

As bosses' pay soars

Britain: Government and media rail against “selfish” strikes

Julie Hyland
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A number of industrial disputes in recent weeks have provided an invaluable insight into the tense state of class relations in Britain.

A strike by maintenance workers on the London Underground earlier this week met with overwhelming hostility from the government and the media.

Prime Minister Gordon Brown condemned the action as “wholly unjustified,” demanding that the strikers “get back to work as quickly as possible. There is nothing that can be any excuse for this action, which is disrupting the life of London,” he said.

His attack was backed by London’s Labour Mayor Ken Livingstone who said the dispute was “bizarre” and “inexplicable.” Not to be outdone, Conservative Transport Secretary Theresa Villiers repeated Brown’s insistence that the strike was “wholly unjustified,” stating that the Rail, Maritime and Transport (RMT) union—of which the maintenance workers are members—were “holding London to ransom” and “just trying to throw their weight around.”

The media too depicted the maintenance workers as little more than greedy, undeserving wastrels. Whilst some lamented that it was not possible to just sack all 2,300 strikers, the *Times* attacked the dispute as an example of “selfishness and brinkmanship” that had “inflicted terrible disruption on millions of people and cost the capital huge sums in lost business.”

In reality, it is Labour’s big business agenda—which is shared by all the official parties—that is responsible for the “terrible disruption” of the capital.

The strike was caused by the collapse of Metronet, which was awarded the multibillion contract to maintain and renew track, tunnels and signalling just one year after Labour came to power. The deal was part of Labour’s Public Private Partnership (PPP) initiative, aimed at the backdoor privatization of essential public services.

Through such schemes, billions in public funds were handed over to private capital as Labour claimed this was the only way to maintain vital infrastructure such as the London Underground. Subsequent developments have confirmed that it is impossible to sustain a decent, universal transport system on the basis of private profitability. Just six years before, Railtrack plc—the infrastructure company formed by the Conservatives out of the privatization of the national rail network—was forced into administration, with

billions in debt.

Metronet likewise had built up debts of at least £2 billion, threatening the effective collapse of a transport network on which millions depend. With no guarantee for the future of their jobs, conditions and pension rights, maintenance workers voted overwhelmingly for strike action.

The idea that they should seek any such securities is considered outrageous by the ruling elite. Writing in the *Evening Standard*, Dick Murray denounced the RMT for “misleading its members in making them think they have any more right to future guarantees of their income and job security than anyone else who has worked for a company which went bust. It’s brutal, but it’s capitalism.”

While workers are meant to meekly resign themselves to the catastrophic consequences of this “brutal ... capitalism” and be damned, the banks and major corporations are under no such obligation. As the government and the media insisted London Underground maintenance workers should accept the possible loss of their jobs, conditions and even the pension funds they had paid into for years, Livingstone and Transport for London (TfL) were at pains to reassure the City that £750 million would be made available to the administrator until new private contracts were in place.

The invective deployed against the maintenance workers’ strike is by no means unique. Just one week before, the very conservative Prison Officers Association (POA) became the target of similar vitriol when it organized a 24-hour wildcat strike.

The fact that this was the first strike in the union’s history did not stop the *Daily Telegraph* denouncing the POA as “one of the last of the old-fashioned, unreconstructed militant trade unions.”

Within hours of the surprise walkout, the government sought and obtained a court injunction against the strike, as the *Times* demanded that Brown “Talk Tough and Mean It.”

The prime minister “faces a winter of mounting discontent,” it warned—with reference to the industrial strike action that brought down the Labour government in 1978/1979—from “public sector unions that are furious that the pay rises they had come to expect as their birthright are now in decline.”

It insisted that “the country cannot afford to concede.... This is a time for confrontation, not appeasement.”

The *Times*’s war-like rhetoric and its references to the winter of discontent are significant.

The POA walkout was caused by the government's decision to ignore the recommendation of the independent pay review body for a 2.5 percent increase in prison officers' salaries, imposing instead a staged increase of 1.5 percent in April and the remaining 1 percent from November (a total of 1.9 percent). The government has imposed similar pay awards across the public sector—which employs almost 6 million people, approximately 20 percent of the UK workforce. National Health Service workers, civil servants and local government employees have all been told they must accept staged pay rises, amounting in most instances to less than 2.5 percent over two years.

With the retail price index currently running at an annual rate of 4.2 percent, this amounts to a significant pay cut in real terms. Nevertheless, the *Times* sister paper, the *Sun*, editorialized that “the public sector has never had it so good,” demanding that it was time “to show responsibility and restraint.”

Richard Lambert, director-general of the Confederation of British Industry, warned Brown not to “recant” in his “forceful” insistence on public sector pay restraint.

On queue, Brown denounced the prison officers' action, arguing that “disciplined” pay awards are “an essential part of maintaining economic stability, and we will do nothing—nothing—to put that at risk.”

The stipulation that millions of workers must accept cuts in pay in the national interest comes against the backdrop of soaring salaries for Britain's top bosses, which have risen by 37 percent this year, 10 times the national average. One report pointed out that the top chief executives now earn some 98 times more than their employees and 276 times the national minimum wage.

More than half of Britain's 50-plus billionaires pay little or no tax on their wealth, while almost one-third of the country's leading businesses paid no corporation tax in the year 2005-2006.

In contrast, wages grew at an average of just 3.6 percent over the last year—the slowest in more than five years—while the incomes of the poorest 20 percent of the population have fallen by 0.4 percent.

This is under conditions in which house prices now average £200,000 (£300,000 plus in London), with the consequence that mortgage repayments take up more than 50 percent of take-home pay. As working people find it increasingly difficult to make ends meet, indebtedness has spiralled. With five increases in interest rates in the last year alone, the total stock of consumer debt owed by British families now outstrips Britain's gross domestic product at £1,345 billion to £1,330 billion. The ratio of household debt to personal income is 1.62 in the UK, compared with 1.42 in the US, 1.36 in Japan and 1.09 in Germany.

At first glance, the *Times*'s reference to a “winter of discontent” might seem incongruous. In the winter of 1978/1979, millions of workers were on strike against the imposition of a wage freeze, in a militant movement that paralysed the country. In contrast, the recent strikes have all been separate and have involved several thousand workers.

But the political mouthpieces of big business sense that a sea change is under way. They recognize in the recent strikes a challenge to the prevailing orthodoxy that growing social inequality is a natural and inevitable state of affairs, about which nothing can, or must, be done. They know that such a challenge, if

not suppressed, can rapidly escalate.

The trade union bureaucracy is equally aware of this development and unequivocally hostile to it.

The crucial difference between today and 1979 is that the Winter of Discontent came at the beginning of a process in which the traditional organizations of the working class—the Labour Party and the trade unions—began to shed any connection with the class interests of working people. Labour Prime Minister James Callaghan's imposition of austerity measures dictated by the International Monetary Fund and his insistence that it was no longer possible to “spend your way out of a recession and increase employment by cutting taxes and boosting government spending” met with mass opposition that could still find limited expression within the trade unions.

Over the last three decades not only has the Labour Party completed its transformation into a right-wing, big business party, but this process has been matched by the trade unions, which today act as a straitjacket on their members in order to impose the dictates of the major corporations.

In the case of the maintenance workers' dispute, the RMT suspended the strike less than halfway through its intended 72-hour course, despite having secured no firm guarantees as to their members' jobs and security. The POA suspended its own strike just hours after its commencement in return for “meaningful discussions” and the Communication Workers Union also suspended further 24-hour postal strikes without explanation.

These events have served to expose the unbridgeable chasm between official political circles—including the trade union bureaucracy—and the essential social interests of working people.

The defence of jobs, conditions, pay and pensions can only be conducted as part of a mass social movement, independent of and in rebellion against both the Labour Party and the trade unions. Such a movement requires above all a political strategy based on the recognition that the class interests of working people are objectively in conflict with the interests and requirements of the profit system, and can only be pursued on this basis.

The new forms of organization and the elaboration of such a strategy cannot be arrived at spontaneously. They require the building of a new socialist leadership in the working class—the perspective fought for by the *World Socialist Web Site*.



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