Plant closure and policy response: An examination of the LDV closure, impact and response

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Abstract

The de-industrialisation of the UK economy caused by globalised international markets, advancements in technology and production with changing consumer demands have made much of what was 'traditional' manufacturing redundant; this has led to industrial restructuring or even collapse, resulting in mass job redundancies. Market and industrial pressures have intensified since the late 1990s, culminating in the symbolic collapse of MG Rover in 2005 in addition to other key producers in the West Midlands, which represented the end of mass automotive production in the region (Donnelly et al. 2012). This came alongside various geographical, political and economic factors, including the restructuring of regional development agencies, prolonged industrial decline and a period of national economic recession, which presented challenges for any recovery.

This thesis examines more precisely the closure of the commercial vehicle manufacturer LDV in 2009, once a part of the larger conglomerate British Leyland. The closure further reinforced the decline in UK automotive manufacturing until that point. The research involves the corporate collapse of LDV and the local government reaction to the closure and the following re-employment pathways of the redundant LDV workforce. The research continues the discussion of plant closures and the issues that redundant workers face when engaged in the labour market during economic recession. In particular, the thesis contribution employs a qualitative approach to examine the difficulties faced by the office tier, or 'white collar', workers who possess relatively high skills and who regarded as flexible and less vulnerable workers within the labour market. Yet this research exposes that highly skilled specialist workers are themselves also subject to unique issues when adjusting to the labour market. This topic is covered through the concept of *worker trajectories:* the research illustrates the unique employability issues and job precariousness that highly skilled workers can experience. The research concludes that the ability of highly skilled redundant workers to adapt effectively requires local job recovery strategies to implement short- and long-term policies with an emphasis on better job search and network development for individuals to sustain a resilient economy, and to mitigate the effects of plant closure upon redundant workers and maintain high skills within the region.

Dedication

I dedicate my PhD thesis to my father, Christopher Dudley, and to the loving memory of my mother, Susan Dudley. My father has provided instrumental support during the most difficult times of my life, despite the immense pressures and strains on him, especially during the time my mother sadly passed away. He always performed admirably and selflessly, for which I will be eternally grateful.

It was my mother's ambition to give me the best education and best chances possible. Though she passed away before she could enjoy and share in my graduation and see me progress through life, this PhD thesis is a direct embodiment of her spirit and her will to see me succeed.

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I would like to express my appreciation and thanks towards the members of my supervisory team, Professor David Bailey, Dr David Jarvis and Professor Nigel Berkeley. They have provided fundamental academic guidance in the creation of this thesis and further still demonstrated great patience and commitment to drive me through the writing process. Their advice on my Ph.D. research and my early career research and development has been invaluable. I would also like to thank Professor Tom Donnelly who provided great third-party insights into my research, offering further direction in the early stages of my research. In addition, I would like to give special acknowledgment to Dr Nick Henry who, although not a member of my supervisory team, contributed immensely in regards to getting the thesis fit for viva submission. I would also like to give my appreciation to all the Coventry University staff that had a hand in the creation, support and assessment process of the thesis.

My research colleagues Dr Luke Owen and Dr Charlotte Ray also deserve my sincere thanks. They began their respective Ph.D. research projects alongside me and through their companionship have provided light-hearted social and indeed direct support in creating this thesis. Thanks also go out to a close family-friend Elizabeth McPherson for her writing advice and direction. Lastly, special appreciation goes to my father, Christopher Dudley. He excelled in providing 'behind the scenes' logistical and emotional support; without his unwavering and selfless dedication to my research, this thesis would not exist.

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List of Acronyms

ALMP – Active Labour Market Policy

ASEAN – Association of Southeast Asian Nations

AWM – Advantage West Midlands

BCC – Birmingham City Council

BRIC – Brazilian, Russian, India, China

EEC – European Economic Community

EEG – Evolutionary Economic Geography

ESF – European Social Funding

GPE – Geopolitical Economy

HMRC – Majesty's Revenue and Customs

JCP – Jobcentre Plus

LPS – Lean Production Systems

LSA – Learning Skills Agency

LSE – Low Skills Equilibrium

LSC – Learning Skills Council (prior to being reformed to LSA)

LST – Low Skills Trajectory

MAS – Manufacturing Advice Service

NAFTA – North American Free Trade Agreement

NEG – New Economic Geographies

NVQ - (National Vocational Qualifications)

OEMs – Original Equipment Manufacturer

OIRs – Old Industrial Regions

R&D – Research and Development

RDA – Regional Development Agency

RRF – Rapid Response Fund

SME – Small to Medium Enterprises

TNCs – Transnational Corporations

WNF – Working Neighbourhoods Fund

Chapter 1: Introduction A Case of Plant Closure, Taskforce Response and Worker Recovery

1.1 Contextual Background to the Thesis

The act of a plant closure is the shutting down of operations within a production facility. The issue of plant closures stems from the industrial development of advanced economies and the increasing integration of global markets. This often results in the restructuring of companies within certain industries in order to reduce or consolidate production and development costs to maintain a company's overall global competitiveness. Restructuring can involve a wide range of actions with the primary purpose of increasing efficiency, reducing costs and maintaining competitiveness. This can be achieved through a variety of methods ranging from reducing less profitable departments of the company, selling or merging parts of the business to re-finance debt (such as outsourcing research & design), to pulling out of a highly competitive market or in the most severe cases closing production facilities altogether, vis-à-vis plant closures. When plant closures are announced, large-scale redundancies can have short and long-term negative implications for the local and wider regional economy and the individual workers themselves. Some plant closures have such long-lasting devastating effects for those local communities that in the worst circumstances it can take generations for the area to recover and adapt (Beatty et al. 2007), with the local area often losing a part of its cultural and cohesive identity, weakening its overall economic prosperity.

This thesis focuses on the LDV plant closure in July 2009. LDV was a commercial vehicle manufacturer operating in Washwood Heath in Birmingham, West Midlands, UK. From 2000-09, the West Midlands suffered from a successive chain of plant closures and labour redundancies, with the automotive industry suffering particularly badly. Due to the financial problems and failed mergers/takeovers within LDV's history, combined with the economic recession brought on by the financial crisis of 2007-8, LDV was unable to maintain its competitiveness and sustain its debts, forcing the company to cease production. When the plant closed, this entailed a loss of 1,200 jobs directly, and placed a further 4,000 jobs at risk within the local supply chain.

The West Midlands has long been one of the "old industrial regions"' (referred to as OIRs) of the UK, similar to other regions such as North East England, Yorkshire, Lancashire, and North and South Wales. These regions had a strong attachment to

industry within the primary and secondary sectors (e.g. car manufacturing, coal mining, steel manufacturing, textiles), and these industries provided the primary source of employment and prosperity for locals throughout the nineteenth to the mid/late twentieth century. The advancement of technology and the expansion of the global economy throughout the late twentieth century set in motion a series of restructuring and plant closures in the OIRs. As the process of globalisation gathered pace, new competitive economies emerged (e.g. Eastern Europe, Asia and the BRIC economies[1]) alongside the advancement of production techniques, access to cheaper markets and the decline of the UK's global economic dominance, and the OIR primary industries experienced decline, mass unemployment and social deprivation.

The late twentieth and early twenty-first century would characterise this period of industrial decline presenting constant economic challenges. These regions had the task of attracting new industries and growth opportunities, while attending to the social and economic needs of the communities that had suffered the worst from the industrial decline. This led to an increase in academic literature looking into the economic shocks of industrial decline in relation to the effects of redundancy upon workforces, the impact on associated supply chains and policy responses (Danson 2005; Shuttleworth et al. 2005; Bailey 2007; Beatty et al. 2007; Armstrong et al. 2008; Bentley et al. 2010). This in turn has fed theoretical developments of geopolitical and labour market adjustments and post-closure strategies that could lead to more economically resilient regions (Bristow 2010; Pike et al. 2010; Hall 2013; Dawley et al. 2014). These topics form the core context of the research and through the case of the LDV closure, this thesis aims to delve into these topics and bring some original ideas and new avenues to this academic discussion.

1.2 Introduction to Existing Literature and Research

Some past research has focused on the main causes of factory closure, evaluating the UK decline in hard manufacturing and industry. Kirkham and Watts's (1997:1560) research for example concentrates on the reasoning for factory relocation, pinning it

[1] BRIC refers to the rise of four modern major economic powers within the global economy: Brazil, Russia, India and China. Of the new emerging and developing nations and economies, these countries in particular have greater influence on the global market due to their market size, cheaper labour costs, global investment capacity and domestic TNCs (transnational corporations) that can compete on the global stage.

down to four primary regional economic factors: the overall national economy, the performance of the sector within the national framework, the strengths of a firm in the sector and how the plant is assessed and evaluated by the firm. Although the research indicates which factors to consider regarding plant closure, it fails to present solutions regarding labour recovery policies.

The current 'ideal' way to overcome the impact of plant closure is to create an adaptive labour market and resilient regional economy – a labour market that when it suffers from an economic shock is able to adapt to the economic situation by developing new market sectors, stimulating new economic growth and thus new job opportunities (MacKinnon et al. 2007; Dawley et al. 2010). The adaptability of the regions depends heavily on regional skills levels (Bailey and Turok 2000). MacKinnon et al. (2007) indicate that the adaptability/resilience of a region depends more on regional actors such as labour unions, regional governance direction and demand within the region to attract and maintain key skills. Pike et al. (2003) advances this approach through the notion of new labour geographies. However, these labour principles have two flaws: first the notion of the adaptive capacity/resilient economy only realistically applies to competitive regions that already enjoy economic success; this is because the workforce will typically have the skills and market demand to attract employers. Second, the regions for which these ideals appeal (OIRs) will tend to lack the economic demand to stimulate genuine 'good' employment (Danson 2004). The question therefore arises: "does the adaptive capacity just revert to the region's previous economic condition or does the region's capabilities and character change to a new economic path trajectory?" (Simmie and Martin 2010). Danson's (2004) research explains how attempts to improve economic ability via aspects related to labour supply tend to fail. Danson (2004) goes on to say how OIRs display social barriers to worklessness with high concentrations of employment that has the greatest impact on recovery, placing greater emphasis on demand-led recoveries for job creation and opportunities. Campbell's (2000) research continues the importance of breaking long-term unemployment trends through greater emphasis on policy action on the local level. That local policy can better attend to the sensitivity in differences in local character, demand and supply of relevant skills, wage levels, potential discrimination and labour transportation.

Substantial research has been conducted in the field of plant closures and subsequent job rehabilitation with labour market policies through studies of previous plant closures. A large-scale and iconic closure was the MG Rover collapse in 2006, examined by Armstrong et al. (2008), Bailey et al. (2008, 2010), Bentley (2007), Bentley et al. (2010, 2014) and Chapain and Murie (2008). Their studies examined the progression of redundant workers in navigating the labour market, the impact of job loss for the individual (impact on financial and health well-being) and also the impact on local communities and economies. Research into the long-term effects of unemployment has created an intellectual excursion into LSE (Low Skills Equilibrium) or LST (Low Skills Trajectory) theories, in which redundant workers suffer from skill sets that are no longer in demand by the labour market and become subject to low-paid employment (Stone and Braidford 2002; Bosworth et al. 2003; Wilson et al. 2003). It has already been identified by Armstrong (2006), Bailey (2008) and Bentley et al. (2010) that ex-MG Rover workers are categorised as having low skills; other research highlights the 'ambiguity of skills' in that skills cannot be easily defined and have multidimensional facets which can add further employment barriers (Green 2003:308). The way in which labour migrates between occupations has changed; career progression within traditional manufacturing sectors could occur laterally across multi-site organisations, but industrial restructuring career progression requires vertical behaviour within companies (Green et al. 1999). Should vertical progression become more limited, the balance between commuting mobility, migration and social/domestic attachments plays a greater prevalence in employment opportunities (Green et al. 1999). All of these contributions have relevance to the highly skilled worker outcomes of LDV and how the LDV Taskforce accommodated these issues in policy design.

1.2.1 Position of the Thesis within Plant Closure Research

Researching the causes and impacts of plant closures continues to remain an important aspect of study, as developed economies have to continually adapt to changing industrial and economic circumstances. Many regions of developed economies depend upon one or two significant industries that provide the primary engine for employment and economic growth within the region. The West Midlands was for many decades the centre of the UK automotive industry, providing not only

jobs and economic growth but an identity for the region. However, the West Midlands suffered significant industrial setbacks with numerous of plant closures, with the most high-profile closure in recent times being that of MG Rover in 2006. However, the MG Rover closure did not signify the end of plant closures; indeed, further restructuring continued within the automotive industry (Bailey 2007; Bentley 2007; Bailey et al. 2008). LDV, a commercial vehicle manufacturer, came under severe financial pressure and was forced to close its doors in June 2009. Although the plant, in comparison to previous closures within the region, was smaller, it was a company that had a long heritage within the West Midlands region and had been an important employer for the economy and wider supply chain for many years.

There are also considerable implications on an individual level for the workers that are made redundant. There is the immediate impact of losing their jobs and the stress that it entails, but there are potential long-term effects that range from physical health problems, financial instability and future job search success (Bailey and Turok 2000; Campbell et al. 2007; Hudson 2007). How this impact will be felt by certain individuals will depend on specific factors such as age, skills, qualifications and experience in job searching. The geographical distribution of the workers plays a significant role towards the impact on the area; the more concentrated the redundancies, the more likely those social issues will arise through the potential for mass worklessness (Danson 2005; Shuttleworth et al. 2005). This research intends to examine these factors with regards to higher skilled workers within the LDV context and what distinctive outcomes unfolded. The impact on place is a further contributing point. If a certain industry is dominant within a region for a significant amount of time, other regional institutions may become reliant on that industry, which in turn decreases the employability of the ex-workers within the local labour market. This is further exaggerated within the context of economic recession. With the high skills closely tied to the declining automotive industry, waning business confidence further hampered employment opportunities even for highly skilled workers.

The thesis explores the case of the plant closure of LDV, its impact on the ex-workforce, and the level of response to support their re-employment opportunities. Figure 1.1 shows the research process of the thesis; it demonstrates how various geographical, political and economic aspects of the regional economy are interlinked

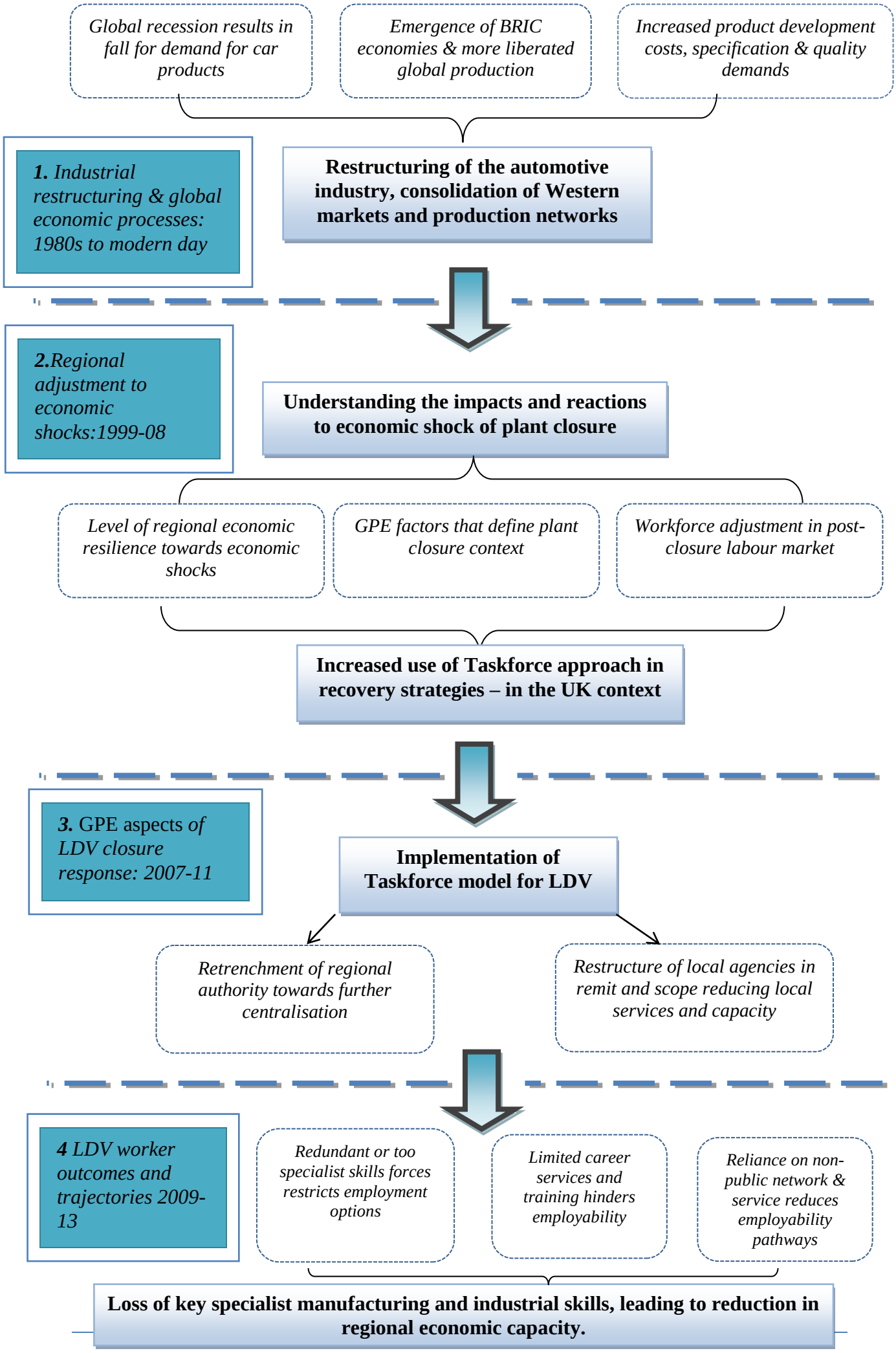

Global recession results in fall for demand for car products
Emergence of BRIC economies & more liberated global production
Increased product development costs, specification & quality demands
1. Industrial restructuring & global economic processes: 1980s to modern day
Restructuring of the automotive industry, consolidation of Western markets and production networks
2.Regional adjustment to economic shocks:1999-08
Understanding the impacts and reactions to economic shock of plant closure
Level of regional economic resilience towards economic shocks
GPE factors that define plant closure context
Workforce adjustment in post-closure labour market
Increased use of Taskforce approach in recovery strategies – in the UK context
3. GPE aspects of LDV closure response: 2007-11
Implementation of Taskforce model for LDV
Retrenchment of regional authority towards further centralisation
Restructure of local agencies in remit and scope reducing local services and capacity
4 LDV worker outcomes and trajectories 2009-13
Redundant or too specialist skills forces restricts employment options
Limited career services and training hinders employability
Reliance on non-public network & service reduces employability pathways
Loss of key specialist manufacturing and industrial skills, leading to reduction in regional economic capacity.

Figure 1-1: Research Process **Framework**
The diagram shows the integration and relationships of the various GPE issues related to plant closures. The numbered boxes show the research process and the theoretical development towards greater understanding of the LDV plant closure and the impacts on the ex-workers.

with the individual circumstances and characteristics of the ex-LDV workers. Through researching the LDV closure, the thesis aims to demonstrate these links and lead to greater understanding of and a strong contribution to the field of plant closure.

The research process begins by emphasising the overarching global processes that illustrate the key events or factors that have prompted change and restructuring within the automotive industry (both within the UK and worldwide) and the implications this has had for established OIRs.

The middle section of the diagram on the previous page displays the transition from wider global economic processes and the automotive setting to discussion of the economic impacts of plant closure and the sub-processes that result from it, focusing on a regional perspective. This is reflected by the structure of the thesis as the literature review and subject chapters embrace the academic and policy discussion of the economic impacts of plant closure and its association with regional development and the relation to economic theories such as regional resilience, geographical political economy and labour market policy. All of these topics tie into the aim of the thesis in understanding the impact of redundancy with regard to the LDV plant closure of 2009.

The lower portions of the process diagram represent the crucial topics that will inform the research with regard to the LDV plant closure so as to build greater understanding of the unique and intricate factors of the LDV closure itself. The topics listed within points 3 and 4 represent the key drivers of the empirical investigation derived from the LDV Taskforce and ex-workers. The methodological approach is of a qualitative data analysis through an interpretivist paradigm with the intent to establish the interaction of the variable contextual factors of LDV and the ex-workers. The analytical chapters aim to align these ideas and discussions specifically with the LDV case, ranging from discussing the position of LDV within the British automotive industry, limitations in regional authority capacity and issues around workforce skills and abilities in relation to job recovery policies designed to mitigate the shock and impact of closure.

The process diagram further illustrates how various political, geographical and economic processes of plant closures are interlinked so as to produce a certain trajectory or outcome. These various processes also have spatial and temporal aspects to them that are unique to that particular closure and further shape that trajectory or outcome rather than being indicative of 'cyclical' or 'replicable' events. However, in better understanding how these various processes take place and evolve, policy makers can take stock and make more appropriate responses to mitigate future plant closure shocks. With regard to the LDV closure specifically, this relates to the overall lack of industrial strategy to foster manufacturing investment, the sharpened decline of the UK automotive industry restricting job growth, and the reformation of regional agencies and actors that restricted policy response. The political and economic circumstances relating to plant closure mean that the LDV case has many facets that enable the thesis to make a contribution to the overall academic discussion. It also suggests how policy can be better directed to resolve the problems arising from plant closures. The research process frameworks serve to show the methodological process in which this thesis will cover the theoretical debates of economic process, industrial restructuring and labour recovery strategies and how this informs the position of the empirical findings in determining the main contribution of this thesis.

1.3 Aim and Objectives of the Thesis

Plant closures are not a new phenomenon and have been intrinsic to the industrial evolution of developed economies for many decades. However, understanding and coping with the 'fallout' of plant closures on the economy (e.g. absorbing redundancies and creating new avenues of growth) and on the workforce (on an individual and wider social basis) remains a pressing concern for governments and policy-makers to resolve. This has continued the need for research into plant closures both in understanding the global economic processes that instigate closure, but also how to reduce the impacts of these closures on local economies, and the nature of labour market adjustment within the geo-political context of the closure.

Until recently, research and academic discussion concerning labour redundancies from plant closures have been primarily orientated around the impact of the closure

on the lower-skilled workforce, and their progression through redundancy into new employment.[2] More recent research has begun the discussion of how the nature of the skills possessed by the redundant workers in combination with certain demographic factors, labour market conditions and government policies affects the workforce in finding future employment.[3] This thesis continues that academic discussion through studies of the plant closure of LDV but – uniquely – with regard to the highly skilled and office-tier workers. The primary aim of this thesis is to explore how the political and economic context of plant closure can have direct implications for the associated actors to respond effectively to such closures and the barriers to reemployment for redundant workers. Investigating the LDV closure provides the opportunity to research these factors during an era of regional governance transition, and national economic recovery albeit in an era of austerity. This involves understanding what guided (or restrained) the actions of the LDV Taskforce in the economic recovery of the local area and the adjustment of the ex-workforce in regards to barriers to new employment, new work and pay conditions, necessity of retraining and financial hardships. This contributes towards a greater understanding of plant closure processes and outcomes that can inform better future policy responses regarding plant closures and labour readjustment.

1.3.1 Objectives and Key Topics of the Research

To achieve its research aims, the thesis will focus on the following research objectives:

- To evaluate the policy response and action taken by the LDV Taskforce following plant closure given the geographical political circumstances of the LDV closure and to create a comparative insight between past experiences and contemporary reactions of taskforces.
- To investigate how to integrate the regional institutional and governance structures that provide appropriate coordination and

[2] Such research as Danson (2005) on old industrial regions shows how workers from these areas can be left with redundant skills not fit for the current labour market; Shuttleworth et al. (2004) on the Harland & Wolff Shipyard closure again reiterate the importance of addressing the needs of low-skilled workers but with a more geographic approach to labour policy to suit the needs of local conditions.

[3] Armstrong et al. (2008) raise the issues of job precariousness and the fact that other factors aside from the skill attributes of the workers influence future job quality and cycles of employment.

leadership structures for aiding re-employment and labour market adjustment.

- To understand the impacts and shock of closure upon the workforce, to analyse demographic and geographic factors, in association with skills levels, and how certain characteristics of the workforce relate to the level of 'shock' individuals experience when pursuing new employment.
- To inform future labour market policy and governmental strategies to resolve the impacts of plant closure.

1.3.2 Structure of the Thesis and Progression of the Research

The introductory chapter has so far explained the aims and objectives of the research, including the contextual details concerning the development of the automotive industry. This demonstrates the contribution and originality of this research within the existing literature.

Chapter 2 begins by further describing the case of LDV and presenting a detailed discussion of the nature of the automotive industry. This gives further insight into the development of the automotive industry, the processes and events that led to changes in its production methods and the implications these had for regional and national economies (in particular plant closures within the U.K). The chapter then places LDV within the automotive industry context, explaining the origins of LDV and, more specifically, explaining the nuances of the commercial vehicle sector and the difficulties faced by LDV in maintaining competitiveness. From this, the decisions made by LDV's management can be examined to explain why LDV ultimately failed to remain competitive and in 2009 was forced to cease production. This chapter also goes on to discuss how the shockwaves from these developments would in turn have negative implications for regions deeply embedded within the production nodes and networks of the automotive industry worldwide (such as the West Midlands in the UK and Detroit in the US).

Chapters 3 and 4 form the literature review to discuss the main topics with which the research is concerned. The introduction has suggested that emphasis be placed on the geopolitical and economic aspects of the LDV closure. The third chapter continues this by bringing in a discussion of geopolitical economic (GPE) theories

(Tomaney et al. 1999; Pike 2005). In conjunction with this, Chapter 3 also discusses theories about the development of regional resilience and better regional development (Dawley et al. 2010; Pike et al. 2010) with labour market adjustment and how best to assist redundant labour post plant closure (Danson 2005; Pinch et al. 2010). As stated, the importance of understanding the level of shock experienced by the workers and the regional economy is paramount.

The literature review continues in Chapter 4, which discusses the shift in government priorities from 2010 onwards from a regional approach to sub-regional approach to local economic development policy. The chapter explores the capability of taskforce responses to plant closure (Pike 2002; Bentley 2007; Bentley et al. 2010; Bailey et al. 2014) and goes into more detail about the LDV Taskforce reaction to the LDV closure. The fourth chapter finishes by engaging in a discussion about the issue of employability with regard to workers' skill levels to understand the transition through the labour market (De Ruyter and Burgess 2003; Bailey et al. 2008; Bentley et al. 2010).

The fifth chapter presents the methodology for the thesis. As the research places much emphasis on GPE theory, it is critical to clearly establish the case of LDV within a GPE framework. This analysis extends to discussion of the company's history, understanding the hierarchy of the company, its ownership history and its structure. This analysis of the LDV situation will lead to a more thorough understanding of LDV's occupational and labour market footprint and how this in turn affected the taskforce's response. The chapter turns to the empirical process of the research, how it was conducted, the various methods, research design and philosophical approaches to achieving the research objectives of the thesis. The chapter discusses what restrictions are placed upon the research; for example, data limitations, ethical considerations, logistical boundaries and data validation.

The discussion of the empirical and secondary research is split into two main parts between chapters 6 and 7. Chapter 6 discusses the closure of LDV, with information obtained through direct engagement with the LDV Taskforce policy stakeholders. This contributes to the analysis of policies implemented by the local agencies that constituted of the LDV Taskforce. This enables an understanding of the constraints and demands that were placed on the taskforce in enacting various policies and actions. The analysis also incorporates views of other stakeholders associated with

the closure. This includes interviews with LDV managers past and present to comprehend the problems faced by LDV and discuss what help they received from the government prior to the closure and also to uncover what additional assistance they believe could have been instigated. In addition, interviews with local media incorporates other perspectives on the closure and the actions taken by the LDV Taskforce.

Chapter 7 represents the second part of the analysis. It presents an in-depth qualitative study of the redundant ex-worker's experience and their outcomes to re-employment within the local labour market. This also considers the concept of long-term dependency on a primary employer and how this can limit an individual's skills capacity and autonomy, thereby reducing potential employability. This is encompassed within the employment trajectory analysis of the highly skilled workers to conceptualise what combination of factors led towards the outcomes of the ex-workers in relation to the LDV Taskforce actions. This enables the study to draw substantial conclusions about what happened to ex-workers and what policy changes should occur in future to better improve post-redundancy employment opportunities.

Finally, the concluding chapter presents a summary of the thesis by first reasserting what the aims of the thesis were, and assessing whether these aims were achieved. It then moves on to present a summary and discussion of the research findings from the two analysis chapters regarding the LDV closure, the experience of the workforce and policy responses. Through this discussion, the chapter outlines the contributions made by this thesis to theory as well as policy suggestions in the wake of the LDV closure. This cements the place of the thesis within the overall academic discussion of plant closure and in promoting further research on the topic.

1.4 Chapter Summary

The introductory chapter has outlined the main topics of this research and highlighted the importance of and contribution to theory of studying the LDV plant closure of 2009. This chapter explains the contextual background of the thesis through discussing industrial restructuring and the effects of redundancy upon a local

area. The introduction gave a prelude to what the literature will cover later in the thesis, establishing the thesis within these subject topics and clarifying how it will contribute to ongoing research debates. This established the need to study the impacts of plant closure and the relevance it has within current academic study.

The introduction established the research aims and objectives of the thesis and its overall structure. This has given the reader a clear indication of how the research will progress in relation to the subject topics raised within the chapter. This section of the introduction has explained the roles of these chapters and how they contribute towards the aims and objectives of the research.

The thesis continues through explaining the contextual background of the automotive industry and the LDV brand, and how the process of change within the industry slowly led to the eventual closure of the LDV Washwood Heath plant and the redundancies that resulted from it. The contextual section also explains the close association between the West Midlands and the UK automotive industry, illustrating how the modern restructuring of the automotive industry has had drastic implications for the regional and local economy.

Chapter 2: Closure Waiting to Happen? LDV and Global Automotive Restructuring

2.1 Restructuring of the Automotive Industry

This chapter serves to provide more information specifically regarding the nature of the automotive industry and its importance to regional economies and prosperity. This brings to the fore how the automotive industry was critical for employment growth and how some regions' economic fortunes have been closely linked to the fate of the automotive industry. Regional economic and labour market policies are intertwined with this industrial restructuring, none more so than (from a UK perspective) the West Midlands region.[4] The automotive industry underwent a process of evolutionary change in different production methods, increasing globalisation and changing consumer demands. Outcomes from this led to restructuring among the automotive OEMs and the need to reduce or relocate the labour force; this inevitably reverberates throughout regions depending on their industrial make-up and has led to mass redundancies within many developed economies. This contextual chapter also explains the close association between the West Midlands and the UK automotive industry, illustrating how the modern restructuring of the automotive industry has implications for the economy such as though redundancies from plant closures. The literature on the automotive industry is discussed first to explore the differing opinions and aspects of the subject, and to gain a contextual insight into trends and drivers within the automotive industry and their impacts on national/regional economies. Finally, the chapter explains what LDV was, how it emerged from a large conglomerate of firms and how it integrated into the local community of Washwood Heath, thus becoming an important 'anchor' employer for that local area.

2.1.1 A Brief History of the Automotive Industry (from a Western Perspective)

To understand why the automotive industry began an era of immense restructuring and how this led to the eventual plant closures that occurred not only within the West Midlands but in other developed automotive industrial areas also, this section explains in further detail the development and evolution of the automotive industry

[4] The West Midlands is the UK's industrial heartland within the auto-industry, this region housed a significant auto-cluster that has been seriously hollowed out in the last decade (Donnelly et al. 2005; Bailey et al. 2008).

from a US and European perspective and illustrates its relationship with regional economic development.

The history of the automotive industry is strongly correlated with the development of the world economy, and to the progression of globalisation and global trade. The late nineteenth and early twentieth century saw the development of automotive industries with the design, manufacturing and consumer markets confined to the West (Europe and North America). Imperial industrial power saw a pattern of low labour costs and unique technology production, the monopoly of raw materials/resources with the ability to dictate world trade flows and market exploitation through colonial and domestic markets in what was a confined, heavily regulated world economy (Dicken 2011). During this era, the West was able to nurture a diverse range of iconic automotive brands or *original equipment manufacturers* (OEMs).[5]

The production method that enabled mass production on a truly vast scale via assembly line technology was Fordism. The cornerstone of Fordism production is to stimulate high volume production through production standardisation and increasing efficiency on the production line. This innovation was achieved through simplifying the production process, reducing the amount of manpower and skill level required to manufacture the vehicle. Furthermore, the efficiency of Fordism production (particular in its early conception) encouraged mass consumption through lowering unit production costs in combination with paying workers higher wages. This effectively 'recycled' the money back into the automotive industry as workers spent their earnings on the very cars they produced (Bailey 2007; Bailey et al. 2010). In this context, Bentley et al. (2013) further characterise Fordism as a decentralised system that relied on globalised processes that integrated production plants within particular locales to utilise lower labour costs with the supply chain in a regional and global network. The importance of this geographical distribution was to maximise the potential for economies of scale in mass production towards a standardised market.

This process allowed the automotive industry to grow at a rapid rate, exploiting new market openings and establishing themselves as vital economic institutions in developed economies. In the UK, the Fordism production method was adopted in the West Midlands and soon became central to the British automotive industry (Donnelly

[5] The term original equipment manufacturers refers to companies that originally produced goods or components that are then sold under those brands' names (Dicken 2011).

et al. 2005). The Leyland group (initially a conglomerate of British firms in 1968 - the British Leyland Motor Corporation - partly nationalised in 1978 to become British Leyland) together with other renowned firms like Rover**,** embraced the Fordist production system. Through a combination of growth within the domestic market, lack of external competition and immense pressure from the trade unions for favourable employee contracts, Fordism (Donnelly et al. 2005). However, the Fordist system would undergo shifts and changes within production that would leave some traditional heartlands with a 'flawed path dependency' that would emerge in decades to come.[6]

2.1.2 The Mechanics of Change, Revolutions and Implications for the Modern Automotive Industry

The first revolution in production methods to impact on the automotive industry was the shift from Fordism to post-Fordist production in the late twentieth century. Bailey et al. (2010) describe this as a change which reflected the evolution of the developed economies as a whole and not just the automotive industry itself. Post-Fordism represents the changes in auto-motive production systems through the inclusion of developing economies into production clusters and a shift of consumer wants towards more high-quality products (Bentley 2007; Bailey et al. 2010; Bentley et al. 2013).

The major adjustment to the automotive production system was from mass assembly lines to production that entailed modularisation, flexible or lean production (Womack et al. 1990; Dicken 2011; Bentley et al. 2013). Modularisation is a production method that aims to 'decentralise' production from the main OEM assembly line to divide the overall production of the car into modules from which the responsibility (more interaction in design and production) for that module is then handed down to the supplier (Bailey 2003; Dicken 2011; Brandes et al. 2013). For example, the typical car contains approximately 15,000 components and only a small number of those components are developed in-house (Cusumano and Takeishi 1991). This type of production would be the catalyst for the restructuring and reform of the entire automotive industry from internal restructuring in terms of production processes, methods and organisation to the external elements in forming alliances and more

sophisticated supply chain management. (Bentley et al. 2013:68; Tate et al. 2014). With each module being manufactured separately, this devolves the responsibility to the supplier of individual components assigned for that module (Bailey 2003). This production technique allows for interchangeable modules that can be placed on the car body. This in turn leads to further specialisation from suppliers when producing components for modules and requires the integration of the supply chain with the OEM (Bailey 2003; Bentley 2007). The ultimate aim is for the same production line to produce multiple car products, enabling one production facility to meet the demands of several markets, resulting in a greater ability to meet cost recovery. In turn, this has led to a new adjustment in the automotive production system away from the traditional iconic manufacturing plants, instead relying on myriad smaller supplier networks to mitigate as much cost as possible. The development of 'modular supply' or 'supply integration' has created the situation where global supply networks are fluid and adaptable in order to meet the demands of the module (Bailey 2003; Doran 2003; Dicken 2011).[7]

This development brought reverberations within the spatial organisation of production, moving away from Fordist which that favoured locations in low-labour cost areas with a vast interconnected supply chain. Post-Fordism, by contrast, placed emphasis on proximity to suppliers not just to reduce transportation costs but to enable leaner, more flexible production, just-in-time methods and shared production problem-solving, with greater design specification integrated into the supplier network to adhere to local consumer markets (Bentley et al. 2013: 69). Additionally, this agglomeration of production is not just bound to the location of the supply chain but also encourages co-operation amongst OEMs to integrate their production in order to mitigate production costs and model development specifications towards local market demand (Bentley 2007; Stanford 2010; Boehm 2012; Balcet et al. 2013); and sustain what Bailey et al. (2010: 315) term the 'crisis of cost recovery'.[8] To overcome these production and development challenges, OEMs engage in platform sharing, so that different brands that share similar designs can essentially share the engineering and production processes to create different

[7] For example, first-tier suppliers provide the major component systems, significant research and development and design expertise. The second tier produces designs provided by assemblers/first-tier suppliers. Third-tier suppliers support the more basic components (Dicken 2011).

[8] The term 'crisis of cost recovery' stems from the amount of capital investment an OEM has to make to create a fully original product which can amount as high $1bn (Bailey et al. 2010: 315).

models on the same production line and thus mitigate production costs and risks (Bailey et al. 2010: 315).

The evolution towards the post-Fordist method of production caused reform and revolution within the supply chain itself through two main factors. Firstly, tier-one suppliers (companies that provide parts and materials directly to OEMs) have to meet ever higher degrees of product quality and diversification at lower costs. Second, OEMs also want to reduce the number of suppliers they engage with (Brandes et al. 2013). This ultimately means that as OEMs continue to restructure their production processes, this will often have a ripple effect within the supply chain, often enforcing further restructuring. The issue of cost recovery remains the primary driver of consolidation through both OEMs and suppliers, causing agglomeration within production regions and the increasing importance of modular production (Bailey 2007; Bentley 2007; Dicken 2011; Bentley et al. 2013; Brandes et al. 2013). This trend is due to a number of factors, such as market size and demand, domestic firms, government restrictions and laws, and labour conditions (Jullein and Pordi 2013). In Europe, the situation is complex: traditional European brands have been taken over by foreign firms (Jaguar-Tata, Opel-GM), or have created new alliances (Renault-Peugeot-Citroen, Chrysler-Fiat); non-European firms also have influence (Honda, Ford); and many firms have pan-European networks (Volkswagen). All of this contributes to an intricate mix of transnational companies (TNCs) and suppliers with intermingling production networks – see Fig 2.1 (Clibborn 2012; Domanski et al. 2013). Similar situations have emerged in China; for instance, any firm wishing to establish a production plant for sales directly into China can only do so in a joint venture with Chinese firms and then must utilise Chinese suppliers, thus creating multinational TNC integration yet in turn creating highly concentrated production within regional specific areas (Bentley et al. 2013). Bailey et al. (2010) and Donnelly et al. (2005) highlight the fact that during the 1990s the automotive industry became a genuinely global industry just as the global economy itself was becoming liberalised. Indeed, it was not just the transformation of developed economies but global competition that was forcing through change, experiencing the rapid decline of established western companies and the rise of the Indian and Chinese automotive industry. The emergence of these new markets would have further ramifications for the automotive industry.

Figure 2-1: 'Who owns Whom – Alliances and Agglomerations'

'Who owns whom' of automotive brands illustrating the complexities of modern automotive brand ownership and alliances. The diagram demonstrates how fragile the modern automotive industry has become. In order to sustain development and production costs, large corporations are forced to form alliances and agglomerations to mitigate these costs. It also shows that if certain sectors are performing poorly then the reverberations can spread across units and brands, e.g. if a parent company struggles and is then forced to sell or release its subordinate company, as was the case with GAZ and LDV in 2009. Source: Car magazine. 2010.

2.2 The Modern Auto Industry: Harbinger of Regional Restructuring and Plant Closure

The automotive industry of today has changed radically from the US and European-dominated 'golden years' of the early to late twentieth century. The combination of increased consumer awareness and changing consumer attitudes, globalisation, technological cost increases, increased ecological awareness, de-industrialisation of western economies, revolutions in production methods plus the dominance of the Chinese economy with the rise of BRIC economies heralded drastic changes in global production in the automotive industry (Bentley et al. 2013).[9] The ripples of that change have been felt throughout the developed economies of Europe and America, especially by the traditional 'heartland' automotive industrial clusters and regions like the West Midlands and Detroit (Bailey 2007; Bentley 2007; Bailey et al. 2010; Klier and Rubenstein 2010; Clibborn 2012).

The emergence of strong competition via more liberalised markets became a major driver of change. The lean production system (LPS) gave Japanese firms a great competitive advantage when embarking into western markets (Klier and Rubenstein 2010; Dicken 2011). What must also be considered is that Japan focuses on providing excellent quality and reliability in its products. It seemed that Japanese firms were tailored for the post-Fordism era, which goes some way to explain their success in the US market (Fujimoto and Takeishi 2001; Klier and Rubenstein 2010).

Significant changes in the world economy in the 1990s, such as the decrease in national tariffs, the creation and expansion of trade blocs, and the easier flow of capital, are key factors that stimulated change in the production strategy conceived by the automotive industry (Martin and Sunley 1997). This would lead to the development of regional production networks that could span national territories that best utilised proximity to markets and lower costs of production, and minimised the effects of trade barriers and costs, in addition to obtaining favourable legislation or policies (e.g. subsidies), for example the shift from Detroit (the 'birthplace' of US automotive production) to the south of the US and Central Mexico (known as Auto Alley) (Bentley 2007; Bailey et al. 2010; Klier and Rubenstein 2010:337 Stanford

[9] Brazil, Russia, India, and China: new emerging economies which have increased the pace of globalism, making global markets more interlinked and which can now influence the course of the global economy.

2010; Domanski et al. 2013). These revolutions in production methods continue to promote ‘regionalisation’ or ‘localised globalisation’ (Bentley et al. 2013).

2.2.1 Regional Restructuring of Plant Production

As discussed above, the challenge to overcome vast production and development costs remains a pressing concern for OEMs to maintain market competitiveness. In striving to meet the challenges of cost recovery, this has necessitated the adoption of new production strategies. Platform-sharing had become necessary so that multiple models or variations of models could be produced from the same line (Bailey et al. 2010). But other methods of reducing costs have emerged, such as through more inter-firm cooperation within the industry. Many OEMs have forged production alliances to share the costs of new product development, particularly in China (Stanford 2010).

The shift from maximising economies of scale – traditional of Fordist production – to maximising economies of scope, indicative of the post-Fordist transition, has resulted in the relocation of production plants from traditional heartlands to regional clusters (Donnelly et al. 2005; Bailey et al. 2010; Clibborn 2012; Bentley et al. 2013). Plant closures in the West Midlands between 2005 and 2006 highlighted how the UK’s foreign-owned automotive industry cluster was vulnerable to plant relocation decisions. Inevitably the repercussions of this also affected the local supplier networks, forcing many to diversify their product ranges or to leave the market altogether (Donnelly et al. 2005; Bailey 2007; Bentley 2007). Such implications of the new production realities have impacted the auto industry in the UK, and are illustrated by the collapse of MG Rover in Birmingham and the relocation of the Peugeot plant in Coventry (Bentley 2007). This confirmed that even established industrial clusters or even successful model brands (such as the Peugeot 206) were at the constant mercy of plant relocation. Although large production centres still exist within production nodes and clusters, they remain in areas that can offer either low labour costs, or attractive tax breaks and incentives, or offer access to trade blocs and markets and the ability to platform-share. It is these factors that dictate the location of future plant developments and the fate of existing plants, and the likelihood of those plants undergoing some form of restructuring.

Klier and Rubenstein (2010) explain how the 1980-90s saw the shift of auto-production in America to a confined area within the Southern states known as the Auto Valley to take advantage of sophisticated US transportation links that grant access to US and Canadian markets whilst maximising production efficiency through close proximity to supplier networks (see Figure 2.2). However, it must be stated that the figure does not explicitly demonstrate which pre-1990 assembly plants or associated suppliers have sequentially closed due to the relocation of assembly plants post-1990. We can assume from the economic difficulties faced within post-industrial heartlands such as in Detroit that many of these pre-1990 assembly plants and supplier have in fact ceased production. The implications of the structural costs often reverberate down the supply chain, via closure, consolidation, mergers and relocation (Cusumano and Takeishi 1991; Doran 2003; Bentley 2007; Klier and Rubenstein 2010; Bailey et al. 2010; Balcet el al. 2013). Furthermore, more intense investment was allocated to increase production facilities and networks within Mexico by both the US OEMs and independent suppliers, with Mexico becoming a significant car manufacturer within the North American Free Trade Agreement (NAFTA). The 'Detroit 3' (Ford, GM and Chrysler) invested heavily in Mexico, lured by the removal of tariffs, fewer trade union laws, membership of the NAFTA trading bloc and lower labour costs.[10] This was reflected in how car production in Mexico rose from 8% in 1989 to 17% in 2009 of overall vehicle production within North America (see Figure 2.3), illustrating the mobility of western auto-clusters in response to the availability of cheaper production nodes through the reduction of trade barriers and legislation (Klier and Rubenstein 2010:342). Such plants are referred to as 'Maquiladora plants', located within Mexico, just south of the border but heavily integrated into the US supply chains. The maquiladora laws enabled the duty-free movement of commodities, so components can be imported to Mexico, assembled and then the final product exported back to the US or Canada (Klier and Rubenstein 2010) without tariffs.

Figure 2-2: The Auto Valley, US

The figure shows the development of new plant assembly plants clustering around a sophisticated infrastructure network that enables the efficient transportation of parts to final assembly with close proximity to US and Canadian markets.
Source: Klier and Rubenstien 2010: 338.

The example of the 'Detroit 3' reforming and restructuring provides an insight into further cost-cutting strategies and reformation needed from other OEMs, who needed to fully utilise economies of scale in order to compete against the rising BRIC economies and meet the needs of cost recovery (Donnelly et al. 2005; Bailey et al. 2010; Stanford 2010). The emerging economies in all of the trading blocs have

benefitted from the shift in production, e.g. Mexico (NAFTA) and Eastern Europe (EU).

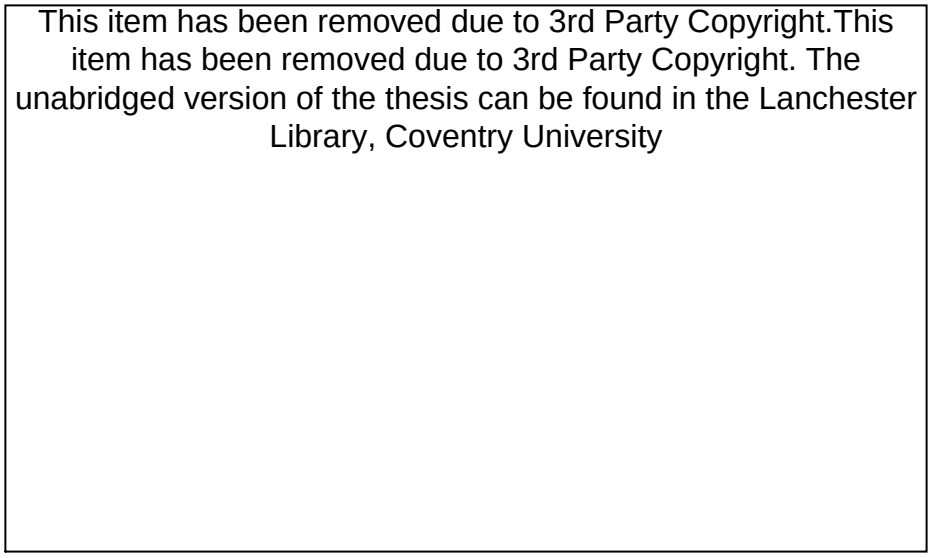


Figure 2-3: Light vehicle production among NAFTA countries

Source: Klier and Rubenstien 2010 :341.

Despite the shifts in production networks, the Detroit 3 still had structural problems, including technological and design deficiencies, high fuel consumption, and being burdened by accumulated losses from the 2008 financial crisis. Chrysler and GM were forced to seek a direct financial bailout from the US government (Klier and Rubenstien 2010: 343; Stanford 2010: 390). Furthermore, while financial support was focused on OEMs, support and incentives were given to the supplier chain manufacturers because the supply network now carried the burden of production. The restructuring of OEM production and supply chains has solidified the need for government involvement within the automotive industry as OEMs are incapable of making significant reforms without government aid (Stanford 2010; Balcet et al. 2013).

Plant relocation was not just restricted to shifting to cheaper regions within the same trading bloc; by the late 1990s, the new objective of western companies was to invest in establishing production lines in emerging economies. The lack of demand and typically high production costs has forced western OEMs outside their domestic base (Velso 2000; Stanford 2010). GM investment into China for example was aimed at exploiting this emerging market while also enjoying lower economies of scale and

is now a common strategy amongst western firms; for instance, Ford, Renault and Volkswagen invested in Brazil (states of Bahia and Parana), aiming at achieving similar results (Vargas da Cruz and Rolim 2010). Indeed, this shift has been so pronounced that the proportion of global car production of the G7 members fell from approximately 70% in 1997 to 48% in 2008 (Vargas da Cruz and Rolim 2010). The ever-increasing demand from India, China, Brazil and the Asian markets will continue to draw OEMs towards those regions (Velso 2000).

2.2.2 The Post-war Boom and Deindustrialisation in the West Midlands Economy

The West Midlands region covers the western proportion of the English Midlands area bordering Wales, consisting of the counties of Warwickshire, Worcestershire, and Staffordshire, Shropshire and Herefordshire, as well as the urban conurbation that is home to the UK's second largest city, Birmingham, plus six other metropolitan areas: Dudley, Sandwell, Solihull, Walsall, Wolverhampton and Coventry. Historically the region gained much of its economic prominence through developments taking place as part of the nineteenth-century industrial revolution in the UK to become the birth-place of famous OEMs (ranging from Jaguar and Land Rover to confectionaries such as Cadburys) and becoming one of the most prosperous regions in the UK economy during the 1960s (Donnelly et al. 2012). As the UK lost its global manufacturing dominance to other emerging economies, the West Midlands in particular suffered from economic decline (similar to other OIRs). During the 1970s, the region experienced its lowest economic growth rate on record and in the early 1980s experienced the highest unemployment rate in the entirety of the UK economy (Donnelly et al. 2012).

The deindustrialisation of the UK economy and the industrial restructuring of the West Midlands economy had its roots in the post-war boom period that the UK economy experienced right up until the 1960s (Spencer et al. 1986). The West Midlands economy benefited from national reconstruction and the increase in international trade, and the West Midlands became the centre of UK manufacturing. During the 1951-61 period, employment within the region grew by 40% with UK manufacturing reaching its peak in 1966 (Spencer et al. 1986; Barberis and May

1993). Two main factors enabled UK manufacturing to thrive during the post-war period: first was industrial and trade protection against other strong industrial nations such as Japan, US and other European nations; second, British firms still enjoyed commonwealth trading preferences within the international markets (Spencer et al. 1986). Matthews (2007) however puts forward the argument that during 1950-73, British manufacturing productivity was slower than all of its main competitors and never overcame this deficiency, implying that there was a hidden 'malaise' within the UK industry that would result in long-term problems. The market protection that the UK enjoyed overshadowed potential flaws and weaknesses within the manufacturing industries. With the West Midlands region contributing up to 40% of UK exports, employment in manufacturing continued to swell, placing an over-reliance on this sector (Spencer et al. 1986; Bailey 2003).

As explained above, the post-war period saw the West Midlands manufacturing industries become prosperous and maintain a strong position within the UK and international markets despite some structural weaknesses. This led to a situation where the West Midlands economy became reliant on a small number of industries, with 70.6% of manufacturing employment within four sectors. This prevented the regional economy from diversifying within the manufacturing sectors and constrained the supply chain of the local economy (Spencer et al. 1986).[11] This eroded the skills base of the workforce, reducing knowledge transfers and technological development. The reliance placed on these few sectors would make the West Midlands economy vulnerable to changes in the global economy and international competition. The structure of the West Midlands economy from the 1960s onwards became so heavily intertwined with the performance of the national economy that in 1961 65% of employment in the West Midlands resided within manufacturing in comparison to 39% for the rest of Britain (Haynes 2008). As the national economy began to deteriorate due to falling exports, the output of the West Midlands economy would reflect this, with manufacturing industries' employment rates in the West Midlands region falling to 48.6% by 1978 (Spencer et al. 1986).

Employment in the service industries remained stagnant from 1981-83; however, post-1984 there was sharp increase. In contrast, manufacturing employment

[11] Spencer et al. (1986: 34) explain that employment figures within these four sectors were: vehicles (23.9%), metal goods (20.6%), metal manufacture (14.6%) and mechanical engineering (11.5%).

continued to decrease at a rapid rate, especially during the recessionary periods of 1981-83. This is representative of several main drivers that were influencing the post-industrial economy: increasing outsourcing of producer services; specialisation of goods; the change in consumption behaviour towards services; and the decrease in productivity of the manufacturing sector in relation to the service sector (Rowthorn and Courts 2004:770). This is a further reflection of the post-Fordism shift within manufacturing with vertical disintegration/reclassification of activity that would previously have been grouped under a major manufacturer. The Thatcher government promoted market liberalisation and privatisation, which accelerated the shift in industrial sectors within the UK economy from traditional manufacturing sectors to service and financial service industries (Figures 2.4 and 2.5 show the large decline of manufacturing output). This would have implications for the British automotive OEMs adapting from labour-intensive mass-production systems and to competing in ever more global and liberalised markets (Mackinnon 2008). By 1984, 12% of redundancies were in the automotive industry (Haynes 2008: 17), with British Leyland cutting employment from 27,000 to 8,000 workers in Coventry, and Chrysler also making large job cuts (Donnelly et al. 2012: 10). Unfortunately, despite the large-scale restructuring of the UK automotive industry and the large deductions in employment within the sector, the automotive industry would be subject to further restructuring processes that would hit the West Midlands particularly hard.

Figure 2-4: Manufacturing employment from 1971-1981, West Midlands.

Importantly, Fig. 2-4 shows how the rapid decline of manufacturing employment came with the onset of change within the global economy. It highlights how the national economy undertook restructuring, diverting investment away from manufacturing. Source: Spencer et al. 1986.

Figure 2-5: Manufacturing output from the UK and the West Midlands from 1970-2008.

With automotive firms continuing to shed jobs and the UK government embracing neoliberal policies, domestic, UK-based companies primarily based in the West Midlands continued to suffer from poor productivity and de-investment. Source: Donnelly et al. 2012.

The emergence of the BRIC economies forced Western OEMs to adapt yet again and face new restructuring challenges. Western OEMs embarked on global regionalism in order to compete against this new global competition and initiate corporate alliances and consolidate production (Velso and Fuch 2004; Bailey et al. 2010; Stanford 2010; Brandes et al. 2013). As brands are exchanged and firms integrate to improve design, increase production efficiency and ultimately increase market opportunities, 'excess' production facilities and clusters will be more likely to shut down (Stanford 2010). In particular, brands that are in the 'middle' will suffer the most due to the difficulty of maximising economies of scale, meeting the cost of recovery while maintaining adequate levels of output. Brands like Saab or MG Rover are particular examples – unable to achieve economies of scale across brands or be prestigious enough for the upper-end high value-added market. In due course, the ultimate impact of these changes within the automotive industry led to further plant closures. The West Midlands has continued to be subject to automotive restructuring through several more recent high-profile plant closures. The Jaguar and Peugeot production plants based in Coventry closed in 2005 and 2006 respectively,

amounting to 4,500 jobs lost; the final collapse of MG Rover in 2005 saw 6,300 jobs lost with further consequences for the supplier networks (Bentley 2007; Bailey et al. 2008; Chapain and Murie 2008).

Despite these set-backs, the West Midlands continues to be the centre of UK automotive production, although no longer having the dominant global position it once had. Car manufacturing continues to be important in the West Midlands; however, many of the iconic UK brands, as of 2015, operating under foreign ownership (e.g. Jaguar has been owned by the Indian manufacturer Tata since 2008). Not all UK brands survived, with the last identity of British Leyland ending with the closure of LDV in 2009. Plant closures within the West Midlands had a considerable impact on the regional economy in terms of unemployment and decreased GDP as well as loss of identity in addition to the social implications associated with long-term unemployment. Understanding plant closures and resolving ways to overcome them are vital to restoring the social and economic prosperity of the affected regions.

2.3 LDV: The Road to Closure

The previous section outlined the West Midlands industrial restructuring that occurred from the post-war years up to the late 1990s and early 2000s. The prosperous growth witnessed by British Leyland during the Fordist post-war era had given it a great position within the British automotive market, with the West Midlands forming the core of British automotive production (Donnelly et al. 2005). The following section is broken into three categories, which explain the primary factors leading to LDV's incapability of maintaining its competitiveness within the commercial vehicle market and what contributed to the closure of the plant in 2009. Firstly, it covers the heritage of LDV from the creation of Leyland and key events such as the national champion ethos instilled by the UK government. This establishes the firm's structural transitions throughout its history and its implications on its corporate performance. Secondly, it discusses the implications of LDV's history in direct relation to Leyland Trucks in the commercial vehicle market, showing the reasons why Leyland Trucks struggled to maintain market competitiveness. Thirdly, it discusses the role of foreign investment for LDV to continue production;

this relates to the unique production challenges of the commercial vehicle sector and its heritage that made LDV extremely dependent on foreign investment and more vulnerable to economic events.

2.3.1 LDV's Heritage: British Leyland

The LDV brand came into existence in 1993; however, prior to that, the company had long enjoyed a strong national heritage with a strong connection to the local area of Washwood Heath. This was through LDV's heritage as a part of British Leyland;[12] indeed this lineage gave LDV a strong regional attachment despite its relatively small size in comparison to previous closures. British Leyland was a huge conglomeration of British automotive manufacturers (see fig 2.1 for timeline of LDV), at its height employing over 50,000 workers throughout the West Midlands region, symbolising the British automotive industry and the economic identity of the West Midlands (Donnelly et al. 2005). During the post-war boom, the UK government instigated a policy of creating national champions among UK manufacturers to maximise production capacity (Booth 2003; Matthews 2007).[13] Through government-led expansion, Leyland incorporated takeovers of other British OEMs, becoming the British Leyland motor company. However, this form of expansion nullified competitive attitudes among British manufacturing, instilling structural weaknesses and leading to poor product development and an inability to meet rising production costs and enter foreign markets (Womack et al. 1990; Bailey et al. 2008). Indeed, this government strategy made it easier for other firms to exploit the British market and in return make it harder for UK firms to compete effectively. This represents a key moment for Leyland in that established strong economic and political links with regional and national institutions and actors (regional production networks, labour unions and the national economy) but which in due course would create barriers for Leyland to adapt effectively into the post-Fordist era (Pike 2005; Cumbers et al. 2008).

[12] LDV was part of the commercial vehicle arm, producing both heavy and light commercial vehicles. LDV emerged as a separate entity from a management buyout of the light commercial vehicle part of the business.
[13] Booth (2003: 3) attributes this to these factors: competitive framework; unionisation; and national economic policy to the lagging manufacturing performance.

Table 2-1: **Timeline of major corporate events for Leyland and the creation of LDV**

Year	Company Name	Market Orientation	Major Event/Corporate Change	Corporate Ownership
1905-1911	Leyland	Public transport, (Petrol buses)	Adapting to technology change and market demand.	Family owned
1912-1950's	Leyland	Commercial vehicles (Vans)	Government led funding for product development (transports need for war effort).	Privately held company
1960's-1970's	British Leyland motor company	Commercial vehicles, domestic vehicles, public transport (vans, HGV, cars)	Expansion through forced corporate mergers of British automotive firms from the government to form the national champion.	National Champion status
1975	British Leyland motor company	Commercial vehicles, domestic vehicles, public transport (vans, HGV, cars)	National and global economic downturn, oil crisis, fall in market share.	PLC
1981	*Leyland Trucks*	Commercial vehicles (Vans and HGV)	Decision to split the commercial vehicle arm from the British Leyland motor group to improve company performance.	PLC
1986	Leyland DAF	Commercial vehicles (Vans and HGV)	DAF bought out Leyland trucks to increase market share.	PLC, under foreign ownership
1993	LDV	Commercial vehicles (vans)	Management buyout of the van division, after DAF entered bankruptcy.	PLC
1998	LDV	Commercial vehicles (vans)	Entered joint venture with Daewoo, and for product development.	Joint partnership with Daewoo
2001	LDV	Commercial vehicles (vans)	A struggling Korean economy forced Daewoo to sell stake, another management buyout followed.	PLC
2005	LDV	Commercial vehicles (vans)	LDV bought out by U.S finance capitalists.	PLC, under foreign ownership-Sun capital finance
2006	LDV	Commercial vehicles (vans)	Sun capital sold LDV to the Russian firm GAZ.	PLC, under foreign

				ownership-GAZ
2009	LDV	**Closure**	Following the 2008 financial crisis combined with poor sales, GAZ was forced to sell LDV and cease production.	Administration

Sponsored by the UK government, large firms within the industry such as BMC, Austin and Morris expanded, absorbing a whole number of companies forming industrial national champions, and so the composition of the West Midlands economy changed from a wide range of small-medium enterprises to a small number of large state-backed firms (Spencer et al. 1986; Berkeley et al. 2005).[14] Despite the best intentions of the UK government to reinforce British firms, this actually reduced the competitiveness of the manufacturing industries with the reduction in competition limiting innovation in design, production and flexibility to respond to new external challenges. Technological development is less likely to be endogenous; in addition, larger firms dictate prices to local suppliers, placing a greater emphasis on outsourcing from abroad for cheaper alternatives. The creation of large conglomerates fostered systemic weaknesses through the surplus in production plants, malaise in productivity, and counteractive internal competition between the various divisions of the company (Berkeley et al. 2005). The false 'sense of security' brought on by the post-war boom led to the overlooking of these structural economic weakness introduced by the shift to larger firms, creating significant challenges for manufacturing firms to adapt to the global economy.

The oil crises in 1973 and 1979 highlighted the vulnerabilities of the UK manufacturing industries and the national economy, in line with the fluctuations of the global economy. British Leyland had to be nationalised in 1975 to prevent it from collapsing entirely. With the global economy going through further recessions, the need to control the rise of inflation became a priority over the need for full employment, resulting in increased redundancies from within the nationalised manufacturing industries (Fothergill and Guy 1990). Spencer et al. (1986) argue that the fall in manufacturing employment in the West Midlands during the late 1970s was

[14] Berkeley et al. (2005) relate that this government encouraged growth in British Motor Leyland Corporation to compete with large US and Japanese firms such as GM and Toyota.

due to the continuous poor performance over the previous decades and the economy failing to shift employment to service industries, leading to mass unemployment.[15]

Continued poor productivity within automotive production encouraged development into other industries (namely financial services) and led to further disinvestment and restructuring within the automotive industry. From the Thatcher government of the 1980s onwards, the UK instigated massive reform of British industry and the economy primarily through economic liberalisation; the privatisation of public organisations; the dismantlement of strong trade unions; and the opening of global trade markets. British Leyland itself was privatised in 1981, with the varying arms and divisions of the company being sold off. Leyland Trucks was separated from British Leyland giving it more independence to operate within the commercial vehicle market. The privatisation of Leyland Trucks was intended to improve the competitiveness of the firm; however, the legacy from British Leyland meant that many weaknesses remained. British manufacturing had experienced comfortable protection of trading markets in the form of commonwealth trade but as trade barriers were rapidly reduced, these lucrative markets soon went to competitors. The market protection meant that British Leyland's global network was underdeveloped in marketing and producing vehicles, which in effect made Leyland trucks vulnerable to competing firms in the European market (Spencer et al. 1986). Spencer et al. (1986: 117) highlight this underperformance in the European market, showing that Leyland sold only 7,204 units in 1975, so although Britain's entry into the European Economic Community (EEC) had opened up new markets, British OEMs were ill-prepared to compete and exploit the new market opportunities effectively.

2.3.2 Leyland Trucks within the Modern Commercial Vehicle Sector

The European Union defines a commercial vehicle as: any motorised road vehicle that by its type of construction and equipment is designed for and capable of transporting, whether for payment or not: (1) more than nine persons, including the driver; and (2) goods and standard fuel tanks.[16] The commercial vehicle sector holds a unique place within the automotive industry and many of the processes that occur

[15] Total employment within the West Midlands region had fallen by 12% by 1981 (Spencer et al. 1986: 57)

within the wider industry also affect the commercial vehicle sector but can also have different implications.

The commercial vehicle sector is more intertwined with global and national economies through its relation to the rise and fall of the GDP. A rise in GDP represents increased economic activity and thus increases the need for additional logistical capacity to transfer goods, resulting in higher demand for commercial vehicles. Likewise, during economic recessionary periods, national spending and global trade decreases, lowering the need for transportation of goods, thus decreasing the demand for commercial vehicles. This has been experienced in Europe with demand for commercial vehicles falling by 20% during 2008-12 for example.

This makes commercial vehicles more attuned to global market fluctuations and current economic conditions. However, the commercial vehicle sector shares the same weaknesses as the wider automotive industry. The high production and development costs, fluctuations in consumer demand, logistical costs and maintaining flexibility within the product line are all problems that the commercial vehicle sector suffers from. This creates a highly competitive sector, producing unique challenges in the commercial vehicle sector for OEMs, which have to engage in tough markets and adapt to fluctuating economic circumstances while also tackling the issues of cost recovery.

Commercial vehicle giants such as Ford underwent restructuring programmes in light of the financial crisis and the downturn in economic activity by announcing the closure of the Genk plant in Belgium (announced Oct 2012); this was to have ripple effects for the UK production of the Transit van model. Soon after, Ford in 2013 announced the closure of the Southampton plant to shift production of the Transit to Turkey, where labour costs are as low as £4 per hour. At the plant itself, an estimated 500 jobs were expected to be lost directly. The Ford Southampton plant closure exemplifies how even well-established plants and institutions (having produced over 2.2 million Transit vans over a period of 40 years) have become extremely vulnerable to the needs of cost recovery and adjustment to global market trends (Clibborn 2012).

However, commercial vehicle manufacturers have been rationalising production since before the financial crisis and in the economic recession that followed it. When Leyland Trucks separated from British Leyland, it needed to adapt to the lean production system (LPS) to overcome the challenge of cost recovery and remain competitive. In recent years, this need to recover costs has become ever present in the commercial vehicle sector, with demand for commercial vehicles starting to fall in the major markets (Western Europe, India and China), in effect forcing manufacturers to begin investing in global production networks. Those companies that can invest in global platforms (and access local markets, develop better cooperation with suppliers, overcome structural deficiencies, and produce low-emission vehicles) will secure a better long-term future (Figure 2.6 illustrates these points).

Though Leyland Trucks had rationalised its production processes and adapted to lean production, it lacked the economies of scale and the more sophisticated global production networks of its competitors such as Ford, Vauxhall and Mercedes (Donnelley et al. 2012). The small size of Leyland Trucks in terms of its production and financial capacity always meant that the company was dependent on external sources for financial backing to develop its production technology, model development and expansion into other markets. This would lead to LDV having a succession of differing foreign ownerships that each attempted to sustain the company; the following section will explain how this chain of ownerships brought with it the complexities of being part of large TNCs.

2.3.3 LDV's Dependence on Foreign Investment: The Legacy of Failed Ownership

When LDV seceded from Leyland DAF, the company's financial capabilities were insufficient to support restructuring alone. This led to the company seeking joint ventures and partnerships to reinforce its finances. Though this granted LDV a rejuvenated lifeline that enabled it to continue for another two decades, it was not without problems and in essence still failed to provide LDV with a long-lasting solution. This process of ownership transition had its beginnings in 1987 when Leyland Trucks was taken over by Dutch firm DAF. Despite robust rationalising strategies, after six years Leyland DAF experienced financial difficulty and separated the light commercial vehicle arm (van production), wanting to concentrate on purely

HGV (heavy goods vehicles) production. Following this, there was a management buyout of that part of the business which led to the creation of LDV in 1993.

Figure 2-6: Challenges of Commercial Vehicle Sector

This figure illustrates the strategies and diversification that commercial OEMs need to maintain long-term survival to overcome production challenges and adapt to the modern market and productivity networks. Source : http://www.scribd.com/doc/91245751/9/Realisation-of-economies-of-scale 15.01.2013

The DAF takeover of Leyland Trucks exemplified a key moment within the long-term process of decline, eventually leading to the overall closure of LDV, exposing a critical weakness of the company. LDV now suffered from being too small. Consisting of a single plant employing 1,200 employees, it simply could not match the economies of scale and more sophisticated supply networks (expansive networks that enable cheaper component sourcing and more cost-effective production) that its rivals Mercedes and Ford enjoyed (Bailey et al. 2008). This is crucial because the company now had little financial capacity to invest in new product developments while its competitors like Ford could inject massive investment into platform development (Bailey et al. 2010). While part of Leyland Trucks, the production and development costs could be sustained but as a smaller company overcoming these costs would be difficult. This forced LDV to embark on a succession of joint ventures and takeovers to substantiate the development and production costs with a partner/parent company.

Under new management, LDV sought to further its product range and revitalise the company. In 1998, the company announced an ambitious investment project of £160m to develop a new line of vehicles (BBC 2012). This was to overcome production capacity limitations and to generate longer-term investment for the project. To enable this, LDV sold significant stakes in the company worth £25m to South Korean conglomerate Daewoo. The joint venture between LDV and Daewoo saw the successful development of the Maxus model that was to be released later in 2004 (it was to be produced in Lublin, Poland). The joint venture was ended in 2001, mainly brought about by the Asian financial crisis that struck the South Korean economy acutely, compelling Daewoo to rationalise its corporate structure; this revealed the true instability of joint ventures with such large TNCs that are highly integrated within a national economy. LDV bought out Daewoo's stake in the company and was able to buy the production rights to the Maxus model and continue its production in Washwood Heath (Telegraph 2012). Should the joint venture have lasted longer, the production of that model would have been initiated faster and been better able to exploit world markets, with revenues being recycled into new potential projects, production networks and further market opportunities.

The failed joint venture with Daewoo left behind shortfalls in financing the product development of the Maxus model, with development costs running to £700m.[17] The Maxus would turn out to be a bitter pill to swallow for LDV; it was not designed for the production capacities of LDV or the western markets of Europe. The design of the Maxus was developed in the context of the low labour cost production of Lublin Poland; simply transferring its labour-intensive production to the UK would not be an easy transition. LDV invested heavily in electric vehicle production in pre-empting legislative changes that were to occur in 2009, constraining further financing and development of the Maxus model.[18] Competition for the Maxus was too strong from the Ford Transit, Mercedes Sprinter or Vauxhall Vivaro, all of which had more sophisticated designs and production systems to attune to regional specifications. LDV simply did not have the funds available to customise the Maxus for more specific Western markets demands or efficient production methods. The only way the Maxus model could remain successful for LDV depended heavily on whether it could be exported successfully to eastern markets where the design specifications were better suited.[19]

In 2005, LDV went into administration; the American venture capitalists Sun Capital Financial Corporation bought a majority stake in the company, preventing LDV from closing. This highlights the weakness of LDV in the fact that it became too reliant on foreign investment to keep in line with its production costs let alone development, again highlighting the small size of the company preventing it from attaining financial self-sufficiency. This ownership by Sun Capital showed no promise of long-term development or investment but did maintain and continue existing development projects that were ongoing (i.e. the Maxus). However, Sun Capital, as venture capitalists, were only interested in turning a quick profit; the short-term investment was only to make LDV lucrative for a new potential buyer – not towards the development of new product lines or models.

Not surprisingly, Sun Capital sold on the year after. GAZ took ownership of LDV in 2006; the Russian OEM injected £25m into new product development. Under the Sun Capital ownership, the Maxus model had proved successful, winning the

[17] In total over £700M was invested into the Maxus Project (Bailey and Clancy 2009).
[18] For LDV management buyout status update for suppliers 22.03.2009, see appendix; data from stakeholder interviews.
[19] The term Western market refers to Northern/Western European markets whereas Eastern markets refers to Eastern European countries and South East Asian markets.

commercial light vehicle award of 2005 and giving LDV the opportunity to sell abroad with confidence, and was ideally suited for the Russian market, hence the suitability for the GAZ takeover. LDV was also utilising the increase in demand for, and further developing, electric vehicles; the new Maxus model was ideal for adapting to the electric vehicle sector. This development would solve the short-term goals of securing market growth but would also secure the company's long-term ambitions of gaining a foothold in the electric vehicle sector. However, once again another global economic recession would have reverberations in the automotive industry and for the company. The financial crisis of 2007-8 proved to be disastrous for the commercial vehicle sector, and with this recession in particular, the restricted finance for small and medium-size enterprises (SMEs) would reverberate through the commercial vehicle sector, influencing the decrease in vehicle sales. LDV in particular had a reliance on the local SME consumer base to generate sales revenues as this is where the brand had the strongest support. The restriction on financing would also influence SMEs' ability to invest in electric vehicles. Furthermore, the parent company GAZ was financially unstable during this period as it was tied into a number of other industries strongly affected by the crash;[20] with this financial safety removed, LDV was left in a precarious position of declining sales and financial constraints – LDV's prospects looked bleak.

Ultimately the chain of ownership failed due to a bad choice of investments on behalf of the parent company and LDV's choice of joint ventures. Many of the parent companies had great structural problems of their own – such as DAF, Daewoo and GAZ – which made these TNCs financially unstable, encountering two problems: first the vulnerability to economic shocks and downturns which would always leave LDV susceptible to the mercy of TNC rationalisation; second the likelihood of maintaining long-term investment to continue product development and global network production would remain slim. This resulted in LDV simply not having the opportunities for investment and development that were needed to keep pace with the changing nature of the global automotive industry; LDV collapsed and subsequently closed.

[20] Due to GAZ's connections to the Russian steel industry, its owner, Oleg Deripaska, was forced to scale back many of his operations, resulting in some branches of his business becoming subject to rationalisation or forced to be sold.

2.4 Summary: LDV on a Failing Pathway

This chapter has summarised the automotive industry context underpinning the LDV closure by detailing the various processes of change within the automotive industry that led to OEMs restructuring within automotive production methods.

The transition from mass production Fordist methods to the more flexible post-Fordist modular system witnessed OEMs turning away from reliance on traditional large production facilities and encouraging in further integration, with suppliers creating more sophisticated regional nodes of production. The further integration of global markets created further needs for restructuring towards the relocation of these regional nodes to developing economies to utilise cheaper labour. The implications of these processes on already existing regional nodes (e.g. Detroit US, West Midlands UK) were mass redundancies and the scaling back of production. This new era of more globalised markets and the ever-increasing challenges of production (e.g. *the challenge of cost recovery*) dictated how OEMs were to engage in markets and encouraged the use of platform-sharing and mergers/joint ventures to mitigate productions costs. It is within this context that LDV found itself unprepared to meet these varying challenges.

Similar to the wider automotive industry, the commercial vehicle sector also had to overcome these restructuring challenges to keep pace within a very competitive market. However, due to a combination of its corporate heritage from Leyland DAF and how the Washwood Heath plant was situated within the regional production nexus, LDV embarked on a failing pathway that would eventually lead to the closure of the company. Within this pathway, there were certain opportunities or moments - both political and economic - where LDV and other actors could have intervened to avoid long-term decline.

The chapter has covered several topics surrounding the LDV closure, describing the corporate history of LDV, and discussing how Britain's political and economic situation in the post-war boom period created the national champion British Leyland. The post-war boom period of the British automotive industry overlooked many structural problems that resided within it, while competition from the global market only got stronger. As the global economy changed throughout the 1970s and 1980s, this would have implications for the UK automotive industry, affecting the West

Midlands region in particular. In facing all of these challenges and transitions in the automotive industry, British Leyland failed as a national champion, while the British Leyland heritage continued to plague LDV in its more recent history and restrict it from becoming more competitive in the automotive industry.

From 1991 when LDV broke away from Leyland DAF, LDV was in a precarious position. The company had lost a significant part of its research and development (R&D) capability, capital investment potential and sufficient economies of scale to sustain itself independently. This made LDV dependent on foreign takeovers and susceptible to geopolitical and economic events. As such, LDV was hit by a succession of economic crises – first the Asian financial crisis of 1997 and lastly the economic recession brought on by the financial crisis of 2007. The most recent parent company GAZ (Russian OEM) was forced to scale back its costs and pulled out of LDV in early 2009. Due to the economic uncertainties faced by the industry and governments, LDV failed to find another investor and financial backer. By the time of LDV's closure following constant downsizing in 2009, employment had shrunk significantly to 900 workers at the Washwood Heath plant with a further estimated 4,000 employees under threat in the related supply chain. The Washwood Heath manufacturing plant had provided employment in the local area for over 40 years, and a local 'icon' came to an end.

The thesis continues by reviewing the literature around the Geographical Political Economy (GPE) of LDV and Washwood Heath, engaging in the wider topic of plant closure and the labour market policies that follow such actions.

Chapter 3: Geographical Political Economy and Plant Closure

3.1 Theories and Topics in Relation to Regional Development

The previous chapter discussed the automotive industry in the context of this research and established its relationship to plant closure and the economic restructuring of regional economies. The chapter further alluded to the economic and social issues created when economic institutions collapse, leaving serious issues for local and regional government. The subject of plant closures also brings to the fore the question of what factors, indicators or processes (or combination thereof) makes particular regions or localities more successful at generating strong industries and economies whilst other regions are susceptible to industrial decline and economic setbacks.

The chapter aims to address this by reviewing the literature of regional development and economic theories, exploring the different aspects of economic discourse and regional governance, to comprehend what economic strategies or models have influence over policy decision-making and the ultimate economic direction of the regional economy. In this regard, the chapter will begin by discussing the theory of geographical political economy (GPE) developed by Pike et al. (2005). This theory in particular has significance within this thesis to develop the wider contextual issues surrounding economic events concerning the political and geographical relationships that lead up to economic events. Further to the GPE approaches, other economic approaches and theories also have value to extend the conceptual understanding of plant closure, and will be brought into the empirical research of this thesis. In this respect, the chapter will explore the role of evolutionary economic geography (EEG) continued by Boschma and Frenken (2006) and link these discussions with the more recent concepts of regional development through the notion of regional resilience (Dawley et al. 2010).

The chapter then brings out these economic debates through direct examples of plant closure and labour market policy, through looking into examples of plant closure and examining the outcomes of the labour market policies. This in turn leads to discussion of the correct policy implementation (in the form of regional taskforce approaches), while the context of that closure will be explored further in Chapter 4.

3.1.1 Introducing theories of GPE, EEG and Economic Pathways and Regional Resilience

The evolution of regional economic development themes will now be discussed, beginning with the GPE literature. Pike's (2005) research proposes that the course of a company's future lies in certain critical 'moments' and events in which the company or related actors (organisation or institutions that have association with the company) can intervene and influence the company's direction, ultimately determining the long-term development of the region where a company is located. These 'moments' and 'events' are dictated by the geographical, political and economic circumstances of that company in relation to how it produces and sells goods. It is through these principles established by Pike (2005) that the contextual research of LDV will be conducted.

Other approaches such as Krugman's (1999) new economic geographies (NEG) explain how globalisation of the world market increases the vulnerability of the local area through the introduction of more intense external competition and economic processes. In response, commentators have stated that regional economies have adapted through the clustering of industrial spaces and related labour markets to increase efficiency and output within those industrial sectors, thereby making regional economies more competitive on an international scale (Takatsuka 2011). Contributions from Boschma and Frenken (2006), Boschma and Martin (2007), and Cumbers et al. (2008) further this discussion through their conception of evolutionary economic geography (EEG). This approach aims to advance the thinking behind the NEG by blending a mixture of approaches and in comprehending the innovation cycles of corporate development adapting to the nature of the fast-paced modern world. EEG seeks to create a conceptual understanding of the economic landscape and the processes that occur with interrelated temporal and spatial aspects (Cumbers et al. 2008).

All of these theories recognise the importance of space within regional development; however, the differences between the theories are the significance and priority they place between the actors, spatiality, history, economic and political institutions within those regions. Other factors like path dependency and the regional context all play their role in economic development. Using examples from Tomaney (1999) and

Shuttleworth et al. (2005), the chapter continues this discussion in context with 'real-life' examples that exhibit the processes and aspects mentioned above.

3.1.2 Raising the Political Economy of Plant Closures

The MG Rover collapse in 2006 indicated the closing stages of mass-produced automotive production within the West Midlands. The closure of LDV in Birmingham in 2009 represented yet another automotive plant closure within the West Midlands, signifying the end of mass automotive production in the region. The continuing closure and relocations of successive plants post-MG Rover closure (Peugeot 2006; LDV 2009) characterised more ongoing regional development issues, signifying underlying problems and the region's inability to maintain strong economic institutions (Bentley 2007; Dawley 2014). However, the headline plant closures are all part of the ongoing development of the automotive industry, as already explained in Chapter 2, with the automotive industry itself experiencing radical changes being subject to globalisation and restructuring processes (Bailey 2007; Bentley 2007). This reveals a critical weak link in the West Midlands' regional development over the past decade, exposing path dependency on a single industry (Hudson 2007; Neffke et al. 2011; Hassink et al. 2014). Following that, attention should be drawn to the regional actors and their role in preventing or limiting damage when plant closure occurs (Pike et al. 2010; Hassink et al. 2014; Pugalis and Bentley 2014). These actors consist of local social actors as well as political and economic institutions (at both the local and national level), all of which have a relationship to some degree or another to the plant closure and the outcomes of that closure upon the region (Mackinnon et al. 2009).

Pike (2005) establishes the GPE framework in examining the North East's experience of the closure of a research and development facility (R&DCo) in 1999. This instance represented a significant depreciation of the North East's high-knowledge and high-technology economy in what was an already struggling region in this sector. As Pike (2005: 94) describes:

> The economic and social costs of closure (R&DCo's activities) were acute in the NE as it has weak growth, high unemployment and limited research and development.

This suggests that the effect of the closure on the region depends on the type of closure itself in relation to the region's overall economic activities and industrial structure. Though the plant closures within the West Midlands are of a very different nature and scale from those of R&DCo in the North East, it is possible to point to two similarities. Both regions suffered from high concentrations of unemployment from a long industrial decline, and both regions had lost traditional strong industries that provided significant employment and economic stimulus.[21]

The GPE contribution that emerged from the R&DCo case study is that contemporary theorising about plant closures from an NEG theory perspective was insufficient to explain the needs of a rapidly modernising, changing economy (Pike at al. 2010; Hassink et al. 2014). Much theorising around closures often relates heavily to internal (plant) and external (macro-economic) factors. This thereby defines the closure and post-closure in its own terms without taking into account more intricate regional agents in the equation, such as social institutions and the spatial–historical context that are central to comprehending regional path-dependency relationships (Pike 2005; Pike et al. 2010; Hassink et al. 2014). Furthermore, the relationship between what is deemed necessary and the contingency of plant closure is often weak, resulting in the separation of the reasons behind closure from the local and regional impacts (Pike 2005). It can be argued that the place-specific character of public policy, institutional responses and political mobilisation contribute to overall resistance or response to closures, and hence the spatial differentiation in regional unevenness in regards to plant closure outcomes and future economic growth/recovery (Mackinnon et al. 2009). In this vein, Pike (2005) continues by building a political economy approach to the R&DCo case study by developing the 'relational' aspect to the closure, basing this on Massey (1995: 104):

> ...to conceptualise processes and relations. Objects are not simply given to analysis, but are themselves products, and must be conceptualised in such a way as to incorporate, not just their descriptive characteristics, but also the process of their production, the larger dynamic of which they are part.

Here Pike (2005) analyses the closure by conceptualising it as a product of spatialised social relations and social processes taking place over a long period of

[21] The North East specialised in ship building and coal mining where the West Midlands has been heavily reliant on the auto-industry.

time. Space and place are then incorporated into theorising closures, thereby remaking the economic and social landscape in particular through the actions of social and economic agents. Understanding the historical aspects of the social relations of a region conceptualises the temporal transformation of closures (Pike 2005: 98):

> The trajectory of social process of closure is unavoidable, shaped by its own historical and geographical evolution.

Restructuring is then path-dependent between the actions and events within the region, reflecting the very nature of the region's social and political-historical ability to direct the future of potential outcomes of closures. An important aspect of GPE is the comprehension of 'moments' within the closure process. GPE emphasises that closures are not sudden events; on the contrary, they are prolonged processes that experience relational changes between the organisation and the regional institutions and actors (Pike 2005; Hassink et al. 2014). For instance, Cumbers et al. (2008) explain how the importance of labour unions has generally been overlooked in their role of establishing production and that they have a significant role within the overall global production network. In this sense, labour is critical to value creation and ultimately towards productivity within the network. The ability of the labour unions to enact power and influence on work conditions or job security rely on the geographical and social relations they can draw upon (Cumbers et al. 2008). The importance to place here is the relationship between the macro-organisations and the local actors, in their capability to prevent or mitigate closures with emphasis also placed onto the local actors' ability to rally together to form a coherent front (Mackinnon et al. 2009; Pugalis and Bentley 2014).[22]

3.1.3 The Role of Evolutionary Economic Geography in the Debate: Carrying GPE Forward?

Krugman's (1999) NEG attributes the agglomeration and clustering of industries due to geographical and political characteristics of a particular region in terms of market proximity, location of labour and governance (Garresten and Martin 2010). Crucially

[22] Such examples of these 'moments' can be to challenge corporate authority (Shareholder activism), prompt public support; develop innovative public intervention, or disperse the effects of the closure by closing a limited number of assets (Pike 2005).

Krugman (1999) also implants the role of supply and demand within the regional cycle. Supply is mobile due to the increased mobility of labour and capital (Garretsen and Martin 2010). The location of workers depends on the location of firms, on which depends the location of capital, resources and demand. Frenken and Boschma (2007: 636) highlight the importance of space and time within this 'geographical-historical shift':

> ...economic geography is inseparable from economic growth processes, because spatial patterns emerge from processes that have taken place in the past.

Takatsuka (2011) continues this line of research by following how the relationship of the labour skills pool and the market size influences industrial location. Research places importance on the size of the labour skills pool and the costs of entry and exit to that market in limiting the mobility of a particular firm or industry. The Takatsuka (2011) model is based on these arguments and highlights that the NEG models fail to show this relationship and that the agglomeration of skilled labour occurs faster than the location of firms. His research places a further emphasis on the role of regional policies and welfare in how economic geography determines the location of skilled labour.

The emergence of EEG seems to present new ideas, at least on a conceptual basis, which may demonstrate how opportunities can be made and exploited in economic development policy (Frenken and Boschma 2007). The EEG perspective places greater emphasis on the role of spatial and temporal contexts in the evolution of firms, industrial production and agglomeration economics (Neffke et al. 2011). This is driven by the primary assumption that firms develop and evolve a set of firm *routines* that become embedded into the specific spatial context. These routines consist of a firm's ability to develop organisational skills, the division of labour, the division of labour skills to maximise production and the utilisation of tacit knowledge within the firm with the right set of routines leading firms to become industrial leaders (Boschma and Frenken 2006:278). The evolutionary or 'Darwinian' aspect of these routines is that within an industry, there will be certain routines that promote growth and exhibit good practice whilst others will be negative and counterproductive; this in turn leads to a 'survival' of certain routines that continue to exist within certain spatial contexts (Boschma and Frenken 2006). Firm routines can then be 'nurtured' through

investment in R&D and firm networking, which in turn leads to an agglomeration of knowledge due to historical and spatial concentration of knowledge within the firm routine (Boschma and Frenken 2006:279). The EEG approach suggests that the emergence of strong firms that become industrial leaders and the creation of innovation are not due to 'exogenous factors of production', but developed over an extended period of time through the establishment of successful routines (Frenken and Boschma 2007). The firm's actions then become embedded into the historical aspect of that spatiality, through its supplier networks, firm routines and domestic home loyalty, which then drive the evolution of that regional economy (Frenken and Boschma 2007; Martin and Sunley 2007; Neffke et al. 2011; Hassink et al. 2014).

To comprehend the long-term implications of firm routine development upon a region's economy, EEG incorporates the actions and motivations of individuals, and the firms in a historical and geographical context through three major strands that drive development within a region: technological change, via innovation and knowledge; the concept of linked path dependence in determining to some degree present circumstances; and the organisational routines built up over time, through the basis of competition between firms (Frenken and Boschma 2007). During this 'development period', there exists certain moments when firm routines continue to advance innovation and technology or become trapped within outdated processes or routines (Martin and Sunley 2007; Neffke et al. 2011). In the case of MG Rover, the national champion ethos restricted the development of the firm's routines, so when the firm was privatised it could not fully re-establish itself in innovative networks and competitive routines. A succession of takeovers prevented the endogenous development of innovation and restricted the evolutionary path of the region, increasing the future likelihood of plant closures as the necessary routines could not be generated. It can be seen that since EEG focuses on the 'evolutionary' aspects of economic development, as a theory it is able to expand and adapt other concepts, creating new avenues of approach to developing economic theory in understanding economic development, with its core principles trying to incorporate aspects of both NEG and institutional economic geography (Frenken and Boschma 2007; Garresten and Martin 2010); because of this the EEG theory has an emerging role (though somewhat fluid conception) to play in comprehending a region's susceptibility to plant closures and its economic prospects. Of note here, Boschma and Frenken

(2006:293) then frame how EEG analysis of economic development policy should be based on the relationships and interactions on three levels, the macro-level of the spatial system itself; the meso-level of the sector and networks that reside; and the firm routines that are established (see Fig 3.1).

Figure 3-1: EEG Cycle of economic development perspective.

This figure displays the relations between the economic factors of a region at different levels of aggregation. A future economic discourse for the region or firm can be created by understanding these factors and the role they play within that region. Source: Boschma and Frenken 2006:293.

3.1.4 Using GPE and EEG to Conceptualise Plant Closures

The reverberations of plant closures have been felt across many regional economies (particularly within developed countries) as embodied through the mass scale of deindustrialisation in the West. The ability of a region to successfully adapt or cope with these changes hinges dramatically on geographical and historical links to political or economic institutions (Mackinnon et al. 2009; Garretsen and Martin 2010). The ability of the region to foster the concentration of firms, stimulate innovation and work with related networks relates directly to the competitive state of that regional economy and the firms that exist within it, as Frenken and Boschma (2007: 637) state:

> Evolutionary economists start from the premise that firms rely on organisational routines in their productive and decision-making processes. Routines are built up over time and are, to a large extent, idiosyncratic to the firm. Markets operate as selection mechanisms upon the heterogeneity of routines among firms resulting in systematic differences in the growth rates of firms.

The EEG approach places an interesting focus on the role of firms within spatial patterns of development and how organisational 'routines' can foster or hamper innovation capability alongside the role of regional actors/institutions to create industrial economic structures that further promote regional development (Hassink et al. 2014:4). The ability of the firm to maintain these standardised routines or establish new effective routines, developing for example the diversification of product lines or the establishment of good tacit knowledge networks, will result in the region being able to maintain that production (Frenken and Bochma 2007). The EEG theory suggests that should a firm not make efficient use of local assets or the local/global market, this will lead to restructuring and possibly closure within that geographical space. For example, regions that are locked in by path dependency and spatial factors or contexts create obstacles in a region's ability to adapt to new routines or make current routines sustainable and will therefore lose production capacity (Dawley 2014). Arguably, this could be said of the West Midlands region. The ability of the region to stimulate the correct 'firm routine' determines the region's industrial competitiveness within that industry.

Foremost, the EEG theory enables the mechanisms of the state that are involved in shaping the evolution of the economic landscape to be recognised. However, the significance of unintended aggregate effects of the behaviour of individual agents versus deliberate intervention represents a factor for further EEG research (Cumbers et al. 2008). Within EEG theory, firms are not treated as isolated entities but almost as entry points for examining the development of aggregate spatial units like cities and regions. In this respect, Dawley (2014) breaks down how the generation and nurturing of firm routines can be promoted through the regional economic environment (policies and strategies, institutions and economic structures); through the advent of technological innovation; through knowledge generation and capture; and through networking capacity and industrial renewal (see Fig 3.2). Thus there is a need to use EEG theory to examine the relationship between 'emergence' in

macrostructures from lower level processes and broader socio-spatial structures and the regional institutional factors involved (Cumbers et al. 2008; Dawley 2014).

Figure 3-2: Evolution of Regional Economies.

The diagram shows the EEG perspective concerning how firms are attracted to regions and the evolution of regional economies within the different phases of regional development and processes that encourage firm routine practises. Source: Dawley 2014: 95 taken from Martin 2010.

Recent commentators on EEG such as Hassink et al. (2014) raise the point that despite being at the forefront of conceptualising regional economic growth, EEG still neglects certain key aspects that contribute to regional growth, and claim that EEG can be further advanced by utilising GPE and other economic principles (see Figure 3.3). Through understanding that EEG remains a continually developing theory which can embrace other concepts to clearly identify what institutions are vital to economic activity, then EEG could become a more thorough and robust method by which to analyse regional growth.

What can be learned from EEG and GPE is think more broadly about how to design a development growth trajectory that will enable an economy to become more resistant and adaptable in the future instead of being vulnerable and reliant on a limited number of sectors or industries. In the case of the West Midlands, the region has developed new employment through the actions of various regional actors and institutions such as the MG Rover Task Force; but it can be argued that it needs other agents to stimulate labour activity and development for the region. The EEG approach in conjunction with GPE thinking could help to create better choices and provide a better framework for achieving economic sustainability should future plant closures arise.

Figure 3-3: Relation of Economic Theories.

The diagram shows the different associations between the EEG, NEG and GPE paradigms with additional economic theories. It demonstrates how the core structure of EEG can be furthered by embracing aspects of other theories. Source: Hassink et al. 2014: 6.

3.2 Plant Closure and Response

The previous section established that regional development could be understood within its geopolitical and evolutionary economic setting. It posited an economic development policy framework into which an economic development policy can be created, aimed at suiting the needs of the region, while considering the historical backdrop of that region. The previous section discussed the importance of social and economic institutions created within the region and the role of space and time in guiding the region's economic development.

This section of the chapter will consider the differences in policy put forward as a reaction to what can be seen as plant closure. It examines case examples such as auto-industry closures MG Rover at Longbridge and Mitsubishi in Adelaide, and the shipyard closures at Swan Hunter, Tyneside, and Harland & Wolff, Belfast. These cases exemplify differing labour market adjustment policies in regards to the redundant workforce and the different outcomes of these policies in relation to the context of that closure. This section introduces key themes and philosophies behind current labour market policy research. These concepts concern the job precariousness debate (Armstrong et al. 2008), which suggests that workers with limited skill sets, once released from a stable job position, can find themselves trapped within cycles of unemployment. De Ruyter and Burgess (2003) and Bailey et al. (2014) reinforce this paradigm with the notion that certain demographic groups can suffer job precariousness, and, without significant government intervention, can become excluded from the labour market and job opportunities. Other key facets with regard to labour market adjustment, such as the importance of accommodating labour into job opportunities and addressing the issue of permanent income loss, will also be discussed in this review.

3.2.2 The Economic Context in Policy Responses

Labour market policy responses in the face of plant closures and the undertaking of adjusting the labour market is an important topic. Despite deindustrialisation being a long-term pattern of transition for developed economies (Danson 2005; Dawley et al. 2010), dealing with the repercussions of labour displacement and the reinsertion of the redundant workforce back into the economy remains a pressing issue for many

Western economies (Shuttleworth et al. 2005; Bailey et al. 2014). How various states on a national and regional level implement a policy response depends on the type of governance structure that they endorse and the capitalist ideal they adhere to.

There are various forms of capitalism that ultimately underpin the types of economic development and labour policies used by different states to guide economic growth and respond to economic shocks (Dicken 2011:177):

> *Neo-liberal capitalism* - Market mechanisms are used to regulate all or most aspects of the economy. The state does not fully regulate and strategically plan the economy. Capital markets are decentralised, shareholder value being dominant, typified by the US and UK governments.
>
> *Social market capitalism* - This establishes greater collaboration between different actors within the economy with stakeholders beyond that of owners of capital. Examples of this are Germany, France and Scandinavia.
>
> *Developed capitalism* - The state plays a more central role (not usually in terms of public ownership). The state establishes economic strategic goals and industrial strategy, common in East Asian countries.
>
> *Authoritarian capitalism* - Highly centralised political system combined with an open market (but in a heavily controlled way). Typical examples are China and Russia.

Dicken (2011) categorises the behaviour of states within their economic framework; since the financial crisis of 2008 and the continuing economic recession or stagnation that various countries are still experiencing, differences in terms of economic planning have been evident. However, as the structure of modern economies continue to change, primarily through industrial restructuring, this will influence the types of policy response and their outcomes, particularly within a regional context (Schillie and Yip 2000; Donnelly et al. 2005; Simpson 2012).

The advent and evolution of neoliberalism within the UK and Western economies subjected old industrial regions (OIRs) like the West Midlands to extreme vulnerability given shifts in the market or global production networks (Bernard and Jenson 2007; Birch and Mykhnenko 2008; Pike et al. 2010; Gomez-Plana and Latorre 2014; Streeck 2014). The shifts include the creation of flexible labour

markets, more expansive market opportunities, increasing foreign ownership and the changing nature of government spending in regards to protecting national industries. Streeck (2014) links the issue to the rise of neoliberal capitalist development and the need to restructure public debt. During the post-war period leading up to the 1990s, public debt increased rapidly through a combination of global economic crises and Keynesian economic stimulus programmes to protect national industries (Streeck 2014). This resulted in a growing public sector to absorb the shortfalls in provision by the private sector economy; this meant that less competitive regions became dependent on select industries or the public sector for economic prosperity and growth. In such circumstances, public debt risks becoming too high, prompting governments to enact austerity measures[23], becoming as Streeck describes a 'consolidation state' (2014: 155); In combination with a highly mobile global financial network of private investors and the 'super rich', it becomes difficult for governments to invigorate investment and maintain industrial support. Consequently, when large firms are forced to restructure, production plant closures or job redundancies become inevitable. Local areas in particular are hit hard when the iconic symbols of their well-being and livelihood are dismantled. As such, the mobilisation of local social and political actors becomes vastly important in mitigating and then recovering from the shock resulting from the closure events (Pike 2005; Pike et al. 2010).

3.2.3 Case examples of Labour Market Policy

The following section explores different case examples of labour markets post-plant closure. The literature engages in discussion of the policy reaction to the closures and creates a discussion point, which leads to comparative analysis of the policy approaches. The case examples include the large-scale shipyard redundancies of Swan Hunter in 1993 and Harland & Wolff in 2000, in Tyneside and Belfast respectively (Tomaney et al. 1999; Shuttleworth et al. 2005). The Swan Hunter case incorporates the analysis of GPE aspects of closure in the overall outcomes;

[23] The implementation of austerity-based economic policies is popular amongst developed economies in light of the financial crisis in order to restore confidence and robustness in international financial markets and international economic and rating agencies. This has resulted in huge reductions in government spending and future investment alongside slow wage growth. Whilst the effectiveness of austerities in restoring stable economic growth is disputed by economists and politicians, it has taken hold across the central political mainstream. Whilst this thesis does not argue the merits of austerity, it does recognise the impact that austerity has on the ability of governments and public bodies to channel investment and funding into driving economic growth and recovery initiatives.

whereas the Harland & Wolff example looks more into the employability issues of the redundant workers. Other comparative examples are the automotive closures sustained in MG Rover in Longbridge, West Midlands, UK and Mitsubishi in Adelaide, South Australia (Armstrong et al. 2008). The UK and Australian governments faced similar problems with the collapse of automotive plants that formed the core of the respective local economies. Both governments approached the issue differently and as such the labour market outcomes were distinctive despite sharing similar challenges.

3.2.3.1 Swan Hunter Tyneside: Exemplifying the GPE of Labour Outcomes

Tomaney et al.'s (1999) research into the Swan Hunter shipyard closure of 1993 in Tyneside presents a political economy perspective into closure, combining the issues of redundancy and the labour market. It highlights the importance of social structures and institutions within the local context and the historical development of that locality. Similar to the LDV situation (and that of many other British firms), the Swan Hunter case exemplified a long-running history of mismanagement from both the private and public sectors in maintaining international market competitiveness. Examples of the shortfalls were failing to keep up with technology developments; not accessing key areas of the market; poor government handling and management; and strong international competition (Tomaney et al. 1999).

The closure of the Swan Hunter plant also represents the reluctance of modern UK governments to institute protectionist policies and the entrenchment of neoliberal ideals in restructuring the economy. Tomaney et al. (1999) note that while Swan Hunter was in existence there seemed to be 'golden days' for the Wallsend community, exemplifying that Swan Hunter's presence was much more than economic, thereby bringing a sociological aspect to the situation. The regional and local governments and communities wanted to embrace these large firms, wanting protectionist strategies, in effect to protect their local economy and their identity.

The atmosphere of economic depression at the time was exacerbated further with the local community already suffering from redundancies and long-term unemployment, especially among middle-aged men. The workforce itself consisted primarily of middle-aged white men. The Harland & Wolff study stressed the

importance of age and the relation it has to barriers of employment (Shuttleworth 2005). Furthermore, employers within the labour market seemed to neglect the development of skill levels required in shipbuilding production. In this respect, the workers suffered from *skills dependency* in that their established skills base had been so dependent on their place of work that they had become 'unfit' for the demands of the new labour market.[24] The combination of these factors would lead to issues of job insecurity through the likelihood of shorter contracts and increased chances of wage reduction, with significant implications for the older workforce in their chances of remaining in the labour market. Further outcomes were that 45% of those that went on to employment or self-employment utilised their personal contacts and word of mouth in securing new employment, highlighting the importance of non-official avenues to employment and the vulnerabilities of workers that have to rely solely on official avenues or assistance in accessing job opportunities.

3.2.3.2 Harland &Wolff Belfast: Employability in a Neoliberal Market

Research conducted on the closure of Harland & Wolff in Belfast in 2000 by Shuttleworth et al. (2005) continues the theme of large-scale high-profile redundancies. The authors place this research in the context of changing government attitudes to labour market policy. It explores how the neoliberal welfare to work and flexible employment strategies affect the re-employability of the redundant workforce (Shuttleworth et al. 2005). The issue of what employability actually means and its implications are discussed in exploring the roles of human capital theory and the development of personal skills traits. In this case, Shuttleworth et al. (2005) further highlight that due to the uneven nature of supply and demand side measures, personal skills development in adding to human capital creates more employability but at the expense of other sections of the workforce. Similar to the MG Rover and LDV circumstances, the Harland & Wolff workforce was mostly an older age group. The majority of the workers (53%) were over 45 years old, white, male, with many careers spanning over 20 years; furthermore, roughly a third of employees were classified as having no qualifications (Shuttleworth et al. 2005). The demographic of this workforce is vulnerable to the new demands of the flexible labour market. Re-employment among the workforce was good, with 67% finding

[24] This situation of *skills dependency is* prevalent within the LDV circumstance.

new jobs within six months. However, despite the relative success of the Harland & Wolff recovery, further implications of redundancy emerged such as decreases in pay in new employment and reduced job security. This study exemplified the need for more demand-side measures or local Keynesianism within the local economy to ensure job growth and to avoid underemployment (Shuttleworth et al. 2005).

3.2.3.3 Mitsubishi, South Adelaide: Failure of Demand- and Incentive-led Strategies

The closure of the Lonsdale Mitsubishi plant in 2008 made 1,200 people redundant in South Adelaide, Australia. The concentration of jobs within a relatively isolated local labour market made the closure even more significant and precarious for the local economy and the wider regional supplier base. Manufacturing represented 18% of employment in southern Adelaide (Beer 2008; Thomas et al. 2008). The federal and state governments created an AUS$45m (approx. £20m) fund to stimulate labour market expansion (Armstrong et al. 2008). Instead of concentrating on retraining ex-workers, the state chose to subsidise businesses to encourage the recruitment of new employees within the area to absorb the redundant workers (Armstrong et al. 2008). The failure of this approach was mainly due to the fact that subsidised grants did not result in employment in the most affected area, as many beneficiaries of funding were in Northern Adelaide rather than in the South. Only with the implementation of the Labour Adjustment Package did the Australian government begin to address the supply issues and employability factors of ex-workers in the South (Armstrong et al. 2008). However, even this received heavy criticism due to its poor performance and mismanagement; many redundant workers found new jobs through ‘word of mouth’ rather than through the job services. This stressed the importance of efficient and effective labour market intermediaries in connecting ex-workers with new job opportunities (Benner 2003). Further federal funding was carried forward but the distribution of this funding remained firmly within the central authorities’ hands (Thomas et al. 2008). This could explain the lack of innovative local attempts to boost the labour market and stimulate job growth.

The Australian government took a demand-led but ‘hands-off’ approach to tackling the redundancies by financing local businesses to encourage employment

opportunities in the area. The Australian government's insistence on minimal direct involvement – in effect devolving responsibility to businesses – to drive the recovery created a situation of isolation for the ex-workers, many of whom had long-term employment with Mitsubishi and no recent experience with the job market (Armstrong et al. 2008). Without giving enough attention to the supply problems of reintegrating labour, the Australian government strategy condemned ex-workers to underemployment, typically matched with low wages, minimal hours and short-term contracts.

The underemployment problem within new job creation also meant that the skills shortage in the locality was not being addressed. This approach overlooked the political economy of the area, in that the social entrenchment of workers of Southern Adelaide was significant (Beer 2008; Mackinnon et al. 2009). The demographic of the workers was primarily a middle-aged group – usually people who were home-owners and with strong family ties in the area. These strong centrifugal forces kept the search for new jobs to a very limited range as many families were unwilling to move to another area (Beer 2008). The Australian government failed to engage in the logistical issues of labour market displacement. Heavy reliance on private transport without establishing sufficient long-distance public transportation restricted the job recovery capacity of Southern Adelaide (Thomas et al. 2008). A greater effort to link the North and South Adelaide labour markets should have been made to counterbalance the under-efficiency of one labour market in order to stimulate sufficient greater employment. With all of these barriers and obstacles to finding new employment, over-reliance on the neoliberal open-demand model was bound to create imbalance in the recovery of Adelaide.

3.2.3.4 MG Rover, Longbridge: Supply-side Measures, Adapting the Workforce

The UK experience of the MG Rover plant closure in Longbridge creates a different standpoint concerning the labour policies utilised. To begin with, the UK had 'foresight' in what was to come in 2005. MG Rover came under threat for the first time in 2000 when BMW decided to sell the company. After the Phoenix Consortium took over the plant and initiated restructuring strategies (which did invoke job redundancies), this facilitated the foundations of future policy and economic

restructuring in the West Midlands region through the embodiment of the first MG Rover Taskforce in 2000 to oversee the transition of ownership from BMW to the Phoenix Consortium (Bailey 2003; Bentley et al. 2008; Bentley et al. 2010; Bailey et al. 2014).

The MG Rover Taskforce invested in regional suppliers who would be under threat from reduced production from the plant, but also set in motion new roles for the plant's obsolete facilities and established new job-searching institutions. The final closure of Longbridge in 2005 severely degraded the region's automotive industry with 6,300 jobs lost directly, and additional indirect job losses among suppliers (Armstrong et al. 2008; Bailey et al. 2008). Unemployment levels within the West Midlands and the Longbridge area prior to the closure were already higher than the national average, with levels reaching 24.4% and 16.8% respectively compared to 13.9% nationally (Cowling and Isles 2005:1). The economic context of the closure granted the MG Rover Taskforce far greater political and financial backing; for instance, the funds granted by the UK government were in excess of £176m (Pike 2005; Bentley 2007; Armstrong et al. 2008; Bentley et al. 2008; Thomas et al. 2008).

The recognition that the economy needed growth in new sectors to revive its manufacturing base within the region prompted a stronger policy reaction (Bailey 2003). The emphasis on granting regional institutions such as Regional Development Agencies (RDAs) and Advantage West Midlands (AWM) responsibility over the recovery instilled regional vigour and localism giving greater precision to policy implementation (Fuller et al. 2002; Bailey et al. 2008; Bentley et al. 2010). This kind of regional outlook was seen as being vital to establish industrial clusters and knowledge networks in advanced manufacturing and other innovation/high-tech industries with the aim of having long-term industrial and economic targets (Lagendijk and Cranford 1999; Bailey 2003; Thomas et al. 2008).

The MG Rover Taskforce 2006 displayed success in adjusting workers to the West Midlands labour market, creating flexible labour in the wake of the 2005 closure. The taskforce had dedicated £50m towards the development of skills (Armstrong et al. 2008); this is highly significant in relation to growth in the public and high-technology sectors that require National Vocational Qualifications (NVQs) levels 3 or 4 (Cowling and Isles 2005). The Rover Taskforce had the biggest uptake by MG Rover workers of these training opportunities, with 35% retraining to further their job opportunities

(Bailey et al. 2008). Indeed, by 2006 approximately 63% of the workers had found re-employment (Department of Trade and Industry 2006). The vast majority (90%) of the ex-workforce over a three-year period had managed to find new employment (Bailey et al. 2014).

To a degree, this case displayed the success of central government intervention in the form of taskforce intervention that could draw upon high levels of investment and agency capacity (i.e. the expertise drawn from the regional and local bodies that constituted the MG Rover Taskforce). However, the flexible labour market ideal brought with it the vulnerabilities of job precariousness and increased the likelihood that employees will have short-term contracts and be expected to re-engage in job searching. The flexible labour market makes certain demographic groups of the workforce more vulnerable to change, creating a preferential demographic based on their physical characteristics and skills base (Bailey et al. 2008). Thus, combined with any new employment generally involving lower-paid jobs, income from tax revenues and social development of the region will in turn decrease.

3.2.3.5 Labour Market Outcome Similarities

A common theme among these cases of plant closure is the vulnerability of the redundant workers to the 'new' demands of the labour market. Some workers have certain skill levels and demographic characteristics (e.g. being close to retirement or having lack of employment experience), which encourages individuals to leave the labour market entirely with their incomes becoming dependent on social welfare or, if able to re-enter employment, they suffer in terms of the quality of employment (Pinch and Mason 1991; Shuttleworth et al. 2005; Cook et al. 2013). The market-led labour market policy instils a 'cut-throat' attitude to labour reinsertion with many traditional industrial skills seen as inferior to service-based skills based on formal qualifications, reflecting the changes in sectoral demand and technology (Green et al. 1999; Green 2003:309). This problem goes further as many workers that were employed in traditional industries have a stigma attached to them, creating more barriers to employment as job specifications continue to diverge from traditional manufacturing skills (Tomaney et al. 1999; Green 2003; Bailey et al. 2008). This can result in long-term degradation of local communities and lead to unemployment among several generations, creating further 'lock-in' negative effects for the area. Within the OIRs,

the demographic of workers is much older, and therefore more susceptible to rises in younger workers with skills and qualifications that are more reflective of changing consumer wants, increasing their likelihood of prolonged unemployment (Green 2003). Retraining while in employment is vital to ensure that a workforce has the capability to engage in the external flexible environment and have the skills that appeal to employers. The limitation of state intervention depends upon the level of warning of potential closure; the nature and circumstance of that closure must be assessed within that specific context.

3.2.4 The GPE of West Midlands Framing Future Policy Response and Worker Experiences and Trajectories

The GPE theory (Pike 2005) brings to the fore the local and regional social agents, recognising the political identity of the region in relation to plant closure.[25] The way actors or institutions respond when important critical opportunities or 'moments' over the long term present themselves shows how successful the prevention (or damage control) of closures can be (Pike 2005; Mackinnon et al. 2009; Bentley et al. 2010). The West Midlands region seems heavily reliant on large central institutions combined with labour union movements that maintain a central core of employment and local solidarity typical of OIRs (Hall 2013; Bentley et al. 2010).[26] In the case of the West Midlands, the creation of the MG Rover Taskforce was a clear-cut example of industrial policy invoking rapid multilateral mobilisation of political and economic actors to counter and stabilise the shock of the plant closure on the local economy (Bailey 2003; Hall 2013). The MG Rover Taskforce rallied local bodies and actors (such as RDAs, job services, supply management, local enterprises) to gain public and national recognition for the emerging crisis, thus gathering significant political and financial support for restructuring (Bailey et al. 2008). The political and financial support came at a cost, however, due to its multi-organisational structure and the strong political influence from the central government; this limited the long-term outcomes of the MG Rover Taskforce (Hall 2013; Bailey et al. 2014). The funding of the taskforce was distributed unevenly throughout the different tiers of government

[25] By political identity, this includes cultural and historical references to the region.
[26] OIR: Old Industrial Region; examples in the UK would be regional economies that used to have heavy industries such as the Yorkshire coal mines and steelworks; Wales coal mines; and Scottish shipyard regions (Danson 2005).

as the more local and third-sector agencies lacked the political capacity to contribute fully towards the taskforces aims (Hall 2013). This meant that the taskforce's goals were short-term and neglected to nurture any local and longer-term initiatives. As the GPE nature of English regions changes, how future taskforces interact with local agencies will also change, reflecting the political, economic and social capacity of regional, sub-regional and local actors or institutions.

When considering the GPE of a region, the organisation's structure and ownership within that region make a significant contribution to that region's political outlook and future economic direction (Bernard and Jenson 2007). The BMW takeover of MG Rover in 1994 was a critical and negative moment, as commented by observers (Bailey 2003; Donnelly et al. 2012). The organisational structure and routine of MG Rover was not compatible with BMW, and the goals of BMW within the auto-market did not effectively involve expanding MG Rover in the long term. Effective market restructuring therefore failed to materialise (Bailey 2003; AR online;[27] Donnelly et al. 2012). The MG Rover problem had never really been resolved by the time the Phoenix Four investment group took over in 2000 (however, it can be argued that this was never the long-term intention of the equity company); this again was a critical moment in the firm's path (Bailey et al. 2010; Hall 2013). Indeed the possible closures of Jaguar during the financial crisis and the actual closure of LDV can also be seen as mismanagement by the foreign multinational company involved or the inability to reform to production processes emerging within the automotive industry (Bailey et al. 2008).[28] What needs to be recognised is the role the firm plays within the overall production network (whether it be domestically or foreign owned); should the firm structure seem weak, this will ultimately lead to plant closure or restructuring (Bernard and Jenson 2007; Simpson 2012; Gomez-Plana and Latorre 2014).

What GPE can lay bare is the potential vulnerability of a region's development, as the choices made throughout the long term by the various actors or institutions (whether political or economic) can solidify the path dependency 'lock-in' of the region within limited industrial sectors (Martin and Sunley 2006; Glucker 2007; Mackinnon et al. 2009; Cook et al. 2013; Hall 2013). The inability to utilise key 'moments' to break path dependency and recognise chances for new development is

[27] http://www.aronline.co.uk/index.htm?whydbbrf.htm accessed 08.06.2011, article last modified 23.05.2011.
[28] At the time of writing, Jaguar Land Rover (JLR) was undergoing financial difficulties and looked to be on the verge of collapsing but has since been taken over by Tata.

the sign of a ‘failing’ GPE, thus setting in a long-term development trajectory that will inevitably involve plant closures of some form (Mackinnon et al. 2009; Hall 2013). Conversely, those regions that utilise regional institutions, innovative government bodies, and/or maintain a dynamic workforce to foster strong sustainable development are examples of ‘strong or successful’ GPE. Examples of this are regions such as the south east and London (in a UK perspective); they are able to preserve economic dominance and growth, despite the economic recession and the repercussions on the financial sector.

Being able to understand these theories and processes and then apply them to regions suffering from plant closure remains highly important for the research in this thesis. The context of the LDV closure has its foundations within the GPE of the West Midlands. The region had the financial and political backing to ensure that the institutions involved in forming the taskforces were successful and was able to absorb the redundant workforce into the labour market, albeit at the cost of reduced income levels and the need to retrain workers. However, the political, economic and labour market contexts of the region were to change by 2010, conditioning the type of response that could be made by taskforces in regards to LDV. This would directly affect the post-closure experience and trajectories of the LDV workers; it is through the GPE ‘lens’ that the ‘LDV plant closure moment’ will be researched within this thesis, using GPE to form the basis of understanding when evaluating the policy response to the LDV closure, the actions of the LDV Taskforce and the subsequent outcomes of the LDV workers.

Chapter 4: Responding to Plant Closure: Taskforce and Labour Market Policy

4.1 The Impacts of and Reactions to Economic Shocks of Plant Closure

The previous chapter discussed relevant economic theories and their relation to plant closures, highlighting how given the tenants of the GPE and EEG theories the unique nature of each plant closure brings with it limitations and opportunities for policy response. However, what also must be taken into account are the varying degrees of impact that a plant closure has; depending on the type, scale and location of the closure, the economic shock will be different. This chapter will outline the varying degrees of economic shock brought about by plant closure and how this relates to the local or regional context. This part of the literature review will achieve this through explaining what economic shocks are and how they impact the people, place or economy in the context of the closure that took place. This chapter focuses on regional governance and economic development policy with the aim of 'bridging the gap' between the processes occurring within the automotive industry and the 'real-life' implications on regional economies and local communities, building towards the aims of the thesis by discussing the topic of impacts on the workforce and examples of policy responses to previous automotive plant closures.

4.1.1 Defining the Impacts and Economic Shocks of Plant Closures

The level and severity of economic shock depends on the context of the plant closure. This is due to a combination of factors such as the size of the closure, the significance of the contribution to the regional economy made by the firm, demographic and geographic factors of the workforce in relation to the production plant, as well as the condition of the regional and national economies, the historical ties the plant had with the development of that region, and the condition of the labour market at the time of closure (Cook et al. 2013).

An example of an economic shock is significant job losses through either closure or rationalisation of large commercial organisations or access to cheaper production networks (Simpson 2012; Cook et al. 2013). This can result from market forces, or be due to a strategic framework that the organisation has adopted, or even from external factors such as natural disasters or social/political events, for example

public unrest or industrial strikes (Cook et al. 2013). Using this framework, it can be seen that the West Midlands region from 2000 onwards experienced a variety of themes in plant closures with shocks stemming from a range of causes or reasons (see Table 4.1). The first instance was the downscaling of production of MG Rover at Longbridge. In 2000, BMW, the then owner, decided to sell MG Rover to the private equity firm The Phoenix Consortium (Bailey et al. 2010). The primary reason for this was that MG Rover continued to make unsustainable losses, forcing BMW's hand. Indeed, BMW were so desperate to shed the burden that the sale of MG Rover was made for the token sum of £10. However, the takeover would only delay the closure of the plant as later in 2005 MG Rover would cease production permanently at the Longbridge site. By this time, the plant had dwindled down to 6,000 employees but this still represented a significant number of redundancies for the West Midlands region. Bailey (2007) and Bentley (2007) show how further restructuring in the automotive industries led to further closures.

The decision taken by Peugeot to close the Ryton assembly plant in Coventry was an example of ceasing production in favour of cheaper costs within Slovakia. Bailey (2007) explains the importance of automotive employment to the region as it accounted for 5% of employment and regional GDP leading up to 2000. The West Midlands automotive sector also provides the central hub for other automotive clusters and suppliers for neighbouring regions (Bailey 2007). In addition to the immediate shocks of the closure, more long-lasting implications can be felt throughout other connected supply networks. From this, it can be seen how the shock of closure can be exaggerated according to the level of dependency a region has on that particular industrial sector (Cook et al. 2013).[29]

In the report by Cook et al. (2013), the authors discussed the main types of shock: business closure and rationalisation; regional lock-ins; and disasters/events. They also show how the shocks of closure have three separate definitive implications: for business, place and people. For Cook et al. (2013), business closure or rationalisation is typically driven by the need to cut costs to maintain competitiveness, which is the case with LDV and other plant closures covered within

[29] A prime example of this type of industrial dependency was also experienced by Detroit. The city's economy was heavily reliant on the success of the US automotive sector. The fluctuations of the automotive industry have direct consequences on Detroit's economy. It is important for regional developers to diversify the region's economy and bring a greater resilience that in turn mitigates future shocks stemming from closures (Hill et al. 2011).

this literature review. This view encompasses the GPE approach (Pike 2005) in that it argues that there are key ‘moments’ and ‘events’ before the closure itself that allow for intervention of actors and allow opportunities to mitigate or alter the outcome of the overall implications of shock from closure.

Table 4-1: Causes of Automotive Closure

Listing a number of sources from which automotive plant closures can occur. Source: Adapted from Cook et al. 2013.

Understanding how the source of the shock, the context and timing and the degrees of implication of the shock (business, place, people) all interplay should define the framework for the approach to be taken by the regional/local institutions (Cook et al. 2013). Cook et al. (2013) continues this approach by defining the implications of

shocks in terms of three distinct categories: business shocks and the effects the shock has on businesses and supply chains; people, and how the shocks affect the employment and lifestyles of those affected; and place-related, i.e. the overall effect on the local/regional economy and the more specific effects associated with that location (Cook et al. 2013). Understanding the type of shock and its implications is vital to ascertain the level of intervention needed from the government to mitigate the overall implications of such shocks and instigate new opportunities for growth and recovery.

4.1.2 The Implications of the Shock for the Workforce

The level of shock upon the workforce can have severe ramifications at an individual level. The personal shock to an employee's well-being can be drastic as people come to terms with losing their jobs, particularly in manufacturing given that many workers have maintained the same job position/career for decades. The sudden end of steady income often causes financial instability for the individual, particularly in the long term (Weller 2012). Some redundancies are partnered with substantial redundancy payments; however, this is dependent on the condition of the firm and on the career position of the individual (usually higher wage earners are likely to receive higher payments). The irony behind this is that those employees with higher skills and redundancy packages typically have higher job mobility and a greater likelihood of finding new employment. Those that lose out the most tend be workers of lower technical skill ranges or skills that are too specific in respect of the firm and the related processes and job role (Weller 2012: 11). This in effect creates a polarisation of the workforce, isolating the less capable and adaptable individuals from new job opportunities. If the plant in question closed due to bankruptcy or insolvency then the redundancy payments are likely to be low or even nothing at all, leaving further financial problems for workers. Should the workers then find it difficult to gain new employment, then this obviously incurs further long-term financial instability. Addressing these two primary issues with regard to redundancy are pressing concerns for policymakers. There are other factors to consider when formulating policy to tackle the implications of shock on the workforce: the geography and demographics of that particular workforce.

The role of geography has a significant influence on the level of shock experienced by the workforce and the wider region. The highly localised aspect of plant closure and the workforce demographic – particularly with regard to a higher percentage of low-skilled workers – makes the implications of closure so much more severe (Tomaney et al. 1999). Many manufacturing firms in OIRs are typically staffed with older, lower skilled workers that are more geographically concentrated and have lower commuting ability (Tomaney et al. 1999; Green 2003). This can lead to a form of polarisation with the more skilled workers having greater freedom of employment opportunities, leaving a concentration of an ageing workforce with outdated skills and knowledge leaving the labour market (Green 2003:318). Polarisation of labour also takes a gender bias with secondary industry restructuring affecting men primarily with more service-oriented employment opportunities being taken by women (Green and Collis 2006). The concentration of unemployment within a smaller geographical area has significant negative effects for the local economy and further implications for businesses. This creates a continuing cycle that further decreases job opportunities as the influx of unemployed people increases competition within a potentially highly volatile job market. Therefore, when considering the impacts of plant closure upon the related workforce, more insight should be taken into the localisation of social and geographical facets concerning the closure, with policy establishing more direct physical contact between the job search services and the affected workers[30] (Tomaney et al. 1999; Shuttleworth et al. 2005; Bailey et al. 2008; Hall 2013).

The demographic nature of the workforce exacerbates the problems of closure, especially when linked to the features of re-employability within the local labour market (Danson 2004; Shuttleworth et al. 2005; Cook et al. 2013). Again the MG Rover closure (likewise with LDV) provides a useful example of a workforce with a difficult demographic situation. The workforce consisted mainly of male labour around the 40s and 50s age group, the majority of them married, with relatively low or non-transferable qualifications and having a long employment history with MG Rover (Bailey et al. 2008). These features implant a strong sense of locality among

[30] This term covers job search services by local government and private agencies. This ranges from clear information about financial aid and benefits payments available to the workers, to initiating direct communication between local employers and redundant workers; this is to immediately alert redundant workers to new job vacancies. Furthermore, it is important to include job training and skills development that recently redundant people can embark on.

the workers due to their social ties within the area, demonstrated through the concentration of workers (Cook et al. 2013). The density of the MG Rover workforce in certain areas was very high with the vast majority of the workforce located within a few local communities, with around 22% living in south Birmingham (Bailey et al. 2008). These areas had also suffered greatly from previous redundancies, creating significant incapacity to adjust to job losses and economic shocks (Chapain and Murie 2008). Furthermore, the age and career history of the workers placed a great 'local' reliance upon the MG Rover plant in terms of job security and prosperity. The collapse left many households with significantly reduced incomes (by an average of £5,610 in real terms by 2009) (Bailey et al, 2008). In addition to the much reduced salaries, such workers often suffered from underemployment problems due to the employment barriers that they experienced (Shuttleworth et al. 2005; Bailey et al. 2008). This stems from a reluctance of employers to take on older workers as the costs of training are at higher risk.[31] What can also be attributed to older workers is that their unawareness and lack of knowledge of the current labour market can put them at odds with the demands of employers. The associated stress of job transition and adapting to their current situation can bring further health implications that must be considered in any future policy in regards to this type of demographic (Shuttleworth et al. 2005; Bailey et al. 2008).

The impact on the workforce can also be measured by how prepared the redundant workers are when engaging with and meeting the demands of job searching. More precisely, this refers to labour flexibility and individuals' ability to meet the demands of modern employers or transfer to new industries (Weller 2012). The demands present in the modern flexible labour market encourage workers to be more multi-skilled, and diverse in their range of skills so that they can be adaptable to employers' needs (especially employers within the service industry). This includes proficiency with ICT skills, as well as good communication and customer service skills. For workers that have been on the production line for many years, many will be unlikely to have developed such skills and thus are likely to be less prepared to apply for common job opportunities where such skills are needed. Additionally, access to in-work training is often restricted for non-manual positions, further hampering employability amongst select groups of the workforce (Green 2003).

[31] This is due to a number of reasons: proximity to retirement, increased likelihood of illness and increased difficulty transitioning to new skill sets.

The ability of redundant workers to move into new employment was also severely hindered by the onset of the financial crisis of 2008 (Bailey and Chaplain 2009; Oct 2009 *West Midlands Report*; Jenkins and Leaker 2010). This was due to companies rationalising their finances in combination with banks being more restrictive on their loan policies, resulting in shrinking employment opportunities and increasing competition within the labour market. The West Midlands region's employment rate was 70.3% of the working age population and employment fell by 55,000 in this period April 2008 (House of Commons West Midlands Regional Committee 2009). It can be seen that the financial crisis had a great economic impact upon the West Midlands region, placing a greater restriction on the ability of the LDV Taskforce to support the redundant workers to readjust.

4.1.3 Shock to the Regional Economy

The automotive industry was one of the core drivers of the West Midlands economy, providing demand within the market for local suppliers in addition to creating job growth (Bailey 2007; Bentley 2007; Bailey et al. 2008; Cook et al. 2013). The vacuum of job and market demand left behind by the closure had a constricting effect on the region's ability to stimulate recovery; the massive influx of labour in to the market placed a great strain on job demand within the local area (Chapain and Murie 2008). This raises issues of the employability of labour, the boundaries of the local labour market and the responsibility of the state to provide welfare payments. Furthermore, the closure also meant the polarisation of labour; those of managerial and professional status have greater opportunities than the majority of workers (Green 2003; Bailey et al. 2008). Polarisation is also spatially linked; higher-skilled labour is more dispersed than lower-skilled labour, and created a sub-regional dimension to polarisation and impacts of closure (Chapain and Murie 2008; Cook et al. 2013). The new jobs created in the wake of any closure are likely to be of lower job quality and pay in comparison to the manufacturing jobs previously held, reducing future economic stimulation and growth (Bailey et al. 2008).

This analysis reveals the economic and social problems related to economic restructuring from plant closure for a region like the West Midlands - a region that still suffers from long-term unemployment (Bailey et al. 2008; Chapain and Murie 2008).

The MG Rover case displays a good reactive policy by local governments and the taskforces (MG Rover Taskforce 2000 and 2006). They were successful in limiting the damage to the regional economy (via aiding the supply chain firms in the cluster, training schemes), thus establishing a framework or 'institutional memory' for future plant closure recovery (Bailey et al. 2008; Cook et al. 2013).

The study of LDV will explore these factors further. The question arises: Has the institutional memory of the MG Rover closure been embedded into post-closure recovery policies for LDV? Do employability and policies concerning the LDV workforce consider the importance of local, social and geographical aspects? This thesis examines the importance placed on demographic characteristics in relation to job recovery ability and whether it was a high priority.

4.2 Taskforce Responses during Regional Governance Transition

Under the Labour governments of 1997-2010, the key act in regionalism in England was the establishment of regional development agencies (RDAs) to steer regions to become more competitive, stimulate innovation within developing sectors and establish strategic partnerships, as Fuller et al. (2002: 423) state, to 'improve their institutional capacity and counter their economic deficit'. This shift did not bring political devolution or any form of federalism; however, it did give the regional agencies some economic freedoms to attract new forms of growth, direct investment and drive policy initiatives.

4.2.1 Striving to Make Regions More Resilient

The Labour government in 1997 was elected on the back of its emphasis on decentralisation (to a limited degree) to create regional economic localities or spatial units. This was in line with a stronger focus on spatial policy to address the economic and social problems brought about by deindustrialisation. The aim of this decentralisation was to secure development in all regions and reduce disparities between the more prosperous south and the poorer north (Henderson 2013).

The main positive attribute the RDAs brought to regional and local governance was their guidance on how to direct investment and funding towards economic strategies and policies (Fuller et al. 2002; Mawson 2009; Bentley et al. 2010). Over the ten years from their creation, the RDAs had arguably developed an institutional knowledge of implementing and directing economic development policies to continually strengthen, so as to diversify and increase resilience within regional economies (Simmie and Martin 2010). The West Midlands region is an example of this, namely through the actions of Advantage West Midlands (AWM: RDA) in response to the automotive industry restructuring and plant closure. With the onset of plant closures (e.g. MG Rover and LDV), AWM attempted to help adapt the region through taskforce strategies (and to increase resilience towards the closures experienced in the West Midlands).

The period 2000-08 epitomised the continuing decline of the automotive industry within the region and drew a response from the government (Donnelly et al. 2012). An over-valued exchange rate, the continuing rise of South Korean and Japanese firms from the 1980s to 1990s, combined with the emergence of the Eastern European and BRIC economies, created robust competition against UK auto-manufacturing (Womack et al. 1990; Berkeley et al. 2005). The stresses and strains of this intense external competition combined with changing consumer expectations and higher technological improvements placed rigorous demands on the production capacity of these firms and this manifested with the beginning of the end of MG Rover (Berkeley et al. 2005). The magnitude of this closure upon the regional economy was too much to be ignored, leading to the creation of the Rover Taskforce to mitigate the impacts of the shut-down. This instigated a sort of ‘taskforce trend’ within the region as the automotive industry continued to decline, in which further taskforces would be called upon.

The RDAs had substantial experience dealing efficiently with plant closures, enabling the immediate locality to recover quickly. As stated, AWM was a prime example of this capability in the prelude and aftermath to the closures of MG Rover 2001 and 2005, the Jaguar plant in Coventry in 2005, Peugeot near Coventry in 2006 and LDV in Birmingham in 2009, assisting with diversifying the automotive industry and putting in place the groundwork for the redundant labour force to be able to adapt (Bailey 2011; Bailey et al. 2014).

The Rover Taskforce of 2000 set in place regional policies, regional frameworks and networks that enabled the Rover Taskforce to react quickly to threat of the Longbridge closure. The Rover Taskforce led the initiatives to attract new investors to preserve the 24,000 jobs associated with Longbridge at that time. Although MG Rover lost some key assets and product brands, the Rover Taskforce was able to mediate the transfer of the company over to the Phoenix Consortium equity firm in May 2000. The negotiations of the Phoenix Consortium takeover did entail scaling back production at the Longbridge site, which resulted in 2,500 job losses (Bailey 2003). Taking into consideration the magnitude of the entirety of MG Rover collapsing at this time and the impact on the regional economy, the Rover Taskforce was successful at diverting disaster. It demonstrated the potential of RDAs taking the lead in such events, a form of 'bureaucracy management', amalgamating several agencies together to synergise their strengths and their capacity at initiating successful economic strategy and policy to spur on future regional economic growth (Pike 2002). However, this came at the cost of MG Rover being subject to the private equity business model, which would see the long-term production capacity and assets of Longbridge put at risk for financial portfolio development for investor stakeholders (Bailey et al. 2010).

The taskforce approach further reinforced the reactive approach taken by the central government by relegating the fate of Longbridge to private equity. Through these actions, Phoenix Consortium MG Rover had been saved, but only just, and was now subject to various asset-stripping measures and transfers made through various 'financial engineering mechanisms'. The Phoenix Consortium did not address the production capacity issues but in effect developed the 'investor portfolio and value', essentially leaving the Longbridge site to its fate (Bailey et al. 2010:17). When MG Rover was placed in administration in 2005, responsibility fell upon the RDAs to respond (Pike 2002). The ability of the RDAs to progressively develop regional policies depends on the economic and political context of the situation at hand, typically at its most prominent during economic or political crises and the role of taskforces in being able to react to plant closures. What was shown in the MG Rover Taskforce of 2000 is that finding a resolution can fail to address potential long-term issues, and that 'giving way' to private equity business models can relieve the

burden of the public purse in the short term but only lead to more action being required at a later point, hence the MG Rover Taskforce of 2005.

The main long-term implication of the Rover Taskforce was the recognition of the reliance of the supplier networks of the region and the desperate need to diversify and modernise. This prompted more sophisticated local funding programmes such as Accelerate, tasked with attracting additional funds from outside of the UK utilising EU grants. This initiated additional diversification programmes to promote the supply chain and utilise other opportunities within other sectors by providing support through financial aid and professional consultation (Bailey 2003: 75). This began the regional understanding and awareness of the vulnerability of the West Midlands automotive sector that started thinking on wider regional policies towards cluster generation and development. This was in combination with efforts at encouraging skills and product diversification among the supply chains and SMEs. These policy actions were aimed towards increasing the adaptability and resilience of the West Midlands region, reducing dependency on a select few industries or sectors (Dawley et al. 2010; Pike et al. 2010).

Despite the success of the Rover Taskforce, continuing financial losses in the following years made the company unsustainable and just five years later MG Rover faced administration. It represented the largest corporate closure since the decline of the steel industries in 1980 (Bentley 2007; Bailey et al. 2008; Bailey et al. 2014; Chapain and Murie 2008). Furthermore, the combination of media attention surrounding the closure and the forthcoming national elections demanded a significant response from the government, enabling significant resources to be dedicated to readjusting the labour force (Bentley 2008). To this end, £150m from the national government and £68m from EU funding was injected into the MG Rover Taskforce Mk II (Cowling and Isles 2005).

The second Rover Taskforce, which was set up in 2005, had exactly the same structure and approach as its predecessor, with AWM taking the lead over a board of local agencies.[32] Though some attempts were made to find new owners, 'the writing had been on the wall' for some time and there was recognition that this time Rover

[32] The LDV Taskforce consisted of Jobcentre Plus, Birmingham City Council, a joint employment investment co-coordinator (apart of BCC), Learning Skills Agency, Accelerate, Department of Work and Pensions and HMRC contacts. It was chaired by Birmingham City Councillor Neville Summerfield.

was ceasing for good. The Rover Taskforce then placed a stronger focus towards the recovery of the local area via directly engaging with the workers and suppliers of MG Rover (Chapain and Murie 2008; Bentley et al. 2010). In this respect, the MG Rover Taskforce was successful in engaging with workers to diversify their skill sets to remain competitive within the labour market and ease their transition back into work.

The West Midlands region continued to suffer further setbacks with the announcement of the Peugeot and Jaguar closures (both plants located in Coventry) in 2006 with a further loss of 2,300 and 2,200 jobs respectively (Bentley 2007; Chapain and Murie 2008). These closures were smaller than in the case of MG Rover and attracted less media attention but, nonetheless, continued the declining trend of the automotive industry in the region and the continuing need to support redundant workers and suppliers within these sectors (Donnelly et al. 2012).

To counter this industrial decline and respond to the financial crisis, a regional taskforce was set up in 2008, again headed by AWM; the aim was to devise policy to stimulate the economy through subsides to certain sectors to encourage further inward investment and job creation (House of Commons Regional Committee 2009). The taskforce adopted a similar pattern to the Rover Taskforce by setting up a support help-line for businesses and individuals affected by the various closures. Substantial funding was made available to offer loans for SMEs that were unable to access funds through normal financial services. Finally, offering practical support to businesses in severe distress, this regional taskforce headed and assisted with several training programmes and subsidies for businesses within the region. The taskforce also gave the regional government a stronger representation when opposing or voicing opinions in regard to national government policies or strategies. One major improvement made on the approach taken by the MG Rover Taskforce was more direct communication between the regional bodies both within and outside the taskforce.

Overall, the taskforces within the 2000-08 period were more capable at dealing with redundancies. They had more financial resources at their disposal to enact the necessary policies and the incentives to aid the economy sufficiently to allow affected workers and businesses to readjust to the new economic situation. In addition to the abundant resources, these regional taskforces also benefited from

strong focused leadership and political backing to mitigate the economic crisis. With stable regional institutions in place, regional governance was able to develop the right localised leadership when the economic conditions demanded it (Beer and Clower 2013). While operating at a regional level, the taskforces displayed a wide capacity to stimulate the regional economy and to diversify and adapt to new emerging sectors to reduce their dependency on the automotive industry and begin to show the true facets of achieving regional resilience (Dawley et al. 2010).

4.2.2 The LDV Taskforce: In an Era of Sub-National Political Transition

The Conservative–Liberal Democrat coalition government formed after the 2010 election brought about a shift from regional-level governance towards a more local, sub-regional layer of governance through the creation of Local Enterprise Partnerships (LEPs). It was deemed that localism through the embodiment of the LEP system would better address the needs of lagging economic areas, providing more capable 'regional' governance considering the economic pressures brought about by the financial crisis and the recession. The LDV closure holds a unique position with regard to this shift in regional government. The closure of 2009 took place under the remit of the RDA structure but the ongoing longer-term actions that would usually follow taskforce programmes or policies would fall under the auspices of the LEP structure.

The Conservative–Liberal Democrat coalition's main priority when entering government in 2010 was to cut the public debt and deficit, with every source of public spending coming under heavy scrutiny. The RDAs had significant amounts of funding with no direct political accountability; this gave the Conservative–Lib Dem coalition the 'political ammunition' to overhaul the RDA institutions in England.[33] To replace the nine RDAs, some thirty-nine LEPs were set up in a complex sub-regional structure that combines local authorities and business leaders to drive investment towards rebalancing the English economy and attending to local economic needs (Henderson 2013). As will be discussed in further detail below, the ability of the LEPs to meet these ambitious targets would be hindered by the constraints placed upon

[33] The RDA system was a New Labour 'project' and so went directly against the Conservative ideal. This also explains why the Conservatives were eager to dismantle the RDA system almost overnight upon entering government.

them primarily due to their complex geographical political nature and the competition for limited funds.

The LEPs are constituted from a voluntary partnership between local authorities and businesses to drive and stimulate economic growth within their area in addition to shifting power to *local* communities, attracting investment and *local*-focused investment (Bentley et al. 2010; Pugalis 2011: 8-9). The emphasis on the local aspects of the LEPs represented a shift in policy-thinking towards place-based strategies with any recovery policy strategies to be incorporated within the functional economic boundaries established within the LEPs. Within a theoretical basis, these place-based approaches were defined through the development of local assets and networks – development that corresponds with agglomeration economics with context-specific planning with 'relational geographies as a means to informing scales of cooperation of policy development and governance' (Pugalis and Bentley 2014:562-3). The LEPs' ability to support existing industries to stimulate further enterprise has been criticised by several contributors claiming that the LEP structure was/is too fractured, combined with a central controlled bidding process that promotes a 'race for resources' between authorities. The capabilities of individual LEPs was viewed as being too haphazard and leading to further centralisation of economic decision-making. Hildreth and Bailey (2014:242) reinforce these points and stipulate that the LEPs are contradictory in the application of these principles, primarily based on the fact of how LEPs define 'functional economic areas' and how they relate to UK governance structures; for example, London remains the highest priority in terms of investment, infrastructure planning and devolved decision-making yet this eclipses the LEPs' remit. Henderson (2013:4) lists several contradictions that represent concerns about LEPs and their ability to conduct economic development policy successfully on a regional and sub-regional level. Firstly, the reduction in financial capacity: RDAs had an annual budget of £1.9bn between 1999/2000 and 2006/07, whereas LEPs have no direct financial support but instead compete for a £1.4bn regional development fund with any additional investment being based on their capability to draw on private funding. It is clear that LEPs cannot make the same level of investment in economic development. Secondly, the division of the LEPs represents a form of divide-and-rule scenario where tiers exist between the LEPs based on their size and capacity. Given that LEPs have no primary source of

funding outside of the centralised bidding process, the central government holds the 'bargaining power'. Thirdly, the fragmented nature of LEPs potentially incites confrontation over conflicting interests of business and civic leaders. Fourthly, the geographic and political fragmentation limits the available resources and assets, further reducing strategic planning. This potentially creates a sense of competition, with LEPs striving to out-do each other rather than cooperate in relation to the resources available (Henderson 2013).

The RDAs provided scope for a more holistic perspective from which resources could be better directed from a more spatial and temporal strategic standpoint. The RDAs also had the international recognition for being regional governmental bodies. Furthermore, in relation to international funding, the LEP structure is also at odds in regards to EU regional structural funding, given that they are not regional scale bodies, resulting in further limitations to potential funding (Pugalis and Fisher 2011). LEPs will find themselves overburdened with the task of bidding for internal funds in addition to meeting international criteria for funds (Pugalis and Bentley 2013). This means that the success of LEPs is dependent on particular space-specific characteristics, for example existing businesses and associated networks or capable political and business leaders that can foster enterprise and investment (Mackinnon et al. 2009). Ultimately, this will lead to varying degrees of success among LEPs. Some LEPs will have the capacity to function in conjunction with neighbours, and through the synergy of their businesses be capable of attracting the right investment to stimulate growth. In contrast, some LEPs will simply fail, as they are unable to compete for state funding or attract the necessary private investment.

The change in the political landscape was to have further implications for the LDV Taskforce. As mentioned in the previous section, AWM was the lead on several region-wide regeneration projects. The abolition of RDAs like AWM in favour of LEPs shifted the funding and capabilities of the LDV Taskforce, reducing wider regional initiatives and shifting the emphasis onto smaller local scale schemes (Bailey and Chapain 2009). The removal of the RDA also restricted the ability and resources of local agencies to continue projects already in progress – some projects depended on EU funding – and under the LEPs' regime this funding aspect was under dispute (Pugalis and Fisher 2011). In addition, the Conservative government enacted further changes in the local agencies, altering the priorities and responsibilities of the

agencies, primarily through the reduction of available funding or the competence of their members.

The skills and experience gained by the RDAs since their inception in 1999 has been dissipated. Over ten years, RDAs developed substantial experience in dealing with large-scale redundancies, specifically where to allocate resources to develop training schemes and aid packages to stimulate growth (Pugalis and Bentley 2014). The LEPs have had to start afresh given this loss of skills and experience. The RDAs had 'critical mass' in terms of financial power, that could be drawn on to deal with a particular situation. In regards to the LEPs, this financial power is severely limited in terms of the overall funding available (Pugalis and Bentley 2014); additionally, LEPs have lost the 'critical mass' in directing funding, with the funds being distributed among the much smaller individual LEPs. As a consequence, the longevity of any policies put in place by the LDV Taskforce (including previous taskforces) will likely disappear.

4.3 Chapter Summary – The Importance of the Economic and Institutional Context in Framing Plant Closure Response

This chapter has discussed how previous taskforces had substantial government funding and regional guidance and leadership in place when engaging with the redundant workforce. The main difference when discussing the LDV Taskforce in comparison to previous taskforces was the limitations in ability and scope of the LDV Taskforce to enact policies and mitigate the impact of the closure upon the redundant workers. This limitation was directly attributed to the ongoing changing economic and political situation in which the LDV closure took place.

The period from 2006-08 represented a major labour readjustment period for the West Midlands region following the automotive plant closures. Within that period, extensive funding was invested into relieving the respective job losses and driving employment through other sectors. The ability to sustain such large amounts of investment into future taskforce initiatives to enact successful labour readjustment would be short lived. Through the decline of the key economic drivers, such as firms

in large industries (e.g. the automotive industry), this restricts ‘genuine’ new employment opportunities that utilise industrial skills and promote better job opportunities. This, in combination with limited financial resources, limits opportunities to overcome ‘demographic and skill barriers’ typical of the manufacturing workers when seeking new employment. Furthermore, structural changes to regional governance, namely through the introduction of LEPs, would further curtail taskforces’ approach and capability in promoting more far-reaching labour market-adjustment policies.

Disbanding RDAs in favour of LEPs has been portrayed in much of the academic discussion as a financial and political centralisation restructuring rather than an improvement or continuation of the regionalism movement (Bentley et al. 2010; Pugalis 2010; Henderson 2013). As actions by the LEPs are curtailed by a far reduced budget and are constrained by central government in carrying out redevelopment projects, central government has drastically reduced the amount of funding for regional areas. The political structure set in place via the LEPs has reduced the policy capacity of regions (now sub-regions), further impeding future capacity and capability to react to plant closures or larger-scale redundancies.

The thesis now turns to the methodology chapter. The chapter describes how the data concerning the LDV Taskforce was gathered, the relevant policy stakeholders associated with the various agencies and the training policies implemented by the taskforce. The chapter also discusses how research was conducted concerning the LDV workers; this concerns gathering demographic data, qualifications and employment data. The methods also include the collection of the LDV workers’ employment paths post-closure of the LDV plant to gain a more qualitative insight into what happened to the redundant workers.

Chapter 5: Research Methodology: Investigating the LDV Case Study

5.1 Research Methodology

This research aims to assess the impact of the LDV closure on the workforce, to understand their post-closure adjustment and to incorporate the diverse range of contextual factors of the LDV closure to interpret the reasons for the closure and gain a more comprehensive understanding for outcomes of the LDV workers. In accordance with this, the research follows an inductive approach with an interpretive methodology, allowing the findings and interpretation to develop from the findings without having a pre-disposed theory or hypothesis to test against the research. The research is thus influenced by the theories developed within the literature review that shape the research design and process and recognise that whilst experiences of plant closures can inform future responses, the contextual factors behind every plant closure makes them unique to each other and not a *directly* replicable process. The research methods further the analysis on the LDV worker outcomes and adjustment, more specifically understanding the impacts of closure upon highly skilled workers and their route to re-employment. Much of the previous literature has covered research and discussion concerning the impacts of closure and the re-employability of low-skilled workers. Also, the discussion covered aspects of regional development that noted the importance of maintaining high skills to match the changing needs and demands of the economy. The empirical research contributes to this field through developing worker trajectories of the highly skilled workers of LDV to ascertain if they are subject to the same employment barriers or experience unique difficulties.

To collect the principal data, the research utilised a primarily qualitative approach with regard to the primary data, with an emphasis on interviews with key stakeholders of the LDV closure with surveys and interviews with the LDV workers. The secondary research was also primarily qualitative, consisting of academic research through developing the theoretical aspects as presented within the literature review, in addition to academic and government reports concerning plant closures with economic data summaries to support to the empirical analysis representing the quantitative aspect. The remainder of the chapter evaluates the research design, data sampling methods and reasoning, data collection methods, data analysis and approaches used for the research, placing them in the overall context of the thesis to justify how the data was interpreted and how the thesis'

conclusion will be met. The chapter will however first discuss in more detail the rationale of the research methodology and approach to achieving the research aims.

The rationale for the research design is aligned to the primary aim of the thesis, which is to investigate the impact of the LDV closure upon the LDV workers and to investigate the actions of the LDV Taskforce in response to the closure. As noted above, understanding and incorporating the contextual factors of the closure remain paramount to the data collection and analysis of the highly skilled worker outcomes. The research process diagram (see below) is representative of the various theories and topics that interplay to inform and guide the research process. To further reinforce the rationale of the methodology, the chapter will revisit the research aims developed in Chapter 1:

- To evaluate the policy response and action taken by the LDV Taskforce following plant closure given the geographical and political circumstances of the LDV closure and to create a comparative insight between past experiences and contemporary reactions of taskforces.
- To investigate how to integrate the regional institutional and governance structures that provide appropriate coordination and leadership structures for aiding re-employment and labour market adjustment.
- To understand the impacts and shock of closure upon the workforce, to analyse demographic and geographic factors, in association with skills levels, and how certain characteristics of the workforce relate to the level of 'shock' individuals experience when pursuing new employment.
- To inform future labour market policy and governmental strategies to resolve the impacts of plant closure.

The interpretivist paradigm promotes a qualitative approach to data collection which is broken into two distinct stages, firstly comprehensive interviews with members of the LDV Taskforce and other stakeholders, which is informed by the secondary research. This directly relates to the first and second objectives of the research policy action taken on behalf of the LDV Taskforce to understand what leadership structures best promote recovery policies. From the literature review and discussion of previous taskforce approaches that have been primarily conducted within a

regional leadership structure, this methodology aims to identify differences within the LDV Taskforce in conjunction with the GPE factors that constituted that particular outcome. The second stage involved empirical data related to the third objective, with surveys and further interviews with the LDV workers informed by the data collection from the LDV stakeholders. This means that any assumptions and conclusions that are made arise from the research process enshrining the LDV-specific context of the closure. Collectively, the two stages of the research methodology in combination with the analysis of the data should address the final objective and advance policy guidance for future plant closures.

In respect to the theoretical understanding, the methodology acts as a means of transition from the understanding and conceptualisation of plant closure, which is encapsulated within the literature review, which corresponds to the top sections of the research process diagram (point 1 and 2 – see Fig 5.1). Research by Bailey et al. (2010), Bentley (2007), Bentley et al. (2010), Danson (2005), Tomaney et al. (1999), and Shuttleworth (2004) – all of which have focused on economic restructuring, deindustrialisation, the after-effects of plant closure on the workforce and labour market policy concerning re-employment – have strong relevance to the research aims of this thesis and have featured heavily within the literature review. Some research, in particular Bailey et al. (2010) and Bentley et al. (2010), concern other automotive closures within the West Midlands, which have even more relevance to the LDV situation.[34] Their research covers similar geographic and economic contexts and labour workforce characteristics to that of LDV, including significant research on the UK automotive industry and global processes. With their research having such a strong link to this thesis, it was important to recognise their methods and approaches in order to gain a better understanding of how the redundant workers were impacted by the LDV plant closure. Their research took a more qualitative approach, focusing on methods that directly involve engagement with worker experiences, and investigating the actions taken by various local actors (e.g. local government agencies and policymakers).

34 David Bailey and Gill Bentley's research focused on the MG Rover closure of 2006, Birmingham.

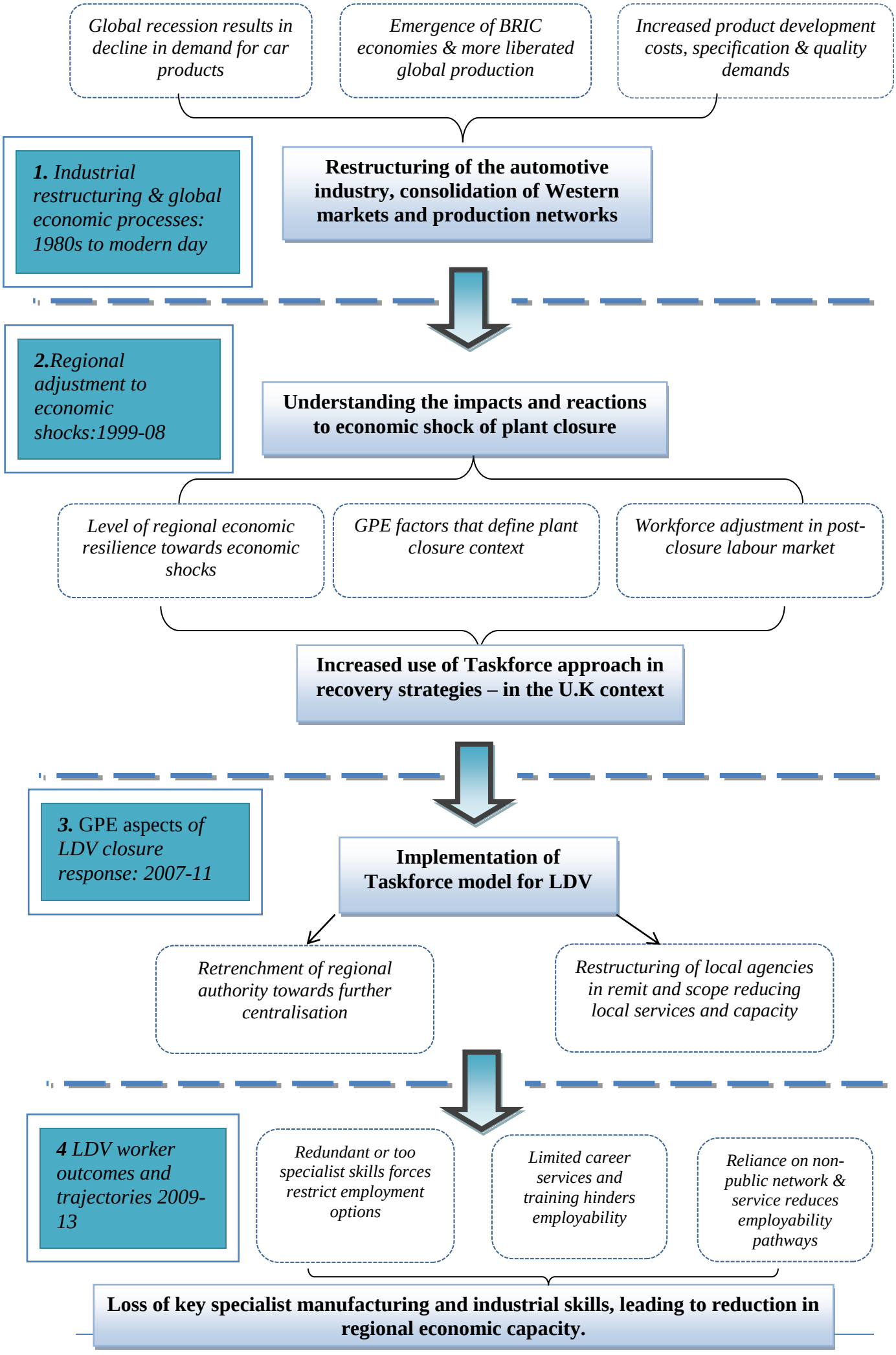

Global recession results in decline in demand for car products
Emergence of BRIC economies & more liberated global production
Increased product development costs, specification & quality demands
1. Industrial restructuring & global economic processes: 1980s to modern day
Restructuring of the automotive industry, consolidation of Western markets and production networks
2.Regional adjustment to economic shocks:1999-08
Understanding the impacts and reactions to economic shock of plant closure
Level of regional economic resilience towards economic shocks
GPE factors that define plant closure context
Workforce adjustment in post-closure labour market
Increased use of Taskforce approach in recovery strategies – in the U.K context
3. GPE aspects of LDV closure response: 2007-11
Implementation of Taskforce model for LDV
Retrenchment of regional authority towards further centralisation
Restructuring of local agencies in remit and scope reducing local services and capacity
4 LDV worker outcomes and trajectories 2009-13
Redundant or too specialist skills forces restrict employment options
Limited career services and training hinders employability
Reliance on non-public network & service reduces employability pathways
Loss of key specialist manufacturing and industrial skills, leading to reduction in regional economic capacity.

Figure 5-1: **Research Process Framework**
The diagram shows the integration and relationships of the various GPE issues related to plant closure. The numbered boxes show the research process and the theoretical development towards greater understanding of the LDV plant closure and the impacts on the ex-workers.

The studies mentioned above have taken place at the time of economic prosperity, when access to funding and opportunities within labour markets were more readily available. This research methodology recognises the value of this approach within an interpretivist paradigm in order to investigate the intricate variables associated with the ex-LDV workforce, the policy stakeholders of the LDV Taskforce, and the wider contextual factors that influenced the policy response. This research reviews the prospect for policy response to plant closure in a time of economic recession. During the years 2008-12, the UK economy dipped into recession, adversely affected by the fragile global economy, increasing the potential for further job losses in the immediate future. From 2012, the UK economy stabilised and achieved growth (albeit low); however, this growth has come at the cost of stagnant wages and the adoption of more short-term contracts, with varying implications for different industries having an impact on the types of job opportunities available. During the post-closure stages of LDV, the UK economy was at its weakest. The economic conditions augmented the barriers to employment that the LDV workers faced due to demographic factors and skills sets, which would have increased the future difficulties of the LDV workers finding new employment and the type and quality of employment associated with it.

The change in government implemented new directives, which resulted in the reformation of certain institutions related to labour market policy implementation. For instance, agencies such as Jobcentre Plus (JCP) and the Learning Skills Agency (LSA) had a change of remit and available funding to provide services. These agencies in particular have a strong role in implementing labour market policy programmes and thus have influence over the employability of redundant workers. The primary research consisted of investigating how their role has changed and what they are able to accomplish with the resources available Researching these government agencies was done through face-to-face interviews, the gathering of policy documents and analysis of as well as investigation of how their direct interaction with the LDV workforce contributed towards the qualitative dataset. The secondary research will consist of qualitative and quantitative elements to evaluate government policies, training schemes and economic data sets to establish the

effectiveness or limitations regarding LDV workforce re-employment (Armstrong et al. 2008; Bentley et al. 2009).

The overall purpose of adopting the methodology in this way is to add a qualitative dimension of research into economic development policy and labour market policy concerning plant closure. The interpretivist methodology aims to demonstrate the multi-faceted circumstance of plant closure and job recovery, such as the type of job; permanent or temporary; part-time/full-time work; pay and job quality; and method of gaining employment. All of these factors contribute significantly to identify employment trajectories amongst the LDV workers that demonstrated the long-term success or job precariousness of their re-employment and experiences and to understand their role when constructing labour market policy, which is the main aim and original perspective of this research.

5.2 Research Process and Methods

The structure and design of the research process was created in a way that would help inform, develop and guide the creation of questions in the following stages of the research process and enhance the contextual understanding in accordance to the interpretative methodology. Each stage of the research will contribute towards the understanding of the closure event, the policy and stakeholder interaction and the workforce demographic. Building on previous research conducted within studies of plant closure, for example Shuttleworth et al. (2005) and Armstrong et al. (2008), the research for this thesis adopts a qualitative approach. The research aims to investigate what happened to two primary groups, the LDV workforce and policy stakeholders to ensure comprehensive coverage of the LDV case and context of the closure. The research process was broken down into two primary stages (see Figure 5.1). Stage 1 is directed at interviewing the policy stakeholders,[35] to firmly locate the research within the context of the LDV closure. This involved establishing contact with the various stakeholders, these broken down into three categories:

[35] This refers to ex-LDV executives, who although not part of the taskforce's policy-making process, brought great insight into LDV's history and what it had planned for future projects. This again promotes the importance of the contextual nature of the closure as these individuals could testify whether LDV was doomed to failure due to a chain of events or whether with the right intervention LDV could have been saved.

1. The first group consists of the *media contacts and* members of local media; this group represents the first point of contact with the policy stakeholders and due to their extensive contacts and knowledge of the local area, they act as a form of 'gatekeeper' to this stage of the research. The researcher thought that this group could help direct the research to other points of interest to aid it in establishing further contacts among other stakeholders.
2. The second group is the *taskforce;* this is the largest group among the stakeholders and provided the 'core' in regards to the research on policy initiatives. First, the research begins with an interview with the *Primary Leader.*[36] *S*imilar to the *media* group, this stage acted a 'gatekeeper', providing an overarching view of the policy and processes of the LDV Taskforce and providing further contacts with individual agencies that formed the LDV Taskforce. This interview was crucial as it provided key topics that were discussed in later interviews.
3. The stakeholder group is the *LDV management;* this provided information about LDV and investigated their opinion of the events that took place. This will provide unique insights into the operation of LDV prior to the closure and how they perceived the support from local government and actions by the taskforce.

Within Stage 1, for example, certain 'gatekeepers' were interviewed first; these initial questions were based on the academic research on plant closure response with these interviews designed to be 'explorative', that is, these questions did not focus on specific aspects but covered a broader range of topics to invoke discussion with the interviewee and generate a wider perspective on the LDV closure and the events before and after closure. Indeed, these interviews were vital to gain a greater understanding in order to interpret the differing factors that interplay within plant closure. The combination of the data and information gathered within the initial interviews with the 'gatekeepers' and emphasising key topics identified within the literature generated a set of major themes that could be discussed in the following stakeholder interviews. This enabled the remainder of the stakeholder interviews to have more precise goals so that questions were tailored to each individual stakeholder's position and their direct contribution to the LDV situation.

[36] This is the council lead for the taskforce: Phil Roocroft, of Birmingham City Council.

The procedure and schedule for the Stage 2 part of the research began when the majority of the Stage 1 research was complete. This was to give time for the media appeal to attract the necessary LDV workers and for appropriate questions to be developed based on the preliminary findings of the Stage 1 interviews. After the survey database was created, a pilot of the telephone survey was carried out with a small number of the participants, so as to flush out any errors and to refine the questioning before proceeding with the remaining telephone surveys. After the telephone surveys were completed, the data was analysed for any patterns or trends to form the basis of the question design for the telephone interviews. The purpose of this stage of the methods was not to provide a final definitive answer but to further uncover and explore the unique set of circumstances behind the LDV workers' employment outcomes.

Stage 2 involved making contact with the LDV workforce and contacting individuals who would be willing to participate within the research. This was done through two approaches; first was to launch a media appeal to advertise the research to the general public and to stimulate interest amongst LDV workers; second, a contact database was used, which had been created by Coventry University when the Washwood Heath plant initially closed in 2009. This, in combination with additional contacts created through the stakeholder interviews of Stage 1, created a survey group. Telephone questionnaires were first initiated in order to gather information about the LDV workers (e.g. demographic, skill, wage, job search data). This was followed by in-depth telephone interviews with willing participants where more detailed information about their individual experience could be explored. At this final stage of the method, key interpretations of the data will bring to light what combination of circumstances lead to employment outcomes and what future policy can do to mitigate negative outcome experiences.

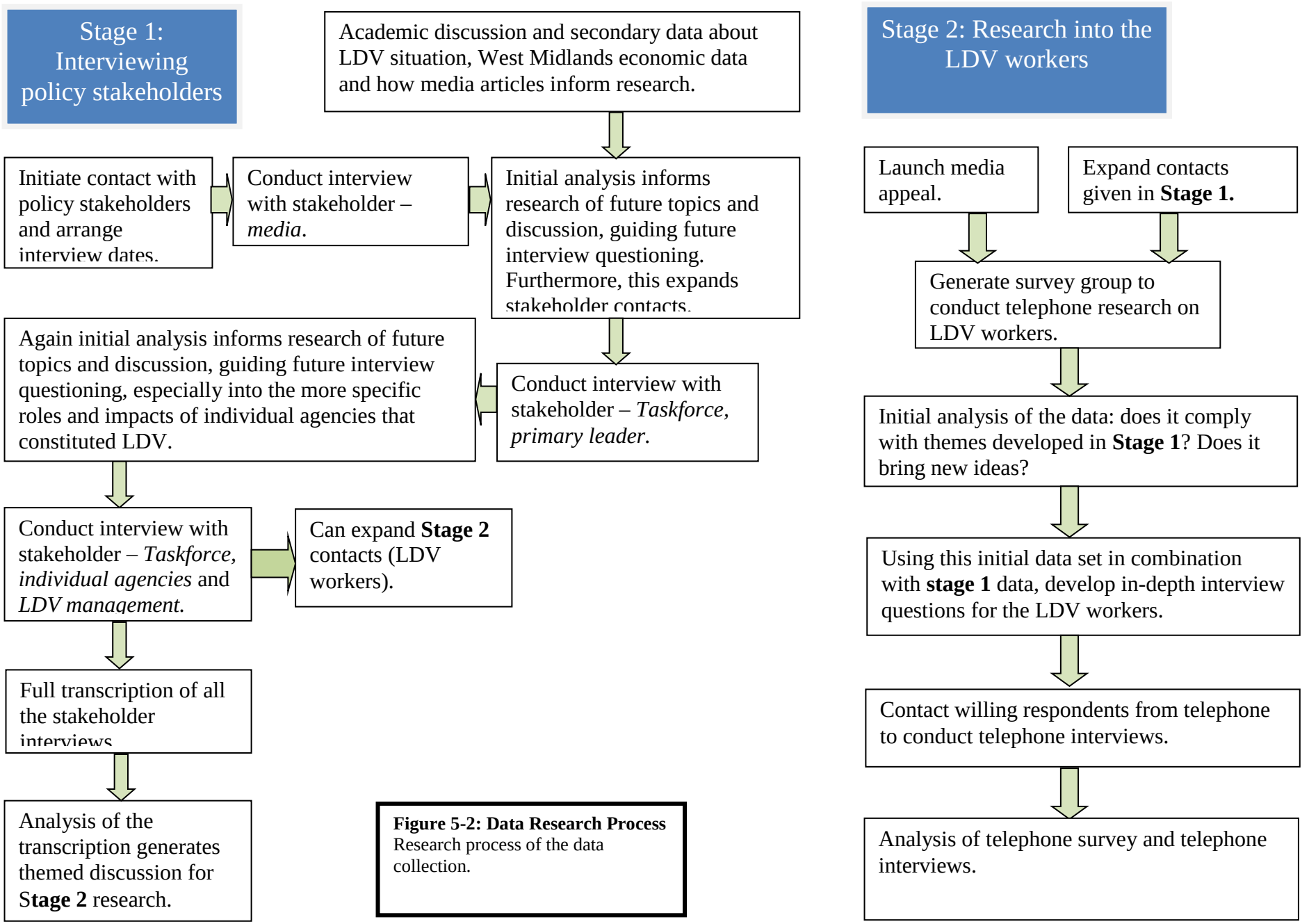


Figure 5-2: Data Research Process
Research process of the data collection.

Table 5-1: Data Collection Methods

The methods used at the different stages of the thesis are summarised and displayed in Fig. 5.1. Furthermore, it shows which research groups were studied and includes a discussion of the ethics required to conduct the research.

Methods used (in sequence)	**LDV workforce**	**Policy stakeholders**
Secondary data collection (Stage 1)	Gathering demographic data and employment trends on the local area and the LDV workforce. This also includes LDV corporate history.	Gathering data on policy action taken, for example, money invested in job schemes and local media reports.
Establish contacts (Stage 1)	Expand networks and contacts within the workforce.	Expand networks and contacts to policy stakeholders.
Semi-indirect, face-to-face interviews (Stage 1)		Initiate dialogue to ascertain information about policy action and the reasons why policies were initiated. Gain data that was not available via *secondary data collection*.
Telephone survey (Stage 2)	Gather more precise data about individual cases and their problems finding employment. This follows the *semi-indirect interviews;* questions can be linked to policy action achieving greater insight.	If needed, a second set of interviews may be established after contact with the LDV workforce. This will be aimed at uncovering facts that were previously overlooked.
Individual case studies of workers –	Individual case studies will tackle the deeper underlying problems of re-employability and highlight the personal realities of being part of a redundant labour	

telephone Interviews (Stage 2)	force. With established facts gathered by the previous methods, questions have greater relevance with this stage of the research becoming more conclusive.

The aim of using these methods is to gain a qualitative insight into the job quality, expectations and opportunities that were available to the LDV workforce post-redundancy within a labour market. This aims to build towards the employment trajectories of the LDV workers that cross reference these factors to establish a thorough interpretive analysis of employability and re-employment. Further inquiry is conducted into the role of the LDV Taskforce (which consisted of bodies such as local government, RDAs and Jobcentres and examines policy interventions used to stimulate re-employment among the workforce).

Secondary data sources provided background information regarding Birmingham's economic situation pre- and post-closure of the Washwood Heath site. Media articles published around the time of closure (from 2009-2012) provided the first aspect in the secondary data. Primarily the media articles provided a 'timeline' of the chain of events that led to the LDV closure and the key actors and stakeholders associated with the company. This gave the research a 'feel for the situation', exploring the financial difficulties that faced the company and interventions made by various private and public institutions or actors. The media sources included the *Birmingham Post, The Telegraph, The Guardian* and BBC West Midlands. Journalists from the Birmingham Post and BBC West Midlands participated in the primary research and were an essential part of the 'gate keeper' interviews to lead to further policy stakeholders. The interviews with these journalists further explained their sources towards their publications, which informed the progression of the secondary research process. Secondary data documents consisted of local government policies documents and economic profile reports such as a Birmingham economic profile (June 2010 BCC); a profile of Birmingham's advanced manufacturing sector (2010 BCC); Birmingham's local economic assessment (August 2011); and Birmingham's socio-economic profile reports (2009-2011). One of the most important secondary sources to this research was the Birmingham economic survey publications,

provided by Birmingham City Council.[37] These sources provided data on manufacturing growth; an economic profile and assessment of Birmingham; and economic trends and worklessness rates within Birmingham. Additional secondary data was gathered from the stakeholder interviews themselves that vary from maps illustrating the concentration of ex-LDV workers to explanations of projects and policies implemented (provided by the Birmingham City Council and Learning Skills Council respectively).

Within the specific context of the LDV situation, actions taken by various government agencies will be examined. One major line of inquiry will follow Shuttleworth et al.'s (2005) approach, which highlights how the problems of redundancy are not solved by supply-side measures alone but are also influenced by demand aspects; they suggest that the local labour market plays an important part in the process and requires greater attention when establishing policies to deal with closures. In addition, Shuttleworth et al. (2005) raise the issue of personal attributes in respect of re-employability.[38] The age of the workforce plays an important role in the employability of redundant workers and a strong emphasis should be placed on keeping these older workers within labour markets (Pinch and Mason 1991; Tomaney et al. 1999). These aspects will be explored within the LDV context, primarily through telephone questionnaires of the LDV workforce to analyse aspects of age, skills and experience and how they relate to finding new employment within the labour market.

5.2.1 Investigating Policy Response to the Closure

Stage 1 interviews focus on conducting face-to-face interviews with policy stakeholders involved with the LDV Taskforce. These interviews address key topics and issues (explained above) with which each particular stakeholder was associated. These interviews were 60 minutes in length to enable sufficient interaction and exchange of information. Importantly, these interviews were designed to engage with what the stakeholders did pre- and post-LDV's closure, to ascertain their involvement

[37] Data and government reports about the Birmingham local economy were accessed at: http://www.birmingham.gov.uk/birminghameconomy (23.03.2011).

[38] Other works done by Pinch and Mason (1991), Dawley (2007) and Armstrong (2008) also showed similar trends.

in the build-up to the closure and their relation to LDV. Then the data of the interviews is combined to construct a 'fuller picture' of the various links and relationships between stakeholders and show how the strategy for the closure was designed and implemented. This is the critical part in the data collection, concerning the event and the moment of the closure itself and analysing the LDV Taskforce's policies and interventions.

Semi-structured interviews were chosen as the primary method to engage with the policy stakeholders. This enables 'free-flowing' and expansive discussion of key issues while maintaining some guide on what topics need to be discussed, again indicative of the interpretive approach of developing the contextual factors and comprehending underlying factors. The importance of face-to-face interviews also involved the transference of grey documents.[39] This provides the research with vital information, reinforcing the rationale of the qualitative approach taken. The limitations of this approach, however, were susceptible to circumstances that arose at the time because of political connotations. During the research process, government changes to the regional agencies (RDAs) resulted in some members of the LDV Taskforce becoming unavailable. However, a significant number of the taskforce members did participate in the study and this was supplemented by interviews with other key figures to support the data.

Table 5-2 Policy Stakeholders Interviewed
List of the participants interviewed for the data collection throughout Feb 2012–Feb 2013.

Individual Interviewed	**Organisation –*sub-organisation/department***	**Stakeholder position**	**Position within Organisation**
Phil Roocroft ***(60 minute semi-structured)***	Birmingham City Council (BCC): *joint employment and skills partnership.*	Taskforce	Investment coordinator
Zanny Lomas* ***(60 minute semi-structured)***	Jobcentre Plus (JCP)	Taskforce	Senior employment and partnership manager
Rob Beck* ***(60 minute semi-structured)***	Jobcentre Plus (JCP)	Taskforce	Employer engagement manager with the

[39] Grey documents represent non-public official documents. It must be stated that if the respondent handed over any documents but wished them not to be published or quoted, then the research abides by those wishes in accordance with Coventry University ethics.

			lead for redundancies
John Adams* ***(60 minute semi-structured)***	Was Learning Skills Council (LSC); now Learning Skills Agency (LSA)	Taskforce	Executive
Mick Laverty* ***(60 minute semi-structured)***	Advantage West Midlands (AWM)	Taskforce	Chief Executive
Mark Pearce ***(60 minute semi-structured)***	Advantage West Midlands (AWM)	Taskforce	AWM representative on the taskforce
Guy Jones ***(60 minute semi-structured)***	LDV	LDV management	LDV marketing executive (Oct 2008–Nov 2009)
Nick Schiller ***(60 minute semi-structured)***	LDV	LDV management	Manufacturing director LDV (1998-2004)
Jon Griffin ***(40 minute semi-structured)***	*Birmingham Post*	Media	Business editor
Peter Plisner ***(30 minute semi-structured telephone)***	BBC Midlands Today	Media	Transport correspondent
Rachel Eade ***(60 minute semi-structured)***	MAS / Accelerate; now Manufacturing Advice Service (MAS)	Taskforce	Operations manager

*** Interviewed together: Zanny Lomas & Rob Beck; and John Adams & Mick Laverty.**

Due to the limited number of people that would have substantial expertise and full awareness of the policies used during the LDV Taskforce, the number of interviews was limited. In total, ten interviews were conducted among the members of the taskforce or other stakeholders. The people chosen to be interviewed were done so by first identifying their position and role within their particular agency but also their presence on the LDV Taskforce (Table 5.2 shows the names of stakeholders

interviewed). The research gathered this information through past research on the MG Rover Taskforce and through the supervisory team's knowledge of the topic, which entailed access to contact numbers and e-mail addresses through which initial contact could be made.

5.2.1.1 Reasoning for Semi-Structured Interviews

It is recognised that other interview techniques were available to engage the policy stakeholders; however, it was decided that the semi-structured interview would be the most appropriate method. This section details other methods available and discusses why semi-structured interviews were chosen.

Fully structured interviews have an established set of rules and pre-set questions that must be repeated for every interview. In each interview, the researcher must maintain consistency in the form of questioning but also the behaviour in delivering the questions. The problem of utilising this method is that it neglects the contextual background of the position of interviewee. Areas of expertise between the different agencies vary considerably and so having identical questions would restrict the quality of the data obtained. For instance, while asking Rachel Eade questions (MAS – see Table 5.2) about how the LDV supplier networks might be pertinent, it would not be ideal to ask Phil Roocroft a similar question (BCC – see Table 5.2).

Semi-structured interviews in comparison to structured interviews are flexible and less rigorous with regard to protocol. The researcher is not restricted to identical questions or behaviours for each individual. Questions were developed in advance for each particular interview (based on research into the agency represented by the interviewee and the academic origins as discussed in Section 5.2.2) with the aim of gaining information about particular topics on the basis that the policy stakeholder would have specialist and in-depth knowledge. By not sticking to a rigid structure but allowing respondents to develop a discussion on the LDV, this had the advantage of developing a 'natural, free-flowing' discussion involving facts and opinions that may previously have been left unvoiced; the semi-structured format enables respondents to be guided on key topics and in the examination of policies. However, the interviews maintained a similar structure in regards to discussing some topics with all of the different policy stakeholders; this maintained coherence throughout the data

and ensured that certain topics were discussed in detail to enable a more thorough analysis.

Face-to-face interviews were deemed best due to the physical presence of the interviewer and respondent, predominately to allow more spontaneous questioning and interchange, which leads to the gathering of richer data and a more positive research experience. Indeed, this is vital within the interpretivist approach for the researcher to become 'embedded' within the research. In this initial stage, two face-to-face interviews were conducted with *BCC* and the *Birmingham Post*, consisting of 60 minutes and 40 minutes respectively. These interviews were very successful with both respondents proving to be great sources for information regarding the plant closure. Due to logistical problems, a face-to-face interview with BBC West Midlands was not possible; however, in its place a 30-minute telephone interview was arranged. The telephone interview was not as productive as the face-to-face interviews had been. Some of the immersive nature of the interpretivist method was lost. Furthermore, a weakness of the semi-structured approach is that it can jeopardise the interview if a respondent is not guided properly on the key topics. In this regard, the limitation was time, as the semi-structured approach lends itself to being directed to discuss issues that are not fully related to the research aims. The analysis of the interview data was through a grounded theory approach, beginning with open coding to set which themes emerged strongly from the dataset, then through series of axial and selective coding linkages between themes. Once themes and categories had been refined, it enabled the generation of a theoretical framework concerning the actions of the policy stakeholders (Travers 2001: 41).

5.2.1.2 Question Development – Addressing the Gaps within the Literature

The aim of this section is to explain the origins and development of the questions used within the interview process. The academic discussion on plant closure and labour market adjustment helped in the design of the research methods to be used; likewise, they directly informed the development of research questions used within the interviews both with the stakeholders and the LDV workers. The literature review highlighted that the research sought to investigate the vulnerability of LDV within global markets and whether the 'firm routines' signified that LDV was a struggling

company. This led directly to questioning *LDV managers* and local actors with close association (in particular the BCC) about the processes and constant changes of ownership of LDV. This would allude to the importance of regional agencies' relationships in keeping certain local economic institutions alive and how decision making within certain 'moments' can alter the trajectory of that locale.

Further questions were directed to broaden the research on the roles of taskforces within policy strategy and to ascertain if previous taskforce involvement in the region had created a level of path dependency on local companies and agencies to rely upon certain levels of government involvement (particularly within the West Midlands). This again underlines the legacy of taskforces but also the importance of social structures and development in that area (Tomaney et al. 1999). An additional aspect of the methodology was to establish the role of political significance in relation to the response of the LDV Taskforce to uncover whether the regional-to-local political transition hindered or improved the policy response. The questioning in this regard was designed to inquire about the suitability of the taskforce model within a much smaller local focus rather than in a larger regional perspective (typical of taskforces prior to LDV). Furthermore, it sought to uncover if the transition in local government (changing authorities in regards to economic development agencies, the change in available funding and responsibilities of individual agencies) influenced the overall outcomes of taskforce initiatives and policies directed at the LDV workers and their re-employment.

Understanding the demographic of the workforce was also crucial in determining what line of questioning should be targeted towards the *LDV workers*. Previous studies (e.g. Armstrong et al. 2008) have demonstrated the importance of workers feeling isolated by a lack of government support and feeling that they were underemployed in their future employment. This directly relates to the LDV context and the aims of the research to identify the re-employment path of highly skilled and managerial workers. The importance placed on the research is to examine the impact on the high-skilled and management tier workers to extrapolate if their experiences reinforce or are unique to the findings of the existing research and literature regarding plant closures and labour adjustment. Given the economic situation at the time of the LDV closure, highly skilled workers may also be subject to long periods of re-employment adjustment or face leaving the labour market

altogether.[40] The geographic distribution of the workers prevented a more cohesive reaction and isolated certain aspects of the LDV workforce. The research also assesses the role of 'shock' upon individual workers;[41] for example, did the taskforce react appropriately in this regard or was the closure of LDV expected to enable workers to prepare and mitigate the level of shock experienced?

5.2.2 Questioning the Impact on the Workforce

The gaining of information about the stakeholders within stage 1 set the context for the questions aimed at the LDV workers at stage 2. First, a generic telephone survey was created with a mixture of closed and open-ended questions. The closed questions were designed to obtain numerical and statistical data about the workers. A combination of understanding the policy initiatives and strategies expressed by the stakeholder interviews contributed to the formation of the open-ended questions. The open-ended questions were aimed at gaining the experiences of the LDV workers in terms of how they received redundancy services and their experiences of the job market. The survey data were analysed to detect any commonalities or patterns between the various LDV worker responses, which fed into the development questions for more in-depth telephone interviews with the workers.

Telephone questionnaire surveys and telephone interviews were the main primary methods used for gathering the data on the LDV workforce. The researcher had access to a small database created by Coventry University when the LDV plant closed in 2009. This database was the starting point through which further contacts could be generated by networking with the initial LDV workers. The research expanded the database through local media appeals through local radio and social media. This would appease the ethical concerns of 'cold calling' ex-workers who did not wish to participate in the research or who may have still felt aggrieved by the situation. The research contacted the workers in the database through telephone communiques; during these initial stages, further contacts were added through 'snowballing', expanding the list of contacts generated through LDV workers

[40] The economic situation during 2009 was a period of economic recession following the financial crisis. This created a situation of uncertainty amongst businesses and economists alike and discouraged businesses from expanding and employing new staff. Highly skilled workers also faced difficult periods as competition for new posts would be vastly increased.

[41] The term 'shock' in relation to recently redundant workers ranges through emotional distress, financial troubles and health issues.

established in the database. During this phase, respondents were asked if they would like to continue with the research by taking part in telephone interviews lasting 45-90 minutes.[42] These telephone interviews were aimed at engaging the respondents in greater detail about their job search and career experiences after the LDV closure. It is through the telephone interviews that the qualitative data was gathered in an attempt to look 'beyond the numbers' in regards to the LDV workers.

The aim of the telephone questionnaires was to create a bank of 60 or more respondents and to make the database statistically representative of the ex-LDV workforce. However, as the research progressed, the database consisted of 23 respondents which proved too small and not statistically representative of the wider LDV workforce population. The analysis turned to using descriptive methods to display and discuss the data from which worker pathway trajectories could be constructed.

There are several reasons for adopting telephone surveys rather than other methods such as internet or postal surveys that have similar representative and logistical advantages. While postal and internet surveys require less physical effort and are quicker to establish, they lose flexibility, as once the survey has been formulated it becomes a flat template that applies to everyone and is better used for a bigger survey group. As the potential research group for this research was small, the logistical demands of telephone surveys were well within the capacity of the researcher. Telephone surveys create direct contact between the researcher and the respondent. This allows for a fuller discussion of a topic, which in turn can lead to further networking and generate potential avenues of research or approaches that may have remained unidentified.

The telephone survey questionnaires consisted of a rigidly structured format that could form quantitative data sets and be applied to every category of worker. The development of the questionnaire was based on the MG Rover worker survey (Bailey et al. 2008) supplemented further by the initial findings from the interviews conducted with policy stakeholders. The telephone questionnaire covered topics from workers' demographic details, qualifications and skills, details of LDV job positions, experience/interaction with LDV Taskforce, experience of job search and feelings

[42] The length of each interview depended on the willingness of the respondents to answer the questions with more in-depth replies and to engage in discussion.

regarding current circumstances. The selection process for the interviews was based on two constrictions. First, after conducting the telephone surveys, it was logged whether the worker was willing to participate further in potential interviews. If yes, contact was re-established to arrange an interview. Second was the employment trajectory by which the individual was categorised was considered. This was to ensure an even spread of opinion and experience to create a more sophisticated and diverse range of data. The design of the telephone questionnaire went through several phases of development to refine the data collection process, and enable an overall better quality of data.

5.2.2.1 Telephone Interviews

As discussed in the previous section, the telephone interviews formed the qualitative aspect of the research concerning the LDV workers. As the telephone questionnaires were not sufficient to provide a stand-alone analysis of the workers further, more in-depth research had to take place. In contrast to the telephone questionnaires, the interviews were semi-structured in design, based on various generic issues found among the telephone questionnaire dataset, with specific questions directed at that individual, based on important notes made among the telephone questionnaire. This enabled the interview to delve further into important issues raised both more generally, and more specifically on an individual basis. This led to rich in-depth qualitative data concerning individual experiences and opinions, particularly regarding help or training received related to interviewees' direct circumstances.

The telephone interviews were semi-structured with open-ended questions, with the formulation of the questions determined by analysis of data from the telephone surveys. This enabled further enquiry into certain trends or patterns that emerged from the survey data, while taking account of the workers' individual circumstances. These interviews were qualitative in comparison to the telephone surveys, with the interviews lasting approximately 30-90 minutes and covering a variety of topics. The data revealed experiences of re-employment on a more personal level, uncovering what factors precisely related to successful or unsuccessful re-employment. Furthermore, the interviews engaged workers on what perceptions they had about their redundancy, how they felt in terms of their financial security and how this may have pressured them into certain career paths. This indicated the differences in what

workers expected to receive, and the government's attitudes to providing support services in immersing redundant workers back into the labour market. The data gathered from the interviews shed light on how the ex-workers progressed from the plant closure, in terms of new employment, training courses or leaving the labour market entirely. Furthermore, this uncovered their personal perspectives and experiences and showed how this can differ between sections of the workforce (e.g. how production assembly staff compared to the management tier employees) to highlight what skills are vital in terms of re-employability.

The purpose of the interviews was to illuminate how policies implemented by the LDV Taskforce actually affected and influenced LDV workers. The telephone survey identified the problems that the LDV workers might have faced and their eventual employment outcomes. The telephone interviews alluded to how these problems manifested in 'real life', creating a discussion regarding how future policy approaches taken by taskforces can be better directed towards more successful employment outcomes and trajectories of the LDV workers.

The range of research methods available to conduct the research into LDV employees was hampered by the conditions of the research itself. The combination of the research aim and the logistics of the research prevented an in-depth quantitative approach in regards to the experiences of the workers. The logistical reasons are primarily tied in with the timing of the closure and when the research was conducted. LDV closed in June 2009 but this data was not collected until the beginning of 2012; this three-year gap meant that many LDV employees had moved on and become more difficult to contact. Furthermore, during this time the restructuring of government departments resulted in limited access to data sets. The geographical location of the LDV workers made physically communicating with them impractical. LDV workers were not concentrated in the local area but in fact were sparsely distributed around the Birmingham City district and surrounding wards. More crucially, data protection combined with the three-year gap created very difficult barriers to overcome in contacting ex-LDV employees and creating a significant database.

The use of focus groups would have been a further option but after considering the potential risks and gains from this method, it was decided that it would be unsuitable for a number of reasons. Logistical reasons were to be decisive in not adopting this

method given the difficulty of direct contact with the former workers. Normally, focus groups provide a good logistical solution to grouping participants together rather than interacting with them individually (Flowerdew and Martin 2005; Clifford et al. 2010). Due to the geographic distribution of the ex-employees, arranging a safe and secure environment would have proved to be difficult and would have raised further ethical concerns. Focus groups would not be fully appropriate concerning the research aims, as they are better used for gathering opinions on a topical issue (Flowerdew and Martin 2005; Clifford et al. 2010).

It is recognised that having a discussion about the implications of redundancy within a recession would generate useful insights. However, this topic may also be deemed sensitive to potential participants, as redundancy involves discussion about an individual's financial problems, family obligations and difficulties finding employment. Where some individuals may be comfortable discussing this in a public forum, others may prefer discussing these sensitive issues in private where confidentiality is secured.

5.3 Reflection and Limitations of the Data Collection Process

The research methodology of the thesis is the exploration of the personal experience of the people involved in the LDV closure, while developing the contextual factors in the research. This was broken down into two segments, researching the actions of the LDV Taskforce, their limitations, opportunities, strengths and the interactions and experience of the LDV workers. All of these factors had to be considered and integrated into the overall research process and design. This required a qualitative approach to data collection, with support from numerical quantitative data sources. Because of the high concentration of qualitative data required for this type of study, data collection presented many challenges and obstacles in its collection.

One primary example is that the research necessitated a great amount of human interaction between the researcher and the target subject group. In particular, the amount of planning and preparation involved in organising the interviews became problematic, creating a significant time lag in terms of the data collection. From

establishing initial contact with the individual (usually through e-mail) to arranging an interview date was very time consuming, if successful at all. The time delay in arranging an interview can vary depending on the professional position of that person, e.g. the higher up in terms of their management position a particular individual is, the more constrained their time is, thus making interview opportunities more limited.

The sensitivity of the line of inquiry and the data received from the interviews were significant barriers in conducting full data analysis in regards to both the LDV stakeholders and the LDV workers. LDV stakeholders could be reluctant to release 'full' information regarding a policy or process without anonymity as this could affect their professional relations. In many cases, the LDV stakeholders were willing to discuss certain aspects of the LDV situation, even distributing documents with valuable information. However, they insisted that certain data remained hidden and not published in a public format. Therefore, while this has greatly benefited the thesis in understanding the problems surrounding LDV and progressing forward in engaging the LDV workforce, it has prevented a full validation of the findings. In regards to the LDV workers, the implications of the plant closure may have had direct and indirect implications for individuals' lives in a physical, mental and emotional sense, which again may have prevented full disclosure from workers.

Another problematic aspect was the time that passed between the plant closure and the research study. This may seem a trivial factor in light of the overall research but it has no doubt influenced the progress of the research. By the time the research started, nearly three years had passed since the plant closure; the LDV workers no longer shared a single point of contact (e.g. place of work) making tracking them down difficult. Furthermore, 2010-11 saw radical political change resulting in many changes in government agencies – for instance the abolition of RDAs in favour of LEPs and changes in sub-regional organisations (LSC to LSA, for example). These changes made certain officials in the government agencies inaccessible or difficult to track down.

5.4 Chapter Summary

The aim of this chapter was to provide an explanation of the theoretical and empirical aspects of the research and to progress the topics discussed in the literature review. Much past research on this topic of closures has concentrated on the quantitative aspects of worker skills and qualifications in relation to employment opportunities. This research adopted a qualitative approach to create personal insights into their experiences and employability; the rationale is explained through the importance of the contextual situation of the LDV closure, placing importance on a qualitative approach to the study. The research design explains how by amalgamating the experience of the ex-LDV workers with the research on policy stakeholders, the methodology reinforces holistic understanding as it takes into account contextual factors of the impacts of plant closure.

The thesis will now analyse the empirical research data. The analysis is split into two parts: the first looks at the closure of LDV and the policies initiated by the LDV Taskforce. The second analyses the data from the telephone surveys and telephone interviews with the LDV workers and assesses the level of success of the worker labour market policy and outcomes in terms of employment trajectories.

Chapter 6: Closure of LDV and the Actions of the LDV Taskforce

6.1 The Geopolitical Economy of the Washwood Heath Plant Closure

This chapter will discuss the empirical data concerning the policy stakeholders[43] (the LDV management; local government; and the agencies of the LDV Taskforce) and their actions pre- and post-closure. Chapter 7 will analyse and discuss the data from the surveys of the LDV workforce and assess the implications of the closure for the LDV workers and their experiences in the labour market. This part of the analysis will work towards establishing the 'employment pathways' of LDV workers.

This chapter will begin by presenting the key findings generated from the research data gathered from the LDV policy stakeholders; media observers and commentators; and the ex-LDV workers regarding the LDV plant closure at Washwood Heath on 8 June 2009. The data presented here was collected over two years between February 2012 and March 2013. The primary methods of data collection consisted of face-to-face and telephone interviews with the LDV policy stakeholders. Using this data, analysis will discuss various topics around the closure and describe what actions the taskforce enacted to relieve the impact of closure.

6.1.1 Establishing the Context of the LDV Closure

Before delving into the precise actions of the LDV Taskforce, it is important to define the context of the closure itself in terms of the geopolitical and economic factors to highlight what may have influenced the process of the closure and the response that followed. Pike (2005) stresses that no plant closure can be branded as an average closure, as with each separate closure there are separate underlying 'moments' and 'causes' for that particular plant's collapse, which are interlinked with the historical and geographical factors embedded in that area, making each closure unique. Table 6.1 illustrates the particular 'moments' and 'causes' that led to the LDV plant closure in Washwood Heath, linking those moments to the actions of local agencies/actors with the historical and geographical significance within the region.

Table 6-1: The 'moments' and 'causes'

List of the key events and outcomes of the plant closure concerning the Washwood Heath LDV plant. Adapted from Pike (2005: 100).

[43] This represents individuals who had a key role in decision making either through the LDV taskforce, government bodies or through LDV management.

Moment	Causation
Origins of Decline	Declining profitability
	Organisational marginalisation
	Underinvestment
	Weak productivity
Closure Proposal and Decision	Economic recession and weakening automotive industry
Responses of Agents	Collective 'anti-closure' campaigns
	Individual and/or collective acceptance and/or resistance
	Public policy and institutional intervention
	Political lobbying (local, regional, national, international)
Impact of Closure	Employment loss
	Lost income
	Undermined regional and local prosperity
Co-operation and/or Collaboration	Management, workforce and trade union acceptance or collective mobilisation/resistance to closure
	Planned rationalisation
	Redundancy
Dissolution	Retraining effort
	Demolition and site redevelopment

In more detail, the moments as they apply to LDV are:

- *The origins of the plant's closure* have been attributed to four major causes: declining profitability; organisational marginalisation; underinvestment; and weak productivity (Donnelly et al. 2012). These 'causes' highlight the ongoing historical development of the Washwood Heath plant on the trajectory towards closure (Pike et al. 2010). The geo-political history of the West Midlands region solidified these underlying causes of closure and cemented LDV's path dependency, relying on unstable ownerships that could not reverse these factors (Pike et al. 2010).
- *The closure proposal and decision* was ultimately taken because of the recession brought on by the 2008 financial crisis. With the geopolitical history that the West Midlands had, LDV would always remain exposed to these

types of decisions due to being owned by foreign multinationals (Bernard and Jenson 2007; Birch and Mykhnenko 2008). Whenever an economic recession affected the parent company, LDV would undergo a period of transition of rationalisation and/or be sold to another TNC. As there was no political actor/institution (within the region or nationally) that would willingly support LDV extensively (for example by bailout loans or direct public ownership), sooner or later a recession would 'kill-off' LDV should a willing buyer not be found. Again, this illustrates the importance of political institutions and actors in their ability to dictate the course of certain moments during the course of a closure.

- *The response of agents* and *co-operation and/or collaboration* is shaped by the geopolitical evolution of the region. Government industrial policy towards closure had shifted markedly towards a reactive stance rather than preventative, mainly through the creation of taskforces in the late 1990s. In effect, this determined the extent to which other actors could resist the closure, as the government's priority would be to adjust the local economy to other growing sectors instead of supporting struggling sectors.
- *The Impact of closure* had several implications for Birmingham's local economy. The plant in terms of size was relatively small in comparison to previous closures (LDV directly employed 900 workers compared to MG Rover's 6,000) so the impact of a concentrated workforce was minimal. Despite that, the closure of LDV would affect the supply chain (approximately 4,000 workers). The issues of adapting the ex-workforce to the new labour market had two profound implications. The MG Rover research conducted by Bailey (2003) and Bentley et al. (2008) found that the majority of the ex-workforce were able to find new employment but primarily through accepting lower wages and job conditions. Second, the demographic and skills sets of the LDV workforce forced some workers to withdraw from the labour market entirely due to their inability to remain employable in the eyes of employers.

6.1.2 The Corporate Difficulties of LDV

It is generally acknowledged that LDV struggled as a commercial vehicle brand, with this ultimately influencing the reaction of the government, the taskforce and the

nature of the closure. LDV suffered immensely from financial difficulties, which had implications on its product development capabilities. The length of time it took LDV to develop new model ranges had a dire effect on the company's ability to improve its brand image and maintain a foothold in the commercial vehicle sector. This led to the company having a heavy reliance on the sales of old models.

> The fundamental problem, we had an old product line with the Convoy and Pilot which were well past their sell-by-date. Nick Schiller (Manufacturing Director LDV [1998-2004]).

> The company was already producing an existing vehicle which was very old ... We were involved in training schemes with what was the LSC (Learning Skills Council), ideally LDV wanted to sell the old vehicles to staff or the council and get any re-training programmes subsidised. Phil Roocroft (employment investment co-ordinator).

The business plan changed significantly when the company changed ownership; the most radical change was the immediate halt of production of the old models and concentration purely on new model production. The Maxus model was the most contemporary design that LDV could produce; though superior to their older designs, LDV still did not match the production scale of strong competitors like Ford or Mercedes. The long-standing problems that LDV suffered further restricted the firm from continually developing new competitive models within the market and effective restructuring.

> The challenge was always that buyout [referring to 2003], couldn't produce a business that had longevity, it could only sustain the Maxus product, not develop a new product. Nick Schiller
> Sadly, LDV was never big enough to compete with the larger companies like Mercedes. Looking back on it, how could they do anything different? Jon Griffin (Business editor Birmingham Post).

The heritage of the Washwood Heath site and its location within a residential area prevented the site from being modernised to a more efficient form of production, without large significant investment. A key feature of automotive firms surviving in the modern automotive market was the ability to access growing markets (e.g. the BRIC economies). Although GAZ did invest in LDV, it failed to establish LDV in a growing market (i.e. Russia) or make up for the shortfall in technological costs, in this case the pursuit of electric vehicles (Donnelly et al. 2005; Bailey et al. 2008; Standford 2010 [Fig 6.1 displays the EV concept within the Maxus model]).

> The problem was the business; no matter who ran it, it could never generate enough money to develop a new product by itself. It wouldn't be a viable investment as the volume wasn't there to make returns. Nick Schiller

Figure 6-1: The LDV Maxus, the Electric model

Displaying the electric vehicle design source: http://www.ldv.co.uk/electric_maxus.aspx accessed 25.11.2013.

LDV's management still insisted that the company had a future despite its ongoing problems; it was thought that the electric vehicle project would have been able to uphold the company's future and the management were adamant that demand was growing for the electric vehicle. The critical factor would be if investment could be found to sustain the project development of the electric vehicle maintained through the development of the modern Maxus model (Fig 6.1 displays the visual concept).

> I still believe that EV technology is ideal for commercial vehicles whereas it is more complex for domestic cars. But for depot to depot vehicles, which consist of the majority of LDV's sales... should the business plan have gone forward then LDV would have had the potential to be the market leader in EV. Guy Jones (Marketing Executive of LDV [2008-09]).

However, there were also counter-arguments in favour of the commercial viability of the electric vehicle, mainly orientated around the electric vehicles' ability to sustain LDV and provide adequate returns on investment.

> The credibility of LDV to solely rely on becoming the electric vehicle manufacturer of the UK would have been questionable... in 2009, we have run out of money, and we want to go into a market sector that isn't really in existence yet, with new technology... with a high capital cost in the product. The biggest problem isn't government agencies being awkward, but rather people and organisations saying that the electric project isn't going to work and not credible. Nick Schiller

6.1.3 Pre-closure Support from Local Agencies

The current UK government stance on industrial support is more reactionary in nature, focusing on taskforces to provide relief for areas affected by plant closure. That is not to say that the UK government did not provide support for LDV; on the contrary, the government provided support for the company in the years prior to the actual closure. During the management buyout in 2003 stemming from the failed partnership with Daewoo, the UK government provided a financial grant to oversee the transition.

> As part of the Daewoo deal they were given a grant of £25m, this was based on the business plan we issued... The £25m grant provided other private equity and individuals' confidence to invest into the business and carry the project forward. In that respect the UK was as helpful as they could be without breaking any EU competition laws. Nick Schiller

Government support for LDV came from both national and local sources. As illustrated by the quote above, the national government provided significant financial aid to keep production within Washwood Heath. The local government provided aid in training subsidies and by giving LDV favourable terms in realising cash from its assets.

> We had support from LSC; there was re-training provided free of charge or heavily subsidised. So the local government were very helpful, they opened up an access bridge over the railway towards the back of the site. AWM did a very good deal on the price of the land. Nick Schiller

The government was also active in providing support to LDV just prior to the closure in 2009 through government bridging loans and by acting as mediator to find a potential buyer for LDV. Furthermore, the government did its best to maintain demand for products by trying to prioritise its purchasing of vehicles from LDV.

> BIS had a predominant role, they interacted with other potential buyers, particular the Malaysian firm Weststar. Guy Jones

> There was talk of the government buying vans but then they would have fallen foul of EU rules. The government did support them in the last few days via loans. (Peter Plisner Transport correspondent BBC midlands)

6.1.4 The Economic Circumstances of the Plant Closure

During 2009, when LDV was in difficulty, the financial crisis was at its zenith, and the UK government was under immense pressure to restructure and rescue ailing key sectors of the UK economy (namely the banking and financial sector). The condition of the global economy further hindered demand for imports, which had a drastic effect on the automotive sector. These factors constrained the government's options regarding how to react to the LDV plant closure and the type of support that could be made available to LDV and its workers. The following extracts from the Stage 1 interviews illustrate the economic environment of 2009 and show how this affected LDV, and indicate the actions taken by the various agencies.

Whether the electric vehicle was a viable option or not, the main primary problem of LDV that still existed was the need for investment to continue production. This constant need for investment in the end made it vulnerable in difficult economic times when gaining access to finance either through loans or external investors was limited.

> Then the financial crisis hit, the planned investments were unable to be made and prevented from the business from getting off the ground in Russia... This had drastic effects on the plan. That all added up to mean the business was not comparable and ultimately led to the closure of the plant within the UK. (Guy Jones).

> When the recession came along the commercial vehicles were hit the hardest. This was also tied in with the Russian economy which went downhill. (Peter Plisner).

> In this particular recession credit has become extremely difficult to get hold of and automotive manufacturing is seen as high risk. (Rachel Eade).

The combination of the fragility of the automotive sector during 2009 and the inability of LDV to secure investments would have certainly influenced how the government

was to react to the closure. It was ultimately going to take a reactive response rather than direct intervention (e.g. significant financial aid), which effectively undermined the government's (national and local) ability to fund the electric vehicle project.

> To invest in building a factory in this economic climate is a very tough decision, and is going to cost a great deal of money no matter how much financial inducements. Mick Laverty and Mark Pearce (AWM Chief Executive, AWM representative on the taskforce respectively).

> That was the key point (recession), at that stage all sorts of automotive suppliers were going bust. Jon Griffin (business editor Birmingham post).

It would be unfair to say that the government ruthlessly left LDV to its fate and ignored the implications of the plant closure on the West Midlands economy. However, the difficulties that LDV faced in developing vehicles and maintaining finances undermined the security and longevity of any further investments. The amount of support provided over the years to LDV combined with the constraints of the financial crisis would have influenced government departments to consider post-closure action and place confidence in the proven taskforce approach.

6.2 The LDV Taskforce Response to LDV

When GAZ announced that it was selling LDV in February 2009, numerous local stakeholders were on alert. These local stakeholders varied from the management of LDV and local authorities to the national government, with support from the local community and the LDV workers themselves. Each of these actors would try to influence the outcome of the closure in regards to their organisation's remit and objectives.[44]

The participant stakeholders that were interviewed fell into three distinct categories: first was the group that had a direct presence on the LDV Taskforce, comprising Phil Roocroft (BCC); Zanny Lomas and Rob Beck ([JCP]); John Adams (LSC); Mark Pearce (AWM); and Rachel Eade (MAS). Their knowledge in particular was extremely valuable, covering various aspects of the LDV Taskforce from their

[44] For instance, the LSA had a priority of ideal retraining, whereas the labour unions wanted to ensure the best redundancy packages available and redundancy services (e.g. subsidized training schemes).

immediate actions upon closure announcement, plans to engage with the LDV workers, difficulties and challenges the taskforce encountered, and operational insights of the agencies both on an individual and collaborative level (Figure 6.2 illustrates the LDV Taskforce framework). Furthermore, on an individual level, each participant/organisation discussed the problems that LDV were facing and socio-economic issues concerning the local area.

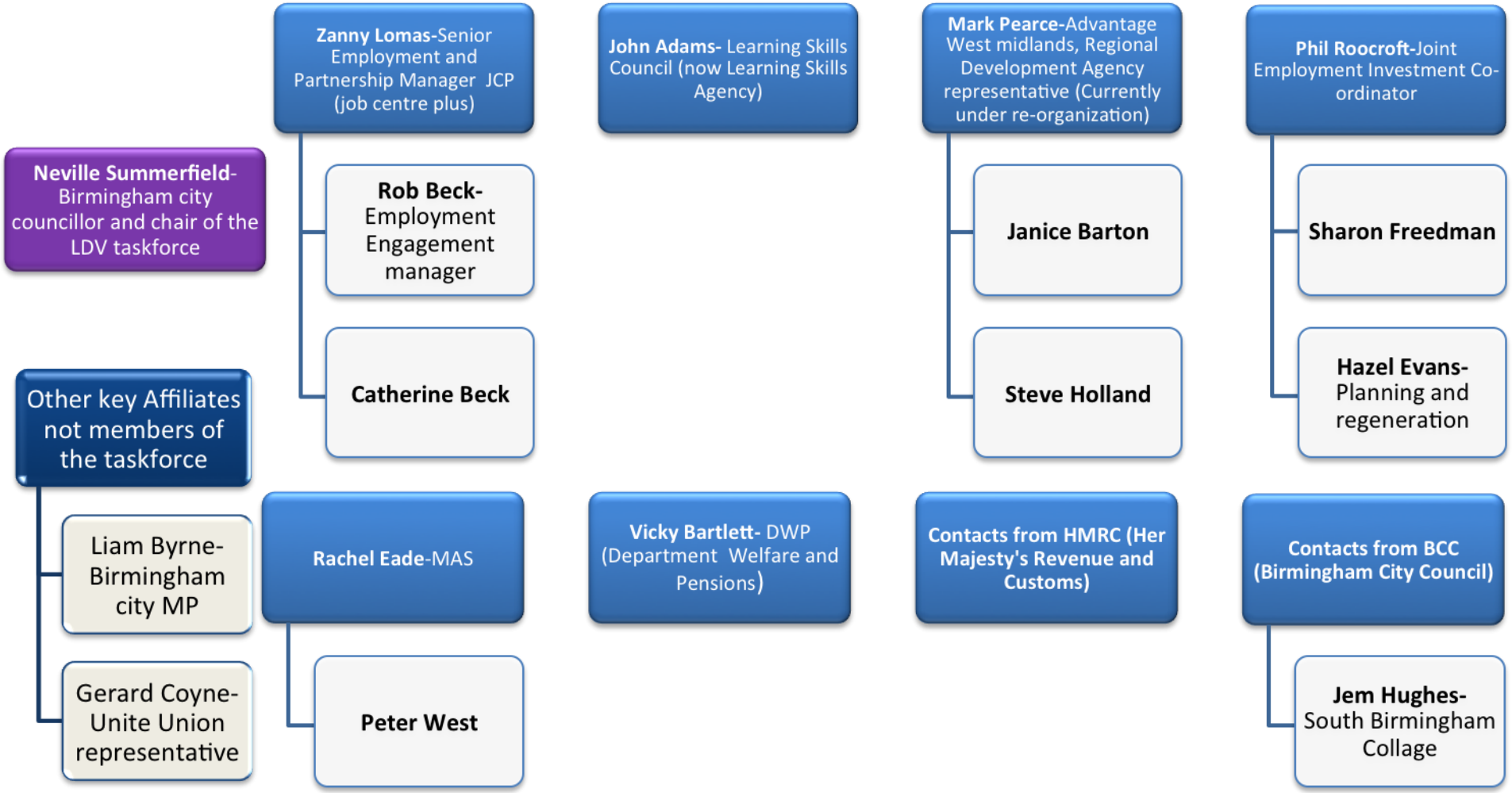


Figure 6-2: Members of the LDV Taskforce

The diagram displays the key members of the LDV Taskforce in the light blue boxes. These represent the representatives of their relevant agencies, with other key members of their agency listed below. Neville Summerfield in the purple box represents the Chairman of the Taskforce. Underneath the chair, other key associates are represented who participated in LDV Taskforce board meetings but were not directly affiliated with the taskforce per se.
Source: Generated from interviews with policy stakeholder contacts.

The second group of stakeholders represented a media perspective of the closure, for example Jon Griffin (*Birmingham Post*) and Peter Plisner (BBC); as 'spectators/commentators' on the event, they held no biased opinions towards the LDV closure and the actions that followed but also drew attention to local issues that were created by the closure.

The third group represented individuals who had had a direct affiliation with LDV itself, such as Guy Jones and Nick Schiller (Marketing Executive of LDV [2008-09] Manufacturing Director LDV [1998-2004] respectively); both brought differing opinions from members of the taskforce but also about LDV's progression from the Daewoo takeover. Both executives had contrasting opinions from each other, despite their affiliation with LDV. Guy Jones gave a more positive opinion of LDV and stressed that more could have been done to save the company. Nick Schiller was willing to express more critical aspects of the problems that faced LDV and was more sympathetic to the government's stance on letting LDV shut down. Nonetheless, both gave valuable information that offered different insights into the LDV closure and presented other discussion points about what else could have been done to possibly save LDV.

6.2.1 Initial Reactions by Local Actors

Ceasing production at the Washwood Heath plant was initially opposed by the workers in order to keep options open to LDV and provide more time to find financial backing.[45] LDV's management were adamant that the company still had a viable business plan, utilising the development of the electric vehicle with potential government legislation to support it, combined with potential in export markets for the Maxus model for emerging markets like Russia and SE Asia, and actively sought opportunities for a management buyout. The local authorities such as the council and emergency services continued to purchase LDV vehicles, thus maintaining some local demand (not enough to financially sustain LDV). Furthermore, the UK national government were encouraging

[45] Production ceased at the plant in December 2008; this was well before the announcement of the actual closure in June 2009.

development of electric vehicle and green technology production. With these supporting relationships from the local and apparently national actors/agencies, there was still a chance for the deciding 'moment' of the plant closure to go in favour of LDV.

Much to the frustration of the LDV management, the company was set to embark on the electric vehicle project and yet the lifeline of investment had been withdrawn; however, despite the realities of the immediate financial problems facing LDV, there was much hope that the electric Maxus would secure the future of LDV.

> LDV can be a symbol of a low carbon, green manufacturing future that the government says it wants Britain to lead. Erik Eberhardson[46]

The intention was for a management buyout led by Erik Eberhardson. Management requested that the UK government supply a loan of £30m to enable a takeover (Bailey and Clancy 2009). The UK government refused a buyout loan but offered a bridging loan of £4m in order for the LDV management to seek other potential investors.

> We're almost ready to go, but we need the government to do its bit. Erik Eberhardson

Although there was unwavering support from the management to keep the company operating, the central/national government was limited in terms of what financial support it could offer the troubled company.[47] Local actors in Birmingham showed much greater conviction in trying to save LDV. The LDV workers were prepared to make sacrifices; they voted on a voluntary pay cut and accepted part-time shifts (Bailey and Clancy 2009). Cumbers et al. (2008) raised the issue of labour union significance within global production networks.

[46]Eberhardson GAZ chairman extract from: http://www.autonews.com/apps/pbcs.dll/article?AID=/20090223/ANE02/902230287 10.10.11 accessed: 18.02.12

[47] The UK government was restricted to the level of state aid it could provide due to the European Union Competition Law Article 107.

It is difficult to comprehend whether the unions of MG Rover, Peugeot or LDV had in fact any influence to discourage the closures but they could have had influence over employment rights, conditions and pay-outs. However, the extent of this varies and is dependent on the condition of the labour union and the company.

The local government showed determination in its support of LDV with Birmingham City Council member Liam Byrne securing a bridging loan. Furthermore, many of the local public agencies continued to purchase LDV models in order to stimulate demand and provide much needed income. This demonstrates the strong attachment between LDV and local institutions and actors, illustrating the social and geographical aspects of the plant closure (Pike 2005).

In contrast, the central government showed a reluctance to get involved in supporting LDV in any great capacity compared to other national governments that have taken a more active role in supporting industries (Bailey and Clancy 2009; Stanford 2010).[48] One potential investor to rescue the company was the Malaysian group Weststar but it failed to raise the necessary capital for a takeover bid. After negotiating for six months with the government, trade unions and management, LDV was officially placed into administration and the site was closed. Many loyal supporters (local authorities and business within Birmingham) still argue that LDV could have been saved with the right financial backing, and that LDV still had a viable future, which raises a critique about the policy actions of central government and the links it has with regards to its support for industries. The reluctance of the UK government to intervene is reflective of the retrospective response to UK industrial restructuring, with preference towards adapting the labour market to other growing sectors, such as the service and finance sectors.

[48] Stanford (2010) illustrates that while the UK government did offer incentive schemes to bolster demand (car scrappage scheme), unlike the US, it did not directly intervene to rescue companies, and left LDV to its fate.

6.2.2 The Economic/Political Significance Shaping the Response

The scale and nature of the LDV closure had implications for the capabilities and limitations of the taskforce itself. In terms of scale and political magnitude, the closure was less significant than other plant closures experienced within the West Midlands automotive industry, which in turn influenced the response. For instance, Birmingham City Council (BCC) took the chair of the LDV Taskforce and the RDA took on an advisory role. This structure immediately emphasised a local outlook to the strategies with the funding constraints that entailed (*House of Commons Regional Committee* 2009). Mick Laverty explains that AWM took a secondary rather than a leading role within the taskforce, and that the plant closure simply did not represent a significant closure in terms of the number of jobs at stake and therefore lacked political significance.

> LDV wasn't significant enough in terms of size and the impact on the economy for us to take a lead. (Mick Laverty)

The onset of the financial crisis and the ensuing economic recession increased the difficulty in drawing large amounts of financial support towards the response, resulting in significant differences in the funding available between the LDV Taskforce and prior taskforces. The MG Rover taskforce was able to summon up to £176m from various agencies and national government bodies, with the aim of supporting supplier networks, aiding ex-workers, with help also given to the local community (Bentley et al. 2010). The funding for LDV Taskforce was the combination of local agencies various funding schemes and projects that they had available to them. The BCC had the working neighbourhoods fund (£129,000 not dedicated to LDV); the JCP utilised the rapid response fund (individual funding of up to £10,500 for training); and the LSC had Better West Midlands (a fund of £12m set up in 2011 to aid all sectors and individuals in the West Midlands from which the taskforce could draw some finance).

> Unlike the Rover Taskforce, the funding was a lot lower due to the scale of the closure. I had a budget of £129,000 from WNF to introduce schemes. Phil Roocroft

Because of the combination of the scale of the closure and the limited access to funding, the BCC, JCP and LSA played a more prominent role in the taskforce and had greater influence within the taskforce, with a greater say in the overall direction of strategy.

6.2.2.1 The Shift from Regionalism to Localism, Reducing Taskforce Capacity and Resilience

The coalition government in 2010 introduced radical change to the regional governance system by abolishing regional development agencies (RDAs) and replacing them with a sub-regional system via the local enterprise partnerships (LEPs) structure. The primary aim was to rebalance the economy towards the private sector with a locally driven approach (Bentley et al. 2010; Pugalis 2010). The ideal of 'localism' behind the LEPs is emphasised through the establishment of local boards consisting of local business leaders and council members to stimulate economic activity in areas best suited to their localities. However, LEPs faced much criticism because of the restrictions placed on them to conduct their affairs sufficiently on a sub-regional level, one being the competitive nature of funding access and authority boundaries, and the second being that LEP boards are not comprised of dedicated individuals but made up of quasi volunteers. This strengthens the position of the centralist government, hindering regional political autonomy, governance capacity and economic resilience (Bentley et al. 2010; Henderson 2013; Beer and Clower 2014; Pugalis and Bentley 2014).

From 2009 onwards, regional institutions and governance ability started to deteriorate, and alongside the abandonment of RDAs in favour of LEPs, influenced the capabilities of the taskforce. Further restrictions were placed on funding and the altering of responsibilities for local agencies further hampered their ability to contribute to the LDV Taskforce. This transition period from RDAs to LEPs during the LDV closure combined to make the recovery from the LDV closure much more restrictive, enforcing limitations on the potential success of the taskforce itself.

6.3 Critique and Analysis of the LDV Taskforce

This section follows the categories outlined in Table 6.1 in discussing the actual actions taken by the local agencies/actors in terms of *the response of agents* and *co-operation and/or collaboration* and how they intended to influence the future course of the plant closure. Furthermore, it directs the discussion towards the major events and actions of the LDV Taskforce and places their actions within the context of the labour market adjustment of LDV workers. In this respect, the section alludes to what were deemed to be the successes of the LDV Taskforce and the achievements of the stakeholders. There are four main factors that characterise the LDV Taskforce; these were concentrated job service; the speed of the taskforce; institutional knowledge; and funding projects and schemes. The discussion will summarise the success of these factors through engaging in the context of the LDV closure itself while also drawing upon independent evidence and comparisons to other experiences.

6.3.1 The Importance of a Concentrated 'Job Service'

A crucial factor in the taskforce was its ability to bring together the concentration of 'job services' and skills to one place or forum. As discussed throughout section 6.2, the LDV taskforce was able to summon together the various bodies and agencies to one place to provide a range of services; the BCC, Solihull Metropolitan Borough Council (MBC), LSC, the Pensions Service and HMRC were all available to offer services on debt counselling, benefit information, training advice and guidance, information on state pensions and tax credits advice. From a total of 810 workers, 662 utilised this service between 11 and 17 June (Source: Phil Roocroft). The taskforce enabled the concentration of jobs and benefit services allowing redundant workers to quickly access services - headed by JCP at the site.

> JCP was at the forefront, because it went in very quickly and we spent a weekend on overtime taking on the bulk of people's benefit claims so we acted within 24-48 hours of the announcement. Rob Beck (employment engagement manager).

There were difficulties maintaining contact with the LDV workers, so to counter this a concentrated effort of agencies and services was created via a jobs fair on the 24 and 25 June 2009. This provided the ex-LDV workers (also open to non-LDV unemployed people) with an opportunity to engage directly with local employers or gain awareness of training schemes. The location of the jobs fair at Villa Park acted as a focal point which the majority of what LDV workers could access.[49]

> With the MG closure, we as the local authority, we made a joint collective decision to get a jobs event running ASAP, and we teamed up with JCP and all the other partners and about month and half after the closure we ran the jobs event over an entire weekend. Phil Roocroft

The success of the jobs fair was praised highly by the BCC; through attendance at the jobs fair (3,000 people[50]), the jobs event also acted as an employment service, helping various LDV workers assess and improve their CVs. The jobs fair further stimulated LDV workers in the job search process and alerted them to the job opportunities in the area. The BCC did stress that job vacancies were available in limited numbers, typically orientated around firms with specific skill demands. In relation to the LDV workers themselves, the questionnaire data found that out of the sample size of 23 LDV workers, 17 workers were aware of the jobs fair event but of those 17 workers, only 7 attended. Table 6.2 illustrates the LDV workers' opinions towards the job fairs services. The table shows that of the 7 workers, there was a strong negative response in regards to the services offered with only 1 worker demonstrating a good response to each of the four factors listed. Despite the good responsive action of the local government to establish the jobs fair to advertise job opportunities, in regards to the LDV workers the jobs fair failed to address some of the job search demands or needs. Though the sample size is small, it can demonstrate the more limited job opportunities given the economic situation at the time; in addition, it can

[49] Villa Park is the football stadium belonging to Aston Villa FC. The stadium's large capacity and accessibility to the wider area meant that it was an ideal facility to hold a jobs fair.

[50] As mentioned earlier, the jobs fair was not directly aimed at the LDV workers but at the wider area. However, with the closure of LDV, the event was brought forward to quickly accommodate LDV workers. The figure of 3,000 attendants was taken directly from transcript interview data.

highlight how job services, training schemes and the encouragement of entrepreneurial activities may not address the primary concerns of redundant workers typical of plant closure.

Table 6.2 LDV workers' opinions of 'Villa' jobs fair

The table shows the opinions of the 7 LDV workers that attended the jobs fair. Source: LDV workers' questionnaire.

6.3.2 The Speed of the Taskforce

The speed of organisation of the LDV Taskforce was a predominant feature mentioned by all of the individual members. This was due to several reasons, one being the knowledge of LDV's prolonged struggle months prior to its closure; the second was the institutional knowledge that had been generated over the years through other taskforces.

Figure 6-3: Excess LDV Output

Image illustrating the high volume of unsold LDV vehicles. Source: birminghammail.net

The prolonged closure of the LDV plant in essence provided the relevant members of the taskforce with ample time to set up preliminary preparations for their responsibilities concerning the workers. The supply chain behind the LDV production was one prime example; Rachel Eade mentions how the supply chain had been starting to feel the effects of the LDV downturn.

> In the LDV situation LDV had been in a downward spiral, suppliers had been preparing for the closure as LDV had been falling behind on payments. The suppliers had started to decrease their dependency on LDV and diversify their market range. Rachel Eade

The perception that LDV was a troubled company was also reflected in the relationship between it and the local council.

> We knew as a local authority that these issues were going on and that LDV was going into official receivership, we could see it for quite a while, we could see the cracks, IF they got the railhead, IF they got the marketplace, IF their vehicle sales had gone up. Phil Roocroft

The speed and urgency of the taskforce response demonstrates the eagerness to initiate contact with the workers as quickly as possible in order to mitigate the impact of the closure. They knew that during these early stages the workers would be more focused on career change and training schemes. This speedy response can be attributed to the experience and knowledge in dealing with redundant workers from previous plant closures (MG Rover taskforces of 2000, 2006).

6.3.3 The Institutional Knowledge of Taskforce Agencies

The institutional knowledge that was 'imprinted' on the agencies involved contributed towards the fast reaction and organisation by the LDV Taskforce. Rob Beck from JCP explained that many of the members within JCP had been a part of previous taskforces, such as the MG Rover Taskforce. They had experienced staff that had dealt with similar situations.

> A lot of the good practice that had been developed in the MG Rover collapse was refined and put into use for the LDV closure. Furthermore, a lot of the people

> involved with that taskforce were also involved in the LDV situation continuing their experience. Rob Beck

This experience and knowledge in understanding the issues and problems behind significant redundancies emphasised the need for a quick reaction from JCP and other members of the taskforce. After LDV went into administration on 8 June 2009, JCP established a phone hotline; and BCC, Solihull MBC, LSC, the Pensions Service and HMRC (Her Majesties Revenue & Customs) had a presence on the site by the 11th. These remained at the site until the 14th, demonstrating the speed in engaging the LDV workers before the contact with the workers became more difficult.

> Rapid Response fund and training schemes offered by the JCP and LSC was vital to be a unified front/service to the workers. Zanny Lomas (senior employment and partnership manager)

Zanny Lomas also noted the openness and cooperation between LDV and JCP and also good cooperation between the local authorities, all of which resulted in quick decisive action from JCP.

> The JCP team were key to all aspects in terms of delivery, due to their experience of dealing with these situations and their 'on the ground' knowledge. Phil Roocroft

All of the agencies involved had substantial knowledge and experience of dealing with plant closures. They were decisive in engaging with the LDV workforce, registering the workers for job services and benefits claims, and getting the workers logged into the JCP system. Furthermore, the experience of the MG Rover closure taught the BCC the need for a jobs event to stimulate workers interacting with job opportunities. In this regard, the taskforce was successful in dealing with the short-term and immediate implications of the closure and beginning the course of re-employment for workers. The ambition of the taskforce and their ability to implement more sophisticated long-term training programmes would be limited by the funding made available to the various agencies.

6.3.4 Funding of the LDV Taskforce

Due to the limited access to national central funding, the LDV taskforce had to utilise a diverse range of funding schemes initiated by the individual agencies to support the overarching projects and strategies created by the LDV Taskforce. The LDV Taskforce was intuitive in overcoming some of the financial shortfalls of the LDV recovery; however, there were often trade-offs for gaining the acquired funding, adding conditions to how funds could be implemented. While some investment schemes such as Accelerate (run through the Chambers of Commerce and utilised by MAS) did have objectives to assist certain sectors affected by the closure in order to adapt and diversify (such as the supply chain, local businesses and dealership networks), the limited funding available prevented them from having a primary role. Agencies such as the LSC, JCP and BCC had access to funding from already established projects. The extensive use of local funding schemes established by the BCC and JCP was essential to promote any training programmes, these funding schemes being primarily the Working Neighbourhoods Fund (WNF) and the Rapid Response Fund (RRF).

The WNF was a funding programme initiated by BCC to identify local companies that were facing difficulties and were threatened with job losses. The WNF would support these companies financially to maintain some staff wages for a short period but this was limited to very small companies. In the LDV case, the company was beyond saving in terms of the capabilities of the WNF, but funding was then put in place to support any training opportunities and then used to track workers through their stages of re-employment.

> There were issues of local companies being threatened with having to cut jobs; to counter this, the WNF was established basically was there to identify opportunities where local communities could be supported. Phil Roocroft

> LDV received £129,000 from the WNF- first week post closure offered advice concerning the benefits available. Third week was to support any job opportunities. Phil Roocroft

However, the WNF was a significant programme initiated by the BCC with a total fund of £114m from 2008-11 aimed at helping all struggling areas of Birmingham. Nonetheless, the WNF funded the jobs fair event at Villa Park that was semi-directed towards the LDV workers. The main advantage of the WNF is that it could be put into action very quickly in response to closures. Despite the WNF having significant resources, it seems that only a minimal amount was dedicated to the LDV situation, drastically limiting the potential of any training programmes. In this regard, it seems that the WNF was very 'situational' and could potentially provide substantial financial support but that this is dependent on how critical the BCC rated the situation in the wider context of Birmingham overall.

The RRF was a financial package offered to employers of a firm that had gone into administration; workers could apply for those funds for various training schemes. Zanny Lomas stressed the importance of getting to the workers quickly before they 'dissipated' (for example going on holiday) or get 'locked in the benefits trap' (long-term worklessness); this enabled the JCP to maximise the services available to the ex-workers.

> The Rapid Response fund really enabled a wide range of services from debt advice, transport issues, job search and training opportunities, which was a major advantage for the workers. Rob Beck

> The funding for training for instance is predicated on largely 28-34s unemployed, if you're a redundant worker with notice you are not eligible for benefit, but you are entitled to the redundancy fund. Zanny Lomas

The main advantage of the RRF was that it was transferable across local metropolitan boundaries and allowed instant access for LDV workers regardless of their home constituency; given the wide distribution of the LDV workers, this was especially useful (see Figs 7.10a and 7.10b). The RRF provided monetary support for those workers who would not qualify for other benefit payments. In comparison to the WNF, the RRF was more universal and accessible to the individual worker.

The majority of the funding for any training schemes coming from the LSA was sourced from local and EU networks. The LSC used this funding to promote

bigger, more regional-wide training programmes. Many of the training programmes were long established by the LSC, so the taskforce was able to expand these training programmes immediately to encompass the LDV workers (in this example Better West Midlands).

> The Learning skills council (LSC) were involved as they provide a lot of funding into the process. Phil Roocroft

> European Social Funding (ESF), we were able to be quite flexible with the training. The money and provision came from the LSC. John Adams

> The support package (project)[51] was put in place; Unity (trade union) was the organisation that ran the project 'Better West Midlands'. So it was an LSC contract, using our money utilising ESF funds. John Adams

What is also important to note is how the timing of the closure affected the funding resources of the taskforce. Although the LSC did provide funding through funding networks established in previous years, 'fresh' funding was limited. This was due to the government restructuring of the primary agencies that had been BCC, JCP and the LSC. The roles and remits of the JCP and the LSC (not the LSA) had changed. In particular, their targets and capabilities have changed significantly, reflecting the cuts in public spending. The LSC had a primary role in leading and funding training projects such as Better West Midlands. The Better West Midlands programme is a redundancy scheme funded by the European Social Fund (ESF), initiated by both employers and employees at the announcement of redundancies. The Better West Midlands scheme offered employment skills training advice (CV writing, job searching), funded skill training and business start-up advice (whereas the LSA simply directed local authorities on how best to utilise existing funds and took a more advisory role). Similarly, the BCC local authority has undergone spending cuts, thus their ability to install long-term projects has been severely handicapped.

[51] The support package initially consisted of £5m in 2006 but was then increased to £7.7m in 2007 when it was recognised that manufacturing was struggling.

> As the local authority we have come under huge amounts of cuts, within this environment of government reform, if LDV happened today we wouldn't be able to respond in the same sort of way. Phil Roocroft

The funding situation of the LDV Taskforce represents two contrasting aspects. First is the ingenuity and competency of local agencies to make use of existing funding networks to set in motion training schemes, individual monetary assistance and develop localised employment opportunities vis-à-vis the RRF, WNF and LSC projects. This addressed the short-term impacts of the closure but it must be stressed that these training schemes and employment opportunities were limited, given the economic circumstances. This also reflects the second aspect of the taskforce – its inability to sustain long-term or more sophisticated training opportunities for the LDV workers. Though there were a number of funding schemes available to the LDV workers, many of these were not dedicated to the LDV closure alone and had to be used in conjunction with other local projects; in general, the more money available to a fund scheme or project, the more responsibilities and obligations that particular scheme or project had. So while LDV could make use of several funding projects, it could not access the same levels of financial support and strategic independence that was given to the MG Rover closure. Phil Roocroft reinforced the difference in the funding available, when he revealed that just £129,000 was made available from the Working Neighbourhoods Fund (WNF), which had to cover the entire local area of Washwood Heath and not just the LDV site.

6.4 Chapter Conclusions: The LDV Taskforce Reaction, Lacking Grounding

The years 2000-08 set in place the ideal institutional structure for the West Midlands to respond to economic crises. This period also represents the paramount regional governance abilities to respond effectively to economic crises. The RDAs to some degree had given regional economic authorities some economic freedoms, albeit with a complex and restrictive set of regulations in terms of the ways in which RDAs could interact with local

governments and attract investment (Fuller et al. 2002). During 2007-08, funding for RDAs amounted to £2.3bn through myriad government sponsors (Pugalis 2010: 398).[52] With their experience of successful taskforce approaches, the differing local and regional agencies within the West Midlands had developed an understanding of how to cooperate with each other. Through the leadership of AWM, they were able to synergise their resources and capabilities within a taskforce framework.

Again, like MG Rover, attempts could have been made to diversify the LDV supply networks and develop the skills of the LDV workers to enhance the product quality and added-value, and progress the company. A further opportunity had presented itself in 2005 when LDV faced administration: the question arises here regarding why a taskforce intervention was not initiated. LDV was 'saved' at that point by the American capitalists Sun Capital; however, this type of takeover was nothing more than asset management and restructuring rather than a long-term investment. Whilst LDV executives did proclaim the success of the taskforce approach in handling the situation, it insisted that a proactive response was required to have a more meaningful impact:

> Government can't help businesses full stop, there is no looking at the bigger picture, how can we better protect jobs? Not suffer the cost of job losses. I think that process is poor.
>
> I think we have got better at dealing when the company fails, the taskforce was brilliant, things like that. So no intervention pure reaction ... The government always seems to have their hands tied to prevent proactive action. Interview transcript with Guy Jones

This is not to say that the local government did not offer aid at all. Indeed, in 2003 financial aid was given to LDV in the form of a £25m grant with AWM buying the Washwood Heath site.[53] BCC did interact with LDV to slow the

[52] AWM in particular spent £1.84bn during its tenure.
[53] Providing that LDV retained production of the Maxus van within the UK, AWM agreed to purchase the Washwood Heath site and then lease it back to LDV.

decline of the company through the purchasing of vehicles and training schemes for the workforce to assist LDV (Cook et al. 2013):

> Ideally LDV wanted to sell the old vehicles to staff or the council and get any re-training programmes subsidised. Interview transcript with Phil Roocroft

This aid provided some short-term assistance that LDV needed to gain stability and attract further investment. The BCC also instigated longer-term infrastructure development connecting the Washwood Heath site to HS2 (Cook et al. 2013).[54] Unfortunately this intervention had no coherent strategy or longevity behind it, and there was no substantial or thorough attempt to engage in the sweeping changes the company and the workforce needed. The local stakeholders did what they could to aid LDV and it does raise the issue of who is responsible for monitoring the health of companies and the economy. In this case, without taskforce intervention prior to the main closure itself, there was only so much that could be done.

The policy fault lines were evident well before the closure itself. There may have been interventions prior to the eventual closure that could have had significant positive implications for LDV. The Rover Taskforce (2005) had the groundwork set in place by its predecessor, the Rover Taskforce (2000); in terms of diversifying the workforce and supplier network, this development groundwork was missing in the case of LDV. What did continue from the MG Rover Taskforce was the institutional knowledge of the agencies involved and so methods of best practice were carried forward, mitigating the shock factor of the closure (Cook et al. 2013). However, within the local agency (in particular the JCP) functions had changed drastically. This would in due course have consequences for the capabilities and potential of the LDV Taskforce's success and for re-employment opportunities for LDV workers, particularly over the long term.

[54] High Speed Rail 2 is the planned high-speed rail connection between Birmingham and London. With the intended development of the Washwood Heath site, HS2 had the potential to increase the logistical capability of LDV, meaning greater access to markets. However, these plans were always in their embryonic stage and failed to develop beyond the medium term and did not have any major effect on preventing the LDV closure itself.

6.4.1 The LDV Taskforce – Excellent Start but Lacking Longevity

When the announcement of the firm going into administration was clarified, the LDV Taskforce kicked into action, the primary distinction being that the taskforce was headed by the local government BCC instead of AWM. This instinctively placed the LDV Taskforce lower down the political 'pecking order', thus limiting its financial capabilities and shifting the nature of the taskforce to a much more local scope and limitation to its strategies. This would result in the LDV Taskforce relying much more on the individual actions of the various agencies rather than having a long-term strategic plan. This more localised scope, in combination with the political restructuring of public agencies, influenced how the LDV Taskforce was able to operate, which then emphasised the taskforce's ambitions towards more short-term rather than long-term goals (Hall, 2013).

The question arises regarding how whether the LDV Taskforce got off to a good start. One main feature of the LDV Taskforce was the 'institutional knowledge' that each of the individual agencies could utilise in implementing the actions and policies of the taskforce. The agencies within those taskforces soon developed an understanding of what the best practice was to relieve those affected by the closures in the best way possible. Over the years, this understanding was developed and by 2008 the agencies became very proficient in dealing with these situations (Cook et al. 2013).

> A lot of the good practice that had been developed in the MG Rover collapse was refined and put into use for the LDV closure. Furthermore, a lot of the people involved with that taskforce were also involved in the LDV situation continuing their experience. Source: Rob Beck

With the experience gathered over the years, great emphasis was placed on speed, engaging with workers as quickly as possible to achieve two primary goals: 1) to familiarise redundant workers with the out-of-work benefits and training funding schemes available to them; and 2) to encourage workers to begin searching for work or training to get them out of unemployment as soon as possible. This approach has the advantage of reducing the number of

redundant workers from entering long-term unemployment cycles, as the longer it takes for successful re-employment, the higher the likelihood of damaging the individual's employability and the potential for permanent unemployment (Shuttleworth et al. 2005). This has the further positive note of reducing the strain on the benefits system.

The institutional knowledge also extended to how various programmes and schemes were funded and initiated by the agencies and in many ways represented the more positive attributes of the LDV Taskforce (Cook et al. 2013). The leading agencies of the taskforce, JCP and the LSC, were prime examples of this institutional knowledge in practice. JCP had established the RRF; this fund was aimed at the employer so that moneys allocated towards the employer can be filtered down to the redundant workers. The benefits of this funding were that it was cross-boundary and also circumnavigated the benefit restrictions for redundant workers.[55] The RRF also engaged with the employer in discussing what skills were present within the workforce so that JCP could immediately relay these skills to consultancy firms. JCP engaged with workers claims quickly in keeping to the quick engagement strategy that was adopted.

> The claims were taken on the weekend of that week on Washwood Heath ... So we kicked into operation quickly and the JCP became the 'foot soldiers' during that week having face to face contact with the employees. Source Zanny Lomas

The LSC had created the *network support*[56] programme back in 2006 in recognition of the auto industry's difficulties in the local area. This programme was quickly put into place for the LDV workers that wanted to develop their skills. The LSC further recognised the need for workers to gain 'recognisable skills' for employers. Instead of just promoting GNVQ courses, the LSC would link skills training directly with a job opportunity. So, for instance, if an employer created a job position orientated around the use of a specific piece of equipment, machinery or job role, the LSC would offer training for those particular requirements [sourced from LSC interview]. The LSC accentuated

[55] Restrictions on benefits were placed on the age group 28-34 who had been given redundancy notice. The information regarding the RRF was taken from interviews with JCP.

[56] The network support programme had initial funding of £5m in 2006 with a further £2.7m injected in 2007. This programme offered help to over 8,000 people to begin training. Source: John Adams, LSC interview.

that the choice of training opportunities should remain with the individual and that it should not encourage skills training within manufacturing sectors, to clearly verify to LDV workers the vulnerabilities of remaining within these sectors and explain the likelihood of future vacancies.[57] Finally, the LSC appreciated how geography produced differing job demands among the various local Birmingham boroughs (Shuttleworth et al. 2005). To address this, the LSC contracted out training programmes to local colleges as these institutions could better direct training to local demands. To further exemplify the institutional knowledge on a local level, BCC utilised the WNF to get quick access to funding for the LDV workforce (Cook et al. 2013). With the multitude of closures within the local authority area, the BCC made it a priority to create a job fair quickly; again, speed was key to instigating job searching among the redundant workers.

The initial success of the taskforce in mitigating the immediate impacts of the LDV closure lay in the institutional knowledge of the agencies involved. This knowledge and experience had developed a method of good practice, engaging with the workers to get them quickly into the benefits system and active within the labour market to access the various funding schemes and programmes to best effect (Cook et al. 2013). However, a lot of what has been discussed focuses on the short term, neglecting the potential long-term difficulties workers may face. In this respect, the actions of the LDV Taskforce overlooked the employment pathways of the LDV workers, which created the *disconnected*[58] feeling between the workers and the taskforce reaction.

6.4.2 Summary of the LDV Response

The LDV Taskforce approach was orientated along the same structure as the MG Rover Taskforce. The focus of the taskforce was to synergise the local

[57] This view of the LSC was contrary to that of the JCP and local authorities who preferred skills training to be more focused on skills in manufacturing. This is testament to the LSC's institutional knowledge, knowing the vulnerabilities of sectors within the economy and allowing the individual to find opportunities.

[58] This *disconnected* terminology is explained in the following chapter as the data from the LDV workers expresses this issue further.

agencies to provide the most effective assistance to the workers through training schemes and to ensure financial stability to promote job searching or engaging in retraining. However, the taskforce's long-term ambitions were hindered by several factors: the organisation and focus of the taskforce (with a concentration of resources and strategy within a select number of agencies); the political and economic context (the economic recession reducing job opportunities and taskforce funding); and public sector restructuring (reducing the capacity of the primary agencies). The LDV Taskforce simply did not have the ideal set-up to continue the same level of support in the same manner as previous taskforces. There was strong emphasis on quick interaction and engagement with the workforce, which was achieved through the extensive experience of the agencies that made up the taskforce. The combination of taskforce priorities and past experience had encouraged a short-term focus on the recovery which was very successful but incapable of sustaining a longer-term strategy and approach.

To provide long-term assistance to workers, more attention could have been paid to the identification of employment trajectories among recently redundant workers. There are long-term implications from redundancy shock that affect workers through a combination of demographic traits, skills and job roles, career history and progression with their personal knowledge of the labour market on an individual basis (Cook et al. 2013). The workers that are most at risk are those who are skill-dependent, with qualifications/skills that are not easily transferable and those of an older age group with limited training opportunities (Green and Collis 2006; Cook et al. 2013). The importance of understanding an individual's job history and job search exposure is not to be underestimated (regardless of skills level); if an individual's only job experience has been within the same firm (typical of manufacturing and industrial workers in OIRs) then more sophisticated aid needs to be made available (Green 2003); in effect, better analysis of employability amongst redundant workers can mitigate the shock to the most vulnerable (Cook et al. 2013). Part of a longer-term restructuring process involving local actors is overcoming restrictive employment trajectories to decrease the likelihood of longer periods of

unemployment for more susceptible individuals (Cook et al. 2013). In this way, workers' potential employment pathways can be better identified leading to the right type of help, whether that be training into a new sector or specifically into a new job sector, or simply just giving people job search advice more attuned to their circumstances.

Chapter 7: The LDV Workforce: Adjustment and Employment Trajectories

7.1 The Context of the LDV Workers: Introducing the Worker Trajectories

The aim of this chapter is to examine the empirical data collected and offer interpretations in relation to achieving the research aims of the thesis. This analysis chapter will develop the concept of 'employment trajectories' among the LDV workforce. The 'employment trajectories' designations are used to cross-examine characteristics of the LDV workforce, such as employment history both at LDV and post closure, demographics, geographical distribution (commuting distance), skills & qualifications and established networks, to build some understanding of the employability of such characteristics within the labour market. This helps comprehend what synergies/combinations of factors contribute to or diminish or enhance the employability of certain groups of workers, with a focus on highly skilled workers. Finally, this analysis can be used to help develop or suggest labour market policy recommendations and discussions.

The worker questionnaires were used to establish the categories into which the LDV workforce was placed.[59] The categories cover geographical location, wages (while at LDV and in current employment), skills, age, period of unemployment and job satisfaction. The worker interviews aimed to insert qualitative insights into the discussion to conceptualise the various employment trajectories of the LDV workers. The number of telephone interviews was limited to eight due to the number of participants who were willing to proceed further with the research. However, these interviews gave great insights and in-depth data concerning the re-employability of the ex-LDV workers and contributed towards the 'worker trajectories' analysis.

The chapter then moves on to discuss the empirical data in more detail and explain the employment trajectories and employment pathways amongst the LDV workers after the plant closure. This will cover such factors as the jobs they obtained, the sector in which their current job resides, and the length of time

[59] A telephone survey was conducted with all of the LDV workers from the database, totalling 23 surveys.

unemployed before attaining their current employment. Before discussing these facets in further detail, this chapter will first firmly establish what is meant by the term employment trajectories per se with reference to the LDV workers, before setting out the initial actions and prospects that faced the workers within the context of the LDV closure.

The primary research uncovered that many high-skill and office-tier management workers of LDV experienced difficulties finding re-employment post-LDV – employment barriers usually associated with lower-skilled workers. However, in contrast, the research also showed that there were other highly skilled office-tier workers of similar qualifications who were able to overcome re-employment barriers and demonstrate high employability. The research developed the term of employment trajectories as a means to identify and categorise what factors or reasons were behind the successes or difficulties of the re-employment outcomes amongst the highly skilled workers and to establish the basis from which the analysis could begin. Table 1.1 displays a breakdown of the ex-workers that participated within the survey, showing some demographic data and a brief overview of their employment history. Table 7.2 exemplifies the initial outcomes of employment amongst the workers before the analysis builds towards the worker trajectories to integrate all of the aspects mentioned that contribute to employability.

Table 7-1: Characteristics of Ex-LDV workers by contributing factors

Main contributory factors of the employment trajectories in conjunction with LDV workers' skills, qualifications and demographic information.

Worker designation	Age	Highest qualification	Job title at LDV	Length of career at LDV (years)	History of employment, post LDV	Current job sector
A	43	University degree	Materials support manager	11-20	3 weeks off after the closure got into current employment.	Automotive (Tata, I.T dept.)
B	42	BTEC National Diploma, Part 3 advanced City and Guilds	Finance manager	1-5	From 2009-10 Skoda dealership. From 2010-11 Peugeot dealership	Automotive (Lexus dealership)
C	46	University degree - management	HR manager	20+	Remained at LDV for a 2-month period post closure to help processing. Unemployed for 18 months. Jan 2011-March 2012 leisure and tourism manager.	Automotive (SAIC, HR)
D	48	University degree, BA	IT director/manager	11-19	None (unemployed for 6 months)	Consultant (self-employed)
E	58	Part 1 City and Guilds (craft practice)	Spot welder	11-19	None	Public sector (school coach escort)
F	44	Level 2 security	Logistics	20+	Been a part of NEC security after LDV closed.	Service
G	51	University degree, BA-Law	Productive operative	6-10	4-5 months part-time at ASDA during 2009	Care Provider (home care)
H	53	GCSE	Senior paint process engineer	6-10	Left labour market for 18 months. 7 months at Decoma from mid-2010. Then had 6 months at a Chinese engineering firm. From 2011 was spurred on to	Automotive (Self-employed contractor)

					create own business.	
I	38	Part 2 City and Guilds	Mechanical fitter	1-5	Two part-time jobs from 2009 to Jan 2013. Then one of the part-time positions became a full-time contract.	JLR
J	59	Smith certificate	Press setter	20+	Unemployed during 2009. Then took on agency work from 2010-11.	Industrial technology (workshop help)
K	44	GCSEs	On Production	11-19	Unemployed during 2009. Small part-time job during 2010. Currently at JLR car park patrol.	Automotive (JLR prod op)
L	61	City and Guilds	Special vehicle manager	20+	Oct 2009 started voluntary work Coventry airport 2009 for a 10-month period. Then June 2010 multi-part.	Automotive supply chain
M	30	HNC	Vehicle evaluation engineer	6-10	Contracted out engineer later years of LDV. After closure became unemployed for 4 months. Then joined Tata November 2009.	Automotive (Tata)
N	42	MA - Management	Project manager	11-19	Unemployed from June–Dec 2009, then gained new employment.	Manufacturing advisor
O	48	City and Guilds Level 5	After fleet support manager	20+	Multi-part trucks logistics for 3 years, 1 week after closure.	Automotive (IZZU trucks)
P	59	BA degree	Sales director	1-4	None, short unemployment gap.	Consultant (self-employed)
Q	47	HNC, mechanics and pro engineer	After sales manager	11-19	Unemployed for 3 months. Then from Sept 2009 multi-part trucks.	Automotive supply chain
R	53	University degree, BA	National development manager	6-10	None	Retired
S	55	NVA Warwick University	Marketing director	6-10	Left June 2008 and was able to find employment	Market research

					immediately.	consultant
T	61	Part 1 City and Guilds	Warrant service support manager	20+	Initially retired but re-entered market after 6 months. From 2010 worked for Warwickshire Council part-time	Part-time (exam invigilator)/ retired
U	54	NVQ lvl2	Supervisor	11-19	None	Food supply
V	44	Part 2 City and Guilds	Store Forklift	20+	Jan-March 2010 1st 6 months unemployed	retail
W	27	University degree, HND, HNC, NVQ Level 4 or equivalent	Manufacturing Engineer	11-19	6 months unemployed after closure. Jan-March 2010 Working for UK mail.	Automotive (Rolls Royce)

From the characteristics shown and the initial breakdown of the questionnaire data, there are six main employment outcomes that have been identified. For each of the employment outcomes, there are five main variables that contribute to defining employment outcomes: qualification level, experience of the labour market, new employment within the automotive industry, outcome of employment, and method of gaining employment. These main categories have been chosen for several reasons. The qualification level establishes the employment expectations of that individual when re-entering the labour market. Typically, those with higher qualifications should be able to adapt successfully, whereas those with lower qualifications would find gaining new employment more difficult.[60] Second, job seekers' experience of the labour market defines how the individual progressed in their job search. Third, their employment within the automotive industry would indicate if the individual was able to continue to utilise their skills and experience developed in LDV and remain on a similar career path. Fourth, the type of employment they attained, such as a permanent contract, would illustrate the quality of their employment, for example a more

[60] By this, the author means finding employment that the individual deems satisfying and financially rewarding/substantial. Workers that found it difficult to adapt will be those individuals who did not finds jobs that meet their satisfaction.

secure source of income and job conditions; and finally, the method the individual utilised to find their current employment is also considered.

The next step is to continue the discussion through using employment outcomes of LDV workers and to establish the main factors and indicators that contribute to the worker trajectories and relate specific labour market policy. Section 7.2 will assess how successful the workers' post-LDV employment was by looking into the levels of pay, job satisfaction and type of employment. Section 7.3 continues the discussion through reasons behind the employment outcomes of the workers not explicitly made clear from the questionnaire data but drawing from extracts of the interview data. The chapter concludes through bringing the key aspects of the data together through the employment trajectory concept to illustrate potential vulnerabilities and strengths of highly skilled workers, and if findings can be applied to other plant closure situations. The analysis proceeds onto further contextual information about the LDV workers so as to give 'grounding' to the worker outcomes and construct towards the employment trajectories.

7.1.2 Length of Career at LDV and Experience of Redundancy

This section looks at the length of career of the workers at LDV (Figure 7.1) and establishes how workers are reliant on certain skill sets, which were fundamental during their position at LDV. A second important factor about the length of career spent at a single company is how it alters the individual's personal experience and perceptions[61] in interacting with the labour market. Should an individual have spent a significant time within a single company, then the experience they used to gain a job at the start of their career will more than likely become ineffectual in the modern labour market. The evaluation includes the worker's career within Leyland in addition to the years of service within LDV. The reason for including Leyland was to recognise the shared corporate history and the integrated organisational structure between the companies. This

[61] The term experience and perceptions refers to the workers' interaction with the job support services, their application processes and their perceptions of what are considered ideal skills and qualifications for the labour market.

corporate integration enabled staff to be transferred between the companies very easily, utilising the same skill sets for a similar job role. Indeed, the companies were so heavily integrated that many workers considered their career at LDV as an extension of their career at Leyland, even when LDV became a separate entity after the management buyout in 1993.

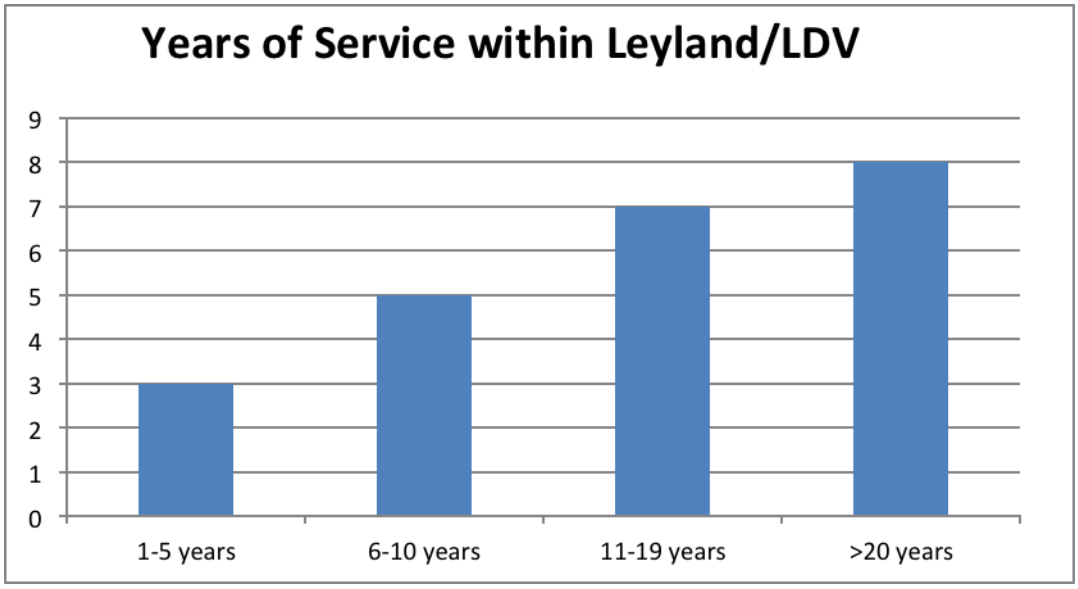


Figure 7-1: Histogram of years of service within LDV/Leyland

Source: Primary data collected via the telephone surveys.

Years of service were divided into four groups:

- 1-5 years - Junior members of the company in terms of service, having more recent experience of the local labour market and being potentially more flexible to change.
- 6-10 years - More integrated into the company and attuned to the demands of that particular job role. However, still has a good knowledge and experience of the modern labour market.
- 11-19 years - Represents a significant period of time at the company. Experience generated throughout that time period becomes more specific for that company or job role.
- >20 years - Majority of working career spent at the one company. The employee's skills and experience have become extremely firm-

orientated; however, will have little or no working knowledge of the modern labour market outside the company.

Figure 7.1 exemplifies that the majority of the respondents had dedicated a large part of their working careers either at LDV and/or Leyland. The largest group (8 respondents) had over 20 years' service; the second largest group (7 respondents) had 19 years within the company, indicating that many employees had been at LDV for a considerable time. The group of 6-10 years (5 respondents) represents the third largest group. Finally, those workers that had been at LDV for 1-5 years were the smallest group, consisting of 3 respondents. This might show that the company's labour force was not growing during the later years prior to closure, except to recruit specialists to perform certain roles (such as executive positions or highly specialised manufacturing skills).

When combined, the two largest groups (that is 11-19 years and >20 years' service with 15 respondents) demonstrate that a substantial proportion of respondents have spent a significant amount of their working life within the UK automotive manufacturing sector. The automotive sector had become a vulnerable sector within recent decades (up to 2010 at least), with the strongest growth in the regional economy occurring in service sectors such as health, education and financial services (Donnelly et al. 2005). Therefore, many LDV workers will have developed skills, qualifications and expertise that are firm-orientated and not in demand by the growing sectors of the labour market. These skills are very job-specific and have become reliant on certain sectors of the economy expanding or performing well. For example, the mini revival of the British automotive industry (primarily JLR production remaining in the West Midlands after the Tata takeover) does present a limited opportunity for LDV workers to remain within the automotive sector. On the other hand, the other potential outcome could lead to some individuals becoming underemployed, accepting lower wages, unfavourable contracts and lower job security (Shuttleworth et al. 2005).

7.1.3 Skills and Qualifications of LDV Workforce

Before evaluating the skills and qualifications of the workers, the characteristics of the workers must be clarified. Figure 7.2 shows that the majority of the workers interviewed (12 respondents) were employed in the office tier, ranging from human resources, sales and marketing, to IT and product development departments. Only three respondents worked directly in a manufacturing department of LDV. Lastly, eight respondents worked in departments that were included in the 'other' category, which covers: load bay, warehouse, paint shop, used vehicles, logistics, press shop, quality assurance and budget control. These departments can be split into several categories with each demanding a separate set of skills. The load bay and warehouse would fall into the more labour-intensive skills. The manufacturing department would be labour-intensive but involve an intricate mix of industrial skill sets and experience that may not be recognised by the wider labour market. The paint shop and press shop would require more specialist industrial skills and qualifications generated through apprenticeships offered by manufacturing companies. The used vehicles department demands more intense experience and knowledge about the commercial vehicle market and LDV combined with sales expertise. Finally, quality assurance and budget control fall under the office management tier where 'white collar' qualifications were needed.

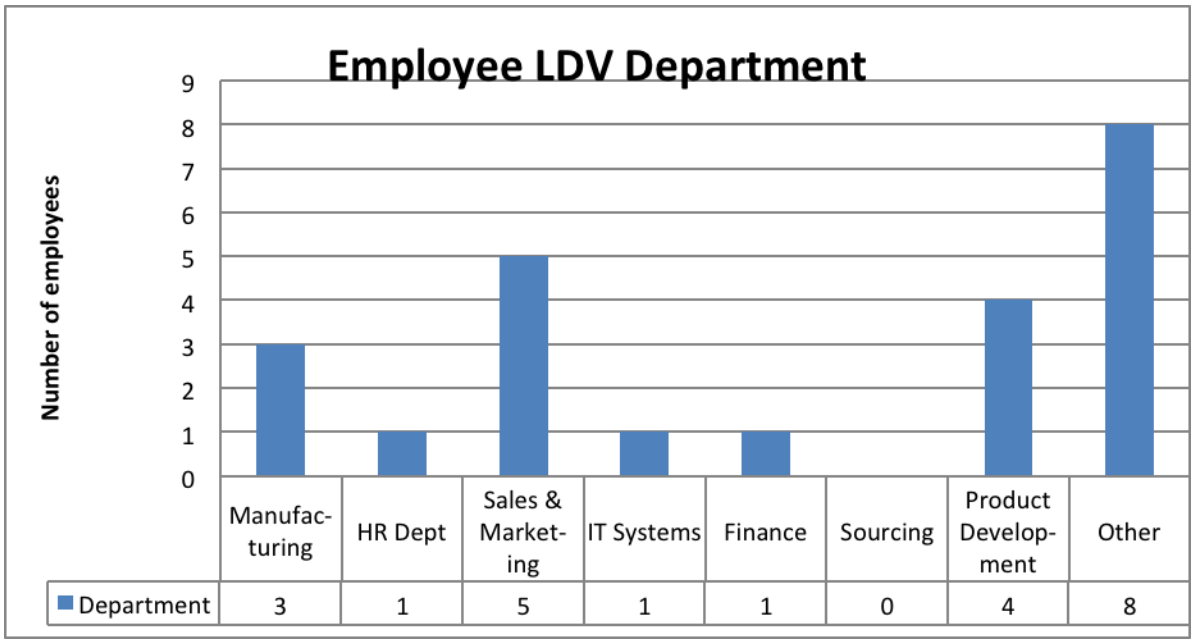


Figure 7-2: Departments where LDV respondents worked

Source: Primary data collected via telephone surveys.

There is a varied range of departments with a differing range of skills and demands that those positions require, but the majority of the respondents would be classified as 'white collar' workers, with qualifications that are representative of these types of workers. Figure 7.3 displays the qualifications of the respondent showing typical qualifications of a majority 'white collar' data set. Typical departments that would constitute white collar would be human resources, sales and marketing, information systems and finance. Although these different departments have been branded together as 'white collar', each of these departments require different skills to manage these job roles efficiently. These departments represent a significant proportion of the workers considered to have adaptable skills within the labour market, and this is exemplified by the levels of qualifications displayed below (see Figure 7.3). The remaining departments consist of manufacturing (three respondents), product development (four respondents) and 'other' (eight respondents). These departments still represent a significant proportion of workers from the white-collar departments who have varying skill sets, demands and needs within the labour market.

The majority of the respondents have academic qualifications; two respondents have five GCSEs at grade C or higher, eight respondents have a university degree qualification or an equivalent level of qualification, and finally, two respondents had a postgraduate qualification. Figure 7.3 shows that 12 respondents had academic qualifications that demonstrated the high level of skills among the survey. City & Guilds, Part 1 City & Guilds and NVQ qualifications combined totalled ten respondents. The 'other' qualifications presented by three respondents consisted of the following: Smith Certificate, Level 2 Security and NVQ Warwick University. None of the workers stated that they had no recognised qualifications, meaning that if they had left secondary education with no qualifications, they had developed recognised qualifications through their career at LDV/Leyland. This illustrates that other departments that are considered labour-intensive do actually demand qualifications and skill sets that encourage the training of those workers to meet their job roles.

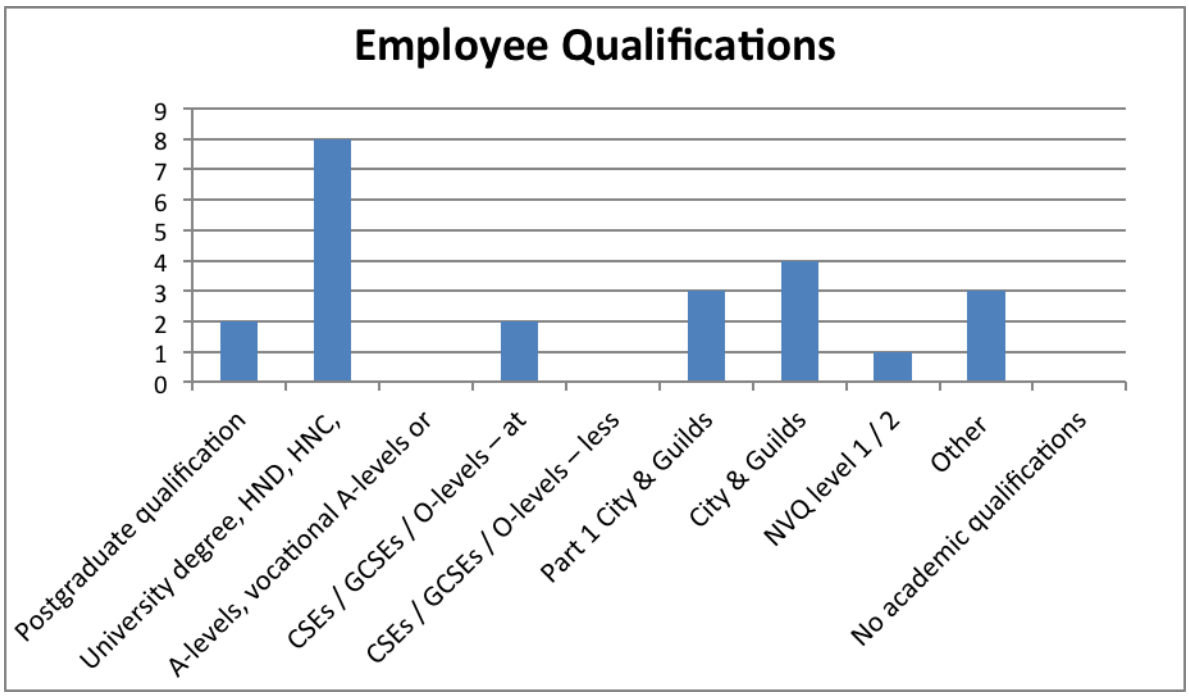


Figure 7-3 Qualifications of the respondents

Qualifications of workers in LDV. Source: Primary data collected via the telephone surveys.

7.1.4 The Age Factor within Employment Trajectories

The age of workers (within the data set) is predominantly that of an older age group, with the predominant age groups been between 40 and 49 and between 50 and 59, with ten respondents and nine respondents respectively. The smaller age groups were the younger group of 25-39 and the near retirement age of >60. The average age of an LDV worker was 48, reflecting the older manufacturing workforce. These age groups are typical of firms in manufacturing, having older employees than firms based in retail or marketing sectors. The study of the Harland and Wolff closure by Shuttleworth (2005) found that 53% of employees were over 45;[62] similarly MG Rover's workers were also aged between 40 and 54 (Armstrong 2006).[63]

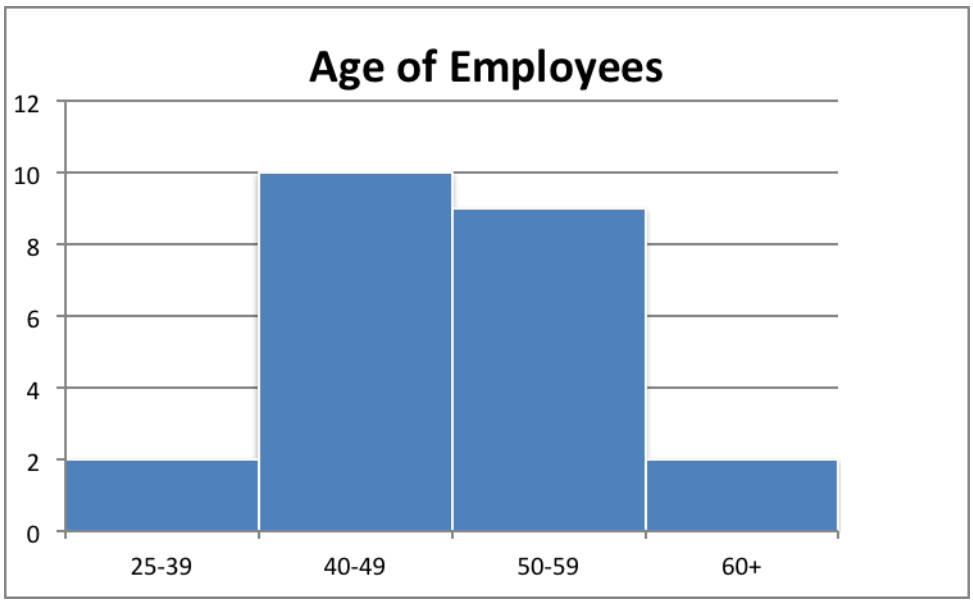


Figure 7-4: Age of Employees

Source: Primary data collected via telephone surveys.

These age groups were chosen based on the following:

- 16-24 - Very young, just entering the labour market, typically have few qualifications or have begun training/apprenticeships. Still in a vulnerable position as to their lack of experience or skills.

[62] Harland and Wolff was a shipyard based in Northern Ireland which closed in 2000.
[63] *Life after MG Rover*, Work Foundation report.

- 25-39 - Still of a young age group, may have developed skills, qualifications and experience that are desirable to employers but remain adaptable to new labour market demands.
- 40-49 - Mature age group, offer a large amount of experience that can be in high demand. Skills and qualifications tend to be more specialist but still offer a high attraction to employers. The level of specialisation can be a hindrance or advantageous depending on whether the individual's skills are recognised qualifications.
- 50-59 - More mature age group; the weakness here is that these individuals are likely to be specialists within their skill sets, qualifications and experience thus becoming inflexible but again dependent on job type and sector; furthermore, they are approaching retirement which may put off potential employers.
- >60 – Workers in this age group are more likely to find re-employment more difficult. Although the default retirement age (DRA) has been abolished and replaced by the Employment Equality Regulations (2011), which enforces protection against age discrimination, potential employers may be deterred from investing in retraining into new job roles as they are so close to leaving the labour market.

The age of the employees plays a significant part in determining the employability of the individual within the labour market. As discussed in Chapter 2, the UK government's labour market policy is attuned to a neoliberal stance, demanding that labour be more flexible to the demands of the economy (Danson 2005; Birch and Mykhnenko 2008; Dicken 2011). This requires individuals to have skills and personality traits that are deemed more flexible and adaptable to market circumstances. Typically, younger individuals are better able to adapt and learn skills that are ideal for consumer-led economies, in which the service sector is the primary employer. From this perspective, younger employees are a better investment; they can develop their skill sets to the demands of the firm, having lower wage demands with the potential to remain with the company for an extended period.

Conversely, individuals that are of an older age group tend to have had a longer career within a single firm. This means that while they have developed specialist skills and experience that make them proficient in that job role, sector or firm, it actually makes them more inflexible within the current labour market. The compatibility of older workers is an issue as some may potentially be disruptive in a new company.[64] The major contrast between the younger and older age groups is the factor of diminishing returns, from employing and retraining the worker to when that worker may potentially leave the company (i.e. an older worker retiring). Younger workers in this sense present better returns on investment in training than an older worker.

However, this is also dependent on their job role and the type of skills demanded within that role. As discussed earlier in this section, Figure 7.4 demonstrates that the primary age groups from the telephone surveys were in the 40-49 and 50-59 age groups. This will mean that the factor of age in employability for these workers will have a stronger significance and will be related to other traits and skill sets that they possess in terms of finding employment (Pinch and Mason 1991). The role of age will carry varying degrees of weight with the different employment pathways. Age will have a detrimental effect on those workers with low skills or unrecognised skills because if they are nearing retirement, the scope to retrain these workers is limited, making diminishing returns higher for potential employers; this is demonstrated through the findings.

> **03.01 What were your thoughts and concerns when you were made redundant?**
>
> ... Financial concerns were the main thing but also worried about my age; I had gone over 50 and worried how this would affect my employment opportunities. (Transcript from worker **U**).

> **06.01 Did you try to seek a permanent position with Land Rover when leaving LDV?**

[64] Older workers may be 'set in their ways', which can disrupt the company working culture of that firm. However, the opposite can also be true; the experience and skills brought in may be ideal and they may 'hit the ground running' within the role. Ultimately this depends on the personality of the individual to be open to change should conflict occur between the new firm culture and their past experiences.

> I applied several times after I left LDV but didn't get through the online application test. I think it's down to my age, although they will never say that. They only have a certain percentage of people of a certain age group on the track because it's a very physically demanding job. (Transcript from worker **G**)

Workers **G** and **U** (see Table 7.1) became very reliant on the manufacturing industry to maintain their employment status (i.e. levels of pay, similar job role). Likewise, workers on the other end of the spectrum that have highly specialised skills could also be vulnerable, depending on their age. To bring in individuals with high skills and experience can be expensive for companies due to the wage demands combined with the prospect of that individual being close to retirement.

7.2 The LDV Worker Outcomes: Key Factors and Indicators

The analysis now turns to evaluate workers' trajectory outcomes after plant closure. This will include analysing their employment history post LDV, the types of employment secured, salary fluctuations, job satisfaction, job quality and potential job stability. These factors all contribute to the perceived job quality of their new employment. This chapter will present the findings concerning these factors from the data gathered from the workers; it attempts to conclude what outcomes have emerged. This will allude to what factors have precisely influenced certain employment outcomes within the LDV context, which are expressed further within section 7.3.

7.2.1 Employment History After LDV Closure

Workers' employment history assesses the type of work that job seekers have found in comparison to their previous position at LDV. This will cover factors such as utilising existing skills and the level of retraining to maintain a similar career path or – if their new jobs are different – whether they actually require completely different skill sets with considerable retraining or significant readjustments. Three of the respondents interviewed were forced out of the labour market entirely after the plant closure. These respondents in particular

were close to retirement, so it is no surprise that age played a dominant factor in their ability to stay in the labour market. Interestingly, seven respondents stayed in the labour market and had only one job post the closure of LDV. The largest group, 13 of the respondents, managed to stay in employment but had more than one job.

Table 7.2 displays the employment history of the respondents that remained or returned to the labour market after the closure of LDV. There are examples of workers who had long-term spells of unemployment before returning to work. Many workers had gaps in their employment immediately after closure, ranging from three to 18 months. Many of these individuals also engaged in different jobs once they re-entered the job market, with reasons for this varying from company restructuring, unsatisfying work and, most commonly, the need for a permanent position. This could reflect the instability of the local economy during 2009, the lack of suitable job vacancies in terms of stable, well-paid jobs and predominately more part-time vacancies, forcing redundant workers to engage in more 'erratic' job patterns.

Table 7.3 shows the workers who left the labour market via retirement or redundancy but then returned to employment. In this situation, the respondents decided to make use of their redundancy pay and take time off from work. Initially worker **T** wanted to leave the labour market permanently and retire but then re-entered employment to keep mentally active and stimulated. By contrast, worker **H** deliberately took substantial time away from the labour market for recreational purposes then re-entered the labour market for financial reasons.

Table 7-2 Employment History of Workers who Retained Employment

LDV workers who had a long period of unemployment, engaging in more than one job before entering current employment

Designation	Age	Current job title	Jobs prior current position	Reason for job ending
W	44	Forklift driver	6 months unemployed after closure. Jan-March 2010 Working for UK mail.	Company restructuring
J	59	Workshop help	Unemployed during 2009. Then took on agency work from 2010-11.	Wanted a permanent job
K	44	Production operative	Unemployed during 2009. Small part-time job during 2010. Currently at JLR car park patrol.	Wanted a permanent job
Q	47	Account Manager	Unemployed for 3 months. Then from Sept 2009 multi-part trucks.	N/A
M	30	Test validation	Contracted out engineer later years of LDV. After closure became unemployed for 4 months. Then joined Tata November 2009.	Wanted a more permanent position
C	46	HR manager	Remained at LDV for a 2- month period post closure to help processing. Unemployed for 18 months. Jan 2011-March 2012 leisure and tourism manager.	Fixed term contract. Unsatisfying work
N	42	Manufacturing advisor	Unemployed from June–Dec 2009, then gained new employment.	N/A

Table 7-3: Individuals Returning to the Labour Market

LDV workers who decided to leave the labour market via retirement or redundancy but then returned to employment

Designation	Age	Current job title	Jobs prior current position	Reason for job ending
L	61	Procurement manager distributor	Oct 2009 started voluntary work Coventry airport 2009 for a 10-month period. Then June 2010 multi-part	Initially wanted casual work but offered a more permanent position.
H	53	Paint engineer	Left labour market for 18 months. 7 months at Decoma LTD from mid-2010. Then had 6 months at a Chinese engineering firm. From 2011 was spurred on to create own business	Wanted a more permanent job. Travelling to work become too expensive.
T	61	Exam invigilator	Initially retired but re-entered market after 6 months. From 2010 worked for Warwickshire council part time.	N/A

Table 7.5 displays the workers that were unemployed for a short period (fewer than four weeks) after the LDV plant closure. This table shows another varied set of employment paths for the LDV workers. Workers **F, S** and **A** were the only workers that were able to leave LDV and enter their current employment after LDV. Workers **S** and **A** held senior positions within the company and through their skill sets adapted more easily after the closure of LDV. Workers **I** and **G** moved into part-time work after the closure; worker **I** in fact had two part-time jobs over a four-year period. Worker **I**'s employment history demonstrated a dynamic employment trajectory with a high degree of employability, being able to move to multiple positions, losing two positions through company restructuring before his current employment. The reasons why these two workers in particular were forced out of their jobs were due to their employer companies either restructuring or closing down. Workers **O** and **B** in contrast had stable employment and found permanent employment contracts immediately after the closure.

Table 7-4 Employment History

The table lists LDV workers who spent little time unemployed after the LDV closure and engaged in new employment quickly.

Designation	Age	Current job title	Jobs prior current position	Reason for job ending
I	38	Product associate	Two part-time jobs from 2009 to Jan 2013. Then one of the part-time positions became a full-time contract.	Company restructuring
F	44	Storage	Been a part of NEC security after LDV closed.	N/A
O	48	Network dev manager	Multi-part trucks logistics for 3 years, 1 week after closure.	Wanted a permanent job. Thought the company was declining
S	55	CEO	Left June 2008 and was able to find employment immediately.	N/A
G	51	Support work	4-5 months part-time at ASDA during 2009.	Wanted a permanent position
B	42	Business centre manager	From 2009-10 Skoda dealership. From 2010-11 Peugeot dealership	Did not like the work environment
A	43	IT management	3 weeks off after the closure got into current employment.	N/A
W	27	Manufacturing engineer	Out of work for 1 month after the closure. Then in 2009, 9 months with V installations. Had 3-month gap in 2010, and then spent 18 months in hydro systems.	Employer relationship broke down. Hydro performance was poor

Table 7.4 again reflects the unstable nature of the economy during 2009 and the problems that workers suffered from in finding stable long-term employment. Even though the local economy provided employment opportunities for the workers, Tables 7.3 and 7.4 both demonstrate that a majority of respondents either had extended periods of unemployment or uncertainty or went through a cycle of multiple employments.

Respondents to the telephone survey show that through various employment routes, which may have involved long periods of unemployment, they managed to obtain long-term employment contracts and what would seem to be long-term stable employment. These employment trajectories will have been the result of the accumulation of the chain of economic shocks in the region, reducing employment opportunities, compounded with employability barriers that some workers faced in such a demanding labour market. Figures 7.5 and 7.6 complement Tables 7.2, 7.3 and 7.4, illustrating how many of the workers were able to maintain employment within the automotive industry.

Figure 7-5: Sector Employment Post-LDV

Bar chart showing the job sectors where workers entered into current employment
Source: Primary data collected via telephone surveys.

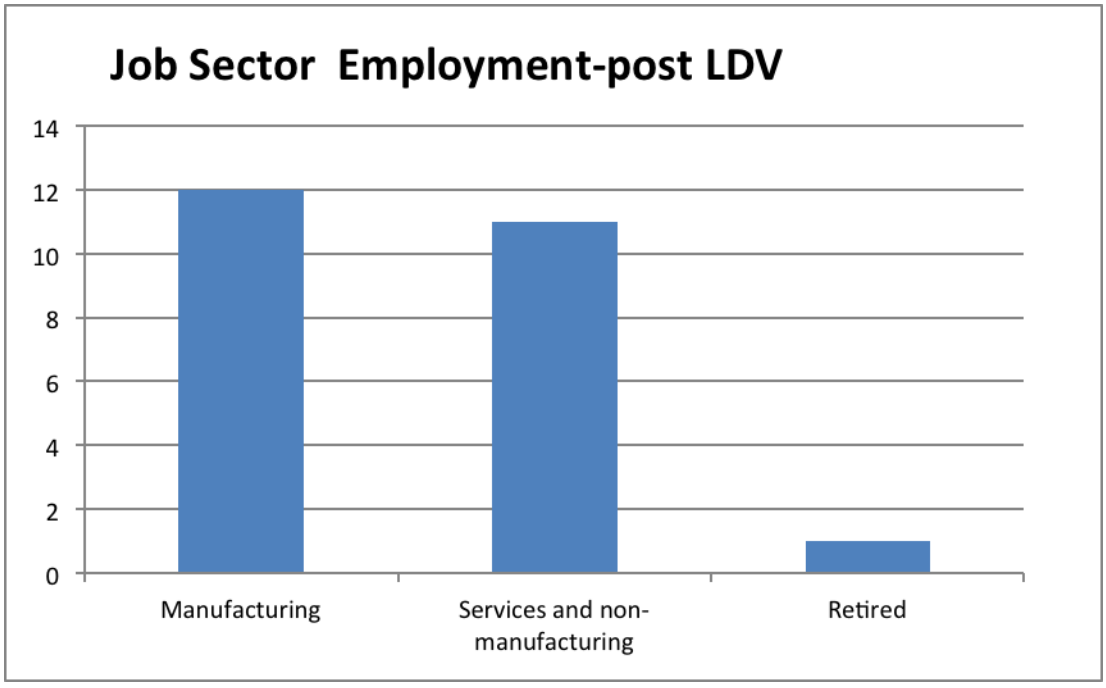


Figure 7-6: Production Line Worker Breakdown

Display of current job sectors of workers that worked directly on the LDV production line. Direct production line workers are: **E, G, H, I, J, K, M**
Source: Primary data collected via telephone surveys.

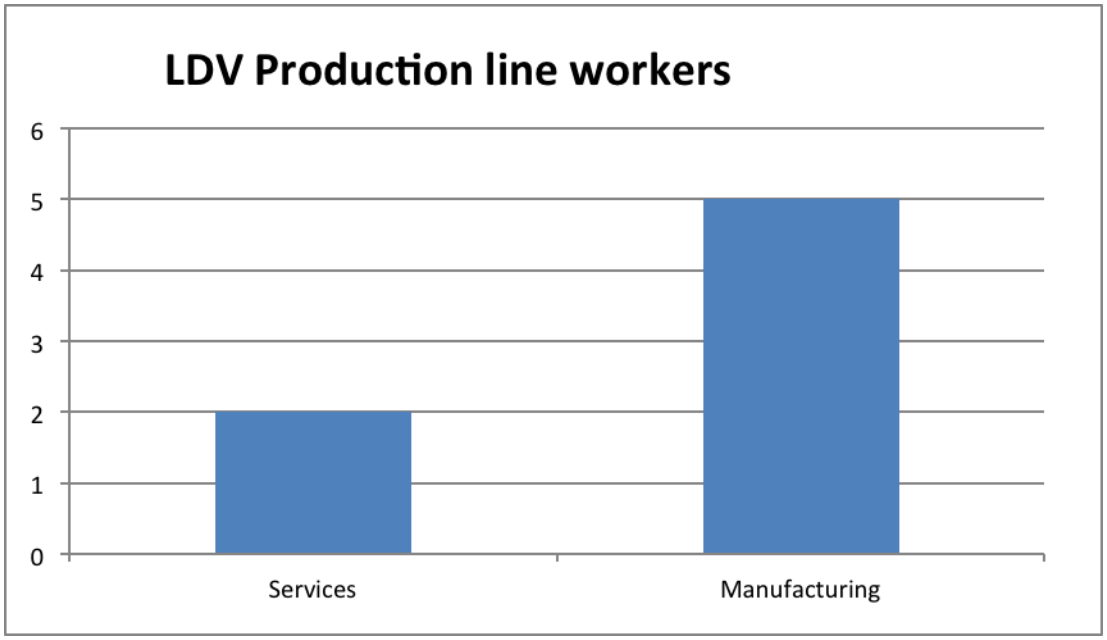


Figure 7.5 shows that half of the workers managed to maintain employment within manufacturing in the automotive industry. As mentioned previously, the majority of the workers were from the management tier. Figure 7.6 displays LDV workers that directly worked on the production line and what job sectors they currently work in. In this context, it can be seen that out of seven workers, five were able to maintain employment manufacturing the automotive industry. The question arises whether these workers benefitted from the previous taskforce intervention, which provided support to other manufacturing sectors and what factors contributed to making these workers able to remain in relevant automotive manufacturing sectors. Did these workers rely on more personal initiative or network contacts to secure these manufacturing positions or was it due to the type of support they received? What it does suggest is that, despite some workers sharing similar skills and positions, some workers are distinctly better able to 'navigate' the labour market, leaving a portion of vulnerable workers confined to more negative path trajectories and outcomes, bringing into question the credibility of job searching services.

7.2.2 Types of Employment Post-LDV Closure

This section evaluates the types of employment that the LDV workers moved into after the plant closure. Their current job is compared to their employment at LDV. Two important facets will be considered. First – is the current job similar to their position at LDV? Table 7.1 shows that workers **C, H, I** and **K** found employment within automotive manufacturing with firms such as SAIC (Shanghai Automotive Industry Corporation), JLR, Rolls Royce and Plastic Omnium Automotive respectively, utilising their skills gained at LDV. Worker **W** is no longer within the automotive industry but is still able to continue their skills development and experience from LDV. Workers **E** and **R** are retired, although **E** did retain a minor part-time job. Worker **G** has moved from production operative to care work. Lastly workers **D, H** and **P** have become self-employed consultants within their professional field.

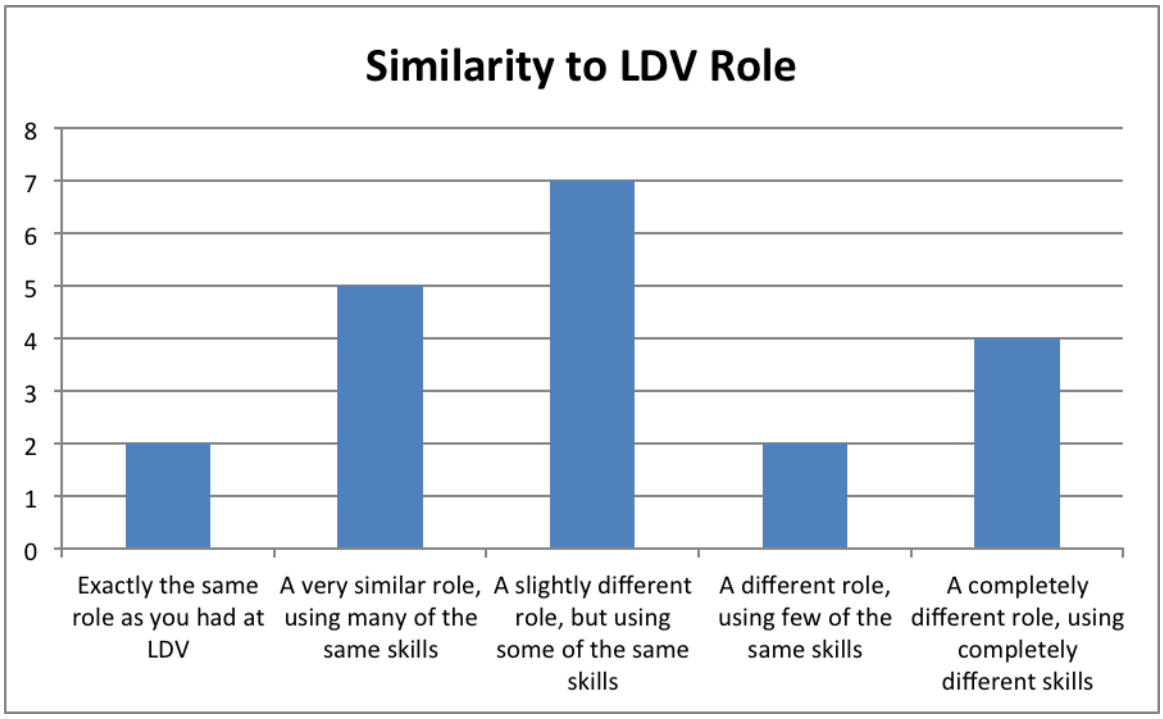
Figure 7.7 takes the analysis further by illustrating the similarity of skills utilised in their current job position to that of their position within LDV. The workers were split into five categories, each representing the degree of change for re-employment for the workers:

- Exactly the same role: this identifies workers that were able to maintain their career path and have a smooth transition back into re-employment.
- Very similar role using many of the same skills: this group consists of workers that have managed a smooth transition into new work with little retraining and using their previous LDV experiences and skills in their new workplace.
- Slightly different role but using same skills: the workers have had to adapt by getting a different role but are able to utilise pre-existing skills acquired at LDV.
- Different role using a few of the same skills: this represents a significant change in employment. Workers have been forced to adapt to their new position but can to some degree utilise their LDV experience.

- Completely different role: embodies a major change in career. The individual has undergone retraining or even undertaken new qualifications and unable to use recognised skills gained at LDV.

Figure 7-7: Job Role Similarity to LDV Position

Showing the similarity of roles (i.e. the role itself and the skills utilised at both companies) between workers' current employment and their position within LDV
Source: Primary data collected via telephone surveys.



From Figure 7.7 it can be established that the majority of the workers have different roles within their current employment from their positions at LDV. When combining the three groups that have different roles, a total of 13 workers have found re-employment outside their established career path. Despite that, 14 of the workers are still able to use pre-existing skills from LDV. This is mainly because the largest group falls in the third category 'Slightly different role but using similar skills'. This is accounted for by the fact that the majority of respondents fall into the management tier of LDV (see Figures 7.2 and 7.3); these workers will have changed their positions and their skills have been adaptable within the labour market. Furthermore, the second largest group, with five respondents, was in a 'very similar role, using many of the same skills'. By cross-referencing with Table 7.1, where it was shown that not only managerial staff were able to transfer their skill sets, workers **H, K, J,** and **M** from manufacturing and product development departments shared successful re-

employment by staying within a similar role. It is interesting to note that only two stated that their new role was identical to their position at LDV.

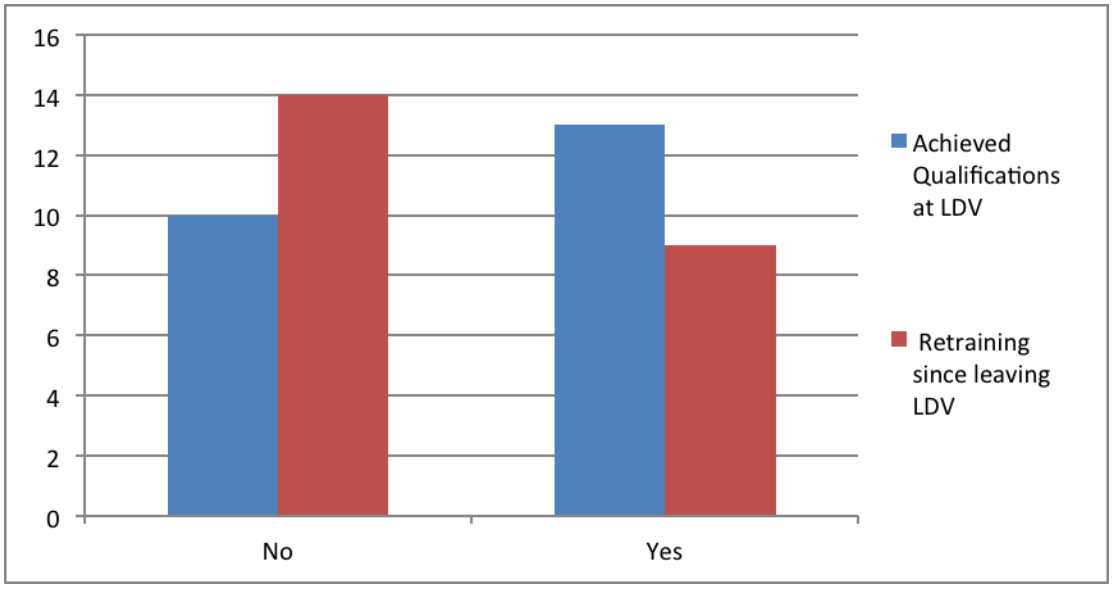
There are, however, contrasting examples within Table 7.1 that display individuals from both the manufacturing and managerial departments who found work in completely different roles using either few or no skills from their LDV career. Examples of this are workers **A, L, G** and **P**; these workers came from various departments –budget control, product development and manufacturing respectively. This shows that the employability of an individual worker is not fully dependent on the particular department in which they worked at LDV or even purely on the skills they possess. Rather there must be other factors that influence employability and have altered their employment pathways to their current employment.

7.2.3 Level of Retraining Among the Workers

Some LDV workers achieved some of their qualifications during their employment at LDV. Figure 7.8 displays a total of 13 workers of whom 56.5% reported that they attained their qualification level while working at LDV. Though not a large majority, it highlights how many of the workers' skills and qualifications were dependent upon the functions of LDV. This, in combination with their years of service (see Figure 7.1), reinforces their dependency on that single institution and that particular job role. A further nine workers (39.1%) embarked on retraining after the closure of LDV. This indicates the importance of re-training to increase employability, particularly for individuals with substantial careers within industrial sectors (Shuttleworth et al. 2005). Workers with long careers at LDV will certainly desire re-training schemes as the 'value' of the qualifications and skills they have developed at LDV will deteriorate as demands fluctuates within the labour market (Shuttleworth et al. 2005). The geo-political and economic situation besetting the West Midlands, encompassing the post-financial crisis recession and continuing process of de-industrialisation, has been further exacerbated by problems dealing with an influx of labour with similar skills, which has intensified competition for jobs in the area (Tomaney et al. 1999).

Figure 7-8: LDV Worker's Qualification Achievement

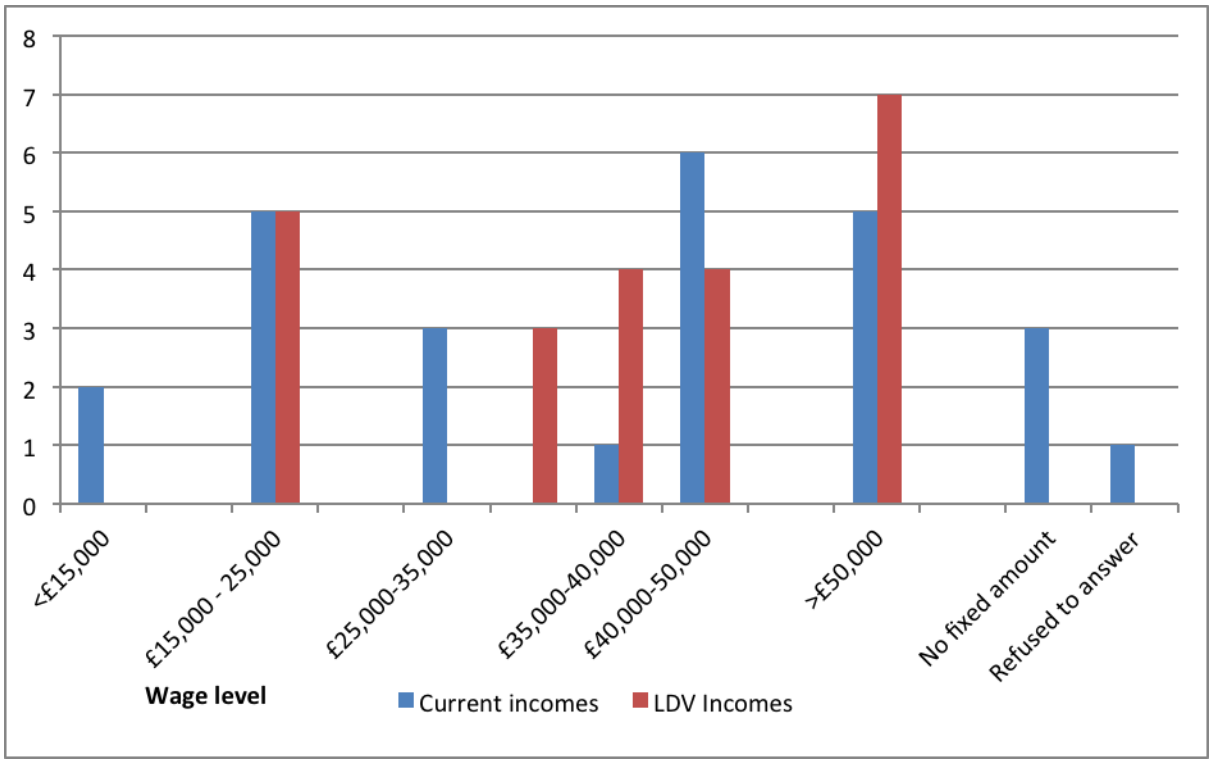
Source: Primary data collected via telephone surveys.



7.2.4 Financial Situation Post-LDV

With the majority of the LDV workers interviewed back in full-time employment, the question arises concerning what their levels of pay were in comparison to their positions at LDV, and what the financial implications of the closure were for the workers. Figures 7.9 and 7.10 compare workers' levels of pay in their current employment to their wages at LDV. Figure 7.9 groups the wages into ten bands ranging from <£10,000-£50,000 with a further two groups: 'No fixed amount' and 'Refused to answer'. These wage brackets were based upon the MG Rover study report (Bailey et al. 2008) as this covers both the lower paid (minimum wage) and higher paid spectrum (executive pay). Importantly, there are two other options: 'no fixed amount' represents those that have become self-employed and cannot prove their income; and 'refused to answer', which represents the ethical requirements of the research as some individuals deemed this information too sensitive. Interviewees must be given the option of not answering the question.

Figure 7-9: Income of LDV Workers
The chart shows the current income levels of the LDV workers pre- and post-LDV's closure (current, i.e. at time of interview). Source: Primary data collected via telephone surveys.



From Figure 7.9, the highest wage bracket was >£50,000 including both the LDV and current employment wages. This is due to the high proportion of management-tier workers within the data set. The main trend from Figure 7.9 is that the numbers of respondents within the higher wage brackets decreased, with wages ranging from £30,000 to >£50,000 (excluding £40,000-£44,999). This illustrates that the level of wages within the new employment found among workers is generally lower. However, there are five workers that maintained the highest >£50,000 wage bracket; there was only a slight drop in the £45,000-£49,999 bracket with an increase in the numbers in the £40,000-£44,999 earnings from one to four workers. However, there was an increase in the number in the lower wage brackets and in the 'no fixed amount', and there was a decrease within the medium wage brackets (£15,000-£39,999). Typically, the manufacturing sector pays above the average wage level (£26,200)[65] and this

[65] http://www.telegraph.co.uk/finance/economics/8909797/Average-salary-falls-3pc-in-face-of-high-inflation.html accessed 06.07.2013.

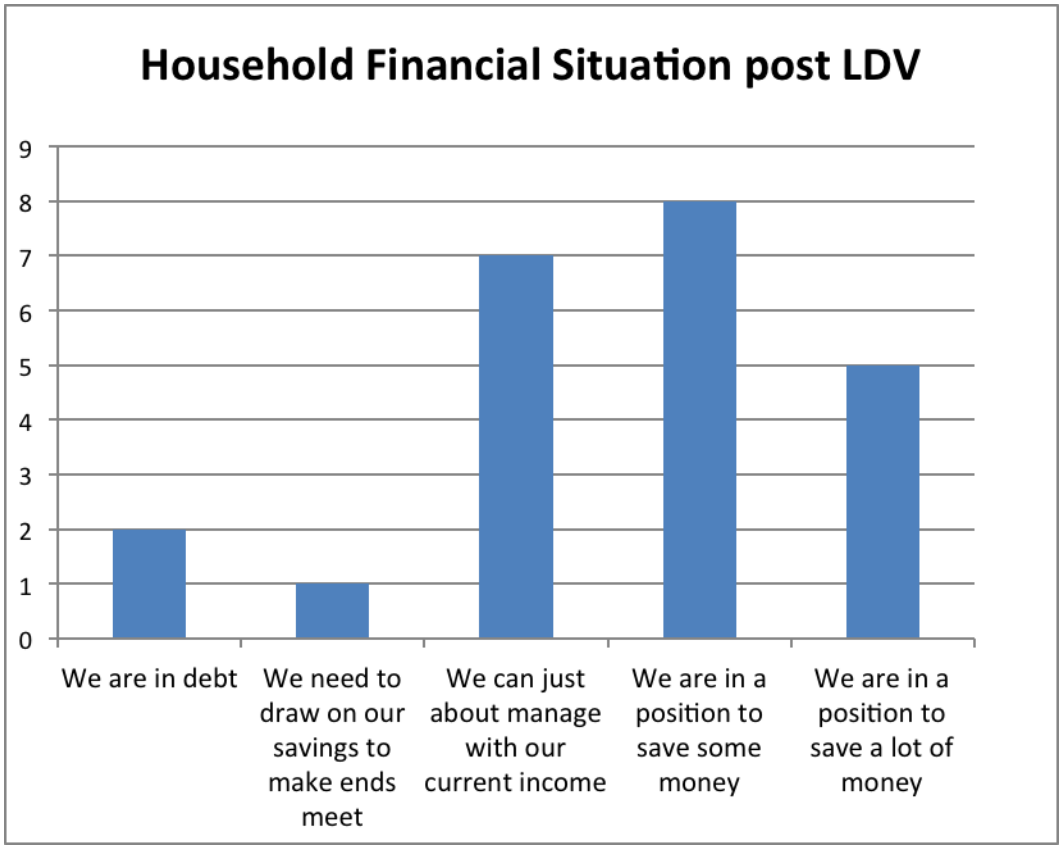
drop in the medium wage could represent a shift in employment from manufacturing into service sector jobs for those particular workers.

What can be gathered from Figure 7.9 is that the higher earners at LDV (£40,000-£50,000) have been able to maintain higher-quality work and pay in their new jobs. However, earnings for those workers within the lower-medium wage brackets (£15,000-£39,999) have decreased while other lower wage bracket earnings (<£10,000-£29,999) within some of the new employment have increased their pay. The 'No fixed amount' brackets have also increased, showing that some of the new employment has become less financially stable, representing those taking on self-employment to maintain income. This shows two extremes of employability among the LDV workers: those that are able to adapt successfully and maintain similar levels of income or even increase wages, and those that are pressured to accept employment with lower incomes and/or lower wage security.

Despite the fluctuations in income levels, Figure 7.10 shows that 13 workers are in a position to save money. Figure 7.10 also shows that seven workers stated that they were able to keep their incomes level with their costs, with a further three workers stating that their new incomes were falling short of their outgoings. This again represents the extremes of employability: those that have improved their position will have been able to gain higher-quality, well-paid employment, while those that are worse off were more dependent on LDV to provide that stable income. This then leads onto the quality of employment, job satisfaction and the link between levels of pay and job quality.

Figure 7-5 Household Financial Situation

Bar chart displaying household financial situations after LDV closure
Source: Primary data collected via telephone surveys.



7.2.5 Job Satisfaction of Current Employment

To understand the quality and stability of the current jobs that the LDV workers have obtained, job satisfaction is an important factor. Should job satisfaction remain high, this should increase the long-term prospects of the new job position. Additionally, it can show how successfully they have been reintegrated into the labour market (e.g. are they utilising existing skills? do they feel valued in their job?).

The job satisfaction of workers who took part in the telephone survey was measured in three ways. First, the respondents were asked (i) how satisfied they were with their current employment; (ii) how the job compared to their employment at LDV; and (iii) what reasons in particular influenced their attitudes towards their current employment. Figure 7.11 shows that nine respondents

said that their current job was better than their role at LDV. The second largest majority with five respondents also stated high satisfaction. Combined, four respondents declared a negative response, with two respondents saying that their satisfaction was about the same or that they were not sure. Figure 7.11 therefore sends a clear signal about positive satisfaction with re-employment; however, this may simply represent the relief of finding stable employment after a turbulent period of job seeking. Furthermore, the difficult period at LDV in trying to sustain the company may have brought additional stress to the workers which might not be experienced in their current role. However, a number of LDV workers did state that while working at LDV there was a sense of 'community' between the workers and that this sense of community 'belonging' had been lost; this view was shared among those who felt satisfied as well as among those who bore negative opinions. Indeed, many LDV workers still keep in touch long after the closure; this highlights how some workers become reliant on certain economic institutions in providing not only employment but some form of communal identity (Pike 1999; Tomaney et al. 1999).

Figure 7.12 workers' opinions on their current employment. The largest group of 11 respondents demonstrated that their current employment was a position that they liked and could foresee themselves doing in the future. Interestingly, the second largest group with six respondents stated that they view their position in a negative light but can foresee themselves remaining in it. This contradicts Figure 7.11 in that overall, four of the workers gave a positive response and four gave a negative view; yet in Figure 7.12, 11 workers declared a positive reaction with a further six giving a negative view. This again could be representative of the feeling that the positive reviews given in Figure 7.11 show relief from anxiety. Last, the smallest group of three workers state that they view their current job as a stopgap. This implies that the majority of workers feel 'settled' in their current job, regardless of whether they feel positively or negatively towards their job, with only a minority who are still active in pursuing different career paths. Figure 7.13 breaks this down further through demonstrating the reasoning behind the attitude that workers place in their opinion of that job.

Figure 7-11: Job Satisfaction

Bar chart displaying job satisfaction of LDV workers in their current employment
Source: Primary data collected via telephone surveys.

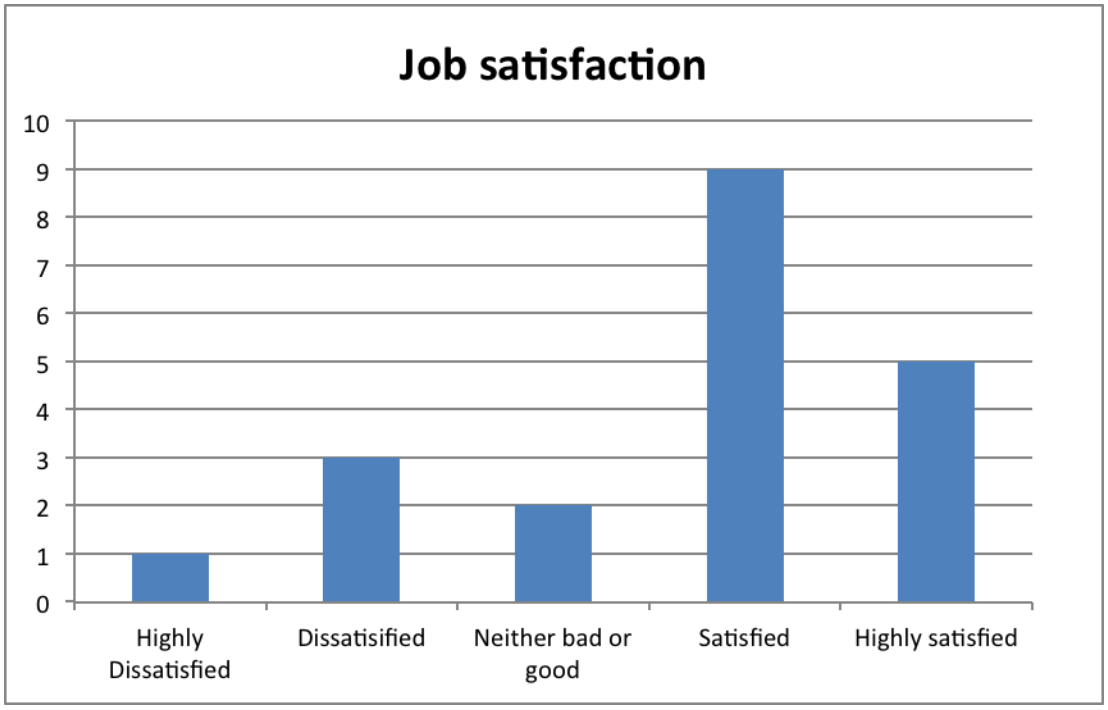


Figure 7-6: Attitudes on Current Employment

Pie chart displaying LDV workers' opinions on their current job (negative/positive) and regarding the longevity of that position. Source: Primary data collected via telephone surveys.

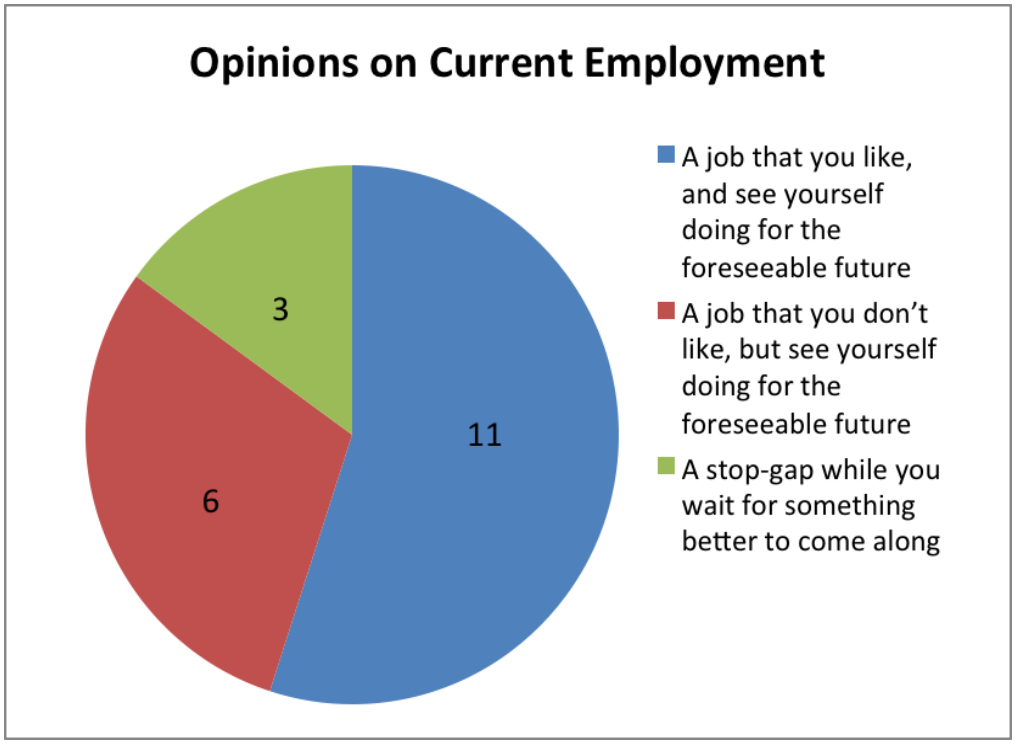


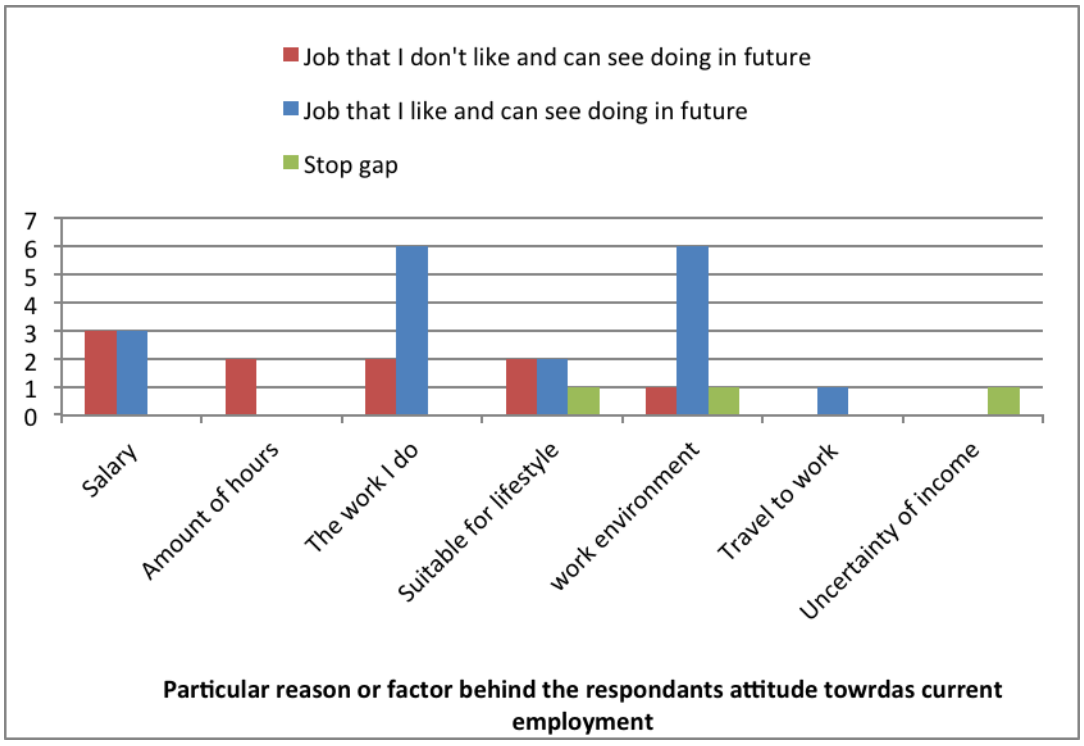
Figure 7.12 presents the reasons behind workers' attitudes regarding their current job position. They were divided into three groups and their responses are explained in turn:

- *Jobs they do not like but can see themselves doing in future* – This represents the group of workers that are unsatisfied with their current work but are content to remain within that job. The dominant negative factor was the level of pay of the current job. Employment within manufacturing offers higher wages than a national average. This in conjunction with the economic recession means that a drop in wages is to be expected and contributes significantly to an individual's anxieties. What supplemented this further was that many workers also felt that the quality of the work influenced their attitude, including the nature of the work itself, working hours, and the working environment. This is reflective of the argument about how the quality of employment and adapting to these new circumstances has become a negative experience for the workers post-plant closure (Pinch and Mason 1991; Shuttleworth et al. 2005).
- *Jobs they like and see themselves doing in future* – This represents the group who had a successful transition from leaving LDV and are now happy in their current position. The primary factors behind the positive reactions were the work itself and the working environment. From this, it can be argued that these particular individuals were able to find jobs that best utilised their skill sets and experience so that they were easily 'incorporated' into their new role. The level of pay was the second most dominant factor – only three workers stated that this contributed to their attitude towards employment. This could reflect either that the quality of employment is more important than the level of pay or that the levels of pay among these workers is high enough not to cause any anxiety and not be a major concern.
- *Stopgap until next job* – This group represents people that have managed to gain employment but are still looking for employment

elsewhere. This group was the smallest group with only three workers stating that they were in a 'stopgap' position. There were no-dominant factors as to why this was, but an even spread of reasons include: work suitable for lifestyle; the work environment; and uncertainty of income. These reasons represent how these workers in particular are still adjusting and that their current job does not meet the demands of their personal life or their expectations of employment.

Figure 7-7: LDV Workers' Reasoning for Attitudes Regarding their Current Employment

Bar chart displaying LDV workers' reasoning behind their current attitudes towards their employment. This graph displays multiple responses from individuals. Source: Primary data collected via telephone surveys.



The analysis can establish that the majority of the workers from the data set have adjusted and reintegrated into the labour market. With only three respondents (see Figure 7.12) still declaring that they are in a stopgap position, the majority of the workers, 17 in total, have been able to find long-term stable employment. However, six of the 17 workers who declared their long-term attitudes towards their current employment as 'did not like' declared the primary reason to be the salary. Other dominant factors, like the work itself, the number

of hours, and work/life balance all contributed but remained secondary to the level of pay. This highlights the importance of how certain types of workers are more likely to find themselves in jobs which lead to lower levels of job satisfaction and quality.

7.2.6 Worker Employment Outcomes Summary

From the sample survey, workers displayed some job precariousness in post-LDV employment, with the majority, 13 workers, having more than one job, with a further three workers leaving the labour market altogether. This shares similar patterns with the MG Rover closure in which the MG Rover workers also experienced precariousness within their employment, with multiple job positions with significant gaps of unemployment (Chapain and Murie 2008). This sense of precariousness was illustrated through the reasons why these initial jobs ended such as company restructuring, the need for a permanent position, and non-ideal contracts. The study by Chapain and Murie (2008) stressed that the level of unemployment among the MG Rover workers was similar to national increases and decreases. This may account for the numerous jobs that the LDV workers had to undertake, as the frailty of the national economy at the time of the research resulted in employment being less secure in general.

Where the LDV research showed some deviation in terms of employment outcomes from other studies was financial outcomes. Most studies show a drop in income but this research actually demonstrated an increase in wages post-LDV (Figures 7.10). This represents the higher proportion of higher-skilled workers among the data set. However, the highly skilled workers did share a similar sense of precariousness during their employment transition; this is more likely with manual/industrial-based skills (Green 2003). Workers within the very high management tier did not share this ‘vulnerability’ in overcoming short-term barriers to more fulfilling long-term employment.

The data also raises interesting questions about job satisfaction among workers within a time of economic hardship experienced during job transition. There was a strong consensus of satisfaction with their current employment despite the

initial shock and hardship of the LDV closure. Many of the office-tier workers and more skilled workers that had settled within their post-LDV positions did find themselves with greater financial security. Once attaining financial security, the individuals in this case could 'relish' the other aspects of the position that the job had to offer such as work environment or the work itself (Figure 7.13). Those who have not adjusted as successfully find these factors to be a stronger detriment. There were some unique examples of workers being unable to maintain the same career without having reduced financial security or more unfavourable job conditions. The likely outcome is that workers that managed to gain employment quickly would have a positive experience, as they can 'exploit' this initial employment to develop networks and secure their financial needs, and then use this initial employment as a 'springboard' to seek further job positions that better utilises their skill sets, and obtain a job role similar to the one they originally had at LDV, thus maintaining or increasing wages they previously had at LDV. The parallel to this is that workers with a more negative experience will be likely to have had prolonged periods of unemployment and been forced to embark on less rewarding career paths than that of LDV. What the research does further emphasise in line with other studies is the short- and long-term impacts of redundancy and the importance of monitoring long-term career progression. What the employment trajectories analysis intends to decipher is what factors separate workers with a 'successful' readjustment experience from those with an 'unsuccessful' experience.[66] The chapter now turns to extracting the reasons behind these outcomes to reveal whether there were any unique facts that influenced LDV workers' employment outcomes.

7.3 Reasons Behind LDV Worker Employment Outcomes

To continue with the discussion, the chapter now turns to exploring the reasons behind the worker outcomes and the factors that precisely contributed to certain

[66] The definition of 'successful and 'unsuccessful' in this regard refers to the quality of employment and the attitudes the worker holds towards that employment.

segmentation among LDV workers. This aspect of the discussion draws primarily from the worker interview phase of the empirical research in order to gain more substantive insights and qualitative reasons for the outcomes. These interviews revealed the common problems or barriers that existed when the workers re-entered the labour market and what caused the varying degrees of success that the workers found in their post-LDV employment. The main topics that the interview phase of the research wanted to pursue were the issues of employability and what support was received from the taskforce in this respect.

Table 7-5: Employment Characteristics, Outcomes and Pathway of Interview Sample

Employment characteristics (qualifications, period of unemployment) and outcomes (automotive-orientated employment, semi or permanent contract), and pathway (method of employment of the LDV workers) of the LDV workers that participated in telephone interviews.

Worker designation in correspondence to Table 7.1	Qualification level	Period of unemployment	Current employ-ment within auto industry	Type/outcome of employment	Method of gaining employment
D	Academic Qualification	Long (4 months or more)	No	Self-employed (consultancy)	Networks, contacts
M, O	Academic Qualification	Short (fewer than 4 months)	Yes	Permanent contract	Via networks, agency
N	Academic Qualification	Long (4 months or more)	Yes	Permanent contract	Via agency, approached
I, H	Industrial Qualifications	Short (fewer than 4 months)	Yes	Permanent contract	Networks, Agency, Advertising or approached
U, V, G	Industrial Qualifications	Long	No	Permanent contract	Agency, Advertising or approached

It was the objective of the LDV Taskforce to alleviate some of the issues that workers may have faced in terms of employability and other forms of employment barriers. It is important to note that the LDV Taskforce did act prior

to the closure and responded quickly to the closure itself. In particular, JCP made it a priority to engage with LDV's workers and encourage them to sign on for jobseekers' allowance benefits payments as quickly as possible at the local Washwood Heath jobcentre. This had two major aims. First, the plant at Washwood Heath acted as a focal point for the LDV workforce and thus acted as an interface for which JCP could engage with as many of the workers as possible. Second, getting the workers to engage in job searching and securing short-term finance is paramount to the success of re-employment (Bailey et al. 2008). These actions did indeed help the workers in the short term but lacked a long-term impact.

7.3.1 Understanding the Labour Market

Understanding or having recent experience of the labour market is paramount to navigating it and attaining employment quickly. Many of the workers interviewed had extensive careers at LDV and had no or very little experience of finding new employment. This would prove a crucial factor in their ability to attain a position quickly post-closure or their likelihood of having to endure longer spells of unemployment.

For instance, worker **V** had spent 20 years on the store forklift, joining LDV from an apprenticeship scheme; he had no experience of applying for other posts or job positions:

> **03.00 Was that your only career, did you have any jobs prior to LDV?**
> I went into LDV from the government training scheme from school. Then I got moved from the production line into the warehouse and stayed there ever since. I was happy as the pay was OK, basically twice what I'm on now. (Transcript from telephone with worker **V**)

Again, worker **U** had spent a long time with the company:

> **01.07 Did you have any other job positions outside of LDV?**
> No, worked purely at Leyland/LDV.
>
> **01.41 Moving onto your experience of redundancy, what were your reactions and feelings to being made redundant?**

> Horrific. Mainly because of the way the company collapsed, it wasn't dealt with very well despite the writing had been on the wall for some time. I had some knowledge through the union side of things, so for me it didn't come as that much of a shock. So in the back of my mind it was always there, but you were with some people who were in denial, you tend to bury your head in the sand but when it happened it was horrific. I had no experience of being in that position before, 19 years within a company is a long time. (Transcript from telephone with worker U)

Worker **D** had limited experience of job hunting, being a member of senior management in a position with high academic qualifications who had only worked for one company prior to LDV and experienced a huge 'shock' when redundancy came:

> **03.55 What encouraged you to join LDV in 1997?**
> Well to be brutally frank, I joined my first employer at the age of 19, before I went to university. I worked at a variety of roles. **But it was the only company I have ever worked for** and in 1997 it was taken over by CIEDE and then rebranded and became Invensus (rail engineering).
>
> **11.18 What was your experience of your recent redundancy?**
> So although I had 'extended' employment by most means and that my job loss wasn't a surprise, there was still a sense of shock and what do I do now? Compounded with the ongoing recession and coming up to Christmas. Given the job that I do, knowing was hiring at that sort of level, especially not near Christmas. (Transcript from telephone with worker **D**)

The three workers mentioned here had a significant period of unemployment, yet in terms of their qualifications and position within LDV, workers **V** and **D** contrast greatly. What these workers do share, however, is a long career at LDV or with one other company.

Worker **I** on the other hand had been at LDV for only four years and had recent experience of redundancy from the MG Rover closure:

> **00.20 Could you describe your career at LDV and how you progressed through the company?**
> I went there from 2005 when I was made redundant from MG Rover. I was on the maintenance for 4 years.

01.14 How was your first job transition from MG Rover to LDV?

I was out of work for 10 weeks when I was applying for jobs.

01.37 So did you have much experience of JCP?

Most of the jobs I applied for I did via the JCP website, all I did was to sign on and collect my payments for those 10 weeks.

02.02 Moving onto your redundancy at LDV, what were your reactions and feelings to being made redundant there?

... For me I had gone through that process 4 years earlier, I didn't suffer from denial. I was asked to stay on and help with selling off the business assets. I declined that because I had got myself another job in the meantime.
I had two part-time jobs which I have since left now. Now I'm working for JLR in Solihull. I left one of my part-time jobs in December, the other part-time job called Pepper and Fuch became full-time in January. Then I left there in April, starting my full-time job at JLR.

05.27 How did you move onto a new job so quickly?

I knew the manager of the place and when the vacancy came up I asked her directly on a personal basis and I got the job. The pay was enough to cover my costs so I took the job opportunity. (Transcript from telephone with worker I)

Worker **I** moved on quickly from LDV, having recent experience of job searching and understanding how best to access the labour market.

However, contrary to worker **I**, worker **O** had spent 33 years within Leyland/LDV and was able to move on quickly.

02.23-How could you describe your career/experience at LDV in terms of your career development?

I did my apprenticeship at Jaguar Land Rover then moved to Freight Rover in 1988.
I was also within the group, then it was bought out by Leyland DAF.

12.41 When LDV declared your job had been lost, what was your first port of call?

Firstly, I went to sign on at the JCP with my colleagues during the first weekend after the closure. It was through contacts that I made through my job suggested to me

that there was an opportunity for multi parts (providing logistics for LDV) and that I should apply for the role. (Transcript from telephone with worker O)

The main factor that separated workers **I** and **O** from the other workers **D, U** and **V** was their ability to utilise their networks to gain new employment. If we expand worker **O**'s career within LDV, it can be seen that he made several job transitions within the company.

02.23-How could you describe your career/experience at LDV in terms of your career development?

My starting role was on the engineering fitter tester rig. I progressed into a quality role, and then I became manager of production and performance and managing projects making sure they meet the required quality. I did that role for 5 years and was happy but wanted to move into after sales engaging with the dealer network. In 2000 I became manager of dealing with the after sales role among the dealership network. (Transcript from telephone with worker O)

Because of his position within the dealership network, he was able to expand his professional networks outside the company. When LDV collapsed, worker **O** was able to exploit his tacit knowledge of the labour market and therefore access 'hidden' job opportunities. Likewise, worker **I** had established contacts outside of LDV before the company collapsed. Perhaps due to his short career at LDV, he did not become reliant on that institution and made better efforts to remain aware about other employment activities outside of LDV.

This is where workers **D, U** and **V** differ; they had spent many years within one specific part or department of the company with their particular job role not enabling them to expand their network outside of LDV. These workers then developed an over-reliance on LDV to provide for their employment opportunities.

Other external agencies can also be utilised to ascertain employment, as the evidence from worker **N** demonstrates:

06.35 What was your previous career before LDV?

Yes, I was with Rolls Royce and Bentley for 13 years.

07.20 What brought you over to LDV from Rolls Royce?
Rolls Royce at the time was going through a lot of changes and I was a part of specialist project team. So with Rolls Royce looking vulnerable and an air of uncertainty, LDV had a project manager position vacancy.

11.29 You have had a lot of success in navigating the labour market.
Up to that point yes.

11.55 Does that differ then from your recent experience?
Yep. The recent recession has made opportunities difficult ... I took some insurance to provide myself with a safety net ... That kept me afloat for 12 months. The insurance company also attached personnel to help me in my job search. They gave me days 'review' with a local job search agency (NOT JCP) and showed me what the process is and get a better understanding. That gave me a bit of shock, showing me what applications failed and why. The covering letter is vastly important, the preparation into the job and demonstrating what you could bring to the job was vital.

16.41 You learnt this through the insurance policy you took out?
That was them ensuring what you're doing in terms of applying for the job (getting you in touch with the agency), what skills you specifically bring to the job. The insurance company suggested that I change the CV format from a chronological CV to a job orientated CV, focusing on your skills rather than your history. That was the best piece of advice I ever got. From that I gained two interviews immediately.
... Interestingly the guy who was conducting my interview was previously one of my suppliers at LDV. (Transcript worker **N**)

Worker **N** had two major job positions before LDV, and his qualifications and experience provided him with a smooth transition during times of economic prosperity. However, he developed his external networks through his job insurance company. Worker **N**'s insurance granted him financial security and also gave him vital advice regarding job searching and applications. This gave him a great advantage in the labour market.

19.56 Did you ever use the JCP for job advice?
Yeah I did, I am appalled at the people that mainly use the service ... I utilised the terminals to look for job offers. I found the staff very receptive but very little they could do, the majority of the applications I made through my own initiative.
(Transcript worker **N**)

This quote from worker **N** again emphasises the importance of a wider understanding of the labour market, either through knowledge of the labour market itself (successful previous job transitions) or external networks. Worker **N** admits that the JCP offered little help. For many of the workers, this would be their only source of advice for job searches. Indeed, many workers stated how ineffectual the JCP was in helping them with job hunting and CV advice.

> **14.12 Referring to JCP**
> During which time they were utterly, utterly useless, they simply aren't geared up to help senior executive types. Bearing in mind I might be a senior executive but I have only ever had two employers in my whole life. No idea how to market myself... (Transcript worker **D**)
>
> .
>
> **So you had the JCP engage with your job search?**
> Yeh, to a point, but they didn't offer real assistance. I managed to get a job off my own back.
>
> .
>
> **06.58 So what did they do to help you precisely?**
> From what I can recall nothing! They offered training opportunities that were to no benefit for me and were out of context. Just very basic training. (Transcript from worker **U**)

It is therefore not just a matter of length of time within a company that can influence an individual's understanding of the labour market but the type of role and the position that worker has had within the company. If a worker's role is more exposed to external factors and they are aware of activities outside the company, that worker should be better prepared for job searching.

7.3.2 Geographical Factors of Workers and LDV

Geographical factors were also influential in the workers' adjustment to life post-LDV. Concentrated unemployment can repress growth and opportunities within an area as the influx of redundant workers can overload demand for labour, making re-employment more difficult (Chapain and Murie 2008). This, partnered with the geographical distribution of the workers, demonstrates the mobility of

the workforce, and workers' willingness to commute to find employment outside their immediate locality, showing the level of flexibility in worker outcomes.

Figure 7.14 displays the geographical distribution of the LDV workers at the time of the plant closure in 2009. The distribution of the workers is not primarily concentrated around the immediate location of the plant in Washwood Heath (ward B8 on Figure 7.14), with 29 workers registered living there; however, it is the joint-sixth highest concentration of workers among all the wards. The main feature of the worker concentration is a 'crescent'-like distribution, using ward B8 as the centre point. The distribution spans from the north of the map from Walsall, flanking down the eastern districts towards Solihull to the east of Birmingham. The northern and eastern districts have the strongest concentration of workers, with Walsall containing 37 workers (third joint-highest concentration) and Solihull with 123 workers (the highest concentration). The neighbouring wards around B8 (Washwood Heath) such as B23, B24, B25, B33, B34, B36 have numbers ranging from 26-43 workers; these areas are the suburban wards of Birmingham.

Similarly, the areas to the west of Birmingham such as Sandwell and Dudley have 28 and 21 workers respectively – again showing high concentrations. In comparison, the inner-city wards of Birmingham have a much sparser concentration of workers, with wards B2, B3, B4, B5, B6, B7, B10, B11, B12, B15, B18, B19 having numbers as low as 1-3 workers. So from this initial evaluation, the majority of LDV workers lived within the suburban areas of Birmingham and commuted into work, and were thus likely to search for future work within a similar commuting distance, which demonstrates considerable mobility. This reinforces the GPE dimension beyond the immediate area of the closure, not only by access to work but also access to public services that can help in retraining or job searching. This can explain why some workers felt that JCP services were inadequate as the range of service would vary according to each local area.

Figure 7-8: Geographic Distribution of LDV workers

Map displaying the distribution of LDV workers around Birmingham and the West Midlands area. Ward B8 is Washwood Heat (highlighted on map), the location of the LDV plant.

Source: Birmingham City Council, taken from the policy stakeholder interview.

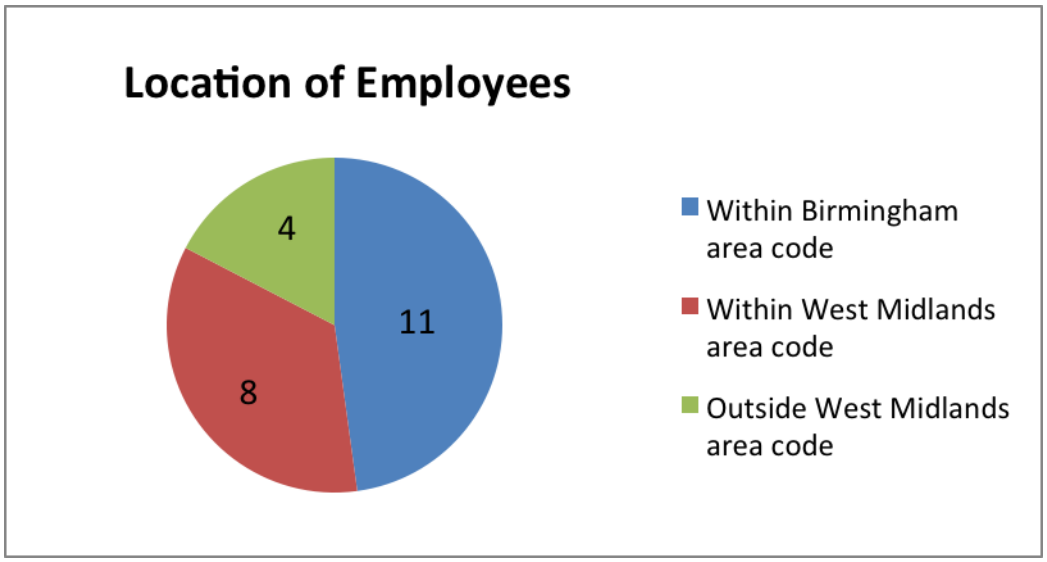
Figure 7-9: Birmingham City Wards

Corresponding map to 7.14 displaying the Birmingham city wards.
Source: Birmingham City Council: http://www.birmingham.gov.uk/wards

Figure 7.15 correlates with Figure 7.14, illustrating that a majority of the workers have high geographical mobility as they reside within the West Midlands area. Only four workers travelled from outside the West Midlands. Figure 7.15 displays the regional concentration of the LDV workers from the telephone surveys by area code and commute journey time. The majority of the workforce who were interviewed were part of the management or executive tier of LDV and would be expected to have longer commute distances than the average worker due to their increased wage opportunities enabling greater choice in domestic residence location (Green et al. 1999).

Figure 7-10: Location of Employees

Breakdown of the location of the workers that were interviewed in the telephone surveys
Source: Primary data collected via telephone surveys.



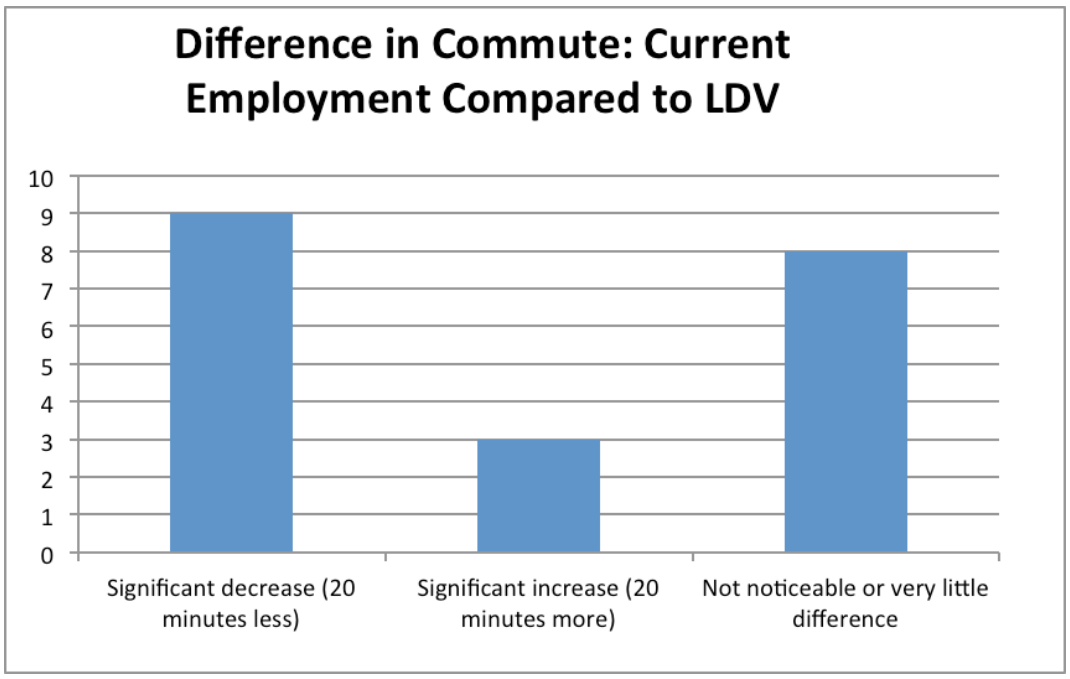
Referring back to Figure 7.14, the distribution of the LDV workforce was sparse, which suggests a geographically mobile labour force that was willing to commute to work. Indeed, many of the management-tier staff commuted from outside the West Midlands area. The LDV situation contrasts starkly with the MG Rover closure of 2006, where about 22% of MG workers lived in the local community. MG Rover in Longbridge had a much higher concentration of workers living in one area; this had a higher economic impact upon the Longbridge area (Chapain and Murie 2008). The LDV situation would suggest a situation different from the MG Rover example in that only 3.41% lived in the

immediate area of Washwood Heath. However, contrary to this, there is a strong concentration of workers within multiple areas in neighbouring wards next to Washwood Heath such as postcodes B23-B25 and B33-B36; when combined together, these wards make a total of 24.9% of the LDV workforce. So with an influx of 247 workers within the wards of B8, B23-B25 and B33-B36 this does place a considerable supply burden on the immediate local labour market.

There is an emphasis on the importance of geographical mobility of the workforce in the literature, with the willingness of the worker to commute determining the scope of his or her ability to find work (Green et al. 1999). Figure 7.17 displays that the commute distance remained similar or had in fact decreased in comparison to their employment at LDV; nine workers had a reduction in their commute with a further eight workers not noticing any difference. Only three workers stated that they had increased their commute distances. This may be reflective of the reasoning provided by Green et al. (1999): a decrease in urban populations; a decrease in traditional industrial jobs; a change in population structure; and increased car usage. The proportion of the workforce within Figure 7.16 will be representative of these changes that have become more prominent over time. This trend could also reflect the condition of the regional economy. During the time of the closure, the UK national economy was in recession, with manufacturing and automotive sectors suffering in particular with many new jobs offering lower wages, and lower job security, making long-distance commuting more attractive or worthwhile instead of migrating to reduce commuting time (Green et al. (1999).

Figure 7-17: Difference in Commute: Current Employment Compared to LDV

Displaying the difference in commuting distance of the LDV workers in comparison to their current employment and their employment within LDV.
Source: Primary data collected via telephone surveys.



This demonstrates the importance of geographical mobility in accessing new employment opportunities and maintaining financial stability; this mobility is heavily related to the personal attributes of the individual worker (Shuttleworth et al. 2005:1655). This brings into play other demographic factors such as age, career diversity,[67] skills and qualifications, as is illustrated by these varied views from the interviews.

> **33.08 When you engaged in your job search initially, how wide was your job search in terms of location (commuting distance)? Did you find more vacancies were available in London or the SE?**
>
> They tend to be a lot more roles around London and the SE. I was quite happy to consider long business trips or relocating. Indeed, a lot of my work takes me to London, and even as far afield as Gothenburg in Sweden for a few months. So I definitely didn't have the opinion of just looking for upper end salaries within a 30-minutes radius of my house. (Interview transcript, worker **D**)

[67] Time spent in career positions across several companies, typically those within manufacturing, have a low diversity as they have spent most of their working lives within the same company.

22.40 Did you ever consider looking for a job outside your local area?
Not really unless it would have been financially worth it. I generally looked in the Birmingham area but I would have been willing to travel to Coventry for work, so that kind of distance. I also tried to get a job at Toyota in Derby. I was proactive in my job search. (Interview transcript, worker **G**)

16.53 In terms of the scope of your job search, would you have been willing to commute?
I did have an opportunity near London, around a 70 mile commute each way. If Tata didn't offer me a position, then I would have taken this job despite the commute. (Transcript from worker **M**)

18.07 When you conducted your job search did you just look within your local area? Did you consider moving or long distance commuting?
No, I couldn't afford do anything like that. I looked within about a 20-mile area of Birmingham. (Transcript from worker **V**)

This would lead to the conclusion that workers within the higher wage brackets would consider long-distance commuting to maintain their higher wages and utilise their skill sets. Those with more generic skills sets would remain within their 'established' commuting range or undertake a smaller commute range when engaging in the labour market in order to mitigate wage losses and to reduce diminishing returns of the cost commuting as much as possible.

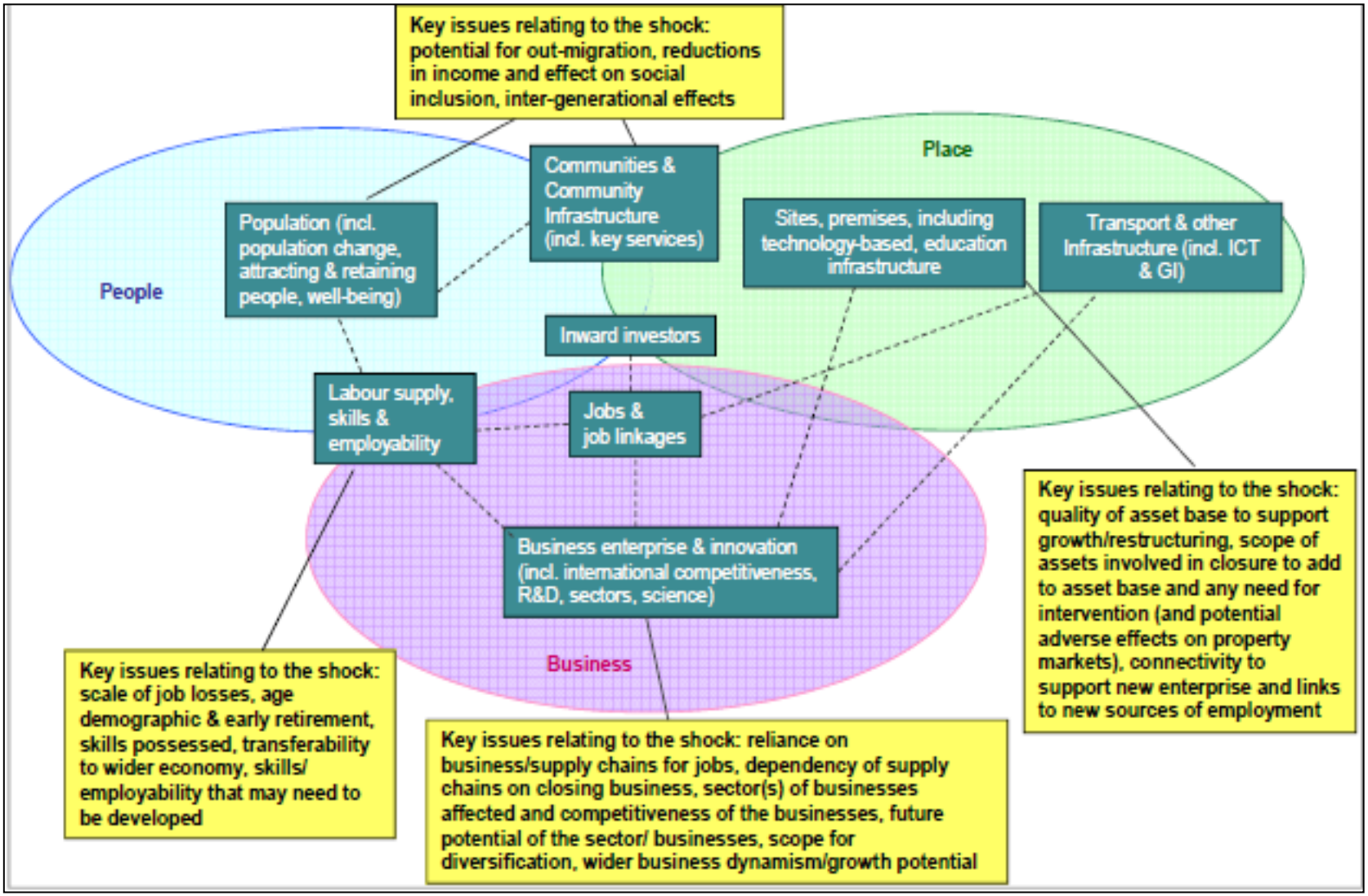
7.3.3 The Shock of Closure among the LDV Workforce

The loss of local and individual (in regards to the workforce) identity seems to be a recurring in discussions about among plant closures. Many of the firms and institutions that are forced to close have existed within regions and localities over many years, embedding themselves into the local psyche and identity (Pike 1999). This identity reverberates from the economic level right down to the individual, and becomes stronger when the local economy is not particularly competitive (Pike 1999). This greater sense of identity provides strength to the region when the local industrial sectors are strong and not under external pressures. However, this identity soon develops into a dependency for the employees and the regional economy, which only deepens if the region's

economy fails to diversify into other competitive sectors (Tomaney et al. 1999; Pike et al. 2010). When the key sectors begin to fail, this dependency then reveals itself within the redundant workforce in their job search. This form of local identity was deeply embedded within LDV with both the workforce and the local community of Washwood Heath, stretching even to the wider West Midlands region. This strong sense of identity may seem surprising given the relatively small scale of the closure in comparison to the large closures of MG Rover and Peugeot. However, the identity and legacy of LDV stretches back to the heritage of British Leyland, and it is this heritage that augments the dependency of the workers on the employer (Pike 1999). Figure 7.18 demonstrates the implications of closure and how the related shock has multiple facets and changes the rationale and type of intervention when these shocks occur. The skill sets of the LDV workers in combination with their wide geographic distribution suggests the need for intervention based primarily on the people and place aspects relating to the closure. Local actors will be critical in providing tailored training and education programmes that can address the employability issues workers may face.

Figure 7.18: The Interconnections and Impacts of LDV Closure Shock

This diagram displays the outputs of the shocks related to the LDV closure and the inter-connections of these shocks between three primary aspects: business, place and people. The key shocks that are associated with people relate to the LDV workers concerning their difficulty transferring their skills. This is linked to the *place* aspect as the geographical distribution of the workers placed further strain on coherent action. This drives the need for more innovative measures amongst local agencies to address job transition problems that may occur over the long term.



7.4 Concluding the Employment Trajectories: Setting out the Four 'Dominating Factors'

The initial worker outcomes established six primary factors of the LDV workers ranging from *office worker positive experience, office worker negative experience, office worker troubled but positive outcome, floor worker positive experience, floor worker negative experience, and retired (left the labour market).* This acted as a form of categorisation from which the analysis could begin assessing what factors contributed to worker trajectories and then the implications for the individual (financial implications, job satisfaction). It was important to establish these trajectories as a means to understand why certain highly skilled workers had such varying degrees of success and difficulty when finding new employment.

By combining the analysis concerning factors such as age, years of service in LDV, and length of unemployment post closure, the chapter established the employment trajectory outcomes for the workers (see in Table 7.6). As seen from the interview data in particular, workers that have too specialist or elite qualifications are isolated, which can make them just as vulnerable as low-skilled workers. Furthermore, workers that are within a certain age group of less than 49 years would be ideally placed to move into a new company. Many of the workers that are 50 or over tend to have prolonged periods of unemployment (Green and Collis 2006).

Table 7-6: Employment Trajectory Outcomes:

- Trajectory 1 shows that individuals with high skill sets and sophisticated networks have high mobility and lower job precariousness.
- Trajectory 2 shows troublesome transitions and financial difficulty; high qualifications allow for long-term adjustment.
- Trajectory 3 shows that individuals with little knowledge of the labour market with detrimental demographic or skill sets have long-term difficulties and higher job precariousness.

Table 7.6 Employment trajectory outcomes

Trajectory 1-Very successful and quick transition into employment	Short employment transition – Short- and long-term financial security, continuation of career path, utilisation of skill sets, lower job precariousness.
Principal Factors	***Good Adaptability, low reliability on Taskforce interventions*** *– Utilisation of networks (Incl. insurance policies) synergised with high skill sets.*
Trajectory 2-Successful but troublesome transition into employment	Long period of financial insecurity, minor retraining and adjustment (lifestyle, career choice) – Long-term financial security, utilising majority of skills, medium job precariousness.
Principal Factors	***Disconnected, Medium Adaptability –*** *Little knowledge of Labour market or networks, high level qualifications enable eventual transition.*
Trajectory 3-Difficult period of transition and worse job condition post LDV	Long period of financial insecurity, major retraining and adjustment (lifestyle, career choice) – Further long-term financial insecurity, drastic change of career path, lower job satisfaction, higher job precariousness.
Principal Factors	***Skills Dependency, Qualification Isolationism, Poor Adaptability, Disconnected –*** *Little knowledge of labour market or networks, combined with low skills, make detrimental/negative factors more profound and difficult to overcome.*

From the discussion, it can be argued that there were several factors that contributed towards the potential employment outcomes of the LDV workers, with varying degrees of influence depending on any individual's age, skills, job position and

available networks. Those 'factors' are thought to be *workers' skills & dependency, high skills qualification isolationism, adaptability* and the *disconnect* felt between the workers and the policy and job services enacted by the LDV Taskforce. The chapter concludes by discussing these 'factors' in relation to the LDV context and how they related to the workers' employment situation.

7.4.1 Worker Skills and Dependency

From the evaluation of the demographic data, the respondents fit the stereotypical case for an industrial plant closure established by the literature (Tomaney et al. 1991; Shuttleworth et al. 2005; Bailey et al. 2008): an ageing workforce with the primary age between 40-49 and 50-59, who have spent the majority of their working lives in a specific position within a sole company, with a majority having spent 11-19 and 20 years at LDV. Furthermore, a significant proportion of the data set – ten respondents – have fewer than 5 GCSEs in terms of academic qualifications. However, the dataset in particular consists of a higher concentration of high or specialist skills that are non-manual focused. Traditional manufacturing skill-based workers would face considerable employment challenges and may face a skills gap in the labour market, as their skills will become redundant. However, the workers from this dataset should show the contrary and demonstrate higher flexibility, with skills more readily able to match the needs of employers. However, these highly skilled workers did experience a form of skills dependency, with their skills and experience being heavily 'grounded' within the LDV operational processes and automotive sector practise. Some highly-skilled workers effectively suffered from a form of 'skills gap'.

As discussed in previous chapters, British Leyland was a conglomerate of British automotive firms, which together formed one of the primary employers in the West Midlands region for several decades. The multi-firm structure of British Leyland promoted 'horizontal' career progression and internal transfers between the Leyland firms. Whilst this type of transfer would expose the worker to new practises, it would predominately maintain a similar job role and the primary skill sets, which could fall behind service-based skills more attuned to the changing demands of the labour market (Green et al 1999). The dependency of workers to pursue qualifications and skill sets that were required to prolong a career within British Leyland grew, to the

neglect of other skills and reduced job searching capacity, which is typical of OIRs, as was the case with LDV (Danson 2005).

> **03.00 Was that your only career, or did you have any jobs prior to LDV?**
> I went into LDV from the government training scheme from school. Then I got moved from the production line into the warehouse and stayed there ever since. (Transcript from telephone with worker **V**)

> **01.07 did you have any other job positions outside of LDV?**
> No, worked purely at Leyland/LDV … I had no experience of being in that position before, 19 years within a company is a long time. (Transcript from telephone with worker **U**)

> **03.55 What encouraged you to join LDV in 1997?**
> Well to be brutally frank, I joined my first employer at the age of 19, before I went to university. I worked at a variety of roles. **But it was the only company I have ever worked for** and in 1997 it was taken over by CIEDE and then rebranded and became Invensus (rail engineering). (Transcript from telephone with worker **D**)

Horizontal career progression was common among the research sample as many of the workers had spent many years, even decades, within LDV or British Leyland, with little experience of employment outside of the company. The length of a worker's career in combination with the types of skills they possessed further contributed to their level of dependency. This will be more prevalent in workers that have had a substantial career with LDV, and who have reduced worth in the current labour market (Danson 2005; Shuttleworth et al. 2005). Furthermore, regions such as the West Midlands that have gone through the process of de-industrialisation or restructuring will have further problems from an influx of workers with similar skills, effectively intensifying competition for jobs in the local area (Tomaney et al. 1999). Shuttleworth et al. (2005) demonstrate that individual qualities were vital in job searching in what becomes an extremely competitive labour market. It is then critical to Identify workers who lack certain skills and encourage re-training while they are in work, to reduce the volatility of job searching and overcome unemployment issues that such vulnerable individuals may face in future in the light of plant closure.

7.4.2 Highly Skilled Qualification Isolationism

Much of the research conducted around plant closure notes how low-skilled workers within OIRs become particularly vulnerable to flexible labour markets (Danson 2005). In conjunction with this, there has been little discussion of the implications for higher-skilled workers, as the assumption is that middle management or highly-skilled management-tier workers are capable of finding other work relatively easily. Contrary to this, LDV's highly skilled workers struggled to find work befitting their skills – an oversight which occurred with JCP. This resulted in a form of *qualification isolationism* among highly skilled office workers with more specialised job roles who were unfamiliar with the job search process. This *qualification isolationism* created a further level of dependency among workers towards LDV. The JCP simply could not meet the needs of this type of worker, being unable to offer substantial advice on how to progress in these more specialised career paths.

14.12 Referring to JCP

During which time they were utterly, utterly useless, they simply aren't geared up to help senior executive types. Bearing in mind I might be a senior executive but I have only ever had two employers in my whole life. No idea how to market myself... (Transcript worker **D**)

19.56 Did you ever use JCP for job advice?

Yeh I did, I am appalled at the people that mainly use the service.... I utilised the terminals to look for job offers. I found the staff very receptive but very little they could do, the majority of the applications I made through my own initiative. (Transcript worker **N**)

Did you feel that competition for your job was tough?

The problem was that there were just no jobs available requiring my own individual skills. (Transcript worker **H**)

Within the research sample, there were three individuals who fell into this category (employment trajectory 2, illustrated in Figure 7.1): worker **D,** 48, IT director; worker **H,** 53, senior paint processor; and worker **N**, 42, project manager. All three of these workers had skilled and specialised job roles in long careers within LDV and Leyland; they had no direct experience of external job search. Their age factor and family commitments would further exaggerate their job-search problems, forcing them to take up consultancy roles rather than permanent job positions, increasing their level of job precariousness, which is the nature consultancy work (Weller et al. 2012). What further exacerbated the difficulty for these individuals is that the higher wages associated with these job roles represents 'high investments' for companies and potential employers. The situation of limited finance and uncertainty brought upon by the recession discourages companies from making such 'high investments', as profit margins are more constricted. This explains the rise of companies utilising consultancy and agency firms in addition to zero-hour contracts in order to hire in these highly skilled workers on an '*as and when needed'* basis.

These individuals' high-spec qualifications and skills actually worked against them in the labour market and made them more dependent on LDV to provide long-term stable employment. These individuals also suffered from little working knowledge of the job market and placed a reliance on JCP to provide assistance. Their age, social and domestic circumstances meant that their commuting range and ability to migrate to find opportunities was restricted, making them more reliant on job vacancies within the area and further limiting the employment opportunities available to them. The

JCP was able to publicise low-skilled vacancies but lacked the functional capacity to meet these highly skilled and high-spec job needs. These very capable individuals' lack of recent experience of the labour market, restricted geographical mobility and lack of specialised assistance with high-spec qualifications resulted in prolonged periods of unemployment and eventually unstable employment.

7.4.3 Adaptability of Skills and Job Roles

The discussion thus far has included examples of workers with prolonged periods of unemployment due to their dependency on a single institution as a result of their length of career and combination of skills and qualifications. However, there were instances where some of the workforce were able to move quickly into new employment.

> **02.23-How could you describe your career/experience at LDV in terms of your career development?**
> I did my apprenticeship at Jaguar Land Rover then moved to Freight Rover in 1988. I was also within the group, then it was bought out by Leyland DAF.
>
> **12.41 When LDV declared your job had been lost, what was your first port of call?**
> First I went to sign on at JCP with my colleagues during the first weekend after the closure.
> It was through contacts that I made through my job suggested to me that there was an opportunity for multi parts (providing logistics for LDV) and that I should apply for the role. (Transcript from telephone with worker O)

Worker **O** presents an interesting case, having had a diverse range of job roles and developed a wide range of skills over a highly varied career.

> **02.23-How could you describe your career/experience at LDV in terms of your career development?**
> My starting role was on the engineering fitter tester rig. I progressed into a quality role, and then I became manager of production and performance and managing projects making sure they meet the required quality. I did that role for 5 years and was happy but wanted to move into after sales engaging with the dealer network. In 2000 I became manager of dealing with the after sales role among the dealership network. (Transcript from telephone with worker O)

Worker **O**'s career development within LDV reduced his dependency on LDV to provide a future career. As he progressed through the managerial levels in a variety of different roles, he developed contacts and networks outside LDV. This enabled him to access otherwise 'hidden' employment opportunities to find new employment very quickly and made him less reliant on JCP to provide assistance in his job search.

The adaptability of workers is related to their job roles and experiences within those roles. Importantly, this problem also extends to office-tier workers who are typically considered adaptable by government agencies and much of the literature (Shuttleworth et al. 2005; Bailey et al. 2008). Some workers were more adaptable due to their networks which had been generated outside LDV within their role at LDV. The importance of informal networks (i.e. social contacts, non-professional) and official networks depends on the job position of the worker. Typically, those with lower qualifications rely heavily on unofficial contacts and networks to move on successfully. This suggests that workers that are subject to high *dependency* or *qualification isolationism* need to be identified during the final stages of plant closure and redundancy. Then the promotion and development of networks and the relevant training in skills that are vital in job searching should be encouraged or if possible be promoted while the workers are at their place of work, to ease job transition.

7.4.4 The Disconnect Between the Taskforce and LDV Workers

The contention here is that the LDV Taskforce succeeded in the short term but somewhat failed in the long term, resulting in a 'disconnect' between the LDV Taskforce's strategies and the redundant workers. The LDV Taskforce was excellent in implementing their strategies but their actions were too universal and failed to address the underlying issues many redundant workers faced within the greater economic context. The ex-LDV workers appreciated the speed with which the taskforce reacted at establishing initial services and provisions but workers perceived that they were simply being 'processed' rather than 'treated'. The two primary agencies that directly engaged with the redundant workers, notably the JCP and the LSA, both underwent substantial reforms to their sphere of activity and target obligations, in addition to reductions in resources. JCP became less inclined to direct people from job to job per se but instead provided facilities and encouraged redundant workers onto JSA payments quickly. They also lost the ability to track LDV

workers in the long term. Likewise, the LSA was discouraged from continuing as the primary agent in developing and leading training programmes and became the contractor, outsourcing training schemes. Furthermore, unlike previous years, both agencies had to enact numerous funding schemes and bids to attract fresh finance in promoting their projects. This reveals how from reform and restructuring the primary agencies involved in worker recovery became detached from their long-term development. Instead, by becoming a part of the 'processing' of the recovery, the direct 'treatment' of job recovery was left to smaller contractors or agencies, or down to the individuals themselves.

This detachment results in there not being a long-term strategy to deal with the more complex issues related to the highly skilled redundant workforce. It primarily assisted individuals who were inexperienced in modern-day job searching and directing individuals with specialist skills into suitable job opportunities. Ultimately, those workers that were able to move on and recover the fastest and maintain similar job positions (e.g. the same level of pay, similar skill requirements) from the plant closure were individuals that could utilise substantial networks. Other workers stated that their post-LDV employment was not due to any assistance offered by the taskforce or the agencies; to maintain similar career positions this typically increased long-distance commuting or non-contracted hours (e.g. consultancy or agency work). Some workers had to submit to the fact that maintaining a similar job position would not be feasible, which meant coming to terms with accepting part-time work on lower wages.

Chapter 8: Conclusion: A Victim of Circumstance? Response, Impacts and Recommendations

8.1 Introduction: Reaffirming the Research

The research aim of the thesis was to address the impact of the shock of plant closure on the redundant workforce, centred on the LDV closure of June 2009. The LDV plant closure exemplified the continuing trend of automotive rationalisation within the West Midlands economy. The thesis encompassed a GPE framework when researching the closure, which involved analysis of the LDV Taskforce response, changes in the regional organisation and framework for policy action from RDAs (Regional Development Agency) to LEPs (Local Enterprise Partnerships), thus influencing the policies and strategies that were implemented to deal with the LDV closure. Furthermore, this retrenchment in regional authority and support was conducted during times of economic recession, placing additional strains on regional and local services that could aid adjustment of the ex-workers.

The empirical research investigated the impact of LDV plant closure on the redundant workers, examining their experiences in the labour market and considering factors such as the economic recession, the role of redundant skills and demographic factors. The research assessed the LDV Taskforce policies that were implemented to aid the redundant workers. Taskforce intervention was excellent at attending to the immediate needs of the workers (e.g. awareness of job services and out-of-work benefits) but was deficient in more long-term innovative solutions which can address the feeling of 'disconnect' experienced amongst LDV workers. Face-to-face interviews with members of Birmingham City Council (BCC), Job centre Plus (JCP), and Learning Skills Agency (LSA) all provided valuable insights into which interventions took place before and after the closure. Similarly, interviews with the LDV executives gave an insider's view of the problems facing the company; more importantly, they highlighted the degree of assistance received from government intervention. Telephone surveys and telephone interviews with the LDV workers classified the employment outcomes for the workers and aided in understanding the relevance of the taskforce strategy in helping them. The analysis of the empirical research was examined by a GPE (geographical political economy) framework, to ascertain the LDV Taskforce actions, and the limitations and opportunities that shaped policy intervention.

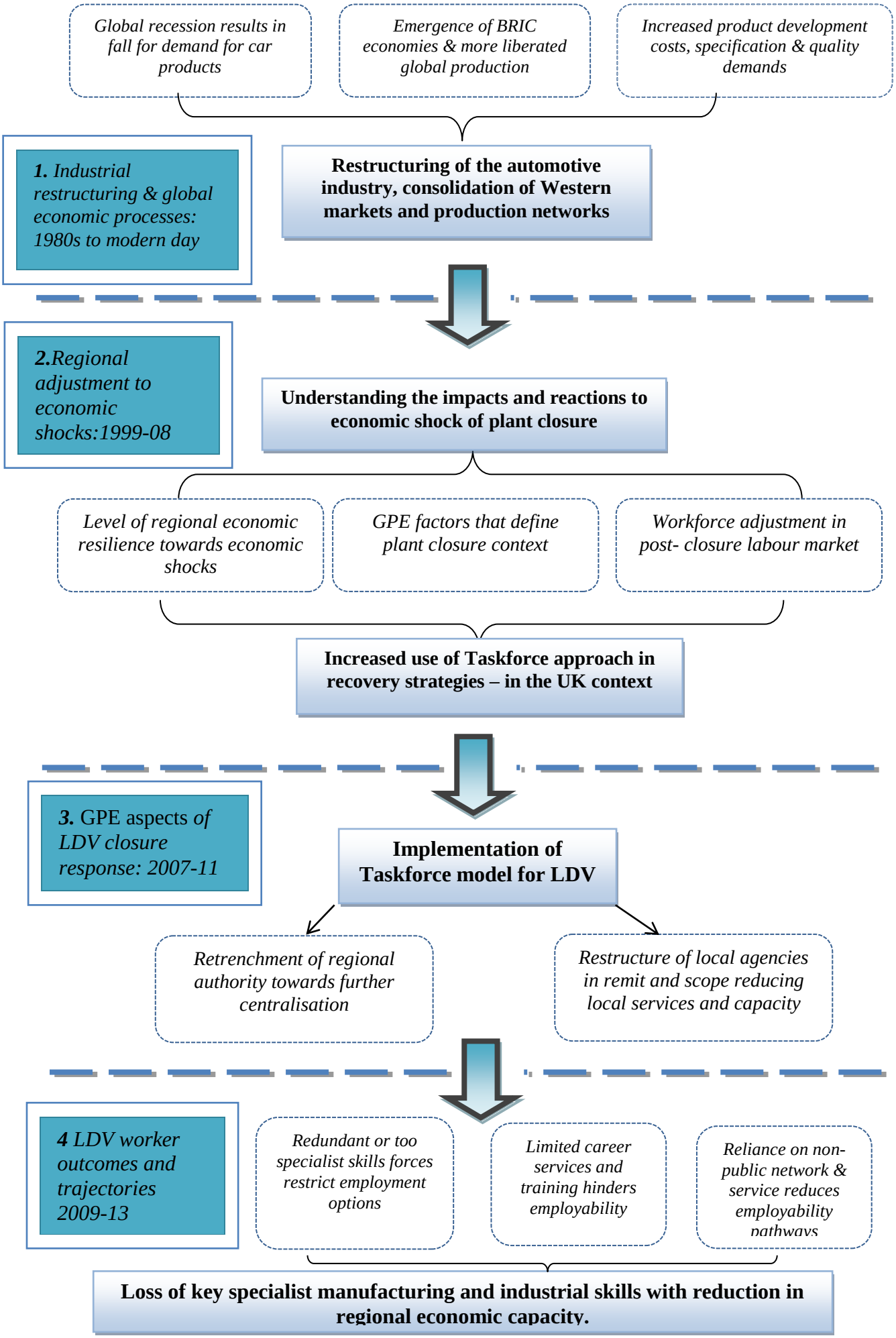
This conclusion builds on the qualitative analysis from Chapters 6 and 7. The main two conclusions established from the analysis chapters are (i) that the LDV Taskforce had initiated its policies effectively in the short term but were limited in the long-term perspective; and (ii) that all members of the sample of the LDV workforce (aside from the executive tier of management) were vulnerable to *inferior employability* and also the notion of *skill dependency* that a worker is subject to within a particular firm or industry.[68] Importantly, however, this *skills dependency* is not limited to labour-intensive 'blue-collar' workers (e.g. production floor workers) but has implications for management tiers and highly specialised skilled workers who are generally considered to have more transferable and flexible skills. These factors taken together with the context of economic recession created a form of 'disconnect' between the government *service* (the LDV Taskforce's goals and ambitions towards relief of the LDV workers) and the *demands and expectations* of the redundant workers (the LDV workers' perception of the government's responsibility).

8.1.1 Re-establishing the GPE Research Process Framework

Before progressing further, the conclusion will re-establish the role of the research process framework developed in the introductory chapter (Fig 8.1). The framework displays the thesis' understanding of plant closures through showing the association of various GPE factors that constitute plant closure outcomes. This is defined in three segments. It first begins with wider global economic and industrial processes; chapter 2 engages this literature through the restructuring of the automotive industry (point 1) both within the UK and the global context with the implications and impacts upon regional economies that are reliant on automotive industries. This provided the main driver of the initial research and the setting of the GPE framework for understanding the challenges that would beset the West Midlands region and LDV.

Figure 8-1: **Research Process Framework**
The diagram below shows the integration and relationships of the various GPE issues related to plant closure. The numbered boxes show the research process and the theoretical development towards greater understanding of the LDV plant closure and the impacts on the ex-workers.

[68] The term *inferior employability* refers to redundant workers becoming incapable of obtaining a similar job position and level of pay in comparison to their previous occupation. The term *skills dependency* refers to skills and qualifications that are reliant upon the success of a single company or industrial sector.


Global recession results in fall for demand for car products
Emergence of BRIC economies & more liberated global production
Increased product development costs, specification & quality demands
1. Industrial restructuring & global economic processes: 1980s to modern day
Restructuring of the automotive industry, consolidation of Western markets and production networks
2.Regional adjustment to economic shocks:1999-08
Understanding the impacts and reactions to economic shock of plant closure
Level of regional economic resilience towards economic shocks
GPE factors that define plant closure context
Workforce adjustment in post- closure labour market
Increased use of Taskforce approach in recovery strategies – in the UK context
3. GPE aspects of LDV closure response: 2007-11
Implementation of Taskforce model for LDV
Retrenchment of regional authority towards further centralisation
Restructure of local agencies in remit and scope reducing local services and capacity
4 LDV worker outcomes and trajectories 2009-13
Redundant or too specialist skills forces restrict employment options
Limited career services and training hinders employability
Reliance on non-public network & service reduces employability pathways
Loss of key specialist manufacturing and industrial skills with reduction in regional economic capacity.

Chapters 3 and 4 encompassed the middle segment (point 2) of the framework through the discussion of the GPE aspects of plant closures and how they integrate with economic development policy and labour market adjustment within a regional perspective. The chapter advanced the role of the geographical, political and economic factors in framing the understanding of policy response to plant closure.

Chapter 4 formed the 'bridging' function of connecting the discussion of the GPE framework and other economic theories to the policy strategy and taskforce implementation in response to plant closure through addressing the central three key sub-topics. The chapter further examined the varying types of shock experienced by the region and by the affected workforce. Importantly, the chapter presented labour market policy research and discussions in combination with the GPE aspects of the research towards the LDV closure.

Chapter 6 then progressed to the bottom of the research process framework through the empirical research and examined the transition in regional policy governance and the potential implications that these would have for taskforce intervention. The research engaged with the policy stakeholders of the LDV Taskforce, drawing attention to the importance of the regional government in the context of the closure, how the various agencies acted within the structure of the taskforce, and what kind of policies and strategies were put forward to help the re-employment and adjustment of the redundant workers.

The empirical research that was conducted more on the LDV workers through the 'worker trajectories' analysis established what factors led to successful or difficult employment outcomes. The chapter further developed the link between the worker trajectory and the concept of the *inferior employability* and *skills dependency*. The findings of the empirical research show that office and middle management tier workers can in fact experience difficult adjustments in terms of skills transference/flexibility (e.g. overcoming dependency on LDV job role), overcoming their demographic issues and constrained commuter ability that contribute towards certain worker trajectories.

8.2 Main Findings of the Research

The conclusion will revisit the research objectives and discuss to what extent these objectives were achieved. The research objectives consisted of:

- To evaluate the policy response and action taken by the LDV Taskforce following the LDV plant closure given the geographical political circumstances of this closure and to create a comparative insight between past experiences and contemporary reactions of taskforces.
- To investigate how to integrate the regional institutional and governance structures that provide appropriate coordination and leadership structures for aiding re-employment and labour market adjustment.
- To understand the impacts and shocks of closure upon the workforce, and to analyse demographic and geographic factors, in association with skills levels, and how certain characteristics of the workforce relate to the level of 'shock' individuals experience when pursuing new employment.
- To inform future labour market policy and governmental strategies to resolve the impacts of plant closure.

To show the extent to which these objectives were achieved, the chapter will explain the main findings of the research from both the theoretical and empirical analyses.

8.2.1 LDV Closure: Inevitability or Opportunity?

Since the break-up of Leyland DAF (originating from British Leyland) in 1993, LDV found itself in a precarious position. It was a small commercial vehicle company with limited investment capability in a very competitive sector against other large firms (e.g. Mercedes and Ford) with sufficient investment to support them. LDV was compelled to undergo unsustainable joint ventures and partnerships (i.e. Daewoo, Sun Capital and GAZ), resulting in their business plans becoming more vulnerable to external events.[69] For every failing partnership, LDV was forced to relinquish more

[69] Daewoo and GAZ were both deeply embedded in the fortunes of their domestic economies and global markets.

assets, ‘hollowing-out’ the company and ever increasing the difficulty of overcoming the operating problems of the automotive industry, such as *cost recovery* (Bailey et al. 2010). Due to its limited investment potential and lack of economies of scale, LDV was unable to overcome the ‘cost recovery’ barrier to develop new models to create new revenue streams (Bailey et al. 2010). In comparison, its competitors like Mercedes or Ford had the financial capacity to support investments and developments that would put LDV on the ‘back foot’. During ownership transition periods, regional and local actors (AWM, BCC, and MAS) intervened through financial aid packages such as loan and subsidy schemes to ensure LDV’s survival until the next takeover bid. While this showed the capacity of certain agencies to intervene at key moments, such intervention was limited to short-term ‘bridging’ solutions. The aftermath of each ‘unstable’ period further weakened LDV, resulting in it being more susceptible to external factors, ultimately failing to resolve LDV’s long-term problems. Despite the bridging loans offered to LDV, the firm could not conclude its negotiations with the Malaysian firm Weststar and was forced into administration.

Similar to previous closures, the government’s stance was passive and retrospective, only offering bridging loans to find potential buyers rather than offering substantial financial support (Bailey and Clancy 2009; Stanford 2010). This exemplifies the weakness of a short-term approach with reliance on foreign intervention to initiate the next cycle of investment for long-term sustainability. In the case of MG Rover process, there were moments and opportunities long before LDV’s closure which represented ideal opportunities for intervention by the relevant government bodies but a taskforce failed to materialise to enact more long-term structural change (Pike 2005; Cook et al. 2013). Using the experience of the Rover Taskforce in 2000, a similar taskforce could have been established for LDV in 2001. The MG Taskforces in 2000 and 2005 were directed at supporting supply chains into different sectors, financial support for new training programmes for redundant workers, expanding small and medium businesses into niche markets and thereby in effect reducing the dependency of the local economy on MG Rover and diversifying the wider local economy, thus presenting new opportunities for economic growth and evolutionary paths. The LDV Taskforce could have utilised a similar approach, focusing on LDV directly while engaging with the local supply chain; taskforce

intervention could have consisted of investment and expertise to *maximise the Maxus* through investment in infrastructure and development costs, and directing LDV to more niche markets within the commercial vehicle sector.[70]

When Daewoo pulled the plug in 2001, this presented an opportunity for taskforce involvement. LDV faced taking on the Maxus project without having the ideal conditions or capacity to fully utilise and develop the product. This form of intervention could have led to production rationalisation or attempts to diversify the company to strengthen its overall competitiveness (Boschma and Frenken 2006). Importantly, actions that may have been initiated towards LDV in 2001 through a taskforce could have led to further interventions through the difficult ownership transitions throughout 2001–09, which may in turn have influenced the outcomes of the eventual closure and impact on the local economy.

However, due to the reactive nature of taskforce interventions, and the nature of the GAZ takeover (perceived as a secure takeover but in fact with inherent flaws), there were no attempts to diversify the firm's activities and the local supply chain. This meant that any opportunity to influence the eventual outcome of 2009 and maintain some form of activity at the site was lost.

8.2.2 LDV Taskforce Policy Response; Lack of Long-term Intervention

Before the announcement of the LDV closure, there was action by JCP and LSA through a preparatory analysis of the workforce. Again, the strong short-term actions of the LDV Taskforce resonated through the instantaneous reaction through direct engagement with the workers on the Washwood Heath site.[71] They enacted funding schemes and initiatives through the Working Neighbourhoods Fund and EU social funding with the direct aim of enrolling workers onto out-of-work benefits and payments (e.g. jobseekers' allowance payments) as quickly as possible and to further increase awareness. The BCC with JCP support went on to establish a jobs fair, providing a direct link between the ex-workers and local job opportunities. This further exemplified the institutional capacity of local agencies towards the actions

[70] In this case, LDV was developing electric models of the *Maxus.* The researcher understands that this technology was in its infancy and lacked the ideal infrastructure for large markets. With the correct policy, however, LDV could have been a forerunner in this technology in a low-range urban market.

[71] In this instance, the JCP established an on-site enquiries desk so ex-workers could enrol directly onto jobseekers' allowance and other unemployment support payments.

that could be taken under the auspices of the taskforce. The experience and skills gained through prior taskforces with the knowledge and awareness of funding schemes ranging from local to international levels gave this smaller and more localised LDV Taskforce a 'springboard' into action. From a short-term perspective, the LDV Taskforce excelled in delivering direct policy action.

The lack of long-term action stems from two aspects concerning the LDV closure, these being the recessionary economic context behind the closure and the sparse geographical distribution of the LDV workforce. Prior to the recession, funding for training and job opportunities was more plentiful, increasing the employability of redundant workers, thus making job transitions much easier (Danson 2005; Bailey and Chapain 2008) with workers relying less on personal networks, contacts and knowledge of the labour market. Earlier taskforces also had more resources to monitor the long-term progression of redundant workers, and to establish where best to apply new schemes to prevent long-term unemployment cycles (Weller et al. 2012). The recession brought two key changes that would alter these long-term positive traits of previous taskforces. First, the economic environment reduced job vacancies, thus increasing job precariousness (Bailey and Chapain 2009). Second, government regional restructuring prevented the regional agencies from conducting long-term tracking and monitoring, again leading to higher job precariousness among vulnerable LDV workers. It is this reduction in the long-term capacity of the LDV Taskforce that created the deficiencies that the research found according to the views of LDV workers with regard to the taskforce aid.

Similar long-term capacity has also been identified in the case of the MG Rover Taskforce intervention. Hall (2013) attributes this to the heavy centralisation of funding and strategy within the taskforce structure. This strategy enabled the taskforce to make significant gains in the short term within a concentrated area. Hall (2013) notes that local agencies were left out of the key decision-making and funding priorities. The strategy was detrimental to the development of local initiatives, which could have cultivated social capital for local areas (Hall 2013). The taskforce response needed to have further increased the capacity of local communities through more interactive decision-making and funding schemes, empowering local agencies that had a better understanding of the needs and wants of those local communities to better design policy for the creation of job opportunities or training.

The LDV Taskforce had a similar centralised approach, albeit with less regional attention and political focus. The LDV Taskforce, the Learning Skills Council (LSC) and Job Centre Plus (JCP) agencies took the primary role with a strong emphasis on enrolling LDV workers onto benefits or training schemes.[72] To further compound the situation, the recession had reduced the funding available to the taskforce, leading to a narrower focus being taken by the primary agencies. If local agencies and authorities could have been more involved in decision making, then specific services could have been better directed at LDV workers.

The thesis does not attribute this flaw in the LDV Taskforce to the incompetency of any of the individual agencies but rather to the reduced capacity of the agencies, enforced by the contextual setting of the closure. The latter comprised the financial and economic constraints brought about by the recession; reform of the primary agencies (reductions in funding and realigning the purpose of the agencies towards a more 'hands-off' remit); and the abolition of RDAs in favour of LEPs, reducing regional policy and strategic coherence (LEPs were in an 'embryonic' state; this meant that regional cooperation and governance was potentially at its most fractured). This was combined with a poor comprehension of the problems faced by the LDV workers, in particular highly skilled workers.[73] Due to the circumstance of the closure, the LDV Taskforce could not dedicate the resources or the expertise necessary to invoke more sophisticated training schemes or long-term tracking.

8.2.3 Experience of the LDV Workforce – Feeling of Disconnection

The LDV Taskforce was forced to have short-term and limited targets due to the constraining political and economic context, namely the restructuring of regional agencies and the economic recession following the 2008 financial crisis. The goals and ambitions fell in line with the current government supply-side approach to economic readjustment, where emphasis was placed on the individual to find work rather than on government stimulus (Danson 2005; Birch and Mykhnenko 2008; Hudson 2009). This approach contrasts with the expectations of LDV workers as

[72] Many LDV workers found the training schemes made available were inappropriate given their personal circumstances and qualifications.

[73] The 'hands-off' term reflects the JCP providing an outlet of basic services rather than sponsoring workers onto apprenticeship or training schemes. Likewise, the LSA changed to devolve training contracts to local colleges rather than being a driver of specific skills within the area.

shown in the survey results, illuminating the ‘disconnect’ between the government *service* and the *demands* of the workers.

Reforms within the UK labour market over several decades have strived to increase labour flexibility (Shuttleworth et al. 2005; Dawley 2007); indeed, on this basis it is assumed that higher-skilled workers have the necessary skills to easily become ‘flexible’. Whilst this research does not state that highly skilled workers actually suffered more than low skilled workers in seeking employment opportunities post LDV, the research does show that the needs of highly skilled workers are overlooked by policy makers and require more direct specific support. Whilst some highly skilled workers of LDV did exhibit high flexibility or moved on speedily with little or no hindrance, other highly skilled workers seemed to find themselves in situations typical of careers orientated towards heavy industry or manufacturing. Such positions, which are traditionally long-lasting, usually spanning many decades, secured through strong union representation, are contradictory to the flexible characteristics needed within the modern neoliberal labour market (Shuttleworth et al. 2005).

LDV workers share this commonality, with the majority of them having little or no job-search experience outside of LDV or the British Leyland ‘umbrella’, particularly in the last 10 years. The LDV workers expressed that they felt ‘disorientated’ in their next course of action and that the services provided by the local agencies were inadequate. The taskforce may have conducted their policies effectively but ultimately these policies goals were not made clear and only had a short-term impact. This left many LDV workers feeling abandoned or isolated so that they struggled to find re-employment and adjust.

Indeed, the response offered by job services was deemed inadequate by the redundant workforce, with new job opportunities found through social networks with the training schemes offered by the job services seeming irrelevant. These problems could have been countered if sufficient job services and policies had been in place to make the transition from long-term stable employment to more flexible work. Shuttleworth et al. (2005) highlighted how the correct implementation of job services and training schemes was successful in redirecting redundant workers when given devolved control and direct links to the local labour market within related industrial sectors. Pinch and Mason’s (1991) study of manufacturing decline in Southampton

and Bailey et al.'s (2008) and Bentley et al.'s. (2010) studies of MG Rover during the mid-1990s and mid 2000s respectively draw similar conclusions, and show that successful reintegration of a redundant workforce is geographically related, and that success relies on local demand within the local labour market. Whilst highly skilled workers are expected to be geographically flexible within their job searches, in the context of LDV many workers' domestic needs constrained this mobility. This, coupled, with the GPE situation of the West Midlands, further restricted job opportunities and support within a limited commuting area and thus decreased ex-LDV workers' employability. Some of the highly skilled workers have been forced into less secure job positions through the increased likelihood of consultancy positions, some of these requiring extensive commutes (located outside of the West Midlands). Highly skilled workers should therefore not be considered 'fully flexible/adaptable' as in this instance they encountered similar employability barriers to lower-skilled workers, which cannot be resolved through orthodox job search assistance or training facilitated by local agencies. This in turn may lead to a higher likelihood of highly skilled workers leaving the labour market altogether, which over time will have a profound impact on regional economic prospects and further accelerate the conglomeration of London and the South East at the cost of OIRs.

Taskforces need to have more direct contact with workers before and after plant closure takes place (Cook et al. 2013). After identifying which workers are more dependent on the institution through analysing their skills, demographic and career history, this information can be conveyed to local agencies to promote training schemes and development programmes that are better suited to the workforce in their locality, creating longer-term foundations to recovery (Green and Collis 2006; Hall 2013). The lack of job-search experience is one example; by providing explicit advice on job searches, workers can be directed to more appropriate searches. For workers with higher skill sets and job demands, simply acting as a mediator between the individual and private job agencies for more specialist assistance could prove vital. The importance of informal networks (i.e. social and non-professional contacts) and official networks depends on the job position of the worker. Typically, those with lower qualifications rely heavily on unofficial contacts and networks to move on successfully. The promotion and development of networks and the relevant training

of skills are vital in job searching and should be encouraged while workers are employed rather than during employment transition.

8.3 Contribution to Knowledge

The contribution of this thesis to its academic field lies in three main areas: the role of the GPE in framing the study of closures; the trajectories of the LDV workers; and the institutional transition to LEPs. The comprehension of these three main points together should contribute to further theoretical understanding and more robust policy-making within the context of the advancement of global economic forces and widening regional disparities, particularly within the UK. This research draws attention and importance to the need to support regional economies to maintain a vital economic structure to foster future growth and increase regional convergence. The research develops the GPE approach in showing how plant closure should not be treated as a one-off event but as an accumulation of several events that creates a 'path trajectory', which leads to the closure itself and as such incorporates wider contextual issues with long-term goals to recovery. In this instance, the GPE framework refers to the geospatial position of LDV within the West Midlands and international economy, how it operated within the automotive industry, the backdrop of previous taskforces encouraging similar policy strategies and the reorganisation of regional government agencies. Second, the employment trajectories looked at how certain characteristics of highly skilled workers had in fact led to certain employment barriers and opportunities post-redundancy. In this regard, there are five points which should be considered to enable a more appropriate policy response: the geographical relationship of the workers and job services; demographics and employment history; the needs of differing skill levels (i.e. not focusing merely on low skilled issues); the transferability and recognition of skills; and the provision of appropriate job service support and functions. The third point relates to the discussion of the transition of regional governance from being RDA led to LEPs and the implications that this may have for long-term labour market policy capacity. The LDV closure took place at the outset of this national transition and could have led to LDV workers being 'left in the cold' with regard to effective labour market policy. The

topic concerns how the reformed local government agencies such as the LSA and JCP could be hampered within this new LEP framework.

8.3.1 GPE Analysis as a Framework to Study Plant Closure Response

The research has shown how the geographical, political and economic (GPE) issues behind plant closure have a strong influence on the shock of and reaction to closure. The GPE framework utilised the historical association of the event, which places emphasis on the progression of processes over time that accumulates to the point of the actual closure event itself. The GPE framework supported the research in defining the contextual factors behind the LDV closure and then how it influenced the level and significance of intervention and response initiated by the LDV Taskforce towards ex-worker outcome. The factors that predominately influenced this LDV response in this regard was the political reformation of regional agencies compounded by the economic difficulty brought upon by the financial crisis and the following recession. There may be similar issues shared across other plant closures and redundancies but the GPE circumstances will differ, bringing different responses in different conjunctures.

The combination of economic–political aspects of the West Midlands in terms of capital accumulation, capital ownership and state regulation and constraints contributed towards the plant closure response (Pike 2005). The ‘ownership saga’ of LDV initiated the long-term ‘manifestation’ of LDV’s closure. Beginning with the management buyout of LDV in 1993, this set in motion a chain of events through continuous ownership transactions that would see LDV relinquish assets and control and become more vulnerable to external events. Unfortunately, the period in which substantial intervention took place was such that policy responses were severely hindered due to the economic recession; the UK saw curtailed investment confidence among businesses, reducing its ability to actively support industries that could be deemed beyond rescue. In effect, the LDV Taskforce merely functioned as a ‘transition vehicle’ to oversee the period of LDV’s closure.

Despite the downturn of the automotive industry, the region would experience a resurgence between 2009 and 2012, with a production increase of 50% (Amison and Bailey 2014:3). Indeed, the West Midlands automotive industry would later be

categorised as a ‘phoenix industry’, in which smaller to medium-sized firms would ‘rise anew’ from old industries to operate with similar technologies but with a process of open innovation taking place across firms and sectors (including universities, research institutions and the wider supply chain) (Amison and Bailey 2014:3). The failure to intervene in 2006 and again later in 2009 prevented LDV from actively participating within this ‘phoenix industry’ of the West Midlands. Interviews with LDV executives revealed that there was real potential for electric, low-carbon production, which is now at the forefront of the West Midlands phoenix automotive industry (Amison and Bailey 2014). This represents a lost opportunity to solidify this sector and further cultivate skills and innovation tied to low-carbon production within the region. Amison and Bailey (2014) expand this point further by expressing the view that phoenix industries are reliant on labour with the skill competencies necessary to support the innovation process that takes places within the industry. While the small operation of LDV may have been deemed an ‘acceptable’ loss in terms of overall job losses and economic impacts, the implications for the future development of the West Midlands automotive industry and other green tech sectors was underestimated and overlooked.

Furthermore, during this period, the taskforce approach was in its ‘ascendancy’ due to the experience with the MG Rover situation. Here, the institutional capacity of the agencies would be at its highest combined with more readily available funding. Action taken during these crucial moments of 2006 and/or 2009 may have slowed down the process of closure or even led to ‘path branching’ that in turn may have led to some form of activities continuing at the Washwood Heath site. While a reactive stance may have had success in previous years, reductions in the institutional capacity of the agencies involved in the LDV Taskforce would shape and restrict the policies implemented, in turn making the closure an ‘inevitable process’, restricting the path development of the area and not taking advantage of the resurgence of the region’s phoenix industry.

When assessing the West Midlands’ GPE, the research demonstrated how the area was subject to a number of events that presented a cyclical process. The GPE framework identifies the accumulation of events and wider geospatial processes that led to a longer-term view of the LDV closure instead of regarding the closure as a one-off event. Where the importance of GPE lies is in identifying critical moments

when interventions could have had a greater impact and the potential to create different outcomes. In the case of LDV, the other critical moment for intervention was the GAZ takeover in 2006. More direct preventionist intervention on behalf of LDV (through the medium of a taskforce) during the GAZ takeover could have started preliminary programmes, identifying vulnerable workers, establishing training schemes, diversifying the supply product chain and analysing the viability of GAZ's ownership rather than retrospective intervention that became more limited due to the changing GPE circumstances. Policy implications of integrating GPE into policy strategising should lead to longer-term consideration of issues that could contribute to more constructive outcomes for the economy and affected workers.

8.3.2 Worker Trajectories and Job Barriers to White-collar Workers

Maintaining and developing high skills in a region to foster future economic growth and counter regional imbalances is vitally important. What this research has identified was a disjunction lying between the disenchanted highly skilled redundant workers and services provided by the LDV Taskforce. This was an issue of disconnection; no matter how effectively the LDV Taskforce implemented its strategies, they failed to have any impact on the highly skilled or specialist skilled redundant workers' employment outcomes and adjustment. The research found that re-employability issues were displayed across the higher-skilled workforce of LDV, who experienced neglect in terms of direct job service and assistance with finding new employment. Through the theoretical understanding of plant closure paired with an interpretivist qualitative methodology, the research developed the concept of worker trajectories as a means to categorise workers into groups according to whether they experienced positive or negative outcomes of re-employability process and if they considered themselves to have adjusted successfully following LDV's closure.

The determination of worker trajectory outcomes stems from a combination of factors such as the type and vocation of skill, not just skill levels and knowledge of the labour market, which illustrates their eventual re-employment outcomes (see Table 8.1). What the research contributes in this respect is that once these trajectories have been identified among the workforce, it is possible to 'break out' of them through appropriate and timely policy response and intervention.

Table 8-2: Employment Trajectories Outcomes (taken from Table 7.6):

Employment Trajectory Outcomes	
Outcome 1-Very successful and quick transition into employment	Short employment transition – Short- and long-term financial security, continuation of career path, utilisation of skill sets, lower job precariousness.
Contributing Factors	***Good adaptability, low reliability on taskforce interventions*** *– Utilisation of networks (incl. insurance policies) synergised with high skill sets that are highly transferable.*
Outcome 2-Successful but troublesome transition into employment	Long period of financial insecurity, minor retraining and adjustment (lifestyle, career choice) – Long-term financial security, utilising majority of skills, medium job precariousness.
Contributing Factors	***Disconnected, medium adaptability, some qualification isolationism –*** *Little knowledge of labour market or networks, high level qualifications enable eventual transition with some difficulty.*
Outcome 3-Difficult period of transition and worse job condition post LDV	Long period of financial insecurity, major retraining and adjustment (lifestyle, career choice) – Further long-term financial insecurity, drastic change of career path, lower job satisfaction, higher job precariousness.
Contributing Factors	***Skills dependency, qualification isolationism, poor adaptability, disconnected –*** *Little knowledge of labour market or networks, combined with low skills, make detrimental/negative factors more profound and difficult to overcome.*

This research shares similar findings with the BIS (business innovation and skills) report *Economics Shocks Report* (Cook et al. 2013), with further studies of redundant workers needed in which data is more closely associated to the categories identified within the worker trajectories. This could enable future policy to consider the following elements:

- The geographical relationship of the workers is the place of work. In the case of LDV, there was a wide distribution of workers; this places a greater responsibility on local agencies/actors to provide more direct support.
- Demographics of the workforce: age continues to be a significant barrier to employment. Older workers can lack knowledge of the labour market and deter employers from investing in relevant training.
- Level of skills: high-tier management employees are highly ubiquitous and mobile in applying their skills and expertise. However, high/specialised skilled workers can be weak at exploiting job opportunities as they can be very job-specific. More attention needs to be given towards their personal capability and experience at finding employment. Lower skilled workers need greater aid in developing desired skills and CV development to diversify their range of potential job opportunities.
- The transferability of skills: highly specialised skills need linkages to their relevant industrial job opportunities. Unrecognised skills outside that particular industry will require more assistance at developing the skills wanted by the labour market.

Future taskforces need to involve the establishment of a firm line of communication between workforce and local agencies so that redundant workers have a sound knowledge of how and where services will be made available (Cook et al. 2013). The importance of local agency cooperation needs to be recognised in sharing expertise for consultancy or through unilateral networking of job searching. The private sector must also be involved with local initiatives to inform what skills are in demand and sought by employers, to connect skill supply with labour market demand or informing workers of desirable skills. Those with highly specialist skills found this bridging function to be missing and had to compensate with lower job security (e.g. consultancy, agency work). Finally, the long-term tracking of workers is needed to monitor progress and ascertain if different training or consultancy approaches are required to reinforce the bridging function and viability of job-searching services initiated by the taskforce and local agencies.

Table 8-1: Worker Assessment and Policy Intervention

Table displaying the worker assessment derived from the data analysis, explaining their characteristics and the required action that would be needed to ease their transition into new employment.

Worker Assessment	Prominent Characteristics of Highly Skilled LDV Workers	Required Policy Action
Geographical Relationship	Sparse distribution.	Sparse distribution – placing a greater responsibility on local agencies to provide services.
Demographic Characteristic	Older workers	Older workforce – stronger assistance within the job-search activity, providing direct interaction between private sector vacancies. This also involves job service skills that can aid higher skilled workers.
Level of Skills	High/specialised skilled, office tier Lower and unrecognised skilled.	High/specialised skilled, office tier – Stronger capacity for bridging function of highly skilled vacancies. Lower skilled – Skills and CV development, job searching assistance.
Transferability of skills	Highly specialised skills Unrecognised skills.	High/specialised skilled – strong consultancy and communication with industrial/sectors to highlight potential job opportunities.

The conclusion is that there needs to be a different approach when tackling future closures as different factors of the closure are affected disproportionately. The small scale and context of the LDV closure, the wide geographic distribution of suppliers and the workforce preordained that the impact on *place* and *business* was limited and so not a primary agenda for the taskforce. The LDV Taskforce had adequate warning and the skills necessary to reduce the impact of the shock on businesses, demonstrated through its schemes to assist the local supply chain to adapt quickly in

response to the closure. Due to the close relationship between LDV and the BCC, there were opportunities for intervention to help LDV. The LDV workers received a decent provision in training subsides and out of work payments but more substantial training better suited to the demands of the regional labour market was absent. With regard to mitigating the impact of the shock on *people*, i.e. the LDV workers, the skills, experience and set-up of the LDV Taskforce enabled swift action that resolved the immediate concerns of redundant workers. More skill-tailored long-term support in giving consultation and direction is required to ease the transition of ex-workers. The JCPs – even on the local level – need to have greater understanding of private sector skill demands, providing more of a bridging function between the redundant workers and the labour market. This bridging capacity becomes more important for highly specialist skills with retraining functions more prominent for lower skilled workers. Whether this private sector link will be strengthened with local JCPs, LSA and other agencies under the LEP structure, which has the premise to involve more free enterprise and business direction in local economic decision making, remains to be seen.

8.3.3 LEP Structure Directing Policy and Guiding Local Agencies

The establishment of LEPs replacing the RDA structure has had implications for the development of local capability. The thesis has mentioned that local agencies may not have access to certain areas of expertise and so will need a regional institutional structure in which highly specialised expertise can be based. Importance has been placed on developing networks between agencies and the private sector that will interact in several labour markets and geographical areas. The intense competition for funding between LEP authorities could jeopardise cross-border co-ordination when competing for finite resources. Ascertaining whether employment barriers persist within particular demographics or skills will require long-term monitoring, which again may require cross-border coordination. If the LEP structure can be reformed to empower the agencies that reside within them and given substantial funding, then cohesive long-term strategies can be implemented. The LDV closure took place on the cusp of the LEP structure being set up in England. Since the start of this research, the LEPs will have been established for four years. It will be interesting to note how future closures will be tackled in the LEP authority structure.

The Ford commercial vehicle plant closure in Southampton (2013) will be a prime case study for analysing how the capabilities of local agencies will have adapted and how future taskforces will operate within the financial and political constraints of the LEP structure.

Given the importance placed upon local agencies to tackle specific problems associated with employment barriers and supply the correct services, developing necessary expert capacity is vital. Because of their reforms, the primary agencies, JCP and LSA, were encouraged to delegate responsibility to more local outlets. The funding schemes utilised (European Social Fund, Working Neighbourhoods Fund) were reasonably flexible as to where funding could be allocated for locally generated schemes. Given the geographic distribution of the LDV workers, this would seem appropriate. However, these agencies did not have the sufficient capacity to provide the necessary services.

Services provided by the local JCPs failed to provide the assistance that was sought by the workers. Rather than just providing facilities, these local agencies need to develop expertise that can tackle these issues. Leaving these individuals isolated within their job search will likely lead to future employment being of a lower level (conditions, wages). Local agencies could develop stronger representation with private businesses to increase understanding of local skill and labour demands, constituting more direct communication between higher skilled redundant workers and the private sector. Should the LEPs develop their role as a sub-regional body and integrate effective working relationships with the private sector, then the possibility of more direct employer engagement could occur, leading to better job and skills training.

In the years prior to the LDV closure, the taskforce approach had been refined through the accumulation of skills and experience among all of the agencies involved, in addition to the various agencies having the financial support to approach their tasks in a sophisticated manner. This created a system of effective coordination between Advantage West Midlands (RDA), the LSA and JCP (among others) where resources and skills could be synergised to provide not just short-term strategies but longer-term capacity to deal with worker transitions into new employment. The impact of the shift from RDAs to LEPs within the LDV Taskforce context was primarily the abandonment of a long-term perspective. Due to the timing and scale of

the closure, the AWM role was minor; indeed, the immediate reaction response of the LDV Taskforce was very much characteristic of its predecessors but limited in significance. Further reforms, cuts to funding and the distribution of powers to small local bodies across several authorities led to the loss of expertise, knowledge and skills that had been built up over the previous years, diminishing their ability to deliver effective policy. This loss of 'permanent intelligence' has to be rebuilt and reintegrated into the new LEP system. The tracking, monitoring and intelligence gathering abilities of AWM, LSA and the JCP have now been effectively squandered, further compounding the loss of 'permanent knowledge' and the ability to conduct longer-term tracking and monitoring activities. The need for the UK to develop and maintain coherent regional governance infrastructure is essential to ensure effective labour market policy.

8.4 Concluding Remarks

The research has demonstrated that the needs of highly skilled workers remain a pressing issue in tackling future plant closures. With production networks becoming ever-more integrated into global markets, the threat of manufacturing TNCs restructuring remains high and can entail shocks for all aspects of problems facing the workforce. In addition, the current economic situation continues to stress the need to maintain higher-skilled workers to propel the economy beyond low-wage economic growth.

The research has found that highly skilled workers within manufacturing sectors can suffer employment barriers akin to those of low-skilled workers as their highly specialist skills are dependent on declining industries. While current taskforce approaches have adequate ability to resolve short-term issues via instigating flexible funding schemes and creating basic training opportunities, they fail to deal with the barriers experienced by highly skilled labour.

Further research needs to be conducted on how the GPE framework can be used to improve the response of future taskforces or agglomerations of local agencies, in particular how the GPE framework can factor in the needs of highly skilled workers, directing them to the best employment outcomes within accessible labour markets. The Southampton Ford plant closure provides another comparative model with research on plant closures within the current LEP framework and how that interplays

with the GPE facets of that area. This would entail research into the labour mobility of certain skills groups in relation to geographical and economic proximity to the dynamic economy of London and the South East, or if the socio-economic development of Southampton has in fact isolated the area, inhibiting the ability of local networks, including future taskforces in directing economic recovery (showing similarities to Birmingham).

The research firmly places GPE within the process of forming a policy strategy, to identify the main opportunities and barriers for policy intervention through understanding the economic and political context. The conclusion reinforces the fact that there needs to be a balance between *people, place* and *business* within policy reaction and recognises that that balance will alter depending on the situation, but, more importantly, how that balance can be addressed through the GPE perspective. This research shows how the *people* aspect of the LDV closure was neglected, resulting in a difficulty for highly skilled workers in finding re-employment. In this regard, the GPE approach contributed towards the understanding and analysis of the worker employment trajectories and the employment barriers that white-collar workers experienced.

However, while neo-classical economic thinking remains to the fore, it remains to be seen whether the GPE approach will be adopted in mainstream policy thinking. The GPE approach has a more profound long-term vision, incorporating many aspects beyond the pure economic and monetary value of an area when evaluating growth trajectories or path dependencies. This will often clash with the short-term demands of national and regional politics within the current perspective of overall economic development policy, which has increased the mobility of global capital. Future policy aimed towards highly skilled workers needs to embrace a mid/long-term focus, factoring in the importance of local agencies to develop a higher capacity of expertise and consultancy capability to direct highly skilled workers to where demand for their skills is located. The importance of this research will have prominence during the age of austerity when the value of future job creation is a pressing factor in overcoming low-wage growth.

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Appendix

Appendix I: Media Appeals

The following images and descriptions explain the media appeals launched by Coventry University that attracted LDV workers to the research.

Read More http://www.birminghampost.net/birmingham-business/birmingham-business-news/businesslatest/2013/01/29/university-study-to-find-out-fate-of-former-ldv-workers-in-birmingham-65233-32698662/#ixzz2JMZLq4qa

http://www.insidermedia.com/insider/midlands/83867-fate-ldv-workers-be-explored/index.html 29.01.2013

Radio Appeals

Radio appeals were also undertaken as another source of attracting ex- DV workers.

David Bailey conducted an interview with BBC West Midlands on the 29.01.2013

Coventry University@covcampus25m

Prof **@dgbailey** was on **@bbcwm** radio this morning talking about the **@LDVGroup** study he's conducting. Listen in at http://bbc.in/126eelt (53.00)

BBC WM - Pete Morgan @ Breakfast, 29/01/2013.

Coventry University Press Release

PRESS RELEASE

What happened to the LDV workers? – appeal for volunteers for study

A new study is set to investigate the fate of the 850 workers who lost their jobs when Midlands-based van manufacturer LDV went into administration in June 2009.

Experts at Coventry University are appealing for volunteers to come forward to help them piece together the stories of former LDV staff and find out what happened to them, how they have got on since, and how the company's demise impacted on their lives and their families.

The study will be led by Professor David Bailey of the University's Business School in conjunction with PhD student Tom Dudley, and follows the distinguished work Professor Bailey and his team carried out on the MG Rover workers after the closure of the Longbridge plant in 2005.

Professor Bailey has worked hard to keep the plight of former MG Rover staff in the public eye ever since, and has written and blogged regularly on the need to support manufacturing – including in the case of LDV.

Whilst many of the MG Rover workers did get back into work, a recent study (see link here) by Coventry and Birmingham universities found that three years on they earned much less on average than they did at MG Rover and felt less positive about their work. The work showed that high quality manufacturing jobs matter.

When LDV went into administration it was much more difficult for its former workers to find employment given the state of the economy, and when Professor Bailey and his team contacted around 20 ex-LDV workers in early 2010, most – perhaps unsurprisingly – were still without work.

But the recent ‘mini renaissance’ of the automotive industry may have opened up opportunities for ex-LDV workers in the region. The study is hoping to explore how these workers have fared in the job market, whether they’ve retrained, and whether they’ve had help along the way.

Professor Bailey is now looking for volunteers to interview over the telephone in the new year – all results will be anonymised and nobody’s details will be made public.

Anyone willing to talk to Professor Bailey is being encouraged to call 07768725027 or email LDVstudy.bes@coventry.ac.uk, leaving their name and number for the team to call back.

– ends –

Appendix II: Media and Auxiliary Documents

The following extract documents the immediate support offered in reaction to the LDV closure.

£20M PROJECT SUPPORTS LDV WORKERS

LDV workers recently made redundant are benefiting from a £20m support programme operated by Better West Midlands.

Better West Midlands has been able to work alongside LDV staff as soon as the redundancies were announced - giving them help and support.

Regional Minister, Ian Austin, met LDV staff who are already benefiting from a range of services offered by Better West Midlands in Wolverhampton, including retraining courses, interview techniques and CV writing.

The Minister said:

"The recession was caused in America, but it's having a real impact across the whole of the West Midlands, and what local people need is a government on their side, providing real help now with new jobs and help with training.

"I'm really impressed with the work going on here at Better West Midlands, where people recently made redundant from LDV and elsewhere are immediately getting the support they need. This is another example of the government funding real help now to get the West Midlands through the recession."

Better West Midlands is funded by the West Midlands Learning and Skills Council (LSC) and the European Social Fund (ESF). The current project, running from April 2009 to December 2010, will offer support to over 17,000 workers in the West Midlands affected by redundancy from any sectors. The project is delivered and operated through a consortium of trade unions working in partnership, including Community, GMB, Unite, USDAW and Unity.

John Adams, LSC Contract Manager said:

"The key to this partnership is working with employers, worker groups and key agencies to facilitate engagement with those affected at an early stage – whilst under the threat of redundancy. This enables individuals to access the range of support, enabling them to get back into work as quickly as possible."

Notes to editors
Project intervention includes:

- Initial assessment;
- Skills for life screening (including ICT);
- One to one confidential advice given by qualified Careers Advice and Guidance staff (Matrix Accredited);
- Training needs analysis;
- The development of a careers action plan before considering how learning can support their individual short and longer term aims;
- Provision of work ready skills;

- Providing support and the opportunity for individual workers to train and re-skill / up-skill to meet the demands of a changing job market. This can be academic or practical vocational training leading to employment, including unaccredited and accredited courses;
- Training delivered through the project specifically targets their early return to work;
- Referrals to specialist organisations:
  E.g. re benefit allowances, debt counselling, Business Link in the case of people wanting to become self-employed or start up their own business, Train to Gain etc;
- Ongoing support, mentoring and tracking;
- Job search to enable progression into employment;

Exit interview.

ISSUED ON BEHALF OF THE REGIONAL MINISTER
BY GOVERNMENT OFFICE FOR THE WEST MIDLANDS
Enquiries to Annie Harris, 0121 352 5503 / 07966 284 502.

Source: readingroom.lsc.gov.uk/.../0713_Better_West_Midlands_UNITYINT...
26.01.12

Appendix III: LDV Worker Questionnaire and Interview Topic Templates

The below tables shot the questions and form of coding used for the LDV worker surveys and questionnaires. The structure and basis of these questions were based on the MG Rover survey (Bailey et al. 2006) format with some questions been more precise and specific to the LDV situation.

INTRODUCTION to the Telephone Survey

Good morning / afternoon / evening, my name is Tom Dudley; I'm calling on behalf of Coventry University conducting research onto the closure of LDV and how the workers have fared since the closure.

A1) **Can I speak to…**

ADD IF NECESSARY: **We're calling in regards to a survey that we are undertaking on behalf of Coventry University, looking at the impact the closure of LDV has had on former Washwood Heath workers and their families three years after the closure**. **The survey will take approximately 20 minutes to complete.**

Yes, speaking 1 *CONTINUE INTERVIEW*
Yes, passed on to named respondent 2 *RESTART INTERVIEW*
No – not available at moment 3 *ARRANGE TIME FOR INTERVIEW*
No – refusal 4 *THANK AND CLOSE*

Introducing the Research

Before we proceed with the interview I would like to briefly explain what your participation entails and how this telephone interview will help towards achieving the goals of the research.
Coventry University wants to better understand the impact of the closure of LDV on you and your family and how you have progressed through the recession. The interview will ask questions about how LDV workers have moved on; how difficult it has been to find new jobs; has job satisfaction got better or worse; and understand the experience of the workers during this economically difficult period.
The data gathered from the interview will enable the research to ascertain if government policy or approach to factory closure should change to better accommodate the needs of redundant workers, especially during periods of recession.

Are you willing to continue with the questionnaire? During the questionnaire you are free to decline to answer any questions that you may feel uncomfortable answering. All responses will be treated in strict confidence and no respondent will be individually identified.

REASSURANCES: ADD AS NECESSARY:
- The research will form the basis of a PhD thesis conducted by myself on the behalf of Coventry University and will be disseminated to local, regional and national policy makers.
- The interview will take about 20minutes to complete
- **My research phone can be contacted on 07768725027**
- **Any queries or problems please contact Prof. David Bailey on 02476 887 688**

SECTION A: WORKER DETAILS

Name	
Gender	
Age when leaving LDV	
Current ward or county you live in	
Contact details	

SECTION B: EMPLOYMENT AT LDV
I'm now going to ask you some questions about your time working for LDV

B1) **First of all how long did you work for LDV?**

Years	
Months	

B2) **What was your job title at the time of the closure in June 2009?**
PROBE FULLY

B3) **Which department were you working in at the time?**
PROMPT AS NECESSARY

Manufacturing	1	
Human Resources	2	
Sales & Marketing	3	
Information Systems	4	
Finance	5	
Sourcing	6	
Product development	7	
Other (SPECIFY)	8	

B4**) Was your LDV salary based upon part-time or full-time work?**
Prompt: Part-time work defined as less than 30 hours per week

Full-time	1
Part-time	2

B4a) And at the time of the closure, what was your final salary?
PROMPT: Your gross annual salary before tax.
RECORD ABSOLUTE NUMBER AND CODE TO GRID
£

IF ANSWERED DK/REF PROMPT WITH RANGES

<£10,000	1	

£10,000 – 14,999	2	
£15,000 – 19,999	3	
£20,000 – 24,999	4	
£25,000 – 29,999	5	
£30,000 – 34,999	6	
£35,000 – 39,999	7	
£40,000 – 44,999	8	
£45,000 – 49,999	9	
>£50,000	10	

B4b) During the time of the closure what was your weekly wage?
PROMPT: Your gross annual salary before tax.

RECORD ABSOLUTE NUMBER AND CODE TO GRID- Annual salary divided by 52
£

B5) **And in addition to your salary, did you receive any of the following benefits in your final position at LDV?**
READ OUT. CODE ALL THAT APPLY

A company car or a special lease on a car	1	
Pension (to which LDV contributed)	2	
A bonus scheme	3	
Shares (options) in the company	4	
Private medical insurance	5	
Other (PLEASE SPECIFY)	6	
None/Not applicable	7	

B6) **At the time of the closure did any of your close or immediate family also work for LDV?**
CODE ALL THAT APPLY. DO NOT READ OUT.

No – no family member worked for LDV	1	
Yes – spouse / partner	2	
Yes – parent	3	
Yes – brother / sister	4	
Yes – son / daughter	5	
Yes – other family member (SPECIFY	6	

I would like to ask some questions about your qualifications.

B7) And how old were you when you finished your FULL-TIME education?
DO NOT READ OUT

14 or under	1
15	2
16	3
17	4
18	5
19 or older	6
Still studying	7

B8) And what is the highest academic qualification you have attained?

DO NOT READ OUT

Post-graduate qualification	**1**
University degree, HND, HNC, NVQ level 4 or equivalent	**2**
A-levels, vocational A-levels or AS levels	**3**
CSEs / GCSEs / O-levels – at least 5 grade C or grade 1 or above	**4**
CSEs / GCSEs / O-levels – less than 5 at grade C or grade 1	**5**
Part 1 City & Guilds	**6**
City & Guilds	**7**
NVQ level 1 / 2	**8**
NVQ level 3	**9**
BTEC General Certificate	**10**
BTEC National Diploma or Part 3 Advanced City & Guilds	**11**
Foundation GNVQ	**12**
Advanced GNVQ	**13**
Other (write in)	**14**
No academic qualifications	**15**

B9) Did you achieve any of these qualifications whilst working at LDV?

No	**1**
Yes (please state)	**2**

B10) Have you had education/training since leaving LDV?

Yes	1
No	2
Don't know	3

B11) Is there any qualifications you have that aren't mentioned in the previous question?

No	**1**
Yes (please state)	**2**

SECTION C: ACTIVITY SINCE WORKING FOR LDV

C1) **Can I just check, which of the following describes your current employment status? Are you?**

READ OUT. CODE ALL THAT APPLY.

Self-employed	1	
Employed full-time	2	
Employed part-time	3	
In full-time education / training	4	
In part-time education / training	5	
Unemployed, looking for work	6	
Unemployed, not looking for work	7	
Caring for children or relatives	8	
Home-maker / house-husband / house-wife	9	
Retired	10	
On incapacity/disability benefit	11	
Other (SPECIFY)	12	

WORKING - IF C1 OR C1A IS 2 OR 3

C1a**) I'd like to ask you details about your job. First of all, what does the company you are working for do?**

C1b**) What is your job title?**

C1c**) How many people in total work at your workplace approximately?**

1 (interviewee works alone)	**1**
2-10	**2**
11-50	**3**
51-250	**4**
251-500	**5**
Over 500	**6**

C1d) **Which of the following describes the arrangement of your employment status?**

READ OUT ALL CODED. SINGLE CODE ONLY.

Agency work (with temping agency)	**1**
Casual (temporary, paid by the hour)	**2**
Fixed term contract (with a specified end date)	**3**
Permanent (with no specified end date)	**4**

C2) **How did you hear about the job?**

DO NOT READ OUT. CODE ALL THAT APPLY

From Job Centre plus	**1**
Job Fair	**2**
Newspaper	**3**
Company approached me directly	**4**
I approached the company directly regarding vacancies	**5**
Trade union	**6**
Support group	**7**
I started my own company	**8**
Was not happy with the job that I found	**9**
Other (SPECIFY)	**10**

C3) We're interested to know the extent to which ex-LDV workers have found job roles similar to the ones they held before the closure. Would you describe your role as…?

READ OUT. SINGLE CODE ONLY

Exactly the same role as you had at LDV	1
A very similar role, using many of the same skills	2
A slightly different role, but using some of the same skills	3
A different role, using few of the same skills	4
A completely different role, using completely different skills	5
Other (Specify)	6

C3a) Is your commute to work further than it was to LDV?

Significant decrease (20 minutes less)	**1**
Significant increase (20 minutes more)	**2**
Not noticeable or very little difference	**3**

C3b) Could you tell us some of the problems you have faced trying to find employment?
READ OUT. ALLOW MULTICODE.

Age	**1**
Lack of Skills	**2**
Overqualified	**3**
Too many people applying for the same job	**4**
Negative reputation of LDV workers	**5**
Other (specify)	**6**

C4) Have you had more than one paid job since LDV closed?

Yes	**1**	**C4a**
No	**2**	**C5**

C4a) Could you tell me the month and years approximately when you changed jobs?

Prompt: Note down if job is part-time or full-time AND what Month the respondent changed their job?

2009	**2010**	**2011**

C4b) For the paid jobs that you had, what were the reasons they ended?
ALLOW MULTICODE. DO NOT READ OUT

Casual / agency / temporary fixed term and I wanted a permanent job	1
Salary issues	2
Unsatisfying work	3
I didn't like the work environment	4
I didn't feel that I fitted in with my colleagues or the company culture	5
It was too far or expensive to travel	6
Job was beyond skill level	7
Job was below skill level	8
Work-life balance issues	9
Health issues	10
Other (specify)	11

C5) **Do you receive any of the following benefits in your current position?**
READ OUT. CODE ALL THAT APPLY

A company car or a special lease on a car	1
Pension (to which your employer contributes)	2
A bonus scheme	3
Shares (options) in the company	4
Are you entitled to more than the statuary 28 days' annual leave	5
Private medical insurance	6
Other (PLEASE SPECIFY)	7
None/Not applicable	8

C5c**) If employed, are you a member of a trade union in your current job?**

Yes	**1**
No	**2**

C6**) Which of the following statements comes closest to describing how you feel about your current job? Would you say that it is…?**
READ OUT. SINGLE CODE ONLY. ALLOW DK.

A job that you like, and see yourself doing for the foreseeable future	1

A job that you don't like, but see yourself doing for the foreseeable future	2
A stop-gap while you wait for something better to come along	3
[IF IN EDUCATION / TRAINING] **A way to pay the bills until you finish your education/training**	4

C6b) On a scale of 1 to 5, where 1 is highly dissatisfied and 5 is highly satisfied, how satisfied are you with your job overall.

Highly dissatisfied				**Highly satisfied**
1	2	3	4	5

C6c) Which factors of your work make you the most dissatisfied?

The work that you do	1
The amount of working hours	2
Your salary	3
Your work colleagues	4
The travel to work	5

C6d) Overall, would you say your current job is ...
READ OUT, CODE ONE ONLY

Better than your job at LDV	**1**
About the same as your job at LDV	**2**
Worse than your job at LDV	**3**
Not sure	**4**

UNEMPLOYED, LOOKING AND NOT LOOKING FOR WORK

C7**) How long have you been out of paid work for?**

C7b) **How likely are you to look for work in the future?**
PROMPT IF NECESSARY

Definitely will	1	
Probably will	2	
Undecided / in the balance	3	
Probably will not	4	
Definitely will not	5	
DO NOT READ OUT) Don't Know	6	

C7c**) Have you been looking for work in the last month?**

Yes	**1**
No	**2**

C7d**) Are you available to start work immediately?**

Yes	**1**
No	**2**

If C7b = 1,2, 3, 4 or 6, then C8. If C7b = 5 then C10

C8) **What type of job would you like?**

Permanent (open-ended contract)	**1**
Fixed-term (specified end-date)	**2**
Casual (temporary, paid by the hour)	**3**
Agency working (through temporary work agency)	**4**
Self-employment	**5**

C9**) Would you like to work full or part time?**

Prompt: Part-time work defined as less than 30 hours per week

Full time	**1**
Part-time	**2**

C10) **How many job applications have you submitted since you were at LDV?**

PROMPT IF NECESSARY

None	**1**
1-2	**2**
3-5	**3**
6-10	**4**
11-20	**5**
21-50	**6**
More than 50	**7**

C11) **Have you been interviewed for any jobs since the closure of LDV?**

ALLOW DK/REF

Yes	**1**	**Ask C12**
No	**2**	**Ask C13**

C12) How many jobs have you been interviewed for?

ENTER AS ABSOLUTE NUMBER

DO NOT ALLOW 0 AS AN ANSWER

ALLOW REF / DK

C13) Have you had any job offers since LDV?

ALLOW DK/REF

Yes	1	Ask C
No	2	Ask C16a

C14) **How many job offers have you had?**

ENTER AS ABSOLUTE NUMBER

ALLOW REF / DK

ASK IF HAD JOB OFFER/S BUT NOT WORKING (C9>=1) GO TO C10; OTHERS (C9=0 OR DK/REF) GO TO C12

C14) **Did you turn the job offer(s) down?**
ALLOW MULTICODE

Turned the job offer(s) down	**1**	**Ask C15**
I haven't made a decision on the job offer(s) yet	**2**	***UNLESS 1 OR 2 ALSO CODED, GO TO C16a***
I've accepted and I'm waiting to start or for references	**3**	***UNLESS 1 OR 2 ALSO CODED, GO TO C16a***

ASK IF TURNED THE JOB DOWN (C10=1); OTHERS (C10=2 or 3) GO TO C12

C15) **Why did you turn the job offer(s) down? ALLOW MULTISCALE**
DO NOT READ OUT

Casual / agency / temporary fixed term and I wanted a permanent job	1
Salary issues	2
Unsatisfying work	3
I didn't like the work environment	4
I didn't feel that I fitted in with my colleagues or the company culture	5
It was too far or expensive to travel	6
Job was beyond skill level	7
Job was below skill level	8
Work-life balance issues	9
Health issues	10
Other (specify)	11

C16a**) Did you face us some of the problems you faced when trying to find employment?**
READ OUT. ALLOW MULTICODE

Age	1
Lack of Skills	2
Overqualified	3
Too many people applying for same job	4
Negative reputation of LDV workers	5
Other (Specify)	6
No problems	7

C16b) **How many paid jobs have you had since LDV closed?**
Prompt: Part-time work defined as less than 30 hours per week
ASK FOR ABSOLUTE NUMBER

Full-time	
Part-time	

C16c) For the paid jobs that you had, what were the reasons they ended?
ALLOW MULTICODE DO NOT READ OUT

Casual / agency / temporary fixed term and I wanted a permanent job	1
Salary issues	2
Unsatisfying work	3
I didn't like the work environment	4
I didn't feel that I fitted in with my colleagues or the company culture	5
It was too far or expensive to travel	6
Job was beyond skill level	7
Job was below skill level	8
Work-life balance issues	9

Health issues	10
Other (specify)	11

RETIRED, HOME MAKER/HOUSE WIFE, CARING FOR RELATIVES- IF C1 =8, 9, 10.

C17) How long have you been …. for?
_____ weeks/months/years

C18) Why did you decide to …. since leaving LDV?
READ OUT. SINGLE CODE ONLY

Financial security	1
Spend more time with family	2
Spend more time on hobbies	3
Disability	4
Unable to find other employment	5
Family obligations	6
Other (Specify)	7

C18a) Would you prefer to be working?

Yes, Working	**1**	**ASK C18a**
No	**2**	

C18c) What type of working arrangements would you like?

Permanent (open-ended contract)	**1**
Fixed-term (specified end-date)	**2**
Casual (temporary, paid by the hour)	**3**
Agency working (through temporary work agency)	**4**
Self-employment	**5**

IF ON INCAPACITY OR DISABILITY BENEFIT IF C1 or C1a =11

C19) How long have you been on incapacity/disability benefit for?
_____ weeks/months/years

C19a) Could you tell us what led you to receiving the Disability Benefit?
READ OUT. SINGLE CODE.

Recommended by doctor	1
Recommended by Job Centre	2
Recommended by spouse/friends/family	3
Other	4

PLEASE SPECIFY _____

SELF EMPLOYED IF C1 or C1a = 1

C20) How long have you been self-employed for?

C20a) What sort of work do you do now?
PROMPT: What industry is this company in?

C20b) Do you run your own company?

Yes - on my own	**1**
Yes - jointly with business partner/s	**2**
No	**3**
Don't know	**4**

C20c) If currently self-employed or run own company do you do work for one client or more than one client?

One client (dependent contractor)	**1**
More than one client (independent contractor)	**2**

C21) **Do you receive any of the following benefits in your current position?**
READ OUT. CODE ALL THAT APPLY

A company car or a special lease on a car	1
Pension (to which your employer contributes)	2
A bonus scheme	3
Shares (options) in the company	4
Private medical insurance	5
Receive more than the statuary 28 days' annual leave	6
Other (PLEASE SPECIFY)	7
None/Not applicable	8

C22) Which of the following statements comes closest to describing how you feel about your current job? Would you say that it is…?
READ OUT. SINGLE CODE ONLY. ALLOW DK.

A job that you like, and see yourself doing for the foreseeable future	1
A job that you don't like, but see yourself doing for the foreseeable future	2
A stop-gap while you wait for something better to come along	3
[IF IN EDUCATION / TRAINING] **A way to pay the bills until you finish your education/training**	4

C22a) On a scale of 1 to 5, where 1 is highly dissatisfied and 5 is highly satisfied, how satisfied are you with your job overall.

Highly dissatisfied				**Highly satisfied**
1	2	3	4	5

C22b) What factors about your work are you most dissatisfied with?

The work that you do	1

Your working hours	2
Your salary	3
Your colleagues	4
The travel to work	5
Uncertainty	6

C22c) In terms of your opinion of your current job, would you say your current job is ...
READ OUT, CODE ONE ONLY

Better than your job at LDV	**1**
About the same as your job at LDV	**2**
Worse than your job at LDV	**3**
Not sure	**4**

EDUCATION / TRAINING IF C1 = 4 OR 5

C23) What qualification(s) are you currently working towards/ did you work towards?

DO NOT READ OUT.

Post-graduate qualification	**1**
University degree, HND, HNC, NVQ level 4 or equivalent	**2**
A-levels, vocational A-levels or AS levels	**3**
GCSEs – at least 5 grade C or above	**4**
GCSEs – less than 5 at grade C	**5**
Part 1 City & Guilds	**6**
City & Guilds	**7**
NVQ level 1 / 2	**8**
NVQ level 3	**9**
BTEC General Certificate	**10**
BTEC National Diploma or Part 3 Advanced City & Guilds 11	**11**
Foundation GNVQ	**12**
Advanced GNVQ	**13**
Other [*WRITE IN*]	**14**
No academic qualifications	**15**

C23a) Why did you decide to retrain/study?
ALLOW MULTICODE

I was not able to find work in my field with my qualifications	**1**
I was unemployed	**2**
I found jobs but I was not satisfied with them	**3**
I wanted to increase my opportunities	**4**
I wanted to change carrier/vocation	**5**
I was attracted by the financial incentives	**6**
Other (SPECIFY)	**7**

C24a) What was your highest qualification before training?

Post-graduate qualification	**1**
University degree, HND, HNC, NVQ level 4 or equivalent	**2**

A-levels, vocational A-levels or AS levels	**3**
GCSEs – at least 5 grade C or above	**4**
GCSEs – less than 5 at grade C	**5**
Part 1 City & Guilds	**6**
City & Guilds	**7**
NVQ level 1 / 2	**8**
NVQ level 3	**9**
BTEC General Certificate	**10**
BTEC National Diploma or Part 3 Advanced City & Guilds 11	**11**
Foundation GNVQ	**12**
Advanced GNVQ	**13**
Other [*WRITE IN*]	**14**
No academic qualifications	**15**

C24b) Did you attain any of the qualifications at LDV?
DO NOT READ OUT

Post-graduate qualification	**1**
University degree, HND, HNC, NVQ level 4 or equivalent	**2**
A-levels, vocational A-levels or AS levels	**3**
CSEs / GCSEs / O-levels – at least 5 grade C or grade 1 or above	**4**
CSEs / GCSEs / O-levels – less than 5 at grade C or grade 1	**5**
Part 1 City & Guilds	**6**
City & Guilds	**7**
NVQ level 1 / 2	**8**
NVQ level 3	**9**
BTEC General Certificate	**10**
BTEC National Diploma or Part 3 Advanced City & Guilds	**11**
Foundation GNVQ	**12**
Advanced GNVQ	**13**
Other (write in)	**14**
No academic qualifications	**15**

SECTION D: HOUSEHOLD FINANCE

I'd like to ask you a few questions about your financial situation in your household and your individual income

D1a) **What is your current marital status?**
PROMPT AS NECESSARY

Married / living with partner	**1**
Separated / divorced	**2**

Single	**3**
Other	**4**
Refused	**5**

D1b) **Has your marital status changed since working at LDV?**

Yes	**1**
No	**2**
Rather not say	**3**

D1c) And how many people live with you (including partner/wife/husband/CHILDREN….)?

D2) Could you describe the employment status for your husband/wife/partner?
READ OUT ALL CODED. SINGLE CODE ONLY.

Agency work (with temping agency)	**1**
Casual (temporary, paid by the hour)	**2**
Fixed term contract (with a specified end date)	**3**
Permanent (with no specified end date)	**4**
Not employed	**5**

D3) **Which of these statements would you say apply to your household's financial situation at the moment?**
READ OUT, CODE ALL THAT APPLY (SINGLE CODE ONLY)

We are in debt	1
We need to draw on our savings to make ends meet	2
We can just about manage with our current income	3
We are in a position to save a lot of money	4
We are in a position to save some money	5
None of the above	6

D4) Thinking about the time when you were at LDV, would you say that your household was financially better off then, worse off then or about the same as it is now?
SINGLE CODE

Better off then, than now	1
Worse off then, than now	2
About the same then as now	3

D5) WHO EARNS THE MOST IN YOUR HOUSEHOLD?

Myself	**1**
My partner/spouse	**2**
Both equally (spontaneous answer)	**3**

D6) WAS THIS SITUATION THE SAME WHEN YOU WERE AT LDV?

Yes	**1**
No	**2**

D7) Are you currently receiving one or more of the following sources of income?
READ OUT. ALLOW MULTICODE.

Salary	1
Earnings	2
Pension	3
Job seekers allowance	4
Incapacity/disability benefit	5
Bursaries, education or training allowance	6
Career or family allowance	7
Other (PLEASE SPECIFY)	8
None/Not applicable	9

IF MULTICODE AT C18, ASK C18a

D7a) **And which would be your main source of income** – SINGLE CODE

Salary	1
Earnings	2
Pension	3
Job seekers allowance	4
Incapacity/disability benefit	5
Bursaries, education or training allowance	6
Career or family allowance	7
Other (PLEASE SPECIFY)	8
None/Not applicable	9

D7b) **And what are your current ….. Earnings, before tax? (see C18b)**
PROMPT: Your ….. (see C18a) before tax.
RECORD ABSOLUTE NUMBER AND CODE TO GRID
£

<£10,000/YEAR / up to £833 /month / up to £192/ week	**1**	
£10,000 – 14,999/ YEAR / £833 - £1249 /month / £192 - £288/week	**2**	
£15,000 – 19,999/ YEAR / £1250- £1,666/month / £289 - £345 /week	**3**	
£20,000 – 24,999/ YEAR / £1,667 - £2,083/month / £346 - £481/week	**4**	
£25,000 – 29,999/ YEAR / £2,084 - £2,500 /month / £482 – £577 /week	**5**	
£30,000 – 34,999/ YEAR / £2,001 - £2,916 /month / £578 - £673/week	**6**	
£35,000 – 39,999/ YEAR / £2917 - £3,333/ month / £674 -£769 /week	**7**	
£40,000 – 44,999/ YEAR / £3,334 - £3,750/ month / £770 - £865 /week	**8**	
£45,000 – 49,999/ YEAR / £3,750-£4,166 a month / £866 - £961 a week	**9**	
>£50,000/ YEAR / £4,167 or more a month / £962 or more a week	**10**	

IF ANSWERED DK/REF PROMPT WITH RANGES

[PLEASE ENCOURAGE ANSWERS TO ABSOLUTE NUMBER OR AT LEAST A RANGE]

SECTION E: ATTITUDES AND OPINIONS

We are interested in finding out about the level of support former workers at LDV have received since the closure, as well as the effect the closure has had upon both workers and their families.

E1) **The first set of statements I am going to read out concern the level of support that you personally have received in the first3 months?**
Please can you rate each statement on a scale of 1 – 5 where 1 = strongly disagree and 5 = strongly agree?

	Strongly Disagree	**Disagree**	**Neither disagree or agree**	**Agree**	**Strongly agree**
I feel supported by family and friends at this time	**1**	**2**	**3**	**4**	**5**
I am receiving support from ex-LDV employees	**1**	**2**	**3**	**4**	**5**
I am receiving adequate support from the trade unions	**1**	**2**	**3**	**4**	**5**
I am receiving adequate help from government	**1**	**2**	**3**	**4**	**5**

E2a) **We know that former LDV workers were offered the following forms of help with money and other related forms of advice from local or national advice agencies. Did you know you could get help in the form of the following?**

	Yes	**No**	**N/A**
Advice on benefits/making claims for benefits/ redundancy money	1	2	3
Rescheduled Child Support Agency payments	1	2	3
Help on negotiating lower rates loans to purchase LDV vehicles	1	2	3
Advice on mortgages / rent	1	2	3
Advice on credit card debt	1	2	3

E2b) **Can I now ask you if you obtained help from any of the above forms of assistance from local or national advice agencies, and the extent to which you agree that they were helpful. Again, please can you rate this on a scale of 1 – 5 where 1 = strongly disagree and 5 = strongly agree?**

	If this help wasn't obtained please tick	**Strongly disagree**	**Disagree**	**Neither disagree or agree**	**Agree**	**Strongly agree**
Advice on benefits/making claims for benefits/ redundancy money	0	1	2	3	4	5
Rescheduled Child Support Agency payments	0	1	2	3	4	5
Help on negotiating lower rates loans to purchase LDV vehicles	0	1	2	3	4	5
Advice on mortgages / rent	0	1	2	3	4	5

Advice on credit card debt	0	1	2	3	4	5

E2c) Following the closure of the LDV plant Birmingham City Council set up a general telephone helpline. Did you know about this service?

Yes	1
No	2

E2d) Did you use the service and if so was it helpful?

Tick if help wasn't obtained	Strongly agree	Agree	Neither disagree or agree	Disagree	Strongly disagree
0	**1**	**2**	**3**	**4**	**5**

E3) Are there other ways in which you could have been helped?

Yes	**1**
No	**2**

If yes, please specify

_____
_____
_____

E4c) **Can I also check, have you made a claim for Jobseekers Allowance or other benefits since LDV closed?**

Yes	**1**	**Ask E4d**
No	**2**	**Ask E5a**

E4d) **How long after you were made redundant did you first make a claim?**

E5a**) Can I now ask whether you received any of the above forms of assistance and, secondly, the extent to which you agree they were useful? Again, it is a scale of 1 -5 where 1 = strongly disagree and 5 = strongly agree.**

	Help wasn't obtained	Strongly Disagree	Disagree	Neither disagree or agree	Agree	Strongly agree
Training Needs Analysis /Assessment	**0**	**1**	**2**	**3**	**4**	**5**
Training Needs Analysis /Assessment for partner	**0**	**1**	**2**	**3**	**4**	**5**
Free place on a Training course	**0**	**1**	**2**	**3**	**4**	**5**
Free travel to a training course /job interview	**0**	**1**	**2**	**3**	**4**	**5**
Free place on a training course for partner/ wife/husband	**0**	**1**	**2**	**3**	**4**	**5**

Child care allowances for going on a training course	**0**	**1**	**2**	**3**	**4**	**5**
Sent on training course by new employer	**0**	**1**	**2**	**3**	**4**	**5**
Visit to a Job fair	**0**	**1**	**2**	**3**	**4**	**5**
Information on Job Opportunities or Help from Jobcentre plus	**0**	**1**	**2**	**3**	**4**	**5**
Help with setting up your own business	**0**	**1**	**2**	**3**	**4**	**5**
Other? (please write in)	**0**	**1**	**2**	**3**	**4**	**5**

E5b) **Did you know that your partner was entitled to help from these various agencies?**

Yes	**1**
No	**2**
No Partner	**3**

E5c) Are there other ways in which you could have been helped in finding a new job'?

Yes	**1**
No	**2**

If yes, please specify

_____
_____
_____.____

E6) Could you rate the competency of the agencies that helped you?

Again, please answer on a scale of 1 – 5 where 1 = Very bad and 5 = very good.

	Wasn't obtained	**Very poor**	**poor**	**Neither good or bad**	**Good**	**Very good**
Job centre plus	**0**	**1**	**2**	**3**	**4**	**5**
Learning skills council	**0**	**1**	**2**	**3**	**4**	**5**
Local authorities and council	**0**	**1**	**2**	**3**	**4**	**5**
Birmingham Colleges	**0**	**1**	**2**	**3**	**4**	**5**
Unite union or union bodies (E.G Unity)	**0**	**1**	**2**	**3**	**4**	**5**

E6a) Could you rate the usefulness of the agency or agencies that help you?

Again, please answer on a scale of 1 – 5 where 1 = Very bad and 5 = very good.

	Very bad	bad	Neither good or bad	Good	Very good
Job centre plus	**1**	**2**	**3**	**4**	**5**
Learning skills council	**1**	**2**	**3**	**4**	**5**
Local authorities and council	**1**	**2**	**3**	**4**	**5**
Birmingham Colleges	**1**	**2**	**3**	**4**	**5**
Unite union or union bodies (E.G Unity)	**1**	**2**	**3**	**4**	**5**

E7) **Were you aware that there was a jobs fair organised at Villa Park during the 24th and 25th June 2009?**

Yes	**1**	Ask E11
Yes, but attend	**2**	Move to section F
No	**3**	Move to section F

E8) **The jobs fair that was organised at Villa Park on the 24th-25th June 2009, How useful was it to you in….** READ THE CODE, ALLOW FOR MULTICODE
Again, please answer on a scale of 1 – 5 where 1 = Very bad and 5 = very good.

	Very bad	Bad	Neither bad or good	Good	Very good
Finding new employment	**1**	**2**	**3**	**4**	**5**
Accessing new training	**1**	**2**	**3**	**4**	**5**
Learning about new trades or industries	**1**	**2**	**3**	**4**	**5**
Business start-ups	**1**	**2**	**3**	**4**	**5**

SECTION F: INDIVIDUAL DEMOGRAPHICS AND HOUSING

ASK ALL

F1) Where do you live? Full postcode, if not then suburb/ward and city

F2) Since the closure of LDV has you done any of the following?
READ OUT. MULTICODE

	Yes	No
Moved home	1	2
Sold your home	1	2
Paid off part of your mortgage	1	2
Paid off all your mortgage	1	2

Become a tenant	1	2
Refinanced your house	1	2
None of the above	1	2

F3) What type of residence do you live in now?
READ OUT. SINGLE CODE.

Detached house	**1**
Semi-detached house	**2**
Terrace house, row or townhouse	**3**
Flat, unit or apartment	**4**
Caravan or mobile home	**5**
Other. Specify	**6**

F4) In this residence are you?
READ OUT. SINGLE CODE.

The outright owner/ joint owner	1
Paying off a mortgage	2
Renting from the Council or Housing Association	3
Renting privately	4
Living with parents/partner who own or paying off mortgage	5
Other. ***(PLEASE SPECIFY)***	6

F5) **Was this different to when you worked at LDV?**

Yes	1
No	2

F6) How long have you lived in your current house and neighbourhood?

	Less than one year	1-3 years	4-9 years	10-15 years	More than 15 years
Your current house	1	2	3	4	5
Your neighbourhood	1	2	3	4	5

IF F6 is: ***Less than one year*** *OR* ***1-3 years*** *then ask F7and F8*
4-9 years *ask F8*
*1****0 years or more*** *ask F10*

F7) What were the reasons why you moved?
ALLOW MULTICODE

Wanted to change career	**1**
Redundancy/Job no longer existed	**2**
Retirement	**3**
Change in personal/family circumstances	**4**
To be nearer family/friends	**5**
To get a larger home	**6**
To get a smaller home	**7**
To get a house rather than a flat	**8**
To move to a better neighbourhood / more	**9**

pleasant area	
Could not afford mortgage repayments	**10**
Could not afford service charges	**11**
Other housing reason: (specify)	**12**
Other non-housing reason (specify)	**13**

F8) Where did you live before? Full postcode, if not then suburb/ward and city

Detached house	1
Semi-detached house	2
Terrace house, row or townhouse	3
Flat, unit or apartment	4
Caravan or mobile home	5
Other. Specify	6

F10) In this residence were you?
READ OUT. SINGLE CODE.

The outright owner/ joint owner	1
Paying off a mortgage	2
Renting from the Council or Housing Association	3
Renting privately	4
Living with parents/partner who own or paying off mortgage	5
Other. ***(PLEASE SPECIFY)***	6

F11) Since you moved, have your housing costs (such as interest rates) …?

Decreased	**Stayed the same**	**Increased**
1	**2**	**3**

Telephone Interview with the LDV workers

The LDV workers that agreed to participate in the second stage of the research took part in telephone interviews. These questions were created based on the results and feedback of the telephone surveys, placed within a semi-structured format these questions were aimed to progress the research aims but allowing for any adaptation.

1-Experience at LDV

- Could you describe your career at LDV and how you progressed through the company?

- How did you feel whilst working at LDV in term of job and financial security, Personal Well-being and over job satisfaction?
- What was your career prior to LDV (Those with a short involvement with LDV)?

2-Experience of Redundancy

- What were your reaction and feelings to been made redundant?
- What were your first primary concerns when you were made redundant?
- To find employment ASAP- Financial and job security
- Take opportunity for career change
- Opportunity for time off

- Your first actions after been made redundant?
- How has the closure impacted the people around you? E.G your family and home
- The support services you received, what did they consist of? How did they help you personally?
- How could these services be better improved to help you?
- Were your encouraged to undertake some form of re-training?
- Did they assist you in the job search, helping you to re-adjust to the labour market?
- What was your perception of these services in your circumstance?

3-Experience of Job Search

- Could you describe you experience of your job search?
- The number of applications you made?
- The range and scope of your job search? (Type of job and location of the job)

- What were the main difficulties you experienced in your job search?
- Qualifications
- Suitable job positions
- Personal Circumstances
- Competition for certain jobs within your field
- At any point did you feel compelled to relocate or drastically alter your lifestyle to accommodate your need for new employment?
- Did you feel constrained by your personal circumstances in finding new employment and moving on from LDV?

How did you attain your current employment? (Key question)

Did you set yourself a rigorous timetable for job applications?

How do you feel you could have been better helped to find employment that you would feel satisfied/comfortable with?

What services could have been improved?

Interview Question Framework with Policy Stakeholders

The following illustrates the main area of questioning involved when interviewing the policy stakeholders. As declared in the methodology chapter the interviews were established within the semi-structured format, the questions were developed prior to the interview covering key areas but leaving room for discussion and expansion of those questions and subjects areas in more specific regards to their direct experience and association with the LDV Taskforce.

Interview question development

Contextual Knowledge about the interviewee and rapport building (Intro)

- Describe your role within the council- *Gaining knowledge about the interviewee and what their association/relationship is with the LDV taskforce*

- How long have you been in this current job role? - *Gaining knowledge about the interviewee and what their association/relationship is with the LDV taskforce*

- How did you get into this job sector, (or motivation/career path)- *Gaining knowledge about the interviewee and what their association/relationship is with the LDV taskforce?*

Direct affiliation with the LDV taskforce concerning their job role

- How did you get involved in the LDV taskforce? – *Gaining knowledge about their role within the LDV taskforce*

- What was your position and role within the taskforce? – *Gaining knowledge about their role within the LDV taskforce*

- Did your role change during your tenure as a part of the LDV taskforce? – *Gaining knowledge about their role within the LDV taskforce*

The OBJ and aims of the LDV

- What were the main objectives of the taskforce? (Just to offer job assistance or to offer more substantial training options or even assist local businesses/supplier in taking on ex-LDV workers)? [74]– *To establish what type of recovery (according to Pike 2002[75]) the taskforce was what did the taskforce actually do?*

- What was the scope of the LDV taskforce? I.E focused on local issues or did it entail a wider regional perspective for example? - *Understanding the aims and the objectives behind the taskforce*

[74] Two main types of support can be identified; they deal with socio-economic aspects of the impact of job loss. There was support relating to financial issues, for example, benefits; debt counselling and so on and, secondly support for workers to go on training courses, and to find jobs.

[75] Employer based, resolving redundancy problems; Sectoral based, analyzing trends in sector and improve competiveness; Area regeneration and economic development.

- What funding and resources were available to the LDV taskforce and where did the funding or resources come from? – *Understanding the scope of the taskforce and the national/regional priority placed for the job recovery- political legitimacy*

- Was the funding and resources available sufficient to fore fill the objectives of the task force? – *understanding the limitations of the taskforce and also the political legitimacy of the taskforce*

- Did the timing of the LDV collapse hinder the success and the potential of the LDV taskforce in helping ex-workers? (I.E in the beginning of the financial crisis) – *Gaining better understanding of the role of political legitimacy and economic circumstance in prohibiting the success of the taskforce*

- Was the time scale to complete the objectives sufficient? – *understanding the objectives and targets of the taskforce*

- Did the LDV taskforce face any external restrictions in implementing or creating policy? (I.E lack of investment/ existing unemployment rates, macroeconomic situation) – *Understanding the limitations of the taskforce within the existing economy*

- What agencies/bodies were involved in the taskforce? –*Increasing contextual knowledge on the LDV taskforce*

- Why were these agencies brought together under the taskforce? What were their strengths/benefits? – *Increasing contextual knowledge on the taskforce and understanding the individual agencies contribution to policy implementation*

- What support did each of the actors/agencies offer to the workers? – *Increasing contextual knowledge on the taskforce and understanding the individual agencies contribution to policy implementation*

- Did the LDV taskforce take any ideas or inspiration from other previous taskforces (MG Rover) or other examples (both national and international) of mass redundancy and job recovery? Or was there a fundamental different approach to this task force compared to other before it? - *How the LDV*

taskforce differed from other taskforces and examples but to also establish if the LDV taskforce was innovative in policy making

Questions developed from interviews aiming more at the LEPS replacing the RDA (Advantage West Midlands) and the RDA's involvement with LDV and Local Economy

- Did AWM get involved with LDV before the closure? I.E setting up consumer/supply networks, training staff ETC

- Because of the wide distribution of the workers' home locations, how influential was the RDA in cushioning the impact of the LDV job loss around the West midlands?

- During the Vila Park Jobs fair on the 24th June, how essential was the RDA in brining companies, training collages and other business enterprises together

- How damaging do you think the Coalition reforms of the RDA's to LEPS are to local area development and job recovery?

- What's happening to the LDV resources? How are they being re-distributed amongst the new LEP structure?

- What are the main drawbacks and weaknesses of the LEPs in comparison to the RDA's?

- Do you think the West Midlands region will still be able to attract the business and enterprise to re-balance the economy and essentially improve the labour market under the LEPs rather than under the RDA's?

- In the run-up to the LDV closure, there seems to have been a well-established body of networks and experience between the different partners of the taskforce. This seems to have greatly contributed to the

success of the LDV taskforce. Do you think that this practise/method will be able to be adapted to the LEP structure should future plants closure?

The workers Reaction to the taskforce

- Did the workers find the taskforce helpful in finding new employment? - *Increasing knowledge on the effectiveness of the LDV taskforce.*

- Did the ex-workers ask for any particular sort/type of assistance (such as financial help)/training? - *Uncovering the strengths and weaknesses of the taskforce*

- When trying to help/assist the ex-workers, what was the most common problem you found or the biggest difficulty you had to overcome in helping the workers? – *Gaining knowledge on what may have prohibited success but also gaining the policy stakeholders view of the condition of the workforce*

- Could the taskforce have improved upon any of the services that it offered? – *Uncovering the strengths and weaknesses of the taskforce*

- In the long-term perspective do you think the LDV taskforce was successful? – *gaining more precise detail about the objectives of the taskforce and how the policymakers perceived the success of the taskforce (does it match the workers' opinion?)*

- What do you think was the most successful aspect of the taskforce? – *Uncovering the strengths and weaknesses of the taskforce*

- In your opinion, what do you think may have been done differently to improve the taskforce? - *Uncovering the strengths and weaknesses of the taskforce*

Questions not aimed at gathering direct data but expanding research contacts

- Would you be able to release/offer information about the LDV population? For instance, offering them my contact details or the geographic distribution

of the workers. - *Gaining data about the LDV workers themselves and enabling me to progress my research*

- Could you name the key leaders or policy makers within the LDV taskforce that would be willing to be interviewed on this topic? – *Expanding my research contacts*