

# Amazon set to open new depot in Sheffield—“low pay capital of the UK”

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Global retail conglomerate Amazon is set to further expand its UK investment by opening a “giant fulfilment centre” on the outskirts of Sheffield, in South Yorkshire, England.

The local *Sheffield Star* newspaper reported in January that “the US firm is believed to be in discussions with Peel Logistics about taking half of a 48-acre plot situated beside Junction 34 of the M1 and close to the giant Meadowhall shopping centre and transport hub. If the proposal goes ahead it is expected to create 1,000 jobs.”

Amazon has an existing distribution site in Sheffield, which operates as a “last mile depot” delivering Amazon parcels to homes in the Sheffield area. It also operates four recently opened major sites in nearby Doncaster, employing more than 1,000. The newest and largest is on the iport business estate, which opened in time to go into full production for 2017 Christmas deliveries. The iport estate contains 6 million sq. ft. of warehousing and incorporates a 35-acre Rail Freight Intermodal Terminal.

Other occupiers of the iport estate include Fellowes, Ceva and Lidl. The owner of the building housing Amazon’s largest iport operation is the developer Verdion. Speaking about the relationship of Labour Party-run Doncaster council to the big business operations at iport, Verdion’s John Clements said, “It’s gone well here, Doncaster Council is very business friendly.”

Sheffield and its surrounding area was previously a major steel producing region and each of the Amazon “Fulfilment Centres” in South Yorkshire area were built on shuttered steel plants.

Peel Logistics bought up the former Outokumpu stainless steel processing site in May 2017. It applied and was granted planning permission from the

Sheffield City Council to erect a business park there early in 2018.

The history of the Outokumpu site reflects the collapse of the steel industry in South Yorkshire and the loss of jobs paying reasonable wages. In its heyday, it employed thousands of workers who processed stainless steel in dozens of plants and workshops. It was given a major redevelopment in the 1950s by the then state-owned British Steel Corporation, focused on cold rolling and cutting of stainless steel into sheets.

After privatisation of British Steel in the 1980s by the Thatcher Conservative government it became British Steel Stainless (BSS). Later, in 1992, BSS was sold to Swedish company Avesta and renamed Avesta Sheffield, which in turn became Avesta Polarit. When the Finnish company Outokumpu bought into Avesta Polarit it was renamed in 2002, this time as Outokumpu. Nine years later, in 2011, all the buildings and plants were demolished and the site completely flattened.

The *Star*’s online readers’ comments section at the bottom of the Amazon article reflects the anger at the collapse of the Yorkshire steel industry and the mass unemployment and poverty it has created for the new generation of workers—enabling global corporations such as Amazon to exploit the situation as a means to drive down wages.

Peel Logistics’ glossy brochure for the Outokumpu site has a list of attractive benefits for any potential “partner.” The fourth item listed, in bold text, declares “WAGES BELOW THE NATIONAL AVERAGE—£496.60 PER WEEK COMPARED TO GB AT £541.00 (2016).” It also boasts the council will be offering business rate concessions.

Two recent reports, based on studies by the Resolution Foundation, highlight why Amazon is

attracted to Sheffield. The first is headed “Sheffield named as the low pay capital of the UK”. It states, “the city has a high concentration of large, low-paying sectors, such as office administration and retail, where typical hourly pay is lower than the UK average.”

The second report found “that the new National Living Wage—the new wage floor of £7.20 an hour for workers aged 25 and over—which comes into effect in April this year—will be felt differently across the UK. In Sheffield, “28 per cent of employees are set to be affected—more than any other major city in the UK.”

The report continues, “Average hourly pay is £11.03 per hour, the lowest of any city region in the UK, yet many earn even less with nearly one in five workers employed on the National Minimum Wage.”

Compare this to Amazon’s CEO, Jeff Bezos, the world’s wealthiest individual, with a personal fortune estimated at more than US\$100 billion. Amazon’s global profit reached \$1.9 billion for the final quarter of 2017, an increase of more than 150 percent from the previous year, according to the company’s latest financial earnings report. Bezos’ personal wealth increased by more than \$17 billion in the past month.

Bezos and two other US billionaires, Berkshire head Warren Buffett and JPMorgan’s Chief Executive Jamie Dimon, announced in January their plan to drive down their costs even further by utilising advanced technology to slash the cost of providing health care for the firms’ combined US work force of over 1 million.

Last November, the *Sunday Mirror*, sister newspaper to the *Daily Mirror*, published several reports produced from an “undercover operative” reporter, Alan Selby, at Amazon’s plant in Tilbury, England.

It confirmed many of the conditions the International Amazon Workers Voice has highlighted and published on the *World Socialist Web Site* since the launch of the IAWV in May 2017.

The four-storey Tilbury site occupies 2.2 million square feet—the size of 11 football pitches—and employs 1,500 workers. In one passage Selby describes his working conditions “Alone in a locked metal cage, 10 feet from my nearest colleague, a robot approaches from the shadows and thrusts a tower of shelves towards me. I have nine seconds to grab and process an item to be sent for packing—a target of 300 items an hour, for hour after relentless hour.”

The growing exploitation of workers by Amazon is

not confined to the UK or any particular country. Amazon has become a global giant by offering cut price goods delivered from its sweatshop “fulfilment” hubs. Workers at the newly opened Melbourne “fulfilment centre” in Australia are the latest to experience the physically harmful demands of an Amazon warehouse that features relentless speed-ups, total surveillance of the workforce, dangerously hot conditions and minimal toilet and meal breaks.

Across the globe local authorities and politicians of all stripes fall over each other to encourage Amazon into their locality by offering up ever greater conditions of exploitation.

The actions of Sheffield’s Labour-run council are similar to those of the local capitalist politicians in approximately 200 US cities who are locked in a grotesque scrum to house Amazon’s second headquarters. The bidding town and state leaders are offering billions of dollars in tax breaks and incentives. Newark, New Jersey offered Amazon \$1 billion in property tax abatement and a waiver for \$1 billion in city wage taxes over 20 years. In Stonecrest, Georgia, the leaders have offered to rename the town Amazon if the company decides to build its HQ there.

*Workers at Amazon sites throughout the UK should read and share widely the International Amazon Workers Voice newsletter for frequent updates and to leave your comments or questions.*



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