UK unions abandon strike threat at Tata Steel

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Trade unions at Tata Steel in Britain have turned their backs on the demand of their members to lead a fight in defence of pension rights. Community, Unite, GMB and UCATT, grouped in the National Trade Union Steel Co-ordinating Committee (NTUSCC), called off industrial action after reaching a deal with Tata Steel that has not been made public.

Union leaders claim they have retained the existing Defined Benefit Pensions Scheme rights of their members held in the present British Steel Pensions Scheme (BSPS). To sell the deal, officials of the BSPS are set to travel around each plant holding discussions with members regarding the changes. After this process has been completed, a ballot to accept or reject the offer will be organised by the separate unions.

The agreement was reached on June 19 during talks instigated by Tata Steel and held at the government's Advisory Conciliation and Arbitration Service (ACAS).

The ballots for strike action showed a massive determination by workers to take up a fight with Tata. 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 other three unions recorded similar results.

The response of the unions was to announce a work to rule and an overtime ban. A one-day token strike was set for June 22. In line with previous disputes, the NTUSCC made a plea to MPs at Westminster to bring pressure to bear on senior Tata management.

Immediately after the agreement had been completed, the work to rule and overtime ban was lifted. The one-day token strike was later called off after a vote was taken at a hastily convened meeting in London of 100 senior union officials at Tata plants nationally. If the strike had gone ahead, it would have been the first national strike since the sell-out of the three-month-long strike of 1980.

The dispute began in November 2014, when the company announced at a meeting with the unions that it was scrapping the Defined Benefit Pensions Scheme. Known as the British Steel Pensions Scheme (BSPS), pensions were based on the contributor's final salary and length of service.

Tata inherited BSPS in 2007, after taking over the Corus Group/British Steel. It has 140,000 members, 17,000 of which are existing Tata workers. The unions negotiated away the rights of new entrants to join the BSPS in 2009.

In 2014, the pension scheme was worth £13.6 billion. It has suffered what the company describes as large shortfalls estimated at £2 billion. Under the rules of the scheme, Tata is legally bound to make good these losses. Tata's aim is to change over to a Defined Contribution Plan, which removes the company's responsibility for covering shortfalls. For the pension holders, the viability of this type of plan rests on volatile investments in the stock markets.

Tata Steel Europe is Europe's second largest steel producer. It 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.

Across Europe, Tata produces steel in Germany, France, Belgium, Turkey, Sweden, Holland and Spain. It forms part of the giant Tata Group of companies based in India. In total, Tata companies employ over 581,000 people worldwide.

Tata Motors in the UK owns Jaguar Land Rover at Halewood, Merseyside and Solihull in the Midlands. Land Rover delivered 199,610 luxury vehicles globally in 2014/15. Latest figures for the total revenue of Tata companies worldwide (2013-2014) were $103.27

billion.

In a statement after the agreement, Roy Rickhuss, chair of NTUSCC and head of Community, said, “As we have always acknowledged there are some significant challenges for the scheme, but this new offer addresses some of those issues while enabling our members to continue to accrue final salary pension benefits.”

Harish Patel, national officer for Britain’s largest union Unite, said, “This is the best deal we could get and now our members get to decide. We will be urging them to vote for the offer on the table.”

Dave Hulse, GMB national officer, stated, “Now we’ve got a deal that means the scheme is open, the importance of early retirement is recognised and the challenges faced by the scheme are addressed.”

UCATT, representing maintenance staff, has yet to make a statement, although over 95 percent of its members voted for strike action.

A spokesman for Tata Steel indicated that the company believes it has made gains at workers’ expense. “We are pleased that a meeting of trade union delegates from Tata Steel sites across the UK today agreed to recommend to members a proposal which would enable UK employees to retain a modified final salary pension scheme,” he said. “The decision recognises the substantial shortfall in the pension fund and the need to jointly address it, given the challenging business environment in the UK. The recommended proposal includes fair and balanced modifications to existing scheme arrangements to achieve this.”

The fate of the Long Production Division, which is on the verge of being sold to Geneva-based Klesch Group, with the loss of 6,000 jobs in the UK and a further 600 across Europe, was also likely sealed at the June 19 meeting.

During previous discussions held on June 8, the unions had offered Tata savings of £850 million. It has never been made clear how or where the unions would find such savings. The only way they can offer savings of such magnitude is through the increased exploitation of the Tata workforce.

What of the “new starters”, who through the union’s acquiescence to company demands were refused entry into the better scheme? Some might not even be covered in any scheme. Will they be allowed into the newly revised British Steel Pensions Scheme? Were they even mentioned in the discussions at ACAS?

The *World Socialist Web Site* warned on June 15 that the combined trade unions at Tata would follow their customary course and sell out the dispute. We explained, “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.”

We called on steel workers across Britain to “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.”

The pernicious actions of the unions at Tata confirm our warning.