

Unite union hands victory to INEOS in Scotland's Grangemouth refinery lockout

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Petrochemical giant INEOS and the Unite union have come to an agreement to reopen the Grangemouth petrochemical plant and oil refinery in Scotland wholly on the company's terms.

Both closely-linked plants have been idle since INEOS management initiated a "cold shutdown" two weeks ago in response to a two-day strike threat that was aborted by Unite.

INEOS threatened that the petrochemical plant, which employs 800 workers, would never reopen unless the 1,350 permanent workers at the site accepted the end of a final salary pension scheme, a pay freeze and loss of conditions. Two thousand contract workers employed at the site have already been laid off.

Echoing language utilised worldwide to legitimise the destruction of workers' living standards, INEOS management claimed that the petrochemical plant was "financially distressed". If workers accepted the loss of conditions, INEOS claimed jobs would be retained and a new £300 million gas terminal constructed.

In pursuit of this, INEOS, 75 percent-owned by Swiss based billionaire Jim Ratcliffe, was willing to pitch all 3,650 workers, as well as the thousands employed in support industries and local businesses, into immediate poverty. Closure would have devastated a town and its surrounding area which is home to the highest concentration of industrial workers in Scotland. The Grangemouth plant, which forms the core of a complex of petrochemical and oil-related industries, has been open since 1924.

It took just 24 hours for Unite to capitulate. Both the Unite leadership and the shop stewards committee at the plant, according to Unite leader Len McCluskey, agreed. "We have to say to the company that the survival plan is something we are prepared to embrace and go along with", he said.

McCluskey was backed by Scottish First Minister Alex Salmond and the British government's Energy Secretary Ed Davey. Both refused to condemn INEOS and repeatedly urged further talks between Unite and INEOS.

One day later, INEOS announced that the plant would remain open and the investment program would go ahead. The terms of the agreement between Unite and INEOS involve all the company's initial demands on pensions and conditions. For good measure, Unite have thrown in a three-year strike ban.

INEOS' attack on Grangemouth workers was well prepared. In 2008, INEOS attempted to break up the Grangemouth pension scheme, but a short strike by refinery workers, the first in decades, rapidly exposed the vulnerability of Britain's petrol, oil and diesel supplies to action by even a small group of workers. The strike also closed off steam supplies to the pipeline delivering oil from the North Sea, closed off the Forties oil field and contributed to oil prices reaching a record high. Faced with panic buying at the pumps and a media frenzy, the company backed off.

This time around, doubtless with the full collaboration of the British and Scottish governments, fuel stocks appear to have built up to levels capable of sustaining the extended removal of the refinery from a petrol supply chain which provides fuel for much of Scotland, Northern Ireland and Northern England. Additionally, unlike in 2008, Europe as a whole has excess oil refining capacity, estimated to be of the order of 1 million barrels a day. The industry, centred on an area around Rotterdam, is expected to consolidate rapidly, as older and smaller plants are closed down or sold off.

INEOS is seeking to carve a niche for itself on the basis of importing "fracked" ethane gas from the

United States for use in the European petrochemical industry. The company is purchasing a fleet of gas carriers to transport fuel to Norway and Scotland. Seeking the maximum return on its proposed investment, INEOS resolved to break up Grangemouth workers' historically won conditions, while neutralising the threat posed to North Sea oil supplies.

Ultimately, the company's greatest weapon against its workforce proved to be Unite. In the months prior to the shutdown, Unite made no effort at all to warn its members at Grangemouth, the thousands of contractors at the site or all those dependent on their incomes in the area. Still less was any plan discussed or initiated to mobilise support in the working class.

Instead, Unite's efforts focused solely on their defence of Stephen Deans, a union convenor at the plant. Deans, also the local Labour Party branch secretary, was being victimised by INEOS despite having been cleared by the Labour Party and police over accusations arising out of the Labour Party's selection of a replacement for disgraced local MP Eric Joyce.

Unite eventually called a two-day strike in defence of Deans. He was supported by the vast majority of Unite members at the plant.

However, instead of making the strike a powerful statement of workers' willingness to defend their rights and conditions, Unite did everything to minimise its impact. The union insisted that steam supplies would be maintained to the North Sea oil terminal and that the plant be retained in "hot standby" mode to ensure a quick resumption of production.

INEOS, encouraged by Unite's stance, sharply escalated the dispute. Instead of a brief "hot standby", the company initiated a "cold shutdown", effectively closing the entire facility for up to a month. INEOS posted letters to the permanent workforce warning the petrochemical plant would close for good unless the new conditions were accepted.

Despite this, nearly 700 workers refused the company's terms. Around 400 attended a mass rally last Sunday, outside the plant gates.

Had Unite been anything other than a front organisation for corporate management, Grangemouth could have become the focal point of a movement in the working class against austerity and the ransacking of workers' living standards. It would undoubtedly

have won an extraordinarily powerful response across all sections of the working class

Unite's miserable capitulation expresses the completed transformation of the trade unions into industrial enforcers concerned primarily with the suppression of workers' interests.

Faced with globally organised and integrated outfits like INEOS, the unions play their role of defending investment and profitability in whichever region they happen to be based. Workers' rights, conditions and livelihoods are viewed as negotiating positions to be sacrificed by a wealthy union hierarchy seeking to defend its own privileged relations with top management.

New workers' organisations are needed right away. Their point of departure must be the struggle for the socialist reorganisation of the world economy for social need.



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