

Local government employees in Britain strike to defend pension provision

For a European-wide strategy to defend workers' social gains

By Socialist Equality Party (Britain)
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Today's strike by more than one million local government workers in Britain testifies to the deep well of opposition to the Labour administration's ongoing destruction of vital welfare provisions.

The government wants to remove the right of local council employees to retire at the age of 60 on a full pension if their age and years of service total 85. The changes to the Local Government Pension Scheme (LGPS) are to come into force in October, affecting disastrously the lowest paid employees in the most stressful and physically demanding jobs.

One in 10 people in the UK are covered by the LGPS, to which they contribute 6 percent of their incomes. Just over 70 percent of LGPS recipients are women, with more than 60 percent working part-time. The average pension for women on the LGPS is barely more than £30 a week, while 75 percent of all LGPS pensioners receive less than £96 a week.

Many of those who have voted to go on strike are no longer directly employed by the local councils, but retained their pension rights under the LGPS when their jobs were privatized.

Such is the hostility to the proposed changes that members of 11 public sector unions voted to strike. But anger and industrial militancy are not enough to defend the essential social needs of working people. A political perspective is needed.

Such a perspective must take as its point of departure the recognition that the defence of pensions cannot be conceived of as a purely national task, let alone as a sectional dispute confined to local government workers. It must be pursued as an international offensive on behalf of workers throughout Europe.

The attack on pensions by the Labour government is driven by a global financial oligarchy that dictates all aspects of social and economic life. This super-rich elite cannot and will not allow any section of workers to hold on to their past social gains because they are intent on establishing an ever-lower international benchmark for wages and conditions so as to maximise corporate profit.

This is what lies behind Prime Minister Tony Blair's insistence that British workers must be made competitive with those in China and India. The same demand is being repeated across the continent as governments of all political complexions attempt to dragoon workers into a divisive struggle of each against all so as to offer their national workforce to the major corporations as the cheapest and most productive.

The scale of the attacks being conducted is unleashing a wave of class struggles across Europe. There are ongoing strikes across the public sector in Germany. And today's strike in Britain coincides with ongoing mass protests throughout France against new legislation that will strip young workers of any employment protection.

But international solidarity is anathema to a bureaucratic caste that is intent on helping maintain the competitive advantage of its own governments and the employers. As far as the British, French and German trade unions are concerned, they will act to ensure that the political equivalent of the Channel separates the protests as they work to prevent these struggles from developing into an open confrontation with the big business policies of the European bourgeoisie.

Workers must face up to the extraordinary political degeneration of the official labour movement in every country. Various left-talking union bureaucrats have described today's action as the biggest since the 1926 General Strike. They would do well to avoid such comparisons, for it only draws attention to the treacherous role played at the time by the Trades Union Congress, as well as to how far the unions have travelled since then.

The general strike saw over 3 million workers take on the Conservative government before the TUC sold out the dispute after just nine days, leaving the miners isolated. It was a seminal lesson for masses of workers who looked to the unions as a means of defending their class interests.

Today, the trade unions no longer represent in even the most partial form the interests of working people. Indeed one cannot

conceive of a situation in which they would contemplate mounting a general strike in defence of a section of workers, or do anything that fundamentally bucks the demands of the employers.

Last year the unions called off a proposed strike against the government's attack on LGPS in order not to damage Labour's chance of re-election. They then organised a one-day strike, scaling back a planned two-day protest, without any consultation. The aim is to let off steam, before doing a deal with the government and the employers. What such a deal would consist of is made clear by the unions' boast that they have already helped generate £6 billion in savings by getting workers covered by the LGPS to give up 25 percent of the lump sum to which they are entitled.

This is what the TUC means when it pledges to "build pensions consensus" by creating a "permanent Pensions Commission" that would be "above the day-to-day pressures of party politics." The union bureaucracy repudiates a political struggle and argues for consensus at the point when class antagonisms have reached unprecedented sharpness, and under conditions where the ruling elite insist that no compromise is possible.

It is a measure of the trade unions' lack of any real intention of opposing these attacks that it has limited action to the public sector. In the private sector pension provision has already been gutted. About 400 company pension schemes have gone under, leaving little or no compensation for those that paid into them for years.

British Airways is only the latest company to announce that its pension scheme is virtually bankrupt and that its employees must work longer for lower pensions in order to plug a £2 billion black hole. The total deficit for all UK employers is now at £150 billion and companies are insisting that workers must shoulder all the burden of old-age provision. Most employers have closed their final salary schemes to new employees, leaving just 3.5 million workers covered—1 million less than 10 years ago. This creation of a two-tier system has gone entirely unopposed by the trade unions.

The trade unions are seeking to confine workers to a perspective of trying to pressurise the government into backing down. This only serves to deceive and disarm workers as to the gravity of the threat they face.

The Labour Party is the avowed political representative of big business. It prides itself on its readiness to impose the demands of the major corporations in the face of popular opposition and its indifference to the impact of such measures on working people.

Only this month Blair refused to compensate 85,000 workers who lost all or part of their company pensions due to insolvency, even after Parliamentary Ombudsman Ann Abraham ruled that the Department for Work & Pensions was guilty of misleading workers over the dangers of taking up private provision. He ruled this out on the grounds that

compensation would "set a precedent of extraordinary financial proportions."

Things do not end there. In future the retirement age is to rise to at least 68, before which no one can claim the paltry state pension. Such is the precarious state of personal finances, with millions lacking virtually any provision for their old age, that the majority of people will have to work until they die. Indeed, the constant refrain of the government and the employers is that adequate pensions can no longer be afforded because workers are living too long.

Nothing could better illustrate the incompatibility of the essential interests of working people with the profit system. Every day brings reports of record profits for the major corporations, while Chancellor Gordon Brown boasts of securing sustained economic growth. But instead of benefiting from this increase in wealth, the vast majority of the population are called on to accept a constant erosion of their living standards so that a tiny handful at the apex of society can grow even richer.

The material basis for providing all of life's essential requirements exists in abundance. But to do so the productive forces must be freed from the constraints of private ownership and reorganised to meet social needs.

The essential prerequisite for the defence of the social gains of working people is the building of a new socialist party. Such a party must take as its strategic axis the independent political mobilisation of the working class across national borders. It must reach out to workers across the continent, advancing the perspective of the United Socialist States of Europe as the only basis for reorganising the whole of society in the interests of working people.

Only a party that functions as an international organisation can conduct such a struggle. The Socialist Equality Party, the British section of the International Committee of the Fourth International, is such a party. We call on all those workers and youth seeking a way forward to read the *World Socialist Web Site*, discuss and distribute its analysis, and take the decision to join and help build the SEP.



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