



Charter for Aerospace workers



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Foreword

Derek Simpson, General Secretary

Our aerospace industry is central to the success of our nation's economy. 150,000 people are directly employed in the sector, with a further 300,000 jobs supported indirectly. It is the second largest aerospace industry in the world, built through high-skill, high-value jobs. It is a sector to be proud of.

At a time when our manufacturing base is under threat, we must do all we can to protect and strengthen our aerospace excellence. Other nations do. Go to France or the United States and you'll see governments pulling out every stop to support their aerospace sector.

In the UK there is a lot more that can be done and with the Government's continuing support we can ensure we keep the jobs and skills that aerospace brings. This document sets out a number of actions the Government could take, matching the sort of steps other governments have taken.

Without these measures, aerospace will suffer like much of the rest of manufacturing industry. We cannot afford to let that happen – and we urge the Government to continue using its power and resources to ensure it does not.

I hope this document helps to ensure the right choices are made and the necessary steps taken to ensure future generations have an aerospace industry that is a global leader, supporting hundreds of thousands of jobs in the UK.

This Charter gives Amicus members in Aerospace a strategic focus, and it will provide direction and leadership for our campaigns. Above all, this document represents our aim to ensure that UK Aerospace is recognised for its contribution to the nation's wealth and knowledge base, and that real action is taken to protect and nurture this industry as a strategic asset.

Ian Waddell, National Officer, Aerospace

Our members work at every level in the Aerospace sector including engineering and manufacturing workers, technical and management. They are involved at every stage from research and development, right through design, manufacture, assembly, testing and delivery and beyond, in the form of maintenance, repair and overhaul and final decommissioning. The industry is completely reliant on its highly-skilled and versatile work force. It is for this reason that Amicus continues to campaign for greater recognition for our members employed within the sector and the vital contribution they make to it.



Currently, the UK's aerospace and defence industries are major contributors to the UK economy, through manufacturing and research into new technologies. The industry represents the cutting edge of human achievement and real innovation at the leading edge of science and engineering, which spills over into other industrial sectors and advances economic growth throughout the whole economy.

In essence, innovation in aerospace is a key factor in UK competitiveness.

Against the success of Aerospace UK, the industry faces real challenges. Companies are continually fighting for contracts and bidding for research and development funding to remain competitive. Structural change is a daily event and many jobs are being lost or replaced by different skills. In response to these challenges, Amicus workers in the Aerospace industry have drawn up a Charter for Aerospace workers, which highlights our latest campaign objectives for the industry and those who work here in the UK.

Charter for Aerospace Workers

We aim:

- 1) To campaign for UK employment rights which equal the best in Europe.
- 2) To lobby for coherent and comprehensive investment in aerospace, which guarantee UK jobs.
- 3) To press employers for union involvement before strategic decisions are taken which affect our members.
- 4) To actively campaign for the best terms and conditions, including pensions, across the industry.
- 5) To highlight the prime strategic importance of aerospace to the UK economy and campaign for direct Government involvement to protect the industry.
- 6) To campaign for a comprehensive skills and training programme to develop our members and equip them with the skills for the industry of tomorrow.
- 7) To maximise our political influence at every level to argue the case for UK Aerospace.



Charter for Aerospace Workers

We aim

- 1) **To campaign for UK employment rights which equal the best in Europe.**

Working people in UK should have the same protection, security and opportunities for work and prosperity as working people enjoy in the other EU industrialised countries.

We are concerned about the ease with which multinational companies can take decisions to close manufacturing facilities in the UK and transfer work to other establishments within the EU and beyond. In an increasingly global economy, multinationals will always choose to make job cuts where it is easier, cheaper and quicker to sack workers. The "flexible labour market" serves only to enable quality jobs to be easily disposed of, resulting in a de-skilling of the economy.

Stronger consultation rights and redundancy protection in the rest of Europe make UK workers more vulnerable when multinationals come to make job cuts. For example, in France and Germany employers are required to fund a "social plan" in the event of major redundancies, which covers retraining, reorganisation of hours, and compensation for job losses. At the European political level, we are disappointed that the UK continues to try and block protection for agency workers and working time rules.

As trade unionists, part of our role is to provide protection for hard working people and win fairness at work. Balanced against this, the UK still has some of the worst anti-trade union legislation in Europe. Amicus has long campaigned for the repeal of these laws. The UK has ratified International Labour Organisation Conventions, but does not live up to these standards at home. We support the decision of the 2005 TUC congress to campaign for a Trade Union Freedom Bill in an attempt to reverse the tide.



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2) To lobby for coherent and comprehensive investment in aerospace, which guarantee UK jobs.

Amicus lobbied for and helped shape the Government's Defence Industrial Strategy and ensured that our members' interests were taken on board. Whilst the document does not bring universal good news, we welcome the fact that the Government has taken a strategic view of an important manufacturing sector.

We believe that the UK Government now needs an Industrial Strategy for Aerospace which recognises the contribution the sector makes to our economy and knowledge base. The industry is characterised by large-scale projects and long development timescales. This requires investment and support, a fact which many other leading industrial nations recognise. As well as the retention of repayable launch investment, we want to see a system which encourages growth and innovation in aerospace at every level of the industry. Above all, we believe that when UK taxpayers' money is spent on aerospace, it should directly result in the creation and protection of UK aerospace jobs.

US studies indicate that for every \$1 spent on aerospace research and development, \$3.50 worth of benefits spill over to the wider economy. There is every reason to believe the UK would enjoy the same type of spill-over benefit.



The UK's system of R&D funding is too complicated and is fragmented. It comprises of:

- Research and Development tax credits
- Repayable Launch Investment
- Research and Technology Support

It is clear that the industry is crying out for simpler processes and more funding, and we believe that changes must be made to guarantee investment in the UK, and support for UK jobs.

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3) To press employers for union involvement before strategic decisions are taken which affect our members.

Our members in aerospace have a long-term vested interest in the success of the companies they work for. Success is the best guarantee of job security and decent pay and terms and conditions of employment. However, often our members find themselves subject to decisions based on the short-term aspirations of shareholders for a quick return, and they enjoy little or no consultation over these decisions.

We firmly believe that the involvement of workers in strategic decision making is a responsible and desirable approach for both employees and employers. Union involvement guarantees that employees are recognised as stakeholders with a long term interest in the success of the enterprise, and also helps drive through changes with employee support which improve productivity and profitability. As such, it should be seen as a win-win situation. We believe that best practice is for employees to be involved before decisions are taken so that they are able to influence and shape the options and arrive at a mutually acceptable outcome. This requires a relationship of openness, honesty and trust and gives life to the spirit and intent of the Information and Consultation Directive.

We will assist Amicus members and workplace representatives from the aerospace sector to populate Information and Consultation bodies, European and Global Works Councils so that the union's voice is heard and its influence felt at all levels within the industry.



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4) To actively campaign for the best terms and conditions, including pensions, across the industry.

Aerospace must provide attractive and rewarding career opportunities if we are to recruit and retain the UK's brightest talent. As a Trade Union we recognise that Terms and Conditions are an important part of this package and those employed in the sector must receive an appropriate share of the success of their employers. Needless to say pay and conditions are only part of the equation and pension provision is an important issue for recruitment and retention, as well as providing a decent standard of living for retired aerospace workers. As a result, Amicus has launched five separate demands on pensions:

- Employers should be required by law to make a minimum 10 per cent contribution to their pension fund each and every year,
- The Government must further relax the tax regime on pension surpluses,
- The rules on pension fund wind-up should be amended so that it's no longer the "easy option" for companies,
- The Government should restore the ACT (Advance Corporation Tax) credit for occupational pension schemes,
- Protect people's pension rights under the law.

We will campaign in Aerospace to realize these goals.

Workers seek stability of employment, a challenge, a safe and healthy working environment, good career prospects and a feeling that their contribution is valued. In addition, the way workers are treated has a major impact on their view of work. We demand that workers are treated with dignity and respect in order to create a positive working environment.

Amicus members in Aerospace were at the forefront of the shorter working week campaign, achieving a 37-hour settlement in 1990. We will continue to defend this gain and seek to advance to a 35-hour week. The campaign demonstrated the power our members have when they work together for a common aim.

We will lead organising and recruitment campaigns to maximise our strength and influence in the industry.



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5) To highlight the prime strategic importance of aerospace to the UK economy and campaign for direct Government involvement to protect the industry.

Aerospace is a sector strongly associated with national prestige and international status. Apart from its contribution to sustainable economic growth, the aerospace industry is a home to key skills and technologies and an important driver of innovation, in addition to its significance for national security and defence and its creation of high value added jobs.

The wellbeing of the industry depends on twin pillars, namely civil and defence. They are both complementary and mutually dependent. The UK Government must pursue an Industrial Strategy for Aerospace which recognises, defends and actively supports the contribution the sector makes to our economy and knowledge base. We believe the Government could take more active steps to assist UK aerospace in its efforts to export goods and win global market share.

UK Aerospace depends on a strong Export Credit Guarantee Department (ECGD) in order to compete in the global market. It is vital that ECGD services in the UK match the highest international standards of its competitors, such as France, Japan and the USA, if we are to provide a level playing field for UK firms.

We believe that there is a case for direct Government ownership in Aerospace. The recent announcement of the sale by BAE Systems of its 20% stake in Airbus highlights this issue. Many other parts of Airbus are owned at least in part by other European Governments, recognising the strategic importance of the company and the industry. We believe there is a strong case for the UK Government to use the opportunity of a sale by BAE Systems to take ownership, or a "golden share" in Airbus.



Charter for Aerospace Workers

6) To campaign for a comprehensive skills and training programme to develop our members and equip them with the skills for the industry of tomorrow.

It is clear that the nature of the work our members do in aerospace is changing, and will continue to change.

The demographic challenge to aerospace is also clear. We see the need for much closer work with schools, colleges and universities to provide a direct link for young people with the industry, and to ensure that we have a pool of talent available for UK Aerospace.

We can no longer afford to embark on large-scale redundancy programmes which strip the industry of its most experienced and talented workers. We must use troughs in demand to take people offline and train them so that we are ready for the upturns.

There are examples of good practice which show that it is possible to be innovative in the face of potential redundancy and retain people in employment, and also provide them with training opportunities.

We will argue for a much greater effort to move people into adult apprenticeships, and for each employee to have a comprehensive training plan and career development path.

We recognise that these shifts in skills do not just affect the large companies, but also affect the supply chain. We must approach the issue of skills and training in a comprehensive and strategic way to ensure that the industry is equipped for the challenges we are already beginning to face.



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7) To maximise our political influence at every level to argue the case for UK aerospace.

Having highlighted the key objectives in this document, the final goal is to gain the support of politicians, key opinion formers and decision makers to transfer these aims into action. As part of this strategy we shall:

- Encourage all aerospace facilities to make contact with their local Councillors, MP's and MEP's and arrange site visits in order to increase their awareness of the industry and the work our members do. Our relationship with elected members must be based on a widespread acknowledgement of the strategic importance of the industry which will be reflected in political decision-making, rather than contacts solely being made in times of crisis.
- Seek to maximise our involvement with key opinion formers and other decision making bodies, such as Regional Development Agencies and Learning and Skills Councils. As key stake-holders, workplace representatives should be directly involved in shaping decisions and encouraging funding into the aerospace sector.
- Encourage members to be directly involved in their local Labour Party branches, and be sure to affiliate and send Amicus delegates to constituency meetings.
- Encourage members from the sector to get involved in the political life of the union. We will put members forward for regional political schools to help this process
- Work constructively with employers and employer bodies such as the SBAC, where we have common interests in promoting the aerospace industry.

