

# New Zealand union complicit in Cadbury factory closure

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A protest was held on March 11 in the city of Dunedin, in the south island's Otago region, against the impending factory closure by chocolate manufacturing giant, Cadbury. Today, however, after four weeks of backroom consultations with the E Tu union, the company confirmed the closure, which will destroy more than 350 jobs by 2018.

About 200 people attended the rally, which was organised by the union to try to divert workers' anger into reactionary nationalist appeals to the multinational Mondelez, owner of Cadbury. Speakers included union officials, local Labour MP Clare Curran and Dunedin mayor Dave Cull.

Curran insisted there are "Kiwi brands here that must not be taken offshore." Cull called on Mondelez to "reconsider the city's invite to work together to find a solution" by retaining part of the factory.

The Dunedin plant, originally opened in 1868 by biscuit maker R. Hudson & Co, was bought by Cadbury in 1930. It is the fourth largest employer in the city. Mondelez (formally Kraft Foods) bought Cadbury in 2010 for £11.5 billion. The company's 2016 international revenue was nearly \$US26 billion, with profits totalling \$10 billion.

Manufacturing is being moved to Australia, where two-thirds of the plant's products are sold, as part of a global cost-cutting drive, begun in 2014 after shareholders expressed dissatisfaction over profit margins. In 2016, Mondelez reduced its international workforce from approximately 99,000 to 90,000. It has shut down factories in Philadelphia and Chicago in the US, Somerdale and Birmingham in the UK, Toronto and Montreal, Canada, and Mem Martins, Portugal. Production has been moved to cheap labour facilities in Mexico, China and India. Market approval for its plans has driven up the price of Mondelez shares from \$US26

in 2013 to over \$42.

In New Zealand, Cadbury's revenue fell from \$294.2 million to \$283.4 million from 2007 to 2008. Its response was to close the Avondale factory in Auckland in 2009 and cut staff in Dunedin, totalling 268 layoffs.

The Service and Food Workers Union (now part of E Tu) did nothing to oppose the previous closure and sackings. E Tu, which fully accepts the company's determination to drive up profits, criticised the closure as "a poor economic decision" that would "do huge harm to this brand."

No details have been released of E Tu's negotiations with Cadbury management, but the union hinted it was offering concessions, such as job cuts, supposedly to make the factory more competitive. On March 10, E Tu official Chas Muir stated: "What we are doing is fighting to keep the plant open. *We 're fighting to keep every job possible*" [emphasis added].

E Tu, the largest union in New Zealand's private sector, was formed in 2015 when the Engineering, Printing and Manufacturing Union (EPMU) and the SFWU merged, due to dwindling membership. The union has aided in laying off thousands of workers across the country, including at New Zealand Post, coal miner Solid Energy and New Zealand Steel.

The unions have systematically suppressed workers' struggles. Industrial action plummeted from over 200 strikes in 1986 to an historic low of 13 in 2014. Union bureaucrats collaborate with businesses to ensure that factories shut down as smoothly as possible, with minimal disruption to the accumulation of profits.

Since the 2008–09 financial crisis, the Otago region's manufacturing industry has been gutted. Fisher & Paykel's dishwasher plant closed in 2008 with 350 redundancies, with no opposition from the EPMU. In

2011, the construction of rail wagons by Hillside Engineering Workshop was outsourced to China, leading to 44 job losses, and the company's eventual sale in 2012 resulted in a further 90 job cuts.

The Japanese-owned Summit Wool Spinners Oamaru factory closed in 2013, resulting in 192 redundancies. The EPMU accepted the closure and said Summit had "been a very good employer."

Various media figures called for a boycott of Cadbury products. Actor Sam Neill tweeted on February 22, urging New Zealanders and Australians to "NEVER sell or buy anything Cadbury EVER again." Such a boycott would have a negligible impact on Mondelez and would do nothing to address the root cause of the redundancies: the drive for increased profit in a global capitalist market.

Opposed to any mobilisation of the working class to defend jobs, E Tu launched an online petition and appealed to the public to write to members of parliament. The petition expressed concern for the New Zealand economy.

The opposition Labour Party, whose leader Andrew Little previously led the EPMU, accepts the closure. Labour's press statement suggested that "civic leaders and the business itself works to ensure all of these workers have the training opportunities they need to find alternative employment."

Similarly, Green Party co-leader Metiria Turei promised that if elected, the Greens would "establish a Minister for Manufacturing in Cabinet, to better represent the interests of manufacturers and ensure they thrive."

The pseudo-left International Socialist Organisation promoted last Saturday's rally on its web site and sought to bolster illusions in E Tu. It suggested that industrial action by the union could force Mondelez "to rethink, and to negotiate." Socialist Aotearoa demagogically called "for the workers to occupy the plant" and "start up production themselves, supported by the wider union and social movement."

The pseudo-lefts aim to subordinate the Cadbury workers to E Tu—the very organisation that has collaborated with thousands of job cuts and will enforce the factory closure. Far from "supporting" the Cadbury workers, the union has joined the company's "working group" with employers to select an alternative manufacturer to make the company's local

brands Pineapple Lumps, Jaffas, Chocolate Fish and Buzz Bar.

A real struggle to defend Cadbury jobs can be carried out by breaking from the pro-capitalist unions. Cadbury workers must co-ordinate with fellow workers in New Zealand and with Mondelez workers internationally, who are facing similar attacks. This means, above all, a rejection of all forms of nationalism used by corporations, governments and unions to demand ever greater sacrifices from workers for the sake of profit.

New organisations, independent of the unions and democratically controlled by rank-and-file workers, must be built to wage an industrial counter-offensive by the working class. These struggles must be guided by a new political strategy based on the fight for international socialism.



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