

# Britain: Union calls off strike action by supermarket workers

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An agreement reached June 29 between the GMB trade union and the Asda supermarket chain will do nothing to protect the working conditions of thousands of distribution and warehouse workers.

The GMB called off a five-day strike by thousands of Asda workers—due to begin June 30—after last-minute talks at the Trades Union Congress headquarters in London.

Asda, which is owned by Wal-Mart Stores, had threatened legal action in the high court to block the industrial action, claiming irregularities with the strike ballot.

The GMB claims 7,000 members out of the 12,500 workers employed at Asda's 24 distribution centres across the UK and wants national negotiating rights at all depots.

The strike ballot achieved a three to one vote in favour of a walkout. Workers were also demanding bonus payments they say they are owed from 2005 and are opposed to management efforts to increase their workloads. Staff currently distribute up to 10 tonnes of produce each day on a 1,100 pick rate, which the supermarket wants to increase to 1,400.

Asda disputed the union's membership figures and sought an injunction against the strike on the basis that many more ballot papers had been returned than actual members.

The GMB argued that any irregularities were the result of Asda's refusal to inform them of the names of those paying membership dues directly from their pay packets and said it had complained to the Department of Trade and Industry six months ago about the problem.

The threatened strike was hailed as the first significant trade union action against the American conglomerate, which is the largest retailer in the world.

Wal-Mart employs more than 1 million workers in the United States alone, where all of its stores are non-union.

Asda was taken over by Wal-Mart in 1999 and has established itself as the second largest supermarket chain in the UK.

Last year the "War on Want" charity revealed details of a leaked document entitled "Warehouse Chip Away Strategy 2005," which outlined how Asda intended to improve its market share by further undermining working conditions. These included eliminating work breaks, removing grievance mechanisms and cutting the numbers involved in loading from two to one.

In February an employment tribunal in the north of England fined Asda £850,000 for breaching labour relations law in the run-up to a ballot on union rights at its Tyne and Wear depot in January 2005.

The company was found guilty of offering financial inducements to staff in return for surrendering their union rights. The 340 staff had been offered a 10 percent pay rise if they gave up the bargaining agreement established by the GMB. The staff had rejected the offer and later took strike action. In what is thought to be the first judgement of its kind, the tribunal also ordered the company to pay its employees £2,500 each in compensation.

Asda had employed the public relations company Portland to distribute anti-GMB leaflets. Portland was set up by former New Labour advisor Tim Allan, who worked for Prime Minister Tony Blair for six years in the 1990s. The tribunal found Portland's leaflets to be "very hostile to trade unions and highly disparaging of the collective bargaining process."

According to reports, Portland had sought a £50,000 payment for its work, including a "success fee" of £14,000 when union recognition was overturned. At the

tribunal a leaked email exchange was entered into evidence—between Marie Gill, Asda’s head of industrial relations (distribution), and Allan in December 2004—discussing plans to sack workers who refused to give up their union membership.

Gill wrote: “Following the ballot—assuming we get 70 percent or more, any colleague who refuses to sign the new contract will be given notice to terminate their employment—and we may have a group of hardy refuseniks who cause some disruption—and they may get sympathy from the rest of the workforce. “Our strategy here would be to give them a couple of weeks to sign up and if they refuse we could then terminate and pay them in lieu of notice—thus getting them off the site ASAP.” Allan replied: “Basically, I think it is better to be clear about the consequences of the vote rather than fudge. I think that will actually help us in the campaign and make the process after a victory easier to manage.” “We shouldn’t have a situation where people can claim they did not know the consequences of the ballot.”

Asda is to appeal the tribunal’s decision. In February, it threatened to terminate a collective agreement established by the GMB at its Dartford depot unless it was changed.

This threat prompted the GMB to announce it would begin a national ballot for strike action across all Asda’s depots and warehouses.

For the GMB, the threat of strike action is aimed solely at convincing the supermarket chain to include it as a negotiating partner with the specific task of managing relations with the workforce. The union had already called off one strike ballot after talks between it and Asda in April resulted in an agreement to form a “National Joint Council” (NJC) for distribution.

GMB leader Paul Kenny described that agreement at the time as a fresh start between the union and the supermarket. “I have dealt with this company for number of years. I have to say it was one of the most constructive meetings that I have had in two decades,” he said.

Within two months that agreement was null and void, prompting the latest ballot.

The *Mirror* newspaper ran an “exclusive” on how Asda’s CEO Andy Bond had said he intended to cross picket lines and work in depots hit by the strike. Allegations had also been made that Asda was

employing temporary agency staff to break the strike and intended to bus strike-breakers across picket lines to protect their identities.

The supermarket chain rejected the claims, saying that increased staff numbers were due to busier trade than usual during the World Cup.

Now the GMB is claiming that the supermarket giant has had another change of heart. Once again Kenny claimed that the last-minute deal between the union and management constituted a fresh start.

In truth, whilst matters appear to have been resolved—at least temporarily—to the mutual satisfaction of both Asda and the GMB, the same cannot be said for the interests of the workforce.

The union has been promised that it will get its feet under the table alongside corporate management with the Distribution National Joint Council. This is to “deal with a range of issues of mutual concern and interest in relation to Asda’s distribution depots.”

Asda has agreed that meetings of the company and the GMB “will take place at the most senior level at least twice a year jointly to review *major strategic issues facing the company*” (emphasis added). The GMB is also “given access” to all distribution sites and “facilities for appropriate levels of union workplace representatives.” It will be able to distribute recruitment material and present the union case during company induction procedures.

However, the appendix to the agreement states that the NJC “is not itself a collective bargaining or legally binding agreement.” The deal also accepts the “modernization” of existing agreements at nine depots with union representation.

None of the issues raised by the workforce, such as increasing productivity or outstanding bonuses, are resolved. Instead, these will fall under a series of vague headings to be discussed by the NJC at some future point.



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