UK Heinz workers strike over pay deal

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On December 29, 1,200 Heinz workers at the Kitt Green plant in Wigan, England staged a third 24-hour walkout after pay deal talks broke down between the Unite trade union and management at the conciliation services ACAS.

Heinz has asked Unite officials for a continuation of the talks on January 4, the same day that a further 24-hour walkout is scheduled to take place.

The plant employs 1,500 workers, with around 1,200 of these members of Unite. Earlier in December the workforce voted overwhelmingly in favour of strike action to protest a pay offer well below the rate of inflation, which currently stands at 4.7 percent. The offer consisted of a meagre 3.3 percent increase this year and 3 percent the following year. Unite has asked for a 4.3 percent settlement and the reinstatement of the previous performance-related bonus system.

The US-based food transnational, worth approximately $10 billion, has just handed over 15 percent in end-of-year bonuses to management, according to Unite. The company reported a second-quarter gross profit margin of 37 percent and will pay 9 percent dividends to shareholders early in the New Year.

Heinz has attempted to vilify workers as overpaid and sought to justify pay restraint in the context of the broad attacks on wages and conditions currently being carried out by the corporate and financial elite. A company spokesperson stated, “Other workers in the food industry are facing job cuts and plant closures.… Our offer is well above our competitors and UK average weekly earnings, which are increasing by 1.7 percent.”

Heinz claims that the workforce is paid around 30 percent more than comparable jobs within the food industry.

In a full-page advertisement in the December 16 *Wigan Evening Post*, Heinz tried to intimidate workers to accept concessions with the threat of layoffs. Jaap Wilbers, Vice President of Supply, warned, “It is a competitive world in which we live and the cost of doing business at Kitt Green is higher than other Heinz European options”. He threatened, “The UK has lost a great many jobs over the last 15 years due to being uncompetitive”.

Heinz intends to pass on the cost of rising prices in full to the workforce. Wilbers outlined that “big commodity increases immediately facing us in UK including tin plate and tomatoes … need to be addressed.”

For their part, the Unite bureaucracy has attempted to head off any conflict with Heinz, limiting action to periodic one-day strikes designed to isolate and exhaust workers while the union tops work with management and ACAS to resolve the dispute in favour of Heinz.

In September Unite had recommended that the workforce accept a concessions contract. This included a restructuring of the bonus scheme and the introduction of a new scheme that would penalise workers for having more than 11 days off sick per year, even with the proof of a doctor’s sick note.

Following the union recommendation, 91.4 percent of Unite members balloted rejected the offer. Unite official Graham Williams told the local press that the scale of the rejection of the company/union offer was “surprising”. One worker quoted in a report on the *Wigan Today* web site said at the time, “This pay offer looks OK as a 3.2 per cent headline figure but when you start to look at what they want us to agree for before they will pay it, you soon realise that they are really trying to screw us down for the future, particularly with the productivity bonus.

“This was worth £2,500 a man each this year but the way they want to redraw it and tie it to the changes to

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sick leave would halve it next year. I suppose we have let ourselves in for this a bit because we have let them draw the productivity benchmark and now they want the same amount of work but paying a lot less for it."

In a revealing comment in the *Wigan Evening Post*, Wilbers stated that the company had been "working closely with Unite" to subsume a "significant part" of the workforce's performance related bonus into their base earnings. This was a reference to the previous productivity agreement negotiated with Unite, under which up to £2,500 of workers pay is now tied to productivity.

In November, Unite senior steward Mick Quinn gave an indication of the union's collaboration with management in imposing productivity increases. "This workforce here in Kitt Green have done everything asked of them in terms of productivity, which is why this plant makes more than 80 percent of the profits for the whole of Heinz UK and Ireland," he said.

A number of workers who spoke to the *World Socialist Web Site* expressed concerns that they would end up with a worse pay deal, via the arbitration of Unite, than the one they rejected by walking out. One worker, with reference to the recent struggles of London Underground and British Airways workers, expressed fears that if the workforce held out for a long period such a wage deal would eventually be imposed via ACAS.

Workers informed us that the wage level is based on overtime and bonuses that change all the time. "We think they make them up as they go along," one worker said. Another argued that his basic rate of pay was far below the national rate for his trade. One pointed out that the latest offer by the company "amounts to nothing," as management have simply incorporated a performance-related bonus of a similar magnitude into their basic pay. He pointed out that a much higher pay deal than that being pursued by Unite would be necessary to cover inflation and the rise in Value Added Tax, which will increase from 17.5 percent to 20 percent as of January 4.

Workers described the actions of management over the last year, including picking on individual workers, changing the shift patterns and bringing in new management teams to "turn the screw."

They said they felt the company was surprised with the level of support the strike has won from all sections. Shop floor, trades and office workers are all out on strike together.

Workers stated they were irate that the factory is one of the most productive in the Heinz group and has recorded recent huge profits, yet the company is trying to force what is in real terms a wage cut. They were also angered that some managers flouted the amount they received in front of workers before the Christmas holidays.

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