

# UK: BT imposes below inflation pay award as telecom workers prepare strike ballot

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UK telecoms giant BT Group is heading towards a major confrontation with its workforce over the imposition of a below inflation pay award.

A previous pay offer from BT of £1,200 was rejected by the Communication Workers Union (CWU), representing around 40,000 of the 100,000 strong workforce. BT then announced on April 7 that it was awarding a revised proposal of £1,500 from the start of the month, stating that it had concluded negotiations with the CWU, effectively imposing the deal.

The pay award works out at between 3 and 8 percent for what the company describes as its frontline staff across all brands of the BT Group, including Openreach, Plusnet and EE, covering 58,000 employees.

The lower range of the pay uplift is a third of the current inflation rate measured at RPI of 9 percent and the top rate is still below this benchmark. It is set to be outstripped by the lower rate of inflation measured by CPI, which is presently 7 percent but is set to climb to 10 percent later this year. BT has justified its pay award stating it “contrasts well with the average of 3% typically being awarded by UK employers.”

This is a measure of how the trade unions in general have enabled the realisation of the demand made by the Governor of the Bank and England, Andrew Bailey, that pay demands do not keep pace with inflation.

BT Group chief executive Philip Jansen stated, “I’m pleased that we’ve been able to make this pay award the biggest in 20 years—to thank our colleagues and recognise their hard work.”

The supposed act of largesse serves to underline the gulf which separates workers from the corporate oligarchy. Telecom workers are meant to be grateful for a pay award leaving them worse off and imposed by diktat. That it can be touted as the largest in two

decades is extraordinary.

The total remuneration received by Jansen last year was a reported £2.6 million—a basic salary of £1.1 million and an annual bonus of £1.3 million. The rest was made up of benefits and pensions.

In response to the unilateral declaration by BT Group of the pay award on April 7, the CWU stated that day it would move immediately to prepare a statutory industrial action ballot. However, it was not until the end of the month at CWU annual conference that the union confirmed these steps, and it is continuing to drag its feet.

The fight for a genuine pay increase at BT and its subsidiaries cannot be entrusted to the union bureaucracy. The demand for a 10 percent increase has arisen independently from among engineers, call centre and shop workers. The CWU Executive for Telecoms & Financial Services (T&FS) and Assistant General Secretary Andy Kerr has since formally adopted the demand.

Kerr and the T&FS Executive are hardly in a position to present themselves as champions of telecom workers’ wage demands, having enforced a pay freeze last year and a 1.5 percent increase in 2020. The overriding concern for the CWU is that this time around it has been bypassed in its role as loyal company henchman. This takes place when its defence of the corporate bottom line based on the pretence that this would safeguard workers interests is unravelling.

The CWU knows that BT’s profits have depended on the union’s abandoning the most basic defence of telecom workers. Kerr explains in an article in the spring edition of the CWU’s on-line journal, *The Voice*, that BT is preparing a share dividend pay-out of £761 million this year. This dwarfs the £90 million the company has reportedly set aside for paying the uplift

for 2022/3 for nearly half its workforce.

He also refers to the fact that Telefonica/VMO2, a major competitor of BT in the UK market, has imposed a below inflation agreement on telecoms workers the CWU represents. This involves 3 percent for this year and a planned 2 percent for next year as it lines up a pay-out to shareholders of £1.6 billion in 2023. In the face of the unilateral pay cut, the CWU has only organised a consultative ballot rather than a strike ballot. This is aimed at supposedly persuading the company to change its mind and re-open negotiations. BT Group is now following the example set by Telefonica/VMO2.

As far as Kerr is concerned the worst of all possible worlds would be – “a summer of discontent.” The ability to prevent this so far has rested entirely on the shoulders of the trade unions, with the British ruling elite expressing its concern over how untenable the situation is becoming.

The pandemic and the cost-of- living crisis coming on top of decade of austerity is leading to a sea change in consciousness among workers against the reckless pursuit of profit by the corporate elite. It is not the dysfunctional character of capitalism making daily life intolerable which the union bureaucracy views as *the* disaster, but the outpouring of workers opposition that threatens their privileged position as corporate partners.

Last year the CWU scrapped a commitment to hold a strike ballot against job losses and restructuring that would have resulted in the first national strike action across BT since 1994. An earlier consultative ballot had delivered a massive mandate for strike action, but the CWU entered talks with management and signed an agreement in June to rubber stamp a closure programme of sites across the UK aimed at eliminating 13,000 jobs.

The attempt by Kerr to defend this betrayal in a video posted July 21 on the CWU Facebook group was roundly condemned by telecoms workers, who described the union as company stooges. The CWU attempted to deflect attention from its support for the cost cutting exercise by claiming it had won an agreement for a consolidated pay rise in 2022 of an unagreed amount. This attempt to justify its collusion with BT has been exploded by the unilateral imposition of the de facto pay.

The conditions exist for a broader fightback which the CWU is seeking to dissipate among 200,000 workers who occupy a critical position in the telecommunications and postal sector of the economy. On May 3, over a thousand postal workers participated in national strike action at the Post Office against a 2 percent, two-year pay offer. More than a hundred thousand postal workers at Royal Mail are also facing a below inflation deal of 5.5 percent—a basic 2 percent increase with the rest tied to sweeping changes and concessions such as compulsory Sunday working, reduction in sick pay and productivity targets.

The CWU is seeking to divide these struggles and channel opposition behind the token protest by the Trades Union Congress on June 18 around its threadbare call for a New Deal for workers. General Secretary Dave Ward admitted at the CWU annual conference that the aim was to politically demobilise the working class, declaring, “But the messaging is not about capitalism. The messaging is not about the politics of the country. The messaging is that our members deserve better because they’ve made huge personal sacrifices and the company has made huge personal profits.”

The 10 percent pay demand at BT must be taken forward through the setting up of rank-and-file committees to join up the fight of telecoms workers across its subsidiaries and reach out to other workers. The working class needs new forms of organisations which are militant, democratic and fight for social equality, against the dictates of capital and in opposition to unions that suppress the class struggle in defence of their alliance with the employers.



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