

Anticipatory responses to redundancy in the Welsh nuclear power industry

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Research questions

- *‘Anticipatory responses to redundancy in the Welsh nuclear industry’?*
- Are conventional supply-side Human Capital Theory responses adequate for anticipating and dealing with issues like redundancy in the Welsh nuclear industry?
- What role do Labour Market Intermediaries (LMIs) play in addressing the challenges of matching supply (skills) and demand (jobs) in regional labour markets like North West Wales?

Human Capital Theory Orthodoxy

- ▶ Increasing supply of employee skills & qualifications is core government LM policy across UK (Leitch Review of Skills, 2006; Skills That Work for Wales, 2008);
- ▶ Dominance of ‘Human Capital Theory’: raising skills supply attracts demand from employers (Becker, 1993);
- ▶ View that market forces most efficient way to coordinate S&D
- ▶ State role restricted to creating supply-side opportunities through access to education.
- ▶ Responsibility placed on individuals to enhance *employability*,
- ▶ Market-led: train them and the jobs will come!

Critique of HCT approaches

- Skills supply incorrectly seen as standalone solution;
- Supply of skills does not automatically create demand from employers for those skills:
 - ‘The belief that increasing the supply of skilled and educated labour will, of itself, encourage employers to upgrade their products and production strategies is at best optimistic. If this belief proves unjustified, then the additional skills will not be used’* (Keep and Mayhew, 2010:567).
- HCT advocates neglect rising gap between higher skills and fewer quality jobs;
- = ‘over-skilling’ & ‘underemployment’.
- State has to intervene to correct ‘market failures’?
Coordinated policy interventions needed, target demand-side

Labour Market Intermediaries (LMIs)

- ▶ Presence of LMIs reflects labour market vacuum created by ‘market failure’ of HCT?
- ▶ Role of coordinating LM supply (capacity) & opportunity (demand).
- ▶ ‘Entities or institutions that interpose themselves between workers and firms to facilitate, inform, or regulate how workers are matched to firms, how work is accomplished, and how conflicts are resolved’ (Autor (2008:1).
- ▶ ‘Organizations...that help broker the employment relationship through some combination of job matching, training, and career support services’ (Benner *et al.*, 2007:10).
- ▶ Provide labour market ‘intelligence’

Research Methods

- British Academy/Leverhulme funded project '*Anticipatory responses to redundancy in the Welsh nuclear industry*'
- Mapping stakeholder and worker responses to forthcoming closure of Wylfa A nuclear plant, Anglesey
- One specific EU funded LMI in NW Wales, *Shaping the Future* (StF) (2012–2015), had remit to assist 1,200 nuclear workers facing redundancy at both Wylfa and Trawsfynydd
- LMIs an empirical 'black hole'!
- Explored using qualitative methods:
 - Ethnographic participant observation
 - Interviews with local stakeholders, union representatives
 - Labour market data, documents



Shaping the future
Llunio'r Dyfodol

SKILLING UP FOR THE FUTURE

PUTTING HUMAN CAPITAL AT
THE HEART OF DEVELOPMENT

Emerging findings: 'Shaping the Future'

- ▶ 'Deindustrialized' LM, few big employers left in NW Wales;
 - ▶ 'Institutionalized' insular risk averse nuclear workforce;
 - ▶ Workforce benefited from structured, pre-emptive strategy to bolster skills & training; *Shaping the Future* (2012–15);
 - ▶ StF: career transition coaching and max £15,000 per worker for retraining to enhance 'employability' post redundancy;
 - ▶ 480 with new qualifications, but 275 jobs target not met;
 - ▶ StF provided regional labour market intelligence/networks.
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Emerging findings: 'mind the gap!'

- ▶ StF: supply-side remit, but some emerging demand focus;
 - ▶ Link to 'demand side': Anglesey council/other stakeholders have 'Energy Island' strategy; e.g. new nuclear site;
 - ▶ StF expired in mid-2015 when most needed?
 - ▶ But **'mind the time-gap!'**: redundant workers enter LM amidst uncertainty when/if new energy projects operational.
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Interview quote: labour market context

“I honestly don’t think that local companies have the capacity [to absorb the Wylfa redundancies]...where’s the industry on Anglesey? NW Wales has very little industry..the island has tourism...and agriculture...I genuinely can’t think of much else on the island that’s big employers...”

(‘Andrew’ – Unite union rep)

Interview quote – ‘mind the gap’

“We had originally anticipated a closer match between the closure [of Wylfa A] and the new nuclear build ...but there is likely to be a gap, maybe as long as ten years... the issue is, how many of the people currently at Wylfa, have the skills and the capabilities to transfer to a large scale building project and evolve their skills until the energy generation is up and running again...”

(‘lestyn’ – local stakeholder)

Interview quote – ‘mind the gap!’

“...We need more companies to invest in the area but how do you do that?...they all talk about these Enterprise Zones, and Energy Island, but what are they actually offering? Is it just the idea that they’re selling that this is a great place to do business? You need to be offering more than that to attract people. What’s the answer? It’s difficult to know...we’re so far away from the main areas of population, where more things are happening, from big businesses.. We need to see something happening, sooner rather than later...we need political power...”

(‘Gethin’ – StF project officer)

Conclusions/implications?

- ▶ Human Capital approaches not good LM economics: neglects demand-side
 - ▶ HCT/policy obsession on skills agenda avoids big structural gap of not enough 'good jobs' in deindustrialized regions
 - ▶ Redundant workers face paradox of being overskilled but underemployed ('make do and mend' precarity)?
 - ▶ LMIs like StF reflect vacuum of HCT 'market failure'
 - ▶ StF success in employability of 'insulated' workforce
 - ▶ But LMIs like StF not designed for big demand-side interventions: its role was to 'match' skills and existing jobs
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Conclusions / implications?

- A brighter jobs future?? Demand side ‘interventions’ potentially plugging quality jobs gap? ‘Energy Island’, quality tourism
 - Nurturing investor confidence, sector clusters, supply-chain.
 - But ‘**mind the gap!**’: timelines between redundancies and big flagship jobs projects coming on-stream, ‘replacing like with like’.
 - Prevent out-migration & brain drain? ‘Florida effect’!
 - Cannot leave creation of quality jobs to market forces
 - More support, imagination in regional policy from central government vital: long-term industrial strategy with multiple stakeholders
 - A ‘social partnership’ for Wales?
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