶ The identity of the worker is intrinsic to their utility for the employer.

Young men's "tough, aggressive, sexualised, street credibility" constructed through home and school environments was previously utilised in 'macho' industries but in the restructured labour market it is a major factor in the rise of inequality: young unskilled men are "disadvantaged not only because of class position but because of appearance and attitude to authority vis-à-vis white, young, working-class women".⁴⁷

Employers may even codify their interest in employees' appearance. The Disney Corporation regulates the amount of facial hair men may have and the number of earrings that employees can wear: a maximum of two earrings for women and one for men. 48 Legal action in 2002 against the UK Ministry of Work and Pensions was brought by a male Jobcentre employee on the detailed clothing standards issued. He won a sexual discrimination case because the strict guidelines on appropriate dress allowed women a choice while men had only one: to wear a tie. 49

Cultural and political values even act against the welfare of the white working-class. McDowell argues that in multicultural New Labour Britain there is political disenfranchisement of the white working-class as dominant discourses portray it as "abject, white and racist".⁵⁰ The very concept of poverty has changed from an economic indicator to an identity, 'social exclusion', where attitudes and behaviour are deemed outside the mainstream.⁵¹ Progressive interests may perpetuate new forms of inequality in criticising working-class attitudes.

Economic restructuring may bring new social and spatial inequalities through challenges to the state's regulation of the workforce. Michael Quinlan examines the effects of labour market change on occupational health and safety (OHS).⁵² Quinlan's first conclusion is that the rise of non-standard work has led to a continual 'disorganisation' in flexible workplaces meaning that it is increasingly difficult to track workers. This is coupled with an increasing pervasiveness of management control. The result is that secondary, peripheral, workers are subjected to "unfettered market forces where OHS is subordinated".⁵³ The precarious nature of their employment means that these workers are unlikely to complain about work practices; moreover, they are less likely to be members of a trade union that could fight for better conditions.

Quinlan's second conclusion is that the structure of the labour market undermines the "effectiveness of legislation".⁵⁴ Socially, there is greater inequality as certain workers are excluded from any "participatory mechanisms" that would allow

⁴² McDowell, Father and Ford Revisited, 450-1.

⁴³ Ibid., 455.

⁴⁴ Ibid.

⁴⁵ McDowell, *Masculinity*, 50.

⁴⁶ Ibid.

⁴⁷ Ibid., 51-2.

⁴⁸ Ibid., 50.

⁴⁹ Ibid., 50-1.

⁵⁰ Ibid., 52.

⁵¹ Ibid., 53.

⁵² Michael Quinlan, "The Implications of Labour Market Restructuring in Industrialized Societies for Occupational Health and Safety", *Economic and Industrial Democracy* 20, 3 (1999): 427-460.

⁵³ Ibid., 453.

⁵⁴ Ibid.

communication between workers and employers on conditions.⁵⁵ Spatially, multiplication of work settings and high turnover rates result in OHS inspectors having a decreasing ability to ensure compliance with health and safety standards.⁵⁶

CONCLUSION

Contemporary processes of labour market restructuring have resulted in increasing social and spatial inequalities. While flexibility is exaggerated it is clear that, in certain segments of industry and labour, it has major effects. While differences in wealth and standard of living are intrinsic to capitalism, the new labour market has increasing polarisation between the richest and poorest. Class, race and gender continue to be correlated to inequality, however the decline of manufacturing jobs and rise in low-level service work, has brought a new reality of identity-correlation. This is seen in the need for workers to present themselves as unfixed to geography or current job role. Young male working-class workers socialised in an environment still defined by male employment in industries with strict demarcation of work and with fixed, unionised, identities appear particularly disadvantaged in a service-dominated economy requiring 'service with a smile'.

Power relationships between employers, employees and the state in a flexible labour market are shifting. The rhetoric of inevitability of new structures empowers employers against employees; non-standard work acting against collective action by labour. A segmented work-force affords opportunities to particular groups over others; workers' identities being fashioned by the economic logic. The British state in its policies and regulation provides the framework that allows continued labour market restructuring but, as seen in occupational health and safety, the state itself may be challenged by capital's interests.

Those facing inequality in the restructured labour market remain, overwhelming, defined by gender, race and parental class. In today's labour market, however, the effects of flexibility bring increased economic polarisation; challenging once strong social and work identities.

⁵⁵ Ibid.

⁵⁶ Ibid.

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