

# North Sea oil workers must wage unified struggle

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Sharp class tensions are emerging in both the British and Norwegian sectors of the North Sea oilfields.

Late last year, 3,000 auxiliary and catering workers providing meals for workers across the UK continental shelf voted narrowly in favour of a strike and 67 percent in favour of industrial action short of a strike in pursuit of a pay claim. This was the first strike vote in the UK sector for decades.

In April, thousands of offshore workers covered by the Offshore Contractors' Association agreement voted 93.5 percent for a strike in a consultative ballot against pay cuts of between 22 and 30 percent. Another ballot is being held over the next few weeks, following the breakdown of talks. There have been reports of wildcat strikes.

In Norway, long planned talks between union officials and the oil companies, scheduled to last a couple of days, also broke down, this time in a matter of minutes.

The crisis in the North Sea industry is one expression of the global capitalist chaos in oil production. Under conditions of a sharp fall in demand, suppliers, led by Saudi Arabia, increased production—seeking to ruin their rivals. As a result, oil prices have slumped over the last two years to a fraction of their former value of well in excess of \$100 a barrel.

Over the last months, Canadian wildfires, political unrest in Venezuela, supply disruption in Nigeria and Libya and a reduction in US shale oil production have temporarily moderated the oversupply. But with Iranian production being ramped up following the end of sanctions against the country, and with record volumes of oil in storage worldwide, there is no near prospect of prices recovering much beyond \$50 a barrel.

As a consequence, expensive, deep-water North Sea oil, already in decline as fields become more expensive

and technically challenging to exploit, is increasingly unviable. Companies are drastically downsizing, cutting wages, increasing working hours and cutting safety corners, seeking to offload the cost of the slump onto the working class.

Latest figures suggest that out of a total 375,000 in the British sector, 120,000 jobs will have been lost by the end of this year since 2014. Companies shedding workers include Shell, which recently announced 2,200 jobs would go globally, 475 of which would be in its UK and Ireland business. BP announced 7,000 jobs would be lost after reporting losses of \$6.5 billion. The Wood Group has announced that up to 1,000 of 6,200 onshore staff are imperilled. In the Norwegian sector, 30,000 of 300,000 jobs have been lost thus far and, as of January, every company was claiming to be losing money. Across the sector, for every one job created, six are currently lost.

Facing a growing determination by oil workers to oppose the assault on their livelihoods, the trade unions are devoting all their efforts to diverting workers, suppressing their struggles and defending the interests of the North Sea industry.

Following the 93.5 percent strike vote at Wood Group in April, the unions launched a sabotage operation. The leading oil industry official for the Rail Maritime and Transport (RMT) union, Jake Molloy, visited four installations in quick succession. He was quoted in *Energy Voice* as stating, “In the 35 years I’ve been in this industry, I’ve never encountered such low moral or such a demoralised workforce. ... We have a totally disenfranchised workforce that’s getting angrier by the day and that can cost the companies more than anything they are trying to save.”

Molloy’s admission that offshore workers are disenfranchised is a remarkable expression of political

bankruptcy. He has for decades been a central figure in the Offshore Industry Liaison Committee (OILC), set up after the 1988 explosion on the Piper Alpha rig that killed 167 workers.

Set up by the trade unions to contain a series of wildcat actions and protests, OILC presented a more militant face to offshore workers for a number of years before being finally merging with the RMT union in 2008. Hailed by the pseudo-left as a revival of trade unionism, OILC's development as the closest ally of the offshore industry is yet another expression of the collapse of trade unionism as a perspective on which workers can defend their interests.

The British unions are also focusing their efforts on warnings to the Scottish and British governments that the companies are overstepping the mark, while supporting industrial summits aimed at winning tax breaks for the industry. Unite union regional officer, Tommy Campbell, warned a parliamentary committee in May of safety consequences of new work rotas that can mean some workers face 21 consecutive 12-hour days. Stating the obvious, he complained that "there are some changes that are just a step too far."

Reflecting the same tensions, in Norway, talks organised for late May between the Industry Energy union and the Norwegian Oil and Gas Association over wages for offshore production workers were expected to last two days. The talks swiftly collapsed. Trade union officials were seeking some form of nominal pay increase in return for an agreement similar to ones worked out in other Norwegian export industries. The oil companies rejected any possibility of pay increases no matter what terms accompanied them.

Trade union leaders complained of the employers' aggression. Leif Sande, of Industry Energy said, "The differences were so obvious so early that it was just as well to make an appointment with the national mediator right away rather than sit here for two days." Hilde-Marit Rysst, head of the SAFE trade union, warned that the employers' "demands were unheard of." Rysst said employers were trying to reduce rights, compensations and cut costs.

To the extent the trade unions have coordinated their efforts against this combined offensive of the employers, it is to promote nationalism and protectionism. In late May, unions from Britain, Norway and Denmark affiliated to the International

Transport Workers Federation (ITF) met in Aberdeen to discuss the use of workers from Eastern Europe and from outside the European Union to replace better paid workers.

The ITF promised to oppose "social dumping," a term which precisely sums up the union bureaucracy's attitude to the working class. Rather than respond on a progressive basis to the ever more globally mobile and integrated character of the working class to strengthen the struggle against big business, the trade unions promote every conceivable national and regional division, all of which set workers against one another.

Oil workers face immense challenges, but they have immense social strength. Utilising that strength depends on workers freeing themselves from the strangling grip of the trade unions and building rank-and-file organisations of struggle.

However, as was demonstrated by the OILC's evolution, this must be based upon a new internationalist and socialist perspective. Scandinavian and British North Sea offshore and onshore oil workers have powerful allies. There are ongoing strikes and protests, particularly in France and Belgium, centred on oil refineries, petrol stations and transport. But realising this possibility demands a political break with the trade unions and a conscious orientation towards uniting with workers across the industry in Europe and internationally for the socialist reorganisation of society.



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