Fujitsu UK workers strike to protest job losses, attacks on pay and pensions

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Information technology workers employed at Fujitsu UK are striking today for 24 hours, in opposition to plans by the firm to carry out up to 1,800 redundancies.

The Unite union called the strike, with a further 24-hour stoppage set for March 27.

The job losses in the UK and Ireland—to be staggered over the next 12 to 18 months—are part of 3,300 redundancies planned throughout Europe in a restructuring operation. In 2013, Fujitsu already announced 5,000 job losses globally, with 3,000 of these in Japan. Last September, the firm said 400 jobs would go at its Finland operations. Then in November Fujitsu wrote to 2,500 of its UK staff telling them their jobs were at risk.

The Japanese-based transnational provides a range of services—from operating IT systems and supplying servers for public sector and private corporations, to providing air conditioning units. It employs 14,000 workers in Britain, with the redundancies representing around 15 percent of the workforce. Fujitsu has sites throughout the UK, including in London, Birmingham, Manchester, Wakefield, Edinburgh and Belfast. The UK redundancies would allow the firm "to streamline operations in order to remain competitive in the market," said Fujitsu.

The development of cloud-based data storage facilities has hit the major IT conglomerates, with many clients shifting their data storage from big mainframe systems supplied by firms such as Fujitsu to remote servers. The *Financial Times* noted, "Fujitsu is facing competition from nimble start-ups and Amazon Web Services, which host data in giant centres far from company premises, as well as suffering a shift from desktop to mobile devices. A Fujitsu company spokesman said that prices for services were dropping and barriers to entry lowering."

Fujitsu—the world's fifth-largest IT services provider with more than 150,000 employees across five continents supporting customers in 100 countries—is constantly rationalising its global operations. It is considering the sale of its PC and laptop arm to China's Lenovo—the world's biggest PC manufacturer.

Amid this devastating offensive on jobs, the main concern of the union bureaucracy is Fujitsu's removal of its UK employee consultation committee, Fujitsu Voice, in favour of a centralised European works council. Fujitsu Voice had been chaired by a representative of Unite. With the termination of Fujitsu Voice, the company has also ended its associated redundancy agreement.

At present Fujitsu only allows trade union representation at its Manchester site, which employs over 600 people. Over the last several months, Unite's Manchester members have been involved in a dispute over possible job losses, pay issues, a retrospective cut in pensions of up to 15 percent for staff who are over 60 years old, and the attempted removal from her job of a Unite rep. After 12 days of strikes, the dispute ended in February after Unite cancelled any further industrial action in January to push the deal via the government conciliatory service, Acas.

Unite did not oppose job losses in the Manchester dispute, only compulsory redundancies. It urged voluntary redundancies and more favourable redundancy terms, with the result that job losses will go ahead.

The chair of the combined Fujitsu UK and Unite committee is Ian Allinson, a former member of the pseudo-left Socialist Workers Party. Allinson is standing as the "grassroots socialist" candidate in the upcoming election for Unite general secretary against incumbent Len McCluskey and right-winger Gerard

Coyne.

A January 12 *Register* article reported that at "Fujitsu's Manchester branch, where Unite is recognised, the union made an agreement which gives staff a slight buffer, meaning layoffs will be delayed, Allinson told us." It added, "Allinson said the union does not expect to halt the jobs cuts but to slow the process and negotiate better pay settlements. Fujitsu has yet to offer staff voluntary redundancy."

Under the January 19 Fujitsu/Unite agreement ending the Manchester dispute, staff received a pay increase of just 1.42 percent—in reality a pay cut, with inflation already at 1.8 percent in January and reaching 2.3 percent this week. The published deal does not reference the issue of the pensions dispute.

Following a consultative ballot that reflected increasing anger at Fujitsu's attacks, Unite called the national strike, which began March 17. Unite declared the dispute to be over "Job security—including the Agenda 2020 current and future job cuts," union recognition and for Fujitsu to become "an accredited Living Wage employer, tackling pay inequality, and the retrospective cuts to the pensions of over-60s."

The truth is that no genuine fight is being carried out by Unite. All that is being demanded is "adequate consultation periods, higher redundancy pay, the right to replace compulsory redundancies with volunteers, and honouring agreements including using the Fujitsu Voice redundancy framework nationally and Annex 1 for Manchester."

Annex 1 in fact "provides definitions, a framework and processes to help manage changes in patterns of employment effectively."

Unite makes no appeal for unity with workers threatened with the sack throughout Fujitsu's global operations.

Rather, in its Q&A on the dispute, Unite boasts, "Fujitsu makes more profit in the UK than it does in either EMEIA [in Europe, the Middle East and Africa] or globally."

Unite regional officer Sharon Hutchinson emphasised that Fujitsu's "UK subsidiary" made "£85.6m profit last year" and that the 1,800 job losses are "not good news for the UK economy as the company says that it intends to offshore many of these jobs, with increased automation also responsible for job losses."

In reality, whatever profit Fujitsu extracts from its UK workforce—with the assistance of Unite—can never be enough. Last November, Michael Keegan, Fujitsu's UK and Ireland chair, told the *Register*, "The truth is that the IT market is massively being transformed. We are moving to new skills and new business while old business is in decline." He added, "What we know about Fujitsu is our return to shareholders is approximately half of the rate of our competitors so we are not as profitable as other companies we benchmark ourselves against and we need to transform ourselves."

Workers cannot oppose the attacks being made on their jobs, terms and conditions on the basis of Unite's nationalist, pro-capitalist strategy. In a globalised economy, Fujitsu—as with all transnationals—is able to shift production to any part of the world in order to constantly shore up profitability.

Fujitsu employees in the UK can only win if they link their fight with that of their co-workers throughout the company's massive global operations.

In 2005 Fujitsu Services, which serves markets in Europe, Middle East and Africa, shifted its entire IT Helpdesk from the UK to South Africa, making a 20 percent reduction on its UK operational costs and achieving "significant staff reductions." Fujitsu said the IT Helpdesk supported "the hardware and software used by thousands of customer staff in over 50 countries."

Guy Storer, Fujitsu's then offshore operations manager , stated, "[W]e can help our customers to realise the same benefits. We can cost-effectively replicate the service in any country that they choose, whatever the size or complexity of their operations."