

Britain: Communication Workers Union sells out postal workers

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Postal workers should vote decisively against acceptance of “Business Transformation 2010 and Beyond,” the agreement worked out between Royal Mail (RM) and the Communication Workers Union (CWU).

The CWU called off the national strike last year and has enforced a no-strike agreement ever since. For the past four months it has participated in closed door meetings with management—chaired by Trades Union Congress representative Roger Poole. Its agreement to the confidentiality clause and the drawn out nature of the talks is because RM remains unchanged in its main objectives. The problem for the CWU has been how to package an agreement antithetical to its members’ interests. Secrecy is being followed by deception.

CWU Deputy General Secretary Dave Ward said in announcing the agreement, “We have always said that we couldn’t face away from change. The agreement recognises the reality of automation, competition and the financial challenges facing the company, but it does so in a way that puts the interests of CWU members at its heart. Both sides have committed to improving industrial relations and ensuring a more positive working relationship in the best interests of everyone at Royal Mail.”

RM chief executive Adam Crozier stated, “It is a credit to all those involved—both the company and the union—and I’m grateful for all the hard work. I’m also grateful to Roger Poole for his help and support over the last few months.”

The CWU has signed up fully to RM’s “modernisation” agenda—a euphemism for implementing automation in the interests of cost cutting and maximising profits in preparation for further privatisation. The CWU has restored its negotiating rights within the workplace, on the basis of its functioning as an extended arm of management.

The union is even to be re-organised to service the business requirements of RM. The agreement states, “A more positive role with genuine involvement will require the CWU and its representatives to recognise the environment the business operates within, commit to the success of the company, and adopt quicker and improved decision making. The CWU has advised Royal Mail that it will reform its internal structures to facilitate this.”

The CWU aims to fully integrate itself into the structure of management through a series of joint national and local committees in order to make sure the agreement is enforced. For its services the CWU can expect to receive regular financial support from the company. The section, “Modernisation—A Shared Vision” states, “Royal Mail will support the CWU by providing an appropriate level of agreed release and facilities to allow accredited representatives to carry out their roles and support effective industrial relations. This will be underpinned by a professional financial relationship with funding arrangements on a more consistent footing.”

The financial support from the company will enable the union to offset the decline in income from its members, caused by mass redundancies and workers leaving in droves.

The 80-page “Business Transformation 2010 and Beyond” is a dense text replete with company-speak, aimed at burying the real implications of the agreement. What can be deciphered completely contradicts the sound bites from the CWU and RM:

- Job security. This claim is based solely on the proviso that compulsory redundancies will be avoided. Over the last eight years 60,000 jobs have been cut on the basis of voluntary redundancies. The rationalisation plan for mail centres is an essential part of the agreement. The figure of 50 percent closures is avoided, but the CWU has accepted the inevitability of closures and “significant” job losses. Figures of between 12,000 to 20,000 job losses have been referred to elsewhere. The agreement defines the CWU as assisting RM achieve “the goal of managing headcount reduction without leaving unresolved surplus.” The agreement makes amendments to Managing the Surplus Framework (MTSF), clearly aimed at accelerating job losses by removing the age criteria for voluntary redundancy. The travel expense payments for those redeployed are enhanced in anticipation of closures.

- Fair workloads. The wording of the agreement allows for an extension of delivery spans without limits. The automation of the sorting process under the terms agreed will mean postal workers spending longer trudging the streets with heavier loads.

- Family friendly policies. The agreement means longer Saturdays for those working in Delivery. This would reverse the existing agreement on shorter Saturdays as it becomes part of a six-day work plan. In relation to the shorter working week,

there are no details of the terms in which the one-hour a week reduction will be implemented. It makes clear that this will be conditional on productivity increases.

- **Pay increase.** The hourly pay increase of 6.9 percent over three years is below the rate of inflation—2 percent from April compared to 3.5 percent inflation. Those in Delivery will be the worst affected because of the new terms of payment for door to door (D2D). The existing payment per number of items delivered would be replaced by a flat weekly rate of £20.60. The supplement would phase out early shift allowance for full-timers, which is worth £12 a week. Part-timers would be even more disadvantaged, as their payment would be moved onto a pro-rate basis, meaning they receive half the pay for the same work—losses in weekly pay of approximately £20 to £30. Delivery staff will be forced to do more work for less pay as the cap of three items of D2D a week would be lifted. The agreement identifies this as a growth market.

The lump sum of £1,400 over three years is the repackaging of money due to postal workers through ColleagueShare scheme. The first £400 instalment of this lump sum is the dividend due to be paid this year. It has merely been brought forward and made conditional upon accepting the agreement. The other three instalments have “triggers,” which means productivity strings.

Divide and conquer is a central feature of the agreement. In Delivery part-timers will be paid less than full-timers for delivering D2D. Both will suffer a pay cut that other grades will not be subject to, and the bulk of job losses will be borne by those in the mail centres. The agreement also divides postal workers on a unit by unit basis as attendance patterns and duty structures can be determined more by local agreement.

The automation of the sorting and delivery process will mean fewer jobs and the increased exploitation of a downsized workforce. The closure programme for mail centres will also free up opportunities for a real estate bonanza. The question of developer interest is referred to in the section of the agreement on mail centres under review. One example of this is former site of the Brunswick Road depot in Edinburgh, which RM has applied for permission to convert into 400 flats and townhouses.

The customer constantly referred to by RM and the CWU is big business. In all, 86 percent of letters are sent by companies, with 50 companies accounting for 40 percent of mail. While RM remains a publicly owned company, parts of the network have been opened up to private mail companies through deregulation introduced by the Labour government. The private mail companies do not have the same responsibility as RM under the Universal Service Obligation (USO), which imposes standards for access, collection and delivery. Through Downstream Access (DSA) the private mail companies can cherry-pick the more lucrative parts of the network, collecting bulk mail from businesses, sorting and transporting it to RM to deliver the final mile. This is the most labour intensive part of

the operation. It is estimated that RM undercharges the private mail companies by two pence an item. More than one in three letters delivered by RM is DSA. Many of the private mail companies have no interest in competing for this side of the business for precisely this reason. As Guy Buswell, CEO of one of Britain’s largest private mail companies, UK Mail, told the *Financial Times* recently, “Who wants to compete if the prices are good enough?”

The expansion of the service into the junk mail market is singled out as an essential part of “the vision.” RM will become a distributor of company flyers that the majority of households do not want and postal workers have to deliver for less pay.

Rejection of the agreement entails far more than voting “no” in the ballot. Time and again postal workers have come forward to oppose the attacks of RM, only to see their efforts thwarted by the CWU. Once again the CWU has proven to be the main obstacle to fighting RM. Its role as an industrial policeman in the workplace is supplemented by its political subordination of postal workers to the Labour Party. It has maintained the political levy to a party that has launched wave upon wave of attacks on its members and that has enabled deregulation to go forward in preparation for privatisation.

Postal workers should establish rank and file committees to unite all grades and regions of the network independently of the CWU. This new form of workplace organisation must be linked to a broader perspective of unifying the fight of postal workers with those throughout the public sector against the austerity program of the Labour government. What is required is a socialist programme and leadership, opposed to all efforts to force workers to shoulder the burden of the economic crisis.



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