

Are Labour Markets Necessarily 'Local'?

Spatiality, Segmentation and Scale

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Are Labour Markets Necessarily ‘Local’? Spatiality, Segmentation and Scale¹

Summary: This paper draws on recent debates about scale to approach the geography of labour markets from a dynamic perspective sensitive to the spatiality and scale of labour market restructuring. Its exploration of labour market reconfigurations after the collapse of a major firm (Ansett Airlines) raises questions about geography’s faith in the inherently ‘local’ constitution of labour markets. Through an examination of the job reallocation process after redundancy, the paper suggests that multiple labour markets use and articulate scale in different ways. It argues that labour market rescaling processes are enacted at the critical moment of recruitment, where social networks, personal aspirations and employer preferences combine to shape workers destinations.

1. Introduction

Advancing integration of firms and states, neo-liberal redrawing of the work-welfare interface and increasingly draconian mechanisms of surveillance in the workplace and community are transforming the processes through which people exchange their labour for the means to sustain their livelihoods. This has significant implications for the structures and scales through which labour markets operate. Drawing on contemporary debates about the social construction of scale, this paper examines the process of job reallocation after mass redundancy to highlight the labour market’s

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multi-dimensional and multi-scalar nature. From this perspective, it challenges the dominant view that labour markets are 'inherently local' in nature and extent (Martin and Morrison, 2003).

Specifically, the paper examines the labour market changes that followed the collapse of a major Australian airline, Ansett Airlines. Whilst superficially the analysis confirms the already well-known association between workers' personal and household characteristics and the spatial reach of their job search strategies, its theoretical contribution is to extend from these patterns to develop new insights about the labour market's spatiality. Rather than envisaging one locally-embedded labour market segmented into submarkets, it instead argues that there exist multiple labour markets, each with different spatialities and scales of practice. The analysis shows that as displaced workers met with a variegated structure of demand, many found themselves stranded at the intersection of three overlapping and differently spatialised labour market dimensions: specialised occupational labour markets; the divided structure of the 'dual' labour market (divided into secure, internal primary markets and range of insecure external secondary markets); and the limited options available in territorially-defined local markets. The analysis shows that as the practices associated with recruitment mediated between these differently scaled dimensions, labour market outcomes were created by the contest between workers' aspirations and firms' strategies in the context of the regulatory structures in which their interactions took place. These 'contested spatialities' (Taylor *et al.*, 1997) used space and articulated between scales in different ways to reconfigure the relational distances within and between labour markets and actively transform labour market structures. Thus, the Ansett Airlines collapse is viewed as having triggered a shift in the scale and scope of aviation labour markets and a transformation of the aviation industry's

division of labour. The remainder of the paper is structured as follows. Section 2 applies contemporary ideas about scale to reconceptualise labour market adjustment. The destinations of former Ansett Airlines workers are described in Section 3, whilst Section 4 draws out the implications for labour market spatiality and scale. The conclusion reiterates the paper's central contention: that thinking about labour markets as 'local' phenomena constrains rather than enhances our capacity to understand their dynamic transformations.

2. Labour Market Spatiality and Scale

Geographical studies generally view labour markets as 'inherently local' phenomena defined territorially by employer catchments, journey-to-work boundaries or administratively-defined neighbourhoods. The local focus is reinforced by multiple social and institutional processes including the local character of employment profiles (Sayer and Walker, 1992); by the spatially limited extent and intensity of labour-related information flows (Grantham, 1994); by the place-entrapment of disadvantaged segments of workforce (Hanson and Pratt, 1991); and by the practices and cultural norms that shape local expectations (Cox and Mair, 1991). The direct correspondence between localities and local labour markets holds well for spatially entrapped workers, especially the low skilled (Reimer, 2003) and those with domestic responsibilities (Hanson and Pratt, 1991). It also applies convincingly in the case of highly mobile workers, such as the skilled elites that gravitate to urban locations or creative niches (Florida, 2001; Sassen, 1991). Thinking of labour markets as locally-embedded also has political efficacy since it grounds theory in local struggles at the workplace or community level (Bluestone and Harrison, 1982; Martin *et al.*, 1993). However, within this consensus lurk unanswered questions about the theoretical salience of the labour markets' localness. As Martin (2000), among others, has

argued, the local focus is destabilised by the uncertainty of local boundaries and undermined by ontologically problematic assumptions about the absoluteness of territorial space. But it can also be challenged, as in this paper, from a perspective attuned to the scales and articulations of labour market practices.

Numerous examples demonstrating the geographical extensiveness of concrete practices challenge the doggedly local orientation of labour market theory. In many occupations and industries workers and work routinely cross local boundaries and connect distant places – as shown, for example, in studies of internationalised labour cooperation and resistance (Harrod and O'Brien, 2002), the transnational mobility of labour elites (Beaverstock *et al.*, 2000) or the extensively networked links that are a part of local markets (Coe and Kelly, 2000).

The theoretical significance of the 'local' in labour market processes and practices is also open to challenge. Neoclassical economics creates an essentially aspatial account: it assumes that labour markets operate in the same way as commodity markets, wherein the forces of supply and demand equilibrate through wage bids and where mobility between sectors, occupations and places is unfettered by institutional constraints. Labour markets may be territorially 'local' to the extent that they are bounded by commuting ranges, but the local scale has no intrinsic theoretical status – it is simply the arena in which the interactions between the supply and the demand for specific technical skills are played out (Conti, 1988). Institutional approaches, on the other hand, stress the local norms, traditions and expectations that result in labour market processes having place-specific articulations (Cox and Mair, 1991; Peck, 1996). From this perspective, the distinctive character of each 'local' market both reflects the expectations and mores of its host population and conditions the range and scope of their interactions. Social and cultural differences between

places produce local, regional and national variations in both formal mechanisms of labour market regulation and governance and less formal labour market practices.

In both the neo-classical and institutional frameworks, however, the coherence of the idea of a 'local' market is undermined by its internal division into multiple sub-segments. These partitions act to limit workers' mobility and channel groups of workers into near-inescapable occupational pathways. Over time, segmentation processes create multiple, quasi-independent labour sub-markets differentiated along numerous axes (Loveridge and Mok, 1979). Segmentations are simultaneously social, technical and spatial: they describe workers, jobs and the relationships between workers and jobs. Often segmentations are theorised as being nested within geographically local markets, as in Bagguley *et al.*'s (1990) study of the production of gender- and class-based divisions in and through geographically local processes. But other forms of segmentation cut across the local scale. Doeringer and Poire's (1971) much-criticised notion of the 'dual' labour market, for example, theorises a fundamental divide between an advantaged primary and a disadvantaged secondary sector. Its separations pervade multiple markets, as observed in the growth of contingent work across Western nations (Brenner and Theodore, 2000). Similarly, Edwards *et al.*'s (1975) focus on labour control issues within workplaces associates segmentation with ideologically-driven employer strategies that manifest at the firm scale in multiple sites and places simultaneously (see also Clark, 1981). It seems, therefore, that the markets' segmentations are specific expressions of the capital-labour relationship and can play out at variety of interdependent scales.

When labour market studies do consider relations beyond the local, they often organise their analysis around a global-local dialectic in a manner that reinforces the primacy of the local scale (Herod, 2001; Waterman and Wills, 2001) and generates a

research agenda centred on the modes of articulation *between* scales (Bauder, 2001; Cvetokovich and Kellner, 1997); for example, through the intercession of labour market intermediaries (Benner, 2003), the bridging function of transnational actors (Johnson and Salt, 1990) or the convergences that result from common regulatory frameworks (ILO, 2005). Too often, these approaches reproduce an implicit ontological separation between pre-given scales.

Exceptions to localness are typically incorporated into locally-oriented theoretical perspectives by allowing local markets to 'leak' through porous boundaries. Thus, Martin (2000) emphasises the openness and heterogeneity of labour submarkets, viewing them as permeable spaces structured by specific expressions of information friction, skills, occupational specialisations and their spatial mismatches. However, in general, labour market studies within geography have retained a conceptual boundary around the local core and resisted recognition of the complex spatial networks that constitute capitalist economic processes (Dicken, 2003). This has diverted attention from the plethora of extra-local influences that shape local processes to a greater or lesser extent (see Amin and Thrift, 1992; Coe and Kelly, 2000; Peck and Tickell, 1992).

Nonetheless, geographies of the labour market have increasingly incorporated the language of scale. In regulationist-oriented accounts in particular, the 'localness' of labour markets is identified as a complex set of relational interactions and practices bounded together by regulatory structures. Peck (1992) redefined the 'local' market as a scale of activity in which labour sub-markets represent 'conjunctures' at the intersection of the spaces and processes of production, reproduction and regulation. In this way, the 'local' was adjusted, both materially and theoretically, as the site at which socially produced connections mesh; simultaneously the medium and outcome

of social processes. This conceptualisation is analogous to Swyngedouw's (1997) understanding of scale as simultaneously an arena and an outcome of social practices. Peck (1996, pp. 4–5), describes labour markets as a changeable and fluid set of relationships and a 'socially constructed and politically mediated structure of conflict'. But in his account places remain central. The market's 'predominantly local' geographical distinctiveness 'stems from variability in the social and institutional fabric that sustains and regulates capitalist employment relations' (Peck 1996, p. 11). The labour markets described by Jonas (1996, pp. 321, 329) share many of these characteristics, although at the scale of regional economies, where their character is secured by the durable structures or 'delimiting institutional spatialities' in which the market's social relations and power structures unfold. Echoing Brenner's (1998) notion of scaled structuration, his regimes of labour regulation solidify social relations into a customary and geographically-specific division of labour. Taylor *et al.* (1997) stress the power relations and contested spatialities of labour market interactions at the scale of the firm, although their analysis frames these within a local-global dialectic. In effect, these authors comprehend the 'local labour market' as a scale, defined as a nexus of social interactions that are concentrated locally, in actual practices in specific places.

This idea can be extended beyond the local scale. If labour markets are a nexus of conjunctural interactions, then there is no reason why these interactions might not play out at a variety of sites and scales depending on specific conditions of supply and demand, the regulatory jurisdiction and patterns of work socialization in different occupations and industries. In other words, severing the necessary connection between labour markets and 'local' places allows labour markets to be 'located' relationally at a variety of socio-spatial scales depending on the specific

configurations of their interactions. Markets can then be understood as being constituted at the intersection of individual, household, firm, sector and industry interests, practices and strategies and as continually evolving as 'political-economic processes and their attendant power relations' (Swyngedouw, 1997, p. 141) alter their forms and articulations. This enables labour markets to be viewed as dynamically shifting arenas of political struggle infused with inequities of power and riddled with shifting power geometries (Massey, 1993; Taylor *et al.*, 1997; Swyngedouw, 2000). Uneven outcomes for individuals and firms can then be understood as reflecting actors' different capacities to use, articulate and manipulate the scale and scope of the labour market's social interactions.

But each outcome also plays a role in transforming the market. If labour markets are scaled, then like other scaled phenomena, they are suspended in a tension between stability and change. On the one hand, their structural coherence derives from path dependent histories of specialization within industries, the typical forms of the labour process and work tasks, the relatively fixed and immobile infrastructures of cities and workplaces, the needs of households and the durability of regulatory inventions (Harvey, 1985). On the other, their pliability reflects the differentiated capacities of individual and collective actors—depending on their relative power and authority—to alter these characteristics, and the articulations between them, in reaction to or anticipation of social, economic or political disruptions (Howitt, 1998).

As scaled concentrations of social relations, the labour markets' various segments and dimension need not aggregate to a single market. Rather, a scale perspective opens the possibility that multiple, differently scaled labour markets operate simultaneously across different spatial ranges. As multiple markets 'mesh awkwardly' in multifaceted socio-spatial scales of interaction (Harvey, 1982: p. 421),

they interact with territorial regions without necessarily being congruent with them. Therefore, labour markets are 'inherently local' only when the specific combination of social relations through which they are constituted converge at the local scale. The dimensions and degree of malleability of each market must be established empirically.

This theoretical shift reorients research interest to focus on the specifics of the interactions within and between particular markets and the relationships between labour markets and places. In the example explored in this paper, the processes that both neo-classical and post-Keynesian economics describe as 'labour adjustment' after mass redundancy are recast as a structural reconfiguration of related markets; a re-ordering that reverberates within and across scales and changes relational proximities (see also Smith, 1992). The paper focuses on the changing labour markets of Australia's aviation industry. It begins by assuming that the industry comprises a series of different markets articulated at the intersections of the technical division of labour in firms (which reflect firms' strategic decisions about skill and authority), the intentions and aspirations of working people (which are related to their personal characteristics and their household circumstances) and the formal and informal regulatory structures that condition their interactions (Rubery and Wilkinson, 1994). As we shall see, these forces produce different markets for each occupation.

3. The Ansett Experience

Because the question of scale 'inserts itself at the outset' in the interpretation of events (Lefebvre, 1976; cited in Brenner, 1997, p. 137), the methodologies for researching labour market processes should seek to illuminate the intertwining of scaled labour markets without locating the research, *a priori*, in a particular scale or place. This section details the patterning and timing of the re-employment of a

diverse group of workers who lost their jobs after the collapse of a large, multi-location firm, Ansett Airlines.

This paper draws data from the author's five-year longitudinal study of the post-retrenchment careers of a stratified random sample of former Ansett Airlines employees, a cohort that included a cross-section of occupations, skill levels, household types and locations. From repeated survey interviews in 2002, 2004 and 2006, detailed month-by-month labour market histories were constructed for each of the study's participants.¹ In-depth interviews further probed workers' experiences. These accounts were complemented by semi-structured interviews with key informants and a review of secondary sources. The analysis in this paper focuses on one aspect of the larger study – the reorganisation of aviation labour markets in the first two years after Ansett's failure.

3.1 The Changing Regulatory Context

Changes in labour markets cannot be isolated from changes in regulations, product markets and capital markets. In this study, the destinations of individual workers were shaped by the events that led to the Ansett Airlines collapse, the subsequent national restructuring of Australia's aviation capital, the firm strategies that reworked the social relations of production and firms' recruitment practices.

Until the end of the 1980s, Australia's national regulatory framework had maintained a tiered division between intra-State, national and international aviation services. Interstate domestic air services had operated as public infrastructure in a highly regulated 'Two Airline' duopoly (see Weller, 2007a). Employment in airlines' operational occupations was regulated at the national scale via stringent safety-related rules. This promoted the development of a coherent, hierarchical and occupationally-defined division of labour across the national industry. In this context, firms

developed robust internal labour markets structured horizontally by technical specialisation and gender, and vertically by seniority. Aviation's structural characteristics—the high skill requirement and the low cost of labour relative to other inputs—further encouraged stable, long term employment relationships. The sector's powerful unions were organised on a national scale and represented clusters of related occupations. Australia's the 'arbitration and conciliation'-based structure of industrial governance institutionalised their role in negotiating the capital-labour relationship (Weller 2000b).

This structure was disrupted in the early 1980s when Australia altered its accumulation strategy from Keynesian interventionism to a new policy framework promoting marketisation, privatisation, trade barrier liberalisation and labour market reform. To accelerate economic transformation, the government instigated structural adjustment programs in most regulated sectors, including in aviation. The competitive framework that replaced aviation's managed duopoly structure in 1990 increased firms' discretionary powers and allowed them to reconfigure their services in ways that blurred the previously rigid demarcations between operational scales (Weller, 2007a). In addition, Australia began dismantling its centralised national system of arbitration and conciliation in the late 1980s. Sequential reforms shifted the scale of industrial relations practice—and responsibility for wages and employment conditions—toward the enterprise level (Weller, 2007b). These reforms altered power relations *within* firms by curtailing the bargaining power of unions and consolidating managerial prerogative, and altered power relations *between* firms by introducing wage differentiation as a component in inter-firm competition.² These reforms did not change the fact that under Australia's regulatory structure, recruitment practices remained essentially unregulated (see Weller 2007b).

As well as undermining the national power of organised labour, enterprise-scale bargaining altered the power relations between unions as they competed to represent workers in specific workplaces. Importantly, the reformed regulatory context enabled newly-established businesses with 'greenfields' workplace agreements to significantly reduce their labour costs and increase their authority over labour relative to existing enterprises that were locked into a history of negotiated industrial agreements. As intended, the new conditions led to a reconstruction of capital and eventually to Ansett's demise.

3.2 Ansett Airlines Collapse

Ansett Airlines had been a 'full service' airline that employed about 16,000 people, or about a third of the national aviation industry workforce (Table 1).³

Table 1 Airline Employment by State, 2001 and 2006

State	2001 Employment	Ansett Retrenchments	Ansett Share (%)
New South Wales	20814	2872	13.8
Victoria	8546	4949	57.91
Queensland	9144	1831	20.02
Western Australia	3752	1198	31.93
South Australia	2218	787	35.48
Tasmania	993	400	40.28
Northern Territory	1070	146	13.64
Australian Capital Territory	929	246	26.48
Other Territories	9	0	-
Overseas	-	43	-
Total	47475	12,472	26.27

Source: Unpublished ABS Census Data, Korda Mentha Pty Ltd, Ansett Retrenchment Database.

Note 1: Estimates of national aviation employment include ANZSIC (1993), groups 64 (Air and Space Transport) and 663 (Services to Air Transport).

Note 2: In August 2002, when the retrenchment database was accessed, about 3000 people were still employed (in Victoria) in winding up the Ansett companies.

Ansett had been a quintessentially 'Fordist' organisation with a strong internal labour market and a long-serving, loyal and highly unionised workforce. As a result of the bargaining power of its unions as well as the philosophies of its founder (Reg Ansett), Ansett employees were securely employed and enjoyed high wages and comfortable working conditions compared to workers in other sectors of the economy. However, as is typical in the aviation sector, Ansett's technical division of labour had been deeply segmented by gender. As a legacy of their shared industrial relations history, wages and conditions at Ansett were broadly similar to those at its duopoly competitor Qantas.

Although a number of factors contributed to Ansett's demise (see Easdown and Wilms, 2001; Painter, 2001), the catalyst was a price war that began in 2000 after the entry of a new domestic competitor, the discount airline Virgin Blue. Virgin Blue's location in Brisbane can be understood as a deliberate strategy to escape the contractual relationships between capital and labour that characterised employment in established aviation-specialised locations (Melbourne and Sydney). Virgin had commenced operation with employer-friendly enterprise-scale industrial relations agreements that delivered significant labour cost savings relative to other airlines (these were achieved mainly by limiting shift-work penalties and other allowances). The average take-home pay of a Virgin Blue flight attendant, for example, was just 34% of the average pay at Ansett (Long, 2002). Since Virgin Blue had restricted its services to the most profitable air corridors, it also undercut Ansett's operating costs. By early 2001, Virgin had rapidly increased its market share at Ansett's expense.

When Ansett's owner, Air New Zealand, suspended flight operations in September 2001, Ansett Airlines became Australia's (then) largest ever corporate collapse. Under Australian corporate law, Ansett was placed into the hands of an

appointed insolvency Administrator. The Administrator decides whether to restructure the business or whether to wind up its affairs. Australia has no equivalent to the Chapter 11 bankruptcy provisions that have supported failing airlines in the United States. For five months, between September 2001 and February 2002, the Administrators sought without success to sell Ansett Airlines as a going concern. Ansett folded permanently when its flight license expired at the end of February 2002, and its remaining workforce began the process of finding new jobs.

4. Recruitment in Scaled Labour Markets

The process of re-absorption of the Ansett workforce into new jobs involved complex interactions between the different scaled strategies and powers of capital and labour. These contested interactions involved firms strategies, Ansett-based social networks and individual workers and complex interactions between firms' internal labour markets and external labour markets flooded with experienced workers. The ways these interactions played out differed between occupations.

4.1 Firm Strategies

In the aftermath of Ansett's initial failure, the two remaining carriers, now Virgin Blue and Qantas, competed to secure control of Ansett's market (BTRE, 2004). As they expanded their services, both airlines recruited additional staff. However, these new jobs only partially replaced Ansett Airlines jobs and were not necessarily—or even predominantly—filled by ex-Ansett workers. Initially, the new jobs were mainly located either in Sydney, Qantas's main international gateway and service hub, or further north, in Brisbane, where Virgin had established its head office and flight operations centre. Thus, at the same time as Ansett's failure created an army of displaced labour, firm restructuring changed the location of large numbers of

Australia's aviation and aviation-related jobs. This meant that for most aviation specialised former Ansett workers, the geographically local labour market was no longer congruent with the occupational labour markets relevant to workers' skills.

As Mylett and Zanko (2002) argue, there is a symbiotic relationship between firms' internal divisions of labour and conditions in the external labour market. In this case, the over-supply of skilled labour in the external market created an opportunity for the remaining airlines to intensify their labour deployment practices. As Figure 1 shows, aggregate employment in the aviation industry fell in 2002–2004 in the aftermath of Ansett's exit, but at the same time part-time employment increased dramatically – from a cyclical low of 14.3% of the workforce in May 2000 to a high of 25.7% of the workforce in May 2003.

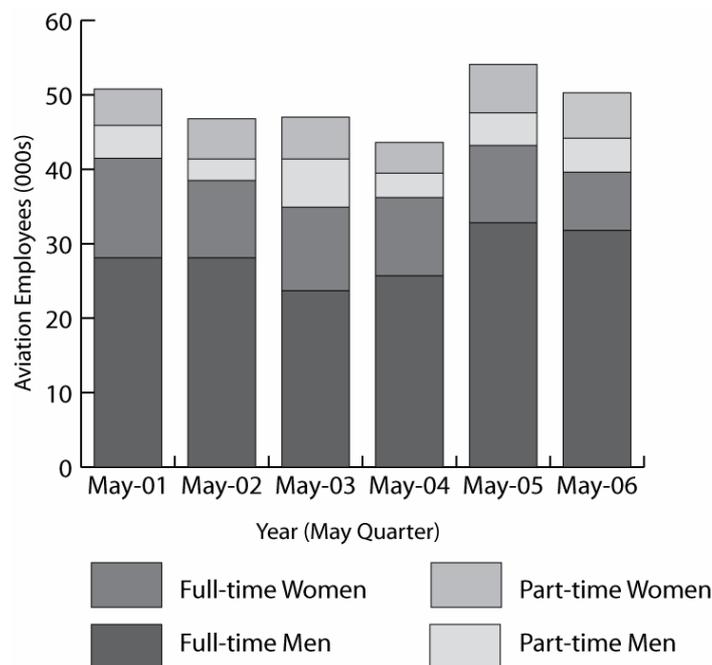


Figure 1: Employment in Aviation, Australia, May 2001 to May 2006

These aggregate changes are a direct expression of firm strategies. Between January 2002 (Enterprise Bargaining Agreement V) and February 2005 (Enterprise Bargaining Agreement VII), part time employee numbers in Qantas service occupations

(principally flight attendants and airport-based customer service workers) grew by 394 but its total service workforce grew by only 196 (ASU, 2005). In effect, Qantas had converted full-time jobs into more flexible part-time jobs, a reorganisation that was made possible by the Ansett-induced expansion in the labour supply. Put simply, the Ansett collapse enabled other airlines to create a new marginal segment in their internal labour markets. This created a new labour force of flexible, part-time workers.

In the context of the Ansett-produced oversupply of technical competencies, employer prerogative dominated recruitment practices. However, in contrast to the established practice of 'internalising' skilled workers and 'externalising' less skilled workers in different locations (Clark 1981:414), the Ansett workforce enabled other airlines to 'externalise' employment *in situ* through the creation of inferior secondary labour markets. In addition, compared to Ansett Airlines where workers had enjoyed a high degree of what Friedman (1986) called 'responsible autonomy', the 'direct control' management style of the new jobs devalued Ansett workers' prior work socialisations.

During the first months after the collapse both remaining major airlines recruited a handful of pivotal Ansett managers, in part to undermine that possibility that a revitalised Ansett would emerge. After February 2002, however, when the remaining airlines were rapidly expanding their services, they had quite different approaches toward the Ansett workforce. Qantas had agreed to employ 'suitably qualified' ex-Ansett personnel as vacancies arose, although as already noted, its vacancies were likely to be in part-time and casual jobs. Virgin Blue, on the other hand, resisted employing former Ansett employees – apparently fearing its workplaces would be infected with Ansett's unionised labour practices (White, 2005).

The destinations of Ansett workers were therefore framed by labour control issues within the internal labour markets of other airlines. Former Ansett employees' virtual exclusion from Virgin was confirmed in 2005 when the Queensland Anti-Discrimination Tribunal found that Virgin had unlawfully discriminated by not recruiting a group of former Ansett flight attendants.⁴ In this context, the collective identity of the Ansett workforce disadvantaged its members as a group because individual employability was frequently judged on the basis of firm characteristics. In its extensive coverage of the Ansett story, the media had generated a perception that Ansett had been an inefficient relic of Australia's Fordist past and that its (unionised) internal work practices had been less than optimal.

When recruiting new employees, firms tailored their strategies to the requirements of different occupations. In technically demanding, male-dominated occupations with high training and labour replacement costs (such as pilots, engineers and aviation-specialised managers), employers favoured a national or international search and selection mechanisms. In women-dominated occupations (such as flight attendant and customer service work), on the other hand, where attained skills were often less important to employers than personal attributes, recruitment was managed at the urban scale and favoured young inexperienced recruits who could be acculturated to firm-based norms. These preferences created a set of differently spatialised markets based on a combination of skill requirements and the characteristics of preferred recruits. Given the over-supply of skilled labour, former Ansett employees' ascribed and social skills became more important factors in recruitment than might have been the case in more routine circumstances. The mismatch between Ansett workers' skills and firms' skill requirements also discouraged re-employment in aviation specialised occupations. Although Ansett

workers' technical skills were accredited nationally and recognised by other firms, accreditations were often specific to Ansett's (outdated) technologies and work practices. In non-operational occupations, the Ansett structure had created a mature workforce in which employees had often worked at higher levels of seniority than might have been expected from their paper qualifications. These characteristics tend to disadvantage experienced, highly skilled (older) workers (Bosch, 1990).

4.2 Workers' Allegiances

Each former Ansett worker entered the labour market with a set of attributes (training, background and Ansett-based career path) that positioned him or her in a specific and gendered labour market space that determined which employer-defined occupational market he or she could access in the competition for jobs. The manner in which the interactions between workers and jobs played out differed between subgroups within the cohort and transformed over time.

In the first months after Ansett's collapse – between September 2001 and February 2002 – workers' strategies were framed by their relationship to Ansett. During this time, most employees were officially 'stood down' (on extended leave without pay) rather than retrenched (this strategy had been designed to improve Ansett's saleability because employees' outstanding entitlements had not been listed as company liabilities). It also created a hiatus during which many employees hoped and expected that their Ansett jobs would reappear.

Between September 2001 and February 2002, the social institution of Ansett continued to coordinate and constrain workers' behaviour. Ansett's paternalistic system of labour control had extended beyond the workplace to construct a firm-based community with a culture developed around the egalitarian discourse of Australian mateship (Easdown and Wilms, 2002). Conditions of work in aviation (that is,

shiftwork and extensive travel) also encouraged out-of-work-time social interactions between co-workers. Although it was loosely centred in Melbourne, the 'Ansett family,' was not bound to a local place or a local labour market; its ways-of-doing rules, norms and expectations had operated across the firm and at the national scale. Strong social ties to Ansett led many workers to actively support the revival effort. Some former workers continued to work for no pay:

Although the work I was doing was outside of my job description, and I was unaware that I would receive payment for these services, I was happy to take the risk and volunteer my work effort. (Interview 0208)

Attachment to the firm and its social hierarchies remained strong, even among workers who had ceased active involvement:

I had no idea whether I would be required or not – I had not consented to be stood down and would have been willing to come back to work and do whatever was asked of me (within or outside my job function) to assist. But I didn't get any feedback either way, which was most unsettling. In addition, I heard anecdotally that others were called back to do tasks and activities that fell within my function, which was most distressing. (Interview 0110)

Feeling slighted at not been invited to work, maybe without pay and for a defunct firm, is not easy to reconcile with a theoretical framework based on economic maximisation.

At this stage, then, individual-scale interests were frequently subordinated to a firm-based social group interest. Ansett's social networks extended into the community and the political arena as former employees collaborated to establish numerous websites, organise social events, share experiences, support distressed colleagues, exchange information and assist job search. Numerous stories of workers

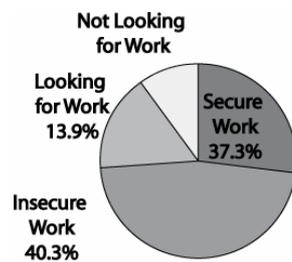
refusing job offers to remain with the Ansett campaign played a role in maintaining the Ansett culture (see Denning, 2001). Thus, the social institution of Ansett survived beyond the firms' life as an organisational expression of capital (contrast Sayer and Walker, 1992, p. 79). Although workers were supported by Melbourne-based coalition of union, government and business interests, their allegiances centred at the enterprise scale.⁵

The upshot was that many Ansett staff put their careers on hold while they waited to discover Ansett's fate. This divided the initial cohort into two groups – 'stayers' (insiders) who perceived their interests with the Ansett group; and 'movers' (outsiders) who more quickly entered the competition for new jobs. At the end of February 2002, when Ansett's Administrators began winding up the firm and retrenching its remaining employees, it was clear that this institutional orientation had framed outcomes and that the Ansett-committed stayers had damaged their prospects relative to the early movers:

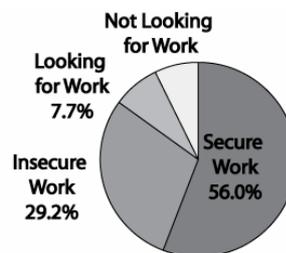
After the last minute bail-out by Fox/Lew [February 2002] and subsequent loss of employment, I found myself behind the eight-ball [i.e. disadvantaged] looking for a similar occupation as most positions had already been filled by ex-Ansett employees. (Interview 1127)

Nonetheless, workers' continuing commitment to Ansett had been rational and self-interested. Participation in Ansett's reconstruction would have been an advantage in the competition for employment had a new version of Ansett emerged. In any case, accepting a job with a competitor airline would have been considered a socially unacceptable betrayal of co-workers. Workers' actions also expressed a moral position, arising from the widespread perception that the events surrounding the collapse lacked procedural justice, as well as more general opposition to the neo-liberal reforms in the aviation sector and labour market that had caused Ansett to fail.

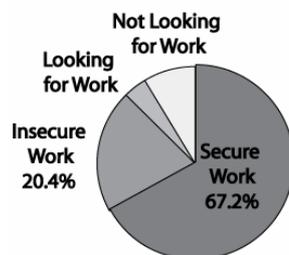
In the labour markets of neighbourhoods with large Ansett populations (that is, suburbs close to airports), the impact of the collapse was greatest in these first uncertain months, when the influx of skilled labour temporarily altered the structure of local queues for less specialised and less skilled work. The least competitive workers these neighbourhoods found work scarce as 'bumping down' processes favoured the Ansett cohort. As Figure 2 (a) and (b) show, eleven months after the initial collapse, the first follow-up study of worker destinations found that 38% of participating former Ansett workers were employed in temporary or casual jobs; jobs that were usually located close to their homes. A further 18% were seeking work and 7% had withdrawn from the workforce. Only 35% of participants in the first follow-up survey had found secure employment, and only 14% (one in seven people) had found secure employment in the aviation sector.



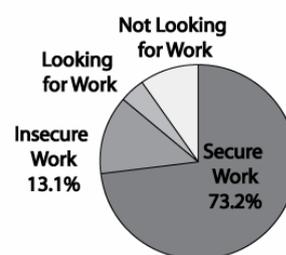
(a)
Aviation Specialisations
September 2002



(b)
Not Aviation Specialisations
September 2002



(c)
Aviation Specialisations
March 2004



(d)
Not Aviation Specialisations
March 2004

These figures are dismal given that airlines were recruiting vigorously at the time. At this early stage, then, it appeared that regardless of their skills and backgrounds, a high proportion of ex-Ansett employees would be relegated to marginal employment in the 'secondary' sector. However, by the second interview in 2004, two and half years after the collapse, it was evident that many workers had accepted low-skilled jobs in their local neighbourhoods as 'fill-in' jobs while waiting for a suitable opportunity in aviation. For most workers, these temporary jobs were their only interaction with neighbourhood labour markets. By 2004, most of these 'local' jobs had ended and 70% of survey participants had either found new, more secure jobs or had converted a casual and contract job into a more secure position (Figure 2 (c) and (d)). Therefore, for this skilled workforce seeking work in a buoyant economy, marginal work was more often a bridge than a trap (see Campbell and Burgess, 1998). Nonetheless, the 30% of survey respondents who had not been able to find stable employment by April 2004 included large numbers of mature women who had worked in direct customer service roles and many less skilled older men. Former flight attendants had the poorest outcomes of any group.

4.3 Workers' Social Networks

As workers searched for secure jobs in their area of specialisation, their success was shaped by the ways in which employer strategies made use of Ansett's interpersonal networks and social hierarchies. The effects varied for different groups within the Ansett cohort. In aviation, employing firms often relied on already-recruited ex-Ansett managers to identify suitable candidates. This made the path back into prized aviation sector jobs a matter of social attributes and reputation at least as much as technical skills. Early movers with knowledge of Ansett's social and skill structures became the intermediaries gate-keeping the entry of their erstwhile colleagues:

Job opportunities in the aviation industry were extremely limited, as some former colleagues—who initially joined other employers—were acting as advisers on candidate suitability. Cronyism was alive and thriving. Personally, I was extremely disappointed by the changed attitude of many of my former colleagues after Ansett's collapse, to myself and many of my former workmates. Some of us were sabotaged at interviews by former colleagues' misinformation. (Interview 0573)

Since appointments were recognised among competing former co-workers as a public assessment of their worth, job allocation became an intensely personal experience riddled with issues of pride and status. As Granovetter (1973) observed, strong ties between workers can be a barrier to employment if they increase the selectivity of recruitment within employer-sanctioned parameters. The high numbers of suicides amongst this cohort testifies to the intensity of these emotions (Birnbauer, 2004).

For those seeking work in non-aviation specialisations, in contrast, Ansett-based social networks frequently smoothed the path to re-employment in secure, primary sector jobs. Ansett workers colonised large hierarchically-organised workplaces with similar employment conditions and organisational norms as Ansett (such as hospitals and government departments) and snowballing patterns of recommendation attracted additional Ansett recruits. Here, employers valued the loyalty, demonstrated skills and positive attitude that 'Ansett people' brought to their workplaces. As a result, the long-established correspondence between primary sector work and primary sector workers flourished.

Overall, during the first two years after the collapse, Ansett-based networks had positive impacts on the likelihood of recruitment into quality jobs for workers who opted to leave the aviation sector but negative impacts in aviation specialisations.

These different outcomes arose not from Ansett's reputation or the strength or proximity of the workers' social networks *per se*, but from the different organisational strategies of different segments of capital, their different responses to collective sentiments and their different uses of Ansett's social networks.

4.4 Workers' Aspirations

In the worker surveys, three quarters of aviation-qualified respondents (74.9%) and just under half (47.7%) of the former less skilled service workers had aspired to resurrecting their pre-collapse career path by finding a new job in the aviation industry. Because they act as a summation of workers' accumulated experiences in the family, the education system and the workplace, aspirations 'influence(s) how the individual interprets his or her interests, forms her or his preferences, and how she or he determines the best means by which to satisfy these preferences' (Gatens, 1998, p. 9). This produces a strong interrelationship between who people are (their gender, class, race and age) and what they want. In the context of the Ansett collapse, workers' self-reported aspirations may be interpreted as rational assessments of labour market opportunities or as *post-hoc* rationalisations in the face of insurmountable barriers. Either way, they framed the scale and scope of each individual's labour market interactions; in particular, the scale and scope of job search. Because they define the intentionality of the embodied worker and her position in social and economic space, aspirations express the relationship between individuals and the multiply-scaled and structured contexts in which they live and work.

Aspirations divided the Ansett workforce into three subgroups. The first included workers that were committed to continuing in an aviation-sector career. They were predominately male, prime age workers with aviation-specific skills. Most were also their household's primary breadwinner. The second group included workers who were

committed to an occupational specialisation that was transferable to other sectors of the economy (accountants, for example). The third and residual group comprised workers with lower occupational and sectoral aspirations. They tended to be either older or younger workers, often from less skilled Ansett occupations, who saw themselves as having little chance of finding work in the aviation sector. The latter group included people with strong place attachments who understood that continuing employment in aviation may not be possible given the change in the location of aviation jobs and the preferences of remaining firms. These expectations defined the spatiality and scale of labour markets in which former Ansett workers searched for jobs. Continuing in an aviation career implied a wide job search, engagement with the national structure of demand, and probable relocation. Low expectations, on the other hand, were associated with a geographically narrower search range. The middle group with non-aviation objectives had greater spatial flexibility—since they were targeting a range of non-aviation labour markets—but generally their search was pitched at the metropolitan scale. Most former Ansett workers had made a decision about their willingness to relocate fairly early in their search, prior to encountering any actual job offers. As has been shown elsewhere, these decisions usually reflected domestic circumstances (Hanson and Pratt 1991). Older workers, especially those with teenage children negotiating their final years of schooling, were the least likely to consider relocation. Mature women generally were unwilling to relocate for employment reasons. Nonetheless, since actual migration was usually accompanied by the take-up of a new job, it is important to recognise this allocation as a dual process: first workers' willingness to consider jobs at scales beyond the 'local'—that is, to compete in non-local markets—and second, an employer-governed offer of employment that instigates actual relocation.⁶ Two and half years after the collapse, only 25 people

responding to the survey had relocated for employment reasons, and most of them were skilled singles taking up relatively highly paid jobs.⁷

As time passed without suitable re-employment, different subgroups of workers adjusted their strategies and expectations in different ways. Younger workers tended to extend the geographical range of their search, while older workers and women with household responsibilities tended instead to expand the range of the jobs—defined in terms of occupation, sector or seniority—they were willing to accept within a confined search area. These opposite scaling strategies can be interpreted as an expression of matching processes that nudged workers' aspirations toward employer preferences. The process through which workers 'adjusted' their expectations to the market's realities underpinned the legitimacy of the job reallocation process. Still, some workers avoided reworking their preferences, and instead 'jumped out' of the competition. Some (younger) women treated their unexpected career break as a catalyst to starting a family. Some (older) skilled men became independent subcontractors in their area of specialisation: their scale of engagement remained national or even global, but they now competed in product markets rather than labour markets. Others left the market by turning a hobby into a pre-retirement business. In this study, mature age skilled men rarely allowed themselves to be reallocated into the local (in their eyes, low status) labour market.

Aspirations strongly predicted the likelihood of former Ansett workers having returned to aviation industry employment by April 2004 (Table 2). In the short term, when local markets were flooded with Ansett retrenched workers and as workers with dependent children were forced to take on any job available, location and household circumstances (dependent children) were influential predictors of employment outcomes. But later, as the competition for jobs intensified, fixed structural

characteristics (age and gender) and aspirations (which were age and gender-typed) become more prominent.

Table 2 Logistic Regression of Outcome 'Aviation Sector Job'

Predictor	df	September 2002		September 2003		March 2004	
		B	Sig.	B	Sig.	B	Sig.
Location (Victoria)	1	-.287	.025				
Dependent Children	1	.330	.010*				
Aviation Aspirations	1	.446	.000*	.670	.000*	.774	.000*
Age and Gender	3				.007*		.005*
Younger Men				.526	.012*	.467	.027*
Younger Women				-.400	.126	-.295	.250
Older Men				.541	.029*	.676	.006*
Older Women (ref)							
Constant		-.207	.110	-.366	.023	-.364	.025

Source: Survey of Former Ansett Airlines Employees.

Note: Contrasts compare effects of categories to the average effect. Results after stepwise elimination. * indicates significant parameters. Variable(s) entered: Location (Victoria or Not), Aviation Specialisation, Age and Gender Group, Skill, Tenure at Ansett, Dependent Children, Breadwinner, Aviation Aspirations. For additional information see Author (2004).

In aggregate, differences in skills, reputations, social networks, aspirations and mobility worked to identify the younger, more committed workers who would have an opportunity to continue working in their chosen career.

4.5 Remaking the Social Division of Labour

As these choices were repeated in numerous recruitment events, Australia's national aviation labour force reconfigured. Initially, consistent with firms' spatial arrangements, jobs moved from Victoria (and the less populated States) toward Queensland. By the 2006 Census, however, Qantas had established its budget competitor, Jetstar, and created a large number of (marginal, insecure) jobs in

Victoria. New South Wales, the only location still dominated by negotiated industrial agreements, had become the net job loser. Figure 3 shows that the effect of occupationally-specific scales of recruitment produced gender and occupationally-specific spatial restructurings of aviation employment.

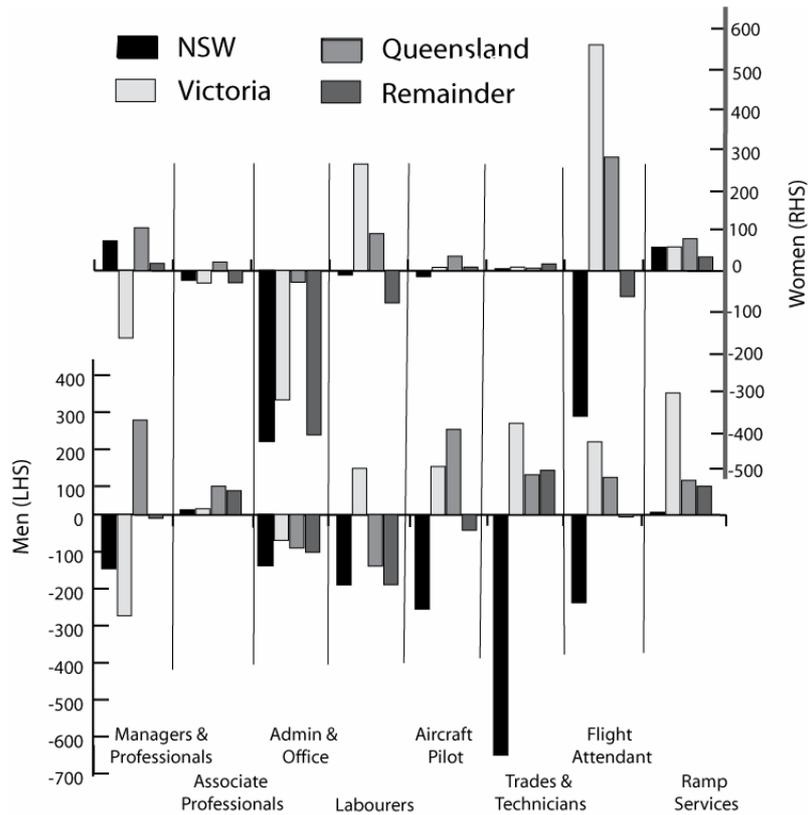


Figure 3: Employment Change by Occupation and State, 2001 to 2006

Source: Unpublished ABS Census Data

Moreover, although the technical nature of aviation sector work did not change significantly between 2001 and 2006, the median age of workers in key aviation specialisations fell relative to natural ageing (Table 3). This confirms that new jobs in the aviation industry were mainly filled by a new workforce, and not re-allocated to former Ansett employees. In Queensland, where Virgin Blue dominates employment,

the median age of pilots, flight attendants and ground staff actually fell in absolute terms, suggesting that employment strategies had favoured (younger) new entrants.

Table 3 Changes in Median Age of Workers in Selected Aviation Occupations

	New South Wales			Victoria			Queensland		
	2001	2006	Diff.	2001	2006	Diff.	2001	2006	Diff.
Aircraft Pilot	37	41	+ 4	39	39	0	40	39	-1
Maintenance Engineer	38	40	+ 2	40	42	+ 2	41	43	+ 2
Ramp Services	39	40	+ 1	38	37	- 1	40	37	-3
Flight Attendant	36	41	+ 5	33	35	+ 2	34	33	-1

Source: Unpublished ABS Census Data.

These data confirm the survey evidence that although employment in the aviation industry recovered numerically after the Ansett fiasco, employer prerogative ensured that only younger, skilled ex-Ansett workers found their way back to aviation sector employment. Recruitment processes not only created a new, marginal workforce that was excluded from the protections of internal labour markets, but also worked to deepen occupational segmentations toward an employer-favoured ideal.⁸

5. Labour Markets and Scale

The power relations that saturated these job reallocation processes used and articulated multiple, inter-related dimensions and scales of labour market interaction. For aviation firms, the Ansett collapse created an opportunity to intensify labour deployment practices internally, at the workplace scale. The detail of these changes differed between firms but in general involved changes in both the labour process and

the structure of the working day. These strategies created a secondary labour market spanning multiple occupations within firms, created new social divisions between primary and secondary sector workers, and thereby promoted competitive rather than cooperative workplace cultures. Since employers' bargaining positions were enhanced by the external presence of the Ansett workforce—as living proof of the cost of job loss and the folly of 'excessive' wage demands—it is reasonable to conclude that aviation firms' attitudes to the Ansett workforce were motivated primarily by issues of labour control and authority within their existing internal labour markets.

These strategies also altered the structure of aviation's external labour markets. Firms' recruitment practices created a series of related, occupationally-specific labour markets, the location and geographical reach of which varied with firm-level control imperatives as well as with the required skill level and preferred candidate profile for each job. The timing of recruitment, the ordering of occupations in mass recruitments (new managers before new workers) and the use of Ansett-based social networks were all structured by firms to advance their labour control strategies. At recruitment, when employers' actions were largely beyond the jurisdiction of Australia's labour laws and insulated from union interference, power relations were very much tilted in the employers' favour.

The over-supply of skilled labour at this juncture empowered firms in the recruitment contest and enabled them to narrow the profile of acceptable appointees toward their ideal types. Whilst the problems of skill mismatch that are central to most explanations of labour market adjustment were certainly present, they were overshadowed by social considerations. These operated at multiple scales. Previous career trajectories bonded workers to specific labour market spaces defined by their

previous work histories. As a result, most Ansett workers had aspired to returning to careers in aviation despite the inferior wages and conditions offered to them. Regardless of their prior skills and experiences, many Ansett workers faced permanent relegation to marginal, secondary labour markets. In this case, and consistent with employer preferences, workers with the greatest passion for aviation were the ones most willing to accept diminished conditions. But it was employer preferences that determined which former Ansett workers would return to aviation sector careers. Different employers used similar recruitment methods tailored to particular occupations, creating occupational labour markets related to one another via firms' internal divisions of labour. Within these markets, the actual allocation of workers to jobs involved multiple scales of interaction. At the industry scale, workers' loyalty to Ansett hindered re-employment across the aviation sector but promoted re-employment in other sectors. At the occupation scale, the spatial and scale reach of recruitment exploited workers' uneven mobility, itself a product of social relations at the household scale (but in the context of national scale relationships between housing, social transfers and employment). The scales of workers' job search necessarily followed the scale of their target occupational labour market. As a result, skilled workers had only fleeting interactions with neighbourhood labour markets. Because recruitment processes were events at the intersection of these variously scaled activities of firms, sectors, households and social networks, they—rather than places—became the 'conjunctural' sites at which occupational labour markets materialised and reconfigured.

This politicisation of the structures of recruitment highlights the dynamic and socially constructed nature of labour market relationships. In this case, capital's empowerment in the post-Ansett reorganisation increased the separation between

labour markets in ways that narrowed workers' options and weakened the association between labour markets and places. This has wider implications for understanding labour market processes. If recruitment is the crucial mechanism through which labour markets reconfigure, and if recruitment practices can be established at a range of sites and scales depending on employer preferences and the relationship between supply and demand across industries, then labour market processes are not necessarily 'intrinsically local'. Moreover, since these processes created multiple, interdependent but essentially separate markets for each subgroup of the Ansett cohort, it is very difficult to imagine, at any scale, this workers as engaged in a single 'labour market' or a single market divided into multiple segments.

6. Conclusion: Scaling Labour Markets

By applying the lens of scale to an examination of individual workers' efforts to negotiate a path through the crisis of retrenchment, this paper has depicted the processes that produce labour markets as scaled, dynamic, socially constructed and based on uneven power relations. In contrast to the view that a series of predominately local, internally segmented labour markets are nested in regional and national structures, it has described an array of inter-dependent occupational labour markets, each with a distinctive scale of operation and geographical reach. The socio-spatial scales at which these labour markets operate were actively produced through social processes and constantly reconfigured with the changing strategies of capital in relation to labour and regulation. This suggests that understanding labour markets as predominantly congruent with territorially-defined scales limits rather than informs our capacity to theorise their operation. This example therefore challenges us to think more deeply about the spatiality of labour markets and the dimensions of the social

relations that frame employment practices. It also prompts greater consideration of the role played by power in recreating labour market structures.

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Notes

The study began as a consultancy for the Victorian State Government. The first survey in August 2002 attracted 715 respondents, 496 of whom agreed to participate in subsequent surveys. 397 people were reinterviewed in April 2004, a response rate of 74.7%. In September 2006, 304 people from the original group were located and interviewed a third time.

² Further reforms in 2004 that shifted interactions to the individual employee-employer scale are not considered in this paper (for this, see Weller 2007b).

³ An estimated 4,000-5,000 people who worked for Ansett-dependant sub-contractors also lost their jobs. They were not included in this study.

⁴ The Tribunal heard evidence that from 750 applicants in the year to September 2002, Virgin had employed only one Flight Attendant who was over 35 years of age (see Weller 2007c).

⁵ The Australian Council of Trade Unions encouraged the Victorian State Government to instigate this study. It was also involved behind the scenes in bringing together the (Fox-Lew) consortium that in January 2002 considered renewing Ansett Airlines.

⁶ In comparison to other Western countries, and as result of the structure of its housing markets, Australia has an unusually immobile workforce (Debelle and Vickery, 1999).

⁷ An unknown proportion of 2002 respondents that could not be located in 2004 are also likely to have changed address for employment-related reasons.

⁸ Contrast McDowell's (1997) finding of the opposite effect in response to labour shortages.

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