

# **Nestle moves to smash union in Hong Kong, restore decades of abusive labour practices**

The President of the Hong Kong Nestle Workers Union, Chan Pong Yin, suspended indefinitely on 17 February

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

Just two weeks after the IUF-affiliated Hong Kong Nestle Workers Union called off industrial action as a sign of good will and to pave the way for negotiations on granting permanent employment to temporary workers and establishing formal union recognition, the company launched an aggressive assault on the union by suspending the union president, Chan Pong Yin, indefinitely. In doing so the message from management is clear: Nestle wants to return to the 17-hour workdays, wage increases of one percent in 12 years, and a system of insecurity maintained by having a third of the workforce on revolving casual contracts.

It was precisely these conditions that led to the strike in July 2008 that not only brought production to a standstill during peak season, but shocked the Hong Kong public by exposing such outrageous working conditions in the world's largest food manufacturing company. In the months following the strike the company has tried to repair its public image, while making a series of commitments to improve working conditions without actually implementing them.

The extreme hypocrisy of Nestle management was soon revealed when it followed up on the promise to grant permanent employment to casual workers (many of whom had worked there for 10 years) by firing them one by one before their contracts expired.

The same hypocrisy underpinned management's response to union recognition - a fundamental trade union right that Nestle repeatedly claims it respects globally, but which management consistently violates.

In the case of Hong Kong, Nestle stated that it would grant union recognition if the union represented a majority of workers in all departments (the union currently represents 98 per cent of the drivers, loaders, sales and delivery workers in the ice cream and milk departments). At the same time workers in all other departments were warned against having contact with the union. In particular, workers in production who signed a union petition demanding wage increases last year were subjected to harassment by management and supervisors, who ordered them to stop all contact with the union.

With the indefinite suspension of the union president on 17 February it is absolutely clear that Nestle management has no intention of allowing the union to exist at its Hong Kong factory and its

earlier commitments on the rights of casual workers and union recognition are meaningless.

The Hong Kong Nestle Workers Union is forced one again to prepare for industrial action - and once again will receive the full support of the IUF, its worldwide membership and allies. The IUF is also working with the union to prepare a submission on the violation of the OECD Guidelines on Multinational Enterprises - the fifth such complaint filed against Nestlé which is becoming a “serial offender” in the context of agreed world-wide standards designed to bring decent corporate behaviour to the actions of global companies.

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## **Nestlé Hong Kong Workers Prepare for Industrial Action over Unfulfilled Commitments on Union Recognition, Precarious Contracts**

**Posted to the IUF website 20-Jan-2009**

Six months after a three-day strike brought production to a standstill at Nestlé Hong Kong's ice cream and chilled products factory, the IUF-affiliated Hong Kong Nestlé Workers Union is still waiting for the company to make good on its commitments: immediate recognition of the union, a halt to the termination of casual workers and an increase in the number of permanent workers.

In the aftermath of the July 2008 strike Nestlé management made a series of commitments to rectify its abusive labour practices. But management still obstinately refuses to recognize the union and has rejected calls to enter into formal negotiations - despite the fact that the Hong Kong Nestlé Workers Union is legally registered and represents 98 per cent of the drivers, loaders, sales and delivery workers in the ice cream and milk departments. Even after the union fulfilled several requests by management - including providing a full list of members - the company continues to deny workers their basic right to union recognition.

The strike won broad public support by successfully exposing outrageously exploitative working conditions, including 17-hour workdays. For over a decade, Nestlé management has been cultivating insecurity by maintaining a third of the workforce on revolving casual contracts. To deliberately bypass the legal requirement that a worker be made permanent after 12 months' employment, Nestlé has imposed a 14-day hiatus between each contract renewal. This precarious employment regime is designed to eliminate employment security and deny workers the rights, protection and benefits enjoyed by permanent workers under the law.

Last summer's strike shocked public opinion with stories of 17-hour workdays and deliberate abuses of temporary work contracts to generate permanent insecurity at Nestlé Hong Kong

Instead of ending these abusive employment practices - as agreed in July 2008 - Nestlé management has escalated the conflict by terminating casual workers before their contracts expire. Three contract workers who were members of the union and whose contracts had not yet expired were summarily terminated on December 31 2008. This was followed by the termination of another two contract workers on January 14.

Angered by these new attacks on casual workers and frustrated by the lack of any means of entering into formal negotiations, the union on January 19 repeated its call for the immediate recognition of the union, a halt to the termination of casual workers and an increase in the number of permanent

workers. If management fails to meet these demands by the end of the week the union's 200 members will vote to take industrial action - with the full support of the IUF and its worldwide membership.

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## **Nestle Hong Kong strike success**

### **Posted to the IUF website 29-Jul-2008**

A three-day strike by 200 workers at Nestle Hong Kong's ice cream and chilled products factory ended in victory today, as management finally agreed to workers' demands on wages and working conditions. The striking workers, including drivers, deliverymen, sales force workers and production workers joined the IUF-affiliated Catering & Hotels Industries Employees General union and launched industrial action on 27 July to demand a 12-hour limit on working hours, permanent employment for casual workers, a seven percent wage increase, and a six percent increase in commission (above-quota incentive pay).

Over the past 12 years earnings from commissions have been cut by 12 percent despite a significant increase in workload and working hours, which has now reached 17-hour workdays. On top of this management was constantly changing the formula for calculating commissions and refuses to disclose the new calculation, leaving workers unable determine what their commissions should be at the end of each month.

The strike brought production to a halt at the height of peak season and shocked the Hong Kong public by exposing the appalling working conditions in the world's largest food manufacturing company. This includes 17-hour workdays, wage increases over the past 12 years amounting to just one percent, and the systematic denial of permanent employment for casual workers despite working at the factory for more than 10 years.

For more than a decade a third of the workforce at Nestle Hong Kong have been employed under precarious employment practices that deliberately bypass the legal requirement that a worker be made permanent after employment of more than 12 months. Casual workers were placed on revolving 12 month contracts, and to prevent them from achieving permanent employment status under the law Nestle Hong Kong management imposed a 14-day break between each contract. As a result workers were robbed of any employment security and were deliberately denied the rights, protection and benefits enjoyed by permanent workers under the law.

At the request of the Catering & Hotels Industries Employees General Union, an affiliate of the Hong Kong Confederation of Trade Unions (HKCTU), the IUF intervened to bring these abusive employment practices to the attention of Nestle global management and called for the management to enter into good faith negotiations with the union.

In the second round of negotiations on 29 July, the union succeeded in winning major improvements in wages and working conditions and reached a settlement that was supported by all 200 workers, who voted to end the strike action.

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**P.S.**

\* From IUF website: