

UK supermarket workers oppose new wage-cutting contract at Walmart subsidiary Asda

By Barry Mason
14 August 2019

Workers are rallying in Leeds today to oppose the imposition of a new work contract that will negatively impact 60,000 employees of the UK supermarket giant Asda, a subsidiary of US-based global retailer Walmart.

The merging of five current contracts into one “flexible” contract, known as Contract 6, will mean workers losing paid breaks. Working bank holidays and weekends would be compulsory and they would have to agree to work more flexible hours. This would cut across the needs of many working parents to have guaranteed work hours for them to be able to perform care duties for their children or, in other cases, adult relatives. The changes would come in return for a tiny rise in basic pay from £8.84 an hour to £9 an hour.

Asda employs over 100,000 workers, including 12,000 workers just in its delivery warehouses—servicing both stores and the growing home delivery sector.

In a consultative ballot of GMB trade union members, 93 percent rejected the terms of the contract. In response the GMB has organised today’s rally, to be followed by a march passing Asda’s nearby headquarters. The GMB is the only union recognised by Asda.

Transferring to the new contract was previously voluntary but is now compulsory. The *Daily Mirror* on August 5 quoted from a question and answer leaflet to be given to Asda workers not wanting to move onto the new contract. It states, “You will have a number of 121s [one-to-one meetings] with your manager. As part of the 121 process, we hope you agree to move to the new contract. If you still don’t want to sign up to the contract after those 121s, at that stage we would issue notice to terminate your employment on your existing terms and conditions.”

To make clear the threat, the leaflet states, “We will offer to re-engage you on the new terms. If you choose

not to accept the new terms you would leave the business.”

Asda was bought by Walmart in 1999 for £6.7 billion and, along with Tesco, Sainsbury’s and Morrisons, is one of the big four supermarkets dominating the UK market. However, this leading position is being challenged by discounter supermarkets, Aldi and Lidl. In response, attacks on workers’ conditions are being ramped up across the big four. Along with rents, labour costs are a major factor in supermarkets’ overall costs.

In May last year, in return for raising basic pay to just £9.20, Sainsbury’s imposed a new contract, with a threat to sack any worker who did not sign up, including a loss of paid breaks, premium Sunday pay and bonuses. According to the Unite union, around 9,000 workers would lose up to £400 a year, with some losing thousands. An online article in the *Grocer* explained that among the “contractual changes being introduced are the removal of... paid overtime, alterations to productivity, flexibility and attendance standards, and streamlined and broader roles. These include moving from 22 specific roles to just five.”

In June and July, hundreds of workers at one of Sainsbury’s 23 distribution depots—Waltham Point in London—held two 24 hour strikes in opposition to changes in the firm’s attendance policy and plans to reduce sickness pay from 26 weeks to just two weeks.

A pay rise awarded to Tesco staff in June 2017 was tied to proposals to reduce the rate of pay for Sundays and bank holidays from time and a half to time and a quarter from July 2018. This year’s basic pay rise for Tesco store and warehouse workers was set at £9 and was offset by abolition of an annual cash bonus.

Although most Asda supermarket staff are low paid, senior executives are raking it in. The Walton family,

which owns Walmart, has a combined net worth of \$191 billion—an increase of \$39 billion since last year—with their astronomical wealth rocketing up by \$4 million every hour. In the same amount of time, one of their shop floor employees in the UK earns just £9 and one of their American employees \$11. Tesco’s chief executive, Dave Lewis, was given a £1.6 million annual bonus this year, bringing his total annual earnings to £4.6 million.

Last year, 2.9 million people were employed in retail—around nine percent—making up the biggest single sector of the total UK workforce. It generated around five percent of GDP. Nearly one million employed in retail worked for the four supermarket leaders.

However, due to a number of factors, including the rise of online giant Amazon, there has been a continual haemorrhaging of retail jobs.

Tesco warned that 9,000 jobs were at risk earlier this year. It recently announced the closure of over 150 of its medium-size Tesco Metro stores, with the loss of 4,500 jobs. The company complained that instead of using the Metro stores for big weekly shops as anticipated, 70 percent of customers use them only as convenience stores buying a small number of items. Tesco is cutting opening hours at over 130 of its 1,750 smaller Express stores.

Due to complex global supply chains that depend on the labour of millions, supermarket staff are inextricably linked to workers all over the globe.

Walmart, the largest privately-owned corporation in the world, employs 2.2 million workers internationally and boasts of “5,900 retail units, operating outside the United States with 55 banners in 26 countries with more than 700,000 associates serving more than 100 million customers every week.”

Amazon employs more than 600,000 workers globally, with nearly 30,000 in Britain. The company is integral to the UK’s supermarket sector through its agreement with Morrisons to deliver groceries nationwide.

It is impossible to oppose such corporations through a struggle within one supermarket chain on a local basis, let alone on a national basis. The globalised operations of Asda, et al requires that workers adopt a strategy opposed to the nationalist, pro-capitalist policies of the trade unions.

The Union of Shop, Distributive and Allied Workers (USDAW), represents 160,000 workers at Tesco in the largest private sector union agreement in the UK. Tesco could only proceed with its plans to slash jobs in collaboration with the trade union bureaucracy. USDAW played a critical role in the imposition of Asda’s new

contract, with the company boasting in April that “Similar proposals were recently voted on in Northern Ireland as part of a collective bargaining agreement, where they were recommended for approval by union USDAW...”

By allowing Asda to introduce the contract on a voluntary basis, the GMB enabled the company to gain position in seeking to impose it across the entire workforce.

The GMB calls for no industrial action by Asda members, despite being given a huge mandate and makes no call for support to any other supermarket chain employees who face the same attacks. Instead, GMB National Officer, Gary Carter, proposes to intensify the partnership between the union and Asda declaring, “We’re calling on Asda to come back to the negotiating table and give this dedicated workforce a fair deal.”

Under conditions in which workers are being threatened with disciplinary action, including the sack, for not signing, a GMB statement declares blithely, “You should not sign anything in this first One to One. There is no hurry. The proposed changes would not kick in until November and GMB wants a better deal for you.”

To defend their jobs and conditions Asda workers must establish new fighting organisations through the formation of democratic rank and file committees, independent of the unions. These must be based on the fight for a socialist programme and the mobilisation of retail workers at supermarket chains in Britain and internationally, who confront the same attacks on their jobs, pay and conditions.

Google is blocking the *World Socialist Web Site* from search results.

To fight this blacklisting:

Share this article with friends and coworkers

- Facebook
- Twitter
- E-Mail
- Reddit

To contact the WSWS and the
Socialist Equality Party visit:

<http://www.wsws.org>