

Communication Workers Union embraces Kretinsky's takeover of Royal Mail

Tony Robson

22 November 2024

Communication Workers Union (CWU) leaders Dave Ward and Martin Walsh issued a statement Wednesday calling on postal workers to get behind their “engagement plan” and establish a “favourable outcome” in Royal Mail’s takeover by billionaire Daniel Kretinsky.

Ward and Walsh described the £3.5 billion takeover by Kretinsky’s EP Group in glowing terms as “a major opportunity to influence the future”. They stated this “opportunity” was “made clear” during the CWU’s “meetings with the company, prospective buyer, government, and regulator”.

Wednesday’s statement is public confirmation of what the Postal Workers Rank-and-File Committee (PWRFC) has warned since May: that a Labour government would rubber-stamp the takeover and work with the union’s postal executive to ensure an orderly transfer to EP Group’s private equity investors.

Since the EP Group takeover bid was launched the CWU has peddled the fiction that it would be heavily “scrutinised”, but the statement exposes how it was always taken as a done deal—with Ward and Walsh relied upon to maintain confidentiality.

“We need to work on the basis that it is likely the government will clear the takeover bid from the perspective of the national security investigation,” their statement reads.

This is the real face of Labour’s “New Deal for workers”, promoted endlessly by Ward and other CWU officials in the run-up to the general election.

Ward’s claim that the CWU’s “engagement plan” is about mobilising the members’ “collective strength” to “protect jobs and terms and conditions” at Royal Mail is farcical.

Ward and Walsh have lost any right to speak on such matters. They co-authored last year’s Business, Recovery, Transformation and Growth Agreement with Royal Mail/IDS executives, sabotaging the resistance of more

than 100,000 postal workers to brutal company revisions imposed during the 2022-23 national dispute.

Faced with an incipient rebellion against this sellout, it was Ward who assumed the role of chief company attack dog, telling postal workers there was “no plan B” if they voted down the agreement, and declaring that workers would be responsible for the resulting “Armageddon.”

The CWU’s pro-company deal resulted in a bonfire of terms and conditions, the destruction of thousands of jobs and imposition of a two-tier workforce, with all new hires employed on inferior pay and benefits. This paved the way for the takeover bid that followed. Bid documents produced by Kretinsky cite the benefits to investors of reduced labour costs and increased flexibility delivered by the union.

The architects of this miserable betrayal, aimed at transforming the company into an Amazon-style parcel service, now speak about a Royal Mail at a “crossroads”, with thousands of jobs threatened and postal services “at real risk”

Arsonists are in no position to give lectures on fire safety!

Ward and Walsh declare, “Our challenge is to move beyond the impact of the recent dispute.” Having imposed a scorched-earth policy against their members, the only place the CWU bureaucracy is “moving on” to is a direct alliance with Kretinsky’s corporate vultures and asset strippers, facilitated by the Starmer government.

The CWU’s eight-point list of proposals offered as the framework for a negotiated agreement with Kretinsky makes this clear. They include the fob-off call for “harmonisation of new entrant’s terms and conditions” within a totally unspecified “agreed time frame”.

It is equally grotesque for them to talk about delivering an “above inflation pay rise” having agreed an uplift of just 10 percent for postal workers over three years (accepting the 2 percent imposed unilaterally in 2022-3)

which expires next April. This de facto pay cut has transformed Royal Mail into a minimum-wage employer with the hourly rate for new entrants standing at just 54 pence above the current National Living Wage.

The union's additional demands, including restoring quality of service and alternate Saturdays off for delivery workers, bear all the imprints of a PR exercise aimed at promoting the takeover, with promises of jam tomorrow.

The CWU launched its "engagement" with Kretinsky and the Labour Party back in May. Through months of secret talks, postal workers have been kept in the dark. But Wednesday's statement indicates the extent of their backroom planning—with Ward and Walsh citing their "regular" negotiations "with EP Group and Royal Mail management separately over multiple issues including job security, USO, future ownership models, pay, new entrants' terms and more."

What are these "multiple issues" and what exactly has the CWU offered up at our expense?

The £3.5 billion takeover by Kretinsky is a calculated investment. EP Group specialises in buying up undervalued assets and injecting capital to make long-term profits. The deal has been leveraged through the borrowings of £2.3 billion from major investors who will demand their pound of flesh from the workforce.

Kretinsky is aiming to build the "Amazon of Europe", integrating Royal Mail with EP Group's 31 percent share of the Dutch postal service and the all-Europe GLS parcel arm of IDS. He has already announced planned investment in a network of 20,000 drop and delivery boxes to replace door-to-door delivery.

The nonsense of a trickle-down effect for postal workers has already been exploded over the last year and follows a decade of privatisation that saw Royal Mail used as a cash cow by major shareholders and hedge funds. Those who will immediately capitalise on the buy-out—to the tune of millions—will be IDS's Board of Directors and major investors as they cash in their shares.

The call by the CWU for "engagement" is a blueprint for a surrender document Mark II, not a call to arms for postal workers. A rank-and-file insurgency must be organised, based on the establishment of a network of workplace committees, jointly mapping out an industrial and political strategy to defeat the EP Group's plans in alliance with postal and logistics workers across Europe and internationally.

A national strike is in its first week at Canada Post by 55,000 postal workers over a new contract as the national carrier seeks to impose a brutal restructuring of jobs and

conditions. Postal workers in America at United States Postal Service confront a renewed drive to gut the mail service and post office network, destroying jobs through increased automation in preparation for privatisation.

In every country the union bureaucracy is working with management and governments to block or isolate opposition to the prioritisation of profits and increased competitiveness. Through the International Workers Alliance of Rank-and-File Committees the PWRFC and its affiliates are waging a fight to unify these struggles against the race to the bottom.

IDS chief executive Martin Seidenberg has already signalled new attacks on Royal Mail workers, citing as a pretext the announcement by the Labour government of increased national insurance contributions (NICs) for employers.

Seidenberg, who is expected to rake in £5 million from the EP Group takeover by selling the shares he holds, has stated that the increase in NICs would add £120 million a year to the wage bill of Royal Mail from 2025-6. He described this as a "massive burden", justifying proposed plans to slash the frequency of letter delivery and cut jobs, and a further hike in costs for service users by increasing the price of stamps. The recent hike in the price of first class stamps to £1.65 was the fifth in three years.

Royal Mail, as one of the largest employers in the UK with a 130,000-strong workforce, is outlining a plan of attack which other corporations and employers will follow and which millions of workers in the private and public sector confront. A fight waged by Royal Mail workers against the CWU-Labour government's backing for a further dismantling of the postal service in the interests of the capitalist oligarchy personified by Kretinsky would win broad based support in the working class.



To contact the WSWs and the
Socialist Equality Party visit:

[wsws.org/contact](https://www.wsws.org/contact)