UK Unilever workers strike over pensions

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Unions representing over 2,000 of the British-Dutch consumer giant Unilever's 7,000 employees are holding a series of one-day strikes.

They are opposing plans by the company to close down the Final Salary Pension (FSP) scheme and replace it with an inferior Career Average Revalued Earnings (CARE) scheme. This would result in a pension decrease of up to 40 percent for long-serving workers. The CARE scheme was brought in for new employees in 2008.

The dispute has been ongoing since April last year. After negotiations broke down, a ballot was called that gave a clear mandate for strike action. The unions responded with a one-day strike across the company in December. There was a strong response from workers, although the timing, so close to Christmas, was questioned by many.

The decision to strike again was taken at a recent joint union conference in Liverpool, called after Unilever refused to reopen talks with the three unions involved—Unite, representing 1,600 employees, USDAW (460) and GMB (170).

Unilever is the 18th biggest company in the world. It has major factories in the UK in Gloucester, Port Sunlight, Purfleet, Norwich, Leeds, Manchester, Bedford, Burton-on-Trent, Crumlin, Deeside and Warrington. It produces many varied products in its food, cleansing and cosmetics divisions. One of its products is sold every three seconds across the globe.

Unite, which has members at 12 sites, posted the dates for strike action on January 16. They cover Wednesday, January 18 through to Saturday, January 28. USDAW and GMB, which have members at two sites, will strike simultaneously with Unite. Most factories are taking 24-hour strike action and some are striking on two separate days. Purfleet in Essex is striking on four days.

The rolling action is based on the model pioneered by Unite at Southampton Council against redundancies and pay cuts. Hailed by unions and ex-left groups as an effective tactic that does not hurt workers' pockets, it is a cynical method of wearing down and isolating those in struggle.

The rolling strikes in Southampton lasted for 12 weeks and ended in redundancies and pay cuts.

Unite has sent a letter to Unilever shareholders in which General Secretary Len McClusky reveals something of the deal being offered to the employers. The letter stated,"The joint trade unions put forward alternatives that would not only have saved the pension scheme money, but also limited risk and provided a clearer understanding of what liabilities are likely to be in the future," he writes. "These are the same goals that the company's management advised us had motivated their proposed changes. However, management rejected the unions' proposals and chose to end talks on the basis that our members were not prepared to accept the closure of the scheme."

The letter ends with a plea for the financial backers of Unilever to "use whatever influence you may have to encourage senior management to move away from their current harsh stance and to sit down and talk to the representatives of their workforce."

On January 12, a day before the announcement of strike action, another letter was sent to the trustees of Unilever's pension fund. Signed by national officers of all three unions, it complains "about the approach of Unilever senior management to this dispute in that they have rejected all offers of talks including a proposal by Acas [the government conciliation service] to go to conciliation."

It is obvious from the letter that the unions are preparing to offer a deal to Unilever that will see workers' pensions drastically cut. A company spokesman claimed in April that the FSP scheme "is a broken model, which is no longer appropriate for

Unilever.”

He went on to say its closure “is in the best interests of our people”—Unilever’s shareholders and trustees, the same people to whom McClusky is now pleading for help.

On November 30, local government unions representing 2.5 million workers organized a one-day protest strike against attacks on pensions. They are all now involved in negotiating a deal accepting the essential demands of the Conservative/Liberal Democrat government at the very point when the issue is erupting among workers in the private sector.

This retreat has buoyed the private sector into taking further action against workers’ pension rights. Shell, the last of the *Financial Times* 100 companies to maintain an FSP pension scheme, has announced it is closing it down for new entrants in favour of one similar to the plan that was negotiated for Unilever's new workers in 2008 and now being forced on the rest of the workforce.

The *Financial Times*, in its January 13 edition, also disclosed that the government is about to resurrect a pensions system that was deemed too unpalatable to introduce a decade ago. If enacted, the reforms would see the two million members of private-sector schemes such as FSP lose the “limited price increases” provision, an inflation protection mechanism that boosts pension income by at least 2.5 percent a year. This would save the employers £7 billion each year in pension costs.

McClusky has stated that “a pension with no guaranteed increase is not really a proper defined benefit at all, as an absence of increases could easily halve its value.” Other union leaders described the proposal as a recipe for pension poverty.

Unite’s reaching out to shareholders is in line with its policy document, 2020 Vision, which it calls its strategy for UK manufacturing. It consists of a nationalist plea to venture capitalists and employers to enter into partnerships with the union.

McClusky’s introduction to a brochure outlining its intentions states, “I commend this document to you and urge you to use it in discussions with your employers, local political representatives and the local community. Together we can put manufacturing back in to the position it once held in the UK.”