

Britain: 30,000 job losses at Consignia

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December has seen over 40,000 job cuts announced in the UK.

On December 11, the Post Office—now renamed Consignia Plc—revealed it plans to shed 30,000 staff over the next 18 months, amounting to some 15 percent of its 200,000-strong workforce.

According to the *Financial Times*, Consignia has acknowledged the cuts would involve frontline sorting and delivery jobs, and would not exclude compulsory redundancies.

These latest losses come on top of the 10,000 jobs cut by Consignia over the last year, and form part of a restructuring plan to reduce costs by up to £1.2 billion by April 2003. The company is desperate to trim its £8 billion cost base in preparation for further privatisation.

Despite enjoying a monopoly in many areas of its operations, Consignia reported a 500 percent increase in operating losses at the end of November—amounting to £100 million. The company has been unable to reach delivery targets for first and second-class mail, partly due to delays caused by the poor state of Britain's rail system. The biggest losses have been caused by Consignia's Parcelforce Worldwide parcel delivery arm, as well as a drop in business due to increased use of email and text messaging.

Like many other essential services that have been privatised, the Post Office has been starved of investment, as successive governments took profits from the business to boost Treasury funds. With many areas of its operations now open to competition, such as parcels, the lack of investment and relatively low productivity has turned what was an average £350 million annual profit into mounting losses.

Roger Lyons, leader of the MSF union, said, "We know Consignia needs to make savings. Everyone agrees with that. It's no secret that that's been the subject of detailed discussions. But the threat of 30,000 redundancies is so horrendous on the eve of Christmas

that I have appealed to Consignia: 'Come back to the table. Let's get through Christmas without this cruel cut'."

Communication Workers' Union (CWU) deputy general secretary, John Keggie, representing the majority of Britain's postal workers, said, "Any suggestion of compulsory redundancies will lead to appropriate industrial action," but added that there would be no strikes in the run up to the Christmas holiday period.

The CWU, which claimed the announcement came as a "shock", had drawn up a voluntary agreement with Consignia to limit compulsory redundancies in face of expected job losses of up to 15,000 over the next five years.

In September, the unions signed a no-strike deal with Consignia, that has served to curb the plethora of unofficial and wildcat stoppages.

The numbers out of work in the UK rose in November for the second consecutive month, for the first time in almost nine years. The National Statistics Office reported that the number claiming unemployment benefit rose by 4,800 in November, on top of a 7,500 rise in October, taking the official jobless level to 3.2 percent. However, the International Labour Organisation's measure of unemployment put the UK rate at 5.1 percent in October, or 1.52 million people.

The Consignia announcement brings job losses so far this month to 40,000. Just some of the companies who have also announced UK lay-offs this month include:

NTL The cable television and phone operator brought forward plans to cut 2,000 staff next year, taking its total lay-offs this year to 4,000. The financially troubled company is saddled with £12 billion in debt, accrued through a series of buyouts and an extensive cable-laying programme.

BT The leading British telecommunications company has confirmed it will shed another 4,000 employees

from the company's 115,000-strong workforce by 2003. Some 9,000 staff have already lost their jobs in the last two years. A spokesman said the jobs would be divested through "natural wastage," saving BT £850 million.

Manchester Airport is set to lose around 800 jobs. 600 workers employed by aircraft maintenance company FLS Aerospace will go, as part of the company's worldwide cutback. The Irish company plans to cut 25 percent of its entire workforce, largely as a result of the decline in air travel following the September 11 attacks in the US.

In a move that has sparked widespread criticism, the airport has said it will shed up to 200 staff employed on security duties, in order to cut costs. An airport spokesman said that between 100 and 140 permanent employees could be made redundant, with further cuts in temporary and part-time staff usually taken on in the busier summer period.

Devonport Naval Dockyard The Ministry of Defence (MoD) is reviewing its warship maintenance and support programme, threatening up to 600 jobs at its Plymouth dockyards. A series of union meetings has been held, with up to 1,000 workers attending, to discuss the possible privatisation of MoD work at the yards.

Rolls-Royce A further 400 jobs are to be cut at the company's Hillington factory near Glasgow, with 40 posts also going at nearby East Kilbride. These latest lay-offs come after last month's announcement that engine-makers Rolls-Royce was cutting 4,000 UK jobs, blaming the downturn in the airline industry.

Alcoa The US-owned aluminium producer plans to close its two Welsh sites next year with the loss of 227 jobs. The closure of its facilities in Dolgarrog, North Wales and in Swansea in the south is blamed on a drop in demand for its products, largely from the airline industry.

Vodafone The mobile phone company has announced 215 job cuts at its Newbury plant in Berkshire. This follows a total of 650 lay-offs revealed in October.

Britannic The life assurance and pensions firm plans to shed 250 jobs in Glasgow following its takeover of Alba Life. The company says 150 of the affected posts would be relocated to Britannic offices in England.

The Daily Telegraph The newspaper has seen sales

stagnate while advertising revenue has fallen. On November 10, the workforce was told that up to 40 editorial staff would lose their jobs. The cuts at the *Daily Telegraph*, along with its Sunday sister paper, are the latest in a long line of newspapers to shed staff as advertising sales have slumped throughout the media.



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