

# Britain: Postal workers set for first national strike in 11 years

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Britain's postal workers are set to hold their first national strike in 11 years on June 29. The strike was called by the CWU (Communication Workers Union) after pay talks between the union and management at Royal Mail collapsed.

Postal workers employed by Royal Mail have recently voted by more than a three-quarters majority to take industrial action.

The union is in dispute with Royal Mail over a 2.5 percent pay offer for delivery workers and threats to cut 40,000 jobs. Some 5,000 CWU members working in Post Offices were also balloted in protest at planned closures, pay and the moving of post offices inside stores of the high street retailer W H Smith. Cash handlers, who deliver money to post offices, also voted to strike.

Royal Mail employs nearly 193,000 people and delivers 84 million items of mail to 27 million homes and businesses every day, which amounted to sales of £9.1 billion (US\$18.1 billion) last year.

Postal workers face a major struggle against an opponent that is determined to win at all costs, but under a union leadership that wants nothing more than a shabby compromise that will help Royal Mail achieve its objectives and that it can impose on its members.

Contingency plans for the present strike have been put in place by Royal Mail, but these are being kept secret. A spokesman stated, "The company will use every resource in our power to keep the service going." In the past, this has meant using managers and casual workers as strikebreakers.

The language used by representatives of Royal Mail as it prepares for confrontation is extraordinary. One executive was quoted as stating, "This will be bloody. We have had the miners, we have had Longbridge [car factory strike in the 1970s] and now we have this." Another executive described the likely strikes as "the tipping point" in Royal Mail's history.

At stake for workers and the company alike is an ongoing restructuring programme that must involve ever-greater attacks on jobs and working conditions. A former chief executive of the Royal Mail, Bill Cockburn, now deputy chairman of a rival private postal firm, Business Post, called on the business to be split along similar lines to British Telecom saying, "Royal Mail must accept the reality of competition and drive innovation on the wholesale rather than being defensive over a part that is not sustainable."

British Telecom was privatised in 1984, and within three months, more than 80,000 jobs were shed. Post Office privatisation has remained difficult due to the militancy of postal workers and overwhelming public opposition. However, with the help of the CWU bureaucracy, the government has been able to do everything short of privatisation.

In a recent survey, just 29 percent of workers said that they felt

valued by postal management and 21 percent said they had witnessed bullying and harassment by managers.

In 1986, the Post Office was split into four separate businesses—one of which, the Royal Mail, was further restructured in 1992, reducing 64 postal districts to nine divisions, with significant job losses.

In 1999, the Labour government's trade secretary, Peter Mandelson, put forward a new commercial structure, which involved "the most radical set of reforms since the modern Post Office was created in 1969."

The Labour government opened up UK postal services to full competition on January 1, 2006—three years ahead of the deadline demanded by the 1997 European Union Postal Services Directive to reduce the monopoly held by national postal carriers and open up postal markets to competition.

By speeding up deregulation of the Royal Mail, the government has attempted to position the company to take advantage of the European postal service market, which is worth some 80 billion euros a year and involves the delivery of 135 billion items.

Royal Mail claims that since postal markets were opened up for full competition in January 2006 it has lost 40 percent of the business mail market, which accounts for 90 percent of Britain's mail. It claims rivals are 40 percent more efficient due to the introduction of new technology. They also pay their workers at least 25 percent less money.

Now Crozier says, "We are losing business because we have failed to change and modernise—as a result, our costs and therefore our prices are higher than those that rivals are charging in the intensively competitive business mail market."

Royal Mail Chairman Allan Leighton adds, "As ever, we are listening hard to our people but this is not a popularity contest. Change is difficult for everyone—and we understand that—but we have no option but to become a modern, efficient business if we are to compete and thrive in today's competitive marketplace."

While it is clear that the Royal Mail is prepared for a protracted battle (some commentators say the strike could last three months), the same cannot be said for the CWU. From day one, the union has worked to prevent the strike, which it called reluctantly only because of the mounting anger and frustration of the workforce.

The CWU made its position clear, "Again CWU made it clear that we wanted fresh talks. We explained that we were not against modernisation nor had we asked for a 27 percent pay rise. We told Royal Mail that they needed to take their employees with them and change needed to be underpinned by raising postal workers pay."

The union has complained that it has not been allowed by Royal Mail to conclude a pay deal similar to the one accepted by workers in

Royal Mail's parcel division, Parcelforce. The union has pointed to its past close collaboration with Royal Mail, which has allowed for the imposition of cuts in working conditions and increased productivity. The head of the CWU, Billy Hayes, recently boasted that postal workers are "irreplaceable today. In 2005, Royal Mail workers delivered 99.7 percent of the previously reserved mail. In 2006, Royal Mail workers delivered 99.8 percent of the previously reserved mail."

For years, the union has collaborated with Royal Mail management and the Labour government to sell modernisation and efficiency agreements to postal workers, saying they would benefit from the savings accrued from the radical restructuring of the company—with many of the ideas originating in the CWU's own proposals for an Independent Publicly Owned Corporation. Union leaders have become involved in an annual ritual of threatening strikes, only to call them off at the last moment. This has allowed profits to soar, but on the other side, postal workers have seen their jobs slashed and wages remain amongst the lowest in the UK.

Royal Mail has converted a pre-tax loss of £1.1 billion in 2002 into a record £355 million profit in 2005. Yet, postal workers are on a basic weekly wage of £323 and need a rise of £14.53—twice the current offer—to keep up with inflation. Latest government figures already show that postal workers are paid less than the average wage and that the gap has widened.

A recently released parliamentary Trade and Industry Committee report, "Royal Mail after Liberalisation," showed how the efficiency savings have been at the expense of workers' jobs and conditions.

The report notes that since the efficiency agreement was signed in 2006, 33,000 full-time workers and 25,000 temporary workers have lost their jobs, and at least another 30,000 could lose their jobs over the next couple of years. It adds that the Royal Mail has been able to introduce "changed working practices in 1,400 delivery offices and the jobs of all its front-line staff" whilst reducing the number of days lost by strike action from 100,000 in 2003 to less than 4,000 in 2005.

The CWU has also paved the way for backdoor privatisation by promoting share ownership through so-called "colleague shares" and the promise of dividends worth up to £800 if performance targets within individual business units and across the group as a whole are met.

One thing is clear: Workers who buy shares will have no say in how the company will be run, as the shares have a non-voting clause. And past experience shows that such shares usually end up in management hands within a few years, after they are sold by cash-strapped employees.

The globalisation of trade and industry has undermined nationally based postal monopolies and forced them to compete at home and abroad against their international rivals. The enormous growth of e-mail has forced letter services internationally to cut costs and improve efficiency and create new markets for parcel deliveries via Internet shopping. British Gas has recently announced that it will launch a campaign to coincide with the postal strike in order to persuade 1 million customers to convert to paperless billing through the Internet.

This has been disastrous for postal workers, plunging them into a fratricidal struggle from which only management and shareholders benefit. Customers have also suffered. According to Jon Pedersen of UNI-Europa (representing unions across Europe), "Ten years of postal liberalisation in Europe have so far meant fewer postal outlets, fewer mail boxes and longer distances to access the post. For workers in the postal sector it has meant fewer jobs, precarious employment and downward competition on wages-wage dumping. All this has been

contrary to EU [European Union] promises."

As a result of privatisation in Sweden, 25 percent of post offices have closed and postal jobs slashed from 70,000 to 38,000. In Italy, jobs have fallen from 220,000 to 150,000, while at Deutsche Post, where the postal network has been partially privatised, jobs have more than halved—from 306,000 to 150,000. In Holland, TNT Post, the former Dutch monopoly mail operator, said it is cutting 7,000 jobs and freezing pay. In New Zealand, the same process saw 43 percent of jobs disappear.

The CWU has pointedly refused to link the struggle of British postal workers to that of their European brothers and sisters.

A large number of European states such as France, Germany, and Italy have urged caution in the rate of liberalisation. These nations have said that too-fast deregulation is threatening the Universal Service Obligation—i.e., door-to-door delivery anywhere in the respective country. But governments also fear that liberalisation is causing growing unrest amongst postal workers across Europe. While strikes in countries carrying out postal liberalisation are few and small at the moment, this could soon change.

There were recent coordinated strikes of postal workers in 300 cities throughout Europe. Workers were protesting against postal deregulation, job cuts and attacks on working conditions, a clear indication that there is an objective for a joint European offensive of postal workers. But this will not be realised, other than in the form of token protests to let off steam, under a union leadership committed to the success of its employers and its national economy.

The fundamental requirement of any struggle to defend jobs and services is for postal workers to organise themselves independently of the CWU bureaucracy and to reject any and all calls for compromise with management based on supposedly shared interests in the success of the company.

The interests of postal workers in Britain are the same as those in Europe and internationally—the defence of their jobs, wages and conditions from the constant drive *at their expense* for higher share values and a greater market share. A new socialist perspective and a new leadership must therefore be built within the workforce, to organise an independent political struggle against the CWU and the Labour government and their counterparts across the Channel.



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