

Britain: Postal workers strike against job losses

Paul Bond
19 June 2009

This article is also available in PDF.

Thousands of postal workers across London and parts of Scotland are taking part today in a two-day strike after a 91 percent vote in favour of strike action.

In London, up to 1,600 workers could lose their jobs and others are threatened with being downgraded to part-time positions. The entire postal service faces massive cuts in connection with its planned partial privatisation. The Communications Workers Union (CWU) has threatened a national ballot for industrial action if no progress is made in negotiations by July 2.

The Labour government continues to push for the sell-off of 30 percent of the Royal Mail to private companies, despite overwhelming public opposition. Facing the most devastating economic crisis since the 1930s, it is responding by slashing public services by around £26 billion and passing the cost on to workers. The Royal Mail privatisation plan has the support of the Conservatives and the Liberal Democrats.

Last Thursday, shortly before the CWU ballot was announced, Business Minister Pat McFadden told Parliament that the government remained “committed” to privatisation. McFadden pledged that the government would speed up passage of the bill through Parliament, confident that a rebellion by backbench Labour members of Parliament will come to nothing.

The CWU was reluctantly forced to call today’s limited strike after its appeals for collaboration with management and the government came to nothing. The overriding concern evinced by the CWU and Labour MPs is not the fate of workers’ jobs and livelihoods, but the survival of Gordon Brown’s premiership and of the Labour government.

On June 8, Brown was able to face off a leadership challenge, thanks in no small part to the support of “left” MPs, who had led a more broad opposition to the

privatization of Royal Mail. First Secretary of State Peter Mandelson made a vague pledge to delay the planned privatization, but only if bids fell short of expectations. Labour MPs proclaimed this formulation as a victory and rallied behind Brown.

The next day, CWU Deputy General Secretary Dave Ward offered the government a three-month moratorium on industrial action if Royal Mail entered into “meaningful negotiations.” Ward said this was a time of “maximum vulnerability” for the government and Royal Mail, but rather than the union using this to step up pressure on the government, as it could have, it offered a “useful cooling-off period” to discuss “a joint Royal Mail-CWU vision of ... modernisation.”

In other words, the CWU offered its services in rationalising the service, providing that Royal Mail accepted the union as a partner in keeping the workforce in line.

The CWU presents “modernisation” as a more commercially viable option to privatization. In reality, privatization is not presently an attractive option, given the depth of the economic crisis. So far only one company has indicated it could meet the £2 billion (\$3.28 billion) asking price for Royal Mail. If Labour chooses to go ahead, it will do so by staging the equivalent of a fire sale that could prove politically damaging.

But whether privatisation goes ahead according to the government’s plan or the CWU’s appeal is heard, the onslaught on postal workers will be accelerated. The company has already announced plans to cut costs and improve productivity. Human Resources Director Jon Millidge has written to staff warning of a possible pay freeze. The company is also considering closing the pension scheme unless the government takes over responsibility for it.

The pension fund is one of the biggest financial problems at Royal Mail. Its deficit stands at nearly £6

billion and could soon rise to as much as £9 billion, in no small part due to successive Conservative and Labour governments taking pension “holidays.”

Royal Mail management has tried to pass the buck for this deficit onto postal workers. In 2008, the final salary scheme was abolished. New workers had to accept a “money purchase fund,” and all existing members of the scheme were moved to a career average scheme. Royal Mail also raised standard retirement age to 65, looking to cut its pension contribution rate from 30 percent of staff salary to about 11 percent.

The government has tried to use the pension deficit as a lever to force through privatisation. Ministers have stressed that the pension fund will not continue to be underwritten by the taxpayer unless a private buyer is found for Royal Mail.

Labour has made it clear that it cannot afford a compromise with postal workers, just as it did with the recent London Underground workers strike. It considers that to do so would set a dangerous precedent, given its plans to slash around 350,000 jobs in the public sector. McFadden told the press, “We did not set out to pick a fight with backbenchers or the trade unions, but we have a responsibility.”

Postal workers fighting privatisation and seeking to defend their jobs face a combined offensive by management, government, the opposition parties and the media. And they are led by a bureaucratic union apparatus that continues to act as a fifth column for Royal Mail.

At the end of the 2007 dispute, the CWU reached an agreement with Adam Crozier, chief executive of Royal Mail, brokered by Trades Union Congress leader Brendan Barber. The “big pillars” of management’s demands were secured by this agreement. Workers were told to return to work under conditions the CWU had previously described as akin to “slavery.”

The deal paved the way for the overhaul of the pension arrangements just a few months later. The CWU conducted a consultative ballot on these changes, but made no provision for strike action. As the current dispute began, the Royal Mail said they were “only putting in place changes ... already agreed with the CWU as part of the 2007 deal.”

Even as today’s strike goes ahead, the CWU bureaucrats have demonstrated their desire for a rotten compromise. The CWU’s press statements criticise management for failing to work with them on the modernisation plans agreed in 2007 and complain that by refusing “to negotiate change with the CWU” the

company is blocking further change and jeopardising “a sustainable business model for Royal Mail that could survive a change of government.”

The biggest concern expressed by the CWU is that workers might break out of the straitjacket it has imposed on behalf of management. “There is growing unrest across the country,” writes Ward, “as Royal Mail tries to impose damaging cuts and changes without the input of union reps.”

To underline his message to the company, he adds, “The future of the business must be safeguarded through careful planning, not shooting from the hip.”

At this month’s CWU conference, delegates passed an emergency motion calling on the government to “immediately remove the threat of privatisation.” But a motion to cut funding to union-sponsored MPs who refused to oppose the Postal Services Bill was defeated, and the conference did not discuss motions proposing disaffiliation from the Labour Party.

A successful struggle against privatisation and job losses depends on postal workers taking the dispute out of the hands of the CWU apparatus and mobilizing politically against the Labour government and its big business backers. Independent rank-and-file committees must be established to coordinate action with workers across the whole postal sector, Tube workers and others who face similar attacks.

Such an industrial offensive can succeed only if it is linked to a socialist political strategy that rejects the capitalist market as the basis for organising economic and social life, and places social need above corporate profit. We call on all workers who want to fight for such a programme to contact the Socialist Equality Party.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact