# Unite trade union ends DHL-Jaguar Land Rover dispute

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After balloting and receiving a massive vote in favor of strike action from workers employed by the logistics firm DHL that delivers parts to the car manufacturer Jaguar Land Rover, the Unite trade union called a half-hour stoppage and an overtime ban on August 28.

The action was sanctioned by the union only as a bargaining chip to continue talks with the company, following a resounding vote for industrial action by DHL workers in July. The *Financial Times* described it as "a gesture of discontent that stops short of seriously affecting production".

Four sites in the West Midlands were affected and two in Halewood, Merseyside.

The vote had the potential to halt production, but almost immediately after the token stoppage ended, Unite reported it had accepted a deal with the agency companies, which will be put to the workers within the next two weeks. No details of the accepted settlement have been made public.

The first report of the ongoing dispute to appear on Unite's web site was issued on August 30. It stated the union "will be recommending a settlement to its members to end the dispute with DHL and other agencies providing services to Jaguar Land Rover (JLR)".

Unite executive officer Tony Woodley said: "We are delighted that after a year of tough negotiations we now have a settlement that Unite can recommend to its members". He claimed it was "a significant deal which finally gives equality of pay across the board to thousands of people who have been working for four companies providing services to JLR. It also means that over 600 agency workers will be made permanent with DHL."

The statement added that the employers involved in the negotiations were DHL and the labour agencies NAC, Staffline and Milestones, and that the "contents of the deal remain confidential until members have had the chance to study the details".

Unite was calling for a 12.8 percent rise over two years for the workers who receive and sort vehicle parts and deliver them straight to the production line as part of the "just-in-time" production operation and a 20.6 percent rise over two years for drivers.

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. It offered just a 4.5 percent pay rise in the first 12 months, starting from January of this year, plus a 3 percent inflation increase next year across all staff.

In Unite's statement, there is no mention of parity with JLR workers, nor did it make an appeal to its members on the JLR assembly lines to support their DHL co-workers. This is because the situation in which Unite members can be employed on different pay scales is entirely the responsibility of the union. Only last year, Unite and JLR management agreed to a pay deal, retaining the divisions in pay between contract workers and permanent staff.

At present, JLR workers start at £27,000 a year while most DHL staff earn £20,000. It is difficult to compare agency workers' pay, as they have no fixed hours and companies are reluctant to divulge information. The *Financial Times* reported that most earn just above the minimum wage of between £3.72 and £6.31 per hour. For agency workers to match their DHL counterparts, it will take a single pay rise of between 13 and 20 percent to reach the £9.50 per hour DHL workers are expected to earn by 2014.

Unite's former joint general secretary and now head of organisation, Tony Woodley, recently took over the negotiations and stated in a union flyer, "There are still massive and unacceptable disparities between the wages and conditions across the three companies in spite of most workers doing exactly the same job as each other. We have told each of your companies and Jaguar that this

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position will no longer be tolerated."

While Woodley accused JLR of overseeing this situation, in practice Unite worked to ensure that JLR would be protected from any disruption. In an earlier interview whilst stating "DHL has to right the wrongs they have created", Woodley added, "It would be criminal if for any reason we end up with a dispute at what is in my view currently the most successful company [JLR] in UK industry." He continued, "I believe that JLR are no longer in control of the destiny of this massively important company because of the outsourcing. My preferred option is for these jobs to come back in-house."

Woodley's comments were designed to portray Unite as having nothing to do with the pay and conditions that prevail among agency workers at JLR. In fact, Unite was a partner from the beginning in the restructuring of wages and conditions when Tata took over the JLR brands in 2008.

At the same time, DHL became an integral part of JLR's setup. It was well known that DHL outsources from agencies for its labour requirements.

A host of media articles testify to the cosy corporate relationship between JLR and Unite.

Reporting on the current dispute, the *Financial Times* noted with approval, "the need for more efficiencies is accepted". As an example, it reported, "Workers also move from 12-hour shifts to nights, weekends and back again according to need." Such practises would have to be sanctioned by Unite. It cited Richard Else, the operations manager at JLR Halewood, who enthused, "I am allowed to move breaks if there is a breakdown on the line. Ten years ago I could not move lunch breaks."

While globalisation has created the objective conditions to unify workers in a common struggle against capital, the nationalist, pro-capitalist policies of the unions enable the corporations to divide workers in one country, and even one region, against another so as to undermine the wages and conditions of all.

Thus, while Unite's negotiations with DHL were ongoing, discussions took place on Merseyside with Cyrus Misty, the new head of JLR's parent company Tata.

According to the *Liverpool Echo*, Unite is seeking a legally binding commitment from JLR on future car production at its UK plants, and is prepared to do what is required. In 2012, it struck a deal that involved speeding up production and restructuring working conditions, claiming this would secure jobs at JLR up to 2020.

JLR is in a joint venture with Chinese car manufacturer Chery in building a new £1.1 billion car manufacturing plant near Shanghai that will be in operation in 2015. China is rapidly becoming the main market for JLR's top-selling Range Rover Evoque, which is currently produced at Halewood. Bill Russo, the president of the Chinese-based management consulting firm Synergistic Ltd, warned JLR last year it needed to be "localised, as quite frankly, their competition is localising." Russo was referring to Volkswagen, Daimler, Audi, Mercedes Benz and BMW, which have located production to China under joint venture operations. By joining up with Chery, JLR will avoid the 25 percent import duty levied against foreign automotive imports.

JLR's sales growth in China for 2012 was 76 percent higher than the previous year, massively outstripping its other sales regions. Reflecting Unite's fears that the Chinese plant could impact on its relations with JLR in Britain, Woodley told the *Liverpool Echo* last month, "There could be potential problems by the end of 2014-2015 that could affect a shift at Halewood."

JLR is also considering opening new car plants in Saudi Arabia, Brazil and India

Workers should reject any proposals that allow DHL to continue to exploit 600 workers, paying them considerably less than JLR workers. All attempts to divide workers on the basis of their employment at different companies must be thrown out.

In order to maximise profits, companies pit worker against worker in a drive to lower wages and conditions. Agency workers on zero-hours contracts represent the bottom line of this dogfight, and the unions are an integral part of this process.

The Socialist Equality Party calls on car workers to establish rank-and-file committees, independent of the trade unions. These must link up and defend the common interests of all workers connected to JLR and reach out to car workers across Europe and the US and internationally.

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