

No 3/2017

# CLR News

## EUROPEAN HOUSING CRISIS: PROBLEMS AND SOLUTIONS

**CLR**

European Institute for  
Construction Labour Research

[www.clr-news.org](http://www.clr-news.org)



# Contents

<b>Note from the Editor</b> .....	4
<b>Subject articles:</b> .....	6
Orna Rosenfeld, <i>A bird's eye view on housing affordability and housing production in the European Union: challenges and trends</i> .....	6
Paul Street, <i>Grenfell Tower – an avoidable tragedy</i> .....	17
Linda Clarke, Colin Gleeson, Melahat Sahin-Dikmen, <i>City Building (Glasgow): an inspirational model for social housing production</i> .....	25
<b>Reports</b> .....	33
CGIL, <i>Summary BROAD Project: “Building a Green Social Dialogue”</i> .....	33
Jörn Janssen, <i>Central London BUIRA Seminar: European Social Dialogue</i> ..	42
<b>Review Essay</b> .....	44
Guglielmo Meardi, <i>How to regulate migration after Brexit? Comparative lessons from the construction industry</i> .....	44
<b>Reviews</b> .....	50
Denknetz, <i>Jahrbuch 2017</i> .....	50
ETUI, <i>Rough Waters. European Trade Unions in a Time of Crises</i> .....	52

# Note

from the editor

The subject of this issue of CLR News - the European Housing Crisis - is such a pressing and desperate one that it is difficult to do it full justice. However, the three articles presented on the subject do succeed in providing different and valuable perspectives on the problem of social housing provision in Europe.

In just a few pages Orna Rosenfeld manages to give an overview of housing production challenges and trends across Europe and concludes by questioning the notions of supply and demand that underpin governments' housing policies.

Paul Street's article on the Grenfell Tower tragedy is a dreadful reminder for everyone of what happens when the quality of social housing is neglected, rules are disregarded, and deregulation and cost-saving become the mantra.

Finally, the article on City Building (Glasgow) by the University of Westminster's ProBE (Centre for the Study of the Production of the Built Environment) research team offers an example of how to address the housing crisis. With this publicly accountable model, 2,200 construction workers are employed directly under good trade union conditions, an inclusive manufacturing arm is integrated, a substantial programme

of vocational education and training is offered for young people, and good quality and energy efficient social housing is provided for working people in Glasgow and surrounding areas. Why not extend this model further afield?

This CLR News offers other valuable insights, including the account by Italy's CGIL union of the BROAD project on 'Building a Green Social Dialogue', which details how sustainable construction can be achieved and the business model transformed through social dialogue. With lessons from the construction industries of Canada, Norway and Switzerland, Guglielmo Meardi points to how to regulate migration after Brexit, showing that even with freedom of movement in place labour market regulations can minimise tensions. And, in the reviews section other golden nuggets for CLR News readers are the accounts of, first, the Swiss UNIA union's *Denknetz* Yearbook, dedicated to 'digitalised society' and its impact on labour conditions, and, second, the ETUI's *Rough Waters*, addressing what exactly has driven changes in trade unions in different European countries.

So there we have it – plenty of food for thought and discussion in the

## Note from the editor

coming year 2018, a year that 100 years ago witnessed the German revolution. Let us hope and fight for a revolution in the production of social housing across Europe!

Wishing all our readers a good and successful new year. Feedback is more than welcomed and suggestions for contributions.

*Linda Clarke*

Dr Orna  
Rosenfeld<sup>1</sup>  
E-mail: [orna.rosenfeld@gmail.com](mailto:orna.rosenfeld@gmail.com)

## **A BIRD'S EYE VIEW ON HOUSING AFFORDABILITY AND HOUSING PRODUCTION IN THE EUROPEAN UNION: CHALLENGES AND TRENDS**

### **Abstract:**

*Housing systems in Europe* are rich and *diverse*<sup>2</sup>. However, the global financial crisis (GFC) that began in 2008 led to an increased focus on the lack of housing affordability and decline in access to decent housing in European and international politics<sup>3</sup>. A decade after the world economy was hit by the financial crisis, global economies are showing signs of consistent recovery. However, there are questions over the form and nature of that recovery in the housing sector. Among a number of policy issues, the one that seems to be especially important to underline in this issue of CLR News is the lack of housing supply in general and affordable housing in particular. While housing shortages are never absolute at a national level, the heightened migration of the population to large cities and metropolitan areas contributes to the increased demand for housing in areas where it is needed the most: cities that are the key engines to national and by

1. Dr. Orna Rosenfeld is a visiting lecturer at Sciences Po - Paris Institute of Political Sciences and housing policy advisor to the European Commission and the United Nations Economic Commission for Europe. She is alumni of the University of Westminster school of Architecture and the Built Environment.
2. This article is based on the author's presentation at the Ministerial Segment of the 78th session of the Committee on Housing and Land Management held at the UN Headquarters in Geneva in November, 2017, as well as her research for the above committee, including primarily: UNECE. 2015. *Social Housing in the UNECE Region: Models, Trends and Challenges*. Geneva, United Nations Economic Commission for Europe and UNECE. 2016. *Habitat III Regional Report on Housing and Urban Development for the UNECE Region*. Geneva, United Nations Economic Commission for Europe.
3. UNECE. 2016. *Habitat III Regional Report on Housing and Urban Development for the UNECE Region*. Geneva, United Nations Economic Commission for Europe.

extension European economic growth. It has been argued that housing shortages increase house prices and result in lack of housing affordability. Limited access to housing of a decent size, general lack of housing affordability and related household indebtedness are sources of economic vulnerability for the labour serving cities that are key contributors to national GDP. This article briefly examines housing provision or production, in the wider framework of housing affordability.

### **Introduction:**

In 2016, the first signs of a broad and stable global economic recovery were reported. According to the World Bank, this global growth strengthened in 2017 due to favourable global financing conditions and stabilizing commodity prices. However, the IMF cautioned that 'structural impediments to a stronger recovery and a balance of risks that remains tilted to the downside, especially over the medium term, remain important challenges'<sup>4</sup>. In line with its focus and overall purpose, this paper highlights housing as one of these impediments.

The emerging evidence suggests that the recovery of commodity prices in general and housing in particular are not widely shared<sup>5</sup>. Firstly, housing prices are recovering faster than local earnings<sup>6</sup>. In cities with high housing demand, prices are rising too steeply, and consumers and businesses are buying at a rate that exceeds an economy's underlying ability to produce housing goods<sup>7</sup>.

4. IMF. 2017. *World Economic Outlook*, Washington DC, IMF.

5. The framework of this paper does not allow for a comprehensive review; therefore, we note a number of carefully selected issues.

6. OECD. 2017. *Affordable Housing Database*. OECD [Online].

7. The differences between countries are noted. While constraints on housing provision are noted (i.e. available land, planning system, migration etc.) the demand in heated markets often surpasses that of the local population and opens the 'demand' for available property to the international level (see next sections).

## Subject articles

Depending on the exact definition used, 'housing'<sup>8</sup> is usually the largest item of household expenditure, and one that is steadily increasing. In 2016, Eurostat<sup>9</sup> highlighted that at over 80 million low- and middle-income people in the European Union spend more than 40% of their disposable income on housing. Significantly, the challenges observed prior to the GFC and in its aftermath seem to be exacerbated. Where administered, social housing waiting lists have reached historic highs; homelessness has increased markedly and continues to rise.

Since the GFC, housing need has not only increased, it has also diversified. There is a continuing need with regard to the ageing population, young adolescents, key workers and middle-income households, vulnerable and special groups (e.g. disabled, homeless), as well as the low-income and no-income population. The recent migration crisis seems to have exacerbated the situation, especially in arrival cities. The lack of housing affordability continues to increase housing need beyond market options.

Clearly, housing need differs between countries and within them. However, the movement of the population to large cities and metropolitan areas has resulted in some areas experiencing high housing demand, whereas others quite low. This means that shortages of housing in one city may be accompanied by empty properties in another. The presence of low (so-called 'shrinking areas') and high housing demand areas (so-called 'pressure zones' or 'heated markets') highlights the complexity of housing need and response to it in regards to housing production.

8. Under 'housing costs' we include mortgage or rent and utility bills. The relative significance of these costs differs across countries.
9. The data are from 2015; please note that the statistical measurements were refined. Therefore, the increase cannot be attributed solely to the quantitative increase of the housing cost overburden. Eurostat. 2017. *Housing Statistics*. Eurostat [Online].

The presence of high- and low-demand housing areas poses challenging questions about the limits of urban planning, housing production and nature of consumption. It implies a requirement for sophisticated policies that are both responsive to the dynamic of local markets and relevant to those in need. Cities play a key role in this process.

### **Housing shortage and supply**

Housing shortages in general and lack of affordable housing are a challenge in the European Union. There is a sizable shortfall in net housing supply because of the GFC and also due to a longer-term trend of inadequate supply. The housing shortages vary between countries and within them. However, they are felt most strongly in major cities that are also the key contributors of national GDPs. This section focuses on the general trends at a national level, while the next touches upon the challenges at the city level.

Lack of housing in general has been reported in France, Finland, Ireland, the United Kingdom and Sweden, among others. There is a shortage in new EU States, such as Slovakia and Poland. Indeed, many Eastern European countries have not recovered even 50 per cent of the housing construction volume of the 1980s<sup>10</sup>.

Eurostat (2017) research on construction output over the period 2005-2016<sup>11</sup> shows that the financial and economic crisis had a deep negative impact on the construction sector in most European member States. Table 1. shows that between 2008 and early 2013 the level of total construction had been in constant decline in EU-28 (as an average). While 2010 saw some recovery, the crisis in 2011 ensured a continued downward trend. According to Eurostat (2017), recovery

10. UNECE. 2015. *Social Housing in the UNECE Region: Models, Trends and Challenges*. Geneva, United Nations Economic Commission for Europe and UNECE.

11. Eurostat (2017) Construction production index (volume) index overview, Eurostat [Online], available at: [http://ec.europa.eu/eurostat/statistics-explained/index.php/Construction\\_production\\_\(volume\)\\_index\\_overview](http://ec.europa.eu/eurostat/statistics-explained/index.php/Construction_production_(volume)_index_overview)

## Subject articles

started in 2013; however, it has reached only 80% of the pre-crisis peak.

**Table 1. EU-28 Total construction, buildings and civil engineering, m, sa, 2005-2016<sup>12</sup>**



Source: Eurostat, 2017<sup>13</sup>

However, this recovery should be viewed in relation to pre-crisis trends. For instance, in the period between 2000 and 2010 construction activity more than halved in Latvia,

12. According to Eurostat (2017) 'There are noticeable differences between the development of the construction of buildings (residential and non-residential) which accounts for around 78 % of total construction in the EU-28 and the development of the construction of civil engineering works (e.g. railways, roads, bridges, airport runways, dams) which accounts for around 22 % of total construction. For the latter the effects of the financial and economic crisis were less marked than for construction of buildings'.
13. Eurostat [Online], Available at: [http://ec.europa.eu/eurostat/statistics-explained/index.php/File:EU-28\\_Total\\_construction,\\_buildings\\_and\\_civil\\_engineering,\\_m,\\_sa,\\_2005-2016.png#filelinks](http://ec.europa.eu/eurostat/statistics-explained/index.php/File:EU-28_Total_construction,_buildings_and_civil_engineering,_m,_sa,_2005-2016.png#filelinks)

Lithuania and Ireland (UNECE, 2015). While this source indicates that construction has been positive in Poland, Sweden and United Kingdom, this data should be considered vis-à-vis the accumulated housing shortage in the past decade (s). A construction lag of over 20 years is reported in Sweden. In the Stockholm region with a population of 2 million that is expected to increase by over half a million by 2030, there is already a shortage of around 110,000 homes, according to the Swedish Chamber of Commerce. In Poland, a shortage of 600,000 homes is reported, much like a number of other transition economies. In Eastern, Central and Southern Europe, building has not been restored to the pre-transition period and construction level of the 1980s and early 1990s. A housing shortage and fall in construction output is reported in Slovakia. While building output has been stable in the past decade (12,000-18,000 housing units per year in 2013), it was still far from the 40,000-unit output in the pre-transition period.

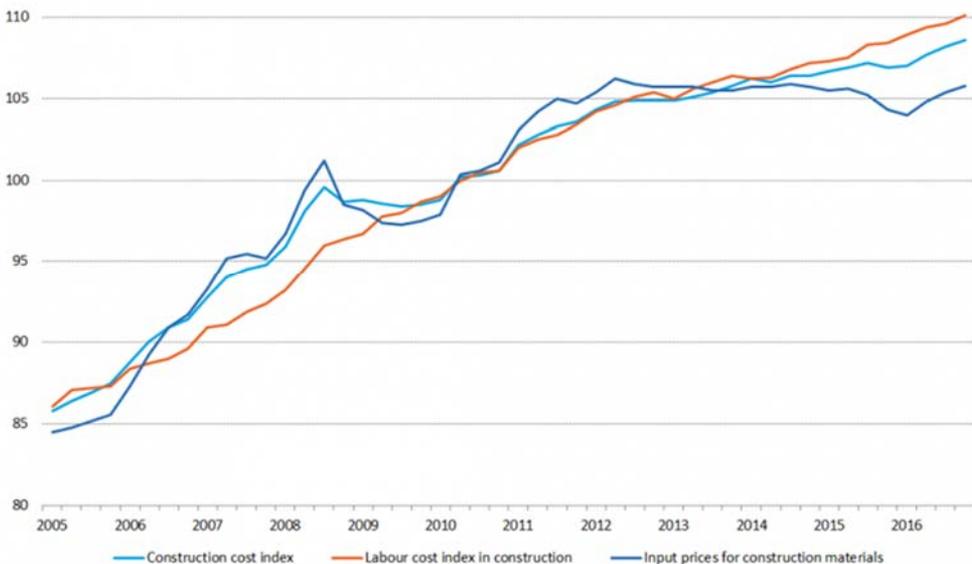
While there are signs of recovery in almost all countries that experienced a housing market crisis, a difference can be observed between the response to the recent housing crisis compared to previous ones. In a number of countries, investment in social housing has risen in the immediate aftermath of the GFC, for instance in the United Kingdom, Denmark, and Germany. Several governments have set new housing supply goals as well as social housing construction goals. However, this support was relatively short lived (except in Germany where construction was boosted primarily in response to the migration crisis).

In the previous periods the demand for housing was accompanied by increased housing investment and supply. However, this period is marked by limited investment and a decline in housing especially its social and affordable segment. Alarming, this trend is accompanied by two additional ones. First, there is a steady increase in the construction cost (see Table 2) noted in the period between

## Subject articles

2005 and 2016 with no overly significant impact of the GFC. Second, there is an increase in housing prices that seems only marginally related to construction cost, unrelated to local income dynamics, and not matched by the trends in house production and their transactions. While these issues will be explored in more detail in the concluding section, the key trends of housing shortages and affordability at the city level are briefly examined in the next.

**Table 2. EU28 Quarterly construction cost and components 2005 - 2016**



Source: Eurostat, 2017<sup>14</sup>

### The location of housing need

Housing shortages, while significant, are absolute in very few countries<sup>15</sup>. They are often localized and associated with a

14. Eurostat [Online], Available at: [http://ec.europa.eu/eurostat/statistics-explained/index.php/File:EU-28\\_Total\\_construction\\_buildings\\_and\\_civil\\_engineering\\_m\\_sa\\_2005-2016.png#filelinks](http://ec.europa.eu/eurostat/statistics-explained/index.php/File:EU-28_Total_construction_buildings_and_civil_engineering_m_sa_2005-2016.png#filelinks)

particular scarcity of specific housing types, tenures, locations and qualities, rather than with an absolute national shortage in general terms. Housing shortages are most often present in capital, global cities and/or large metropolitan areas that attract population for employment opportunities, among other prospects. The increased demand and constrained supply of housing in these areas have been related to housing prices outstripping local incomes.

Before moving onto deliberations in favour of increased supply, it is worth pausing to underline that the level and nature of housing shortages differ at the national, regional and local levels. Housing shortages in one part of the country often coexist with empty properties<sup>16</sup> in another. In 2015, UNECE highlighted that in the United Kingdom there were 1.8 million people registered on the social housing waiting lists, but there were also over 700,000 empty homes. In France, social housing waiting lists stood at 1.7 million, while the number of empty homes in the country was 2.4 million. The number of empty properties in Ireland was 400,000 and 3.4 million in Spain. Even countries that showed a relative balance between housing supply and demand at the national level (e.g. Czech Republic, Finland, Greece) were facing shortages in regions with strong economic activity.

Access to decent and affordable housing seems to be most acute in heated markets, such as, capital and global cities like

15. While there may be housing availability at a national level, census data at city level suggest that many capital and large cities experience housing shortages and overcrowding, with a lack of social and affordable housing provision, along with a need to diversify housing options and choice in a way that responds to emerging demographic trends.
16. The reasons for empty properties vary depending on the country. Properties might be empty because of a demographic change, emigration (local, regional or international) or a change in the distribution of employment (e.g. closing of factories). In countries with developed summer tourism (e.g. Croatia, France, Greece, Spain), empty properties may be partially related to summer homes. In global cities (e.g. Paris, London, New York, Moscow, Jerusalem), the existence of empty properties may be related to speculative investment, second homes or luxury homes (second homes).

## Subject articles

Paris, London, Helsinki and Stockholm, among others. While France is by far the most successful in meeting its own targets for social housing in Europe, the housing deficit remains significant, especially in the so called “pressure zones”: the Parisian region (Île-de-France), the French-Swiss border, the Alpine region and the Mediterranean coast. The housing shortage and increase in housing demand especially in key cities contributes to the rise of housing prices in specific hot spots. House price increase, in turn, raises the need for housing and affordable housing. For instance, Europe witnessed a cumulative growth in real house prices of over 40 per cent during the last decade. The increase in household income in the same region did not follow or re-adjust sufficiently after 2007.

This brief overview highlights the complexity of housing need as well as the difference in the nature of this need within any one country. Future policies should consider ways to increase housing provision. However, the key target should be the provision of the right type of housing in the right location.

### **Conclusion**

Structural housing shortages present a serious challenge that should be addressed as a matter of urgency. There remains a growing need for social housing, which is the only means of securing decent and affordable housing for those households who cannot afford to buy or rent in the market. A supply of quality and (reasonably priced) dwellings for homeownership is also needed. Strategic local markets assessments are increasingly used in a number of countries and seem to be a beneficial tool for identifying the need for housing types, tenures, locations and qualities in various national locations and sub-markets. However, it is increasingly becoming apparent that new strategies are needed to ensure a sufficient supply of housing on the one hand and access to housing supply by the local population and workplace in heated and ‘popular’ housing markets.

The lack of housing overall, but of social and affordable housing in particular, is one of the key challenges facing EU member states<sup>17</sup>. Research conducted for the UNECE<sup>18</sup> and EU suggests that the majority of EU member states are currently in the process of revising their housing policies for results that are better adapted to post-GFC reality.

As sustained action is taken to increase supply across housing tenures in order to both respond to housing need and the level the housing price fluctuation in the owner-occupied market, selected emerging trends are worth noting<sup>19</sup>.

A decade after the start of the GFC fundamentally challenged the operation of housing systems, it is worth reflecting on the supply/demand paradigm. In major cities, the GFC introduced new sources of demand, new actors and new behaviours. Significantly, in the last decade, it has become increasingly apparent that local housing supply (i.e. private rent and homes for purchase) in major cities may not reach the local population nor serve the local workforce. While acknowledging that a comprehensive examination is yet to be carried out, we note particular selected trends. First, an increased use of the existing housing stock in popular tourist destinations for short lets<sup>20</sup>. Second, foreign engagement in housing as an investment tool appears to have increased significantly<sup>21/22</sup>.

17. UNECE. 2015. *Social Housing in the UNECE Region: Models, Trends and Challenges*. Geneva, United Nations Economic Commission for Europe.

18. UNECE. 2015. *Social Housing in the UNECE Region: Models, Trends and Challenges*. Geneva, United Nations Economic Commission for Europe and UNECE.

19. It is highly recommended that the selected trends are further examined in detail in order to provide solid evidence of the interplay between supply and demand and local housing prices, and the subsequent effect on the local population and workforce.

20. While other platforms exist, Airbnb epitomizes the practice of short lets for tourists. Clearly, the practice should be considered in the light of individual owners who may have benefited from income in times of employment uncertainty. However, of greater concern is the deliberate mass purchase and rent of local properties exclusively as short lets.

## Subject articles

The crucial policy significance of this situation is that when local housing markets put high cost pressure on or exclude the local workforce, potential efficiency savings for the regional and national economy are wasted. The increase in house prices in the free market exacerbates the need for already limited social and affordable housing. In the first instance, local households may be pushed to peri-urban areas, forced into long commutes to reach their place of employment. Significantly, an increasing spatial mismatch of housing and employment may undercut the functional efficiency of urban planning and economy<sup>23</sup>. Indeed, this issue is vital in cities that are key contributors to the national GDP and have heated housing markets.

International housing policies that aim at increasing the supply of housing should go hand in hand with strategies for addressing speculation long-term, re-examination of the housing cost and long-term investment in housing.

21. Doling, J. 2016. *'Not for housing' housing and affordability: developments in economically advanced economies*. Paper presented to the ENHR working group on comparative housing. Delft University of Technology, Faculty of Architecture and the Built Environment, 10-11 November.
22. According to Knight Frank Global Real Estate Consultants, over 70% of new housing in central London was purchased by foreign owners in 2013.
23. AHURI. 2016. *Housing Affordability and the Economy: a Review of Labour Market Impacts and Policy Issues*. [Online].

## **GRENFELL TOWER – AN AVOIDABLE TRAGEDY**

Paul Street,  
London Hazards  
Centre

The Grenfell Tower fire on the 14 June 2017 left 71 people dead. The 24-storey block of flats in north Kensington, west London, had stood there since it was completed in 1974. The blackened remains now tower over the richest borough in Britain, the Royal Borough of Kensington and Chelsea (RBKC). Residents on the Lancaster West Estate, where Grenfell stands, describe it as a '200-foot'.

Plastic sheeting now covers the Tower to conceal the charred remains that can be seen for miles across London. Local people, relatives of the dead, and housing activists aim to make sure that the cover-up does not carry-over to the public inquiry established by Prime Minister Theresa May immediately after the blaze. Yet the human tragedy that is Grenfell was entirely preventable. Political decisions by government and the local authority made it possible for such a disaster to happen.

Grenfell Tower underwent a £10 million refurbishment that was completed in May 2016. The major part of the work involved installing new external insulation and facia. Rydon Group - a privately owned £270m turnover construction and maintenance company – won the contract for the work.

The fire started on the fourth floor and a faulty fridge freezer is believed to have triggered the terrible sequence of events. How could this have happened? Why did the combination of materials used in cladding and insulating the building burn so easily and help accelerate the spread of the fire? Were the fire and building regulations stringent enough? If the regulations were up to standard, did someone fail to observe them? These were questions that sprung to mind in the days following the disaster.

## Subject articles

At the opening of the Public Inquiry<sup>1</sup> on the 14 September 2017, retired judge and Chair of the Inquiry Sir Martin-Moore Bick set out the terms of reference, which include examining:

- the immediate cause or causes of the fire and means by which it spread to the whole of the building.
- the design and construction of the building and the decisions relating to its modification, refurbishment and management.
- the scope and adequacy of building regulations, fire regulations and other legislation, guidance and industry practice relating to the design, construction, equipping and management of high-rise residential buildings.
- whether such regulations, legislation, guidance and industry practice were complied with and fire safety measures adopted in the case of Grenfell Tower.
- whether the exterior of the building (including the cladding, insulation, fixings and windows) was compliant with relevant building and fire regulations.

Running alongside the Public Inquiry is a separate Independent Review of the Building Regulations and Fire Safety<sup>2</sup>, which is being chaired by the former Chair of the Health and Safety Executive, Dame Judith Hackett. An interim report is due to be published before the end of the year, and a final report no later than spring 2018. The government has pledged to act swiftly on any recommendations from the review “to make sure people living in high rise buildings are safe”.

By the end of July 2017, the scale of the problem nationally became clear. Urgent tests carried out by the Building Research Establishment for the Department of Communities and Local Government had identified over 240 high-rise buildings with cladding that failed combustibility standards<sup>3</sup>.

1. [www.grenfelltowerinquiry.org.uk](http://www.grenfelltowerinquiry.org.uk)
2. [www.gov.uk/government/publications/independent-review-of-building-regulations-and-fire-safety-terms-of-reference](http://www.gov.uk/government/publications/independent-review-of-building-regulations-and-fire-safety-terms-of-reference)

Anyone researching the laws and regulations governing construction, maintenance and the responsibilities of landlords might easily conclude that there appears to be a comprehensive set of controls in place to protect people living in high rise buildings. To start with, the Construction Design and Management Regulations 2015 (CDM 2015)<sup>4</sup> cover the health, safety, and welfare of a construction project from beginning to end. However, it does not stop there. CDM 2015 imposes duties on clients and designers that extend beyond the construction phase to when the building is in use. Any future risks associated with the cladding would therefore need to have been given rigorous consideration by these duty holders.

The Building Regulations 2010 provide national standards for every aspect of a permanent building from initial groundwork and drainage through to glazing, electrical safety and the security of dwellings. Part B of the Regulations<sup>5</sup>, crucially, deals with fire safety. The fire resistance of structural materials, control of flammable materials and compartmentalisation to help prevent the spread of a fire are seemingly comprehensively covered. In England, the Building Regulations are the responsibility of the Department for Communities and Local Government.

Aside from construction-specific laws and regulations, other legislation exists that focuses more on landlord responsibilities - including the Housing Act 2004<sup>6</sup> and the Defective Premises Act 1972<sup>7</sup>. The Housing Act refers to landlord duties to identify and remedy any hazards that pose a risk to the health or safety of tenants. The Defective Premises Act of 1972 sets out landlord duties to carry out building work “with proper

3. [www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/641617/DCLGtest4\\_BS\\_8414\\_Part\\_1\\_test\\_report\\_Issue1\\_2.pdf](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/641617/DCLGtest4_BS_8414_Part_1_test_report_Issue1_2.pdf)
4. <http://www.hse.gov.uk/pubns/books/l153.htm>
5. [www.gov.uk/government/publications/fire-safety-approved-document-b](http://www.gov.uk/government/publications/fire-safety-approved-document-b)
6. [www.legislation.gov.uk/ukpga/2004/34/contents](http://www.legislation.gov.uk/ukpga/2004/34/contents)
7. <http://www.legislation.gov.uk/ukpga/1972/35>

## Subject articles

materials so that...dwelling(s) will be fit for habitation when completed”.

Regulation of local authority council homes and housing association dwellings is the responsibility of the Homes and Communities Agency (HCA). Housing campaigners have drawn attention to the failure of the HCA to carry out inspections of social housing, when it has powers under the Housing and Regeneration Act 2008<sup>8</sup> to do so. As former Head of Housing at the Audit Commission, Roger Jarman, said in the Guardian<sup>9</sup> just days after the fire, the HCA “focuses its resources on the financial viability and governance of housing associations...its powers of inspection should be invoked to assess whether the systems are in place to protect tenants in future from the sort of catastrophe that befell Grenfell Tower.”

The housing charity Shelter, which helps people tackle bad housing or homelessness with advice, support and legal services, has commissioned research at the Universities of Bristol and Kent<sup>10</sup> to look at gaps in current legislation which may make housing less safe, the lack of enforcement, and how to strengthen protection for tenants.

The Metropolitan Police, who are leading the criminal investigation into the Grenfell disaster, wrote to the survivors and families of those who died in July 2017. In the letter<sup>11</sup> the Police said, “After an initial assessment of that information (witness statements and building materials), the officer leading the investigation has today notified Royal Borough of Kensington and Chelsea and the Kensington and Chelsea

8. [www.legislation.gov.uk/ukpga/2008/17/contents](http://www.legislation.gov.uk/ukpga/2008/17/contents)
9. Guardian Letters 19 June 2017 [www.theguardian.com/uk-news/2017/jun/19/grenfell-tower-shows-that-poor-tenants-cannot-rely-on-armchair-auditors-to-protect-them](http://www.theguardian.com/uk-news/2017/jun/19/grenfell-tower-shows-that-poor-tenants-cannot-rely-on-armchair-auditors-to-protect-them)
10. [http://england.shelter.org.uk/media/press\\_releases/articles/statement\\_on\\_the\\_legal\\_review\\_of\\_grenfell\\_commissioned\\_by\\_shelter](http://england.shelter.org.uk/media/press_releases/articles/statement_on_the_legal_review_of_grenfell_commissioned_by_shelter)
11. Metropolitan Police Letter - [www.theguardian.com/uk-news/2017/jul/27/met-says-grenfell-council-may-have-committed-corporate-manslaughter](http://www.theguardian.com/uk-news/2017/jul/27/met-says-grenfell-council-may-have-committed-corporate-manslaughter)

Tenant Management Organisation that there are reasonable grounds to suspect that each organisation may have committed the offence of corporate manslaughter”.

The London Fire Brigade (LFB) and Fire Brigades Union (FBU) have been highly critical of both the construction industry and the Public Inquiry respectively. The LFB lays much of the blame at the door of the Construction Industry. In its submission<sup>12</sup> to the Independent Review of Building Regulations and Fire Safety, LFB Assistant Commissioner for fire safety Dan Daly said: “It took a tragedy for everyone to take fire safety seriously and listen to what the Brigade has been saying for years about skills. Urgent action is needed to better regulate those who are responsible for ensuring a building’s design, construction and maintenance are fit for purpose”.

The General Secretary of the Fire Brigades Union, Matt Wrack, has criticised the terms of reference of the Public Inquiry as being too narrow because it will not consider national fire service resources, or government policy on social housing. He said, “not to investigate the socio-political factors is an admission...that the government does not want to consider that more than 30 years of deregulation played its part in the Grenfell tragedy”<sup>13</sup>.

The Royal Institute of British Architects (RIBA) issued a statement on the 5th July 2017<sup>14</sup> restating its concerns over the delayed review of ‘Building Regulations Approved Document B’ dealing with fire safety. The review was a recommendation by the Coroner at the Inquest into the six people who died in the Lakanal House fire in 2009. The RIBA

12. [http://www.londonfire.gov.uk/Documents/LFB\\_Response\\_Independent\\_review\\_of\\_building\\_regulations\\_and\\_fire\\_safety\\_17OCT2017.pdf](http://www.londonfire.gov.uk/Documents/LFB_Response_Independent_review_of_building_regulations_and_fire_safety_17OCT2017.pdf)
13. [www.fbu.org.uk/news/2017/09/29/watch-matt-wrack-speak-2017-labour-party-conference](http://www.fbu.org.uk/news/2017/09/29/watch-matt-wrack-speak-2017-labour-party-conference)
14. [www.architecture.com/knowledge-and-resources/knowledge-landing-page/riba-statement-on-design-for-fire-safety](http://www.architecture.com/knowledge-and-resources/knowledge-landing-page/riba-statement-on-design-for-fire-safety)

## Subject articles

statement also raised serious concerns on several construction related issues, but particularly the impact of the Regulatory Reform (Fire Safety) Order 2005, which introduced a system of fire risk self-assessment whilst simultaneously repealing the fire certificate legislation that was previously overseen by the local fire authorities.

A complicated chain of contractors and sub-contractors so common in UK construction has been flagged-up by fire safety experts as a potential problem in the Grenfell refurbishment. Multiple links in a chain where fire safety is concerned can result in a sub-contractor not realising the critical nature of materials they are installing in the overall system. At least eight contractors were involved in fitting the cladding to Grenfell Tower. Other concerns have been raised about the partial privatisation of building inspection in 2010 with the introduction of 'Approved Inspectors' who can be individuals or organisations. Local authorities previously carried out this inspection work. Now there is evidence of a 'race to the bottom' to reduce fees and limit the number of safety inspections carried out.

Socio-political issues left unresolved for decades are responsible for Grenfell. At the heart of this disaster is the failure by successive governments to build decent, safe, council homes, while at the same time continuing to sell-off existing council housing stock under 'Right to Buy'. The private housing market is in crisis and cannot deliver the homes so badly needed in London and elsewhere in Britain. Over 1.5 million council homes have been sold under the 'Right-to-buy' introduced by the first Thatcher government in 1980; it should be immediately scrapped. The failure of successive governments to build enough homes has seen private rents rise to £2,000 plus per month for a 3-bedroom house in central London. People on lower incomes are finding it impossible to live in the capital, and this at a time when home ownership has fallen to its lowest level for 30-years because of house prices.

When all is said and done, it is all about regulation and enforcement. Left to their own devices, businesses will rationalise away safety measures that protect us at work and in our homes. Nor is self-regulation going to protect society from the excesses of capitalism and the drive for ever-bigger profits. In Europe, Britain has been leading the way in replacing legally binding laws with so called 'light alternatives' such as self-regulation. Laws and regulations – 'red tape' - are cast as an unnecessary burden on business and laws and regulations that protect us as needing to be revised, withdrawn, or just 'simplified'. In his report, *Better Regulation: Better for whom?*<sup>15</sup>, Professor Steve Tombs charts the attack on regulation by governments since the first Thatcher government, and how it gathered pace under the second New Labour government following the 'Hampton Review' (2005). Made worse over the past seven years by austerity and budget cuts, evidence of a reduction in inspections, prohibition notices, prosecutions, and convictions are a matter of record. Who can doubt that a political and economic climate that regards 'red tape' as a burden on business, while at the same time treating health and safety with scorn, was not partly responsible for the Grenfell blaze?

Some of the steam has gone out of the clamour for greater deregulation since Grenfell and the General Election in June. The red-tape cutting zealots who have railed against regulation – particularly EU regulation – have been less overt of late, but now view Brexit as a once in a lifetime opportunity to make a bonfire of regulations.

And then there is the Conservative government's failure to act. In 2013 the All Party Parliamentary Group on Fire Safety and Rescue strongly recommended the installation of sprinklers in Britain's 4,000 tower blocks. This was in accordance with recommendations made by the Coroner at the Inquest<sup>16</sup> into the deaths of six people in the 12-storey

15. Tombs, P, (2016), *Better Regulation: Better for whom*, Centre for Crime and Justice Studies

## Subject articles

Lakanal House fire in 2009. The Conservative-led coalition sat on the report and continued to do so after the 2015 election right up until the blaze on the 14 June 2017. The government has blood on its hands.

In the chaotic first days after the fire the Justice4Grenfell<sup>17</sup> Group stepped into the void left by the authorities. The group has since worked tirelessly for the victims and their families. Justice4Grenfell aims to ensure the campaign remains community led and focused on the needs of survivors and bereaved and describe the fire as an “atrocitiy”. What happened is an atrocity.

With the final death toll now known, tenants, friends and families of the bereaved are still struggling to come to terms with what has happened to them and the failure of the authorities to listen. If only they had listened and acted on the tenants’ fears about fire safety at some point in the three years before the fire when they were raising concerns, this terrible disaster would not have happened.

Many commentators have spoken about Grenfell as being a watershed moment – something that has forever changed attitudes towards social housing and more. Austerity, savage cuts to public services, and deregulation are all cited as reasons that have helped change the political landscape. People have had enough – that is clear. The tide has turned against austerity. But public opinion can change just as quickly as the blaze happened. For Grenfell to be a real tipping point, laws must be strengthened, enforcement of those laws carried out, and the people found responsible held to account. Such an avoidable tragedy must never happen again.

16. [www.lambeth.gov.uk/elections-and-council/lakanal-house-coroner-inquest](http://www.lambeth.gov.uk/elections-and-council/lakanal-house-coroner-inquest)

17. <https://justice4grenfell.org/>

## **CITY BUILDING (GLASGOW): AN INSPIRATIONAL MODEL FOR SOCIAL HOUSING PRODUCTION**

Linda Clarke  
Colin Gleeson  
Melahat Sahin-  
Dikmen

A visit was paid to City Building<sup>1</sup> on 23 May 2017 as part of research by University of Westminster's Centre for the Study of the Production of the Built Environment<sup>2</sup> into the role of workers and their trade unions in the transition to sustainable construction. *Green Transitions in the Built Environment* (GTBE) is a study carried out as part of ProBE's partnership with York University, Toronto, Canada in a seven year, international programme, known as ACW<sup>3</sup>. The aim is to investigate trade union policies and engagement in practical initiatives in the area of sustainable construction. The research is comparative and identifies case studies illustrative of trade union involvement in four European countries (Denmark, Germany, Italy and UK/Scotland) as well as in Canadian provinces (British Columbia and Ontario). The concern, in particular, is to identify and promote 'good practice' examples and document, for instance, associated terms and conditions of employment for workers, vocational education and training (VET) programmes in low energy construction (LEC), and the extent that green transition pathways prioritise workers' interests alongside the protection of the environment. City Building (Glasgow) in Scotland provides one such example.

City Building, formed in 2006 from the original Direct Labour Organisation (DLO) of Glasgow City Council, directly employs 2,200 workers and has a long history of social housing construction and maintenance as well as high levels of union membership. It has a developing portfolio of low energy building schemes with in-house training for its employees and

1. [www.citybuildingglasgow.co.uk/](http://www.citybuildingglasgow.co.uk/)
2. ProBE - [www.westminster.ac.uk/probe](http://www.westminster.ac.uk/probe)
3. <http://www.adaptingcanadianwork.ca>

## Subject articles

a large apprenticeship scheme. A 2016 University of Strathclyde study, *The Economic and Social Impact of City Building on Glasgow*, estimated that it supports a further 2,000 jobs through its supply chain, and contributes to the generation of thousands of other jobs in and around Glasgow. City Building is responsible for maintaining all Glasgow City Council building stock and for managing new construction projects, as well as competing for work in the open market. Its clients include other local authorities, housing associations or public organisations such as schools, universities and care home providers. Its construction portfolio includes new build (including design and build), refurbishment, and restoration. New build projects include housing, care homes, schools, homeless hostels and student accommodation, built to varying standards of energy efficiency, including Ecohomes Level 4 and Passivhaus. Subcontractors are employed as needed, subject to a framework agreement that sets standards for quality of work and terms and conditions of employment, including, for example, that apprentices are employed, locally sourced materials are used and Construction Skills Certification Scheme (CSCS) cards are up to date.

### **Training and apprenticeships: Queenslie Training Centre**

City Building has its own Scottish Vocational Qualification (SVQ) approved training College, the Queenslie Training Centre, and runs a comprehensive training programme. This comprises SVQ Level 3 for mainstream trades including Joinery, Plumbing, Electrical, Painting and Decorating, Roof Slating & Tiling, and a comprehensive Apprenticeship Programme that combines study, learning in workshops, and on-site practice (both construction and maintenance). Upon completion, apprentices are supported to find employment but in the last ten years City Building has kept on 80% of its apprentices. The intake is diverse with female apprentices across all trades; it is reported that 25% of all female apprentices in Scotland train with City Building.

Apprentices are trained in 'Emergent Technologies' using teaching and learning materials developed by NAB (National Assessment Bank). For example, plumbing apprentices complete the following units:

- (a) Working principles, Installation Options and Regulatory Requirements for Micro-Renewable Technologies, Water Harvesting and Recycling Technologies (Unit F8XJ, delivered to all plumbing apprentices.
- (b) Emergent Technologies Combined, including, in addition to F8XJ, Solar Thermal Domestic Hot Water, Heat Pumps, Grey water/rainwater harvesting/grey water reuse. (Unit F9HD 04, requirement to complete SVQ Level 3 in Domestic Plumbing and Heating.

In addition, City Building runs a number of specific and Construction Industry Training Board (CITB) certified courses in, for example, health and safety, first aid, site management, power tool training, and IT packages.



*Photos of the apprentice award ceremony and the training centre*

City Building promotes further education to enhance employee qualifications with many now undertaking Higher National Certificate (HNC) and degree level courses within their field of expertise. Employees and managers are kept up to speed with new and emerging technologies by attending workshops and continued professional development courses relevant to each discipline.

## Subject articles

### **Manufacturing division: Royal Strathclyde Blindcraft Industries**

City Building has its own inspirational manufacturing division, the Royal Strathclyde Blindcraft Industries (RSBi), one of the largest supported manufacturing businesses in Europe. City Building took over its management from Glasgow City Council in 1997. With recent investment, RSBi operates from a large, purpose built and highly equipped factory, with the capacity to design and test products and to supply timber kits, UPVC windows and doors, and a wide range of kitchen and bedroom furniture, including soft furnishings for furnished accommodation providers, care homes and nurseries. RSBi supplies both City Building and external customers. As a supported employment business for people with disabilities, the origins of the RSBi go back to the nineteenth century; it is the successor of the Royal Glasgow Workshop for the Blind, a factory for the blind set up in 1804.

City Building continues to support the ethos of RSBi, which today employs 270 people, about 60% of whom have a disability or disadvantage. Workers have access to training and development opportunities through RSBi's Learning Centre and to work-related and on-the-job training and participation in other courses delivered by learning partners such as Communitas (the Training and Education Arm of Community Trade Union) and the Workers' Educational Association (WEA). RSBi also has a School Vocational Programme, which includes 1-2 years' training and work experience for 15-17 year olds from Additionally Supported Learning (ASL) schools in Glasgow.





*Photos of City Building's manufacturing division, RsBi*

### **Trade union involvement**

In City Building, the unionisation rate is reported to be nearly 100 per cent, across three unions: UNITE (services, plus former UCATT joiners), UNISON (office staff) and Community (remaining RSBi staff). The Joint Trade Union Council, which includes representatives from each trade union, actively engages with the management of City Building.

### **Low energy construction at City Building**

City Building has developed the *Glasgow House* (see photo), the first of the kind in Scotland. These innovative low energy houses have high levels of insulation and airtightness, efficient heating systems and solar thermal panels and

## Subject articles

demonstration a two-thirds reduction in energy costs compared with a typical three-bedroom house. The key features of these highly-insulated timber frame houses, with pre-manufactured floor and roof cassettes manufactured by RSBi, are: high levels of insulation; windows and sun rooms to suit orientation capturing sun energy; simple forms of construction using locally-sourced and assembled materials; efficient heating systems using solar thermal panels; educating residents to benefit from special features in their houses.

The City Building workforce is currently involved in various energy efficiency schemes including solar thermal, photovoltaic, combined heat & power, ground source heat pump & voltage & boiler optimization technologies. A 2017 example is off-grid district heating installation, utilizing a Large Scale Air Source Heat Pump as the primary heat source to 350 properties at Hillpark Drive in South Glasgow. City Building also utilizes its own Building Management Systems Team to develop, implement and monitor control systems within Glasgow City Council and The Wheatley Housing Group to ensure buildings are performing as efficiently as possible, in many instances reducing utility bills by as much as 30%.

### **Liddesdale social housing scheme, with low energy features**

A low energy scheme is the Liddesdale development, built in a deprived part of the city, and forming part of regeneration plans in the area. City Building also built the local school to similar energy efficiency standards. Liddesdale consists of 70, 2-3 bedroom houses. Technical specifications are:

- Ecohomes Level 4 standard
- Timber frame and brick skin
- Double glazing
- Gas combination boilers
- Solar roof panels
- Standard ventilation

- PVC windows
- Insulation: external walls are 400mm, insulation thickness 140mm.



*Photos of City Building energy efficient social housing, including the Glasgow House (top left) and Liddesdale under construction*

Upon completion, the houses are tested for air-tightness, along with checks for the habitation certificate issued by Building Control (checking for sound insulation, electrical work, access, drainage), plus a NHBC inspection. As a local authority, it is subject to much inspection, but turns this to an advantage by building to higher standards than the private sector. One hundred workers are employed in the project, about 30% of whom are City Building employees, the rest being provided by sub-contractors. Groundworks, brickwork,

## Subject articles

joinery and electrics are carried out by sub-contractors and plumbing, roofing, central heating and internal gas works by City Building employees. Aspects related to low energy construction are taught on site by supervisors and experienced workers and quality is checked by the site manager before the work can proceed onto the next stage.

### **Implications**

At a time when the housing shortages and homelessness reach all-time highs, City Building (Glasgow) offers a model for the future by employing construction workers directly under good trade union conditions, integrating an inclusive manufacturing arm, providing vocational education and training for young people, making a significant contribution to providing good quality and energy efficient social housing for working people in Glasgow and surrounding areas, and above all being publicly accountable. Why can this model not be extended across Britain and further afield?

# Reports

## **SUMMARY BROAD PROJECT "BUILDING A GREEN SOCIAL DIALOGUE"**

CGIL, Italy

To change completely the construction business model, transforming it into a driver of sustainable growth instead of the role of soil devourer, is not an enlightened choice for the individual company or country but something that the old continent and the entire planet need. For this reason, the green economy is the great challenge of the third millennium, a challenge that the European countries and all social actors must be able to face. To do this, we need to strengthen immediately the social dialogue as the starting point for a strategy that places the reorganization of production and the transition to a sustainable economy at the core. This in a nutshell is the guiding principle of the project "BROAD - Building Green Social Dialogue", presented by Fillea CGIL and approved by the European Commission. The project has involved trade unions from four European countries, research centres, and employer associations. It aims to achieve at the end of the day a proposal of Guidelines for supporting social dialogue in the transition towards green building, for the development of the labour market and for growth in the name of quality and respect for the rights, health and the professional skills of workers.

With the project, we have studied the main trends in the development of green building both at national and European levels and successful models that can be spread between countries and the social partners through the exchange of experiences and best practices. We value those experiences and positive practices in the social dialogue that have given birth to sustainable processes in the industry and produced economic growth and quality employment. The Broad project was organized with workshops and meetings involving representatives of employers and workers, institutions, experts, civil society and considered not only the green building industry but sectors and professions related to the green economy.

There were two phases in the project. A first phase of investigation ended at the end of 2016 with a European report containing:

- the context of Community policies on the green economy and green building;
- an overview of initiatives in support of green jobs at European level through a review of scientific and institutional literature;
- comparative analysis of the different experiences of the countries involved in the project and a description of the role and functions of social partners, in order to make suggestions and recommendations to strengthen the social dialogue in the process of conversion into green building.

The second phase ends in December 2017 with the creation of "Guidelines" for social dialogue in green building at European and national level, which will be the result of intense exchange activities planned in Italy and in the other countries involved and of discussions between the social parties. This "network" of social dialogue in the construction industry is going to have a dedicated website (accessible from two domains: [<http://broad.eu>] broad.eu and [<http://greendialogue.eu>] greendialogue.eu). A strong presence on social media is planned too and the creation of a hashtag: #greendialogue. Eventually, live streaming of the various workshops and conferences planned in Italy and in the other partner countries will be available.

### **Final European Guidelines on Social Dialogue for Sustainable Construction**

It is necessary to strengthen social dialogue in the construction sector in order to address the economic, social and environmental challenges arising from the transition to a sustainable economy. Dialogue between the social partners can play a fundamental role in accompanying the reorganisation of production and managing the impact on employment and people's working and living conditions in the transformation to a low-carbon economy. It can contribute to promoting growth based on the efficient use of

natural resources, research and innovation in the field of new construction products and processes, as well as the creation of new jobs and the retraining of workers faced with new demands stemming from the ongoing changes and in order to combat poverty and social exclusion.

The aim of this document is to present the proposed guidelines to help strengthen the role of social dialogue in support of the sustainable transformation of the construction sector at a European level. This is in the light of the great – but still not fully exploited – potential that social dialogue itself has as a form of governance in the transition to a low-carbon economy (ILO-ITUC, 2016; ETUC, 2017).

To this end, these guidelines are based on some key objectives:

- *to strengthen the inclusive nature of social dialogue processes* so as to make it an important tool for the achievement of sustainable development goals by promoting an enlarged, multi-stakeholder vision through the involvement of a wide range of players who are potentially the protagonists of social dialogue at national and European level. These include not only representative groups from the world of work, business and the public institutions, but also experts, environmental organisations and civil society covering, in addition to construction, other sectors and professions connected with the transition to a sustainable economy.
- *to encourage sharing, participation and cooperation* in the project at national and European levels between the partner countries through the exchange of information, guidance and experience to ensure throughout the entire planning process *reciprocal learning and the dissemination* of successful models and best practices relating to social dialogue processes in favour of sustainable development in construction.
- *to develop guidelines and suggestions for strengthening social dialogue at national and European levels through*

*the direct involvement and collaboration of the players involved in social dialogue* so that they are listened to and invited to participate actively in the development of the guidelines in each partner country in the project.

In light of the above objectives, the creation of European guidelines for strengthening the role of social dialogue in favour of sustainable construction has been based on a path articulated in specific workshops at national and European levels that have enabled the exchange of knowledge and the dissemination and creation of synergies prior to the drawing up of guidelines.

The workshops involved listening to the players involved regarding the current state of the development of social dialogue, the obstacles to be overcome, and the levers required for its strengthening. Participation in the workshops also made it possible to strengthen the very practices of social dialogue as they were conceived as proper operational working groups on social dialogue, called on to share and provide precise guidance on the subject. Once national guidelines were identified based on the specific features of each country involved in the project, the development of the European social dialogue guidelines was based on comparison of the different experiences in the different countries. These experiences highlight convergences and divergences, strengths and weaknesses, and drivers and barriers to the development of a social dialogue for sustainable construction in Europe, from the point of view of the experiences of the countries in the BROAD project.

The guidelines are articulated as: *preliminary assumptions*, basic guidelines of a general nature; *a synthesis of the state of social dialogue in construction in the partner countries; conditions and drivers (key points)* for the strengthening of social dialogue at European level; and the *agenda* describing the areas of priority intervention from the point of view of the national partners.

A number of *key points* are indispensable to strengthening European social dialogue around sustainable building that, more specifically, concern:

- the consolidation of the relationship between the activities of information, consultation and negotiation with the decision-making phase, to allow for the concrete implementation of the actions and measures established;
- the practice of a form of extended (multi-stakeholder) social dialogue that includes, in addition to the representatives of workers, employers and the institutions, experts (academia, universities and research institutes), and environmental and citizens' organisations to make the most of relations between the European and national levels. In this framework, not only green building should be taken into account, but also the sectors and professions that can be traced back to the green economy from a horizontal perspective;
- the adoption of a holistic and integrated approach that, on the one hand, considers the whole value chain of the construction sector, the industrialisation process of the production cycle, the circular economy paradigm and the perspective of the life cycle of the product and process with ever-greater interaction between construction-regeneration-maintenance-services and, on the other hand, the social dimension associated with sustainable construction, often mentioned but, in fact, less practised;
- the assumption of a cross-sectoral perspective on sustainable construction (both in terms of the impact on the entire economic system and the fragmentation of the various policies involved, ranging from interventions related to energy efficiency, social housing, urban regeneration, etc);
- the necessary consideration of the effects connected to the introduction of technological innovations in the production processes, design and construction of buildings and in the organisation of production and labour throughout the whole chain;
- the promotion of knowledge about sustainable

construction based on information sharing, consultation and negotiation by the parties involved, as a precondition for outlining directions and guidelines, on the one hand, and making shared decisions, on the other. These decisions are to be for: provisional, management and evaluation purposes ex post of the measures and interventions initiated and tested; re-orienting actions and policies from the perspective of maximising benefits compared to resources; spreading positive practices – an integrated approach, an intersectoral perspective and life-cycle considerations of the product and process, the introduction of elements of innovation, and technical and social technologies; and disseminating information that affects citizens' behaviour, orientation and decisions on energy transition in the construction sector;

- the enhancement of existing European instruments and resources – such as, for example, the European Construction Sector Observatory (ECSO) established in 2016 or platforms such as the Covenant of Mayors for Climate and Energy for the Implementation of Sustainable Energy and Climate Action Plans (SECAPs) – or currently being trialled, such as the Handbook for the Introduction of Building Information Modelling in the European Public Sector (2017), drafted recently by the European Union BIM Task Group;
- the establishment of committees, observatories, forums and working groups on specific themes regarding sustainable construction, which may include, among others: energy and climate change; urbanisation, social housing and the security of the territory; research, innovation and relationships between business and academia; training and changes in the labour market; demographic trends and emerging new needs.

The agenda of European social dialogue on sustainable construction could be geared towards a number of relevant actions organised in four areas:

## **1. Policies and the regulatory framework.**

The action of the European social dialogue on sustainable construction could intervene in relation to:

- the formulation of a permanent, institutionalised tripartite social dialogue model that will enable the definition, co-ordination and monitoring of the initiatives to support sustainable construction (to promote – where absent – the establishment of permanent structures for social dialogue on sustainable construction at national and local level);
- the issuing of European Directives providing for national interventions on regulatory frameworks and incentive systems in support of sustainable construction;
- the inclusion of clauses on sustainable development and green building in the European Works Councils (EWCs) and in International Framework Agreements (IFAs);
- the strengthening of public investments (governments and public bodies should be role models for large contractors);
- the definition of a long-term strategy for the continuity of the financing of green building and the renovation of old buildings, also in the context of social housing;
- the regulation of the construction market in order to establish competition between companies in the sector on the quality of products, the type of use of construction materials and production processes and not on the reduction of costs (e.g. by introducing more stringent environmental criteria in the definition of procurement procedures);
- the formulation of European strategies in support of sustainable construction capable of taking into account economic and social specificities at national and local levels;
- the standardisation of building certification criteria to create a common European framework that is also capable of considering the environmental, hydro-geological and climatic features of the different countries;

- the coherence of public policies in the Member States on sustainable construction with respect to urban planning, housing and land management policies, also taking into account the needs of people and increasing their well-being in their living and working environment;
- the activation of public-private partnership mechanisms, facilitating the rules governing procurement and increasing attractiveness for investors;
- the provision of funding for public research;
- the development of research and development activities regarding products and processes in order to improve competitiveness and commit to the adoption of sustainable construction models by extending integration relating to the chain of new materials and the "sensorialisation" of the built environment (interweaving with the evolution of domotics).

### **2. Working conditions and new skills**

With respect to working conditions in sustainable construction, the European social dialogue could address:

- the promotion of employment and organisational policies aimed at respecting decent work and increasing the quality of work (opposing illegal employment practices, prevention from the point of view of health and safety, job creation and environmentally friendly occupations, etc);
- the impact on working conditions due to transformations, the reorganisation of production chains, production processes and the introduction of new technologies;
- issues related to migrant workers and their full inclusion;
- the lack of qualified workers and, in the other direction, support for workers for the purposes of their qualification, retraining and specialisation;
- the definition and harmonisation of professional profiles at a European level.
- the definition of a closer link between public incentives (direct, indirect, fiscal) and respect for national collective labour contracts and regular national insurance contributions.

Actions regarding the European social dialogue on skills and training could take into account:

- the integration of sustainability issues and contents related to changes in the field of sustainable building (taking into account new technologies and digitalisation processes) in the curricula of vocational, continuing and tertiary (university and non-university) education relevant to the sector;
- the promotion of vocational and continuous training for both high- and low-skilled professions in sustainable construction, paying special attention to the inclusion of young people and women.

### **3. Technology, knowledge and innovation**

With regard to access to and the circulation of knowledge, the introduction of innovations and new technical and social technologies in the sector, the agenda of the European social dialogue on sustainable construction could involve:

- the exchange of knowledge on the challenges and needs arising from the adaptation of the construction sector to the sustainable economy, in order to achieve a shared understanding among the stakeholders of the various MS;
- the training of decision-makers and stakeholders in the sector;
- the dissemination of information on green building measures and the means of integration and cooperation between the various professional categories operating on sites to ensure the quality and effectiveness of the sector;
- the dissemination of good social dialogue practices, taking into account the formal and informal national networks already existing in some countries, as well as the practices relating to the best interventions on zero-impact building, the introduction of innovations based on the adoption of an integrated approach in the production cycle and so on;
- support for the creation or consolidation of relations between academia, businesses and trade unions, together with the establishment of international academic networks.

### 4. The cultural dimension

The cultural dimension is a further area of action for the European social dialogue insofar as it constitutes the broader context in which the transition towards sustainability in construction is taking place. Actions in this area could relate to:

- the determination of interventions intended to foster the cultural change needed to transform sustainable constructions into a real need in European society;
- the dissemination of information on sustainable building between citizens and businesses (opportunities and benefits, incentives, constraints and procedures, etc), including through the opening of public offices and/or helpdesks; also run by the same players involved in the social dialogue;
- the call for assuming responsibility regarding costs (often unrecorded) relating to health and environmental problems that arise from the unsustainable behaviour of the players directly responsible for the construction industry and which have an impact on the health conditions of all citizens (the healthiness of environments, noise, risk in natural disasters, etc).

Jörn Janssen

### Central London BUIRA Seminar: European Social Dialogue

London, 24.11.2017, British Universities Industrial Relations Association in cooperation with University of Westminster

**Philippe Pochet**, General Director of the European Trade Union Institute: *What is the Role of Employers and what are the Hopes for the Future?*

**Werner Buelen**, European Federation of Building and Woodworkers: *The Difficulties and Reality of the European Social Dialogue for Trade Unions.*

**Discussant:** Richard Hyman, London School of Economics.

This was one of the Central London BUIRA monthly seminars 2017-18 focussing on international relations, attracting an audience of a considerable number of responsible trade unionists and scholars.

Philippe Pochet opened the session with a picture of the extraordinary complexity of organisational structures in which the European Social Dialogue of 47 different industrial/occupational sectors in 28 member states is embedded. Under these conditions both the representativeness of the partners and the modalities of implementation of decisions are highly variable and only loosely regulated, either under partner autonomy or via various procedures through institutions of the European Commission, Parliament and Council. It would need a new constitution to make the Social Dialogue more efficient.

Werner Buelen complemented the picture through the sectoral Dialogue for the construction industry. He referred to Jean-Claude Juncker who wants the Social Dialogue to be strengthened as “a key instrument for better government”. But, irrespective of lacking efficiency in implementing conclusions and decisions, Buelen regarded the dialogue in his sector as very committed and the partners are about to underpin it by a special fund.

The discussant, Richard Hyman, questioned Jean-Claude Juncker’s attempt to attract more attention to the European Union. As the rising number of self-employed is not represented in the Social Dialogue, the institution is weak in substance and efficiency. During the open discussion, Werner Buelen pointed also to the “selfish interests” of the member organisations represented at the European level.

All in all the seminar provided a mixed account of the European Social Dialogue. It was a direct account of its reality in Brussels and as a component of the European Union but hardly of a forum shaping social partner relations and transnational labour conditions, whether through EU directives or autonomous partner agreements. And nobody seems to expect a revival of the Dialogue in the near future under the incentive of the Commission.

# Review<sub>essay</sub>

Guglielmo  
Meardi,  
Warwick  
Business School

## **How to regulate migration after Brexit? Comparative lessons from the construction industry**

The hardest negotiation issue between the United Kingdom and the European Union is still to come. Free movement of workers, the most sensitive issue in the referendum, is for the EU one of four inseparable 'four freedoms': any limit to free movement from the UK will be matched by proportional limits to access to the EU service market (it is not just EU ideology, but also good sense: provision of services across borders requires movement of people). So, if the UK government is to deliver on 'migration control', it has to be smart: opt for controls that maximise effectiveness and minimise costs.

A sector that shows the variety of policy options more strikingly is the construction one. Inherently characterized by labour mobility, it has special political sensitivity, as exemplified by the strikes against foreign contractors and for 'British jobs for British workers' on Northern England's sites in 2009. The construction industry is one of a number of UK industries that is known to rely on EU migrant labour. Although the share of non-UK workers' in construction sector's employment is, at 12%, close to the national average, that share is concentrated in important places and roles.

Research carried in the summer of 2017 involving interviews with a representative sample of 401 UK construction employers (as well as with non-UK workers, recruitment agencies and other stakeholders) provides a picture of the specific role of migrant labour in the sector (IFF et al 2017). Construction is one of the three economic sectors with the highest share of low-to-medium skilled EEA migrants. This sector is also one in which access to migrant labour has increased uncertainty and job competition for UK workers. EU workers are more commonly self-employed, and therefore more easily fit into the flexible labour model required in the

construction industry. Because of their skills, flexibility, availability and willingness to do extra work, employers often prefer them to UK-workers. While only 1 in 6 construction employers across the UK have a medium or high dependence on EU migrants, this rises to 23% among medium-large companies and to 50% in London. Restricting the numbers of EU migrants allowed to work in the UK would therefore have a significant impact in London and the South East, and on large projects. Firms could experience knock-on skill shortages in other parts of the country as the South-East draws workers from around the UK to fill roles currently occupied by EU migrants. Moreover, 30% of UK construction workers, against only 10% of non-UK ones, is older than 50. It can therefore be concluded that foreign workers are crucial in large projects and in London, and that they will be more so in the short term due to the expected retirement of a large number of older UK workers.

Evidence on the direct quantitative effects of immigration on UK jobs and wages suggests limited negative impacts. However, there is a perception that EU migrant labour has caused deterioration in the wages, employment and working conditions of UK workers. This perception is rooted in the fact that non-UK workers tend to work in more casualised forms of employment, which have over time become more frequent for UK workers as well. For instance, 57% of non-UK construction workers, against 38% of UK ones, work as self-employed, and 12% work through an agency, twice as frequently as for UK workers (data: Labour Force Survey).

The concerns over migrant labour in construction are therefore not so much about absolute numbers, as about the quality of employment and its concentration - leading to the broader issue of how to regulate labour migration after Brexit. A study of the policies of labour market and migration regulation in Canada, Norway and Switzerland, the countries often mentioned as examples of post-Brexit relations with the EU, offer some lessons (Meardi 2017).

## Review essay

The UK could imitate much-admired Canada, which has a point system and work permits, but no access to the EU service market. The UK government has quickly shelved the point system idea, as not fit for the UK situation (Meardi et al. 2017). Temporary work permits for medium- and low-skilled, which tie workers to their employers, have been used widely by Canada in 2002-12, but have caused problems and tensions. They make workers depend on the permit obtained by their employer, and therefore vulnerable to exploitation. A series of abuse scandals in the early 2010s led the then conservative government to tighten work permits drastically. This caused disruptions to business while not solving any problems, the government lost the election and the new liberal one is overseeing the offer of more permanent permits, and the introduction of more labour market regulation at provincial level.

Or UK could imitate some Swiss and Norwegian solutions. These countries accept free movement but, being outside the EU, they have the option of an 'emergency brake' (Norway) or of renegotiating free movement (Switzerland). Despite having much more EU immigration than the UK, they have never introduced caps: Norway has never used the emergency brake (despite having a right-wing populist party in government) and Switzerland has not introduced any cap. Instead, these countries have opted for labour market regulations, starting from the introduction and facilitation of binding collective agreements in sectors affected by social dumping, starting with the construction sector. In the Norwegian construction sector, additional measures include compulsory ID cards on building sites and joint employer liability across the supply chain, while in Switzerland extensive labour market inspections, largely conducted by the social partners, are used to 'control' the enforcement of minimum standards. Swiss controls of compliance of employment contracts with collective agreements (or with 'typical' minimum standards in sectors without binding collective agreements) cover around 7% of employers and 3.5%

employees every year – for comparison, in the UK only 0.2% of employees are covered by minimum wages checks every year.

These solutions, while not removing all labour market pressures, effectively limit foreign worker exploitation, reduce unfair competition and prevent bogus self-employment (self-employment in construction is at 11% in Norway as against 41% in the UK). Switzerland recently also introduced a resident worker test, whereby jobs must be offered first to locally-registered unemployed, and only then to applicants from abroad. As a result of the introduction of these measures, in Norway only 6-7% of the population oppose free movement, while a majority of Swiss voted in 2009 to open free movement to Romanians and Bulgarians, and, despite voting for quotas on EU migrants in another referendum 2014, are now largely satisfied with the 'resident worker test' instead. In both countries, employers are gradually moving away from foreign recruitment and low-pay strategies.

Switzerland also respects free movement within the EU. The market is regulated with policies including extended collective agreements, extensive inspection of employment conditions (for 7-10% of all employees every year, as against 0.2% in UK), and 'resident priority rules'. These regulations satisfy 57% of the population and are preferred by both industry and trade unions to the reintroduction of work permits, which only added bureaucracy and fostered the segregation and exploitation of immigrants.

The experience of these three countries shows that 'quantitative' controls (tariff-like measures such as quotas, caps, fees) limit trade, do not protect workers and do not reassure the population. While 'qualitative controls' (regulations dictating how foreign workers can be employed), combined with an 'emergency brake', maximise trade opportunities, respond to genuine employer needs, protect social standards and reassure the population.

## Review essay

Considering that immigration from the EU to the UK is falling quickly anyway (because of economic convergence and demographic decline in Central Eastern Europe), the smart choice should be self-evident.

Institutional, demographic and economic reasons make migration and labour market regulations not easily transferable from country to country. But lessons from Canada, Norway and Switzerland show that even with freedom of movement in place, labour market regulations can minimise tensions surrounding the perceived negative effects of immigration, whilst enabling employers flexible access to the labour market. Some options are available for the UK, as compatible with its traditions and situation. Norway and Switzerland demonstrate that innovation on these issues is possible: state regulation of collective agreements, for instance, is a clear departure from the traditional bipartite Scandinavian model. Options for the UK include:

- The use of collective agreements to regulate the terms and conditions of employees in the workplace in parts of the industry where multi-employer collective bargaining is strong.
- Setting detailed binding minimum core conditions in parts of the industry where collective bargaining is weak.
- Joint and several liability across the subcontracting chain to improve enforcement of employment regulations.
- Compulsory construction certification scheme cards for workers on construction sites to reduce the scope for undeclared work, building on the existing skills cards.
- More extensive controls of employment conditions.
- Resident labour market tests to prioritise UK workers in areas of higher-than-average employment.

After Brexit, such measures could be combined with the availability of an 'emergency brake' on free movement, and with restrictions to foreign citizens' settlement for reasons other than work. Such measures can go some way to

providing the effective control of migration that people demand without damaging the industry and increasing exploitation.

---

*References:*

- IFF Research, City REDI and IER (2017) *Migration and construction: The view from employers, recruiters and non-UK workers*. Report for CITB.
- Meardi (2017) *What does migration control mean?* Warwick Papers in Industrial Relations, 109.
- Meardi, Martín and van den Berg (2016) *A Canadian Immigration Model for Europe?*, Comparative Social Research, 32.

# Reviews

Jörn Janssen,  
European  
Institute for  
Construction  
Labour  
Research.

Hans Baumann, Martin Gallusser, Roland Herzog, Ute Klotz, Christine Michel, Beat Ringger, Holger Schatz (eds.): Technisierte Gesellschaft, Bestandsaufnahme und kritische Analyse eines Hypes. **Denknetz Jahrbuch 2017**, edition 8, Zürich.

This Jahrbuch (Yearbook) 2017 of Denknetz ('Think network') is a unique effort to take on a challenge that has become prominent in the headlines, a 'hype', about labour relations. It seeks to cover both the variety of aspects and the fundamental dynamic of digitalisation in society through 19 articles written by 24 authors plus an anonymous group of scholars. It explores in depth what was raised in CLR-News 1/2017 under the heading "The Individualisation of Employment, Destabilisation and Fragmentation of the Construction Industry". In their introductory overview the editors, besides an impartial account of the contents, emphasise the strategic opportunities in this 'Industrial Revolution 4.0': "... momentums, tendentially undermining capitalist ownership and offering the foundations for alternative models of production...digitalisation holds the seeds of communist production". (p. 6, transl. J.J.)

I shall not dare to present the whole variety and diversity of approaches and examples of transformations under the impact of digitalisation and artificial intelligence (AI) collected in this yearbook. It is not only divers but also incoherent, a debate rather than coordinated teamwork. We are confronted with a transformation producing phenomena beyond our known epistemology and which, hence, cannot be described in traditional terms. What does 'cyborg' mean? (Andrea zur Nieden, pp. 180-191) I shall highlight, therefore, only two articles that can easily be related to labour relations in the construction industry.

Kurt Pärli, professor of law, writes about "Digital Platforms - Challenges to Labour and Social Insurance Rights." (pp. 136-146) The construction industry is notorious for mobile labour

conditions according to permanently changing work sites, especially in repair and maintenance but in new building as well. (Bogus-)Self-employment, agency, subcontract, and more recently platform labour are increasingly replacing open-ended employment relations and, thus, undermining the rights associated with these latter relations. This development has already dramatically reduced labour union density and the capacity to defend, adjust or improve worker's rights. Pärli consequently concludes that platform labour, 'Crowdwork', needs to be regulated as an employment relationship providing entitlement to the same rights of social security as under direct labour contract relations. With an extended application of social rights, platforms might even promote "freedom from monotonous labour ... Innovation consists of using technological progress, so it serves everybody not just the few." (p. 145)

Matthias Hartwich, IndustriALL Global Union Director for Mechanical Engineering and Materials Industries, deals with transnational labour representation in increasingly multinational companies (p. 154-166): "The core problem: Capital is organised internationally, ... whereas employees ... as a rule are at best organised nationally, often even rather regionally or even at company level (e.g. India)". (p. 157) He traces the industrial revolution up to 4.0 in which capital takes advantage of artificial intelligence, removing the "fundamental rights" and "protection of personality". (p. 161) In this process of transformation, "Labour unions are 'responsible' for the just transition". (p. 164) The construction industry is again notorious for extensive employment of migrant labour and, hence, highly exposed to abuse in foreign environments. The national labour unions, given their diversity related to respectively specific social regulations, are ill prepared to represent migrant labour because "they assume by mistake that the framework for the regulation of labour tomorrow be still the state of yesterday." (p. 165)

## Reviews

It is not accidental that Denknetz has decided to dedicate this yearbook to the 'digitalised society' and its impact on labour conditions. They are the think tank of Unia, by far the largest union in Switzerland, which like all unions is exposed to the accelerating process of change in employment relations associated with the inevitable decline in membership. Unfortunately, Denknetz publications are written in German. But this issue is a welcome widening of the debate which was already opened by the ETUI with its Working Paper by Christophe Degryse (2016), "Digitalisation of the economy and its impact on labour markets", reviewed by Martin Upchurch in CLR-News 1/2017 (pp. 38-41). There is an urgent need for the labour movement to join the debate and to fight for its rights at all levels.

Michael Gold,  
School of  
Management  
Royal Holloway  
University of  
London  
November 2017

### ***Rough Waters. European Trade Unions in a Time of Crises***

Edited by Steffan Lehndorff, Heiner Dribbusch and Thorsten Schulten (Brussels: European Trade Union Institute, 2017)

ISBN: 978-2-87452-440-0 (print version); ISBN: 978-2-87452-441-7 (electronic version)

Hard times, staggering giants, stony paths – and now rough waters... The titles alone of various recent books about the challenges facing European trade unions say it all: the global financial collapse in 2008 has led to a dramatically changed economic and political landscape, including austerity, the consolidation of neo-liberal policies across the European Union (EU), increasingly precarious labour markets and the resurgence of far-right, nationalistic politics. Unions, whose membership was already in decline, are confronted by a series of crises in which they struggle to retain, let alone increase, influence. Rough waters, indeed.

This new book – *Rough Waters. European Trade Unions in a Time of Crises* – joins a fast-growing and authoritative

collection of works published by the European Trade Union Institute on contemporary labour market issues of concern to trade unionists, researchers and students alike. Covering a representative sample of eleven European countries, it has been skilfully edited to ensure that each chapter addresses the same themes: what exactly has driven changes in trade unions in each country over the last decade? What are the most important impacts on unions of recession, neo-liberalism and the Euro crisis? And what have been the responses of union movements across Europe? The structural coherence of each chapter is further underpinned by a common framework for analysing the sources of union power: structural, organisational, institutional and societal (all carefully defined), which helps the reader to navigate the chapters easily to compare and contrast developments from a country-specific perspective.

The book opens with the editors' overview of the 'varieties of unionism' across the EU. It groups countries together in line with trends in union power in each. As their organisational power (notably density of membership) and structural power (workers' bargaining strength in the labour market) have declined, unions in many countries have come to rely on their institutional power (frameworks of economic governance, such as collective bargaining arrangements and forms of employee participation). At one end of the spectrum, Austria and Sweden are regarded as models of stability and continuity while, at the other end, Greece, Hungary and Spain are examples of countries where even the institutional foundations of union power have been seriously undermined if not destroyed. Most depressingly, the weakening of collective bargaining, the marginalisation of tripartite regulatory bodies, cuts in welfare spending and the erosion of the public sector in these countries result from the austerity and deregulatory policies imposed by the European Commission, the European Central Bank and the International Monetary Fund (the 'Troika', of which more below).

## Reviews

The editors position the remaining member states between these extremes, though there are of course overlaps. Unions in France and Italy, for example, confront a decline in their institutional power resources, notably the fragmentation of collective bargaining, and the challenge of defending them, while those in the Netherlands and Poland have highlighted tensions between corporatism and activism. In Germany and the UK, unions have faced pressures to become more politically engaged in an attempt to address problems that long predate the 2008 financial crisis. They have attempted to revitalise themselves by extending their campaigns to cover not just their members but also more general social concerns, such as equality and decent work. In the case of the UK, the referendum vote in 2016 to leave the EU ('Brexit') has exacerbated unions' problems as it potentially abolishes the floor of employment rights guaranteed over the years through the transposition of EU directives, creates uncertainty over the legal status of EU immigrants and removes access to the EU as an export market – and with it, threatens countless jobs.

The editors' overview concludes that unions need to develop their capacity for political autonomy if they are not to risk losing their institutional power resources as governments increasingly abandon neo-corporatist approaches towards economic regulation: '...if institutional power is not buttressed by continuously renewed organisational and societal power, it may give rise to unjustified illusions of power and will in the long term become hollowed out and fragile' (p.25).

Following the eleven country chapters, the book then closes with an analysis of the changing role of the European trade union federations in times of crises, which argues that: '... the shift of decision-making powers from the national to the European level in the context of crisis management should have created more favourable framework conditions for the European trade union federations' capacity to influence

European policies. In practice, however, this did not happen because of the specific architecture of the new European economic governance' (p.307). This dimension – European economic governance – is examined briefly in the introduction and runs like a thread through the country chapters, but (ideally) it deserved a chapter of its own. As noted above, Greece, Hungary and Spain all illustrate the apparent attraction of failed neo-liberal policies in the eyes of the 'Troika'. However, a further chapter might have explicitly discussed reform of the EU institutions, particularly the democratic deficit and campaigns to mobilise opposition to the way in which the Commission has embedded neo-liberal policies within the Single European Market and the Eurozone. Unions across Europe, after all, have been foremost in campaigning against the brutal austerity foisted on Greece, pointing out that genuine structural reform would have led to new opportunities for economic progress, not least by dealing with tax evasion and corruption. How, then, can unions best mobilise to challenge this 'architecture of the new European economic governance'?

That said, *Rough Waters* is highly recommended. It is up-to-date, insightful and coherently structured, and above all gives the reader – specialist or not – an outstanding snapshot of the state of European trade unions at a moment of considerable economic, political and social turbulence. The editors and contributors are to be congratulated on a book that deserves the widest possible readership.

#### Editor

Linda Clarke

Phone: ++44/207/911 5000 - ext. 3158

L.M.Clarke@westminster.ac.uk

#### Review editor

Jörn Janssen

Phone: +44/207/7007821

joern.janssen@btinternet.com

#### Layout and Production

Frank Leus

Phone: +32/2/2271041

fleus@efbh.be

#### Contact and Orders

CLR-News

c/o Frank Leus

EFBWW

Rue Royale 45/1

B - 1000 Brussels

Phone: +32/2/2271040

Fax: +32/2/2198228

CLR News 3/2017 ISSN 1997-1745