

Main UK unions seek to impose government attack on pensions

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Unison, Unite and the GMB unions are attempting to foist a much devalued pension scheme on local government workers.

The proposed Local Government Pension Scheme 2014 (LGPS 2014) is the end product of the unions' sabotaging of the joint struggle against the government's overhaul of the four pension schemes in the public sector—local government, health, education and the civil service. Following the national one-day strike last November, the three largest unions enforced the decision by the Trades Union Congress (TUC) to suspend all further strike action in favour of accepting the main framework of the government's attacks.

For five months, the unions and the Local Government Association (LGA) carried out secret negotiations. On May 31, the three unions produced a joint statement with the LGA and the proposed agreement. Over 1 million local government workers in England and Wales are now set to vote on the deal during July and August.

The LGPS 2014 proposes to replace the existing final salary scheme with a Career Average Revalued Earnings (CARE) scheme. The Office of Budgetary Responsibility (OBR) estimated that it would lead to the loss in value of a pension over a normal retirement age of around a quarter. As it is, the average pension payment for local government workers is only £4,200 a year for men and £2,800 for women.

The unions now claim this as a victory for the lower paid because their wages do not rise substantially over their working life!

It will be linked to the Consumer Price Index (CPI), a less comprehensive and lower rate of inflation than the

current index, the Retail Price Index (RPI). The pension scheme retirement age would be linked to the state retirement age, set to increase to 66 in 2020, 67 by 2026 and 68 by 2044, and to increase further thereafter. Local government plans are to adopt this for everyone under 55 years of age, meaning that everyone under 38 will have to work till they are 68.

According to figures compiled in 2010, employer contributions in the local government scheme were already lower than in the private sector. Employee contributions on the other hand have risen over the last four years, from 5.8 percent to 6.4 percent. Given that there was a pay freeze in three of these four years, already low-paid workers have suffered a pay cut.

To push through this rotten deal, the unions are emphasising a temporary agreement not to increase employee contributions by three percentage points for those earning less than £43,000 a year—so as to obscure their concessions and divide older and younger workers. Even this will soon be retracted as the employer overview states, "However, forthcoming cost control mechanisms mean that future rises in employee contributions are not ruled out".

The proposed 50/50 policy, in which workers can pay half of their contribution in return for half their pension, is also cynically presented as a concession to the low paid. But this is primarily aimed at stemming the number of opt-outs due to the unions' collaboration with the enforced pay freeze.

Heather Wakefield, Unison's national secretary for local government, claimed, "Under exacting circumstances, we have achieved the best possible outcome."

Brian Strutton, the GMB's national secretary for public services, added, "Jointly negotiated by employers and unions and ratified by the government, I believe the proposals strike a fair balance between all the conflicting interests we have had to take into account."

The unions' claim that the ballot is designed to allow the membership to decide is bogus. The bureaucracy has demobilised opposition through suspending strike action, entered closed talks with the LGA and then presenting the proposed settlement as a fait accompli.

Unison claims that it will not make a recommendation to the membership in the name of democracy. But this is merely an attempt to distance itself from the consequences of accepting the deal after having done everything to facilitate such an outcome.

The real attitude of all three unions can be gauged by their response to the rejection of the deal for the pension scheme in the National Health Service (NHS). Health workers rebuffed the deal in all the ballots held by the unions. But other than the token stoppage by Unite on May 10, there has been no opposing action organised under conditions in which health workers have had the increase in contributions imposed from April. Unison has said that despite the rejection of the deal in a ballot of its 450,000 members it has no mandate for further action, citing the low turnout.

The high abstention rate is because Unison is not seen as offering any credible opposition. It stated before the ballot that unless the deal was accepted, a far worse one would be imposed.

The bureaucracy's sole concern is to preserve its privileged position in bargaining away workers' pension rights and curtailing a wider social movement against the government's austerity program.

According to a report published by the GMB, there are 236,000 (10.5 percent) fewer jobs in local government in England and Wales than when the Conservative/Liberal Democrat coalition came to power. Employment in the public sector as a whole in Britain has been reduced by 424,000 (6.7 percent).

The pseudo-left groups such as the Socialist Party (SP)

and Socialist Workers Party (SWP) have provided a cover for this complete rout. Ignoring the unbroken chain of betrayals and defeats imposed by the unions, they claimed that the November 30 strike would act as a springboard for further action. Following the capitulation of the TUC last December, they promoted lobbies and protests on the pretext that it could be pressured into changing direction by the supposed "left" union leaders.

This was directed towards the official leaderships of the education unions and the Public and Commercial Services union (PCS), in which the SP and SWP hold high-ranking posts. These unions, which they dubbed the "rejectionist" unions, reject only any mobilisation of the working class against this betrayal by the TUC. They presided over a demobilisation of the working class, having called off a national strike of four unions on March 28 with only a token national stoppage taking place on May 10 between Unite in the health service and the PCS.

Their opposition has now been whittled down to a "68 is too late" campaign sponsored by Unite, PCS and the National Union of Teachers consisting of a petition and email campaign based upon entreaties to Prime Minister David Cameron.

The sabotage of the pensions struggle can only be overcome through a rebellion against the trade unions and the development of new forms of struggle, with the establishment of action committees that seek to generalise the fight against the destruction of jobs, slashing of wages in both the public and private sector and the dismantling of essential social services. Only a sustained challenge to the monopoly of wealth and political power enjoyed by the financial and corporate elite on the basis of a socialist programme can defend the essential interests of the working class.



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