UK: Unite enforces below-inflation pay deal at CHEP, ending 21-week strike

Our reporters
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UK pallet workers at Chep in Trafford Park, Greater Manchester voted to accept the latest company pay offer recommended by the Unite union, ending their 21-week strike. The strike was the longest in Unite's 15-year history.

Chep makes and repair wooden pallets, with the company's operations crucial for the delivery of goods internationally.

The deal interrupted a re-ballot begun April 21 and set to end May 5 to continue the strike beyond May 19, when the last strike mandate was due to expire. The strike began last December 17 against a derisory 1.5 percent pay offer, after just one and 2 percent increases in the previous two years.

The agreement was presented by Unite as the latest in an endless round of victories overseen by General Secretary Sharon Graham. She praised the "excellent deal… This victory is more proof that Unite is, without a doubt, dedicated to improving the pay, terms and conditions of its members."

While the Unite members voted to accept the offer, almost a third rejected it outright. Only 48 of the workers voted in favour of the deal, 22 voted no and seven abstained, meaning 37 percent of strikers did not back the deal.

Unite described the deal as "inflation beating," announcing that "workers will receive a 9 percent pay increase which on average is worth £2,500. Other elements of the deal, including a £1,000 lump sum and three extra days of annual leave this year, mean that the total package is worth as much as 14 percent while real inflation (RPI) runs at 9 percent."

The pseudo-left Socialist Workers Party, who act as a PR service for the union bureaucracy, described this as a "massively improved pay deal."

As is always the case in the murky world of the union bureaucracy, the full ramifications of the agreement will only become evident in the next weeks—as was the case following the Go North West bus strike in Manchester last year, when workers denounced what was presented as a major victory as a sell-out.

This much is clear. The deal is not "inflation beating." The "other elements of the deal" which the union claims take the pay rise to 14 percent are one-offs. The actual pay increase as presented by the union is 9 percent.

But this breaks down into the continuation of a 5 percent rise agreed for last year, backdated to July 2021, plus an additional 4 percent from now on. The next pay deal will be negotiated in summer 2023.

By the RPI rate of inflation, prices rose by 5.9 percent between July 2021 and March 2022, outstripping the 5 percent wage increase agreed by the union for the last several months. As for the combined 9 percent agreed for the year going forward, annual RPI inflation is already at this level and continues to soar, with the Office for Budget Responsibility predicting on March 2, "We forecast RPI inflation to reach 10.5 percent in April 2022, and peak at almost 11 percent in the last quarter of 2022." Such official projections often underplay the scale of inflation.

The deal could be much worse. Chep poured cold water on Unite's claims that it extracted major concessions. A company spokesperson said, "[W]e have offered competitive pay and employee benefit proposals to all our employees in our UK network *for the next two fiscal years* [emphasis added]. We are very pleased that our 2-year pay offer has also been accepted by our workers at our Manchester Trafford Park site, along with all other Chep service centres across our network."

This cannot be confirmed without full access to the agreement, but at least suggests that Unite's agreed pay rise (of an additional 4 percent on the 5 percent agreed for July 2021-now) is spread over two years, to 2024! To protect its allies in the Unite bureaucracy, Chep said in the politest terms possible, "The numbers quoted by the union are an interpretation of our offer [!] but the positive outcome [at Chep] is that we do have an agreement and we thank the Union for their collaboration over the last few weeks."

Frankly, at this point, the exact figures of the deal are anyone's guess. That fact alone is an indictment of the union and a danger sign for workers. If the agreement is clear as mud, it is because Unite is hiding the truth.

A major demand of the strikers, that they achieve pay parity with other Chep sites (they were paid less than staff at six other locations), has not been won.

The *World Socialist Web Site* spoke to workers at Chep about the deal. Even among those who voted for it, the most common view was that it wasn't great but was at least better than the previous offers from the company. One worker said, "At the end of the day, we took it to the limit." Another said, "I think it would have been daft to stay out, after 20 weeks." This says as much about the role of Unite in isolating and dragging out the dispute as it does about company intransigence.

Also conveniently left out of the Unite/SWP puff pieces is the fact that strikers returning to the shop floor must now ramp up production. One worker explained they would do 13 pallets per hour, rising to 33 per hour over the next three weeks (1 minute and 50 seconds per pallet).

Whatever increase the company has made on its original offer has nothing to do with Unite's corporatist "leverage" agenda based on making appeals to company boards and shareholders to work with the union on the best way to maintain profits. It was solely the result of the determination of workers who fought for 21 weeks.

They were left to fight alone by Unite, despite Chep having around 2,200 workers in Britain, including 1,400 factory employees. Part of a global conglomerate operating in 45 countries employing 7,500 people, Chep has 27 depots across the UK and plants in Birmingham and Dublin.

The company describes itself as the "invisible backbone of the supply chain," adding "our pallets, crates and containers help to move more goods to more people, in more places, than anyone else on earth." Interconnected globally through this production, Chep workers are objectively in a powerful position.

Yet Unite refused to mobilise even all its members at the Trafford site, including technicians who play a critical role in production. A worker told the WSWS that even though not all the technicians are members of Unite, had Unite called out its own members, "it [the strike] would have been over a lot quicker."

Chep is owned by multibillion-dollar supply chain company The Brambles Group, headquartered in Sydney, Australia. The company's major customers include global giants Heinz, Heineken, InBev, and container manufacturers A&B Containers and Encric. Classed as essential, Chep UK workers stayed on the job during 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.

On April 20, the day before the re-ballot opened, Unite was putting its efforts into mounting a protest outside the Brambles headquarters in London, urging the company "to take responsibility for ending the ongoing strike at its subsidiary Chep UK Ltd." Unite pleaded, "In 2021, Chep UK Ltd made sales revenues of £390.7 million in 2021. Between 2010 and 2021 Chep UK Ltd paid out dividends to Brambles Ltd amounting to £664.54 million. Each Chep UK Ltd employee generated sales worth £320.5K in 2021."

Graham said in the press release, "I'm calling for Chep UK's parent company to intervene and sort out this mess…. They can see the company can afford to pay a fair wage."

Anyone who claims any credit for Unite in the Chep dispute for such grovelling before big business is a liar.