

London postal strike threatened

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A London-wide strike is likely against plans by the Royal Mail to shed between three and five thousand jobs in a restructuring of the postal service in Britain's capital. A spokesman for the Communication Workers Union (CWU) has said a strike over these plans is "almost inevitable".

The CWU statement is prompted by its understanding of how widespread anger is amongst its members, but the union does not oppose the changes being considered by the Royal mail and has avoided setting any date for strike action. Instead it has offered mild complaints that the present plans fall short of the necessary investment required to guarantee "quality of service".

It went on: "the union recognise change with the increasing competition is necessary and we also now for the first time have to deal with a regular monitoring of our performance against other postal carriers". While not ruling strike action out, the CWU said it would much prefer to "continue negotiations" with the Royal Mail over its proposals.

The problem for the union is that it is sitting on a powder keg of resentment and anger over its collaboration with the Royal Mail restructuring programme. For the past two decades, the closure or amalgamation of sorting offices has led to spontaneous walkouts by workers. The union has worked to suppress such action, while imposing increased productivity and flexible working practices

The latest is the introduction of the Way Forward agreement, agreed by both the union and Royal Mail which led to a massive cut in overtime payments relied on by workers to compensate for a poor basic wage. Bank holiday and Saturday and Sunday pay rates are to be abolished and workers will no longer receive extra money for unsociable hours in return for an 18 percent pay rise. Such was the anger at the union's agreeing to this deal that the General Secretary (post section) John

Keggie only narrowly survived a motion of no confidence (split down the middle at 9:9) at the recent CWU annual conference.

Royal Mail is now intent on reducing its dependence on large sorting offices in London, which has contributed to the company suffering its greatest ever number of days lost through strike. Recent figures show that last year postal workers accounted for nearly half the number of all strikes logged nationally—84 out of 195 disputes—up from a third of all strikes the previous year. These figures do not include numerous smaller stoppages lasting less than a day or involving 10 or fewer people.

Royal Mail has announced the closure of the Mount Pleasant sorting office, with 2,000 out of 3,500 workers facing redundancy. The office, one of the most militant in London, met the announcement with a spontaneous one-day walkout. The strike paralysed the City of London, the capital's financial centre. According to one worker "nothing came in or out". Another worker added, "People are so worried, there is a lot of fear for what is going to happen. If I lose my job, I will lose everything."

A delivery office for Greenwich and a £150 million international mail sorting centre in Langley, Berkshire, will replace Mount Pleasant. £140 million will be spent on inner London operations, including a new delivery office for the NW1 area. A new mail office in East London will replace the Whitechapel Road centre by 2002. The Royal Mail's planned £400 million restructuring programme also includes the creation of four new mail offices and three state-of-the-art delivery centres located near the M25 motorway.

Last year Royal Mail invested £200 million in new technology such as the Integrated Mail Processors (IMPs). These machines are being installed in 34 mail centres and can process 30,000 letters an hour, automatically reading and interpreting information

from both sides of a piece of mail and sort this down into a postman's round. Each one has the capacity to handle 3.5m letters a day.

Royal Mail considers the introduction of the latest Optical Character Recognition (OCR) machinery into the outer London Area imperative. Presently only 86 per cent of first class mail arrives the next day, as opposed to 90 percent nationally. OCR would cut down the time to process a letter from 60 minutes to two minutes.

The company's aim is to meet the challenge posed by rival companies.

Royal Mail announced pre-tax profits for 1998/99 of £608 million, £56 million down from the previous year despite an increase in mail volume by 4 percent. Figures over the last 10 years show that Royal Mail has become less productive than its nearest rivals, particularly Germany's Deutsche Post. In 1992 Deutsche Post only handled 78,000 items per employee per year, compared to 90,000 by the Royal Mail. In 1996 Deutsche Post's productivity had increased 35 percent to 105,000 items per employee, overtaking Royal Mail's 102,000 items per employee—an increase of only 13 percent.

Deutsche Post is already Europe's largest parcels company and has made large inroads into the British market. It owns the UK Parcels service, Securicor Omega, and has a 51 percent controlling interest in the Parcels firm DHL. Deutsche Post is set for a £12 billion flotation next month. Nearly a third of the German postal monopoly is being sold off and retail offers will take place in seven countries, including Britain. Company financial officer Edgar Ernst said “several billions” of euros would be raised through the further sale of non-core assets. For its part, Royal Mail has bought the third biggest private postal business in Germany for £300 million and only last week paid £30 million for a 49 percent stake in the Italian parcel business Direzione Gruppo Executive. The Royal Mail hopes that its restructuring will enable it to be a “leading player in a super-league of post offices” competing across the world.



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