

# British Telecom workers to ballot for strike

Vicky Short  
16 June 2010

The Communication Workers Union's annual conference in Bournemouth decided unanimously at the end of May to ballot its members in British Telecom (BT) for strike action. The CWU represents almost 60,000 BT workers in the UK in call centres, engineering and retail and an all-out strike would halt Internet and telephone connections around the country.

Ballot papers are due to be sent out on June 18, but BT workers should be under no illusion that the CWU intends to fight to defend its members' pay and conditions. The union has been forced into the vote due to the anger amongst BT workers. Following a wage freeze last year, which resulted in soaring profits for BT, workers are demanding a 5 percent increase. Management is offering just 2 percent.

In response to a revised BT offer, which reportedly includes a 2 percent increase this year and 3 percent in 2011, the union announced that it has written to the company, "indicating a willingness to meet to discuss the revised offer on the assumption there is scope for significantly improving the 2 percent increase in base pay in settlement of the 2010 pay claim."

The union accepted last year's freeze on pay and savage changes to working conditions. Through "Project Holborn" it agreed to allow BT to put engineers on short weeks, unpaid leave or on loan to other telecom companies. It also agreed to the loss of 35,000 jobs over two years.

Moreover, the union entered into a new agreement with BT to alter the terms of its pension scheme, which saved the company around £100 million a year. The new terms saw the retirement age increased from 60 to 65 years, larger contributions from employees to the scheme and a switch from a final salary-based pension to a career average that would mean a considerably lower pension for retirees. The group's final salary pension scheme has been closed to new members since April 2001.

As a direct result of this assault on jobs, wages and conditions, BT ended the year to March with cost savings of £1.75 billion and profits of well over £1 billion. This was in contrast to the previous year's £244 million loss.

At the same time, while workers are being presented with a 2 percent pay rise, BT's chief executive, Ian Livingston, responsible for the decimation of jobs and conditions since his appointment in June 2008, is set to receive an annual bonus of £1.2 million. This is more than three times larger than last year's payout of £343,000, taking his total salary to £2.1 million a year. He will also collect £1.2 million worth of shares if he stays with the company for three years.

Another 40,000 BT managers will also receive bonuses. The finance director, Tony Chanmugam, and chief executive of BT Retail, Gavin Patterson, each collected £1.1 million in pay and bonuses last year. They have been granted pay rises of 7.4 percent and 5 percent, respectively.

Hanif Lalani, who was chief executive of Global Services, which dragged BT into a huge financial deficit, was given a £131,000 termination payment and will be paid the rest of his £585,000 annual salary and £195,000 benefits if he does not take another job this year.

Patricia Hewitt, the former Labour government health secretary who now sits on BT's board of directors and chairs a committee that determines employees' pay, has seen her remuneration rise to £128,000 from £75,000 for just a few days a month.

That BT management can behave in such arrogant manner is entirely due to the CWU's role; its collaboration has enabled the corporation to enjoy significant profits at workers' expense. The CWU now complains because BT has not provided them with a small fig leaf to hold in front of its members.

Cynically, the CWU telecoms section passed a

resolution complaining of the failure of BT “to adequately reward the contribution made by CWU members to BT’s ongoing financial recovery”. Listing all the attacks on workers that have enabled BT to restore its profits, Andy Kerr, deputy general secretary of the CWU, said, “This is blatant double standards ... Staff at BT has borne the brunt of the cost savings through redundancies, changes to pensions and a pay freeze. All we’re asking for is a fair share of the profits as a pay rise.... We have no problem with senior executives receiving bonuses, but we want all staff to share the success of the company”.

The fact that the decision by the CWU to ballot for industrial action has been headlined in the media as the first possible strike in 25 years, under conditions in which the workforce has been more than halved, points to the long-time role of the CWU as BT’s assistant.

The CWU bureaucracy’s collaboration with BT goes back to their betrayal of the struggle against privatisation, threatened in 1982 and carried out in 1984. The CWU’s predecessor, the National Communications Union (NCU), played a vital role in diverting opposition to the Thatcher government’s proposal to privatise BT into one of helping the newly privatised BT cut costs to make it competitive in the world market. No opposition was mounted to BT’s rationalisation of its operations, known as Project Sovereign. Under that reorganisation a new company emerged, which employed only two-thirds of its workforce.

The destruction of jobs began with the contracting-out of non-core services, such as security, catering and cleaning. BT workers found themselves transferred to contract companies at much lower rates of pay and conditions, as the result of a union agreed deal. After an appeal for voluntary redundancies, thousands of workers were left in limbo. These so called “supernumeraries” were driven into taking redundancy.

BT redrew contracts, job descriptions, working spaces, shifts, etc., and devised cost-cutting exercises to undercut and bankrupt their competitors. The union bureaucracy presented its alliance with BT against its competitors as the most “realistic” way to defend jobs, pay and conditions. But for more than 20 years the union has presided over the destruction of more than half of the jobs at the company: from a total of 245,665 in 1990 to 112,000 today.

The corporatist collaboration of the CWU is not confined to BT. Royal Mail (RM), in which the Post Office and BT were once joined together in the same publicly owned company, is to impose the “Business Transformation 2010 and Beyond”. This paves the way for job losses and attacks on conditions in preparation for Royal Mail’s privatisation.

For its betrayal of last year’s postal workers strike, when workers were forced to return to work just before Christmas under the terms of an interim agreement that contained a no-strike clause, the CWU union bureaucracy was restored to its semi-official position as the Royal Mail’s industrial police force.

The agreement allows for the CWU to be financially rewarded for services rendered to Royal Mail. It states that the relationship between the CWU and RM “will be underpinned by a professional financial relationship with funding arrangements on a more consistent footing”. Dave Ward, the union’s deputy general secretary, said, “The old ‘them and us’ mentality simply had to go.... Industrial relations have to improve and we’re all committed to that.” The CWU has even agreed to revise its own internal structures to meet RM’s demands.

BT workers should not place any confidence in the CWU, who even now are working might and main to find a way to stop the strike ballot. Workers cannot enter into battle with organisations and leaders who start from the defence of the very system that is designed to exploit them in the interest of the bosses. Working people must advance their own independent strategy and take control of the huge technological developments made over the last period and utilise them in the interest of society, not private greed.



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