

Off The cuff

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Postal Strife

IF YOU DELIVER MAIL for a living in the UK the chances are that you will earn less than £300 per week *before* deductions. In any event you will earn less than £9 an hour. Even when London Weighting, and a myriad of shift payments and allowances are taken into account the pay of postmen and women directly employed by Royal Mail is very low indeed. If you are an “agency worker” hired by Reed, or by Manpower, to work for Royal Mail (and you are 22 or older), you are unlikely to earn more than the minimum wage of £5.80 per hour.

Royal Mail, in common with many other employers, uses agency staff to side step the impact of employment protection laws. Consequently, Royal Mail's workforce is stuffed full with ‘permanent temps’. Employed by agencies, they do not have contracts of employment with the Royal Mail. An “implied contract” might be said to exist between an agency worker and Royal Mail after some months or years of service, but in each case this would have to be determined by the courts.

The Communication Workers Union has allowed this employment practice to arise over a number of years and has only recently objected to the hiring of “untrained temporary workers” when they have been brought in by Royal Mail specifically to clear the backlogs that have arisen after industrial action – they are attempting to characterise these extra temporary temps as unreliable people of dubious provenance and backgrounds, and as “scabs” even though they have not crossed picket lines or gone to work during a strike. The CWU has, like most other trade unions, had very little to say about the growth of agency employment. They have allowed it to arise without

challenge and have, by and large, gone on representing only the full time permanent employees.

As a result, the current dispute and strike ballots have only involved a fraction of Royal Mail's workforce – i.e. only those workers it directly employs and are members of the Communication Workers Union. This divided workforce is not, as you may imagine, a sound basis for robust industrial action. Agency workers are not hired by Royal Mail on strike days so they, like the strikers, lose pay during the strikes but have no say in the conduct of the action by the CWU and its members.

Ostensibly, the dispute concerns the breakdown of the Pay and Modernisation Agreement, which the CWU and Royal Mail signed in 2007. This agreement provided for the introduction of new technology and the necessary changes in working patterns that this would bring about. Postal workers throughout the country complain of “bullying” by managers and of change being “imposed” without mutual agreement between the full-time staff and Royal Mail's managers. What has actually happened is that Royal Mail is trying to speed up the introduction of new technology in order to prepare for full competition in the market when letter post monopolies are finally brought to an end by the European Union in 2011.

The Royal Mail is also being spurred on by precipitant falls in the use of mail services accelerated by the worldwide recession. As the recession has deepened companies have speeded-up their shift away from postal services towards much more extensive use of faster and cheaper electronic services. In 2000 India Post moved 15 billion items; by last year this number had fallen to six billion. In the first half of this year Finland's Itella's first class mail volume fell by nine per cent and its junk mail volume fell by 16%. It is a similar story in the US where mail volumes have fallen by 14% in the last twelve months.

These developments have made it abundantly clear to Royal Mail Group plc and to the Labour Government that there is no future for Royal Mail

Group plc as a wholly state-owned company. Its other businesses, Parcelforce Worldwide, General Logistics Systems, and Royal Mail Wholesale, are doing well in the marketplace. Only the Post Office and Royal Mail are in trouble. The Post Office is losing business hand over fist to the banks as benefits and pensions are paid directly into people's accounts electronically. When the Post Office Card Account is withdrawn next year, government business will account for less than ten per cent of its counter transactions. The Post Office's network of 14,300 outlets is undoubtedly in jeopardy unless it can transform itself into a serious provider of banking and other financial services. It will have to compete head-to-head on the high street or its network will contract even more rapidly than it has done in recent years.

Mail delivery services and post offices are being hit by a *perfect storm* composed of technical innovation, consequent changes in the habits of customers and in the services they need, recessionary pressures, and the wholesale deregulation of what were former state monopolies throughout the world. Governments are simply no longer prepared to prop up postal services as their operations cease to be of critical importance to the provision of state services or of singular importance to commerce and industry. As the *Economist* brutally put it last week: "With technology undermining the old monopolies that postal services used to enjoy, the obvious answer is to privatise them and let them sink or swim."

This is the policy of both the Tory Party and the Labour Party. Private capital must be brought in to help finance the £2bn needed by Royal Mail for the next round of modernisation. This will involve the replacement of most manual mail sorting as "walk-sequencing equipment" takes over. Modern machines will sort more than eighty per cent of all mail and halve the number of people needed. Those workers left will find themselves with fewer night-shifts and fewer shift allowances, they will be expected to be more flexible in their approach to their jobs, and to spend more time

on the street delivering door-to-door, and less time in sorting offices. Van and truck drivers will be more closely monitored and the entire culture of the workplace will be transformed as opportunities for informal breaks and rests are squeezed out of the system, and everybody is forced to work harder.

It is in these circumstances that trade union leaders will talk loudly about “public service” and the need to protect “public employment”. But unfortunately they have already sold the pass – they have already accepted the erosion of working conditions by the wholesale employment of agency staff, they have already accepted modernisation and wholesale job cuts. Indeed, some sixty thousand jobs have been negotiated away by the CWU over the last two years. Now, CWU General Secretary, Billy Hayes, talks ‘militantly’ of the need to refer the dispute to the Advisory, Conciliation and Arbitration Service (ACAS) in the desperate hope that he can get something he can sell to his union’s very angry rank and file.

However, Hayes knows that Royal Mail’s workers cannot win. He knows that the strikes, and their very public defeat by a ruthless management, are necessary in order to demonstrate to potential investors that Royal Mail is a good place to do business. He knows that neither the government nor the Tory opposition will do anything other than introduce more technology and will privatise postal services in order to pay for it.

Consequently, it is truly bizarre that the CWU, instead of ratifying old-style confrontation, has not attempted to negotiate better retraining and financial support packages for workers opting for redundancy. CWU appears not to have given priority to better training and greater educational opportunities for the upskilling and redeployment of existing delivery workers. It has continued simply to ‘defend’ the poor pay and conditions of their unskilled members until the capitalists no longer require them. This lackadaisical conservatism appears to be entirely in keeping with the honourable traditions of British trade unionism.