

Welsh Assembly elections: Burberry closes its Treorchy plant in area blighted by unemployment

The candidates for the Socialist Equality Party South Wales Central
30 March 2007

The SEP candidates issued the following statement to Burberry workers.

We, the candidates of the Socialist Equality Party regional list in the South Wales Central election to the Welsh Assembly, denounce Burberry's closure of their Treorchy factory with the loss of 309 jobs and express our sympathy to all the workers and their families.

It is a tragedy that the groundswell of support from Burberry workers internationally was not mobilized in an industrial and political struggle to defend your jobs—the only way that Burberry's plans could have been resisted. Burberry's decision was made without any regard for the devastating impact that it will have on the fortunes of you and your families and the economic well-being of the entire region.

The decision comes, as you know only too well, after decades of job destruction in the mining, steel and manufacturing industries. That is why the region is now in receipt of European Union (EU) Objective 1 funding because it earns 75 percent less than the EU's average GDP. Other areas that receive comparable funding are to be found in parts of Hungary and Rumania.

Burberry's indifference to these circumstances was summed up by its chief financial officer, Stacey Cartwright: "It was absolutely the right decision to make. We don't regret it for a moment," she said, adding, "There are jobs, it just might mean travelling out of the valley for them."

"Commercial realities reign," she insisted.

Just what are these commercial realities? According to reports, Burberry is considering relocating production of its polo shirts to free trade zones in China where the pro-capitalist dictatorial regime is able to ensure that labour costs are a fraction of those in

Europe and much of the world.

The trade unions argue that it is unnecessary for Burberry to relocate, given that it made £75 million in profits in the last six months of 2006. However, one calculation is that the future bonuses of chief executive Angela Ahrendts are directly connected to producing even higher returns for the company's major shareholders. (According to *Forbes*, Ahrendts is the 76th most powerful women in the world.)

Your experiences are shared by workers all over the world.

The Airbus company is to slash 10,000 jobs across Europe, including 1,600 at its Broughton plant in North Wales, but the trade unions have refused to mobilise any European-wide offensive. The only action at Broughton has been taken spontaneously by the workers themselves, against the trade union bureaucracy.

In Port Talbot, steelworkers face an uncertain future after the recent takeover of the Anglo-Dutch company Corus by the global operator Tata, which has refused to give any assurances on job protection.

The actions of corporations such as Burberry and Airbus are proof once again of the dead end of all attempts to appeal to the "human" side of the transnational corporations.

This was the claim made by the trade union bureaucracy about your own plant in Treorchy, and followed through by Welsh Members of the European Parliament sending Valentine cards to Burberry directors appealing for them to "stop breaking our hearts."

In addition to this, the leadership of the GMB union has encouraged an aggressive nationalist campaign to

“keep Burberry British.”

Mervyn Burnett, GMB organiser, stated, “Burberry is as British as the changing of the guard.” He added, “People buying the high quality goods produced in Treorchy expect that they will continue to be made by skilled workers in the UK.”

On another occasion Burnett attacked a Burberry promotion, stating, “The photo-shoot ... took place in the East End of London. In the circumstances it may have been more appropriate for the shoot to take place in Beijing!”

The same bankrupt perspective has been supported by local Labour Welsh Assembly Member Leighton Andrews, who argued for “taking the message internationally that Burberry is undermining its brand by exporting these jobs from Britain.” In late January the BBC reported Rhondda MP Chris Bryant calling in the Commons for the firm to lose its Royal Warrant if it went ahead with the closure.

Burberry has factories in Britain, Europe and the United States. But instead of seeking to unite workers in a common struggle against the company’s profiteering drive, the GMB leadership have confined you to ultimately futile attempts at pressurising company directors to keep the factory in Wales so as to safeguard its brand image.

While paying lip service to the conditions of workers in China and the Far East, union officials and Labour politicians have exploited these workers’ desperate circumstances to give a progressive gloss to what amounts to a crude appeal to nationalism.

That is why Burberry felt able to respond with the utmost cynicism—announcing that it would create a £1.5 million fund for assistance to the area, which it described as a “loyalty bonus”!

On March 2, the GMB and local Labour politicians issued a joint statement welcoming the paltry pay-out, claiming that it was the “direct result of the campaign in which we have been proud to take part.” They continued, “We look forward to making sure that it makes a real difference to people’s lives in the Rhondda. This is a unique achievement by a campaign of this kind.”

This is the result of what the GMB claims has been a successful struggle against Burberry’s plans. Three months on, not one job has been saved and the company directors have closed the factory safe in the

knowledge that they faced no genuine political opposition from the Labour Party or the trade unions.

Even now, the GMB and Labour Party officials have mooted the setting up of a “workers’ co-operative,” after Burberry “donated” the abandoned factory to “the community.” Another joint statement published by the GMB and local Labour politicians on the BBC promised, “Burberry has offered to provide an ongoing contract to any realistic new venture. We will hold Burberry to this and there will be further discussions about it.”

Any new venture would have to compete within the same market as Burberry, i.e., they would have to manufacture products cheaper than those produced in the Far East and southern European markets. According to statistics, over the last 15 years jobs in the Welsh textile industry have declined from 13,000 jobs to 4,000. This is part of a more general shift of textile production from Britain to overseas markets.

Any “workers co-operative” established under such conditions could only survive by constantly driving down wages and living standards, this time overseen directly by the trade unions.

We urge workers to draw the political lessons of this terrible experience. Only a struggle to unite the international working class on a socialist programme can oppose globally organised corporations. And this fight can only be successful if it is carried through against the pro-business politics of the trade unions and the Labour Party.

We insist that every worker must have the right to a well-paid, secure job. If corporations like Burberry refuse to provide them, then they should be transformed into public utilities democratically controlled by the working class.

The SEP is standing a regional list in the Assembly elections in South Wales Central. We urge you to read our manifesto now available on our web site www.socialequality.org.uk, vote for our candidates and join our campaign.



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