

# BAE Systems shipyard closures in UK threaten nearly 2,000 jobs

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BAE Systems plans to cut 1,775 jobs at shipyards across the UK over the next three years.

Announcing the shipyard closures, London-based BAE, the second largest global defence contractor, said it had reached agreement with the Conservative/Liberal-Democrat coalition government “on measures to enable the implementation of a restructuring of its UK naval ships business.” It cited “a significant reduction in workload” following the completion of the current aircraft carrier construction programme in 2015 as reason for the decision.

As a result, the shipbuilding yards in Portsmouth in southern England will close next year, ending seven centuries of shipbuilding there, with the loss of 940 jobs, and the nearby Filton design and project management centre in Bristol will see substantial cuts to its 200-person workforce.

Around 800 jobs will go in Scotland at the Govan and Scotstoun yards on the River Clyde in Glasgow, and Rosyth in Fife. BAE Systems added that it would consolidate its shipbuilding operations in Glasgow, which had been selected for a new contract to build Type 26 Global Combat ships.

The closure plans have become embroiled in the campaign for Scottish independence. A referendum on independence is scheduled for September 18, 2014.

Following the announcement, a row erupted on both sides of the border, with accusations flying that the award of the new contract to the Clyde shipyards was a bribe to Scottish voters to recognise the benefits of remaining within the UK and vote against independence.

BAE’s chief executive, Ian King, insisted that the decision to shut Portsmouth and concentrate shipbuilding on the River Clyde was taken on strictly commercial grounds and was not due to government

pressure. “No, we weren’t pressurised,” King said. “We had an obligation under the terms of the agreement we signed with the government in 2009 to make a recommendation as to what the best location is for the building of the Type 26 [ship].”

Nicola Sturgeon, the deputy first minister of Scotland and deputy leader of the Scottish National Party, which has a majority in the Scottish Parliament, dismissed suggestions that a yes vote for independence would prevent future naval ships being built in Scotland.

Sturgeon said, “The current UK government has just agreed with BAE Systems that Portsmouth will cease building ships in 2014, and that Glasgow is ‘the most effective location for the manufacture of the future Type 26 ships’. That will remain true, whether there is a ‘Yes’ next year or not.”

UK prime minister David Cameron also declared the shipyard restructuring was not linked to Scottish independence. A Downing Street spokesperson said, “This is a government that always takes decisions based on the national interest.

“This decision was taken with a view of how we have the best-equipped, best-maintained Royal Navy. That is the basis on which it was taken,” he added.

However, Defence Secretary Philip Hammond almost immediately contradicted the prime minister, telling the House of Commons, “If Scotland were not a part of the United Kingdom, I would certainly have not been able to make the statement and the announcement that I’ve made.”

Another UK government minister, Scottish Secretary Alistair Carmichael, asked if Scotland would still get the new contract should it secede, added, “If Scotland is no longer part of the country, then, yes, it is difficult to see how the work would go to Scotland.”

“These contracts are on the Clyde because the Clyde

is part of the UK. Inevitably a lot of things will change, there will be an enormous period of uncertainty, if Scotland were to vote Yes,” Carmichael added.

Former Labour defence minister John Reid, now Lord Reid of Cardowan, said, “The wider lesson from the last few days is that the only way to secure the future of Scotland’s shipyards is to remain in the UK. This is not a matter of political opinion, it is a matter of fact.

“In short, we don’t build warships abroad now—and what’s left of the UK wouldn’t do so if Scotland separated.”

Chief of the Defence Staff, General Sir Nicholas Houghton, weighed in, saying that there “may have to be some reconsideration” of the proposal to close the Portsmouth shipyards if there is a yes vote.

Mike Hancock, the now-Independent, former Liberal Democrat MP for Portsmouth South, declared, “It is a big mistake on the part of the government to put all their eggs into one basket and say that shipbuilding in Portsmouth should cease to exist. It is a very, very big mistake and one that they will live to regret.”

“Whatever happens [Scottish National Party leader and First Minister of Scotland] Alex Salmond is in a no lose situation. He can claim credit for jobs being saved in Scotland because the UK government are running scared of him, or if they close a yard in Scotland he’ll say they are punishing Scots because of the referendum. The government ought to have seen through that.”

The one voice that has been silenced since the closure announcement by such efforts to rally behind the Union Flag or the Saltire is that of the working class, which requires above all else a unified response to the closures on both sides of the border.

As usual, the trade unions have offered nothing.

At every stage over recent years, as the shipbuilding workforce has shrunk to 10,000 nationally, the trade unions have overseen huge job cuts, pleading with employers only that there should be no compulsory redundancies and that they adhere to “mobility” agreements that are supposed to provide for transfers and retraining. Workers have been told continually to accept sacrifice to ensure the industry and protect jobs. The same pleas are being made today.

David Hulse, the GMB trade union national officer and chairman of the Confederation of Shipbuilding and Engineering Unions’ (CSEU) shipbuilding national

committee, said, “There is no doubt that this is a devastating day for the UK shipbuilding industry and the company will have to justify to us the job losses planned.”

Hulse announced that a meeting would be held with BAE Systems to “examine in detail the business case and all aspects for scheduling work in the yards....”

Back in 2009, following the announcement of the £3.8 billion aircraft carrier contract by the Labour Party government, National Officer Bernie Hamilton for CSEU member Unite claimed it would “protect[s] jobs for decades to come and will mean job security for many of our members.”

Within a year, hundreds of jobs were lost at the Devonport dockyard and at Barrow Submarines.

And as late as March of this year, with the completion of the destroyer HMS Duncan on the Clyde, Jim Moohan, chair of the CSEU and GMB Scotland senior organiser, said, “Immense credit is given to BAE Systems, the employees and the trade unions for total commitment.... The flexibility, interchange ability and transfer of labour between the yards were recognised and vital for job security and continuity.

“Massive credit is due to the managers of the company. It would take a brave and very knowledgeable individual to claim that the remaining shipbuilding business cannot meet the future with a confident outlook.... A new horizon awaits our shipbuilding business.”



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