

Report exposes false claims of British unions' "Britons First" campaign

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A report issued February 17 by Britain's Advisory, Conciliation and Arbitration Service (ACAS) exposes as false the central claims of the GMB and Unite trade unions in the recent dispute at the Lindsey oil refinery in North Lincolnshire.

The dispute began on January 28 when workers staged unofficial strike action at the refinery. The dispute centred on the employment of Italian and Portuguese workers by IREM, an Italian sub-contractor that made a successful bid to construct a desulphurisation unit at the Total Oil refinery in Lincolnshire.

Within 48 hours, the action had spread to several dozen refineries, power stations and energy plants around the UK. The strike ended when an agreement was reached between Total and the unions providing that about 100 jobs would go to British workers.

Although the strike was nominally unofficial, it was fully supported by the unions, which promoted the reactionary slogan "British jobs for British workers." The unions claimed that IREM discriminated against "local" labour by only employing their own Italian and Portuguese workforce. They alleged that its bid was unlawful and had been won only because it was undercutting the pay and working conditions of British workers.

Following the strike, ACAS was asked by the Secretary of State for Business, Enterprise and Regulatory Reform to conduct an inquiry into the various allegations made by the unions regarding the subcontracting arrangements of the Italian company IREM.

Whilst exposing the claims of the unions as untrue, the ACAS report is generally sympathetic towards the dispute and the position of the unions.

The inquiry report first explains the origins of the dispute and states: "Shaw and Jacobs [the original contractor] reached an agreement that in order to complete all aspects of the project in the required timescale it would be beneficial for Jacobs to engage an additional subcontractor to complete specific aspects of the project. A new tendering process was carried out and in December 2008 IREM, an Italian company, was appointed to carry out the work that had been taken from Shaw Group as part of the recovery plan."

ACAS details that IREM was one of seven companies bidding for the contract. "All of the companies were European and five were based in the UK," it states.

The report states categorically that IREM agreed to adhere to the National Agreement for the Engineering Construction Industry as part of the terms of the contract. ACAS states that the firm "in submitting a tender, would be implicitly accepting that all of their workers on site would be employed on the terms and conditions set down in the National Agreement for the Engineering Construction Industry

(NAECI), including their pay."

The European Union's Posted Workers Directive allows companies to win contracts in another "host state" on the basis of undercutting wages and conditions, but the ACAS report makes it clear that that this was not the case at Lindsey.

For the British trade unions, this dispute was always based on their opposition to the fact that the contract, which was initially won by a British company, was then awarded to an Italian firm. For the GMB and Unite, the loss of the Lindsey contract represented a threat to the survival of UK construction firms with which they collaborate and to the competitiveness more broadly of British capitalism. It was only after the UK firms had lost the contract to IREM that the unions began their right-wing campaign in defence of "British jobs."

The concerns of the trade union bureaucracy and their frantic efforts in defence of competing UK companies, once it became clear in mid-December last year that IREM had won the contract, are detailed in the ACAS report.

On this issue ACAS states: "The unions had a number of concerns about Jacobs' decision to use IREM." The report continues in Point 9: "The unions were concerned that IREM planned to employ overseas labour only. The unions believed that UK-based workers had the skills and experience to work on the project for IREM and should be given the opportunity of applying for the jobs."

Addressing these concerns, ACAS states: "They were also told that the contract with IREM would be commercially different from that relating to Shaw Group and that IREM was not planning to employ UK workers for their core activities because they had an existing permanent workforce. The unions were advised that IREM workers would be paid the rates and allowances determined by the NAECI agreement and applied across the site."

The report explains that the unions were heavily involved in attempting to ensure that the contract was instead given to a British firm on the grounds that the Italian bid gave IREM an "unfair competitive advantage."

The ACAS inquiry documents the major concerns that the unions put forward, which initially centred on how the IREM policy on tea breaks and travel time for the workforce had made their bid more competitive than the British ones and were therefore "unfair."

Point 10 of the report states: "Specifically, they were concerned that there was no provision in the contract with IREM for its workers to take paid 'tea breaks,' which was a condition that had to be met by UK companies applying for the tender. The time of a tea break may seem small, but when multiplied by several hundred workers over the period of a contract for several months it can mount up to a considerable saving of time and, therefore, money."

On the other contention of the unions, ACAS said: "The unions also felt it was unfair that IREM workers would be preparing for their shift before travelling to the site, unlike other workers whose time spent putting on protective clothing, etc. was counted as part of their shift. This would enable IREM to make a bid on the basis of their workers being more productive. Given that the contract was being awarded on a lump sum basis of a fixed number of hours in which to complete the job, the above was felt by the unions to give IREM an unfair competitive advantage."

Addressing these issues the report continued: "The management stated that it had linked the tea break to the midday lunch break to create a longer lunch break. Such arrangements are permissible under the NAECI agreement. Management also clarified that all workers on site are required to be changed and dressed in their protective workwear prior to clocking in for work."

Regarding the pay of the IREM workers, ACAS stated that it had seen the necessary contract paperwork that committed the company to pay its employees the standard rates received by construction workers in Britain.

ACAS concluded that its "inquiry found no evidence that Total, Jacobs Engineering or IREM have broken the law with regard to the use of posted workers or entered into unlawful recruitment practices."

The claim on the part of the unions that their campaign was based on defending trade union rights and pay and conditions was a fraud. As the ACAS document demonstrates, the major concern of the trade union bureaucracy was to ensure that a British construction firm won the Lindsey contract.

Unite makes this agenda explicit in its own documents. A recent document, available on the Unite web site in the name of the National Engineering Construction Committee (NECC) and entitled "National Agreement for the Engineering Construction Industry Wages & Conditions Review 2010," spells out the right-wing nationalist agenda of the bureaucracy.

Authored by NECC Secretary Tom Hardacre, it draws attention to the UK government's plans to decommission existing power stations and build new ones, saying it "will mean that the UK engineering construction industry will be under the microscope like never before."

The review states that current estimates suggest that "ten new nuclear power stations could be built on or around existing sites at a cost of around £3 billion each, whilst each project will create approximately 6,000 jobs."

It concludes that it is imperative that these projects are won by British firms and states, "Even the most casual observer will eventually come to the realisation that, in the long run, over-reliance on migrant or posted workers is unsustainable."

The document then proposes what amounts to the future imposition of a no-strike deal on such sites, while warning about the damage that "any deterioration in industrial relations" will cause to the industry.

"Every possible effort needs to be made to ensure that the UK engineering construction industry provides an attractive and stable working environment that will recruit and retain the most highly skilled workers in sufficient numbers to ensure the industry continues to flourish.

"Any deterioration in industrial relations will only serve to make this challenge an uphill struggle. A stable industry with a solid framework of support for its operatives is the only practical way

forward for all of us."

In the light of this document and the ACAS report, the perspective of the trade unions and their campaign at Lindsey is clear. The unions are offering to prevent strikes and hold down the pay and conditions of their members so that British engineering construction firms can compete internationally. The unions have become advocates for British capitalists and are attempting to convince their members that they and their employers have a common interest in protecting the national economy.

It is not only the unions that have drawn such conclusions. This week, the government's business secretary, Lord Mandelson, announced a review into UK construction industry productivity in the wake of the unofficial strikes. Mandelson said that its remit would be to "draw up clear recommendations for ensuring that British companies and workers are fully equipped for vital future jobs in industries like nuclear new-build and the other large-scale engineering construction work, thus ensuring that those jobs and that innovation come to the UK."

This economic nationalism can only facilitate trade conflicts, and ultimately military conflicts, in which workers are sent to slaughter one another on the basis of defending "their" national interests. This is the logic that underlies the "Britons First" campaign.

See also:

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