

UK unions campaign facilitates thousands of Tata Steel/British Steel job losses

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The Community, Unite and GMB trade unions, with members at UK Tata Steel plants Wednesfield and Port Talbot in South Wales, are acting as accomplices in plans to close two blast furnaces and make 2,800 steel workers redundant.

This looming defeat for workers without any fight organised by the unions illustrates how the union bureaucracy operates as an arm of management and the government to suppress the class struggle.

According to the corporatist arrangement between the Labour government and the unions, steel workers must accept the loss of their livelihoods as a *fait accompli*, while global steel corporations roll on to greater profitability aided by enormous state subsidies. The union bureaucracy is at one with the government on the need to maintain corporate profitability.

Tata announced its plans to close the blast furnaces and replace them with electric arc furnaces (EAF) at the beginning of 2024. In the intervening nine months all three unions have systematically opposed industrial action to fight the closures and mass redundancies—when all three were armed with clear strike mandates from their memberships. The unions sat on those mandates, insisting no action be taken before the July general election, preventing the first strike in the steel industry for 40 years.

In early June, after Tata rejected an alternative nationalistic business plan put forward by the unions to keep the blast furnaces operating until the EAFs were constructed, Unite claimed it would ramp up action in light of the corporation's intransigence. Just days earlier, Sir Keir Starmer—the leader of the then opposition Labour Party—claimed, “I will fight for every single job they have there and the future of steel in Wales.”

To coincide with Starmer's statement, Shadow Welsh Secretary Jo Stevens informed the press, “We have repeatedly said no irreversible decisions should be made before polling day. Labour's plans for a steel fund will ensure the future of the industry is fuelled by skills, talent and ambition of Welsh steel-workers”. Labour, like Tata, did

not support the union's alternative business plan to keep furnaces open until the EAFs were operative.

On June 29, Unite announced, “The UK steel industry stands on the precipice.” The union, representing 1,500 steel workers in South Wales, claimed discussions with Labour had secured—if the party was elected—a further £2.5 billion extra investment in UK steel in addition to the £500 million subsidy for Tata already given by the Tories. Unite pleaded that Tata wait until after the general election before making any final decision regarding its UK operations.

It was only when Tata refused that the union bureaucracy, in a face-saving operation, announced strike action. Asked about the imminent furnace closures on June 30, Unite leader Sharon Graham told BBC Wales: “They suspend closure, we suspend action”.

But the very next day Graham cancelled the strike due to begin July 8. Making her intentions crystal clear, Graham even cancelled the perfunctory overtime ban.

Announcing “new talks” with the company, Graham provided camouflage for Tata, who confirmed on July 2 they had begun the process of winding down the first of the two blast furnaces in Port Talbot. The Unite leadership claimed Tata had granted new concessions and agreed to new terms and conditions for negotiations. Tata denied anything of the sort had occurred.

The *Financial Times* revealed that Unite actually called off the strike on the prompting of Labour's Jonathan Reynolds, then shadow business secretary. Talks between Reynolds, the Welsh government and the unions were aimed at smothering steelworkers' resistance to the jobs massacre with the fake promise of a more favourable settlement under a Labour government.

By August 20, with Labour elected, Starmer dramatically changed his tune ahead of the planned closure of the second blast furnace. No longer “fighting for every job” he now refused to give “false hope”.

The balance sheet over the months since Tata first raised its mass layoff plans is that not one hour of strike action was taken by a single one of the three unions, and steel

production and distribution was not affected one iota. Tata's plans for profitable restructuring at the expense of the working class went on unhindered.

The first blast furnace was closed down by Tata in early July and the second in Port Talbot will follow on September 28.

By this point, workers were voting no confidence in the union with their feet, with over 2,000 steel workers already applying for voluntary redundancy. Indeed, so many have applied for redundancy terms that Tata intends to refuse many workers claims because a mass exodus will deny them even the reduced labour required to operate the still-to-be-installed EAFs.

Buoyed by this progress, and the imminent £500 million government subsidy, Moody's Ratings forecast improved earnings for Tata over the next two fiscal years, despite "challenges in the steel sector". The ratings forecast states that increased profitability is being partially driven by recovery in European operations following "the shutdown of loss-making blast furnaces".

Ministers announced September 9 that a final agreement with Tata Steel over the £500 million taxpayer funded subsidy was imminent. In response not a word passed the union bureaucracy's lips about the thousands of job losses, with union sources saying only that the agreement comes with assurances over future investments.

By sabotaging any resistance at Tata the unions established a template for their collaboration with Labour in a wider restructuring agenda demanded by corporations including Royal Mail and British Steel. The frictionless passing of Tata's restructuring plans emboldened the Jingye Group which owns the British Steel plant in Scunthorpe, Lincolnshire, to press ahead destroying a further 2,500 jobs.

On September 7, the *Financial Times* confirmed that British Steel was moving its plans forward to close its blast furnaces at the plant as talks with the government over a £500 million subsidy stalled. British Steel initially said they would keep the Scunthorpe blast furnaces operational during the construction of a new EAF at Teesside. However, emboldened by Tata's swift success, British Steel are currently in talks with the government to cut coking coal imports, originally planned to continue for another two years.

In a similar manner to Tata, they telegraphed their intentions long in advance. In 2023 British Steel announced plans to close the coke ovens at Scunthorpe, with the loss of 260 jobs, before announcing the end of blast furnace production.

At no point have the unions sought to unify the struggles of workers at Tata and British Steel. Instead each workforce has been hermetically sealed off from the other, even though

both sets of workers are facing the exact same issue: job losses associated with the shift from blast furnace production to EAF. Under a rationally planned socialist society the shift to more modern, less environmentally damaging technology requiring less labour would mean a shorter working week for no loss of pay, but under the profit system defended by the unions it means the loss of workers' livelihoods.

Upon hearing of British Steel's plan to speed up closures, the GMB union stated only that early closure would be "devastating for the community and workforce", offering workers zero by way of combating job losses.

Adding insult to injury, the unions have reduced their steel campaign to that of balloting on acceptance of redundancy terms that the company and corporate media are trumpeting as "generous" to smooth the way for thousands of losses. The deal offers just 2.8 weeks' salary for every year of service, up to a maximum of 25 years. Workers forced out are offered a guaranteed minimum payment of only £15,000 and an attendance-related payment of £5,000. The ballot closes September 16.

Parroting the company's propaganda, the Community and GMB unions said the terms were the "best that can be achieved through negotiation" with the company. The deal is also backed by Unite.

Steel workers cannot defend any jobs, now or in the future, outside of a rebellion against the union bureaucracy. Workers must establish rank-and-file committees at Tata Steel and British Steel to lead a fight based on the methods of class struggle. Such an approach would require an urgent appeal for the unity of all workers employed by the two steel conglomerates at their world-wide operations. The International Workers Alliance of Rank-and-File Committees (IWA-RFC) will offer every assistance and encouragement to such a crucial development.



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