

Trade unions pave way for job and wage cuts at Spain's largest bakery

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Trade unions are preparing to sell out workers who are faced with huge job and wage cuts at Spain's biggest baker, Panrico.

The company produces bread, pastry and donuts at factories in Santa Perpètua de Mogoda (Barcelona), Zaragoza, Valladolid, Paracuellos del Jarama (Madrid), and Puente Genil (Cordoba), as well as in the Canary Islands and Portugal. Workers at the Barcelona factory, the company's largest, have been on strike since October 13.

At a meeting with unions on Wednesday, Panrico presented a document that repeated plans, announced earlier this year, to sack 1,914 of its 4,000 employees and cut the wages of remaining workers by 30 percent by 2016.

Officials said the company was not intending to reopen its factory in Murcia, which caught fire last summer, or to honour its commitment to transfer some of the staff from its Seville plant, which closed in 2012 with union agreement, to Puente Genil. Management is insisting that the Barcelona strike be called off to enable talks with the committee of the state-sponsored redundancy scheme (ERE) to take place over the next four weeks.

Founded in 1961, Panrico rapidly became one of the leading bakers in Spain. By the time of its takeover by the British private equity company Apax Partners, in 2005, it had a turnover of US\$580 million, 22 production plants, including one in Beijing, and 7,000 workers.

Apax Partners set about doing what private equity companies do—ruthlessly increasing efficiency and shedding less profitable divisions, before moving on to a new target. The operation in Panrico turned into a fiasco with the company becoming heavily indebted, launching unsuccessful product lines and hit with a

drop in consumer spending as a result of the global economic crisis.

In 2012, the year after Panrico was sold to another private equity company, Oaktree Capital Management, the company threatened to close the Barcelona factory if its “overpaid” workforce did not accept wage cuts. The company, the Spanish Socialist Workers Party (PSOE)-aligned General Workers Union (UGT) and the Catalan regional government agreed to a 25 percent wage cut.

The UGT described the agreement as a “major victory” and called on Panrico to recognise “the effort made by the staff and to maintain its commitment to ensure the viability and jobs of the plant in Santa Perpetua.”

The Communist Party (PCE)-aligned Workers Commissions (CCOO), whose members were on the production line and had rejected the plan, called for a futile one-day strike and spread illusions that the Labour Court would initiate a new mediating process.

In an effort to put pressure on workers, Panrico stopped paying wages in September. Workers from all the Panrico companies reacted by voting unanimously to start strike action on October 13, until their September salaries were paid. The CCOO declared that the strike was only aimed at getting September's salaries paid, and the UGT stated it was only a means of putting pressure on the company and “not to have a negative effect on the company's image, already battered enough since the new director was appointed.”

On October 10, the unions called off the strike after they agreed with Panrico that September's salaries would be paid in four weekly instalments. However, at a meeting of the majority of the Barcelona's factory's 345 workers, the agreement was rejected and they voted to go ahead with an indefinite strike if the entire

September salary was not paid immediately.

Javier Cobo, who has worked for 28 years in the Barcelona factory and earns €1,300 a month, told *El País*, “They are the ones who have wrecked the company with million-euro investments which have turned out unsuccessful and we have to pay the consequences.”

He criticised the fact that Barcelona is the only factory on strike, saying, “If the strike was general in all the factories we would be much stronger.”

On October 13, the day the strike started, 200 workers picketed the factory, preventing access by the administration staff. The Catalan regional police, the Mossos d’Esquadra, baton-charged the picket, injuring several workers.

Panrico retaliated by threatening that the strike “would put at risk the payment of the salaries of all the workers.”

The company efforts to divide workers were aided and abetted by the unions. The CCOO union at the Madrid factory, which had promised to join the strike on October 18, reneged at the last minute, arguing that new negotiations were about to start.

The Catalan government intervened again to “mediate” between the company and workers “to guarantee employment and the maintenance of the industrial fabric” of Catalonia. It is trying to encourage further financial support. Panrico has urged other regional governments to do the same.

The conspiracy between the company, the regional governments and the unions against Panrico workers has been aided and abetted by the pseudo-left parties. Esther Vivas, leader of the Anticapitalist Left (IA), writing in *Público*, put the blame on the equity firms and completely absolved the unions of any responsibility.

El Militante, belonging to the International Marxist Tendency founded by Ted Grant, did likewise. According to them, the same unions that have agreed to salary cuts, redundancies and isolated workers struggles should “call demonstrations to support the workers of Panrico, help to extend the strike and do everything possible to defeat the management’s ERE [redundancy plan].”

They add that “another objective of the struggle should be to pressure the Generalitat [Catalan government] and the state government to intervene

against the plans to destroy the company on the part of an investors group.”

El Militante is calling on workers to put faith in the same state that sends police to repress their strike!



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