

One union's gain may be another's loss

The siren song of System X

PROBABLY THE MOST advanced planning agreement concerning the effect of new technology on employment was virtually signed and delivered at the start of this week. In return for a Post Office commitment to secure both individual employment and the total number of jobs in the Post Office, the Post Office Engineering Union (POEU) has promised a complete commitment to modernisation plans. The introduction of advanced electronic systems – in particular, the 'System X' design of telephone exchange – will mean drastic reductions in maintenance manpower. But an overall growth of the Post Office communications business, plus new technological developments enables the Post Office to promise their current employees that they will never face the sack.

The POEU's annual conference this week spent a day debating a special report on modernisation and the issues it raised before voting to accept a provisional agreement with the Post Office. The communications industry is among the first sectors of the economy to feel major effects from the introduction of electronic, and now microelectronic, technology. The replacement of elderly electromechanical equipment meant a drastic reduction of labour requirements in both maintenance (Post Office) and manufacture (private industry).

Although the POEU agreement is the first to promise no reduction in employment through 'new technology', the circumstances

are untypical of industry in general. Indeed, the agreement not unnaturally neglects the effects of modernisation on employment outside the Post Office, particularly in the communications giants Plessey, GEC, and STC (a subsidiary of ITT). Some 100,000 people are directly employed by the industry, with around 80,000 employed in related work. Already, partly as a result of disastrous Post Office planning, tens of thousands of manufacturing jobs have been lost. Implicit in the POEU agreement is full support for Post Office expansion in services like viewdata, electronic mail and related office and home equipment. Such an expansion, which may be necessary to enable the Post Office to fulfill its side of the bargain, will of course be in competition with private industry, reducing employment there. The POEU acknowledges that to some extent the modernisation and expansion strategy may export job losses from within the Post Office to other work-places.

One of the most significant developments affecting all parts of the industry is the new line of electronic exchanges now being developed. Despite the increase in official noise about System X, a great deal remains to be clarified about the timescale, economics, and technicalities of constructing the system. Its development is vital to modernise the communications network and avoid the demise of another sector of engineering expertise. The British record for innovation in communications technology is somewhat

notorious: most of the current telephone network is based on a technology which was invented 90 years ago, and has scarcely changed for the last 30 years. A series of disasters and delays has left the British network, and industry, well behind other major industrialised countries – and the hazy nature of a 'System X' which will one day transform the network has done little to convince customers at home or abroad that the corner is being turned.

On the domestic scene at least, the dream has solidified a little. The Post Office ordering programme for the first 15 exchanges has been published, and the companies have committed themselves to demonstrating a prototype exchange at an important Geneva communications show this autumn. Moreover, the Post Office is now planning to purge obsolete technology from the network by 1992, which will mean retiring many smaller exchanges very early.

There is now some confidence that modern exchanges will be available for the British network. Abroad, however, System X will arrive well behind major competitors, and the present aggressive marketing campaign is no substitute for proven performance. At a recent launch by the new joint company which will market System X, British Telecommunications Systems Ltd, an industry spokesman was unwary enough to suggest that the development merited the same blind faith as 'the Comet and Concorde'.