

New Zealand: young workers campaign for better pay and conditions

John Braddock
5 April 2006

New Zealand's biggest fast-food chain, Restaurant Brands, agreed late last month to pay increases for more than 7,000 workers employed at Starbucks, KFC, Pizza Hut and delivery call centres around the country. Following negotiations with the trade union Unite, employers agreed to increases of between 7 and 14 percent for adult workers.

The phasing out of youth rates has been widely promoted as the most significant part of the deal. As a first step, wages for workers under the age of 18 will change from the current 80 percent of the adult rate to 90 percent.

The deal with Restaurant Brands was announced after five months of escalating strikes and protests by young workers and followed an announcement by the BP petrol company scrapping youth rates at its 90 New Zealand service stations. Auckland city's fast food chains came to a standstill on March 18 as up to 1,000 people took part in a protest march organised by the SuperSizeMyPay.com campaign.

On March 20, about 1,000 secondary students defied threats of disciplinary action and walked out of their schools at lunchtime. The protestors included students from Auckland Girls Grammar, Selwyn College, Western Springs, Epsom Girls and Senior College. After gathering in the central business district, the students moved down the main shopping thoroughfare, stopping outside McDonalds and Burger King stores.

Over the summer months, young workers employed by McDonalds, Burger King, KFC, Pizza Hut, Starbucks and Wendy's have staged a series of strikes, rallies and pickets for a \$12 per hour minimum wage, an end to youth rates and for secure working hours.

The campaign began on November 23 when fast food workers across Auckland walked off the job to join a strike by Starbucks workers on the city's café strip in Karangahape Road. The walkout erupted after it became known that managers would be brought in to cover the shifts of striking workers. More than 30 employees walked out at 10 Auckland Starbucks stores and joined KFC, Pizza Hut and McDonalds employees and around 150 supporters outside the outlet. The Starbucks workers took action despite

being threatened with dismissal.

Following a series of targeted two-hour strikes and pickets over the pre-Christmas period, a January 31 stop-work meeting of workers employed in Restaurant Brands-owned stores unanimously rejected a company pay offer. On the weekend of February 24, workers from Burger King outlets in west Auckland became the first in the company's chain to strike. Call centre workers taking nationwide telephone orders also stopped work. In Wellington, one of the highest volume KFC stores in the country was closed when the entire crew walked off the job.

According to Unite, now a settlement has been reached with Restaurant Brands, the union will campaign for an end to youth pay rates at other restaurant chains, including McDonalds and Burger King.

The campaign has been fuelled by widespread anger among young people over poor pay and working conditions. Like all workers in the fast food and service industries, young workers have seen their pay rates remain entrenched under Labour at poverty levels. Over 60 percent of staff in many stores is aged under 18 years.

A 2003 survey by the Catholic social agency Caritas highlighted their plight—the average hourly rate for 10- to 17-year-olds ranged from \$4.54 to \$6.79 per hour. Almost half the students in part-time employment reported rates below the legal youth minimum, while those aged under 16 years, who have even fewer statutory protections, often earn as little as \$2.10 and \$2.44 an hour.

In comments to the media, young workers emphasised that they performed the same work as adults and deserved the same pay. One young supervisor said he often found himself training older staff members who were paid 50 percent more. A student working as a part-time cleaner said she was glad that there were people standing up to “the big fat corporations”. Widespread support among older workers has also been evident, with one writing to an Internet discussion forum: “I am old enough to be your mother, I support your struggles and I am proud of the stand you are making.”

For years, young people in part-time, casual jobs have

been written off by the official trade unions. The limited campaign organised by Unite has revealed a groundswell of opposition among youth to low pay and exploitative conditions. Yet far from encouraging young people to draw broader political conclusions, Unite leaders foster the illusion that militant action will suffice and the moribund union movement can be revived. Auckland organiser Joe Carolan recently declared that the campaign was “bringing unions back to the working poor”.

Unite was established three years ago by former leaders of the Alliance party—Matt McCarten, a former party chairman, and activist Mike Treen. The Alliance emerged in the late 1980s amid widespread hostility among workers to the Labour government and its economic reforms. It joined a Labour-led coalition after the 1999 elections, then imploded in 2002 when its MPs unanimously endorsed a government decision to send SAS troops as part of the US-led invasion of Afghanistan.

A number of Alliance leaders announced their intention to return to “grass roots organising” but never gave an accounting for their political actions and simply dismissed the whole Alliance project as a “bad experience”. Former Minister of Womens and Youth Affairs Laila Harre worked for the Nurses Organisation then became secretary of the National Distribution Union. McCarten and Treen identified young low-paid workers as a potential base and set up Unite, which quickly grew from 200 to 5,000 members and appointed full-time organisers in Auckland, Wellington and Christchurch.

As far as the Unite leaders are concerned, the SupersizeMyPay.com campaign has enabled the union to position itself as the sole bargaining agent in the fast food industry. From there it intends to expand into cinemas, petrol stations, video stores and other areas of low-paid and youth employment. While McCarten has trumpeted the Restaurant Brands settlement as an “historic victory,” the company has made limited concessions to its young employees and did not agree to immediately end youth rates.

One element of the deal is particularly beneficial to Unite. The company has agreed to pay every union member a lump sum equal to 1 percent of their quarterly earnings every three months, effectively paying the union fees for Unite members. According to McCarten, it is an arrangement in which “everyone wins”. The company has in effect granted Unite a franchise to recruit non-members—a vote of confidence in the union leaders’ ability to keep the movement among young workers under control.

The jaded bureaucrats of the Council of Trade Unions (CTU) have been quick to sense the possibilities. CTU president Ross Wilson declared the Unite youth pay campaign was an “inspiring and impressive” example of

young people “taking charge of their own issue”. The CTU has now launched its own 2006 wages campaign “focusing on lifting low wages and scrapping youth rates”.

Young workers are being directed by Unite, a CTU affiliate, back into the arms of the same trade union bureaucracy and political parties that have been responsible for maintaining terrible youth wages and conditions for decades. The platform at a public rally at Auckland Town Hall in February included key union officials as well as former Alliance members such as Harre and Sue Bradford, who is now a Greens MP and is seeking to join the bandwagon by sponsoring legislation to scrap youth wages.

Shortly after the Auckland meeting, 100 protesters demonstrated in Wellington to support Bradford’s private members’ bill, which passed its first reading with the support of the Greens, the Maori Party, Labour and United Future. Many of the same MPs, including those from Maori Party, have since voted for a bill sponsored by the National Party that will strip away minimum protections against unjust dismissal and unfair treatment in the first three months of a new job.

While Bradford’s bill would end youth rates, it fails to address the low level of adult minimum wages that are creating an expanding pool of working poor. The Labour government recent approval a miserly increase in the adult rate of 75 cents an hour brought the minimum wage to just \$10.25 an hour. Labour has declared that any increase to \$12 is not on the agenda until 2008, and then only if “economic conditions allow”.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact