

UK: Management and union talks fail to reach agreement ahead of strike at Jacobs Douwe Egberts

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Management at the Jacobs Douwe Egberts (JDE) coffee producing factory in Banbury, Oxfordshire, are determined to continue with the fire and rehire on inferior terms of almost 300 workers.

On May 17, JDE announced that this was the last day for their 291 employees to sign the new contracts and that 12-week dismissal notices would be sent out the following day. A company spokesman said: “As part of the S188 legal process, the final sign up date with regard to the proposals is on May 17, 2021. This follows five weeks of full time, informal discussions with the union, a 45-day formal consultation and five weeks of individual consultations with impacted associates.”

The company’s intention to continue with its plan for mass firings was reported in the *Banbury Guardian*, a local newspaper. Instead of alerting his members to the gravity of the situation they faced, Unite union national officer for the food industry Joe Clarke, in a May 20 Unite press statement, reemphasised the union’s priority of working out a deal with management: “Before the dispute escalates throughout the summer and production grinds to a snail’s pace, the management needs to sit down with Unite to chart a constructive way forward.”

Even the limited industrial action so far—consisting of two 24-hour strikes and a ban on overtime that began on May 1—is costing JDE £50,000 an hour. There is speculation that heavy production losses could lead to a shortage of coffee brands produced at JDE, including Kenco, L’OR, Tassimo and Douwe Egberts. According to Clarke, the union estimated that strikes have so far lost the firm “600 tonnes in production which is the equivalent to six million jars of coffee or 300 million cups of coffee” and inflicted a “financial loss currently running at £18 million”.

Every Saturday since strikes started on May 1, well

attended demonstrations supported by the public have been held alongside the picket lines. On the May 15 protest it was noted that management had covertly filmed protesters and their families, including their children—a practice thought to be in breach of the General Data Protection Regulation (GDPR) and that could be used to identify workers for future reprisals like blacklisting.

This is just the latest action by management to try to intimidate its workforce. Managers have already pressured individuals to accept the new contracts and threatened them with bans on summer holidays.

Industrial action is set to continue with a further 72-hour strike from Wednesday.

Ahead of the strike, Unite did everything to try to avoid it. The *Banbury Guardian* reported Monday evening that management and Unite officials had spent all that day in negotiations that had been sanctioned the previous week. The newspaper understood that “Jacobs Douwe Egberts... were to make proposals to Unite the Union over postponing issuing of ‘fire and rehire’ notices. It appears industrial action will continue as planned if JDE refuses to remove the fire and rehire threat. It is thought each side is considering the proposals and that JDE will be consulting its senior leadership in Amsterdam.” The newspaper noted, “Union officials wanted clear commitments that the fire and rehire notices would not be served on staff later, if Wednesday’s strike were to be abandoned as proposed.”

On Tuesday, it was reported that talks had failed and the strike would go ahead after the company refused to remove notices to dismiss the workforce.

Jacobs Douwe Egberts is part of the vast transnational enterprise JDE Peet’s, the world’s largest coffee and tea producer, with 19,000 employees in 30 countries and a supply chain across more than 100 countries.

Despite increasing production by 9.1 percent and operating profits to €933 million (net profits €367 million) during the pandemic, JDE Peet's intends to extract major concession from the Banbury workforce by restructuring production operations, introducing unsocial shift patterns, slashing conditions such as overtime rates and introducing unpaid breaks. Workers stand to lose up to £12,000 a year. Also planned is the termination of the defined benefit pension scheme and its replacement by an inferior scheme in July, which is estimated will cost workers far more and saving JDE millions of pounds a year.

In March last year, JDE Banbury Plant Director Rob Williams announced the firm's intention to sack the workforce and re-employ them on worse pay and conditions. He threatened, "Many of our shift patterns and processes have not changed in decades which means some modernisation is essential if we are to ensure coffee manufacturing stays in Banbury for years to come."

The firm has utilised the pandemic to press its demands, with Williams quoted in the *Banbury Guardian* in March as saying, "there is an overwhelming need for change because our UK manufacturing operations are not competitive compared to our external UK competition and internal JDE factories."

Job losses have already been imposed at JDE's research and development (R&D) Unit. Last January, the *Banbury Guardian* reported that the section used to employ some 150 staff but that this has already been reduced to around 100 through a process of "natural wastage". It reported JDE's plans for roughly another 60 R&D redundancies and that the remaining 40 jobs may be moved to the Netherlands and Malaysia.

JDE's action is part of an international wave of attacks on the jobs and living conditions of workers. Major companies are using the pandemic to restructure production and intensify exploitation. In Britain, companies are favouring the "fire and rehire" tactic, a procedure that is illegal in most European countries. Billion-pound corporations like British Airways, Tesco and British Gas have successfully employed at least the threat of "fire and rehire" to impose the exploitative conditions they want on their workforces.

The latest attack on workers' conditions using a fire and rehire threat was concluded last week at the Go North West bus company in Manchester, following an 11-week strike. Go North West is owned by another giant transnational, Go-Ahead.

As explained by the *World Socialist Web Site*, Go North

West did not have to carry out its threat to fire its nearly 400-strong bus driver workforce as it was able to reach a deal with Unite to get what it wanted—including the introduction of unpaid meal breaks, a longer working day leading to job losses, and compulsory overtime if a bus runs late. At the outset of talks with Go North West, before it ever called a strike ballot, Unite offered the company £1 million in cuts from its members terms and conditions, plus a one-year pay freeze worth a further £200,000 to the company.

All Go North West had to do to get these concessions was to agree to withdraw the threat of "fire and rehire" and allow the union to fraudulently claim a "huge" victory. Unite has still not publicly released any of the contents of the rotten agreement.

Unite is using its "victory" at Go North West as part of its corporatist campaign to have the "fire and rehire" Section 188 legislation repealed, and the practise made illegal. They have pitched this toothless endeavour to the Tory government with stunts like sending boats down the Thames, manned by union bureaucrats and handful of Labour MPs, during the Queen's Speech. With sellouts of workers such as those imposed at British Airways, SAICA, SPS Technologies, and now Go North West, the union bureaucracy is doing all it can to convince big business it does not need such legislation to impose its diktats—not when the unions are specialists in acting as the corporatist arm of the employers to lower pay, cut terms and conditions and facilitate job losses.

Workers at JDE must learn the lessons of these disputes and understand the sellout implications of Unite's overarching demand that JDE take the fire and rehire threat off the table in order to "chart a constructive way forward".

To defend their pay, terms, conditions and livelihoods, JDE workers must break with Unite and organise their fightback independently of the trade union apparatus. This requires the formation of rank-and-file committees and making contact with JDE Peet's workers internationally to carry out a unified offensive to secure the livelihoods of workers and not the profits of JDE Peet's super-rich shareholders.



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