

UK: Jacobs Douwe Egbert workers strike against fire and rehire contract

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Nearly 300 workers at the coffee maker Jacobs Douwe Egbert (JDE) in Banbury, Oxfordshire have been put under a 45-day “consultation” on new contracts to be imposed by a Section 188 “fire and rehire” threat.

If they refuse to sign new contracts, they will be dismissed, as early as August.

“Fire and rehire” is the preferred means of big business to inflict major cuts in workers conditions in pursuit of profits.

JDE is part of a transnational conglomerate, JDE Peet’s headquartered in the Netherlands, part of the JAB Holding investment arm and holding company of the billionaire Reimann family. JAB Holding Company and the JDB Consumer Fund manages \$50 billion capital invested in many industries.

JAB bought JDE Peet’s coffee and tea business for nearly \$1 billion in 2012. The world largest coffee and tea producer, it employs of a global workforce of more than 19,000 across 30 countries. It has a supply chain over more than 100 countries producing over 50 brands like L’OR, Jacobs, Senseo, Tassimo, Douwe Egberts, Old Town, Super, Pickwick and Moccona.

During the pandemic JDE Peet’s saw a 9.1 percent growth, total sales of €6.7 billion, an operating profit of €933 million and a free cash flow of €877 million.

But JDE is intent on wringing even more profits from its Banbury workforce. Management plans, amongst other savings, to cut traditional Christmas and bank holiday pay rates, introduce unpaid breaks and limit them to 30 minutes. It is estimated that workers could lose £3,500 a year in pay, with the Unite union stating that some members could lose between £7,000–£12,000-a-year.

A source told the *Banbury Guardian*, “They propose a four-shift pattern forcing staff to work 12-hour shifts,

nights, weekends etc. Those potentially hardest hit may lose thousands of pounds a year and most of their benefits. Even those offered days (8am–4pm) or double days (6am–10pm) would lose out because of unpaid breaks, flat-rate overtime and no payments for bank holidays.” There are proposals to ditch the company’s final salary pension scheme and replace it with a cheaper, inferior system.

The newspaper reports that the “factory makes as much coffee in a 12-hour shift as other JDE factories take a week to make, in spite of the plant having outdated and obsolete equipment.” But “JDE maintains the Banbury factory is 'significantly more expensive to run compared to other factories within the JDE network' and that there is an 'overwhelming need' to reset manufacturing at the plant.”

JDE’s fire and rehire plans were first announced in March 2020 but then rescinded due to the first coronavirus national lockdown. During the pandemic, with millions of people confined to their homes, sales from Kenco Tassimo, Kenco and L’OR grew by 40 percent in 12 months. The workforce were sent into the factory to deal with the extra workload.

In January, the company began consultation with Unite and on February 25 gave formal notification of the implementation of “fire and rehire” proceedings. Unite delayed a strike ballot for months. On March 15, Unite members voted by a majority of 96 percent in a consultative ballot with the option to strike, followed by another ballot mid-April recording an 87 percent majority vote to strike.

On May 1, a demonstration was held at the plant and a ban on overtime introduced. So far, just two token 24-hour strikes have been called for May 8 and May 15, with a 72-hour strike to begin on May 26.

Unite has no intention of waging a struggle against

JDE. It maintains that a resolution can be found through the government's mediation service, ACAS. Meanwhile JDE is pressurising workers to sign the new contracts and offering anyone working overtime double pay rates.

On Friday, Unite entered talks under the auspices of ACAS. It issued a statement Thursday quoting Unite national officer for the food industry Joe Clarke saying, "We going into tomorrow's talks with JDE management in a constructive frame of mind as we believe that no coherent business case has been made for these despicable 'fire and rehire' proposals."

Profits were being threatened and strikes were the last thing the union wanted or the company needs, insisted Clarke. "We believe that this industrial action will eventually cause severe disruption to production schedules and therefore hit the company where it hurts—on the bottom line which won't amuse the global management."

The situation at JDE replicates what has happened at British Gas, where the company was able to dismiss its workforce and rehire on inferior contracts despite 7,000 engineers striking for 43 days. The GMB advised its members to individually sign the contracts. Hundreds who did not were isolated and sacked. Three other unions, Unison, Unite and Prospect, agreed to the inferior contracts months earlier.

Unite's main complaint is that JDE's actions are "immoral" and that the company and Conservative government should come to their senses. Clarke demanded "fire and rehire" was "taken off the table" to allow "constructive talks with the management on the plant's future."

No effort is being made by Unite to join the fight of workers in Banbury with those employed by the company in Europe and internationally. In its Thursday statement, Unite said it is "liaising with its European trade union counterparts on offers of solidarity."

Far from promoting workers unity, Unite argues that the Banbury plant is more profitable than others in Europe, citing the increase in sales and profits over the last year.

Unite is being staunchly backed by the pseudo-left Socialist Workers Party, which claims there is "fantastic solidarity from JDE workers across Europe. In France they're discussing one-hour stoppages, and overtime bans begin next week in the Netherlands and

Germany." But even if such token action by the unions materialises, and there is no reason to believe a word said by Unite and its European counterparts, they would be organised on a nationalist, pro-company basis. No international action against JDE seeking to unify workers in struggle is being planned anywhere.

JDE has regularly shut and restructured plants in Europe, with barely a murmur from the unions. In 2016, it announced plans to close its factory in Grimbergen, Belgium. The closure was implemented seamlessly in January 2017 with the loss of 274 jobs after "consultative talks" with the unions. Production capacity was transferred to JDE operations in the Netherlands, Poland, Germany and the Czech Republic.

JDE workers at Banbury cannot wage a successful struggle to defend their jobs, terms and conditions if their struggle is led by Unite. There is no possibility of waging a fight against a global corporation such as JDE on a local or national basis. Workers must form a rank-and-file committee, acting independently of Unite and contact JDE workers throughout Europe and internationally to discuss a united offensive. The Socialist Equality Party urges Banbury workers to contact us to discuss the struggle ahead, read the call for an International Workers Alliance of Rank-and-File Committees (IWA-RFC) and take part in the fight to form committees.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact