

Communication Workers Union welcomes Martin Seidenberg as Group CEO after betrayal of Royal Mail dispute

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Communication Workers Union (CWU) leaders Dave Ward and Andy Furey have publicly welcomed Martin Seidenberg as Group CEO of International Distribution Services, the parent company of Royal Mail.

Less than two weeks after the CWU ended the year-long Royal Mail dispute, pushing through acceptance of their pro-company Business Recovery Transformation and Growth Agreement (BRTGA), Ward and Furey announced on July 20 that Seidenberg's appointment was being "cautiously welcomed" by the CWU.

Like the loyal corporate partners they are, Ward and Furey added they were "awaiting with interest" to see who Seidenberg would appoint as CEO at Royal Mail, replacing Simon Thompson who resigned in May. Ward told a national briefing of reps last week that it was "the union's hope that a new leadership at Royal Mail would result in change for the better."

While the CWU has "cautiously" welcomed Seidenberg's appointment, the pro-Conservative *Telegraph* left no doubt about its significance, with a headline announcing, "Royal Mail appoints German boss to navigate the death of letters."

A brief sketch of Seidenberg's background by the *Telegraph*'s chief business correspondent made clear what's in store for postal workers: "Seidenberg is a parcels man through and through. He spent 15 years at Deutsche Post before joining GLS Germany in 2015.

"Before taking over as GLS chief executive in June 2020, Seidenberg rammed through repeated price rises in Germany as well as championing carbon-neutral deliveries. And under his tenure, GLS revenue has grown by 47pc over the last three years. Profits, meanwhile, have swelled by two-thirds over the same period."

Seidenberg's senior roles at Deutsche Post are especially instructive. He joined when Deutsche Post was privatised in 2000. Its 2002 takeover of global logistics firm DHL acted as a benchmark to transform Deutsche Post DHL into a low-wage sector. Working conditions were torn-up and workloads massively increased, including through expanded night-time and weekend work. This agenda was enforced by the Verdi union. Its top 10 officials on the supervisory board at Deutsche Post together pocketed more than €1 million each year for their collaboration.

Ward and Furey, having secured their own partnership with

Royal Mail through the BRTGA, greeted Seidenberg's appointment with the words, "We are absolutely committed to working with the new CEO and improving industrial relations."

They emphasised they were putting forward "CWU solutions to turn around the fortunes of the company." These CWU solutions are already known by workers, spelled out in the 35-page BRTGA Ward and Furey drafted with Royal Mail at ACAS. It means Amazon-style sweatshop conditions imposed by union-management Joint Working Groups (JWGs).

JWGs are already overseeing trials for later start and finish times and a 39-hour week during winter, part of Royal Mail's conversion to a 24/7 parcel delivery network. Other elements of the agreement taking effect include reduced indoor time for delivery workers, reduced sick pay, punitive attendance policies (commencing August 1), and the shuttering of Customer Service Points (CSPs) resulting in substantial "headcount reduction."

Ward and Furey's reverence for Seidenberg's installation is especially galling in view of the grotesque salary packages being dished out. For months, CWU officials browbeat members into accepting their surrender document based on threats that Royal Mail was on the verge of bankruptcy.

Yet as CEO, Seidenberg will receive a £162,000 uplift from his previous salary package at GLS, rising from £538,000 to £700,000 per year, plus a £95,000 pension allowance. It would take the average postal worker 30 years to earn the same. During his two years heading GLS, Seidenberg was paid £3 million.

Departing Royal Mail chief executive Simon Thompson was paid £753,000 for 2021-22 after presiding over an illegal wrecking operation against the Universal Service Obligation that saw more than 10,000 workers driven from the business. He will leave with a "golden goodbye" of at least £680,000.

Meanwhile, the rotten agreement co-authored by Ward and Furey will see postal workers' wages decline against inflation, with a 10 percent rise spread over three years and a one-off taxable lump sum of £1,400.

Annual General Meeting

At IDS's Annual General Meeting on July 20, company executives presented their immediate plans for Royal Mail, making clear to shareholders that Seidenberg will be focused on implementing the BRTGA.

The AGM confirmed the absolute reliance of IDS and its new CEO on the services of the CWU. IDS non-executive chair Keith Williams told investors that Royal Mail had been "at the crossroads" over the past year, reassuring them, "we now have an agreement with the Communication Workers Union" which offered "a clear path towards a more competitive and profitable Royal Mail."

He emphasised, "The successful delivery of the CWU agreement is now essential. However, until we see the delivery of that plan and a successful turnaround, the board will continue to consider all options to protect the value and prospects of the group, including a potential separation of both companies."

While Ward and Furey threatened members with "Armageddon" if they failed to endorse their negotiators' agreement, Williams' statement makes clear that postal workers will face continuing extortion from IDS—backed by the CWU—and that any failure to surrender terms, conditions and pay will result in the sell-off of Royal Mail with massive job losses.

In its first quarter report for 2023-24, IDS reported that planning has already commenced "for further revisions to improve productivity."

Williams spoke of the board's "optimism" after its successful measures in the second half of last year to "reduce costs" and "right size" the company. All with the CWU postal executive's blessing.

He explained, "We revised postmen's and women's routes across 1,200 or so delivery offices across the country, saw a reduction in 10,000 full-time equivalent roles against our initial plan of 5,000 by the end of the financial year."

Williams acknowledged that workloads have increased. While letter volumes have decreased from 20 billion at their peak in 2004-5 to seven billion now, the number of addresses being serviced has grown by 3.8 million in the same period.

This was IDS's cheery description of postal workers' daily reality, pounding the streets walking 15 miles a day or more, monitored each minute via PDA tracking devices.

Seidenberg spelled out that IDS is using automation as part of a class war strategy to counter "high inflation, people shortages and increased wages in all our markets." He pointed to GLS's new parcel super-hub in Madrid, while Williams said Royal Mail's North West Super Hub and the Midlands Super Hub (opened a few weeks ago) meant automation would soon exceed 80 percent.

Huge profits will be reaped from these investments via reduced indoor sorting time and other productivity measures contained in the BRTGA. Delivery workers will be pushed out sooner onto rounds and for longer, covering larger areas. Older workers will be driven out and replaced by new entrants on inferior pay, terms and conditions—all agreed by the CWU.

While Royal Mail has loudly proclaimed the "death of letters," IDS reported that in April-June, "Addressed letter volume [was] more robust than expected, which combined with pricing actions led to stronger revenue performance, particularly in business

mail." However, it went on, "addressed letter volumes [were] down 30 percent since pre-pandemic, highlighting the need for Ofcom and Government to take urgent action to reform the Universal Service."

Williams assured investors that Ofcom (the regulator) had already given the nod to five-day-a-week letter deliveries (down from six), and that both the CWU and Unite were joining efforts to lobby the government for a reduced service which would be "sustainable."

The USO provides just 30 percent of Royal Mail's revenue, Williams said, with 70 percent derived from direct competition with Amazon, DPD and other global parcel and logistics companies based on a low-wage gig-economy model.

Seidenberg boasted of GLS profits of €403 million last year—a 70 percent increase on 3 years ago—saying this would increase to €500 million by 2025-6. Replete with customary references to looking after all "stakeholders," he spoke of "cost control measures" and "general headcount reductions."

In the Q&A session, Williams heaped praise on the CWU for delivering the BRTGA, "You've got Unite here today. You've got the CWU here today. They're our two unions, and we know we need to work with those unions, and we will continue to work with those unions. We need to engage very positively over the next couple of years, because it's not going to be an easy couple of years. We've got to say that, because, as I said, the amount of change we need to put through this business to reflect consumer change is enormous... there's more change required in the next two years than we've put in in the last 20."

The CWU's pro-company agreement has opened the floodgates to an historic assault on the jobs, terms and conditions of postal workers. The Postal Workers Rank-and-File Committee is advancing a strategy to fight back, challenging the dictates of the company's billionaire shareholders in unity with postal and logistics workers worldwide. Royal Mail must be nationalised under workers' control, its massive profits used to provide decent wages and working conditions and a quality universal delivery service to the public.

For more information about the Postal Workers Rank-and-File Committee (PWRFC) please submit the form below. Register here to attend the next Zoom meeting on Sunday August 13, 7pm.



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