

DHL workers supplying UK Jaguar Land Rover plants vote to strike

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Workers employed by logistics firm DHL, who supply three Jaguar Land Rover (JLR) car plants in England, have voted to strike over pay. On Monday, around 800 DHL workers at JLR's factory at Halewood Merseyside voted 86 percent in favour of industrial action. This followed a 74 percent vote in favour by 1,000 DHL staff at JLR's Solihull and Castle Bromwich plants in the West Midlands.

The Unite trade union, Britain's largest, has demanded a 12.8 percent rise over two years for the workers who receive and sort vehicle parts and bring them to the production line as part of DHL's "just in time" operation. Unite also demands a 20.6 percent rise over two years for drivers as part of the wage claim. DHL is offering just a 4.5 percent pay rise in the first 12 months, starting from January this year, plus a 3 percent inflation increase next year.

DHL insists that its employees are logistics staff and should be on separate wage scales, relevant to the logistics industry, and not be paid the same as workers directly employed by JLR. This is supported by JLR.

The Solihull plant produces the Land Rover and Range Rover vehicles. Castle Bromwich manufactures Jaguar cars and will produce the new Jaguar F model, launched this week. The Halewood plant produces the flagship Evoque model and the Freelander SUV.

Strike action by the DHL workers would bring operations to a halt, particularly the critical 24 hour a day, three-shift system at the Halewood plant on Merseyside.

On Monday, the *Guardian* quoted an "undisclosed Unite spokesman" who said the "dispute was 'at the very beginning of the process' and the union hoped to resolve differences through negotiation."

JLR responded aggressively to the vote for action. Just prior to announcement of the DHL Halewood vote,

a JLR source told *Reuters* "a range of options" were being considered in the event of a stoppage. A spokesman said, "Detailed contingency plans are in place to minimise disruption to the customer (JLR) and we strongly urge the union to reconsider its reckless action and give a clear message to our customer and employees that Unite supports UK growth."

Halewood has just celebrated the two-year production anniversary of the Evoque, which has a four-month waiting list for delivery. JLR recently announced it will target an annual production of 110,000 Evoque's. Halewood works a 24-hour around-the-clock shift pattern and boasts that a finished car rolls off the production line every 82 seconds. JLR's cars are sold in 160 countries, with the major markets being China, Russia and the US.

Liberal Democrat Business Secretary Vince Cable voiced the coalition government's concern in an interview with the *Financial Times*. Commenting on the strike votes, he called on Unite to "look at the bigger picture," adding, "We do not get involved in industrial disputes but the record in the car industry has been very good compared with the experience of the 1960s and 70s."

Employees at two other companies, Staffline and NAC, are also being balloted by Unite on the wage proposal. Both Staffline and NAC are labour agency companies.

No statement on the vote has appeared on Unite's website. In the face of large majorities in favour of action, its silence is deafening. The union has made no appeal to its members on the JLR assembly lines to support their DHL co-workers. Unite's decision to separate the balloting of its members connected to the JLR plants, holding them on different dates, is to ensure that no coordinated industrial action takes place. Even

if a strike is authorised, no action can begin until well into August.

That Unite members are employed on different pay scales in the first place is entirely the responsibility of the union. Over the last years Unite has worked intimately with management at JLR and throughout the car industry. As a result, unprecedented productivity increases, labour flexibility and divisions in the pay of workers have been pioneered.

Last year, Unite and JLR management agreed to a pay deal, retaining the divisions in pay between contract workers and permanent staff. In 2010 Unite agreed that JLR could hire agency workers at 80 percent pay for a year, before starting as permanent staff on 90 percent pay. Commenting on the agreement the *Financial Times* said, “JLR’s managers have described the measures as essential to its ability to make cars competitively in the UK.”

Last year’s agreement, which took effect on November 1, was described by Unite as an “investment and sourcing agreement” that “will guarantee the operation of all UK plants until at least 2022.”

It applied to Unite’s members at the 21,000-strong workforce at Castle Bromwich and Solihul, Halewood and research sites at Gaydon and Whitley, also in the West Midlands.

Hailing the deal, which has enabled JLR to remain one of the most profitable car firms in the world, Roger Maddison, automotive national officer for Unite said, “This is a very good result for JLR in particular and the car industry in general. We can now move forward to reinforce the renaissance in British car production.”

Epitomising the role of the unions as an arm of management he continued, “The deal is nothing less than the workforce deserve as they have contributed greatly to the nearly £3 billion profit made by JLR over the last three years.”

Unite’s web site notes, “The automotive sector is vital to the success of the UK economy with the sector producing over one million cars and commercial vehicles, and over two million engines annually, with a turnover of £40 billion. The automotive sector exports cars and vehicles to China, Russia, and South America.”

The Jaguar and Land Rover business was taken over from Ford by Tata Motors of India in 2008. As well as JLR in the UK it has vehicle assembly plants in India,

South Korea, Thailand and Spain. In May 2012, JLR invested in a new parts depot adjacent to the Vauxhall Motor Company plant at Ellesmere Port, Cheshire, 25 miles from the Halewood assembly plant. DHL were handed the management of the site. In the same month, General Motors, Vauxhall’s parent company, announced plans to move the production of Astra vehicles from mainland Europe to the UK. The firm invested £125 million in their Ellesmere Port factory and will spend about £1 billion in the UK auto component section.

Both events were hailed as a massive boost to the car parts industry in the UK, with *Channel 4* reporting, “The factory will move from two to three shift working to build the new Astra, while ‘unprecedented’ levels of flexibility will be introduced”

Cable, who worked with Unite for months in order to win the Astra investment stated, “This is a success for team working. We have had business, unions and government working together in a very productive partnership.”



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