

Project Acronym:	EGRUiEN
Grant number:	101178146
Project Full Title:	Encouraging a digital and Green transition through Revitalized and Inclusive Union-Employer Negotiations
Call:	HORIZON-CL2-2024-TRANSFORMATIONS-01
Type of Action:	HORIZON Research and Innovation Actions
Project URL (temporary):	https://sites.app.jyu.fi/egruien/en
Deliverable number:	
Deliverable name:	
WP number:	2
Type:	
Contractual delivery date:	
Actual delivery date:	
Dissemination level:	Public
Lead beneficiary:	
Keywords:	United Kingdom, economic history, sector analysis, automotive, social care, energy, private on-demand transport
Author(s):	Martin Weinel
Contributor(s)	Müge Yeke, Marco Hauptmeier, Louis Lines

EGRUEN WP2 T1.1 Historical Case Study: United Kingdom

Labour Relations in Post-1979 Britain

Introduction

Due to Great Britain being the first country to industrialise at a large scale starting in the mid-18th century, British labour relations stretch further back than in any other European country. From the Industrial Revolution through World War II, labour relations can be characterised being 'classically *laissez faire*' as the state maintained minimal intervention, providing trade unions with immunity from legal penalties rather than positive rights. This allowed market forces and direct bargaining between employers and workers to dominate industrial relations.

A major transformation occurred at the end of World War 2 as classic became 'collective' *laissez-faire* in the period between 1945-1979. This phase was characterised by extensive state intervention in the broader economy combined with deliberate non-intervention in industrial relations themselves. Trade unions and employers negotiated freely through collective bargaining, which covered over 80% of wages by the 1970s. This period saw nationalisation of key industries, welfare state expansion, and trade union membership peaking at 13.4 million (55% of the workforce) in 1979. However, internal and external crises throughout the 1970s created widespread industrial conflicts. Manufacturing firms pursued cost-reduction strategies whilst unions pressed for higher wages. The 1978-79 'Winter of Discontent' - a series of public sector strikes that paralysed the country - helped Margaret Thatcher's Conservatives win the 1979 election, promising to reform 'privileged' trade unions and marking the beginning of yet another fundamental transformation of labour relations that still dominates today.

Thatcherism: Monetarism and supply-side reforms (1979-1997)

Baccaro and Howell describe the radical shift in industrial relations in Britain after 1979 as a 'decollectivist transformation' (2017: 55). The Thatcher government recognised that industrial relations could not be simply deregulated as they were organised informally and voluntaristically. Instead, the post-1979 strategy was to transform collective labour relations into individualised relations between employers and employees by dismantling collective institutions and replacing them with new institutions that ensured individualisation (2017: 56). The main instrument was wholesale reform of labour laws that had guaranteed trade unions high levels of autonomy and bargaining power. This was supported by other policy elements (Baccaro and Howell 2017: 57):

- contractionary macroeconomic policy that fuelled unemployment and accelerated deindustrialisation

- opening up the economy to greater international competition
- expanding foreign investment, introducing new corporate cultures
- privatising large parts of the public sector
- dismantling corporatist tripartite institutions such as the Manpower Services Commission and the National Economic Development Council

Having learned from the failed 1971 reforms, the government moved slowly using successive Acts of Parliament rather than a single piece of legislation. Moreover, new laws were framed in 'permissive' language and depicted as contributing to democracy, greater freedom and choice (Fredman 1992). Both the slow pace and permissive character were deliberately adopted to limit opportunities for opponents to develop effective counter-narratives.

The legislative programme achieved transformation through five key areas:

- Undermining and Limiting Industrial Action
 - Reduced immunity from criminal and civil liability through criminalisation of secondary action
 - Constrained scope of disputes to specific firms
 - Restricted issues to purely economic matters
 - Introduced consent requirements with progressively higher thresholds
 - Mandated postal ballots to undermine collective solidarity
- Regulation of Trade Union Governance
 - Enforced regular five-yearly elections for leadership positions via postal ballot
 - Curtailed disciplinary powers over members
 - Required membership votes on political party support (valid for only ten years)
 - Rescinded the 'check-off system' in 1993, creating substantial difficulties for union financing
- Removal of State Support for Trade Union Activity
 - Removed statutory trade union recognition
 - Eliminated unilateral arbitration
 - Rescinded the Fair Wage Resolution
 - Removed the 'closed shop' mechanism, creating free-rider problems
 - Restricted recognised trade union activities during working hours
- Removal of ACAS Statutory Duty
 - The 1993 Trade Union Reform and Employment Rights Act removed ACAS's statutory duty to encourage collective bargaining
 - Allowed employers to offer financial incentives to individual workers to opt out of collective agreements
- Labour Market Deregulation
 - Weakened unfair dismissal protections, transferring burden of proof to employees
 - Extended length of service required before protection took effect
 - Systematically restricted Wages Councils before abolishing them entirely in 1993

As much regulation was based on customs and practices rather than statute, destroying trade union power became synonymous with labour market deregulation itself. The

deregulation was partially tempered by EU membership obligations, leading to modest re-regulation in the 1990s through directives on pregnant workers, proof of employment, health and safety, and acquired rights (Baccaro and Howell 2017: 61).

By 1997, the Conservative government's policies had fundamentally transformed British industrial relations. Trade union membership collapsed from 13.2 million in 1979 to below 8 million (see Figure 1), with density falling most dramatically in the private sector. Industrial action became rarer and less successful, particularly after the 1983-84 Miners' Strikes demonstrated the government's capacity to break even the most powerful unions. Trade unions were forced to transform from collective representation to individual service provision.

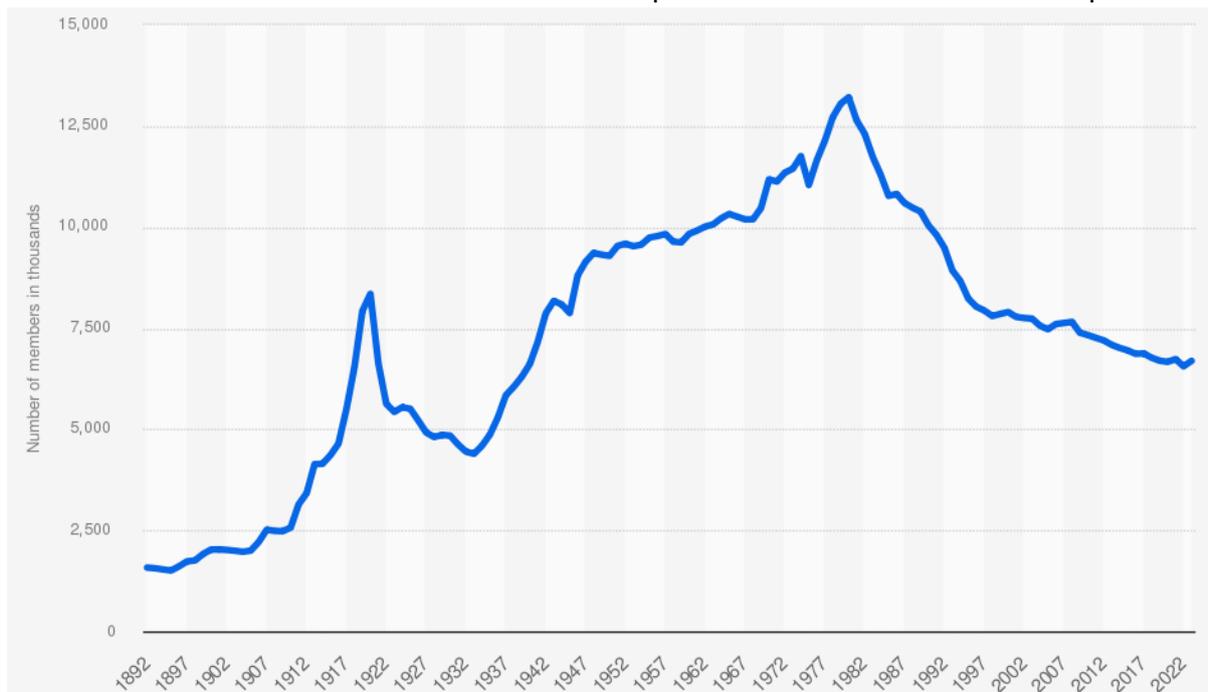


Figure 1: UK union membership and income equality (source: Statista 2025)

Broader structural changes reinforced individualisation. Falling public sector employment undermined its traditional role as a standard setter for wages and conditions, contributing to growing inequality and widening income gaps. From the early 1980s onwards, new employer forums emerged—distinct from traditional employers' associations—focusing on business practices and community engagement rather than collective bargaining and not required to engage with trade unions (e.g. Bowkett et al. 2017, Goberman et al. 2017).

New Labour and the Third Way (1997-2010)

Following 18 years of Conservative government, Tony Blair's 'New' Labour party won a landslide victory in 1997 pursuing a 'Third Way' approach that accepted free market economics with low taxes and regulation but combined them with social investment and poverty reduction. The period saw sustained economic growth with low inflation and unemployment, though manufacturing continued to decline whilst services, particularly financial services, expanded. Social policy focused on targeted interventions rather than structural change. The National Minimum Wage (1999) re-established a wage floor, while tax

credits supported low-income families. Public spending increased substantially for the NHS and education. Constitutional reform delivered devolution to Scotland, Wales, and Northern Ireland, creating divergent policy approaches. Immigration increased substantially, particularly after EU enlargement in 2004. A housing boom saw property prices double between 1997 and 2007, while income inequality stabilised at historically high levels and wealth inequality widened. The period also saw first steps towards environmental action. The Climate Change and Sustainable Energy Act (2006) and Climate Change Act (2008) pushed for renewable energy and legally compelled the government to reduce greenhouse emissions by 80% by 2050. Though never a political priority, this helped significantly increase renewable energy's share of UK production. This phase of prosperity ended abruptly with the Global Financial Crisis of 2007-08, requiring bailouts of private financial institutions, causing the deepest recession since the 1930s, and leading to New Labour's downfall in 2010 and prolonged austerity.

In light of continuous appeal of Thatcherism to significant parts of the middle-class vote, a cornerstone of New Labour's election strategy was breaking with long-held beliefs about state ownership, welfare provisions, and collective labour relations. Already in 1995, Blair signalled there would be no return to pre-1979 approaches and no roll-back of anti-union legislation. Once in power, New Labour strengthened some employment rights and introduced a shift towards partnership, implementing four principal reforms reflecting its individual rights-focused approach (Davies and Freedland 2007, Baccaro and Howell 2017): The National Minimum Wage (1999) represented an entirely new, economy-wide, legally enshrined mechanism compared to the voluntary sectoral Wages Councils abolished in 1993.

The government also opted into the EU's Social Chapter, though consistently choosing the narrowest interpretations, leading to modest improvements in maternity and paternity leave and equal rights for atypical workers whilst maintaining opt-outs from key provisions like the Working Time Directive's maximum-work-hours provision and the EU Charter of Fundamental Rights (2007).

The 1999 Employment Relations Act created new individual rights including enhanced protection from unfair dismissal, legal rights to accompaniment in grievance hearings, protection from blacklisting, and protection from dismissal during strikes' first eight weeks. It included only one collective right: union recognition at company level if a ballot showed majority support, though this excluded small firms and required turnout thresholds.

The mid-2000s saw employment tribunal reform explicitly aimed at reducing employers' financial burdens. The 2002 Employment Act created minimum statutory procedures for dismissal and grievances, replacing potential collective regulation with individual juridical processes, though this was deemed too burdensome and replaced by a statutory code of practice overseen by ACAS in the 2008 Employment Act.

One of New Labour's last measures was the 2010 Equality Act, far-reaching anti-discrimination legislation protecting employees against discrimination, harassment, or victimisation in employment.

Austerity, Brexit and Covid-19 (2010-2024)

The period between 2010 and 2024 saw no major transformations despite a succession of Conservative governments. The need to address the Global Financial Crisis, Brexit referendum, and Covid-19 pandemic alongside dire public finances left little room for transformative initiatives. In 2010, a rare coalition government between Conservatives and Liberal Democrats imposed austerity measures, setting the UK on a relatively low growth path despite record low inflation and interest rates. Long-lasting, deep public spending cuts affected local government, welfare, and public services most severely.

In 2015, the Conservatives won an outright majority, continuing austerity. Having promised a referendum on EU membership, they held one in 2016 where the majority voted to exit. The chaotic period between 2016 and 2022 saw five different Conservative Prime Ministers attempting to manage Brexit consequences and the Covid-19 pandemic (2020-2022), but little actual policymaking. The pandemic required massive intervention including an ad-hoc furlough scheme protecting millions of jobs. Recovery coincided with global supply chain disruptions and labour shortages in sectors previously reliant on EU workers. An inflation spike and energy crisis from 2021, exacerbated by Russia's invasion of Ukraine, created a severe cost-of-living crisis.

Economic policymaking was characterised by short-lived, contradictory measures: a formal 'industrial strategy' (2017-2020), the Northern Powerhouse initiative, and the 'levelling-up' agenda—all failing to transform poorer regions. The state continued commitment towards green transition, supporting the 2016 Paris Accord. The UK became one of the first countries committing to net-zero by 2050 (2019). The 2021 Net Zero Strategy (updated 2023) focused on technological solutions like electric mobility to boost growth. However, 2024 assessments expressed deep scepticism about reaching targets (Burnett et al. 2024). Austerity led to sharp poverty increases as benefits were cut and anti-poverty programmes scrapped. Improvements in health, social care, and education under New Labour were reversed, proving particularly unfortunate when Covid-19 overwhelmed the weakened health infrastructure.

Industrial relations continued largely along the same trajectory as they had under New Labour. After 2015, the Conservative government implemented legislation that further weakened trade unions. Measures included additional limits on picketing, permission for companies to hire agency staff during strikes, and creation of an opt-in mechanism for union dues. The government also targeted strike ballots with a 50% turnout threshold and an additional 40% support threshold from all eligible members in health care, education, public transport, and other sectors.

Meanwhile, the Labour-led Welsh Government introduced the Social Partnership and Public Procurement (Wales) Act in 2023—the first policy initiative in over 50 years tentatively re-introducing a collectivised approach. Applying only in the public sector, it aims to improve economic, environmental, social, and cultural well-being by imposing duties on social partners including statutory duties for employers to consult and seek compromise with recognised trade unions. Implementation remains in its infancy.

Forward to the Past? The Labour Government since July 2024

Since taking office in July 2024, Labour's socio-economic approach has been anchored by their 'plan for change', positioning economic growth as the central mission whilst addressing infrastructure deficits and cost-of-living pressures. The government pursued a neo-Keynesian strategy implementing £40 billion in tax rises—primarily through increased employer National Insurance contributions and capital gains tax changes—to fund significant public investment.

The government reintroduced formal industrial strategy centring on creating 'good jobs' and productivity growth, underpinned by ambitious targets including 1.5 million new homes and repairing NHS damage from austerity and Covid-19. Early economic indicators suggest impacts may be more modest than hoped, with forecasts suggesting policies are unlikely to significantly alter Britain's socio-economic trajectory.

Renationalisation represents a significant but limited feature of Labour's strategy, reflecting pragmatic return to public ownership in key sectors. Railways are being gradually brought under public control, whilst Great British Energy—a new publicly owned clean energy company—will co-invest alongside private industry. Due to expected costs, the government is reluctant to renationalise water companies, opting instead for stronger regulation.

Despite increasingly hostile discourse around net-zero, the government appears committed to continued clean energy transition, though prioritising economic growth might undermine net-zero progress (Burnett et al. 2024).

Labour's approach to labour relations marks a significant departure from Conservative adversarial stance, strengthening worker voice relative to employer power. For the first time since 1979, a UK government views 'stronger trade unions and collective bargaining as key to tackling problems of insecurity, inequality, discrimination, enforcement and low pay' (Labour Research Department 2024). The government plans to establish a 'Fair Work Agency' that will directly intervene by enforcing workers' collective rights (Department for Business and Trade 2024), creating a new settlement reversing many restrictions imposed over the past decade.

First legislative steps came through the Employment Rights Bill passed within the first 100 days (Singh et al. 2024). Though not addressing parental leave, right to disconnect, and gender/ethnicity pay gaps, it significantly strengthens employment rights and trade union rights. Measures include unfair dismissal rights from day one, rights to transfer from zero-hours to guaranteed hours contracts, increased restrictions on 'fire and rehire' processes, and flexible working as the 'default position' from day one (though employers may refuse with good reasons). Regarding trade unions, employers must provide explicit information about union rights to new employees. The Bill strengthens rights and protections for union representatives, and simplifies requirements for workplace recognition, strike ballots, and picketing.

Historical Sector Overviews

Care Service Sector in England¹

What comprises the Social Care Sector in England?

The English social care system is primarily divided into two main sub-sectors: adult social care and children's social care.² Adult social care serves adults from age 18 onwards, whilst children's social care supports those under 18, with formal transitions occurring when disabled young people reach 18 and different teams take over their care services. These sectors operate distinctly with separate funding streams, regulatory frameworks, and service delivery models, though both work alongside the National Health Service as part of the broader health and care system (e.g. Bosch and Isden 2023).

Adult social care encompasses support services for adults with physical disabilities, learning disabilities, or physical and mental illnesses. The sector provides essential services including personal care, domestic support, day services, residential care, nursing care, and support to help people maintain independence and wellbeing in their own homes or community settings. Unlike NHS services, social care is means-tested and not free at the point of use, with local authorities responsible for commissioning and providing services through a mix of public, private, and voluntary sector providers. The sector faces significant challenges including high vacancy rates, rising demand from an ageing population, and integration pressures with NHS services.

Children's social care encompasses support services for children and young people under 18 who require safeguarding, family support, or specialist care. Local authorities are responsible for ensuring and overseeing the effective delivery of services for children, working closely with others, and they must promote children's welfare and well-being. The sector provides a comprehensive range of services including child protection investigations, family support services, looked-after children provisions (foster care and residential care), early help interventions, adoption services, and support for children with disabilities or special educational needs. Services range from family support such as day care for children under 5, parenting classes, and practical home help, to more intensive interventions including child protection measures for those at risk of significant harm from physical, emotional or sexual abuse, and neglect (e.g. Local Government Association 2022).

¹ Due to devolution, social care is separately organised and delivered across the four nations of the UK since the 1990s. This section will focus mainly on social care in England as it is the biggest social care sector in the UK. While there are some subtle differences in the approaches taken by the devolved nations, all are to some degree dependent on UK legal and regulatory frameworks and on budget decisions made by the UK government. Thus, many of the characteristics of the sector and the challenges it faces are the same across the UK.

² The following will by necessity mainly focus on adult social care as the availability of socio-economic data relating to children's social care is very limited.

Brief History

The UK social care sector has evolved through three distinct paradigmatic shifts since 1945 (e.g. Jones 2007). The initial institutional care paradigm dominated from the 1940s through the 1980s, characterised by large residential institutions for older people, people with learning disabilities and mental health conditions, and children in care. This model emphasised professional expertise and standardised provision but increasingly faced criticism for institutionalisation, high costs, and limited individual choice.

The enactment of the NHS and Community Care Act in 1990 marked a watershed in the evolution of community care practice in the UK, implemented after years of discussion on the social and financial viability of maintaining people in institutions and homes. This ushered in the community care paradigm, which prioritised supporting people in their own homes and communities rather than institutions. The reforms in the 1990s introduced care management, needs-led assessments, and the so-called 'purchaser-provider split' which created 'markets for care services', fundamentally reshaping service delivery towards more flexible, community-based support that adhered to market principles and was dominated by private providers (e.g. Dalley 2022).

From the early 2000s, a third paradigm emerged around personalisation and individualised approaches (e.g. Community Care 2008, Glasby and Littlechild 2016). Personalisation aims to increase the levels of choice and control for adult users of social care services, suggesting that much preceding practice has magnified individuals' dependency and constrained their choice. This shift introduced direct payments and personal budgets, allowing individual service users to purchase their own care and support. This paradigm emphasises self-directed support, co-production, and person-centred planning, emphasising individual empowerment and choice. As a consequence, of this and some of the previous reforms, the sector is highly fragmented and akin to a patchwork as numerous small private care providers compete at the local level for contracts from individual care seekers as well as from local governments, who are responsible for making community-based care provisions available.

It is likely that the current Labour government, elected in 2024, will make changes to the care system but these are as yet undefined. Labour went into the election with the promise to create a National Care Service that would standardise and regulate care provisions across the UK and ensure that people would be cared for in their own homes for as long as possible. Other areas for potential changes are closer integration with the health system, improving the support for working age disabled people and promoting more prevention considering the challenges related to the demographic change in the UK (e.g. Merritt 2024a). Regarding Children 's social care, Labour plans to strengthen regulatory oversight and improve transparency of private providers' finances to drive up standards and reduce costs.

Socio-economic significance of the Care Sector

Around 1.59 million people worked in the adult social care sector in England in 2023/24, making it one of the country's largest employment sectors (see Skills for Care 2024). The number of available posts (including filled and unfilled positions) in England's adult social care sector is somewhat higher, indicating that a number of people employed in the sector

work more than one job. In 2023/24, a total of 1.84 million posts were available, of which only just above 1.7 m were filled (see Figure 2).

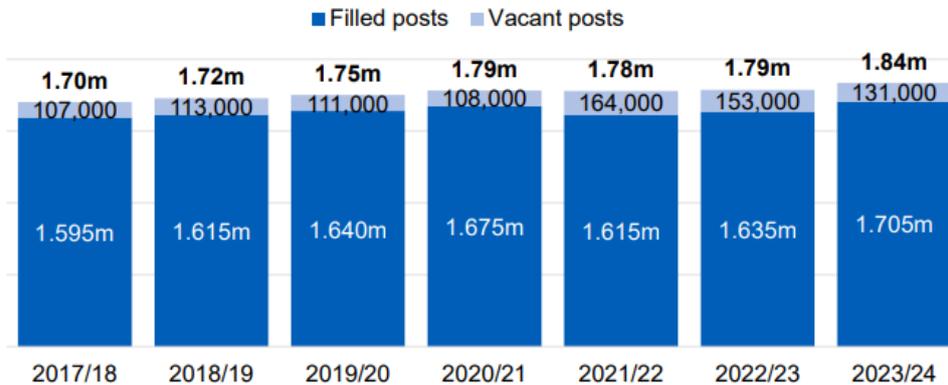
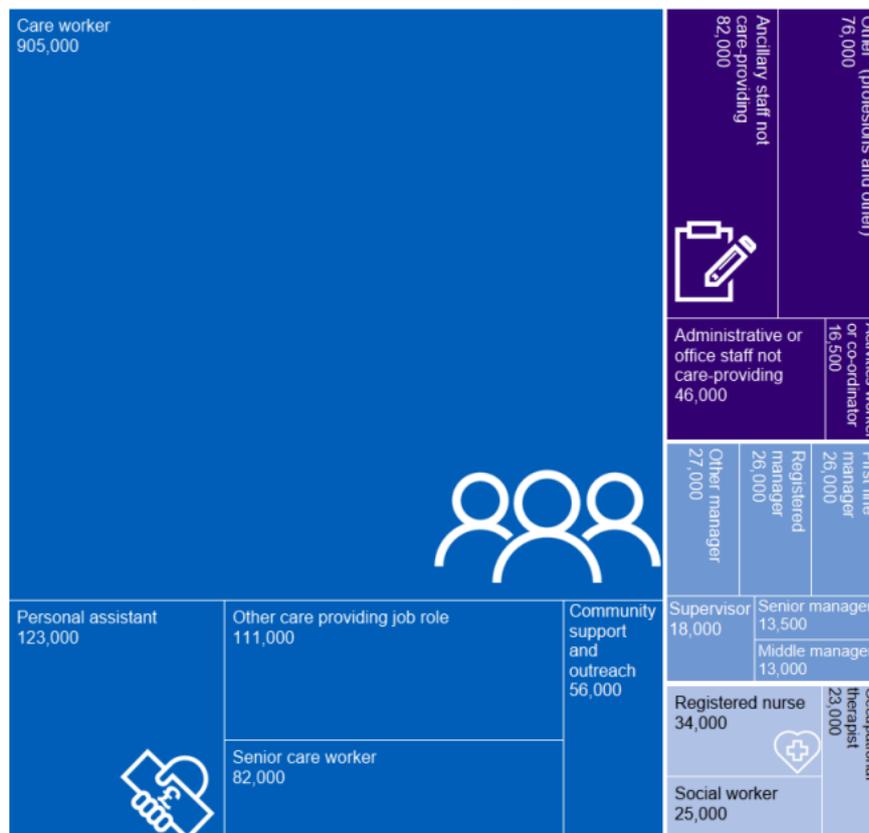


Figure 2: Estimated number of adult social care posts (filled posts, vacant posts and total posts), in England, 2017/18 to 2023/24 (Source: Skills for Care 2024)

The most common job role in the sector are care workers, while personal assistants were the second most common job role (123,000 filled posts), followed by senior care workers and ‘ancillary’ posts (both 82,000 filled posts) (see Figure 3).



* ‘Other’ includes 14 job roles which were estimated to include fewer than 11,000 filled posts each

Figure 3: Estimated number of adult social care filled posts by individual job role (all sectors), 2023/24 (Source: Skills for Care 2024)

The adult social care sector is estimated to contribute £68.1 billion gross value added to the economy in England, which is an increase of 13.2% relative to the 2022-23 year, demonstrating the sector's growing economic importance (see Figure 4).

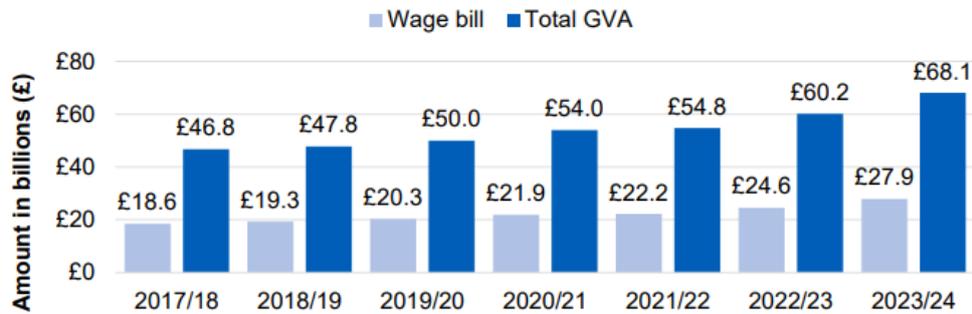


Figure 4: Adult social care wage bill and total gross value added (GVA), 2017/18 to 2023/24 (Source: Skills for Care 2024)

Much less socio-economic data is available for the children's social care sector. In 2021, there were 32,502 full time equivalent (FTE) children and family social care workers (an increase of 2% compared to 2020), and 5,977 FTE agency workers (an increase of 3% compared to 2020) in England (e.g. Kulakiewicz et al. 2022), though these figures only cover qualified social workers rather than the broader children's social care workforce including residential care staff, foster carers, and support workers.

An additional aspect related to social care is that across the whole of the UK, a huge informal and unpaid care sector exists, which helps to keep the current system from collapsing. While official government estimates suggest that around 5 million people in the UK provide unpaid care (see Figure 5), others, such as the charity Carers UK, put this figure above 10 million.

Number of hours	Number of people providing unpaid care
Nine hours or fewer a week	1.7 million
10 to 19 hours a week	634,000
20 to 34 hours a week	452,000
35 to 49 hours a week	518,000
50 or more hours a week	1.4 million

Figure 5: estimated number of unpaid carers according to time worked (Source: Merritt 2024b)

Industrial Relations in the Care Sector

Industrial relations in England's social care sector reflect its fragmentation and diversity as public, private, and voluntary providers operate with varying employment practices and limited systematic partnership arrangements. Unlike the NHS which benefits from an established 'Social Partnership Forum', bringing all social partners together, social care

lacks equivalent sector-wide partnership structures for systematic social dialogue. The relationships between employers, trade unions, and government are characterised by *ad hoc* consultation and separate lobbying rather than institutionalised collaboration, with employer organisations engaging government through policy consultations whilst trade unions run independent campaigns around sector issues. This absence of formal social partnership arrangements appears particularly significant given the sector's current crisis, where the workforce shortages, financial pressures, and integration challenges might benefit from coordinated action between all stakeholders. Instead, the current pattern involves separate advocacy and occasional antagonism over pay, conditions, and service sustainability, reflecting a sector that lacks the institutional infrastructure found in more established industries for systematic collective bargaining and partnership working. This fragmented approach to industrial relations may itself constitute a barrier to addressing the fundamental structural challenges facing England's social care sector.

The main trade unions representing social care workers are UNISON, GMB, and Unite, but several other, smaller unions such as Community or the Care Workers Union also offer representation to care sector workers in public and private care settings. However, unionisation rates are relatively low compared to traditional public services due to the sector's fragmented structure, high staff turnover (persistently above 25%), and a prevalence of small private providers. Beyond providing individual services to members, including training (Continuous Professional Development) opportunities, the trade unions campaign on a range of issues such as pay equity, sick pay entitlements, working conditions, and professional development opportunities.

The employer side is represented through several organisations including Care England (representing independent care providers), the United Kingdom Homecare Association (UKHCA), and the Association of Directors of Adult Social Services (ADASS) for local authority interests. These organisations primarily lobby for adequate funding settlements, workforce development support, reduced regulatory burden, and sustainable commissioning arrangements, with their concerns centring on financial viability as many providers operate on thin margins whilst facing rising costs and complex compliance requirements.

The state is represented through the Care Quality Commission (CQC), which regulates all health and social care services in England, ensuring quality and safety standards, though the regulator faces ongoing tensions between maintaining standards and recognising the sector's systemic constraints, particularly around waiting times for care home beds and home-based care accounting for 45% of delays in discharging people who had been in hospital for 14 days or more.

Future Outlook

Adult social care in England faces connected, systemic challenges that have already reached crisis proportions, raising questions about long-term sustainability of the current system. At the heart of these difficulties lies a severe workforce crisis, with vacancy rates of 8.3% representing 131,000 unfilled posts across the sector. The situation has been compounded by changes to visa rules from March 2024 which could reduce the number of

people coming to the UK to take jobs in social care, whilst domestic recruitment and retention efforts continue to fall short of meeting demand.

This workforce shortage intersects with severe financial pressures that have left the sector struggling to maintain services. Energy cost increases of up to 350% and unfunded rises in the National Living Wage left a large number of adult social care providers in deficit in 2023, creating a vicious cycle where financial constraints make it even harder to recruit and retain staff. These pressures occur against a backdrop of unprecedented record demand due to an ageing population that threatens to overwhelm the sector's capacity, while rising costs and inflation create financial pressures across the sector (see Figure 6).

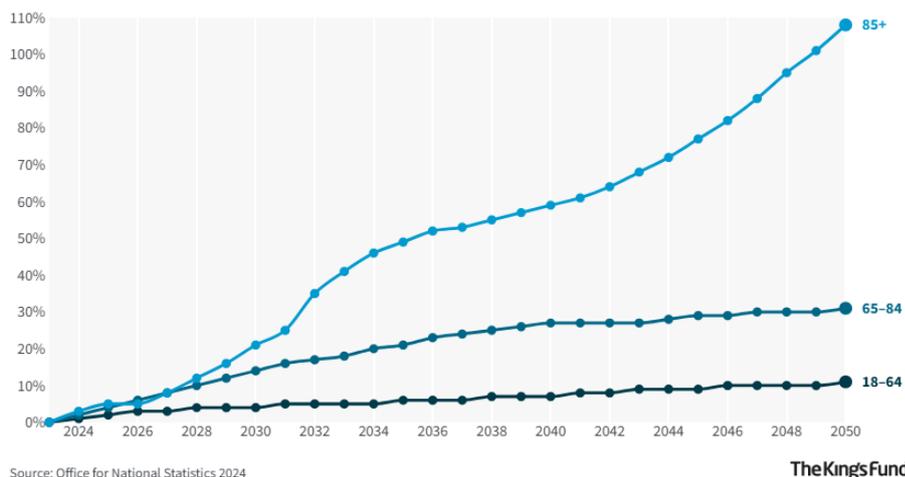


Figure 6: Projected percentage change compared to 2023 of selected age groups in England (Source: Bottery and Jefferies 2025)

The consequences of these combined pressures are most visible in the breakdown of integration between social care and the NHS. The disconnect between the NHS and social care sectors contributes to 1.1 million blocked beds and 64% of medically fit patients having to wait for social care as of April 2024, creating systemic bottlenecks that negatively affect the entire health and care system (e.g. Bottery and Jefferies 2025). Despite government recognition of these challenges - the latest government budget in 2024 announced new funding for adult social care of up to £4.7 billion in 2024/25, this funding comes after a decade of falling local authority budgets and is insufficient to address the fundamental structural problems that have developed over years of underinvestment, especially in the face of rising demand.

The children's social care sector faces workforce shortages alongside increasing demands, with referrals at pre-pandemic levels and an increasingly complex caseload. Unlike adult social care, children's services are free at the point of use and funded through local authority budgets supplemented by government grants. The sector operates under strict regulatory oversight from Ofsted, the statutory regulator, which inspects local authority children's services, and works closely with education and health services to provide coordinated support.

The UK Energy Sector

What comprises the energy sector in the UK?

The UK energy sector can be understood through a series of concentric definitions, each capturing different aspects of Britain's energy landscape. At its core, the sector comprises the fundamental infrastructure that keeps the lights on and the heating running - electricity generation, transmission, and distribution networks alongside gas production, transmission, distribution, and supply systems, plus oil refining and petroleum products supply. This narrow definition informs the remainder of this section.

A mid-range definition includes the entire energy supply chain from upstream exploration and production through midstream transportation and storage to downstream refining and retail supply, incorporating all forms of power generation including renewables, nuclear, and fossil fuels.

The broadest definition encompasses the full energy economy, including manufacturing of energy equipment, trading and financing activities, energy services, and emerging technologies like hydrogen and carbon capture. The government's 2023 creation of Department for Energy Security and Net Zero (DESNZ) from the former Department for Business, Energy and Industrial Strategy reflects this interconnected nature, where energy policy intersects with industrial strategy, innovation, and the UK's net zero commitments.

Historical Overview of UK Energy Sector

Before 1945, Britain's energy system developed mainly through private enterprise, with local gas companies and municipal electricity suppliers serving different regions alongside the dominant coal industry that powered Victorian industrialisation (e.g. National Grid 2023). The post-war era established state ownership and central planning as the governing philosophy, with the Labour government's nationalisation drive bringing gas, electricity, and coal under public control. This period coincided with the launch of Britain's nuclear programme, beginning with Calder Hall nuclear power station connecting to the grid in 1956, reflecting state-led ambitions for energy modernisation. However, the real transformation came with the discovery and subsequent exploitation of substantial North Sea oil and gas reserves in the mid-1970s in the wake of the 1973 Oil Crisis, which starkly demonstrated the disadvantages of being dependent on energy imports. This fundamentally transformed the UK from energy dependence to temporary self-sufficiency (e.g. National Grid 2023).

In line with the overall transformation of the UK after 1979, the 1980s introduced market liberalisation and privatisation, beginning with gas privatisation in 1986 and electricity between 1989 and 1991. This neoliberal shift coincided with dramatic changes in the energy mix, as coal fell from just under half of UK inland energy consumption in 1970 to a marginal role, linked due to the effective shut-down of coal mining in the UK. The privatised electricity companies triggered the so-called 'Dash for Gas' in the 1990s, rapidly expanding natural gas generation whilst nuclear power peaked at 26% of electricity generation in 1997 before entering long-term decline as aging plants closed.

Since the 2000s, market-based decarbonisation has emerged as the energy policy approach, attempting to reconcile climate targets with competitive markets whilst navigating

what policymakers term the ‘energy trilemma’ - balancing decarbonisation, security of supply, and affordability (e.g. Hinson 2020). This period has witnessed the renewable energy revolution, with wind, solar, hydroelectric and bioenergy expanding rapidly from negligible capacity to just 40% of the UK’s overall energy production by 2025 (Department for Energy Security and Net Zero 2024). The symbolic milestone came in 2017 when renewables and nuclear generated more UK power than gas and coal together for the first time, marking the end of the fossil fuel era’s dominance. However, this transition has highlighted the energy trilemma’s tensions - renewable intermittency challenges supply security, whilst the up-front costs of decarbonisation initiatives negatively affect affordability, forcing governments to increasingly intervene in markets they had previously liberalised.

Socio-Economic Significance of the Sector

The energy sector’s contribution to the UK economy, measured as Gross Value Added (GVA) peaked in 1982 at around 10% (see Figure 7).

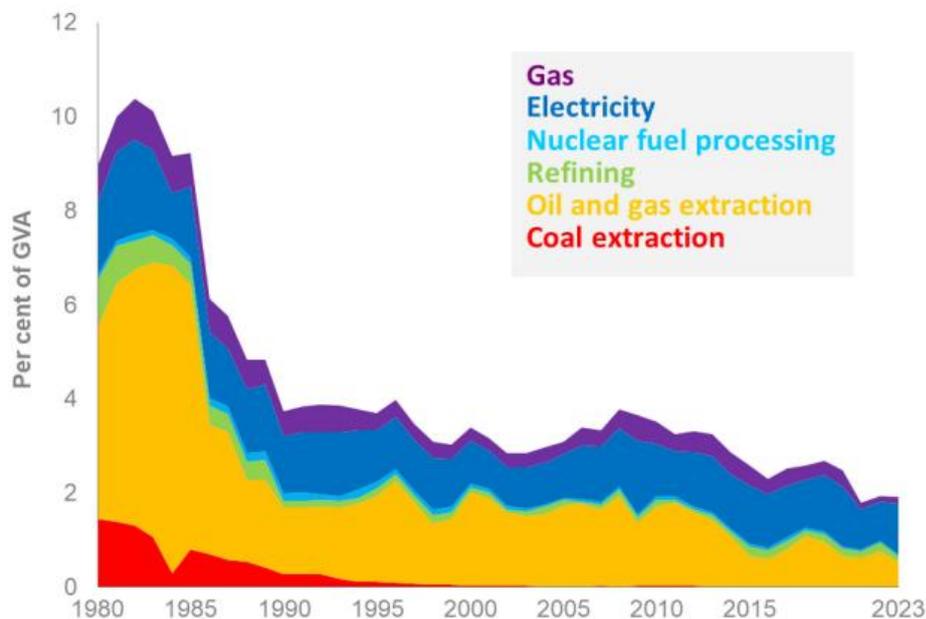


Figure 7: Contribution to GVA by the energy industries (Source: Department for Energy Security and Net Zero 2024)

By 2022, the contribution of the energy industries to the UK economy had fallen to below 4% of GVA. Despite its significant fall in 1986, oil and gas extraction has been the major energy contributor to the UK economy (with its value dependent both on production and the price of oil and gas). However, since 2014 electricity has become the major energy contributor. Of the energy total in 2022 electricity (including renewables) accounted for 43%, oil and gas extraction accounted for 25%, and gas accounted for 15%.

The sector currently (2022) employs 166,400 people directly, which accounts for just under 6% of all industrial employment in the UK, with almost 60% of the workforce being employed in electricity production, including renewables (see Figure 8). The sector apparently also supports almost 1.5m jobs indirectly (e.g. Energy UK 2025). Employment in the energy production and supply industries fell rapidly throughout the 1980s and mid-1990s largely as

a result of closures of coal mines. Between 1995 and mid-2000s employment declined more slowly but since 2006 it has increased gradually, driven largely by growth in the electricity and gas sectors. However, since 2020 employment in the energy industries has fallen back again.

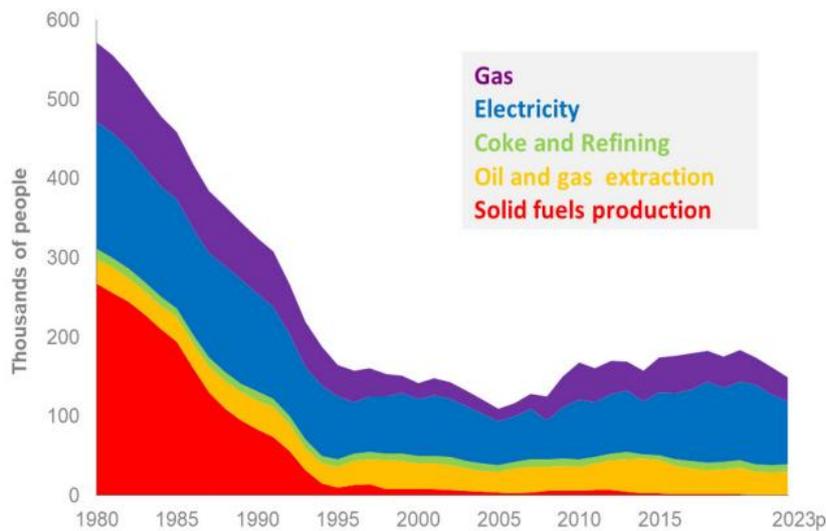


Figure 8: Trends in employment in the energy industries, 1980 to 2023 (Source: Department for Energy Security and Net Zero 2024)

In 2023, investment in the energy industries stood at around £18.5 billion (see Figure 9).

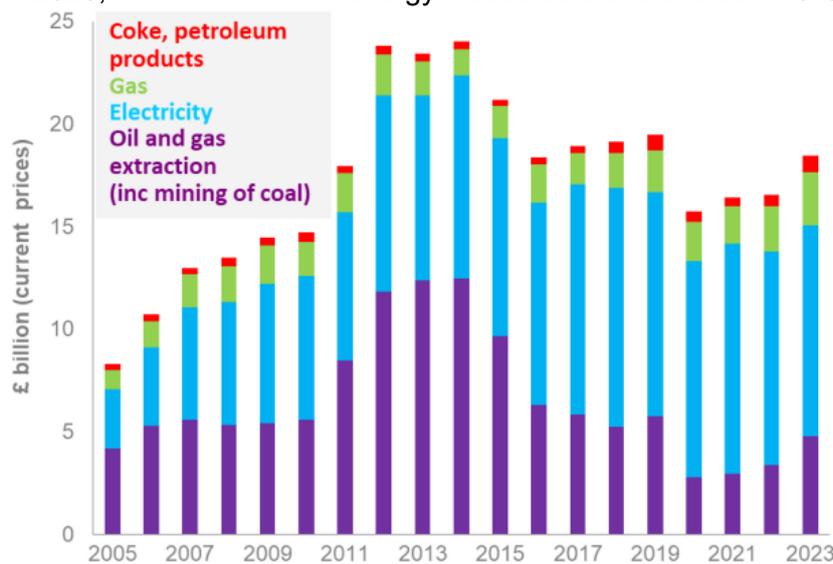
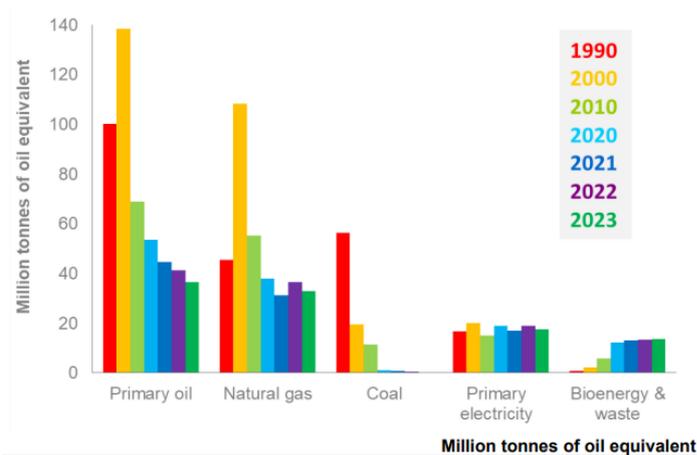


Figure 9: Investment in the energy industries, 2005 to 2023 (Source: Department for Energy Security and Net Zero 2024)

The biggest share of investment, around 56% of the total, went towards electricity although this represents a decline to previous years. Contrary to explicit policy goals related to greening and decarbonisation, investment in oil, gas and coal is increasing again compared to previous years.

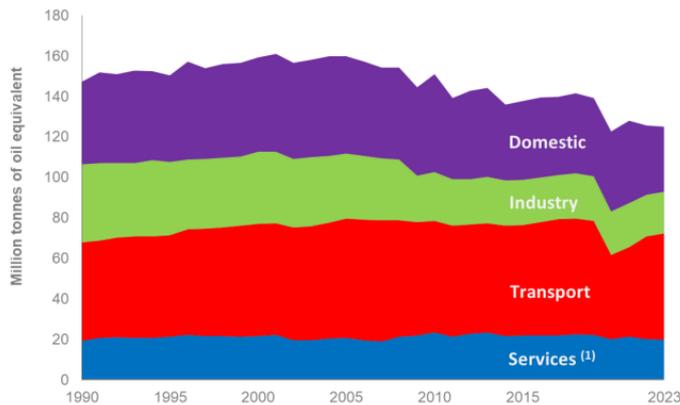


	1990	2000	2010	2020	2021	2022	2023
Primary oil	100.1	138.3	69.0	53.6	44.7	41.3	36.6
Natural gas	45.5	108.4	55.3	37.8	31.3	36.4	32.9
Coal	56.4	19.6	11.4	1.2	0.7	0.5	0.4
Primary electricity	16.7	20.2	15.1	18.9	17.0	18.8	17.5
Bioenergy & waste	0.7	2.3	5.8	12.1	13.1	13.3	13.7
Total	219.4	288.7	156.7	123.6	107.0	110.3	101.2

Figure 10: Production of primary fuels, 1990 to 2023 (Source: Department for Energy Security and Net Zero 2024)

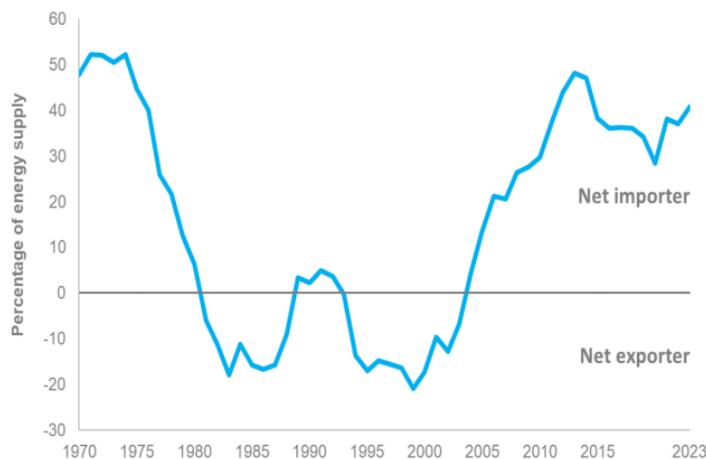
Total production of primary fuels, when expressed in terms of their energy content, rose by 3.1% in 2022 compared to the record low level of 106.8 million tonnes of oil equivalent in 2021, but remains well below the peak reached in 2000 (see Figure 10). The fall is mainly accounted for by production decreases in oil and gas as the UK oil and gas fields have been depleted through rapid exploitation since the 1970s. Still, primary oil (crude oil and Natural Gas Liquids) accounted for 38% of total production, natural gas 33%, primary electricity (consisting of nuclear, wind, solar and hydro) 17%, bioenergy and waste 12%, while coal accounted for just 0.4% in 2023.

Domestic consumption patterns have, however remained relatively stable over the last 30 years (see Figure 11), which adds to concerns about supply and affordability as shortfalls in domestic production have to be compensated by importing energy (see Figure 12).



2023					
	Million tonnes of oil equivalent				
	Industry	Transport	Domestic	Services ¹	Total
Coal & manufactured fuels	1.0	0.0	0.3	0.0	1.2
Oil	2.2	48.9	2.1	3.5	56.6
Gas	7.5	0.1	20.4	7.7	35.6
Electricity	7.4	0.9	8.0	6.8	23.1
Bioenergy and heat	2.3	2.6	1.6	1.8	8.4
Total	20.4	52.6	32.2	19.8	125.0

Figure 11: Final energy consumption, 1990 to 2023 (Source: Department for Energy Security and Net Zero 2024)



	Percentage						
	2000	2005	2010	2020	2021	2022	2023
Coal	39%	71%	52%	47%	51%	94%	63%
Gas	-11%	7%	40%	46%	57%	46%	46%
Oil	-55%	-3%	15%	12%	25%	37%	47%
Total	-17%	13%	30%	28%	38%	37%	41%

Figure 12: Import dependency, 1970 to 2023 (Source: Department for Energy Security and Net Zero 2024)

UK Energy Sector Industrial Relations

Industrial relations in the sector are fragmented and uncoordinated as no significant sector-wide social partnerships arrangements that might deal with core employment issues like pay, conditions, or strategic workforce planning exist. Nonetheless, two specific tripartite social partnership institutions exist within the sector, but these are limited in scope and effect. The National HESAC (Health, Environment, Safety and Community Committee) brings together unions and employers operating in the electricity industry and is also attended by the Health

and Safety Executive (HES). It focuses specifically on health and safety matters rather than broader industrial relations issues. The North Sea Transition Forum addresses oil and gas sector transition but is specific to that subsector.

The UK energy sector has unionisation rates of around 31%, significantly higher than the national average, though this does not necessarily translate into strong industrial relations structures. The high unionisation rate rather reflects institutional legacy as many energy companies existed as nationalised utilities before 1979, when union recognition was standard and unionisation rates very high. The main trade unions include Prospect (representing over 22,000 energy workers including engineers and technicians), UNISON (with thousands of members across electricity and gas), plus Unite and GMB. These unions focus on traditional concerns like pay and conditions but increasingly prioritize issues specific to the energy transition: job security during decarbonization, skills development for new technologies, and ensuring a 'just transition' that protects workers' livelihoods as the sector moves away from fossil fuels.

On the employer side, the sector is represented by several major trade associations. Energy UK serves as the main industry body with members delivering nearly 80% of UK power generation, while RenewableUK and the Renewable Energy Association represent the growing clean energy sector with around 500 members between them. These organizations lobby government for supportive policies on energy transition, infrastructure investment, skills development, and regulatory frameworks that balance competition with investment incentives. The state regulator Ofgem oversees market operations, consumer protection, and the transition to net zero.

Future Outlook

A pressing challenge confronting the UK energy sector is the acute skills shortage required for the net zero transition. The global renewable energy sector's market value reached 1.2 trillion USD in 2024, with projected growth of 17.2% annually from 2024 to 2030, yet PwC's Green Jobs Barometer indicates a critical shortage of skilled workers in the UK's low-carbon economy, particularly in solar installation and heat pump engineering (PwC 2023). Energy developers face challenges including securing a larger workforce, developing digital and project development skills, and hiring for completely new roles as they diversify their renewable portfolios. This skills gap represents both a major constraint on the speed of energy transition and a significant opportunity for workforce development and training programs.

Infrastructure bottlenecks present the second major challenge, particularly around grid connections and planning delays. The government has set a target to decarbonise Britain's energy generation network by the end of the decade — a goal that the National Energy System Operator has described as a huge challenge (see National Energy Systems Operator 2024). Planning and grid bottlenecks are still to be tackled in 2025, despite government efforts to cut average grid connection delays from 5 years to 6 months, releasing up to 100GW of capacity. The Clean Power Action Plan estimated that Clean Power 2030 could require around £40 billion of investment on average per year between 2025 to 2030, highlighting the massive infrastructure investment needed (e.g. Institute of

Government & Public Policy 2024). For industrial relations, these challenges suggest the sector will need to manage rapid workforce expansion while navigating the tension between high unionization rates inherited from the pre-1979 era and the practical demands of scaling up a modern, competitive industry.

The private on-demand transport sector

What comprises the on-demand transport sector in the UK?

The private on-demand transport sector in the UK encompasses a diverse range of services that provide personalised, flexible transport solutions outside the traditional public transport network. This sector can be defined as a part of the private transport sector that encompasses all forms of transport where passengers can request individual journeys at their convenience, typically through advance booking or real-time requests, rather than adhering to fixed schedules or routes.

The remainder of this section focuses on taxis and private hire vehicles (PHV) as the most important component of sector. Traditional hackney carriages (black cabs or taxis) and private hire vehicles form the historically established foundation, with hackney carriages being licensed to be hailed on the street or pick up from designated ranks, whilst private hire vehicles must be pre-booked through licensed operators. In recent years, innovations in mobile communication technology have given rise to new transport modes that rely exclusively on digital platforms, although traditional taxi companies now also routinely use such platforms for booking and payment purposes. These new modes of private on-demand transport include Transportation Network Companies (TNCs), such as Uber and Lyft and ride-pooling services, such as Moia and Via (Statista 2022). More recently, additional service models, usually involving road transport, including 'demand-responsive transport schemes', often operating in rural or suburban areas where conventional public transport is less viable, and shared ride services that combine elements of private and public transport have begun to emerge.

Beyond taxis and PHVs, the private on-demand transport sector also encompasses a diverse range of other transport modes ranging from micromobility (e.g. bicycles, e-scooters) to premium aviation services (e.g. charter jets and helicopters). The sector also includes specialist services such as executive car hire, chauffeur services, and accessibility-focused transport providers.

Historic Development of the Private on-Demand Transport Sector

The roots of the UK's private on-demand transport sector stretch back centuries, when hackney carriages (horse-drawn carriages) were offered for hire by private owners. A system for licensing hackney coachmen was established in 1654, creating one of the world's earliest regulated taxi systems. By the 19th century, the sector was well-established and the Town Police Clauses Act 1847 provided a regulatory framework that would affect the industry well into the post-war period.

The post-war period was dominated by traditional hackney carriages (combustion-engine powered black cabs) which were characterised by strict licensing and onerous ‘knowledge’ requirements for drivers. However, private hire vehicles began operating in the 1960s in competition with hackney carriages after a loophole in the law was spotted, leading to the emergence of minicabs that could only be pre-booked by telephone. This emergent modern private hire industry was subsequently formalised through the Local Government (Miscellaneous Provisions) Act 1976, establishing the regulatory framework that distinguished between hackney carriages and private hire vehicles that is still in place today. The sector experienced significant changes during the 1980s deregulation era, though it remained more regulated than other transport modes like buses and coaches. The Transport Act 1985 introduced various reforms to the licensing system whilst maintaining the fundamental distinction between hackney carriages and private hire vehicles. Later deregulation measures, including the Deregulation Act 2015, allowed Private Hire Operators to sub-contract work to other licensed operators, creating greater flexibility in the market and enabling cross-boundary operations that would prove crucial for the platform economy that followed.

The real revolution came in the 2010s with the arrival of smartphone-based ride-hailing platforms like Uber and Bolt, which transformed how private hire services operate. The advent of ride-hailing apps like Uber and Bolt has revolutionised the private hire sector, offered convenience and often lower fares, but also reshaped employment relations and conditions in the sector. This technological disruption has, however, led to explosive growth in the sector (e/g/ Mogo 2025).

Socio-economic significance of the Private on-Demand Transport Sector

The private and fragmented nature of the sector makes it hard to assess the overall socio-economic importance of the sector. In 2022, the whole transport sector in the UK turned over around £235 billion (Statista 2022, see Figure 13).

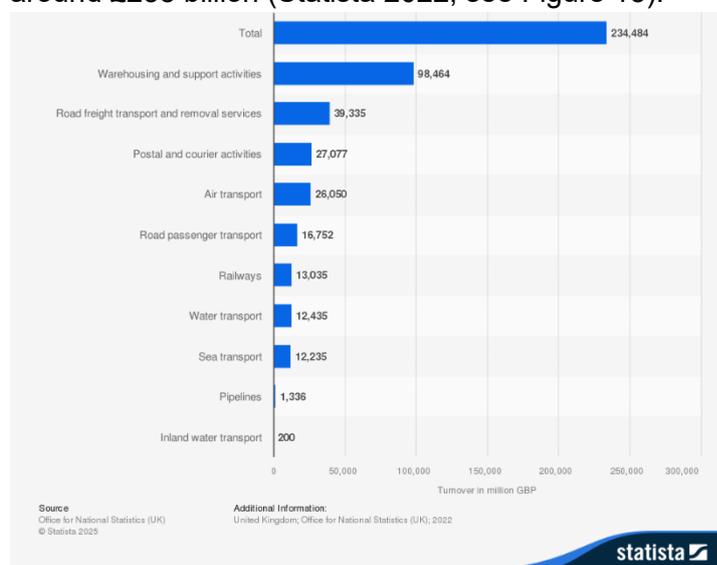


Figure 13: Total turnover in the transport and storage industry in the United Kingdom (UK) in 2022, by sector (in million GBP) (Source: Statista 2022)

As most activities in the private on-demand transport sector involve road passenger transport, it can be inferred that the sector turnover is significantly smaller than the almost £17 billion suggested by Figure 16 as ‘public (road passenger) transport’ still plays an important role in the UK even though most actual companies providing public services are privately owned.³

The remainder of this section focuses entirely to taxis and private hire vehicles (PHVs) as no comprehensive sectoral statistics and figures are available. The fragmented nature of the UK also means that figures sometimes relate to the UK, to England and Wales or to England only.

The total number of licensed taxi and PHV vehicles and driver licences in England have both continued their long-term upward trend, reaching 313,000 and 381,100 respectively on 1 April 2024, although the numbers fell slightly between 2020 and 2022 due to disruption linked to the Covid-19 pandemic (Department for Transport 2025, see Figure 14).



Figure 14: Total licensed taxi and private hire vehicles and drivers: England, since 2005 (Source: Department for Transport 2025)

Regarding long-term trends, the overall increase in vehicles and driver licenses is entirely driven by the PHV segment, while the number of licensed taxis and taxi drivers continue to decline, demonstrating the effects of disruptions in the sector due to the rise of Transportation Network Companies such as Uber and Lyft. For example, the increase between 2023 and 2024 is due to a 10.5% increase in the number of PHVs, reaching 256,600, while the number of taxis has decreased over the same period by 1.4% to 56,400 (see Figure 15).

³ Many UK bus services are operated by private companies (such as Stagecoach, First Group, or Arriva) but are considered part of the public transport network because they provide scheduled services along fixed routes that serve the general public, often under regulatory frameworks set by local transport authorities. Local bus services generated around £3.5 billion in 2022 (Statista 2024).

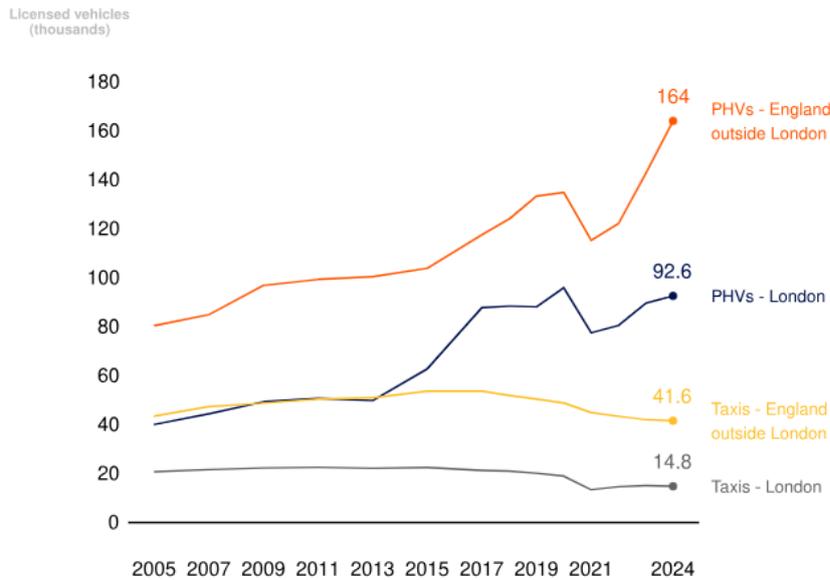


Figure 15: Number of Licensed Vehicles by type in England (Source: Department for Transport 2025)

The majority of vehicles and drivers licensed in England operate in urban areas (see Figure 16).

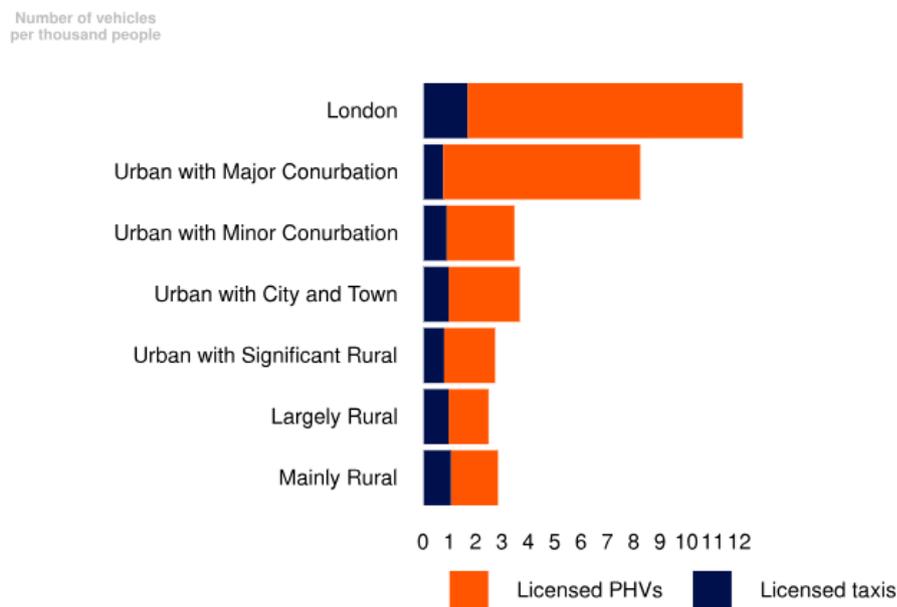


Figure 16: Number of licensed taxis and private hire vehicles per 1,000 people by urban-rural classification, England 2024 (Source: Department for Transport 2025)

Customers use taxis and PHVs mainly for leisure trips (46% in 2022), while commuting (15%), shopping (12%), personal business (11%) and education (10%) represent other major activities relying on the private hire industry for transportation. Most of these use categories have remained stable over recent years, apart from shopping which has

decreased significantly, presumably due to the availability of delivery services and online shopping (Department for Transport 2025).

With regard to the fuel type used by taxis and PHV, the sector in England reflects broader trends in the UK. In general, the number of vehicles relying exclusively on fossil fuels is declining steadily, while the number hybrid and battery-only vehicles are on an upward trajectory (see Figure 17).

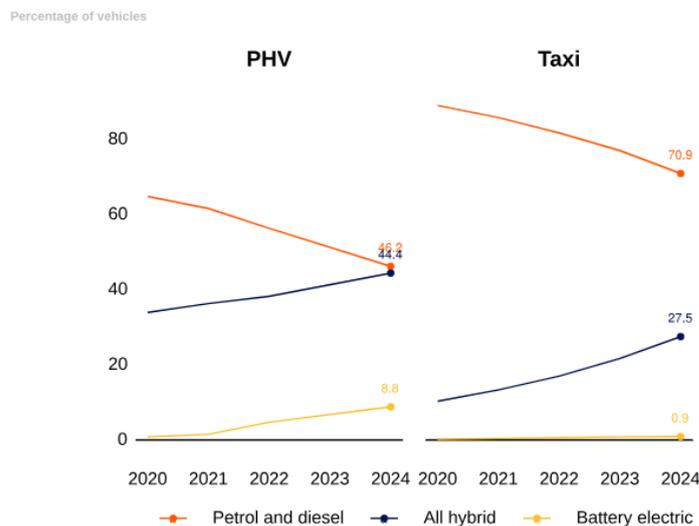


Figure 17: Taxi and PHV fleet by fuel type, England, 2020 to 2024 (Source: Department for Transport 2025)

Industrial Relations in the Private on-Demand Transport Sector

Labour relations in the UK's private on-demand transport sector are fundamentally shaped by the employment status divide between traditional taxis and private hire vehicles (PHVs). 84% of all drivers were classed as self-employed 2023, though this masks significant differences. Traditional hackney carriage drivers often operate under more established owner-operator models or employment arrangements with taxi companies, whilst PHV drivers predominantly work as independent contractors for platform companies like Uber and Bolt (Department for Transport 2025).

The sector operates largely without formal tripartite social partnership institutions, with Transport for London (TfL) serving as the primary regulatory body rather than a social partner. TfL has developed a Stakeholder Engagement Policy that sets out how TfL engages with trade bodies, unions, operators and driver representatives in a structured and ongoing format, though this remains primarily consultative rather than negotiating arrangements. Labour relations are characterised by fragmentation, with deep divisions between traditional taxi drivers and PHV drivers, often manifesting in competing interests over regulation, licensing, and market access. The absence of sector-wide collective bargaining or formal social dialogue means that employment issues are typically addressed through individual platform policies, regulatory interventions, or adversarial legal challenges rather than negotiated settlements. The recent landmark Supreme Court ruling in *Uber BV v Aslam* in February 2021 fundamentally reshaped labour relations across the PHV sector (e.g. The Supreme Court of the United Kingdom 2024). The unanimous decision established that Uber

drivers were 'workers' rather than independent contractors – or 'partners' as Uber argued, entitling them to employment rights including minimum wage, paid holiday, and other protections under UK employment law. This decision has had profound implications beyond Uber, forcing other platform companies to reconsider their employment models and leading to sector-wide changes in how PHV drivers are classified and compensated. The ruling has strengthened the hand of trade unions in organising PHV drivers and created a new template for employment rights in the gig economy.

The trade union landscape reflects the sector's divisions, with different unions representing distinct segments. The Licensed Taxi Drivers' Association (LTDA) is the only group representing black cab driver and focuses primarily on protecting traditional hackney carriage interests, including opposing PHV expansion and supporting licensing restrictions. GMB Union members in the Taxi and Private trades now have a strong and united voice, representing both taxi and PHV drivers with campaigns for better worker protections, minimum wage compliance, and improved working conditions. The RMT union also organises in the sector, particularly amongst London taxi drivers, whilst the UK Private Hire Drivers Union specifically represents PHV drivers. These unions generally seek employment rights recognition, better pay and conditions, stronger safety protections, and more stringent regulation of platform companies.

The organisation of employers in the sector is weak and fragmented, lacking the cohesive representative bodies found in other industries. Traditional taxi companies operate through local trade associations without significant national coordination, whilst platform companies like Uber, Bolt, and Addison Lee largely engage individually with regulators and stakeholders. The National Private Hire & Taxi Association (NPHTA) focuses on raising standards in the trade but represents operators rather than functioning as a traditional employer association. These fragmented employer interests generally advocate for regulatory flexibility, opposition to employment status changes that would increase costs, resistance to licensing caps, and minimal interference in their business models. The absence of strong employer associations contributes to the sector's adversarial rather than collaborative approach to labour relations.

Future Outlook

After having been badly affected during the Covid-19 pandemic (e.g. DeAzvedo 2025), the sector faces significant future challenges around autonomous vehicles, regulatory harmonisation, and labour market disruption. The potential introduction of self-driving technology could fundamentally alter the employment landscape for hundreds of thousands of drivers, whilst the need for consistent national standards across local licensing authorities becomes increasingly pressing as platform companies operate across multiple jurisdictions. Climate change imperatives will likely drive further regulatory tightening, potentially including congestion pricing, emissions zones, and requirements for shared mobility services.

The climate-change related reshaping of the sector has already started (e.g. Mogo UK 2025). All newly licensed PHVs operating in London must now be zero emission capable (ZEC), with both fleets expected to become entirely zero emission capable by 2033 at the latest. This regulatory push aligns with broader government targets related to transportation,

as 80% of new cars and 70% of new vans sold in Great Britain ought to be zero emission by 2030, increasing to 100% by 2035. Cities across the UK are following London's lead, with many implementing Clean Air Zones and emission standards that effectively mandate the transition to electric vehicles.

The integration of private hire services into broader mobility ecosystems represents another transformative trend through Mobility as a Service (MaaS) platform (e.g. Senedd Research 2024). MaaS platforms integrate and analyse data from multiple modes of transport, such as rail, bus, taxi and cycle hire, to offer choice in journey planning to consumers, creating seamless multimodal journeys that combine public and private transport options. This integration promises to optimise transport networks, reduce congestion and emissions, and provide more efficient journey options, though it also raises questions about data sharing, competition, and the potential for platform monopolisation across different transport modes.

The Automotive Sector in the UK

What comprises the automotive sector in the UK?

The UK automotive sector represents one of Britain's most significant manufacturing industries, encompassing the complete lifecycle of motor vehicles from design and development through manufacturing, marketing, and servicing. This diverse ecosystem includes passenger car production, commercial vehicles, motorcycles, and an extensive supply chain network supporting these core activities (see Figure 18). The sector's distinctive character lies in its premium positioning and global integration, with nearly 80% of domestically produced vehicles destined for export markets (Society of Motor Manufacturers 2024a).

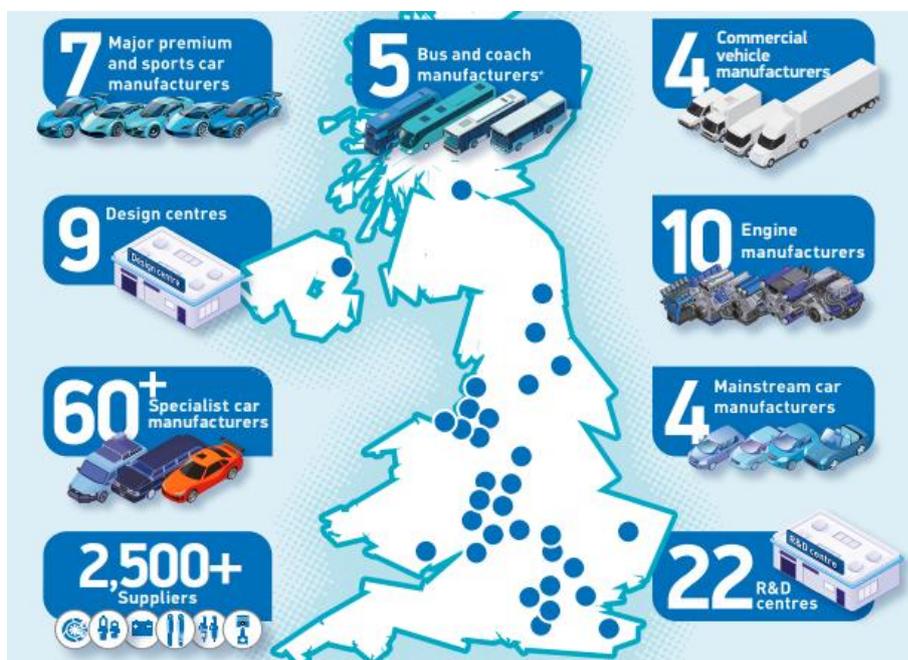


Figure 18: Overview of UK automotive sector (Source: Society of Motor Manufacturers 2024a: 4)

Historical Development of the UK Automotive Sector

The UK's automotive history dates to the late 19th century. Vehicle production in the UK started as early as 1901, with the sector expanding rapidly to become one of the world's largest automobile producers by the mid-20th century. The automotive sector, like other key industries, was also affected by state intervention in the post-war period. The most significant intervention started in the 1960s when the UK government, concerned about industrial fragmentation and international competitiveness, actively encouraged consolidation within the sector. In 1968, the government forced the merger of British Motor Holdings and Leyland Motors which resulted in the formation of the British Leyland Motor Corporation (BLMC). The government hoped that the enforced consolidation would create a company large enough to be able to compete with big North American and European automotive manufacturers. The merger did not lead to the desired outcomes and the continued lack of competitiveness almost led to the bankruptcy of the company in 1975. The government was forced into extensive state intervention, partially nationalising the company as British Leyland Limited. In line with wider political and economic changes in the UK after 1979, the company was first restructured several times before it became the Rover Group in 1986 and was eventually acquired by British Aerospace, which had itself only recently been privatised, in 1988. This marked the end of the national ownership model in the automotive industry, which was succeeded by a new private and multi-national ownership paradigm. This shift was made easier through the UK's membership in the European Economic Community (EEC) from 1973, which reshaped the UK automotive sector as it afforded Japanese car manufacturers tariff-free access to the European market by setting up production facilities in Britain. EEC and later EU membership proved critical for attracting foreign investment that helped to revitalise the sector during the 1980s and 1990s. Government policies after 1979 such as the creation of flexible labour markets and the curbing of trade union power also played a role in attracting foreign manufacturers. Consequently, Nissan opened a plant in Sunderland in 1984, while Honda started UK production in Swindon a year later and Toyota followed in 1992 with a plant near Derby. Foreign companies did not just invest in the sector but also introduced new production approaches including lean manufacturing, just-in-time delivery systems, and continuous improvement (kaizen) methodologies that have been subsequently widely adopted across the UK automotive sector and helped to improve the sector's global competitiveness, which in turn ensured the UK's position as a key automotive manufacturing hub in Europe.

The last 25 years have proved challenging for the sector due to economic and environmental pressures (e.g. Wells 2010). Wider and increasing environmental concerns have shaped the regulatory environment that has forced the industry to continuously reduce its still very significant environmental footprint. It has led to an increase of capacity for electric and hybrid vehicles in the UK. The sector was also badly affected by several economic and political shocks. The global financial crisis in 2008 and 2009 led to significantly reduced demand for vehicles and forced the government to intervene in the market through a scrappage scheme that incentivised consumers to purchase new cars. The Brexit referendum and its consequences have meant that Britain has lost preferential access to its largest export market, which has undermined the rationale for non-European car makers to continue their

investment into the UK automotive sector. While Nissan and other multinationals have reaffirmed their commitment to producing vehicles in the UK, others have already (e.g. Ford has closed its engine factory in Bridgend in 2020) or ceased manufacturing activities altogether (e.g. Honda has closed all UK production facilities in 2021).

Socio-Economic Significance

Over the past decade, the UK automotive sector has remained critical to the national economy. In 2023, it employed around 800,000 people (see Figure 19, Society of Motor Manufacturers 2024a: 5). While employment in the sector has fallen in recent years, manufacturing jobs have grown steadily and significantly in the last ten years from 146,000 in 2013 to just under 200,000 in 2023 (Statista 2024b). The sector supports significant high-skill employment in engineering, logistics, and technology, representing one of the most productive areas of UK manufacturing.

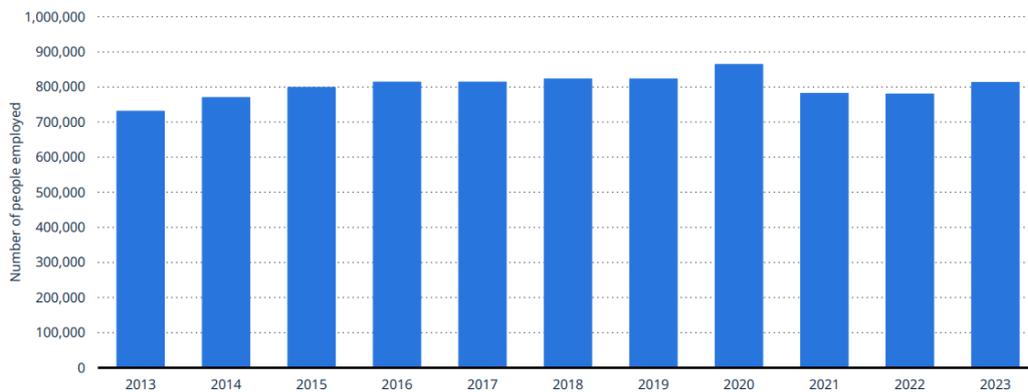


Figure 19: Number of people employed in the automotive industry in the UK 2013-2023 (Source: Statista 2024b and Society of Motor Manufacturers 2024a: 9)

The sector turned over £93 billion in 2023 and added £22 billion in value to the economy, which represents a peak over the last 15 years (see Figure 20). The sector attracts significant investment

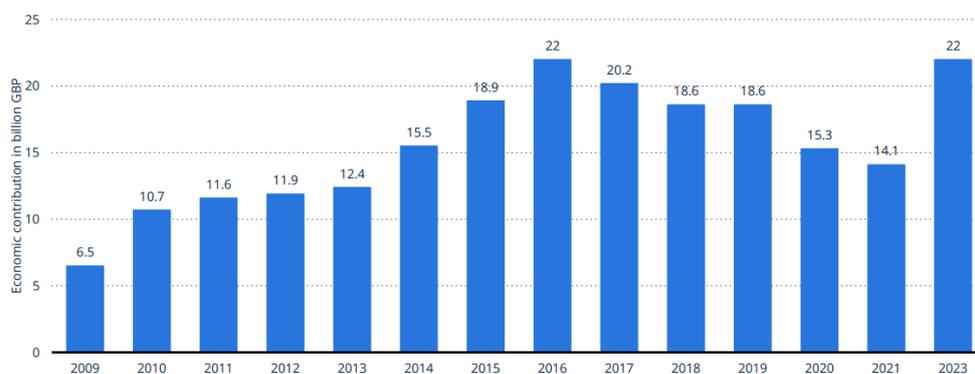


Figure 20: Motor industry economic contribution in the United Kingdom 2009-2023 (Source: Statista 2024b)

The growth in manufacturing appears to be mainly driven by commercial vehicle production, which has significantly expanded in recent years from just under 80,000 vehicles in 2017 to

more than 120,000 in 2023 (Statista 2024b: 21). In the same period, car production fell considerably from around 1.6 million units to just over 900,000 (see Figure 21). These different trajectories reflect a variety of factors such as Brexit, which has affected heavily export-oriented car manufacturing negatively, while commercial vehicles are mainly produced for the domestic market. Wider economic developments such as rapid expansion of e-commerce but also growth in the construction sector might also have fuelled demand for commercial vehicles, while demand for new cars, measured through registration figures, suggests declining demand in the UK (in 2017, just over 2.5 million new cars were registered, while in 2023, this figure stood at around 1.9 million) (Statista 2024b, Society of Motor Manufacturers 2024a). However, the most recent figures provided by the Society of Motor Manufacturers suggests a collapse of UK commercial vehicle production figures that started in the second half of 2024, while car production has also declined again after 2023 (Society of Motor Manufacturers and Traders 2025).

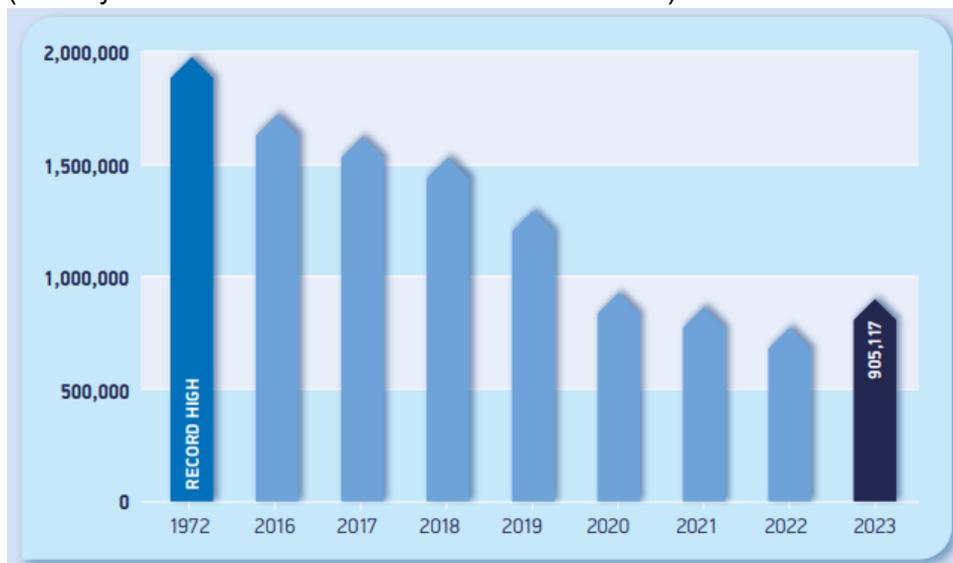


Figure 21: UK car manufacturing, 2016-2023 (Source: Society of Motor Manufacturers 2024a: 9)

Shifting consumer preferences have not only reduced demand for cars in the UK but also affected the market share of vehicles with different fuel types. Figure 22 shows the shifts in demand over a six-year period and the data show a clear trend away from pure combustion engine powered cars towards fully electric as well as hybrid cars.

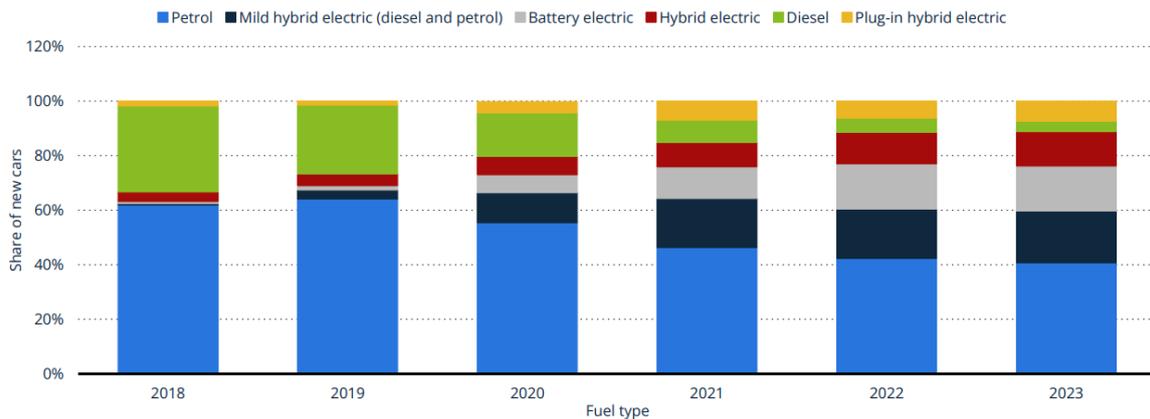


Figure 22: Market share of fuel types in new cars registered in the UK 2018-2023 (Source: Statista 2024b: 20)

Car production in the UK reflects these shifting consumer trends to some extent as the trend over the last 4 years suggest a steady increase in production of electric and hybrid cars, while diesel car production has steeply declined. The share of domestically produced petrol cars has, however, remained remarkably steady (see Figure 23).

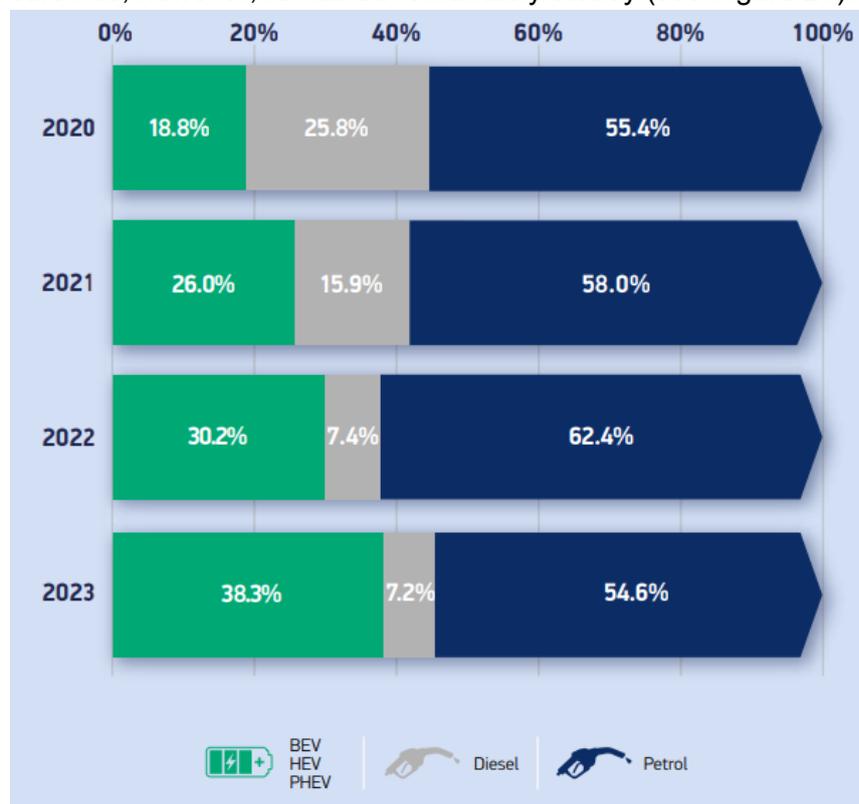


Figure 23: UK Car Production by fuel type, 2020-2023 (Source: Society of Motor Manufacturers 2024a: 8)

Industrial Relations

Current industrial relations in the UK automotive sector are predominantly non-confrontational, with trade unions and individual companies tending to work in partnership within limited structures at company or plant level that offer some opportunities for consultation and joint problem solving. Trade unions and employers primarily engage

through employer-led workplace consultation mechanisms and there is little evidence for more substantive and sustained voluntary partnerships between unions and employers (e.g. Unionlearn 2019). Collective bargaining still exists within the sector but is decentralised, which means a 'recognised' (by the employer) trade unions might come to agreements on pay and/ or terms and conditions for the whole or large parts of the workforce, including non-unionised employees, of individual companies.

Like other industrial sectors in the UK, the automotive sector lacks comprehensive formal social partnership agreements at the national level. At sectoral level, Trade Unions and employers and their organisations tend to lobby the government separately, although lobbying efforts are sometimes coordinated with regard to matters of mutual interest such as skills funding, infrastructure investment, and regulatory frameworks. The Automotive Council UK appears to be the only significant forum that includes all three traditional social partners, although it self-describes as a forum to provide dialogue between industry and government. The Unite Union has, however, one seat on the Council. The current state of labour relations approach in the sector, which stands in stark contrast to the adversarial and confrontational relationship between employers and unions, particularly in the 1970s, appears to reflect both the much diminished trade union power but also the sector's embeddedness in highly competitive and innovative global production networks, which forces social partners to recognise their mutual interest in maintaining the UK's automotive competitiveness.

Accordingly, there have been no significant strikes in the sector in recent years.

Nonetheless, some limited collaborative initiatives exist, most notably within the Automotive Council UK, which largely provides a forum for direct dialogue between the industry and government, but includes limited trade union representation (the Unite Union has one seat on the Council). Additionally, many individual companies have established formal partnership agreements with trade unions covering consultation on investment decisions, training programs, and technological transitions. These arrangements typically focus on skills development, health and safety, and managing industrial change, with notable examples including partnership agreements at major plants like Nissan Sunderland and Toyota Burnaston.

The main trade unions in the automotive sector are Unite the Union and GMB, representing approximately 25% of the workforce (down from over 80% in the 1970s). These unions currently prioritise securing employment through industrial transitions, particularly the shift to electric vehicles, while advocating for comprehensive retraining programs and investment in UK manufacturing capabilities. Their primary demands include protection against plant closures, ensuring that green transition investments create domestic employment opportunities, and securing government commitments to automotive supply chain resilience. Unite and GMB have generally supported electrification initiatives while insisting on 'just transition' principles that protect workers' livelihoods while also promoting the necessary technological change to reach net-zero in line with government commitments.

Employer organisations, led by the dominant Society of Motor Manufacturers and Traders (SMMT) focus their advocacy on maintaining the UK's attractiveness as an investment destination and ensuring policy frameworks support competitiveness. Their key priorities include securing post-Brexit market access arrangements, obtaining government support for electric vehicle infrastructure and battery manufacturing, and ensuring skills policy meets

industry needs. Individual companies tend to advocate for regulatory stability, competitive tax arrangements, and public investment in research and development facilities, while emphasising the need for coordinated approaches to supply chain resilience and the development of gigafactory capacity within the UK. Unlike trade unions socially oriented advocacy of a 'just transition' in the context of environmental pressures, employers tend to see 'sustainability' through the lens of economic competitiveness (Society of Motor Manufacturers 2024b: 10).

Green Transition

EU emissions targets have been a crucial driver of the UK automotive sector's environmental transition both before and after Brexit, though the mechanism of influence has evolved. Pre-Brexit, UK manufacturers operated under unified EU-wide CO2 emissions targets. Following Brexit, the UK implemented its own mandatory CO2 emissions targets from January 2021 that initially replicated EU standards but created different market dynamics through UK-only assessment. However, EU targets continue to significantly influence the UK sector because most manufacturers serve both British and European markets, meaning they must still comply with increasingly stringent EU requirements such as the mandate for at least one-fifth of sales to be electric vehicles to avoid heavy fines, with zero emissions required by 2035. This creates a dual compliance landscape where UK manufacturers remain effectively bound by EU environmental standards due to market integration whilst simultaneously navigating the UK's own parallel regulatory framework through the ZEV Mandate, resulting in largely aligned but administratively separate systems that continue to drive the sector's green transformation.

The UK government has established a comprehensive framework of green policy measures to drive the automotive sector's environmental transition, centred around the Zero Emission Vehicle Mandate which requires 28% of new car sales to be zero-emission in 2025, escalating to 100% by 2035 (2030 currently remains the phase-out date for new petrol and diesel car sales). This regulatory measure is supported by substantial government-led investment including substantive investment in 'growth' sectors such as advanced manufacturing, digital technologies and clean energy that are likely to benefit the automotive sector as well continuing some sector-specific initiatives such as the Automotive Transformation Fund with up to £1 billion available for large-scale electrification projects (e.g. Advanced Propulsion Centre UK 2023), continued plug-in vehicle grants offering up to £5,000 for commercial vehicles, and charging infrastructure support providing £350 off home charge points for people living in flats.

According to the UK motor manufacturers, the green transition of the sector began already in 1999 (Society of Motor Manufacturers 2024b). The industry tends to focus mainly on the environmental impact caused through manufacturing processes while downplaying the wider environmental damage through individualised vehicle use (e.g. Wells 2010). The UK automotive industry has, however, made significant environmental progress through its own sustainability initiatives over the last 25 years, achieving a 54% reduction in direct CO2 emissions per vehicle manufactured compared to 1999 levels whilst simultaneously ramping

up electric vehicle production to record highs. Production processes have also substantially reduced water and energy usage.

Future Outlook

Both the previous Conservative government and the current Labour administration demonstrate remarkable alignment on the UK's automotive transition towards net zero (e.g. Department for International Trade 2022, UK Parliament 2025). Both governments committed to the same fundamental timeline: ending sales of new petrol and diesel cars and vans by 2030, with all new vehicles achieving zero emissions by 2035. This bipartisan consensus extends to recognising the automotive sector's critical importance to the UK economy - employing over 800,000 people and contributing £16 billion annually - and the necessity of substantial government investment in charging infrastructure, battery manufacturing, and skills development to support the transition.

However, the current Labour government has fundamentally shifted from treating automotive as a standalone priority sector to integrating it within a broader industrial strategy framework. Whilst automotive is no longer designated as a specific focus sector, it will benefit significantly from Labour's active investment approach across three of their eight growth-driving sectors: advanced manufacturing, clean energy industries, and digital technologies. This represents a move away from the Conservative approach of "making it easier for business" towards direct government investment and coordination. Labour's strategy emphasises state-led industrial planning to accelerate domestic battery manufacturing capacity, reduce industrial energy costs through their clean energy plans by 2030, and ensure the electric vehicle transition benefits working families rather than remaining exclusive to wealthy consumers, promising to create 80,000 high-skilled jobs in the process. The employers' vision for the future is set out in the Society of Motor Manufacturers and Traders' (SMMT) 'Vision 2035: Ready to Grow' which presents an ambitious blueprint for the UK automotive sector to deliver £50 billion of green growth over the next decade through strategic government partnership, targeted policy interventions as well as private sector investment (Society of Motor Manufacturers and Traders 2024c). The organisation envisages the UK becoming a global leader in electric vehicle production, manufacturing over one million EVs annually by 2035 whilst growing the sector's value by 5% above current projections. Central to this vision is accelerating consumer adoption through measures such as halving VAT on new EV purchases, which SMMT projects would facilitate 17 million drivers switching to zero-emission motoring by 2035, effectively reducing fossil fuel cars by half. The strategy emphasises creating a "fair transition for all" through upskilling the workforce, ensuring low-cost low-carbon electricity supply, and positioning the automotive sector as an engine for job creation and carbon reduction whilst maintaining the UK's position as a major automotive exporter across all vehicle categories from luxury cars to commercial vehicles.

Whilst major trade unions such as TUC and Unite have not published comprehensive decade-long visions comparable to SMMT's strategic outlook, their positions broadly centre on ensuring a 'just transition' for automotive workers during the shift to electrification. The unions advocate for policies that protect and create quality manufacturing jobs, support for

UK-made electric vehicles through measures like VAT reductions on domestically produced EVs, and reforms to government mandates that ensure the transition to zero-emission vehicles strengthens rather than undermines the UK's automotive manufacturing base and also does not undermine worker interests.

References

- Advanced Propulsion Centre UK (2025). Automotive Transformation Fund. Retrieved 13 June 2025 from <https://www.apcuk.co.uk/get-involved/funding/automotive-transformation-fund/>
- Baccaro, L. and C. Howell (2017). Constructing a Liberal Market Economy: The Collapse of Collective Regulation in Britain. *Trajectories of Neoliberal Transformation: European Industrial Relations Since the 1970s*. L. Baccaro and C. Howell. Cambridge, Cambridge University Press: 51-72.
- Bosch, I. and R. Isden (2023). "Adult social care and the NHS: two sides of the same coin. London." London, NHS Confederation. Retrieved 28 May 2025, from <https://www.nhsconfed.org/publications/adult-social-care-and-nhs>.
- Bottery, S. and D. Jefferies (2025). "Social Care 360." London, The King's Fund. Retrieved 28 May 2025, from <https://www.kingsfund.org.uk/insight-and-analysis/long-reads/social-care-360>.
- Burnett, N., S. Hinson and I. Stewart (2024). The UK's plans and progress to reach net zero by 2050. *Research Briefings*. London, House of Commons. Retrieved 30 May 2025, from <https://researchbriefings.files.parliament.uk/documents/CBP-9888/CBP-9888.pdf>.
- Collins, H., Ewing, K., & McColgan, A. (2019). *Nature and Sources of Labour Law* (2 ed.). Cambridge University Press. <https://doi.org/DOI: 10.1017/9781108617758.002>
- Community Care (2008). "Personalisation: the history and the basics." London. Retrieved 28 May 2025, from <https://www.communitycare.co.uk/2008/10/29/personalisation-the-history-and-the-basics/>.
- Conservative Party (1979), Conservative Manifesto, 1979. Retrieved 16 May 2025, from <https://www.margaretthatcher.org/document/110858>.
- Crafts, N. (1998). "Forging Ahead and Falling Behind: The Rise and Relative Decline of the First Industrial Nation." *Journal of Economic Perspectives* **12**(2): 193-210.
- Crafts, N. (2011). "Explaining the first Industrial Revolution: two views." *European Review of Economic History* **15**(1): 153-168.
- Cronin, J. E. (1987). "Strikes and Power in Britain, 1870–1920." *International Review of Social History* **32**(2): 144-167.
- Dalley, G. (2022). Health and Social Care: The Purchaser/Provider Split. *Caring in Crisis: The Search for Reasons and Post-Pandemic Remedies*. G. Dalley. Cham, Springer International Publishing: 79-104.
- Davies, P. L. and M. R. Freedland (2007). *Towards a flexible labour market : labour legislation and regulation since the 1990s*. Oxford, Oxford University Press.
- DeAzvedo, A. (2025). "Taxi Operation in the UK - Market Research Report (2015-2030)." Retrieved 4 June 2025, from <https://www.ibisworld.com/united-kingdom/industry/taxi-operation/3180/>.
- Demougin, P., Gooberman, L., Hauptmeier, M., and Heery, E. (2021). Revisiting voluntarism: Private voluntary regulation by Employer Forums in the United Kingdom. *Journal of Industrial Relations*, **63**(5), 684-705. <https://doi.org/10.1177/00221856211038308>

- Department for Business and Trade (2024). Factsheet: The Fair Work Agency. London, UK Government. Retrieved 8 May 2025, from <https://assets.publishing.service.gov.uk/media/67e3d1cedcd2d93561195bdf/fair-work-agency.pdf>.
- Department for Energy Security and-Net-Zero (2024). UK Energy in Brief 2024. London, UK Government. Retrieved 4 June 2025, from https://assets.publishing.service.gov.uk/media/66a76bf2ce1fd0da7b592e5d/UK_Energy_in_Brief_2024.pdf
- Department for International Trade (2022). Automotive Roadmap: Driving Us All Forward. Retrieved 13 June 2025, from https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1114754/hmg-automotive-roadmap-driving-us-all-forward.pdf
- Department for Transport (2022). Statutory taxi and private hire vehicle standards. London, UK Government. Retrieved 4 June 2025, from <https://www.gov.uk/government/publications/statutory-taxi-and-private-hire-vehicle-standards/statutory-taxi-and-private-hire-vehicle-standards#consideration-of-the-statutory-taxi-and-private-hire-vehicle-standards>.
- Department for Transport (2025). "Taxi and private hire vehicle statistics, England, 2024 (revised)." London, UK Government. Retrieved 4 June 2025, 2025, from <https://www.gov.uk/government/statistics/taxi-and-private-hire-vehicle-statistics-england-2024/taxi-and-private-hire-vehicle-statistics-england-2024>.
- Dukes, R. (2014). A Labour Constitution Without the State? Otto Kahn-Freund and Collective Laissez-Faire. The Labour Constitution: The Enduring Idea of Labour Law. R. Dukes, Oxford, Oxford University Press: 69-91.
- Dutton, D. (1991). British politics since 1945 : the rise and fall of consensus. Oxford, Basil Blackwell.
- Energy UK (2025). "Insights: UK Energy." Retrieved 4 June 2025, from <https://www.energy-uk.org.uk/insights/uk-energy/>.
- Evans, E. and S. Creigh (1980). "The natural history of the strike in Britain." Labour History: A Journal of Labour and Social History(39): 47-61.
- Fredman, S. (1992). "The New Rights: Labour Law and Ideology in the Thatcher Years." Oxford Journal of Legal Studies **12**(1): 24-44.
- Glasby, J. and R. Littlechild (2016). Direct payments and personal budgets : Putting personalisation into practice. Bristol, Policy Press.
- Goldstone, J. A. (1996). "Gender, Work, and Culture: Why the Industrial Revolution Came Early to England but Late to China." Sociological Perspectives **39**(1): 1-21.
- Harrison, B. (1999). "The Rise, Fall and Rise of Political Consensus in Britain since 1940." History **84**(274): 301-324.
- Hayes, L., Novitz, T., Ewing, K. and Hendy, J. (2021) Trade unions and economic inequality. *Institute of Employment Rights Journal*. 2021. Vol. 4(1):118-141. DOI: 10.13169/instemplrighj.4.0.0118
- Hinson, S. (2020). Energy policy: an overview, House of Commons Library. Retrieved 29 May 2025, from <https://researchbriefings.files.parliament.uk/documents/CBP-8980/CBP-8980.pdf>

- Hudson, P. (2011). "The Workshop of the World". Retrieved 24 May 2025, from https://www.bbc.co.uk/history/british/victorians/workshop_of_the_world_01.shtml.
- Institute of Government & Public Policy (2024). "Labour's Vision to Make Britain a Clean Energy Superpower." Retrieved 30 May 2025, from <https://igpp.org.uk/blog/article/labours-vision-making-britain-clean-energy-superpower>.
- Jones, E. L. (1988). Growth Recurring: Economic Change in World History. Oxford, Oxford University Press.
- Jones, R. (2007). "A journey through the years: ageing and social care." Ageing Horizons **6**: 42-51.
- Kavanagh, D. (1992). "The Postwar Consensus." Twentieth Century British History **3**(2): 175-190.
- LabourLawsUK (2024). "UK Child Labour Laws: A Historical Overview." Retrieved 1 May, 2025, from <https://labourlaws.co.uk/child-labour-laws-uk-history/>.
- Labour Research Department (2024). "Labour's plans for trade unions." Retrieved 28 May 2025, from <https://www.lrd.org.uk/free-read/labours-plans-trade-unions>.
- Local Government Association (2022). Independent Review of Children's Social Care – LGA initial view, May 2022. Retrieved 16 May 2025, from <https://www.local.gov.uk/parliament/briefings-and-responses/independent-review-childrens-social-care-lga-initial-view-may#contact>.
- Merritt, E. C. (2024a). King's Speech 2024: Health and social care. House of Lords Library Briefings, London, House of Lords. Retrieved 16 May 2025, from <https://researchbriefings.files.parliament.uk/documents/LLN-2024-0036/LLN-2024-0036.pdf>.
- Merritt, E.C. (2024b) Social care in England: Current situation, case for a strategy and further support for unpaid carers. London, House of Lords. Retrieved 30 May 2025, from <https://lordslibrary.parliament.uk/social-care-in-england-current-situation-case-for-a-strategy-and-further-support-for-unpaid-carers/>
- Mogo UK (2025). "The History of UK Taxi Services: From the First Taxi to Today." Retrieved 4 June 2025, from <https://www.mogo.co.uk/blogs/news/the-history-of-uk-taxi-services-from-the-first-taxi-to-today>.
- Mokyr, J. (2018). The British Industrial Revolution : An Economic Perspective. London, Taylor and Francis.
- Morgan, K. (2011). The birth of industrial Britain: social change, 1750 - 1850. Harlow [u.a.], Pearson Longman.
- Nardinelli, C. (1980). "Child Labor and the Factory Acts." The Journal of Economic History **40**(4): 739-755.
- National Energy System Operator (2024). Clean Power 2030: Advice on achieving clean power for Great Britain by 2030. Warwick. Retrieved 4 June 2025, from <https://www.neso.energy/document/346651/download>.
- National Grid (2023). "The history of energy in the UK." London. Retrieved 15 May 2025, from <https://www.nationalgrid.com/stories/energy-explained/history-of-energy-UK>.
- Office for Budget Responsibility (2022). Fiscal risks and sustainability. Retrieved 23 May 2025, from London. https://obr.uk/docs/dlm_uploads/Fiscal_risks_and_sustainability_2022-1.pdf.

- Office for National Statistics (2016). "Five facts about... The UK service sector." Newport.
<https://www.ons.gov.uk/economy/economicoutputandproductivity/output/articles/fivefactsabouttheukservicesector/2016-09-29>
- Office for National Statistics (2019). "Changes in the economy since the 1970s." Newport.
Retrieved 16 May, 2025, from
<https://www.ons.gov.uk/economy/economicoutputandproductivity/output/articles/changesintheeconomysince1970s/2019-09-02/pdf>.
- PwC (2023). Green Jobs Barometer. London. Retrieved 4 June 2025, from
<https://www.pwc.co.uk/who-we-are/purpose/green-jobs-barometer-2023.pdf>.
- Senedd Research (2024). "Mobility as a Service: Where transport meets technology."
Retrieved 4 June 2025, from <https://research.senedd.wales/research-articles/mobility-as-a-service-where-transport-meets-technology/>.
- Singh, L., et al. (2024). "The Employment Rights Bill 2024 – What's in, What's out, and What's next." Retrieved 28 May, 2025, from
<https://www.localgovernmentlawyer.co.uk/employment/312-employment-features/58823-the-employment-rights-bill-2024-what-s-in-what-s-out-and-what-s-next>.
- Skills for Care (2024). The state of the adult social care sector and workforce in England, 2024, Skills for Care. Leeds. Retrieved 28 May, 2025, from
<https://www.skillsforcare.org.uk/Adult-Social-Care-Workforce-Data/Workforce-intelligence/documents/State-of-the-adult-social-care-sector/The-state-of-the-adult-social-care-sector-and-workforce-in-England-2024.pdf>.
- Society of Motor Manufacturers and Traders (2024a). SMMT Motor Industry Facts 2024.
Retrieved 13 June 2025 from <https://www.smmt.co.uk/smmt-motor-industry-facts-2024/>
- Society of Motor Manufacturers and Traders (2024b). UK Automotive Sustainability Report.
Retrieved 13 June 2025 from <http://www.smmt.co.uk/wp-content/uploads/2024/07/SMMT-Sustainability-25th-Report-2024.pdf>
- Society of Motor Manufacturers and Traders (2024c) Vision 2035 – Ready to Grow.
Retrieved 13 June 2025 from <https://www.smmt.co.uk/vision-2035-ready-to-grow/>
- Society of Motor Manufacturers and Traders (2025). *SMMT UK Vehicle Data*. Retrieved 13 June 2025 from <https://www.smmt.co.uk/vehicle-data/smmt-vehicle-data/>
- Statista (2022). Transport industry in the United Kingdom (UK). Retrieved 30 May, 2025, from
<https://www.statista.com/download/MTc0OTA1NjM2NCMjOTMxOTM4NCMjMjk1NjEjZjE3BkZiMjU3R1ZHk=>.
- Statista (2024a). "Passenger revenue on local bus services in Great Britain 2004-2023."
Retrieved 30 May 2025, from <https://www.statista.com/statistics/1230212/passenger-revenue-local-bus-services-great-britain/#statisticContainer>.
- Statista (2024b). Automotive Industry in the United Kingdom. Retrieved 13 June , 2025, from
<https://www.statista.com/download/MTc0OTgwMDY4NCMjOTMxOTM4NCMjMjE5OTAjZjE3BkZiMjU3R1ZHk=>
- Statista (2025). "Number of trade union members in the United Kingdom from 1892 to 2023."
Retrieved 30 May, 2025, from <https://www.statista.com/statistics/287241/uk-trade-union-membership/>

- Szostak, R. (1989). "The organization of work: The emergence of the factory revisited." Journal of Economic Behavior & Organization **11**(3): 343-358.
- Temin, P. (1997). "Two Views of the British Industrial Revolution." The Journal of Economic History **57**(1): 63-82.
- The Supreme Court of the United Kingdom (2024). "Uber BV and others (Appellants) v Aslam and others (Respondents)." London. Retrieved 4 June 2025, 2025, from <https://supremecourt.uk/cases/uksc-2019-0029#case-summary>.
- Thompson, E. P. (1965). The making of the English working class. London, Gollancz.
- Toye, R. (2013). "From 'Consensus' to 'Common Ground': The Rhetoric of the Postwar Settlement and its Collapse." Journal of Contemporary History **48**(1): 3-23.
- TUC (2001). "The TUC's first victories." Retrieved 1 May, 2025, from <https://www.tuc.org.uk/research-analysis/reports/section-tucs-first-victories>.
- UK Parliament (2025). Industrial Strategy: Seventh Report of Session 2024-25. Retrieved 12 June, 2025 from <https://publications.parliament.uk/pa/cm5901/cmselect/cmbeis/727/report.html>
- Unionlearn (2019). "Unite's North-East, Yorkshire & Humberside region launched its new learning agreement at Nissan with a series of six events across the car manufacturer's Sunderland plant during Learning at Work Week (LaWW) in May." Retrieved 13 June, 2025, from <https://www.unionlearn.org.uk/case-studies/unite-signs-breakthrough-agreement-nissan>.
- Wedderburn, K. W. (1972). "Labour Law and Labour Relations in Britain." British Journal of Industrial Relations **10**(2): 270-290.
- Yergin, D. (2012). The prize: The epic quest for oil, money & power, Simon and Schuster.

Project Acronym:	EGRUiEN
Grant number:	101178146
Project Full Title:	Encouraging a digital and Green transition through Revitalized and Inclusive Union-Employer Negotiations
Call:	HORIZON-CL2-2024-TRANSFORMATIONS-01
Type of Action:	HORIZON Research and Innovation Actions
Project URL (temporary):	https://sites.app.jyu.fi/egruien/en
Deliverable number:	
Deliverable name:	
WP number:	WP2
Type:	
Contractual delivery date:	15/12/2025
Actual delivery date:	15/12/2025
Dissemination level:	Public
Lead beneficiary:	
Keywords:	Lean production, teamworking, Vauxhall Ellesmere Port, Social dialogue
Author(s):	Martin Weinel
Contributor(s)	Müge Yeke, Marco Hauptmeier, Louis Lines

Abstract

The detailed case study analyses the transformation of General Motors' Vauxhall Ellesmere Port assembly plant in the United Kingdom between 1989 and 2001, focussing on the contested transition from Fordist and Taylorist production to Lean Production.

The transformation evolved through two distinct phases characterised by different bargaining logics. Phase 1, spanning 1989 to 1996, focussed on plant-level socio-technical and cultural changes intended to secure competitiveness and safeguard jobs. Negotiations exemplified mixed-motive bargaining: management deployed partnership rhetoric emphasising mutual benefits whilst simultaneously pursuing distributive aims to reassert managerial control.

Local trade unions, adapting national strategy into a locally tailored 'Engage and Change' approach, conducted extensive education programmes and won crucial distributive victories.

They successfully negotiated clauses preserving representational procedures and stretched implementation timelines, effectively 'hollowing out' management's comprehensive socio-technical transformation by neutralising organisational aspects whilst accepting technical changes. Phase 2, from 1996 onwards, assumed a European dimension as continuous competitive pressure demonstrated that lean production represented 'endless change' rather than a completed transformation.

This phase witnessed a fundamental shift towards predominantly distributive bargaining when Project Olympia – GM Europe's cost-cutting programme aimed at saving €2 billion within two years – created explicit and intentional zero-sum competition amongst European plants through capacity reduction targets. Trade unions, despite losing faith in local management's promises, possessed severely constrained walk-away power due to credible closure threats, which forced them to accept increasingly unfavourable agreements on wages, productivity targets, and flexibility.

The case demonstrates fundamental limitations of plant-level social dialogue when strategic decisions occur transnationally. Locally negotiated Phase 1 settlements, representing genuine compromise reflecting local power dynamics, were subsequently undermined by European-level strategic imperatives. Project Olympia institutionalised whipsawing, pitting workers against each other whilst disempowering local management and unions. This suggests effective social dialogue addressing contemporary industrial transitions requires union organisation at multiple interconnected levels, with mechanisms affording worker representatives meaningful influence over transnational investment and location decisions.

The Transformation of Vauxhall-Ellesmere Port, 1989 – 2001

1 Introduction

This case study examines the organisational transformation of General Motors' (GM) Vauxhall Ellesmere Port assembly plant during the period between 1989 and 2001, when the plant underwent a fundamental shift from Fordist and Taylorist production systems to Lean Production (e.g. Stewart 1999, Stewart et al. 2009, Jürgens et al. 1993, Murakami 1995, Fetzer 2005). The plant, opened by General Motors (UK) in 1962, still exists today but is now owned by Stellantis and produces exclusively electric cars.

The transformation can be divided into two distinct periods which display different bargaining characteristics and logics (Kochan and Lipsky 2018): Phase 1, which occurred between 1989 and 1996, focussed on the plant itself and concerned socio-technical, organisational and labour relations changes that, according to local management, were supposed to secure the long-term competitiveness of the plant and safeguarding of existing jobs. The main protagonists of this phase were local actors such as plant managers, Trade Union shop stewards and workers, although the impetus for the transformation came from GMs European headquarter and was shaped by global and regional considerations. Negotiations during this phase exemplified 'mixed-motive bargaining': management deployed partnership rhetoric emphasising mutual benefits whilst simultaneously pursuing distributive aims to reassert managerial control. Local trade unions, adapting an existing national strategy into a locally tailored 'Engage and Change' approach, conducted extensive education programmes and won crucial distributive victories. They successfully negotiated clauses preserving representational procedures and stretched implementation timelines, effectively 'hollowing out' management's transformation agenda by neutralising organisational and labour relations aspects whilst accepting technical changes.

Phase 2, in contrast, took on an European dimension as continuous competitive pressure in the European automotive sector revealed that the earlier local transformation was not a singular event but just the beginning of a continuous process of change with no end in sight and that the changes implemented during Phase 1 were insufficient to safeguard job or guarantee the survival of the plant itself. While local employer and employee representatives were still tasked with implementing newly negotiated transformation pathways, many meaningful decision-making processes moved to the European level. Within newly created European Works Council structures, national-level delegates of various trade unions from European countries in which GM Europe operated, had to find a common position *vis a vis* European-level managers. The social dialogue dynamics shifted predominantly towards 'distributive bargaining' as the company-wide cost-cutting programme, Project Olympia, created explicit and intentional zero-sum competition amongst European plants through non-negotiable capacity reduction targets. The high credibility of management threats to close entire plants severely constrained the walk-away power of trade unions at European, national and plant level and forced them to accept increasingly unfavourable agreements on wages, productivity targets, and flexibility.

The case study first provides some context and describes why the transformation to lean production became a necessity for GM in the late 1980s (Section 2). This is followed by both

a detailed description (Section 3) and analysis (Section 4) of the two identified distinct transformation phases that occurred between 1989 and 2001.

Methodologically, this report is based on a well-established body of academic literature that focuses on the transition from Fordist and Taylorist production logics to lean production approaches in Western automotive companies in general and/or at Vauxhall Ellesmere Port specifically. The historic account is augmented by the selective use of contemporary media reporting (see summary in Table 1). The classification of sub-processes of negotiations developed by Walton and McKersie (Kochan and Lipsky 2018) provides an analytic framework that is applied to the two phases of negotiations.

Types of Material Use in Analysis	Use in Case Description
Academic literature - Theoretical transition accounts at industry level - Comparative case studies - Individual case studies	- Collecting information to reconstruct company and plant-specific history - Reconstructing event timeline - Collecting information related to negotiation of transition and positions of social partners
Media material - Access via Nexis Advanced database - Search terms 'Vauxhall Ellesmere Port' and 'General Motors Project Olympia' - Search period: 1/1/1989 – 31/1/2004 - + 200 written media artefacts (newspaper articles, trade magazine reports, press releases etc.)	- Complementing predominantly abstract academic literature with contemporary facts and information

Table 1: Empirical material informing the case study report

2 The Transformation Challenge

2.1 Global challenges

Vauxhall Ellesmere Port management, while tasked with driving the actual transformation process at plant-level from 1989 onwards, was effectively forced by GM Europe to do so as all European plants had to implement the Quality Network Production Systems plan devised in 1988. The need for this transformation and for similar transformations at other Western vehicle producers arose already in the 1970s through different global developments that threatened the survival of many Western automotive companies. Jürgens et al. (1993: Ch 2) emphasise three global factors.

First, the end of the Bretton Woods system, which provided a stable monetary system through fixed exchange rates in the post-War decades, underpinned an international trading system that afforded protectionism and governmental interventions in national economies to avoid. This system gave way to a system of floating exchange rates, that ultimately affected global trade patterns. The successive reduction of bilateral and global trade barriers, incentivised multinational production strategies designed to hedge against currency

fluctuations, compelling manufacturers to rethink their approaches to sourcing of materials and components but also afforded outsourcing and relocation of production capacity to low-wage countries (e.g. Jürgens et al. 1993: 22-23). The multi-national production strategy adopted by GM contributed to growing intra-plant competition that, in subsequent decades, affected labour conditions and labour relations within GM plants across Europe.

Second, the Oil crisis of 1973 marked the beginning of a period of high volatility in production of and demand for vehicles in Western core markets. On the one hand, the volatility regarding car sales, in conjunction with multinational strategies, led to the build-up of production capacities to satisfy demand during economic upturns. Production capacities of many manufacturers, including GM's, proved, however, excessive in times of economic downturns. On the other hand, shifting consumer preferences towards greater customisation and differentiation of products put pressure on the dominant Fordist car production strategies as mass producers had to respond more flexibly to customer demands. This led to a wave of massive capital investment and technological advancements to introduce more flexibility into production processes (Jürgens et al. 1993: 23-24).

Third, both the reduction of trade barriers and changing consumer preferences contributed to the emergence of Japanese competition in North America and Europe that ultimately forced Western automotive companies into far-reaching transformations. During the 1980s, it became increasingly clear that the main factor explaining the success of large Japanese vehicle manufacturers was related to a different approach to production management that, while sharing some aspects with Fordism (production lines) and Taylorism (division of labour), prioritised different objectives and organised workers, machinery and materials differently (Jürgens et al. 1993: 44). The Japanese approach, pioneered especially at Toyota, has become known as 'lean management', 'lean production' or 'Toyotism' (Jürgens et al. 1993).

Toyotism (based Jürgens et al. 1993: 44-46)

- Main principle is the 'zero-buffer' principle
 - o Aim is to minimise waste and maximise efficiency
 - o Achieved through a sophisticated control system based on the Just-in-Time principle, which governs upstream and downstream relations but also, crucially, manufacturing processes and work organisation
 - o 'Pull' principle governs production and material supply which ensures that only the cars 'pulled' (bought) by customers are replaced and that interruptions at any production stage interrupt all previous production stages
 - o Pull system requires high flexibility of production schedules but also parts supply, work organisation and machine use
 - o Requires flexible and highly trained workforce where workers can do a number of different jobs
- Zero-buffer principle can only work well with 'zero-error' principle
 - o Aim is to eradicate and prevent all systematic and individual mistakes and errors which ensures high quality production outcomes

- Requires production workers at every production stage to recognise but also to prevent defects and mistakes from occurring (e.g. through buttons that stop production lines or reflections about production processes that can lead to improvements)
- A number of social and organisational factors specific to the Japanese context supported this system in the 1970s and 1980s:
 - Life-long job commitment supports identification of workers with company and also incentivises companies' long-term investment in training and development of workers
 - Flat hierarchies and much smaller status differences between different occupational groups such as production workers, engineers and managers
 - Recruitment strategies emphasise high levels of general education for all workers which affords flexibility as workers can be trained on the job in many different areas and communication across occupational boundaries
 - High value and positive image of 'direct production' work where workers have similar qualifications to workers in other functional areas
 - Importance of 'group principle' (team) for organising production processes and workforce
 - Kaizen through formation of group-based quality circles and other group activities
 - Sophisticated individual staff rating system with importance for remuneration, promotions and deployment of workers
 - Long and highly flexible working hours

Box 1: Defining characteristics of 'Toyotism'

As Japanese manufacturers expanded home-based production capacity rapidly during the 1970 and started to invest in production facilities in Europe and North America, their growing success increasingly forced Western manufacturers to rethink and ultimately transform their own production systems (Jürgens et al. 1993, see also Murakami 1995, 2000, Lewchuk et al. 2001, Fetzter 2005, Stewart et al. 2009).

2.2 GM's global response to Japanese Competition in the 1970s and 1980s

The transformation of Vauxhall's Ellesmere Port plant was not only shaped by global developments but also by specific British developments (see WP 2 2.1 report, pp. 27-28) as well as by company specific responses. In the British context, two developments proved particularly relevant: first, the UK's accession to the European Economic Community (EEC) in 1973 exposed British-based manufacturers to European but also global competition. Secondly, a fundamental shift in the political landscape in Britain in 1979 led to both a retreat of the state regarding economic affairs and to a weakening of trade union power relative to employer power. Both these developments pointed to increasingly strained labour relations in the UK automotive sector as job security and existing labour conditions were at risk.

The company-specific responses further impacted on labour relations. Jürgens et al. (1993: Ch 4) highlight three main strategic responses deployed by GM between the mid-1970s and

the late 1980s to the challenge posed by Japanese manufacturers: (1) the 'world car' strategy; (2) increasing the automation of production and (3) the people-related Quality of Work-Life (QWL) programme. All three strategies affected labour relations at plant-level. The 'world car' approach was designed to take advantage of economies of scale across the company's global production network whilst still being able to cater to different tastes (Jürgens et al. 1993: 57-58). On the one hand, this was achieved by centralising product design and development and devising new models across a variety of brands that shared the same platform and many components. On the other hand, GM also reorganised its global production networks: very large and fully integrated production and assembly plants gave way to specialised production facilities that had limited capacity, often involved only the assembly of parts and were able to flexibly produce different models depending on demand. In the UK this strategy translated into job losses as R & D capacity was lost and once fully integrated Vauxhall's Ellesmere Port plant were transformed into 'flex-plants' in the 1990s. The second strategy, heavy investment in automation and robotics, was pursued in response to the apparent advantages of Japanese human resource management and work organisation. Betting big on technology as a successful response to Japanese competition, GM announced a massive technology investment programme in the early 1980s, which contributed to the continuous loss of automotive jobs in Western Europe and increasingly strained labour relations (Jürgens et al. 1993: 65).

A third strategy tried to come to terms with the changing requirements for 'human resources' inherent in the Japanese production ethos. Many of the characteristics of the Japanese workforce (see Box 1 above) that were an intrinsic factor for the success of the Japanese approach to manufacturing were simply not present in Western automotive plants, partly due to the power of trade unions and existing labour laws. GM, like other American and European companies, tried to copy as much of the Japanese model. It focused mainly on 'teamworking' as it appeared to be easily implementable and presented an opportunity to fundamentally reshape labour relations. Employers realised that teamworking afforded new communication channels between management and workers and could be used a tool to weaken and marginalise trade union representatives.

3 The Transformation of Vauxhall's Ellesmere Port plant 1989 – 2001

3.1 Overall Timeline

Vauxhall's Ellesmere Port plant underwent a significant transformation between 1989 and 2001. The literature describes this transformation as a transition from a mainly Fordist and Taylorist production philosophy to a lean production approach (e.g. Jürgens et al. 1993, Murakami 1995). The extent to which the plant really emulated and copied the spirit of 'Toyotism' is debatable but not the focus here (see for example Murakami 1995). The comparative literature suggests that different companies and different plants within companies have interpreted what 'lean production' means differently in practice.

The transformation can be divided into two distinct phases. During the first phase, from 1989 and 1996, the focus was mainly on socio-technical and labour relations changes at plant-level. By the mid-1990s, however, GM Europe, of which the Ellesmere Port Vauxhall plant

was a part, demanded more changes. The bargaining took on a European dimension as GM Europe enforced a deepening integration of its production networks on the continent, referred to as ‘Project Olympia’, that effectively pitted different GM plants across the continent against each other in a competition for production assignments. For plants like Ellesmere Port, this meant continuous pressure to raise productivity and reduce costs without ever obtaining any long-term guarantees about job security or long-term survival of the plant itself.

A summary of the timeline of the transformation is shown in Table 2.

Year	Phase	Event
1988	1	GM Europe introduces Quality Network Production System framework for all European plants
1989		V6 Agreement negotiated between management and unions; first lean production agreement in UK automotive sector
1988-1993		Unions deliver 155 education sessions for shop stewards to prepare for lean production implementation
Early 1990s		Closure of engine and transmission facilities results in loss of approximately 2,000 jobs
Early 1990s		New V6 engine plant opens, reinstating engine production at Ellesmere Port
1995-1996		Strike action reveals persistent tensions despite apparent cooperation
1996		GM Europe (GME) is formed and establishes European Employee Forum (EEF)/ European Works Council (EWC) as consultation forum with trade unions at European level
1996-1997		Major investment in plant modernisation for new Astra model production; supplier park opens nearby
1998	2	Unions accept modest three-year pay deal with productivity targets and flexibility concessions under threat of production relocation
2000		GM elevates EEF/EWC from consultation to negotiation forum
Dec. 2000		GM announces global cost-cutting measures including closure of Luton car assembly plant; future of Ellesmere Port is also threatened
Jan. 2001		European-wide strike and action day at GM plants against closures
March 2001		European Works Council agreement to avoid forced redundancies through voluntary measures
Aug. 2001		GM Europe announces additional cost-cutting programme ‘Project Olympia’ which aims to save €2 billion within two years
Oct. 2001		Project Olympia agreement finalised and signed off by GM
2001 – 2004		Implementation of Project Olympia across GME

Table 2: Timeline of Vauxhall Ellesmere Port Transformation

3.2 Phase One (1989 - 1996): From Embrace and Change to ‘Engage and Change’

3.2.1 The Vauxhall V6 Agreement

In the wake of the formation of GM Europe in 1986, the company, under considerable competitive pressure, started to aim for a more integrated and streamlined operation across the continent to raise productivity and reduce costs. This involved, for example, a reduced reliance on localised supply chains and the centralisation of costly functions such as

research and development, which led to the loss of existing R&D capabilities and jobs at Vauxhall during the 1980s.

At plant level, GM Europe envisaged the implementation of lean production principles. The first major step in this direction was taken in 1988 when GM Europe issued the so-called *Quality Production Network System* (QNPS) framework that prescribed a set of socio-technical changes for its various production locations across the continent (Murakami 1995: 186). GM Europe left the interpretation and implementation to plant-level management to accommodate contextual differences between different production locations.

The transformation of Ellesmere Port plant as part of the QNPS framework started in 1989 when the so-called V6 Agreement (V6A), the first such lean production agreement in the UK automotive sector, was negotiated between local management and local trade unions. The agreement took its name from the Eco-Tec V6 engine plant that would eventually reinstate engine production at Ellesmere Port in the early 1990s. Management explicitly made the required investment and the resulting new jobs at the engine plant conditional to trade unions acceptance of the V6A.

The stated key objectives of the V6A centred on securing jobs at the plant and implementing lean production principles, which were supposed to lead to greater efficiency and adaptability of the production processes (Stewart et al. 2009, Ch.3 and 7). More specifically the agreement aimed for:

- Job Security: The agreement sought to provide job security for employees at the Ellesmere Port plant, amid concerns about job losses due to automation and industry restructuring across the European automotive industry.
- Workforce Participation: It emphasized greater involvement of workers in decision-making processes, encouraging a collaborative environment between management and employees.
- Improving Production: Focus was placed on adapting production processes to meet modern automotive standards and consumer demands, particularly relating to quality and efficiency.
- Flexibility of Work Practices: The agreement aimed at introducing more flexible working hours and practices, which allowed for adjustments according to production needs, thereby improving efficiency.

Management proposed to achieve these ends through a series of socio-technical transformations at the UK Vauxhall plants, first at Ellesmere Port and then at Luton (Stewart et al. 2009, see also Murakami 1995 and Fetzer 2005 for Luton). On the technical side, the company wanted to implement *just-in-time* (JIT) production systems to reduce inventory costs. *Statistical Process Control* (SPC) were to be introduced to monitor and improve production quality through data analysis. Automation was to be expanded in the body shop, enhancing efficiency and consistency in the manufacturing process. Online quality intervention practices were proposed to enable real-time identification and correction of defects. Additionally, stock control systems based on the kanban method were planned to further optimise inventory management.

Alongside these technical advancements, several organisational and social changes were proposed. Teamworking was a central feature that emphasised direct communication between the company and shopfloor workers. Proposals also suggested the replacement of

traditional foremen, usually supervising individual sections in the production process with team leader positions. *Kaizen* meetings were supposed to provide regular opportunities for continuous improvement through employee involvement and feedback. Labour flexibility initiatives were suggested that included the removal of strict demarcation boundaries between roles and the equalisation of working conditions to promote adaptability among staff.

Regarding labour relations, management appeared to understand the transformation process also as an opportunity to both coopt and disempower trade unions. While trade unions were too strong to be simply ignored or sidelined, management partly sought broad union agreement to legitimise the transformation. At the same time, management implicitly pursued a hidden agenda of disempowering trade unions through the new communication channels related to teamworking (see 3.2.5 for details). According to Stewart et al. (2009), trade unions were very aware of the implications of new teamworking structures for their own position in the plant, which explains trade unions' focus on this issue and their continued resistance against team structures as envisaged by management.

Given the explicit link between adopting the V6 Agreement and creating new jobs in the engine plant, local trade unions never considered opposing the agreement outright as in their calculation, the engine plant offered additional stability and security for the car plant. GM Europe's approach of affording some flexibility around implementation provided unions with an opportunity to shape the agreement to some extent during the negotiation process that preceded the subsequent implementation phase.

3.2.2 Main actors and key negotiation forums

The state as potential actor in industrial relations played, according to the literature, no discernible direct active role in the negotiations. Indirectly, however, the consecutive conservative governments between 1979 and 1997 played a crucial role as they tilted the 'playing field' of industrial relations firmly in favour of management through a series of legal reforms (see WP2 2.1 report, pp. 2-4).

For both the employer and the trade unions, a distinction needs to be made between global, regional and/or national actors and plant-level actors. On the employer side, global and regional (European) GM management set the wider strategic framework that pushed its plants and subsidiaries towards lean management practices, but a particularity of GM Europe's approach at this time was to leave implementation to plant-level management to allow them to adapt to specific local contexts. The latter was clearly visible in the case of Vauxhall UK where the introduction of lean production principles was explicitly linked to a promise to invest in a new engine production facility at Ellesmere Port, while the Luton-specific agreement contained no such promise (Murakami 1995).

On the Trade Union side, three unions played a role at both national and plant level: the Transport and General Workers' Union (TGWU), the Amalgamated Engineering and Electrical Union (AEEU; formed 1992 from merger of Amalgamated Engineering Union (AEU) and Electrical, Electronic, Telecommunications and Plumbing Union (EETPU)) and the Manufacturing, Science, Finance (MSF) union. The TGWU, representing most workers in the plant, took the strategic lead in negotiations with the backing of local representatives of

the other trade unions, thus creating a united front. This was by no means to be expected given existing tensions between and within trade unions.

The TGWU – at national level – had developed a broad strategy, the so-called ‘Embrace and Change’ approach – that laid out how the union would respond to the looming imposition of lean management principles, which they had been aware of since the 1980s due to contacts to US based automotive trade unions who had already experienced lean production transformations (see Stewart et al. 2009, Ch. 5). The strategy broadly accepted that new technologies could not be opposed, but that social changes that accompanies technological change could be shaped and changed by unions. In contrast, the AEEU was committed to endorsing ‘new management practices’ in line with its ‘accommodationist stance’ developed in the 1980s.

In the case of Ellesmere Port, local, plant-specific union positions played a more decisive role in adopting a specific negotiation stance. The local and traditional TGWU structures (the so-called ‘Shop-Steward system’, see Box 2 below) provided local actors with exceptional power *vis-a-vis* the national executive and allowed them to modify national positions to suit their own needs. Local AEEU and MSF members recognised that supporting the TGWU position and thereby creating unity across the workforce would be more beneficial for their members instead of following their own national executives’ prescribed approaches that were designed to protect specific benefits of the more skilled workforce represented by these two unions.

The emergence of the shop steward system within the British automotive industry stemmed from a historical context set against the backdrop of labour relations evolving from World War II through to the late 1980s.

Post-war industrial relations were marked by informality and localism, as workers in the automotive industry operated under a ‘piecework system’ where they were compensated based on output. The power of shop stewards during the ‘piecework era’ stemmed primarily from their ability to control the price-fixing procedures and renegotiate rates whenever production changes occurred. This localised authority meant that plant-level bargaining took precedence over national agreements, allowing stewards to directly influence workplace conditions and pay. Their influence was further bolstered by the informal “gang system” and the establishment of ‘Combine Committees’, which enabled stewards from different plants to share information and coordinate bargaining strategies. These committees operated independently of official union structures, thus enhancing steward autonomy and enabling them to maintain competitive pressure on wages and conditions across the sector. Ultimately, this combination of local control over pay, collective organisation, and the ability to disrupt production gave shop stewards significant leverage, making them central figures in shaping industrial relations during this period. Despite changes to the remuneration system of workers from piecework rates to ‘measured day work’ (MWD), that were mainly instituted across the British automotive sector in the 1970s (both GM and Ford introduced the MWD system already in the 1950s) in an attempt by management to assert managerial control over work organisation, the power of shop stewards vis a vis management and national trade union structures remained significant.

The MWD remunerated workers for their time independent of their output due to their ability to organise and mobilise workers, which in theory allowed managers to organise work. Pay agreements were increasingly negotiated at plant or sector level, which increased the power of national trade unions *vis a vis* local shop-stewards. Shop stewards, however, still retained considerable power as they were embedded in workplaces and thus had local expertise in the ways production systems functioned. Moreover, they retained the ability to communicate with workers and were thus still able to organise and mobilise workers and local trade union representatives played crucial roles in the way disputes were handled.

Box 2: Emergence of the Shop-Steward System in the British automotive industry (Marsden et al. 1985, Ch. 7)

Negotiations took place within established plant-level negotiation spaces. Negotiations on issues affecting the whole plant took place in formal Joint Negotiation Forums that included management and trade unions. Crucially, many practical issues were still negotiated informally at shop-floor level as management conceded early on that trade unions, through their established shop-steward network, would retain a say over any changes affecting work-organisation.

3.2.3 Management's position

Management's position, as openly communicated to trade unions and workers, emphasised mutual benefits throughout the negotiation process and invoked the language of 'partnership', positioning unions as collaborators in necessary change. At Vauxhall specifically, managers described unions as 'partners in change' and explicitly emphasising GM Europe's human resources strategy affordance for 'distinct variations and local adaptations' within the transformation framework. This communicated to trade unions that this was not an entirely management-imposed transition and that they had an important role to play in the shaping of the outcomes.

Beneath the partnership rhetoric, GM management at various levels appeared to be aware about potential consequences of the proposals, which they did not openly communicate during the negotiations. One was that the proposed team structures had the potential effect to marginalise shop-stewards as management would communicate to workers directly via team leaders, who management hoped to control. Another was that the streamlining of production processes, which management tried to 'sell' to workers with the slogan 'working smarter, not harder', was likely to intensify work (Stewart et al. 2009).

3.2.4 Union Positions: From 'Embrace and Change' to 'Engage and Change'

Through contact with US based trade unions, who had already first-hand experience of some of GMs experiments in response to Japanese manufacturers' competitive advantage, the TGWU representatives at national and local level were aware that fundamental changes in management approaches were underway and that these had the potential to threaten industrial jobs, the balance of power in industrial relations and the position of trade unions (Stewart et al. 2009). While British trade unions did not fully realise the depth and breadth of changes to come, they had started to prepare to some extent. At national level, the TGWU's Vehicle Building and Automotive (VBA) group developed a policy framework called 'Embrace

and Change'. In their view, this strategy represented a 'realistic approach' that acknowledged the inevitability of aspects of the changes to come, while still trying to temper and influence their implementation and consequences. The goal for the TGWU was to survive in a changing environment without having to change itself.

The national framework distinguished between 'technical' changes such as Just-in-Time, Statistical Process Control, automation, online quality interventions and so on, which were regarded as 'irreversible' and 'social/organisational' changes such as teamworking and increased labour flexibility), which were to some extent shapable. The national strategy therefore emphasised flexibility and willingness to accommodate change, while also focussing on communication and the issue of legitimacy regarding newly proposed structures such as teams. The aim was survival through selective and critical engagement rather than outright opposition.

Relations between national executive and local TGWU branches were not free of conflict and the distance between the two levels played an important role at Ellesmere Port. The strong localised and informal shop-steward system was one source of antagonism (see Box 2 above). Another was sustained cooperation between national unions and companies through state-sponsored (e.g. the National Enterprise Board) but also corporatist partnership institutions and schemes (especially at British Leyland and then Rover) (Stewart et al. 2009: 33).

It is therefore not surprising that at plant level, local trade union representatives reinterpreted 'Embrace and Change' to suit their own local needs. 'Embrace and Change' morphed into 'Engage and Change', which informed what then plant convenor Peter Titherington later described as 'a strategy of disagreement' (Stewart et al. 2009: 47). Table 3 sets out the key differences between the national and local positions.

Dimension	National Union (TGWU)	Local Union (Ellesmere Port)
Strategic Framework	'Embrace and Change' - accommodation to ensure survival	'Engage and Change' - selective engagement, strategy of disagreement
View of Technical Change	Irreversible; must be accepted	Irreversible; accept but control implementation
View of Teamworking	Can be ameliorated through negotiation; focus on legitimacy	Key threat to union power; must be controlled and 'hollowed out'
Relationship to Management	Partnership orientation; willingness to compromise	Critical engagement; maintain adversarial capacity
Relationship to Members	Some distance; influenced by corporatist arrangements	Close links; extensive education and mobilisation
Priority Objectives	Institutional survival; retain recognition and bargaining rights	Preserve shopfloor controls; maintain steward centrality
Tactics	Formal negotiations; emphasis on written agreements	Negotiation plus mobilisation; education; control of implementation

Table 3: Comparison of TGWU positions at national and local level (Stewart et al. 2009)

It represented neither blanket acceptance nor outright opposition but rather selective critical engagement with management proposal, particularly with aspects of the V6 Agreement that threatened core union interests. Local unions recognised immediately that ‘teamworking’ had potentially the greatest impact on industrial relations as it could radically curtail local trade union power by affecting communication channels between trade unions and members and by sidelining unions in the transformation of work organisation.

The union response demonstrated sophisticated understanding of mixed-motive negotiations (see also section 4.2). While accepting that some technical changes were inevitable (integrative acceptance of JIT, automation), unions fought distributive battles over implementation details that affected power and control. Most significantly, their education programme represented counter-attitudinal structuring: deliberately building alternative narratives and critical consciousness to resist management's rhetorical framing. The negotiated clause preserving 'all representational procedures' exemplifies successful distributive bargaining that protected union institutional interests.

3.2.5 ‘Teamworking’ as a central issue for contested negotiations

In line with the adopted Engage and Change strategy, trade unions did not oppose the proposed shift to teamworking per se. Instead, they attempted to shape the teamworking concept in ways that suited its and their members interests. Union negotiators at plant level managed to obtain three crucial concessions from local plant management that increased the chances of aligning the local interpretation of teamworking with union interests as far as possible.

First, early on, negotiators succeeded in inserting a clause into the V6 Agreement text that would secure a continuous role for trade unions by preserving all existing representational procedures (Stewart 1999: 245). The clause stated:

All aspects of how teams and team leader concepts work are of interest to the Trade Unions and all representational procedures will apply where appropriate.

This clause successfully reduced the potential of teamworking structures to establish union-independent communication and negotiation channels between management and workers and thus represented a key trade union victory in the negotiations. GM Europe had hoped that new team structures would become the space where new working practices, in line with the kaizen approach, were discussed and implemented. Instead, the clause allowed unions to control team meeting agendas and to keep negotiation rights over any labour process issues, thereby successfully restricting union-independent discussions related to work organisations and industrial relations. This also meant that ‘sections’, in which trade unions were organised, remained the primary units of identification for workers.

Second, unions also successfully opposed the management plan to allow newly created teams to elect team leaders. Management had hoped that they were able to control the election process to such an extent that elected team leaders would be loyal to management, while team members would still identify with their elected team leaders. Instead, trade unions negotiated an appointment process, which effectively split teams as team leaders were

clearly recognisable as ‘management appointees’, who might be more loyal to management than to their team.

Third, trade unions also negotiated concessions regarding the implementation timeline. In return for accepting the V6 Agreement, trade unions were able to stretch out the timeframe in which teams would be introduced. This allowed them to mobilise their shop-steward network and run an unprecedented education programme between 1988 and 1993, when 155 sessions for shop-stewards across the plant were delivered. These were designed to ensure that all local union representatives across the plant had the capacity to understand and critique management proposals. In addition, daily circulars, formal and informal education forums, and development of counter-narratives to management rhetoric characterised union activity.

All together, these trade union successes in the negotiation effectively ‘hollowed out’ management’s goal of a comprehensive organisational and labour-relations transformation: while all technical systems were formally implemented, the organisational and employee relations aspects of the original management plan were neutralised.

3.2.6 Outcomes and Effects

Unlike the teams in the Japanese car factories, the team structures imposed at Ellesmere Port and later at the Luton plant, remained mainly teams in name only (Stewart 1999, Murakami 1995). While management succeeded to some extent in controlling the election of team leaders, the above-mentioned clause negotiated by the trade unions rendered them largely ineffective as all organisational changes had still to be agreed by shop-stewards who retained much of their highly localised power. Team leaders, instead of becoming role models, were mainly regarded as mouthpieces of management, which undermined their effectiveness as agents of workplace changes.

The team structures also did not fundamentally transform the previous division of labour within production sections as boundaries between different jobs remained largely intact, partly due to trade union resistance and partly due to a lack of investment in the required training to achieve polyvalence within teams (Stewart 1999, Murakami 1995).

Teams also failed to contribute to continuous improvement as only few workers participated in out-of-work team activities. Workers became quickly aware that ‘continuous improvement’ translated into the continuous slashing of jobs and intensification of their own work, making the highly reluctant to contribute to this process (e.g. Stewart et al. 2009).

Other organisational initiatives, which were formally implemented, did not fare much better in practice. Online quality improvements were based on the idea that workers on the production line would check not only the quality of their own work but also the quality of previous production steps, which had the potential to detect and solve systematic problems. In practice, workers resisted such initiatives as they did not want to cause trouble for their colleagues up the production chain (Jürgens et al. 1993: Ch. 5).

Despite these acts of successful union and worker resistance against social changes that were part of the V6 Agreement, workers noticed some negative effects over the following few years. Due to successive rounds of rationalisations, the intensity of work increased, which negatively affected working condition overall. Also, successive pay rounds did not

reward workers for increased productivity in the plant, which was raised in line with management expectations.

3.3 Phase 2 1996 – 2001: From ‘Engage and Change’ to ‘Endless Change’

3.3.1 Introduction

The period between 1996 and 2001 can be considered as the second phase in the implementation of ‘lean production’ at GM-Vauxhall's UK operations. The central issue during this period was the increasing Europeanisation and integration Vauxhall within General Motors Europe (GME), which fundamentally altered the terms of debate for unions and workers. During this period, industrial relations moved from the ‘partnership approach’ and local bargaining to ‘European concession bargaining’ over what management termed ‘security and flexibility agreements’ (Stewart et al. 2009: 164).

Both local plant management and local trade unions lost agency concerning the plant’s future, which also meant the local ‘partnership approach’ was no longer effective and broke down to some extent. This later period of the transformation culminated in the threat of closure for Ellesmere Port, the actual closure of car production in Luton, and the institutionalisation of ‘whipsawing’ through ‘Project Olympia’ in October 2001. Project Olympia required unions throughout Europe to commit to ‘rightsizing of capacity’ whilst supposedly avoiding site closures.

3.3.2 Context

The underlying issue that drove many developments across GME network of plants, including Vauxhall Ellesmere Port during this period was that GME’s main brands across Europe, Vauxhall, Opel and Saab all suffered from shrinking market shares and volatile economic performances that, despite some years of profitability at Vauxhall, amounted to an overall loss-making period for GM in Europe. GME, under pressure from GM’s US headquarter and from shareholders, had to find ways to turn losses into profits.

Industrial relations at the plant and within Vauxhall UK deteriorated during the second half of the 1990s, but the conflict between employers and trade unions, except for a strike in 1995 and 1996, did not lead to widespread disruptions at the Vauxhall plants (Stewart et al. 2009). Wage bargaining rounds became, however, increasingly contested as management used these to link modest pay rises to ever increasing productivity targets or to concessions on working conditions. While the workforce and trade unions realised that the promises of secure jobs and long-term stability of working conditions, made by management as part of the transformation in the early 1990s, were not honoured, they tended to accept pay deals in the late 1990s that offered only modest wage rises in ‘exchange’ for increasing productivity targets and concessions regarding working conditions. For example, in 1998 trade unions at Vauxhall, under threat of production relocation to plants in Germany and Belgium, accepted a modest three year pay deal that also extracted concessions on productivity targets and increased working time flexibility (e.g. Bannister 1998, Stewart et al. 2009: Ch 7). This deal also came with an announcement of 1000 new jobs at Ellesmere Port, but these jobs were soon lost again with the loss of engine production in 2005.

This period saw, however, also significant capital investment into the modernisation of the Ellesmere Port plant in anticipation of the production of a new Astra model from 1998 onwards. The modernisation included the expansion of the plant's capacity, increased use of new automation and robotics in the production and the opening of a new 'supplier park' nearby that supported just-in-time production. Moreover, a new approach to the Astra design afforded the increasing use of pre-assembled modules, which reduced production time within the plant and allowed GM and Vauxhall to increasingly outsource previously internal work to external suppliers (e.g. Lorenz 1999).

The commitment to produce the new Astra model was welcomed by workers and trade unions as it promised job security for another few years. The further modernisation of the plant was, however, yet another step of turning the Ellesmere Port plant into a 'flex-plant'. This meant the plant became just one of many interchangeable production facilities within GMEs increasingly integrated production network. Flex-plants were flexible in two senses: first, they were capable of potentially producing different models, which allowed GME to shift production of models across its network of plants according to market conditions and other considerations (e.g. exchange rate developments, which became an important factor in the late 1990s as the strong Pound undermined the profitability of exporting cars from Britain). The flex-plant concept, which had been pursued by GM globally for some time as part of its 'world car' approach (see Section 3.2 above), became an integral part of GME management's 'whipsawing' approach as part of Project Olympia as it allowed GME to promote intra-plant competition, which effectively pitted workers and trade unions across Europe against each other in a competition for work and investment.

3.3.3 The Emergence of Project Olympia

By late 2000, it had become clear that expensive plant modernisations across Europe and various cost-cutting measures were insufficient to stop GME's persistent losses. In December 2000, GM management announced global cost cutting programme that involved the closure of plants, among them Vauxhall's car assembly plant in Luton and the reduction of GM's global workforce by about 10,000, with most cuts to be realised in Europe. In addition to these global measures, GM Europe announced August 2001 that further cost-saving and efficiency measures had to be taken. These additional measures were consolidated in a framework for a turn-around programme that management called 'Project Olympia' (after an historic Opel model). The main purpose of Project Olympia was to realise €2 billion in savings within 2 years to allow the company to reach its profitability targets (e.g. Burt 2001). The proposed measures, as announced in August 2001 before negotiations with trade unions started, included both 'commercial and brand initiatives' such as creating new advertising campaigns, improving car delivery services and restructuring dealer networks as well as 'operational and manufacturing measures' which included the following aspects (General Motors Europe 2001):

- Reducing overall GM Europe manufacturing capacity by approximately 15% (300,000 to 350,000 units) by end of 2003
- Closing one major assembly plant, or alternatively, resizing several facilities
- Requiring every GME manufacturing plant to take 'aggressive action' to improve efficiency and productivity to "world-class standards"

- Finding external partners to run stamping, tool and die, and component operations
- Seeking external partners for facility management business across Europe
- Strengthening supplier relations by involving them early in the design phase to improve quality and reduce material costs
- Major restructuring of Sales and General Administration areas, leading to further reductions in salaried headcount

From a trade union perspective, the main expected effects at plant level of these proposals were the modification of working practices as part of continuous efficiency and productivity drives and increased reliance on temporary and agency labour as part of the flexibility agenda. Management sought the ability to adjust labour supply rapidly according to market fluctuations, introducing what they termed 'working time corridors' (effectively annualised hours). This represented an attack on employment security that contradicted the rhetoric of job protection that had accompanied earlier lean agreements (Stewart et al. 2009).

3.3.4 Key negotiation actors

Local managers and trade unions at the Ellesmere Port lost the ability to directly shape the restructuring agenda that was imposed by GM's European management at their Zurich headquarters. Unlike in Phase 1 when plants retained some level of autonomy, central GME management retained control over the employer position via managerial committee put in charge of overseeing Project Olympia.

A shift of negotiation responsibility towards European actors also occurred on the trade union side, which effectively sidelined local power bases of trade unions such as the shop-steward system at Ellesmere Port that had played such a central role in the previous negotiations. Instead, representatives from the national level of trade unions formed the negotiation team of the trade union side under the umbrella of the European Metalworker Federation. The various trade union representatives are organised within GM's European Works Council (EWC):

GM's ... EWC, which is formally called 'European Employee Forum'. It was set up in 1996 under Article 13 of the EWC directive, and since 2000 has comprised 29 employee delegates: six from Germany, four from the UK, three each from Belgium, Spain and Sweden, two each from France and Austria, and one each from Denmark, Greece, the Netherlands, Poland, Hungary, and Portugal (Fetzer 2008: 291).

GME deliberately empowered the EWC to act as negotiator on behalf of the European workforce and not just as a consultation partner as was the practice in other companies (e.g. da Costa and Rehfeld 2007, Fetzer 2008, Hancke 2000). The Manufacturing Committee of the EWC served as forum for negotiations, which took place between 15 August and 2 October 2001 (Stewart et al. 2009: 197). The role of country- and plant-specific social partners within this European negotiation framework was to negotiate the details of how to implement the decisions made at European level in accordance with national standards and traditions.

3.3.5 European Negotiations

When GM announced deep global capacity and job cuts in December 2000, it was obvious to trade unions and workers at Ellesmere Port that these measures would affect the plant in some way, in particular because in conjunction with the announcement that the Luton plant would cease production in 2002, the future of the Ellesmere Port plant was also publicly questioned. Fetzner (2008: 296) summarises the three basic demands of the EWC in the various negotiation rounds in 2001 as follows: (1) European restructuring should occur without plant closures (although by that time, the closure of Luton had been already decided and was no longer negotiable), (2) compulsory redundancies must be avoided, and (3) local and national wages and conditions must be protected.

In the immediate aftermath of the December 2000 announcement of deep global cuts, GM's European Works Council:

[...] adopted a strategy of trans-national solidarity including both mobilisation and negotiation. On 25 January 2001, the employees of nearly all the European GM plants participated in a common strike and an 'action day' against plant closures. This put pressure on the negotiations that were taking place in Zurich between the EWC and the management of GM Europe and led to the agreement signed in March 2001. The agreement stipulates that management will avoid forced redundancies and will work with local employee representatives to achieve this goal. Negotiated alternatives include part-time work programmes, 'voluntary severance programmes', and early retirement programmes, as well as transfers to other GM locations. Vehicle production (though not car production) was to be maintained in Luton. This European framework agreement was reproduced at the national level, in order to make it legally binding, but the GM EWC continued to be the appropriate forum to discuss restructuring in its trans-national dimensions (da Costa and Rehfeld 2007: 314)

This agreement, reached in March 2001, was, however, quickly overshadowed by the restructuring measures announced as part of Project Olympia.

Negotiations at European level about Project Olympia concluded in October 2001 and largely comprised the already publicly announced planned measures. The only significant difference, in line with a central union demand, was a commitment to not close any existing sites.

This had, however, profound effects for workers at the individual plants as GM's inability to reduce capacity through closing plants required other measures. These concerned mainly worker flexibility in different regards as the EWC agreed to allow employers to flexibly adjust working times (e.g. different shift numbers and patterns), staffing models (e.g. use of temporary labour) and staff numbers (e.g. voluntary severance schemes) (Stewart et al. 2009: 170-171).

3.3.6 Outcomes and Effects

Project Olympia had still profound impacts on GMs European workforce. According to Stewart et al. (2009: 169-171), it effectively institutionalised ‘an intra-company – intra-worker – whipsawing competition on wages and conditions’ within GME. ‘Whipsawing’ refers to a ‘negotiation practice in which one negotiator plays off at least two other parties against each other to gain an advantage’ (Greer and Hauptmeier 2016: 30). In the context of the Project Olympia negotiations, GME managed to successfully pit trade unions representing workers in different countries against each other by including a commitment to respect and defer to existing national social standards and norms when it came to potential job losses. This effectively created a hierarchy across European production locations as it was more economically for the company to reduce their workforce in places with relatively weak labour protections and weak trade unions (Stewart et al. 2009: 169).

The institutionalisation of whipsawing through Project Olympia also fundamentally altered the terrain of automotive industrial relations across Europe. The most consequential decisions were taken at European level, which sidelined and disempowered local trade unions and managers. Moreover, despite the solidaristic stance taken by the EWC in the negotiations, the agreed reduction of capacity across Europe in a context of practically interchangeable European production locations within GME effectively meant that workers, including those at Ellesmere Port, had to compete against each other on wages and conditions to retain existing or gain new production orders (Stewart et al. 2009).

For workers at Ellesmere Port, the effects of Project Olympia were somewhat ambiguous. On the one hand, the plant remained open and, until 2005 at least, managed to increase its workforce as it took over some of Luton’s production. For the remaining workforce, the second phase of its transformation came at significant costs for workers as repeated promises of job security proved hollow. The plant eventually lost its engine production facility again in 2005 and the remaining workforce continuously shrunk, despite repeated promises of job security through flexibility. Working conditions also seemed to deteriorate according to survey evidence from 2001. While the rhetoric accompanying the transformation to lean production promised workers that they would have to ‘work smarter, not harder’, the survey data suggested that work intensity and workloads had increased while autonomy and quality of work life had decreased (Stewart et al. 2009: 171-196).

The effects of the second phase of the transformation on union organisation at Ellesmere Port were also ambiguous. On one hand, management had succeeded in constraining local unions’ strategic options by committing them to pan-European frameworks that prioritised company competitiveness over worker protection. The shift from ‘Engage and Change’ to formal partnership within Project Olympia represented a significant loss of power and influence. On the other hand, worker identification with unions remained strong and workers predominantly blamed employers for the deterioration of working conditions (Stewart et al. 2009: 172-174)

The period also demonstrated that the transformation to lean production had ‘reconfigured’ rather than resolved the fundamental antagonisms structuring industrial relations at Vauxhall (e.g. Stewart et al. 2009, Murakami 1995). The 1995–96 strike, occurring after years of apparent cooperation, revealed persistent tensions underlying the accommodation between management and unions. A 2004 wildcat strike over temporary workers’ contracts and a

2008 wildcat strike following rumoured job cuts demonstrated that workers' capacity for independent action survived despite a decade of lean production's disciplinary regime. These actions occurred despite union leadership condemnation, suggesting a gap between official union strategy and rank-and-file militancy that management's various involvement and partnership initiatives had failed to close (Stewart et al. 2009: 207). The outcomes of Phase 2 thus represented neither total management victory nor union defeat, but rather an ongoing, contested terrain where management had succeeded in shifting the balance of power significantly in their favour whilst workers and unions retained capacities for resistance that would continue to constrain management's ambitions.

4 The evolution of bargaining strategies

4.1 Analytic Framework

Having described the transformation process at Ellesmere Port, this section shifts from description to analysis by applying a conceptual framework set out by Kochan and Lipsky (2018) which follows Walton and McKersie's approach to understanding negotiation dynamics. The framework identifies four bargaining subprocesses, three of which are particularly relevant for analysing the Ellesmere Port case: distributive bargaining, integrative bargaining, and attitudinal structuring.

Distributive bargaining refers to negotiations where parties have conflicting interests and outcomes represent a zero-sum game: one party's gain is the other's loss. In distributive bargaining, negotiators begin with a gap between their positions and seek a compromise somewhere between their 'target point' (their aspired outcome) and their 'resistance point' (the minimum they will accept). If the resistance points do not overlap, an impasse—potentially a strike—is likely. Distributive bargaining is characterised by each party attempting to maximise their own gains whilst minimising concessions, often through commitment tactics, threats, or demonstrations of power.

Integrative bargaining, by contrast, involves parties approaching negotiations as a joint problem to be solved, seeking solutions that create mutual gains. This can occur when parties identify shared interests or when multiple issues are at stake, allowing trade-offs that leave both parties better off than they would be addressing each issue separately.

Situations where negotiations involve both conflicting and shared interests are referred to as 'mixed-motive' situations and it is suggested that these are the most common type of negotiation in industrial relations.

Attitudinal structuring addresses the relational dimension of negotiations. It recognises that how parties perceive and regard each other significantly affects negotiation processes and outcomes. Negotiators may deliberately attempt to shape the other party's attitudes—building trust and cooperation or, conversely, projecting toughness and resolve—to advance either their own interests or mutual advantage. Importantly, negotiations produce not only substantive agreements but also relationship outcomes that shape the context for future interactions. Trust can be built or eroded through how parties treat each other during negotiations, with significant consequences for subsequent rounds of bargaining.

According to Kochan and Lipsky (2018), these bargaining processes interact and occur simultaneously. Most real-world negotiations, particularly in ongoing relationships such as those between employers and trade unions, involve elements of all three processes. The following subsections apply this framework to analyse the negotiation dynamics at Ellesmere Port, identifying how these different bargaining processes operated during both phases of the transformation and how the balance between them shifted over time.

4.2 Bargaining Dynamics in Phase 1 (1989-1996)

The V6 Agreement negotiations exemplified a mixed-motive situation where management and unions deployed all three bargaining processes simultaneously, though with fundamentally different underlying strategies.

Management's approach combined integrative rhetoric with distributive objectives. The partnership language and emphasis on mutual benefits—job security through competitiveness, working 'smarter not harder'—framed the transformation as a problem to be solved jointly, suggesting potential for expanding the pie through improved productivity and market position. The explicit linkage of the V6 engine plant investment to union acceptance of the agreement reinforced this integrative framing: both parties could gain if they cooperated. However, beneath this rhetoric lay also distributive goals: reasserting managerial control over work organisation, reducing union influence over production processes, and enabling continuous workforce reductions through 'waste elimination'. Management's target point was comprehensive lean production with minimal union interference, while its resistance point required at least formal union acceptance to legitimate the changes. At the same time, management engaged in systematic attitudinal structuring, attempting to reshape worker perceptions of lean production as beneficial modernisation rather than intensification, and positioning unions as collaborative 'partners in change' rather than adversaries.

Trade unions' response demonstrated recognition of the mixed-motive situation. Their local 'Engage and Change' strategy accepted the inevitability of technical changes (integrative acceptance of JIT, automation, Statistical Process Control), conceding ground where resistance seemed futile. However, unions fought hard distributive battles over social and organisational changes that threatened their institutional position and members' interests. The negotiated clause preserving 'all representational procedures where appropriate' represented a crucial distributive victory, maintaining union gatekeeping power over work organisation despite the new team structures. The insistence on appointed rather than elected team leaders similarly reflected distributive positioning: preventing management from creating alternative worker identification and loyalty structures. Unions' resistance point was preservation of their institutional role, while their target point was maintaining the status quo whilst accepting unavoidable technical modernisation.

Crucially, unions engaged in counter-attitudinal structuring through their extensive education programme, which built critical consciousness amongst shop stewards about the potentially detrimental consequences of management proposals for trade union power and workplace reorganisation. This countered management's partnership rhetoric, ensuring union members viewed the transformation sceptically rather than embracing it uncritically. The stretched

implementation timeline negotiated by unions both reflected distributive bargaining success and created space for this attitudinal inoculation against management messaging.

The outcomes of Phase 1 reflected this complex interplay. Management achieved formal implementation of all technical systems but unions successfully 'hollowed out' the social transformation. This represented neither complete management victory nor union defeat, but rather a distributive compromise where each party protected core interests whilst conceding peripheral ones.

4.3 Bargaining Dynamics in Phase 2 (1996-2001)

Phase 2 marked a fundamental shift towards predominantly distributive bargaining. Project Olympia represented an explicitly zero-sum challenge: significant capacity reduction across GM Europe meant inevitable job losses somewhere in the network. Management's framing offered no integrative potential—the question was not whether, but where jobs would be lost. The institutionalisation of whipsawing through Project Olympia created distributive competition amongst GME workers at different plants. Each plant's gain (securing production) was another's loss (closure or downsizing). Management's resistance point was achieving the required cost savings, while their target point was maximum flexibility with minimal employment protections. The shift from plant-level to European-level negotiations further constrained local unions' distributive power, as decisions were made in forums where local shop-steward strength was irrelevant.

The European Works Council's negotiation position—no plant closures, no compulsory redundancies, protection of national wages and conditions—reflected unions' attempt to find integrative solutions within a fundamentally distributive situation. The March 2001 agreement's commitment to avoid forced redundancies through voluntary severance, early retirement, and transfers appeared to offer some joint problem-solving. However, Project Olympia's October 2001 framework revealed the limits of this integrative approach: whilst no immediate closures occurred, the agreement institutionalised ongoing capacity reduction and workforce flexibility that merely postponed rather than prevented job losses.

The attitudinal dimension of Phase 2 negotiations was characterised by severe trust erosion. Once it became clear to workers that management's promises from Phase 1 regarding job security and stability of working conditions were not kept, hostility and cynicism towards management set in. This attitudinal breakdown fundamentally undermined any remaining potential for genuine integrative bargaining: workers rationally concluded that cooperation primarily benefited management whilst costs fell on them. The phrase 'Endless Change', used by trade unions to describe Phase 2 captures this change in attitudes.

Nonetheless, unions felt compelled to accept unfavourable deals—such as the 1998 three-year pay agreement with modest increases, productivity targets, and flexibility concessions—because their 'walk-away power' was severely constrained. The alternative to agreement was potential plant closure, making even bad deals preferable to no deal. Management's superior walk-away power – their ability to shift production across its European network – fundamentally shaped distributive outcomes in their favour. The whipsawing dynamic deliberately exploited this power asymmetry, pitting workers with weak alternatives against each other.

Phase 2 thus exemplified how the failure of integrative bargaining and erosion of trust can transform industrial relations into predominantly distributive contests where the party with greater structural power—in this case, mobile capital—can extract concessions from parties with weaker alternatives. The 'partnership' rhetoric persisted, but the underlying reality was increasingly zero-sum competition, both between management and unions and, more damagingly, between workers across different locations.

5 Conclusion: Lessons for Industrial Relations and Social Partnerships

Project Olympia, originally conceived as a two-year turnaround plan to save €2 billion, failed to return GME to profitability. Subsequent transformation programmes also failed to turn GME around and (Caron and Weinert 2005). Whether there is any causal relationship with the lean production transformations implemented from 1989 onwards remains unclear. What is evident is that the transformation fundamentally altered the company both technologically and organisationally. Technical systems including Just-in-Time production, Statistical Process Control, automation, and kanban-based stock control were formally implemented across the plant. Organisational changes included the significant reduction of the permanent workforce, the introduction of team structures, appointed team leaders, and kaizen meetings, though unions successfully resisted many of these social innovations by negotiating clauses that preserved representational procedures and stretched implementation timelines. The transformation also led to a deterioration of working conditions. Survey evidence from 2001 revealed that work intensity and workloads had increased whilst autonomy and quality of work life had decreased (Stewart et al. 2009: 171-196). Workers recognised that management's promise of 'working smarter, not harder' had instead translated into working harder within an increasingly insecure employment environment, as repeated promises of job security through flexibility proved hollow whilst continuous improvement initiatives consistently led to further job losses and work intensification.

One important lesson from Ellesmere Port is how the shift from Phase 1 to Phase 2 demonstrated the fundamental limitations of plant-level social dialogue when strategic decisions were made at transnational or global levels. During Phase 1 (1989-1996), local management and trade unions successfully negotiated outcomes that, whilst not entirely satisfying either party, represented genuine compromise and reflected local power dynamics. The V6 Agreement, despite management's hidden agendas, afforded unions real influence over implementation through negotiated clauses that preserved representational procedures and stretched implementation timelines. However, Phase 2 (1996-2001) revealed that such locally negotiated settlements could be rapidly undermined when higher-level strategic imperatives – in this case, GM Europe's Project Olympia – intervened. The institutionalisation of whipsawing through European-level frameworks effectively pitted workers across different plants against each other, whilst simultaneously disempowering both local management and local unions. Neither could any longer guarantee job security or stable working conditions, regardless of local productivity improvements or concessions. As the automotive industry transitions to electric vehicles and digital manufacturing, investment decisions about battery plants, software development centres, and manufacturing locations are similarly made at transnational corporate levels or at state level.

The Ellesmere Port case suggests that effective social dialogue has to occur simultaneously at multiple, interconnected levels. Plant-level dialogue remains important for implementation details, but strategic influence requires union organisation and coordination at European (or even global) levels, as well as mechanisms that give worker representatives meaningful input into investment and location decisions. The recent transformation of Ellesmere Port to exclusive EV production demonstrates both the continuing relevance of this challenge and the potential for coordinated action—the trade union movement's involvement in securing this transition suggests lessons may have been learned from the Project Olympia experience.

The Ellesmere Port case also illustrates how ostensibly participatory mechanisms—in this instance, teamworking structures—can be 'hollowed out' when their design and implementation are contested. Management intended teams to become primary sites of communication, continuous improvement, and work reorganisation, effectively bypassing traditional union structures. However, through strategic negotiation and mobilisation, unions successfully neutralized these intentions. The negotiated clause ensuring 'all representational procedures will apply where appropriate' preserved union gatekeeping over work organisation issues, whilst the union-led education programme ensured shop stewards could critique and resist management proposals at team level.

The digital and green transitions will inevitably require new competences and skills, work reorganisation, and likely new forms of worker participation in managing technological change. The Ellesmere Port case suggests that the success of such participation depends on trust and the distribution of gains. When workers perceive that 'continuous improvement' translates primarily into job losses and work intensification for themselves whilst profits accrue to management and shareholders, their minimal or even non-cooperation with change programmes seem justified. Effective social dialogue around contemporary transitions should therefore address the distribution of benefits from the outset. Mechanisms for sharing collective gains, employment security guarantees, and genuine worker voice in technological choices would be necessary preconditions for meaningful participation.

References

- Bannister, N. (1998). Turnaround at Vauxhall brings 1,000 new jobs. *The Guardian*, 3 July 1998, p. 23.
- Burt, T. (2001). Opel aims to save Euros 2bn in overhaul. *Financial Times*, 16 August 2001, p. 28.
- Caron, C. and R. Weinert (2005). The EMF European Company Policy: the GME Restructuring and Framework Agreement. *Transfer: European Review of Labour and Research* 11(2): 260-265.
- Costa, I. d. and U. Rehfeldt (2007). European Works Councils and transnational bargaining about restructuring in the auto industry. *Transfer: European Review of Labour and Research* 13(2): 313-316.
- Fetzer, T. (2005). *Driven towards internationalisation: British trade union politics at Ford and Vauxhall, 1960-2001*. Ph.D. thesis, Department of History and Civilization, Central European University, Florence.
- Fetzer, T. (2008). European Works Councils as Risk Communities: The Case of General Motors. *European Journal of Industrial Relations* 14(3): 289-308.
- Greer, I. and M. Hauptmeier (2016). Management Whipsawing: the staging of labor competition under globalization. *Industrial & Labor Relations Review* 69(1): 29-52.
- Hancké, B. (1998). *Industrial restructuring and industrial relations in the European car industry: instruments and strategies for employment*. Discussion Paper FS I 98-201, Wissenschaftszentrum Berlin für Sozialforschung, Abteilung Wirtschaftswandel und Beschäftigung, Berlin.
- Holden, L. (1981). 'Think of Me Simply as the Skipper': Industrial Relations at Vauxhalls 1920-1950. *Oral History* 9(2): 18-32.
- Jacobs, A. J. (2019). General Motors in Belgium. In A. J. Jacobs (ed.), *The Automotive Industry and European Integration: The Divergent Paths of Belgium and Spain*. Cham: Springer International Publishing, pp. 89-119.
- Jürgens, U., T. Malsch and K. Dohse (1993). *Breaking from Taylorism: changing forms of work in the automobile industry*. Cambridge: Cambridge University Press.
- Kimberley, W. (1999). Case study: Vauxhall's Ellesmere Port plant. *Automotive Engineer* 24(5): 55-60
- Kochan, T. A. and D. B. Lipsky (2018). *Negotiations and Change: From the Workplace to Society*. Ithaca, NY, Cornell University Press.
- Lewchuk, W., P. Stewart and C. Yates (2001). Quality of working life in the automobile industry: A Canada-UK comparative study. *New Technology, Work and Employment* 16(2): 72-87.
- Lorenz, A. (1999). Delphi sparks revolution in car production. *Sunday Times* (London), 20 June 1999, Business section.
- Marsden, D., T. Morris, P. Willman and S. Wood (1985). *The Car Industry: labour relations and industrial adjustment*. London: Tavistock.
- Murakami, T. (1995). *Teamwork and the Structure of Representation at Vauxhall Ltd. (UK) & Adam Opel AG (Germany)*. Ph.D. thesis, School of Industrial & Business Studies, University of Warwick.

- Murakami, T. (1997). The Autonomy of Teams in the Car Industry - A Cross-National Comparison. *Work, Employment and Society* 11(4): 749-758.
- Murakami, T. (1999). Joint Committees on Teamwork in a British, German & Australian General Motors Plant. *Labour and Industry* 10(1): 107-125.
- Murakami, T. (2000). Trade Union Strategy and Teamwork: The British and German Car Industry. *Labor Studies Journal* 24(4): 35-52.
- Stewart, P. (1997). Striking Smarter and Harder at Vauxhall: the new industrial relations of lean production. *Capital & Class* 61: 1-7.
- Stewart, P. (1999). The Negotiation of Change in the Evolution of the Workplace towards a New Production Model at Vauxhall (General Motors) UK. In J.-P. Durand, P. Stewart and J. J. Castillo (eds.), *Teamwork in the Automobile Industry: radical change or passing fashion?* Basingstoke: Macmillan, pp. 236-253.
- Stewart, P., J.-P. Durand, M. Richardson and A. M. Danford (2009). *We Sell Our Time No More: workers' struggles against lean production in the British car industry*. London: Pluto Press.
- Stewart, P. and P. Garrahan (1995). Employee Responses to New Management Techniques in the Auto Industry. *Work, Employment and Society* 9(3): 517-536.
- Tolliday, S. and J. Zeitlin (1986). *The Automobile Industry and its Workers: between Fordism and flexibility*. Cambridge: Polity Press in association with Blackwell.
- Trade Union Congress (2025). *Vauxhall Ellesmere Port: securing the transition to electric vehicles*.
- Turnbull, P. J. (1988). The limits to 'Japanisation' - Just-in-Time, labour relations and the UK automotive industry. *New Technology, Work and Employment* 3(1): 7-20.