Tata Steel to sack 720 workers in England

Danny Richardson
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Tata Steel Europe is to cut 720 jobs in its steel bar manufacturing division in Britain. The greatest number 685 will go from the Speciality Steel plants at Aldwarke/Thrybergh in Rotherham and at Stocksbridge, both situated in South Yorkshire. The remaining 35 will go at Wednesbury in the West Midlands.

Karl Koehler, the chief executive of Tata Steel's European operations, blamed the job losses on cheaper steel imports into the United Kingdom, the strong pound and the high cost of electricity charges. The trade unions Community, Unite, GMB and UCATT grouped in the National Trade Union Steel Co-ordinating Committee (NTUSCC) have promoted Koehler's claims.

Unite, Britain's largest union, posted a news item on its website headed "Ministers' failure to act on high UK energy prices blamed for 720 job losses at Tata Steel in Rotherham."

It went on to state "Unite, which has about 200 members at the Rotherham site, said the UK's high energy costs, compared with steel competitors in Germany and the far east were too high and the government needed to create a level playing field to help the UK steel industry remain competitive."

The GMB union added, "It is a very big blow for UK manufacturing particularly after all the hard work that has been put in by all concerned to bring stability to the business after the dispute about the pensions scheme."

This response by the unions not only absolves Tata of responsibility for the sackings, but hides their own complicity in the latest job losses within the steel industry. They beseech the Tory Government to give fair play to British business, while doing nothing themselves to save the jobs of workers. The only attempt to address steel workers is an assurance that "there are no compulsory redundancies… and we will be pressing that message strongly at upcoming meetings with the Tata management."

The real objective in dismantling the steel bar manufacturing sector was disclosed through another company statement and a press interview given to the Yorkshire media. Tata Steel group managing director Mark Broxholme made clear that the plans to shut down the two plants are in fact part of a six year long business restructuring strategy.

Broxholme stated, "Tata Steel today announced the next stage in its plans to refocus its speciality and bar business on high-value markets such as aerospace."

He went on to say "We are refocusing on the high value premium priced products that had been planned since 2009. Today's announcement about reshaping the bar business is the next stage in that journey."

Roy Richuss, head of the country's largest steel union, Community, and chair of the NTUSCC, is aware that the "compromise" position of the unions is beginning to wear thin. He stated, "It will be natural for workers to be sceptical about this plan too, as commitments given by the same management in previous restructuring have not been delivered."

In a later interview with local media Richuss declared, "We have been saying for years that uncompetitive UK energy costs are damaging the UK steel industry. The electric arc furnace operations in Rotherham have been impacted by higher electricity prices."

He went on to advise that the Tory Government "needs to stand up for steel and take urgent action to support energy intensive industry while there is still chance to save the jobs at risk."

There was nothing from Richuss regarding a concrete plan for the unions to fight to save the 720 jobs.

News of the job cuts came less than 24 hours after the result of the ballot held to decide the fate of the Defined British Steel Pension Plan which Tata Steel is responsible for was announced. Members of all four

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unions voted to accept undefined changes to the British Steel Pension Scheme that would supposedly keep the scheme open—with only Uccat registering a relatively narrow vote (53 percent) in favour.

This is in sharp contrast to the June ballot for strike action, resulting in exceptionally large turnouts by workers in each plant to fight changes to their pension rights. At Port Talbot in South Wales 96 percent of the largest union, Community, voted for strike action. The union's response was to call for a one day token strike coupled with a work to rule and overtime ban.

Within less than a full a day of the work to rule, the union capitulated to Tata, met at the Advisory Conciliation and Arbitration Service (ACAS) and called off the work action. They gathered together "senior union delegates" in London to vote down the one day strike.

It was agreed that officials of the British Steel Pension Scheme would visit sites to explain the changes. A ballot would then take place. The company has said almost 5,000 workers attended more than 100 pension roadshows in 20 locations across the UK and 2,000 letters and emails had been sent out.

Unison's webpage reported the result as being the end of the dispute, even though national officer Harish Patel in the same breath described the ballot only as "a clear mandate… to seek further meetings with the company to finalise the arrangements to keep the British Steel Pension Scheme open."

During the pension negotiations the unions pledged £850 million savings in exchange for keeping the existing pension fund open. The details have never been made public. The close proximity of the promise to deliver such large savings and the 720 job cuts cannot be ignored.

During the period before the second ballot, a WSWS reporting team spoke to workers outside the now threatened Aldwalk plant. The majority expressed concerns that the unions had backed down and that the proposals given to them would see losses of up to 50 percent of their pension rights if they retired at 60. Some took copies of a previous WSWS article on the dispute into the plant.

A union official became agitated after a member of the team asked him to explain the details of the agreement. Shortly after the head of security at the plant approached demanding the team "remove themselves from Tata property."

Workers should demand to know what the final arrangements are. They should take note of the present dispute between two of the unions at Tata, Unite and GMB, and the Nestle food company. In 2010 Nestle changed the final salary scheme of its 7,000 employees to a career average scheme, with the agreement of the unions. They are now ditching this scheme, changing over to a defined contribution scheme based on the performance of the stock and bond markets.

On July 2, Unite and GMB claimed Nestle were acting in "bad faith in unpicking the pension changes" and tearing up the contracts of its workers.

During the WSWS campaign outside Tata in Rotherham, we spoke to a member of management staff who stated that "the terms of the agreement are far too generous" and that "we will need to readdress it again in two years' time."

The experience at Nestle and Tata make clear that the trade unions do not represent the interests of workers. The £850 million in savings pledged to Tata Steel by the unions will be made by further cutting jobs, lowering wages and degrading working conditions.

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