British Royal Mail plans mail centre closures and job cuts

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Royal Mail (RM) has outlined plans to axe mail centres up and down the country. News of the planned closures has filtered through on a regional basis. However, it is part of a national restructuring plan that confronts thousands of postal workers with displacement or loss of their livelihoods.

The plan is the outcome of an agreement between RM and the Communication Workers Union (CWU), "Business Transformation 2010 and Beyond", pushed through in April after the union brought a halt to last year's national strike movement. The CWU pledged itself to overcome any further opposition to job losses and to greater productivity. It deliberately downplayed the scale of the planned redundancies and mail centre closures in order to push the agreement through. The CWU hailed the agreement as representing its "shared vision" with RM and claimed it provided the basis for future job security.

Instead the agreement has allowed for the closing of mail centres at an unprecedented rate, with the majority scheduled to take place within two years. The list includes:

* Doncaster and Hull to be closed and the work relocated to Sheffield. Bradford and York's work will be moved to Leeds.
* Newcastle, Middlesbrough and Darlington to be closed and work relocated to a new mail centre in Tyneside.
* Bolton, Crewe and Liverpool to be closed.
* In Kent all four mail centres are to be merged into one—with the loss of one tenth of the workforce. A spokesperson for RM has stated that this will mean 400 fewer jobs out of a total of 3,710.
* In London two of the three super mail centres are to close along with a major delivery office. Stevenage mail centre just outside London is also to be axed.

Many of these areas are already unemployment black-spots. Those offered redeployment will be forced to spend extra hours on the road travelling to and from work, in some instances reaching double figures. The distance between Sheffield and Hull is a 100-mile round trip.

Exactly how many postal workers will lose their jobs and which mail centres will eventually close in some cases remains uncertain.

The CWU has been fully co-opted into the rationalisation programme. The national agreement established a joint committee of company directors and members of the union's postal executive—the National Processing Group (NPG)—to review the closure program on a quarterly basis. The agreement described the co-operation between RM and the CWU in the cull of jobs as working to achieve "the goal of managing headcount reduction without leaving unresolved surplus."

The so-called consultation process is window dressing behind which the CWU rubber stamps company diktat. Its purpose is to ensure against any independent opposition to management plans.

Under the agreement management is meant to enter into a 90-day consultation period with the union over planned closures. Any alternative presented by the union has to be based upon outlining equal cost cutting measures. This means a bidding war in which postal workers will be pitted against each other and the reprieve of one mail centre will be at the expense of another.

The term consultation implies two sides, but the management and union have become indistinguishable. In London CWU representatives have sworn themselves to secrecy regarding the talks with management to determine the fate of Mount Pleasant,

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Nine Elms and Bow Locks mail centres and the delivery office at Rathbone Place. Both sides have invoked the commercial confidentiality clause in the agreement to keep postal workers in the dark. The announcement as to which two of the three mail centres will be announced is due on September 3.

The company is once again using the mantra of declining mail volumes as the rationale for further attacks on postal workers. RM has been refashioned from a public service to servicing the needs of big business, its main customer. Royal Mail letters more than doubled its operating profit last year to £121 million, despite a decline in revenue of £14 million. This profit has been gouged out of the workforce through cutting jobs and increasing exploitation. Last year alone it shed 9,000 jobs. While postal workers are meant to accept redundancies as inevitable, the wealth they create is trousered by the top executives. Departing chief executive Adam Crozier was paid a £1.5 million bonus on top of his £633,000 salary. The *Financial Times* commented, "It will have made him comfortably the best paid executive in the public sector, excluding the nationalised banks."

The deregulation introduced by the previous Labour government has opened up the network to private operators that are allowed to cherry pick the more lucrative areas. Downstream access has enabled private companies to collect bulk mail from businesses while transferring the final delivery to RM. Access mail accounted for 6.4 billion pieces—or one in three of all deliveries—last year. This was a 20 percent increase on the previous year.

The rationalisation of mail centres is being accelerated by the Conservative-Liberal Democrat government plans for privatisation. The government is drawing up a bill—expected for next summer—in which it will sell up to 49 percent of the state-owned operator. It has already appointed investment bank UBS to advice it with the sell-off. Its remit will be how to transform another public utility into a cash cow for the private sector. An article in *The Times* commented, "Industry insiders said that overseas pension funds or sovereign wealth funds might be interested in part-privatisation, and that private equity bidders would also be attracted by the prospect of selling off GLS, the Royal Mail's profitable £1.4 billion European parcels arm, in an auction that would tempt the likes of UPS and FedEx."

The closure and merger of mail centres is aimed at creating de-skilled sweatshops in which the sorting process will be fully automated.

The collaboration of the CWU in the closure of mail centres demonstrates once again that it acts as an extended arm of management. The national agreement even established the basis for the union to receive regular financing from the company. This is the means through which the CWU can insulate itself from the disastrous consequences of its own actions, as its membership base shrinks as a result of growing disaffection and job losses.

The working class cannot advance its interests through an organisation that has renounced the defence of the most basic rights and entitlements of postal workers and has signed up fully to the drive for increased competitiveness. This is a race to the bottom. Postal workers have come forward time and again, in national strikes in 2007 and 2009, only to be blocked by the union, which worked with the Labour government in restructuring the postal service on the basis of the profit motive.

The task confronting postal workers is to build an organisation in the workplace which is genuinely representative, rank and file committees to co-ordinate a national struggle against the mail centre closures and job losses. This must be combined with opposition to the productivity increases and pay cuts, which were forced through in deliveries as a result of the national agreement.

A determined and uncompromising struggle against mass redundancies and further cost cutting has the potential to win broad support throughout the working class. The struggle should be generalised as part of a wider movement against the austerity measures of the government, which threatens the public services upon which millions depend for their social provision and their livelihoods.

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