

Royal Mail workers in the UK face jobs massacre

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Royal Mail has announced that 2,000 managers will be made redundant shortly. The restructuring that was promised after the previous CEO Rico Back was sacked has now begun.

The cull in management is in anticipation of broader changes demanded by Royal Mail's ruthless drive for profits that will lead to upwards of 20,000 postal jobs being lost. This was the estimate of the Communication Workers Union (CWU). However, given that Royal Mail is losing £1 million a day, the jobs carnage will likely be higher still.

In the first phase of restructuring, Royal Mail has said it wants to save £130 million on "people costs" by March 2021. This offensive is being driven by the insatiable demand of shareholders, including many hedge funds, for profit.

It is now a decade since pensions expert John Ralfe commented he believed Royal Mail had become a hedge fund that delivered letters. At the time, only the BBC's Robert Peston, of all the major media networks, ran with the story. Today, Royal Mail's investors are rendering this earlier appraisal prophetic.

Over the last few weeks, several press articles have begun to appear revealing the agenda pursued by hedge funds—such as BlackRock, Pictet, Egerton Capital, and Adelphi Capital—which has largely been kept from postal workers.

Management job cuts will mainly fall on "back-office" roles, including finance, commercial and IT, and will be followed by massive redundancies from the rest of the workforce. This is in preparation for the breakup of Royal Mail.

Presently, Royal Mail Group has two arms, the UK Parcels, International and Letters (UKPIL) division, and General Logistics Systems (GLS), which was purchased by Royal Mail in 1999. There have been

numerous articles in the press calling for GLS to be hived off and sold. As Daniel Roeska, from Bernstein, said, "We believe it would be in shareholders' best interests to split the company in two and let shareholders themselves decide on the future of the two businesses.

"If GLS stays within the Group, we see a substantial risk that cash flows from it or sale proceeds will be consumed in part by the UK Parcels and Letters transformation. In its current form, Royal Mail Group is worth less than the sum of its parts."

Selling off GLS contains great dangers for Royal Mail and could weaken the company in the face of its competitors. However, this restructuring is profit-driven and also parcel driven. As one writer put it, "no one noticed that they did not get their credit card statements on Saturdays during the coronavirus restricted operating times, but they still got their parcels, and that is what consumers generally want."

If GLS were to be sold off, it would pave the way for the rest of the business to be split up. This would result in the Universal Service Order (USO), guaranteeing six-day delivery anywhere in the country, being partially discarded, the loss-making letters part of UKPIL being separated off, with the government picking up the tab, and the creation of a new parcel division.

The talk of restructuring has attracted several financial vultures, including the Czech billionaire Daniel Křetínský, who recently purchased an 8 percent stake in the company. Křetínský, known as the "Czech sphinx", took a £150 million stake in Royal Mail. The move has heightened speculation that he will launch a takeover bid.

Like many capitalists from Eastern Europe, Křetínský became rich following the sell-off of state assets in the Czech Republic. As Jérôme Lefilliâtre

noted in *Libération*, “A key deal for him was the acquisition in 2013 of the Eustream gas pipeline in Slovakia, which transports Russian gas to Western Europe. This was a very good financial coup, bringing in several hundred millions of euros a year and giving him the means to further invest and grow. His journey is punctuated by scandals and dubious business deals, which have regularly erupted near him without incriminating him completely or personally. The term ‘second-generation Czech oligarchs’ refers to influential Czech businessmen, who are very active in the economy, the media and politics, and who do not come from the generation that made their fortune at the time of the privatisations of the 1990s, but later, from the 2000s onwards. Daniel Křetínský is one of them.”

A by-product of this restructuring has been that postal workers health has been put at risk. Already, four postal workers have died from COVID-19 because of the lack of safety measures at Royal Mail offices obsessed with maintaining profit margins at all costs.

Concerns over the growing number of COVID-19 cases have led to multiple walkouts by postal workers at sites across the country, amid reports of inadequate safety procedures. Royal Mail finally admitted that six workers at the Barnsley depot tested positive for the coronavirus.

When postal workers heard about these cases, they walked out on strike, closing the office for fear of further outbreaks. Royal Mail has intimated that there could be further cases. A spokeswoman said, “We are aware of a total of six positive confirmed cases of coronavirus at Barnsley’s Royal Mail sorting office with further cases possible as investigations and staff testing continues. Several staff are self-isolating... The building remains closed for deep cleaning before reopening is considered”.

Royal Mail trotted out its usual lie that it “takes the health and safety of its colleagues, its customers and the local communities in which we operate very seriously.” But postal workers at the Barnsley office had been complaining for months that proper safety equipment had not been provided and that the use of face masks has not been made compulsory. Many workers have now booked independent tests for the virus because they no longer trust Royal Mail with their health.

The struggle by postal workers for better protection

against COVID-19 is a vital issue, but it is now bound up indissolubly with the fight over job losses and changes to working conditions.

At the beginning of the pandemic, the CWU offered up postal workers as a “fifth emergency service” and to work with management and the Johnson government “in the interests of the nation.” But while postal workers were being fed this fantasy by the CWU, at enormous cost to their health, Royal Mail was looking after the interests of its shareholders—making substantial profits from its parcel business. In the last three months, this has seen the share price skyrocket.

The CWU’s demobilising of opposition to the attacks of Royal Mail management has now emboldened the hedge funds to demand more, to get as much profit out of Royal Mail as possible, bleed it dry, and then move on to the next target.

To take forward the struggle in defence of postal workers’ health and to oppose the onslaught on jobs and pay demands the formation of rank-and-file committees.

These committees must begin to coordinate a company-wide counter-offensive, rejecting the CWU’s call for collaboration with management and take the international class struggle as their starting point. Against plans to carve-up and hive off the company, the demand must be for Royal Mail to be nationalised without compensation and placed under workers’ control.



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