

# Britain: GMB trade union works with JCB to slash jobs and pay

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Following an agreement between the GMB (Britain's general trade union) and the construction equipment manufacturer JCB, thousands of workers voted to accept a concessions contract including 170 job losses and a pay cut of £50 week.

In the aftermath of the government bailout of the banking system in Britain and the onset of a major recession, the deal agreed by the GMB is an early indication of the role being played by the unions to ensure the working class shoulders the full burden of the economic crisis through job losses and attacks on pay and conditions.

Some 2,500 workers employed at seven JCB plants in England and Wales voted by just over a two-thirds majority to work a four-day, 34-hour week for a minimum of six months.

In October the firm announced that it was to cut production at its British operations by 19 percent with the loss of 500 jobs. The company said this was necessitated by a slump in demand for its products, due to a marked slowdown in the construction industry internationally.

The company announced pre-tax profits of £187 million last year. JCB employs 5,500 UK workers at 11 UK factories. Internationally the firm employs more than 8,000 people, with operations in more than 150 countries. It is the world's third largest manufacturer of construction equipment.

The ballot conducted by the GMB fully supported JCB's proposal for layoffs. It gave workers only two options: Either vote to remain at 39 hours and see 500 redundancies or vote for short-time working and accept 170 redundancies.

Speaking about the deal, GMB officer Keith Hodgkinson said, "I am delighted that we have been

able to save 350 jobs. The vote shows the social solidarity of trade union members in action".

In an attempt to cover the union's exposed rear, he continued, "The short time is part of a worsening recession and these GMB members expect the government and the Bank of England to take the necessary steps to begin large-scale public works to at least slow the recession down and prevent it getting too deep".

The 170 jobs that will be lost as a result of the latest GMB deal comes after hundreds of earlier job losses. In early October JCB announced that, following talks with the union in July, 436 redundancies had been made across its factories in Rocester, Cheadle, Uttoxeter, Rugeley, Foston, near Derby, and Wrexham. Of those, 213 were compulsory, while 223 were voluntary and were carried out in full consultation with the GMB.

On October 14 the company announced, "Consultations over job losses announced at JCB's Midlands plants in July have now been concluded. As a result there have been 379 redundancies, of which 184 were voluntary, 195 compulsory."

GMB union convenor Gordon Richardson said of the deal, "The number of compulsory redundancies has been kept to a minimum. It's not very nice for those that have had to go, but some have taken the opportunity to be retrained or take early retirement.

"Everyone has worked extremely hard both on the GMB and HR side to reduce the number of compulsory redundancies".

In other words, the union has ensured that the company has been able to carry through the job losses required with the only sticking point being how many workers would be compulsorily laid off and how many forced to take early retirement.

For big business the JCB deal is a critical one. Last

week the employers' trade association, the EEF, reported that almost 10 percent of manufacturing companies had deferred wage rises this summer. This was the highest level for five years in the proportion of companies postponing rises. The association also found that there had been an overall increase on the number of firms imposing pay freezes.

As the role of the GMB shows, the trade unions will play the role of demanding the workforce accepts such attacks.

The GMB/JCB agreement demonstrates the intimate ties between the trade union bureaucracy and big business. The "solidarity" that the GMB embraces is that of the trade union bureaucracy with the government and the financial and commercial oligarchy. As the JCB deal shows, the trade unions will do everything in their power to impose job losses, pay cuts and to tear up existing contracts.

The importance of the JCB/GMB deal to the ruling elite was confirmed in an article that appeared in the right wing *Daily Telegraph* on October 30. Headlined, "Pay cuts to save jobs' could be way to go", the column enthused over the details of the agreement.

The agreement "could be the forerunner of similar arrangements in other companies faced with rapidly declining order books", it stated.

"The duration of short-time working and the size of the pay cut will influence attitudes towards a repetition of the JCB pact with its 5,000 employees but the extent of trade union co-operation could play an important part," the *Telegraph* continued. "There will be variations on the JCB approach between both sides of industry as short-time working becomes more extensive."



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