

Post workers face political struggle against Royal Mail/Labour government offensive

Socialist Equality Party (Britain)
11 October 2007

This statement is also available in pdf format to download and distribute.

Unofficial strike action broke out at several postal sorting offices across the UK early Wednesday morning in response to deliberate provocations by Royal Mail.

The company's actions are driven by its efforts to impose significant cuts in jobs and pension rights, as well as flexible working that will leave postal workers at the beck-and-call of management.

Some 130,000 postal workers were due to return to work at 3:00 a.m. Wednesday morning, following the second official 48-hour strike in one week. The strikes, which have paralysed the UK's postal service, were called after Royal Mail made clear it would not back down on its demands for "total flexibility," with the loss of tens of thousands of jobs coupled with massive cuts in workers' pensions.

But postal workers in some sorting offices returned to find that management had arbitrarily changed their work shifts. Those reporting for their shift at 5:00 a.m. were told to go home as they would not be able to start until 6:00 a.m.

Unofficial stoppages at district offices in Liverpool soon spread to the main sorting office at Copperas Hill. Action also took place at branches in east and south London, Lancaster and Glasgow.

Royal Mail denounced the "unlawful and unofficial strike action" and demanded that the Communication Workers Union (CWU) condemn it. The CWU dutifully complied, with a spokesman declaring, "We are not supporting this action at all, and we are encouraging people to get back to work and support the official action which starts next week."

The CWU had called a series of rolling strikes for next week after eight days of talks between it and Royal Mail ended without agreement. The threat of further strikes caused a furore in the media, attacking "greedy" and "selfish" postal workers, and a war of words between Royal Mail and the CWU, with the company's chief executive, Adam Crozier, describing the union's description of the new changes as "slavery" as "cobblers."

Denouncing "restrictive practices" as incompatible with "the modern world," Crozier complained that Royal Mail staff were paid 25 percent more than workers in other postal firms, but were less efficient. "All we are asking is that people work the 37 hours, 20 minutes, for which they are paid," he claimed.

In reality, Royal Mail is demanding far more. It is seeking to rip up existing contracts so that it can determine who works where and

when.

"Total flexibility" will mean managers are able to change shift times at will, and the company has the right to permanently change working hours with just seven days' notice. The aim is the introduction of annualised hours, in which workers can be called when necessary for shifts of up to 13 hours in duration, without overtime, and sent home early during quieter periods.

Such changes, combined with the introduction of digitalised technology, will lead to the loss of at least 40,000 jobs. Managers will also be able to determine who gets what duties, regardless of training and experience.

In return, workers have been offered a two-year below-inflation pay deal of 6.7 percent.

Behind the bitter war of words between Crozier and the CWU, the union has gone a long way towards acceding to the conditions demanded by Royal Mail. Crozier said that the talks had been near to agreement on pay and pensions, with only the issue of flexibility outstanding.

A statement by the union seems to bear out this claim. "Real progress has been made in many areas," it said, but denied that a final agreement had been reached. That any progress was made should be of extreme concern to postal workers. Royal Mail has made plain it has no intention of backing down, so any concessions can only have been made on the part of the union.

The implications are dire. Royal Mail's demands on pensions amount to legalised robbery. It plans to close its final salary pension scheme to all members; transfer existing and new staff to a scheme linked to "career average" earnings; and raise the standard retirement age from 60 to 65 from 2010.

Royal Mail maintains that the move is necessary in order to tackle the £6.5 billion deficit in its existing scheme. But this is due in no small part to the company having earlier taken a 17-year contribution holiday. Under the new plan, it is estimated that a 30-year-old employee with 10 years' service will lose almost half his or her pension entitlement—a fall to £8,764 per year from £15,260.

The company's decision is virtually unprecedented. While many firms have closed their final salary schemes, few have done so to existing members. The move has implications far beyond postal staff. No doubt emboldened by Royal Mail's actions, Siemens announced it would also end its final pension scheme to both existing and new members.

This takes place amidst reports that the recent global market

turmoil has seen the collective surplus of almost 8,000 pension schemes cut in half—from £51 billion in July to £27 billion in August. Workers bear 100 percent of the investment risk in the new schemes. The advisory company Mercer has said that “most employees will get more pension through state benefits than their occupational plan, which may come as a surprise to many.”

For its part, the Unite trade union, which represents 12,000 managerial staff, has already struck a deal with Royal Mail on a 2.5 percent pay rise, an increase in the retirement age from 60 to 65 and the closure of the existing pension scheme to *new* members.

Making the cynical claim that by restricting pension changes only to new employees, the union had protected “£1.5 billion worth of pension benefits for Royal Mail staff,” a Unite spokesman said, “We will support it [the pension changes], rather than fight it. It is the right thing to do given the state of the business.”

Not only has this treachery enabled the company to make important inroads against Unite’s own members. It has, in the words of the *Times*, enabled Royal Mail to head “off war on two fronts,” after managers had threatened strike action over pensions that would have coincided with the recent national stoppages.

It is a matter of speculation as to whether the CWU’s claim of “progress” in the recent negotiations is in reference to a similar agreement on existing pensions. But given that it shares Unite’s priorities of the “state of the business,” any such agreement could be revoked at a later date. And should further cuts be demanded, both unions would collaborate with management—provided that they succeed in demobilising opposition in the workforce.

Wednesday’s provocative actions by Royal Mail confirm that, for its part, the company is determined to up the ante and to mount a wide-ranging offensive against postal workers in order to achieve its ultimate objective—privatisation.

This week, the European Union (EU) finalised proposals for the deregulation of postal service across Europe from 2011, opening the way to a competitive scramble across the continent.

The EU’s liberalisation package has led to increased demands from business leaders that the government bite the bullet and sell off Britain’s postal service. The *Financial Times* wrote, “Royal Mail needs fundamental change that will not happen as long as it stays in the public sector.... In the meantime, commercial realities mean modernisation cannot be put off.”

Writing in the *Guardian*, Scottish Socialist Party member and professor of industrial relations Gregor Gall said that Royal Mail is set on “reforming confrontation,” creating the conditions whereby it can impose “management diktat” and compete with the private-sector companies by putting the “workers, and their terms and conditions (pay, hours and pensions), under the cosh.”

But while pointing out that the government, as the single shareholder in Royal Mail, “could have prevented or stopped this dispute at any time it wished,” Gall claimed that Labour “does not want to intervene in the dispute to resolve it, for that would mean tipping the scales in favour of the CWU—something it and Royal Mail do not want”.

The CWU’s aim in response, Gall said, must be to “increase its leverage on the government to intervene to end the dispute on

terms favourable to it” through the re-imposition of the “public-service ethos.”

Gall’s argument deliberately echoes that of CWU general secretary Billy Hayes, who complained that government money is “being squandered” by a company “intent on privatisation,” and that government abstention was encouraging corporate “wreckers” who have “no public service values.”

The attempt to draw a distinction between the company and Labour is just so much sand in postal workers’ eyes.

The Labour government leads the “wreckers.” It is the party of big business whose sole aim is the redistribution of ever more wealth away from working people to the rich through the dismantling of public services and cuts in wages and conditions.

There is no “public-service ethos” that Labour, with sufficient pressure, can be made to reimpose. Besides financing Royal Mail’s plans, and making privatisation of public services its own political objective, Brown intervened directly against postal workers on Monday, denouncing their strike as an “unacceptable disruption” and demanding an immediate return to work.

Postal workers are in a fight to the finish. Nothing can be defended unless they break out of the straitjacket being imposed by the CWU. What is required is an independent political and industrial offensive against not just Royal Mail, but its sponsors in parliament.

To mount such a struggle demands the creation of rank and file committees that will reach out to workers faced with similar attacks throughout Britain and to postal workers in Europe who also face the threat of privatisation.

Above all, workers need their own party, which, on the basis of a socialist programme, will fight to reorganise economic life so that social need, not private greed, is the central principle.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact