

# Britain: INEOS launches assault on Grangemouth refinery workers

Steve James

21 October 2013

In an openly provocative move, the Swiss-based petrochemical transnational INEOS is threatening to close its huge Grangemouth oil refinery and chemical plant near Falkirk, Scotland in order to force through cuts in pension rights, wages and working conditions.

Some 2,600 full time and contract workers are threatened by the plans.

The company has seized on an aborted two-day strike at the plant by members of the Unite trade union as a pretext for a sharp escalation of the assault on living standards.

The strike, over INEOS' victimisation of a union convenor, Stephen Deans, followed an 81 percent vote in favour of industrial action.

Deans is the branch secretary of Falkirk Labour Party, which earlier this year became embroiled in a dispute with the Labour leadership under Ed Miliband. Deans was accused of signing up Labour Party members without their knowledge, a charge which both the police and the Labour Party investigated and found unsubstantiated. Some of those signed up were, it is alleged, workers at the INEOS plant.

INEOS appears to have seized on the allegations to victimise Deans and provoke a strike. Employed at the plant for 24 years, Deans' computer was seized and his email has reportedly been trawled for evidence relating to the Falkirk Labour dispute.

Following 16 hours of talks without agreement, Unite officials called off the strike in the face of INEOS' initiation of a "cold shutdown". Unite's Scottish secretary Pat Rafferty insisted that the strike was aborted "to protect this national asset from the scandalous behaviour of its owner."

Complex chemical plants such as the Grangemouth facility take many days to shut down and start up. The process is dangerous and fraught. By carrying out a

"cold shutdown", INEOS have effectively extended to up to one month the period in which the plant is not operating. By contrast, seeking merely a token expression of dissent, Unite sought a "hot standby" which allows production to be resumed much more easily and with far less disruption in production.

INEOS, it is now clear, are using the shutdown to pressure Grangemouth workers into accepting savage cuts to their conditions.

Director Tom Crotty has threatened that workers have until Monday night to agree to reductions in pay, pensions and working conditions. Depending on their response, a shareholders meeting on Tuesday will decide whether or not to reopen the plant at all.

Over the weekend, INEOS rejected Unite's offer of a no-strike agreement, supported by Scottish First Minister Alex Salmond, pending further negotiations between company and union.

INEOS' ruthless move has been several years in the making. Preparations have been carried out in full view of the British government and Scottish assembly.

In 2008, a similar two-day stoppage, the first strike at Grangemouth for 73 years forced the world price of oil to a record high, and highlighted once again the enormous potential social strength of even relatively small groups of workers.

Despite the best efforts of Unite, which worked with INEOS to ensure the minimum disruption to fuel stocks and oil supplies, the strike, which briefly shut down the flow of North Sea oil from the Forties field, has been described as the most costly in British history. It was followed a few weeks later by a tanker drivers' strike which also closed the plant.

In 2008, as today, INEOS' immediate target was the pension scheme it had taken over when it purchased the then rapidly expanding facility from BP. The scheme

offers workers up to 65 percent of their final salary on retirement. In 2008, faced with determined resistance from the workforce, INEOS, in a perilous financial condition and besieged by creditors, temporarily backed off.

This time around, however, the company is in a much stronger financial position, while changes in the world energy market have also worked in its favour.

Although the company is 75 percent owned by one man, Jim Ratcliffe, by sales INEOS is the fourth-largest chemical company in the world, with a 2011 turnover of \$43 billion. The company operates 51 plants in 11 countries. Ratcliffe runs INEOS from Switzerland, following a relocation from the UK, where local corporation tax is as low as 10 percent. While Grangemouth is one of its largest plants, only 12.3 percent of earnings come from the UK. The company expects record profits this year.

INEOS' goal at Grangemouth is the construction of a new gas terminal to import "fracked" ethane gas from the United States. The company has applied for a £150 million infrastructure loan from the British government.

A similar plant is due to open in Rafnes, Norway, in 2015. The introduction of large volumes of cheap oil and gas through environmentally dangerous hydraulic fracturing since 2008 has radically changed the world oil and gas market. US gas prices are 75 percent lower than in Europe. The company has also ordered three gas tankers from South Korea, with options on three more, to transport gas from the Appalachian basin to Scotland and Norway.

INEOS are also seeking to push forward fracking in the UK, which is considered to have quite large reserves. By contrast, North Sea production of ethane gas—the raw material ("feedstock") for many of INEOS' products, has slumped. INEOS' current Grangemouth-based ethane "cracker" which produces ethylene and other essential components of the petrochemical industry, is running at around 50 percent of capacity.

Thus armed, the company has signalled for months that it intended a new assault on Grangemouth workers to clear the ground for its new plant. A statement distributed by Grangemouth shop stewards noted that as early as August this year, they had details of company plans to provoke a strike by November. The statement also noted INEOS' hiring of a public

relations company noted for defending companies in the media.

In the face of this serious and imminent attack, Unite did nothing at all to prepare for a struggle, or warn their 1.4 million members or broader sections of working people. Neither did they devote the tiniest percentage of their substantial apparatus and financial holdings to fending off INEOS. Instead, by repeatedly signalling that the last thing they wanted was a strike, Unite created the conditions for the INEOS move.

The Grangemouth experience is further bitter proof that workers have reached the end of the road with the trade unions. Confronted with endless assaults on living standards, wages, social conditions and cultural achievements, the unions have repeatedly proved they are incapable of the most elementary efforts at opposing corporate demands.

Instead, as at Grangemouth, the unions sabotage struggles, isolate and fragment workers to assist in creating the best conditions for their intensified exploitation.

To move forward, the defence of Grangemouth workers must be taken out of Unite's control. New organisations to defend Grangemouth workers, their families and community must be launched immediately.

They must seek the broadest possible mobilisation in defence of jobs and living standards and link up with other sections of workers in Britain, Europe and internationally facing exactly the same pressures. Above all, these struggles must be animated by a perspective for the socialist reorganisation of society.



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**