

# CWU deepens collusion with Kretinsky's takeover bid at Royal Mail

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Over the past week two issues have come to the fore in the £3.5 billion takeover bid by billionaire Daniel Kretinsky of Royal Mail and parent company International Distribution Services (IDS).

First of all, Kretinsky has wasted no time in spelling out a major overhaul from day one of his EP Group taking control. He has outlined plans to gut the mail service and speed-up Royal Mail's transformation into a dedicated parcel network based on massive profit gouging.

In media interviews, Kretinsky has denounced the USO as "the most strict in Europe", describing its statutory obligation to deliver letters six-days-a-week to every UK household as a "death grip". He has announced plans for a £400 million network of parcel drop boxes and delivery lockers based on the Amazon model threatening thousands of jobs, and has defended further price hikes for first-class stamps, which have more than doubled already since 2018 from 67 pence to £1.35.

Secondly, the Communication Workers Union (CWU) postal executive, led by Dave Ward and Martin Walsh, has deepened their policy of "engagement" with the takeover, meeting with EP Group on Tuesday.

In a CWU letter to branches, Ward and Walsh described their meeting as "useful and constructive" and boasted that "further meetings will take place including the direct involvement of Daniel Kretinsky."

The CWU has declared it wants to work with Kretinsky to establish a "completely new ownership/business model for Royal Mail and one that gives all employees a stake in the future of the business."

Ward's call for a "joint stake" in the business should spell W-A-R-N-I-N-G in flashing neon lights. The CWU's most recent "partnership" with Royal Mail was last April's "Business Recovery, Transformation and Growth Agreement". It began with the words: "Royal Mail and CWU will jointly rebuild and transform the business to protect and grow good quality jobs and make

the company successful again."

That agreement was a bonfire of workers' rights that introduced later start and finish times, a two-tier workforce with new entrants on inferior terms, the use of PDAs for performance management, extended seasonal hours and reduced sickness benefits—all aimed at driving out the "legacy" workforce.

More than 400 reps and members sacked or suspended during the 2022-23 dispute were left behind with around half subjected to the Falconer Review stitch-up, allowing Royal Mail to walk away scot-free from its industrial-scale frame-ups and leaving victimised workers forced to accept lesser disciplinary charges.

Ward functioned as the Royal Mail's attack dog, threatening postal workers that if they refused to endorse the deal, the company would go into administration. Twelve months later he declares "we have absolutely no confidence in the current Board of the company" as he pursues a partnership with Kretinsky and his EP Group of asset strippers!

Alongside their engagement with Kretinsky, the CWU announced: "we are increasing our plans to engage the government and Labour Party on the takeover bid. This bid needs to be heavily scrutinised and debated, particularly in the run in to a general election."

But Labour has already given in-principle approval to Kretinsky's takeover and has confirmed it will not bring Royal Mail back into public ownership.

Last Wednesday, Kretinsky's takeover moved a step closer, with EP Group and the IDS board agreeing the terms of an acquisition based on a series of "undertakings". These are limited to five years and include retention of the USO (unspecified) and that IDS-Royal Mail will retain their UK headquarters and tax residency.

EP Group will maintain current salaries and wages for Royal Mail's workforce for only two years.

Kretinsky's USO pledge is meaningless under conditions where Ofcom has already signalled its agreement with Royal Mail plans announced in April to reduce letter deliveries to a three-day-a-week service for all but first-class mail from April 2025, slashing thousands of jobs.

The deciding vote on EP Group's takeover will be taken at the IDS shareholders' AGM in September. It needs a 75 percent majority but is likely to succeed given the huge pay-outs up for grabs. IDS chair Keith Williams is expected to net £1 million from the buyout.

Kretinsky's takeover will then be reviewed under the National Security and Investment Act. But with Labour having already "welcomed" Kretinsky's worthless "assurances" that he will protect Royal Mail's UK brand name and workforce, the takeover will likely be approved.

EP Group is one of Europe's largest private industrial groups with major assets in energy, logistics and retail. It specialises in buying up undervalued state assets with a view to delivering long-term returns for investors. Kretinsky has the capital required to drive through corporate restructuring with his stated aim of making IDS one of the main postal logistics groups in Europe. The takeover has been leveraged through borrowings of £2.3 billion from major investors who, along with Kretinsky, will demand immediate returns wrung from the workforce.

Kretinsky plans to break-up Royal Mail, building on ground already laid by the CWU. He has announced immediate plans for a network of 20,000 delivery boxes as an "out-of-home" delivery service to bring Royal Mail into line with GLS, the international parcels-based division of IDS which operates in 40 countries in Europe and North America on a gig-economy and franchise model.

In April, Royal Mail opened Amazon-style lockers in Coventry, the first of 1,500 by the end of the year. The CWU has colluded with this through the phased reduction in opening hours at Royal Mail Customer Service Points, a staging post for their closure with the loss of hundreds of jobs.

Ward is seeking a new partnership with Kretinsky to help implement these plans. During an interview with the *Guardian* newspaper last week Ward extolled his plans for "a new business model" for Royal Mail, calling for a "public benefit company" with union representation on remuneration boards, whereby "rewards would be given on growing the company, growing revenue, growing jobs and services, and elements based on delivering quality."

This model would bring the CWU apparatus into direct partnership with EP Group's boardroom, overseeing the drive for greater productivity and competitiveness. This is precisely the agenda of an incoming Labour government, whose leader Sir Keir Starmer has pledged to be the most pro-business in history, with the establishment of an "Industrial Strategy Council" between the government, business and trade unions.

It is no surprise that the CWU's handful of token gate meetings at Royal Mail delivery units, with officials and reps "updating" members on the takeover bid, have been viewed as a farce. The CWU leadership has lost the trust and confidence of postal workers. As one commented on the CWU's Facebook page: "What is there to discuss?? RM [Royal Mail] will do as they please as will the prospective new buyer. The union has lost all credibility after the last strike's shambles."

Postal workers cannot allow the CWU bureaucracy to relegate them as passive bystanders, while competing groups of corporate parasites fight for control. An independent path of struggle must be opened to defend jobs, terms and conditions against the continued race to the bottom. If Kretinsky or IDS succeed in their plans to create a gig economy workforce it will have ramifications beyond Royal Mail, setting a new benchmark for rampant profiteering and exploitation for workers in every sector and industry under an incoming Labour government.

The domination of the corporate oligarchy over society must be challenged. The Postal Workers Rank-and-File Committee is calling for the convening of gate meetings to map out a fightback strategy to oppose the joint conspiracy of the CWU, IDS board and Kretinsky aimed at transforming Royal Mail into an even bigger cash-cow for investors than the £2 billion plundered since privatisation a decade ago. The demand must be raised for the nationalisation of Royal Mail under workers' control with company profits used to protect the mail service and safeguard the jobs, wages and working conditions of postal workers.

The Postal Workers Rank-and-File Committee is holding a Zoom meeting this Sunday night, June 9, at 7pm to discuss a strategy to fight the takeover bid. Please register here.



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