Port workers' strike at Felixstowe docks threatens to bring UK economy to a standstill

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The most significant of a growing wave of strikes in Britain is set to go ahead Sunday at Felixstowe port in Suffolk, England.

Nearly 2,000 Unite union members voted to strike at the end of July by a 92 percent majority on an 81 percent turnout, rejecting a below-inflation pay offer of just 5 percent. At the time of the ballot result the RPI measure of inflation was at 11.8 percent. It is now 12.1 percent and predicted to rise to over 17 percent this year. Pay has been held down for years with dockers receiving another below-inflation deal, 1.4 percent, in 2021.

Felixstowe Dock and Railway Company is owned by Hong Kong-based CK Hutchison Holding Ltd, one of the largest foreign investors in Britain. It is one of the world's foremost container terminal operators and a global leader in port services, holding interests in 52 ports in 26 countries. It's operation at Felixstowe reported £61 million in pre-tax profits in 2020, lavishing millions in dividends payments on its shareholders.

The eight-day strike would immediately have a huge impact on the UK economy and global maritime trade.

Felixstowe is responsible for around half (48 percent) of all UK container freight. As Unite authorised the strike, the Department for Transport worried, "This action by the union runs the risk of disrupting the delivery of vital supplies and freight, and we urge the union and port to remain at the table and agree a settlement".

Felixstowe and Britain's other ports are also critical to the Conservative government's agenda to ramp up the exploitation of the working class via its newly created freeports, where big business is able to operate with virtually no obstacles to profit accumulation. Rishi Sunak, one of the candidates to succeed Boris Johnson as Tory leader and prime minister, announced in his position as Chancellor in March that Felixstowe and Harwich would be handed freeport status.

An analysis by the Strategic Risk Europe website stated, "Beyond the UK, Felixstowe plays a crucial role in global trade, feeding UK exports to larger European ports including Rotterdam ($108 million) and Hamburg ($138 million)." Analysis by the Russell Group warned of the disruption of over $800 million in trade overall during the eight-day strike. Based on previous trade flows at the port during August, clothing ($82.8 million) and electronic components ($32.3 million) are the commodities that would be most impacted.

Russell Group Managing Director Suki Basi predicted the effects would be reverberate over "the coming weeks and months" due to continuing global supply chain stresses.

These have been exacerbated by the impact of climate change across the European continent. Strategic Risk noted, "Many experts believe that because of the disruption at Felixstowe, trade will be diverted to smaller ports in the UK but also other international ports including Wilhelmshaven, Germany". But the strike "comes as low water levels on the Rhine river cause further trade disruption within Central Europe and, in particular, Germany."

Following the July 28 ballot result, Unite did everything to avoid having to call a strike, seeking talks at the graveyard of all workers' struggles, the government conciliation body ACAS. It was forced to announce the strike August 5 after its "peace talks" had "failed to produce a reasonable offer"—that is, one the union felt it could force on its membership—beyond a slightly improved 7 percent. Unite remained in talks in desperation, meeting with ACAS August 8, but could not reach a deal. The company noted disappointedly that the unions had kept the workplace strike free "since 1989".

That Unite has failed this time is an indication of the militant sentiment gripping the working class in Britain. The main fear of the union bureaucracy, shared with the company and the Tory government, is that the strike might quickly spread, mobilising one of the most powerful section of workers in the country and internationally. This is especially so given the spate of recent wildcat walkouts at power stations, refineries and Amazon fulfilment centres critical to the functioning of the economy.

On Monday, their fears were realised as more than 500 port operatives at Liverpool docks voted 99 percent on an 88 percent turnout to strike in opposition to Mersey Docks and Harbour Company's (MDHC) seven percent pay offer. The company is refusing a pay deal anywhere near inflation despite being owned by the vast Peel Group and MDHC reporting more than £30 million in profits in 2021.

Unite reported that workers will also strike over "the company not undertaking a promised pay review [in 2021], which last happened in 1995, and failing to deliver on an agreement to improve shift rotas."

A Unite ballot of 60 engineering staff at the same dock closes August 24.

Were dockers at Felixstowe and Liverpool to take industrial action at the same time, around 60 percent of Britain's container traffic would be affected.

Unite again intervened to appeal to the employers to help them avert the strike. Bobby Morton, Unite national officer for docks, called immediately for new negotiations, warning, "Strike action will cause huge disruption and will generate massive shockwaves throughout the UK's supply chain, but this dispute is entirely of the company's own making… Felixstowe needs to stop prevaricating and make a pay offer which meets our members' expectations."

As proof of its good will, the union immediately sat on the dispute at Liverpool despite the overwhelming mandate delivered by workers, not naming any strike dates. National coordinator Steven Gerrard said, "The responsibility for Liverpool container docks grinding to a halt will lie firmly with MDHC." He pleaded that the company "needs to come back with a deal".

A dock strike, centred on a critical chokepoint of the UK and European economy, would be met with the full force of the state. The Tory government is preparing a battery of anti-strike legislation, including enforcing minimum service laws in "critical industries". It has the Operation Yellowhammer plans for a hard Brexit ready to go, including deploying the police and military to break major strikes and control "civil unrest". The documents specifically referenced the sensitivity of UK infrastructure like refineries.

Barring token criticisms, the Labour Party is in full support of the Tories' class war agenda.

Dock and other key infrastructure workers cannot mount a successful counteroffensive while restrained by Unite and the other unions. To mobilise their massive industrial strength, they must turn to the building of rank-and-file committees led by trusted workers which can link the fight at the ports with the millions of other workers in dispute against the employers and the government and make preparations for a general strike.

Their most powerful allies are their class brothers and sisters internationally who face the same attacks. Ports are critical hubs of globalised production, linking workers all over the world.

The most astute business observers are acutely aware of this potential. *The Loadstar*, read by "thousands of freight professionals and shippers", ran an article Wednesday reporting a Felixstowe agency contact who said "the 'mood was less optimistic by the day' that the port would return to normal after the strike. Our owners are worried that the strike will be followed by threats of more industrial action…"

The article noted that "the two major shipping line groupings are keeping their cards close to their chest on their contingency strategies, but *The Loadstar* understands that the Ocean Alliance may offload UK cargo at Piraeus, while 2M partners Maersk and MSC are investigating the options for over-carrying UK imports to Wilhelmshaven and Antwerp.

"Nonetheless, their options are limited, negotiations over strikes at German ports to support wage negotiations between trade union ver.di and the Central Association of German Seaport Companies are no nearer resolution.

"And a court-imposed moratorium on further industrial action at German ports expires on 26 August, with the next round of talks, stemmed for the 22nd, regarded as 'critical'. Moreover, Hapag-Lloyd has reported that the wage conflict was 'severely affecting dockers' willingness to perform extra shifts and volunteer work, especially at weekends'".

A joint struggle by British and German dockers would strike a huge blow for the international working class against the governments and major corporations implementing an unprecedented assault on workers' living standards.