Unions at Tata Steel in UK move to ignore strike vote

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Workers at the UK plants of Tata Steel have voted overwhelmingly to strike against attacks on their pensions. The Indian-owned company plans to significantly worsen the company pension scheme, known as the British Steel Pension Scheme.

The main steel trade unions Community, Unite, GMB and UCATT all held separate ballots, each of which showed substantial majorities in favour of industrial action. The unions, through the joint negotiating body the National Trade Union Steel Co-ordinating Committee (NTUSCC), have proposed a one-day national strike for June 22. Also announced was a ban on overtime and a work to rule to begin this week. Were the strike to go ahead it would be the first national strike in the industry since 1981.

Tata, Europe's second largest steel producer, owns three major crude steel production plants in the UK—at Port Talbot in South Wales and Rotherham and Scunthorpe in England. In total the multinational has 17 manufacturing sites and 22 distribution centres in the UK. Within Europe Tata produces steel in Germany, France, Belgium, Turkey, Sweden, Holland and Spain.

The ballot of the largest union, Community, recorded an 88 percent vote for strike action. The average plant turnout was over 76 percent and as high as 84 percent at the Port Talbot plant in South Wales where 96 percent of Community members voted to strike. The combined vote in favour of other forms of industrial action was 96 percent. The other unions recorded similar results.

However, since the ballot results were announced, the unions have done everything possible to demobilise and head off a fight by workers.

The first thing they announced was a caveat that any scheduled action would be called off should Tata return for more negotiations.

Tata inherited responsibility for the pension scheme after acquiring Corus Group plc in 2007. Corus was established in 1999 from a merger of the Dutch firm, Koninklijke Hoogovens, and the once state-owned British Steel.

Negotiations on pensions have been ongoing since November 2014. The company disclosed its intention to change provision from an employer-paid Defined Benefit Pension—which pays workers a specified monthly benefit based on seniority and earnings—to a more risky Defined Contribution Plan invested in the market.

The unions paved the way for the changes when they accepted the closure of the Defined Benefit Pension to new starters in January 2009.

The proposed change, scheduled to take place on April 1, 2016, will hit the pension benefits of 140,000 plan members, including 17,000 existing workers.

A financial statement by the company claimed that the present scheme was losing heavily and that closure was needed to halt financial losses. It claims the pension deficit was in the region of £2 billion as of March last year. This compares with a deficit of £1.2 billion in 2013.

Tata says it will save £1 billion through the change. The losses come from its legal obligation to make good any deficit in the plan. By changing to a defined contribution plan, the company will escape legal responsibility for any shortfalls in the future.

In response, the unions made proposals they claim would save the company £850 million although they did not provide any details. However, this was still not enough for the firm, which rejected the concessions.

In response to the unions' proposals, Tata put forward the condition that all members of the new pension scheme will be compelled to work up to the age of 65 before receiving even the full lower pension. Previously they had the option of retiring at 60 on a full pension. If they retire early, even through ill health, the pension will be reduced in line with the time lost.

After negotiations broke down in March, Roy Rickhuss, General Secretary of Community and Chairman of the NTUSCC, said, “It is not a position we expected to find ourselves in, given that trade unions have been in discussions with the company since early November.”

On June 8 Unite announced, “We have offered the savings the company says it needs. Instead Tata Steel UK wants to financially penalise its workforce and force it to work another five years to get their full pension.”

Rickhuss stated the workers had “delivered a massive vote in favour of industrial action” and “Tata have given us no option but to take industrial action. The company has not shown any willingness to return to meaningful negotiations to find an end to this dispute.”

A strike that would hit Tata’s production is the last thing the unions want. Rickhuss claimed, “An overtime ban and work-to-rule will cause massive disruption to Tata’s operations and severely limit production.” Even then he pleaded that the “company could avoid this by returning to the table.”

Nick Blundell, regional secretary for UCATT, said, “Industrial action is a last resort for any union, but Tata has given us no choice.”

Paul McBean, a Community National Executive Committee member, was unabashed in flaunting the high level of collaboration between union and the firm. He stated, “After all that we have done for the company, working with them to save money to keep the company going forward, the efforts and sacrifices of our members have been thrown in their faces by Tata.”

The attack on pensions came after Tata disclosed in October 2014 that the company had signed a Memorandum of Understanding with the Klesch Group to sell its European Long Products Division to the Geneva-based group. The sale threatens up to 6,000 UK steelworker jobs and a further 600 across Europe.

In response, the unions launched a nationalist campaign to convince the Conservative/Liberal Democrat coalition to “intervene in the public interest to ensure a future for the industrial assets of strategic importance to the UK’s construction, infrastructure and manufacturing base.”

The unions’ claim, that the Westminster elite can be pressured to make Tata back down, after the same MPs have imposed unprecedented attacks on workers’ living standards, is a fraud.

The political establishment has waged a decades-long war against workers in the formerly state-owned steel industry. In the 1970s it employed 200,000 workers compared to 19,000 today.

Today the unions boast that there has been no national strike in 35 years, a period that has witnessed the persistent attack on jobs, wages and conditions on every section of the working class in the UK and internationally. Central to this was the defeat of the three-month national strike in 1980, after the betrayal of the Iron and Steel Trades Confederation (now part of Community).

The unions do not defend workers’ jobs and livelihoods, but act as an arm of management. Their strategy is based on imposing the savings Tata wants with the minimum opposition possible.

Steel workers only have to look at the record of the unions just in the weeks since the general election. After collaborating with the Tory/Liberal government to demobilise every struggle over the last five years, after the May 7 General Election they have continued where they left off. The Rail Maritime and Transport union, a self-proclaimed “militant” union, has twice recently called off planned national strikes by workers and is trying to sell their members a rotten deal that is effectively a wage cut.

Last week Unison called off a scheduled national strike by probation workers who are opposed to years of pay cuts and privatisation.

Steel workers across Britain must take the struggle into their own hands and set up committees that are independent of the union bureaucracy. These must become the centres of a fight to defeat Tata’s government-backed onslaught on pension rights and the attacks on jobs. In taking up this fight links must be forged with Tata steel workers internationally, as well as the more than half a million workers employed by the Tata conglomerate across more than 100 countries.