

Communication Workers Union has paved the way for Kretinsky takeover of Royal Mail

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The Communication Workers Union (CWU) spent last week smoothing the path for the UK Labour government's approving the £3.5 billion takeover of Royal Mail by billionaire Daniel Kretinsky and his private equity firm EP Group.

The union bureaucracy blazed the trail for this by colluding in dismantling the mail service under the guise of Universal Service Obligation (USO) "reform."

Under their "engagement" policy with the takeover dating back to June, CWU General Secretary Dave Ward and Deputy General Secretary Postal Martin Walsh held private talks with EP Group and the Sir Keir Starmer's government. Last Wednesday, a National Briefing was organised by the CWU Postal Executive on the takeover and USO, with attendance restricted to "senior representatives", at the Trades Union Congress headquarters, followed by a briefing the next day.

The CWU produced a video broadcast Friday evening, with just one hour's notice to members provided on the union Facebook page. The "CWU Live" event was a pre-packaged half-hour recording, with CWU officials assembled at Congress House. Its aim was to endorse the takeover, while issuing empty pledges about protecting the workforce to browbeat opposition among postal workers.

The tone was set by Ward, who spoke of "constructive" talks with EP Group and asserted that the takeover would be a "fresh start", a "reset on employee industrial relations" and lead to a new model of governance providing workers with "a serious stake" in the business.

The same pro-business jargon was employed in the service of the sellout deal co-authored by the CWU postal executive with Royal Mail to break the resistance of postal workers after 18 days of strike action and end their year-long national dispute last July. The corporatist Business Recovery, Transformation & Growth agreement has resulted in the biggest attack on postal workers in

their history with a bonfire of terms and conditions, the destruction of thousands of jobs and imposition of a two-tier workforce with new entrants on inferior pay and terms.

The bid documents produced by Kretinsky cites the benefits to investors of reduced labour costs and increased flexibility delivered by the union.

Ward told CWU members "We cannot be one of those organisations with some romantic notions of how it used to be", as he demanded Royal Mail "grow its revenues" by "offering products and services customers want"—insisting this meant parcel deliveries on weekends and also afternoons and evenings for frontline delivery staff. This message could have been delivered by chief executive of Royal Mail-IDS Martin Seidenberg or representatives of EP Group.

Ward then de facto endorsed ditching the USO by citing figures that it only accounted for 14 percent of the mail service, echoing the pro-business line that it is a drain on profits. This is the scandal for Ward—not Royal Mail once again being found this week to have breached legal targets to deliver a six-day letter service to 32 million addresses across the UK, receiving a £10.5 million slap wrist fine by regulator Ofcom.

Ward continued to foreground company talking points that Royal Mail's conversion into a parcel carrier along the lines of Amazon was the inevitable outcome of the decline in letters in a digital age. He never addressed how Royal Mail last met its combined targets for First- and Second-class delivery seven years ago, despite the decline in mail volume.

Ward speaks on behalf of the right-wing, pro-business Labour government and its partners in the trade union bureaucracy. He admitted the Labour government was likely to agree the Kretinsky takeover, entirely in keeping with Starmer's pledge to tear up regulations and oversee "shock and awe" on behalf super-rich investors.

The CWU leader insisted on the need to collaborate with Royal Mail against its rivals in the parcel courier sector: “Their model of employment, as our members know, is predominantly self-employed and bogus self-employed. You don’t have any of the add ons like pensions, holiday pay any sick pay—all of that stuff. And that model undercuts Royal Mail and as much, as we don’t like what Royal Mail do, if we do not have that context in mind then we’re being irresponsible.”

The “add ons” and “all of that stuff” are the rights won by previous generations of workers in struggle, which Ward intends to sacrifice on the altar of corporate profit. Such a corporatist and nationalist agenda is directed against the class unity of Royal Mail workers with their fellow workers at Amazon, Evri and DPD. In opposition to this divide-and-rule offensive, workers must wage a collective struggle against the entire global corporate elite.

CWU officials have worked to dismantle the USO in preparation for the Kretinsky takeover. Martin Walsh claimed the union was proceeding with caution over proposals announced in April by Royal Mail to slash letter delivery to alternate weekdays for all mail other than First Class. But the CWU agreed to pilot the “Optimised Delivery Model”, now agreed for 37 delivery offices across the country, prior to formal approval by the regulator next summer. The cost-cutting proposals will generate £300 million a year, which will now be diverted into private equity profit.

Walsh stated that the union was trying to “leverage the USO” to get the right deal with Kretinsky, claiming that gutting the mail service could facilitate an increase in Saturdays off for delivery workers, part-time workers becoming full-time and an improvement in the terms and pay of new entrants the CWU agreed to as part of its rotten deal with Royal Mail.

The reality of the downsizing operation is forecasted job losses of 7,000, as Walsh confirmed at an earlier CWU Live online meeting in response to questions from postal workers.

Ward and Walsh forfeited any right to speak for postal workers with their miserable betrayal last July and their implementation of a record number of revisions as part of a cost-cutting exercise to remove duties and increase workloads.

The Postal Workers Rank-and-File Committee (PWRFC) calls for the fight against the CWU leadership to be escalated in response to their collusion with the EP Group takeover. It takes place under conditions in which

postal workers internationally are being driven into struggle against similar attacks, including postal services being primed for privatisation in Canada, the US and Australia. Labour-saving automation and AI technology which could be used to rationally plan and make work easier, and provide secure well-paid jobs, have been weaponised to slash thousands of jobs, reduce labour costs and expand gig economy working practices.

Through the International Workers Alliance of Rank-and-File Committees, the PWRFC and its international counterparts are seeking to unify these struggles and break the stranglehold of union bureaucracies who function as an arm of management, the corporations and governments.

The more than a month long strike by 55,000 Canada Post workers over a new collective bargaining agreement has become a major confrontation with the Crown Corporation and its restructuring agenda. The Trudeau Liberal government has taken steps to illegalise the strike and enforce a return-to-work, as it did recently against rail and dock workers. In opposition to this, the Postal Workers Rank-and-File Committee at Canada Post has advanced a strategy for postal workers to take control of their fight out of the hands of the bureaucracy and spearhead a working-class counteroffensive against the dictatorial methods of rule used to enforce austerity and war.

We encourage Royal Mail workers to make common cause with Canada Post workers as they face the same fight here in the UK against Kretinsky and his allies in the CWU and the Labour government. Royal Mail workers looking to conduct such a struggle should contact the PWRFC and participate in drawing up a strategy for a counteroffensive.

Register here to attend the Postal Workers Rank-and-File Committee’s next online meeting on Sunday January 5 at 7 pm.



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