

# **Unilever Lipton Tea Workers Challenge Disposable Jobs Regime, Demand the Right ... to Work for Unilever!**

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## Contents

- [Adding Vitality to Lies: \(...\)](#)
- [Unilever Pakistan Tells \(...\)](#)

## **IUF, Uniting Food, Farm and Hotel Workers World-Wide**

Supported by the IUF-affiliated National Federation of Food, Beverage and Tobacco Workers of Pakistan, over 700 contract agency workers at Unilever's last directly-owned and operated Lipton tea factory in Pakistan are stepping up their campaign for permanent job status. The workers will be launching a series of national and local actions, and urgently need your support.

While Unilever worldwide is funding its hugely expensive share buyback and super dividend program through massive subcontracting and selloffs, Pakistan management has set new standards for exploiting precarious employment through disposable jobs. Unilever Pakistan's tea factory in Khanewal, Punjab province, produces two of the biggest packaged tea brands in the country, Brook Bond and Lipton. Lipton is among Unilever's top "billion dollar brands", the 2 dozen brand products that generate 75% of corporate revenue.

Until August 31 of last year, Unilever had a second Lipton factory, in Karachi. That plant employed 122 permanent workers, and 450 casuals. But that was too many permanent workers for Unilever, so the plant was abruptly closed and production transferred to a former warehouse nearby - with 100% outsourced, temporary staff.

Destroying permanent jobs - could it make the most profitable beverage in the world?

Unilever's Khanewal factory employs 22 permanent workers, union members who are covered by a collective agreement. But another 723 workers are hired through six contract labour agencies.

The small number of permanent workers receive a monthly base wage of PKR 18,000 - some USD 226. The basic wage for those providing disposable, "temporary" work is PKR 6,000 if they're lucky enough to work a minimum 26 days. Otherwise the daily wage is PKR 232 - less than three dollars a day. Where permanent workers receive double for overtime/holiday work, agency workers simply receive the basic hourly wage. Disposable workers have no annual or medical leave. From one week to the next, they do not know their assignments or work schedules - or whether they will have work.

The majority of these workers have worked for more than 10 years at the Khanewal factory, with an average of 15 years and some as long as 30 years. But since they're not formally employed by Unilever, they are barred from joining a union of Unilever workers and bargaining with Unilever as their employer.

All of these workers should by law have been granted permanent jobs as soon as they completed 9 months of continuous employment. More than a decade later - and in some cases three decades later - they are still contract agency workers. These workers should not only have permanent employment status in accordance with the law, but they should be directly employed by Unilever. The labour hire agencies supply labour exclusively to the Unilever Khanewal factory. The agencies hold bogus addresses in the nearby town but in reality operate their offices inside the Unilever factory itself.

Two Lipton workers dismissed in August after 30 years of working at Unilever's Khanewal tea factory at minimum wage received no social security, medical benefits or pension. Workers like these built the profits which allowed CEO Niall Fitzgerald to retire from Unilever in 2004 with a GBP 17 million golden handshake.

Determined to build a more secure future, and to avoid the victimization which was the fate of workers involved in earlier struggles challenging precarious employment at the factory, the contract agency workers formed the Unilever Mazdoor Union Khanewal. Supported by the IUF-affiliated National Federation of Food, Beverage and Tobacco Workers of Pakistan, the union is assisting contract agency workers to file petitions in the Labour Court to secure their right to permanent employment. The union has organized rallies and demonstrations and publicized their struggle, but so far without success - the contract workers have not been made permanent, and Unilever has reacted viciously to similar efforts to end the company's disposal employment regime at other production sites. At the company's consumer product factory in Rahim Yar Khan, for example [see below], where Unilever's employment practices are yet again the subject of a formal IUF submission to the OECD, Unilever fired close to 300 workers who announced their intention to struggle for permanent employment status. International support is urgently needed as the Khanewal union gears up for a new round of public action to press their case.

The Lipton workers are fighting for the right of workers everywhere to decent work - secure employment, a living wage, health and retirement benefits, and the right to join a trade union with a collective bargaining relationship to their real employer.

To support their struggle CLICK HERE: <http://www.iuf.org/cgi-bin/campaign...> to send a message to Unilever. Tell corporate management that the Lipton Khanewal temporary workers must be given permanent employment status - and the way to implement this is through direct negotiations with the affiliated National Federation of Food, Beverage and Tobacco Workers of Pakistan.

Copies of your messages will be sent to Unilever corporate and Pakistan management, to the union, and to the IUF secretariat.

Recently, Unilever has begun sending deliberately misleading automated responses to these messages - click here for the harsh reality behind this corporate whitewash.

You can give additional support by taking a moment to visit <http://www.unilever.com/sustainability/>. Scroll down the page to a section on the lower right entitled "Sustainability during the credit crunch" (as if sustainability varied with interest rates!). There you can "vote" yes/no to the question "Do you consider sustainability in your product purchasing decisions?" This is followed by "Please tell us what actions you are taking to make the world more sustainable", with fields for name/message. Please take a moment to send the following response, or a message of your own: "Sustainability is about investing in sustainable jobs - over 700 workers at the Khanewal Lipton factory are disposable workers hired through labour hire agencies, with no employment security and inferior wages and benefits though many have worked continuously for decades. Make the Khanewal workers permanent through direct negotiations with the National Federation of Food, Beverage and Tobacco Workers of Pakistan!"

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## **Adding Vitality to Lies: Unilever Responds to the IUF on Lipton Pakistan**

**Posted to the IUF website 02-Mar-2009**

*"There's a big idea driving all our product development. We call it 'vitality' - a word that sums up the difference we aim to make to people's lives*

*[www.unilever.com](http://www.unilever.com)."*

In response to the thousands of protest messages which have been sent to Unilever through the IUF website, Unilever has sent out a crudely improvised reply stating that "In line with industry practice in Pakistan, we have for some time employed third party service providers for certain operations at the Khanewal tea factory." Further, that "We understand that some employees have filed cases against the service providers asking for permanency of employment and are now seeking to involve Unilever Pakistan in this process. These cases are currently pending in various judicial forums." Finally, that "Our management in Pakistan is seeking to involve all stakeholders to discuss and resolve this issue."

These statements are, to put it mildly, deliberately misleading:

Unilever does not use third party service providers for "some" of the operations at the factory which produces one of its leading global brands. There are 22 workers directly employed by Unilever - the other 723 are casuals. No less than 97% of the workers are not formally employed by Unilever, though they produce a branded Unilever product in a Unilever factory. That 3% of the Khanewal workforce is of course 3% more than the percentage of directly employed workers at the factory producing Lipton/Brooke Bond factory in Karachi - where the workforce is 100% outsourced.

It is simply false to state that "some employees have filed cases against the service providers asking for permanency of employment." A union of workers has been formed at the factory to challenge, and to change, the system of abusive, discriminatory hiring through agencies. The nearly one hundred cases filed to date calling for direct employment status for the tea workers have been filed against Unilever, not the service agencies. Moreover, the court in which these cases are pending has accepted these submissions as submissions against Unilever. And Unilever knows this.

"Our management in Pakistan is seeking to involve all stakeholders to discuss and resolve this issue"? After the union was formed and began assisting workers in filing petitions with the Labour Court, workers holding a peaceful protest action on November 15 were beaten by labour hire agency contractors. On November 17, management announced that all workers who filed petitions would not be allowed to work and locked the factory gates. Workers on the evening shift were locked inside without food or potable water until 5:00 the next morning when one of the workers collapsed and was rushed to hospital. On November 18, management started planning to reduce production as a way of punishing the contract workers under the no work - no pay system. Now management is trying to create a rival group of casual workers drawn from relatives of the labour contractors in order to foment violence and conflict - "to discuss and resolve the issue"?

Unilever Pakistan, like global corporate Unilever, consistently portrays itself as an industry leader. Its dominant market share in key products means that it is a major shaper of the environment in which "industry practices" are determined. Unilever can, of course, reverse the trend towards 100%

disposable jobs by entering into negotiations with the organizations representing its casual tea workers.

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## **Unilever Pakistan Tells Fired Temps: Give Up Your Struggle or Give Up Benefits!**

**Posted to the IUF website 01-Oct-2008**

Resistance by the Action Committee for the Dismissed Workers of Unilever Rahim Yar Khan, Pakistan, has won out against the latest round of management threats and coercion.

In October last year, management instantly terminated 292 “temporary” workers - most of them with many years of service - at its plant in Rahim Yar Khan in direct response to the plant union’s announcement that it would open its ranks to temporary workers and assist them in winning the permanent employment status due them in law. The mass sackings were facilitated by the presence of heavily armed police and Elite Troops operating inside the factory (and comfortably installed in the “guest” facilities. The dismissed workers were instantly replaced by casual workers recruited through a new labour hire agency hastily set up by relatives and cronies of the plant management.

Dozens of dismissed workers filed individual petitions in court against unfair dismissal, asserting both their legal right to permanent employment and the right to join the union.

In December 2007, the dismissed workers founded the Action Committee for the Dismissed Workers of Unilever Rahim Yar Khan and have been actively supported by the IUF-affiliated National Federation of Food, Beverages and Tobacco Workers (NFFBTW).

In retaliation, Unilever management refused to issue payments from the workers’ profit participation fund of 2007 unless the dismissed workers withdraw their legal cases challenging the dismissals. Under Pakistan law companies employing more than 50 workers are required to put 5% of profits into the workers’ profit participation fund every year. This money is then paid to workers, forming one of the most important economic benefits workers that are legally entitled to. All of the workers at Unilever Rahim Yar Khan, including the 292 dismissed temporary workers, should receive payments from the 2007 fund.

Without wages or work for the past 11 months in a company town, Unilever has savagely exploited the workers’ desperate situation by insisting that they withdraw their legal cases as a condition for receiving the money.

In response to this coercion the Action Committee filed a complaint with the local Labour Directorate and held a protest demonstration during the recent visit of the Labour Minister for Punjab Province. The protest succeeded in getting the attention of the Labour Minister and as a result government officials warned Unilever that it must immediately issue payments from the workers’ profit participation fund to all workers, including the dismissed temporary workers.

The dismissed temporary workers will therefore continue their legal cases against Unilever’s unfair dismissal and union-busting, and at the same time still receive the much needed workers’ profit participation fund entitlements they are rightfully due.

Of the 8,000 persons involved in manufacturing Unilever products in Pakistan, only 371 are directly employed by Unilever. Heavy reliance on casual, temporary and agency workers, workers whose contracts bring them no job security and inferior pay and benefits to those formally employed by Unilever, is the rule throughout the company's operations. The Action Committee is challenging Unilever's ruthless elimination of permanent employment, and deserves the support of unions around the world struggling for trade union rights.

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\* Posted to the IUF website 18-Jan-2009.