

UK: 1,000 Asda supermarket workers threatened with sack for rejecting new contract

By Margot Miller
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UK supermarket giant Asda has extended its November 2 deadline for workers to sign a new contract by another week. Despite the threat of sign or be sacked, the company admitted that around 1,000 employees were holding out. The GMB union, in contrast, says that 12,000 could be fired.

The new contract 6, rolled out first on a voluntary basis with the support of the GMB in 2017, imposes flexible working that means the workforce is at the beck and call of the company. Workers can be called into work with little notice between 8 a.m. and 10 p.m. at night and ordered to switch departments. Long-service benefits will end, as well as paid tea breaks and time off during bank holidays. The number of hours defined as part of the better paid night shift will also be reduced. The pay cuts are not compensated for by Asda's offer to increase hourly pay, while working conditions will suffer a regression to before unionisation.

On Wednesday, the company upped its offer of a wage increase to push through acceptance of these punishing work conditions—to a meagre £9.18 an hour (in London £10.31) from April 1 on top of an increase to £9 from November 3. The current basic hourly rate is the minimum wage of £8.21 to £8.84.

Cath Sutton, an employee at the Runcorn store who has not yet signed the contract, told the “BBC Today” programme she was worried because “they can move me into any department ... onto the shop floor, carrying heavy boxes, filling the shelves.”

Cath, who has been an Asda employee for 45 years, spoke of the tremendous stress workers are under because of the restructuring. Her colleagues “are having to sign out of desperation because they are

terrified of losing their jobs.”

GMB regional officer for Yorkshire and North Derbyshire Neil Derrick said, “Many staff cannot sign because of the upheaval to their domestic life. Others have signed just to get them through Christmas or until they can find new jobs.”

Asda is a subsidiary of the US-based retail chain Walmart, owned by the Walton family—with a staggering personal fortune of \$191 billion. One of the big four supermarket chains in the UK, Asda along with Tesco, Sainsbury and Morrisons are facing increasing competition, not only between each other but from German-based retailers Aldi and Lidl. Customers are increasingly looking for cheaper brands at the discount stores as recession looms and wages for the lower earnings quartile remain stagnant.

Former Sainsbury chief executive Justin King, who used to work for Asda, called conditions at Asda “almost Victorian” with “legacy arrangements with their workforce which simply don't reflect the modern workforce that we're in.”

King's disparaging comments confirm that all retail bosses are attempting to return the working class to Dickensian conditions, to intensify exploitation and maximise profits as the supermarket giants engage in a cut-throat price war.

Asda is following in the footsteps of Tesco in introducing flexible working as all the supermarket chains engage in restructuring. In April, Tesco in Northern Ireland introduced a flexible contract like Asda's contract 6. The agreement was pushed through with the cooperation and approval of the Union of Shop, Distributive and Allied Workers, a union with 160,000 members. This gave the green light to impose

restructuring throughout the industry.

At Asda, the GMB, the only union recognised by the company, has worked to suppress the near unanimous opposition of the 120,000-strong workforce to the contract.

While the unions have been in negotiations with Asda bosses since the spring, workers were only informed that the company intended to impose the contract on pain of dismissal during intimidating one-on-one meetings with managers. The GMB merely wrote to the company asking for a delay in implementation to help the chain “adapt to the demands of the highly competitive retail industry.”

Despite 93 percent of the workforce voting in opposition to the contract in a consultative ballot, the union has refused to mobilise its members for all-out strike action or reach out to workers facing the same attacks in the other supermarket chains.

To dissipate the militant mood of its members, the GMB organised a rally in Leeds in August, which included a march to Asda headquarters. Hundreds attended from across the UK.

At the rally, Labour MP for East Leeds Richard Burgon, a supporter Labour leader Jeremy Corbyn, indicated his acceptance of flexibility in principle, saying, “Flexibility has got to be a two-way street.” Commenting on the dispute during election campaigning, Corbyn has said he “stands in solidarity” with Asda workers—words of cold comfort that were accompanied by an appeal for Asda to get round the negotiating table.

Past years have seen the retail sector haemorrhaging jobs, with 85,000 going this year alone. Major high street chains such as Coast, Mothercare, House of Frazer and Marks and Spencer have closed stores, hit by flagging consumer confidence due to low wages and creeping unemployment, and ferocious competition from online retailers.

Since the beginning of the year Tesco, the UK’s largest supermarket, has implemented its plans to close 90 fresh-food counters and delicatessens as part of a three-year restructuring plan initiated in 2016 in a bid to save £1.5 billion. Hundreds more jobs will disappear as 200 staff canteens are shut, and the numbers of head-office employees are trimmed.

In 2017, around 9.5 percent of the UK workforce or 2.8 million workers were employed in retail. Retailers

predict that a third of these jobs will be lost by 2025. This may yet prove to be an underestimation, as technological innovations replace workers.

The US-based international online behemoth Amazon, which sells everything from books to clothing to electronics, represents a formidable challenger as it begins its move to the high street. Beginning in London in 2017, Amazon purchased seven stores of the high-end supermarket chain Whole Foods Market.

In January, Amazon launched its first check-out free grocery store in the US in Seattle, Washington. It now has 11 Amazon Go stores in the US. All customers need do is download a special app onto their phones which connects to their Amazon account and credit card. Passing through smartphone-controlled gates, ubiquitous cameras monitor what shoppers take from the shelves, or even return. No staff are needed, apart from an assistant overseeing the purchase of alcohol.

The first of Amazon’s “Clicks and Mortar” pop-up stores opened in St. Mary’s Gate in Manchester in June operating on the same check-out free principle, selling everything from food to electrical goods. It has also opened a store in Wales and the latest appeared in Edinburgh in Scotland. Amazon plans to have 10 shops on high streets across the UK, cutting staffing costs to the bone and enabling it to undercut the established chains.

The unions have proved themselves to be nothing less than cheap labour contractors for the bosses as competition intensifies.

The experience of Asda workers is the latest example that underlines the necessity for workers to take the struggle to defend their jobs, terms and conditions out of the hands of the union bureaucracy. This means creating democratic rank-and-file committees independent of the unions, based on the fight for a socialist programme to mobilise retail workers at supermarket chains in Britain and internationally who confront the same attacks.

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