CHEP UK workers continue indefinite strike action

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Seventy workers at the CHEP Ltd. site in Trafford, Greater Manchester have been on indefinite strike since December 17, after a series of one-day strikes on December 3, 6, 10 and 13, following a 75 percent ballot for industrial action. They are fighting a 2 percent pay offer, in effect a substantial cut, after being kept on the job throughout the pandemic as essential workers.

CHEP workers make and repair wooden pallets used for deliveries. The company's major customers include Heinz, Heineken, drinks company InBev, and container manufacturers A&B Containers and Encric.

Their month of indefinite action in the middle of winter shows CHEP workers' determination to win a substantial improvement in their pay and conditions. There is rising militancy in the working class after two years of a pandemic that has seen millions exposed to worsening conditions amid a deadly virus and record corporate profits.

But the CHEP struggle is endangered by the leadership of the Unite union.

Regional Officer Ian McCluskey admitted to the *Morning Star* newspaper late December, "A 2 per cent pay rise is a massive pay cut, and it follows increases of 1 and 2 per cent in the years before." In other words, the union has already imposed rotten pay deals on the workers, leaving them crippled by rising inflation and cost of living increases.

Unite general secretary Sharon Graham has declared, "Unite members employed by Chep are not going to accept a paltry pay offer which amounts to a real terms pay cut." But this is exactly what the union is preparing. McCluskey continued, "Our red line is 5 per cent backdated to July 1." CPI inflation was 5.4 percent in the 12 months to last December, and RPI 7.5 percent, with both expected to rise further in the coming months.

The union is offering to sell its members short to a company which, McCluskey acknowledges, "increased its pre-tax profits by 173 per cent per worker" over the last two years. The company is "sitting on a big pot of gold and it is going to get bigger when they issue their results for 2021."

During these years of the pandemic, the company paid out £50 million in dividends to its shareholders in 2021, from £60 million in profits, and £110 million in 2020. In 2021, the highest paid director received £386,000, including a £33,117 payment into their contributory pension fund—more than most workers' full annual wage.

CHEP UK is part of the multibillion-dollar supply chain company The Brambles Group, headquartered in Sydney, Australia, and employing 12,000 workers globally. During 2021, Brambles made a pre-tax profit of $526 million and paid out dividends of $280 million, after $290 million the year before. Its four executive directors received $10,556,000 between them in 2021, to say nothing of their wealth in shares. Trillion-dollar asset management firms BlackRock and Vanguard are leading institutional investors in the company.

In 2020, it was workers like those at CHEP singled out for having sustained these profits, with the company's annual report noting, "strong volume growth and price realisation in our global pallet businesses more than offset declines in our Automotive container and Kegstar businesses."

For workers to achieve a real victory on pay and working conditions against such an adversary requires a major mobilisation of their forces. The basis for broader action clearly exists, with the strike winning significant support locally. News site *About Manchester* reports that 80 percent of lorry drivers are refusing to cross the picket line.

But Unite is doing nothing to organise a wider struggle. CHEP UK has 27 service depots nationally, with plant locations in Birmingham and Dublin, and around 1,200 total employees in the UK, around 1,000 in production. Yet the union has issued no public statement calling for or organising solidarity action with the Trafford workers across the other sites. The workforce is so divided that other CHEP workers reportedly earn up to £1,000 more annually than workers at Trafford.

Unite's refusal to extend the strike underscores the union's defence of the employers rather than the workers. Their appeals are made to the corporations to ensure the suppression of a wider struggle.

Since the beginning of the dispute, the union has been seeking a seat at the table with management. McCluskey made clear his extreme reluctance to call a strike at all in late November, telling the company, "this dispute is entirely of the company's own making.

"CHEP can afford to offer a fair pay increase but it has chosen not to do so, despite extended negotiations with Unite.

"Even at this late stage strikes can still be avoided, provided that CHEP returns to the negotiating table and makes a pay offer which meets our members' expectations."

His tune did not change. Ahead of the move to indefinite action he pleaded again, "It is highly disappointing that CHEP has refused to enter into any discussions or negotiations with Unite since the strikes began, in order to resolve this dispute."

Appealing to their joint concern over profits, he continued, "Unite believes that the dispute has already cost CHEP more in disrupted and unfulfilled orders than it would have cost to make its workers a fair pay offer.

"This dispute could be easily resolved by CHEP making a fair pay offer to its workers and entering into talks. The ball is firmly in the company's court."

To carry out a struggle for a genuine improvement in their pay and conditions, making up for losses suffered throughout the pandemic while CHEP was raking in profits, the Trafford workers must oppose this rotten deal-making between the union and the company carried out at their expense. They can seize the initiative by turning to their allies in the wider working class who confront the same issues.

Warehouse workers for B&Q in Worksop in the East Midlands, employed directly by Wincanton Logistics Ltd, started indefinite strike action Christmas Eve after beginning alternating weeks of strike action in late November. They are fighting a derisory pay offer of 4 percent, reacting angrily against the bumper profits made by their employers during the pandemic through their exploitation. Unite has kept the workers isolated in their struggle despite their determination and despite ongoing disputes of lorry drivers across B&Q's supply chain, including at the Worksop site itself.

In Yorkshire, an all-out strike of Stagecoach bus workers in Rotherham, Barnsley and Sheffield was sold out by Unite last week in a deal which preserved the pay disparity between garages, in keeping with the union's actions across Stagecoach's operations nationally. The pay offer was 10.7 percent but spread across two years to 2023. As with the CHEP workers, bus drivers are determined to enter a full struggle for an above-inflation pay rise, but the unions have limited each fight to the pursuit of what the company considers "a reasonable offer" and refused to join up disputes across the country.

There is a concerted effort on the part of Unite and the Trades Union Congress (TUC) to keep each strike isolated, actively working against any unified struggle across the entire working class. They fear that such a movement would break free from their control and overturn their ability to enforce company-authored pay offers which keep the working-class shackled to multi-tiered, poverty level wages deals.

The industrial struggles unfolding in the working class must be taken forward on an independent basis. Rising inflation rates are creating a punishing cost-of-living crisis, compounding the hardships and dangers of the pandemic. Workers can fight back by forming rank-and-file committees, independent of the unions, to organise a unified offensive against the employers.