

Australian cable workers in third week of strike against restructuring of conditions

Mike Head

11 November 2010

More than 200 workers at the Prysmian cable making plant at Liverpool in western Sydney have been on strike for nearly three weeks against a move by the global multinational to abolish some of their most basic rights and working conditions. Even though a 24-hour picket line is being maintained in the heart of one of Sydney's main industrial areas, there has been virtually no news of the strike, because the trade unions have systematically isolated the strikers.

What is happening at Prysmian illustrates the savage “restructuring” of jobs and conditions being imposed throughout workplaces in Australia in the fallout from the global financial crisis—a process that is being overseen by both the federal Labor government and the unions.

The strike began on October 25 after the Italian cable giant Prysmian SpA refused to negotiate with the workforce on its demands. The company wants to bring in casual workers, on pay rates of just \$15 an hour—\$7 less than permanent workers—and impose sweeping changes to flexibility arrangements. These would require employees to work on weekends and public holidays, without penalty rates. Prysmian is further demanding a drastic cut in redundancy pay, from an average of 80 to 52 weeks.

The company's demands amount to a wholesale destruction of conditions for the electricians, fitters, storemen, machine operators and warehouse staff, who have worked at Prysmian and its predecessors MM Cables and Cablemakers, for an average of 17 to 20 years.

The unions at the site, the Australian Manufacturing Workers Union, National Union of Workers and Electrical Trades Union, have kept the strikers totally cut off from other workers. The union web sites fail to even mention the Prysmian struggle. Picketing workers told the

WSWS that the unions had said they could not seek media coverage until they had been on strike for several weeks. No support action has been organised from other sections of the working class, and the strikers have received no strike pay.

As part of this enforced isolation, the unions have strictly policed the Gillard Labor government's Fair Work industrial laws, which prohibit all industrial action, except during enterprise bargaining at individual workplaces, and bar the strikers from stopping trucks crossing their picket line. Before the strike began, the unions gave the company 72 hours' notice, as required by Labor's legislation, allowing Prysmian to operate the plant around the clock in the meantime to build up stocks.

The New South Wales state Labor government of Premier Kristina Keneally has played its part by mobilising police against the strikers. Workers said five carloads of police had escorted a convoy of trucks, police had used video cameras to record picketers and police cars maintained routine patrols aimed at intimidating them.

Prysmian's cost-cutting assault flows directly from a classic case of asset-stripping by the banks. The company was formed in 2005, when Goldman Sachs, the US investment bank, acquired the cable manufacturing operations of the Italian conglomerate Pirelli in a private equity deal. The buyout was part of what management called a “radical restructuring”.

In 2007, Goldman Sachs began profit-taking by floating Prysmian on the Milan stock exchange. After the 2008 crash, from which Goldman Sachs was rescued by the US government, the bank started to sell off its stock. In March this year, Reuters reported that Goldman Sachs had

sold its remaining 16.8 percent share for an estimated \$US538 million, “removing an overhang of stock which had depressed its share price”.

Prysmian has recently shut plants in Canada and Spain, but its web site still boasts of “a global presence with subsidiaries in 39 countries, 56 plants in 24 countries, 7 Research and Development Centres in Europe, USA and South America, and around 12,000 employees”. In Australia, according to the web site, Pirelli acquired the Liverpool plant from MM Cables in 1999, and closed its previous factory in nearby Minto, “rationalizing two workforces into one” and “tendering transport and warehousing services”.

Bruno Spatari, a machine operator for 14 years at the plant, told the WSW: “The company wants to bring in casuals at ‘market rates’—which means \$7 an hour less—and make us work whatever shift they want, including on weekends and public holidays, without penalty rates or holiday pay. They want to take all this away from us, in what started six months ago as enterprise bargaining negotiations.

“They are cutting our throats to deliver profits. We also have to operate more machines. The more they take, the more they want. When Prysmian bought this plant, they knew the working conditions we had established, so they didn’t buy it blind. Now they are just trying to make a profit out of us.”

Spatari said the unions had organised no strike pay, “just a barbeque”. Nor had the strikers been told of any support from workers elsewhere, “but I’m sure that other companies are watching this dispute to see what they can do along the same lines”. He said the unions had simply instructed the workers to “wait for a prolonged period before getting media coverage”. But the media, Spatari emphasised, were involved in all this—they were owned by the big companies as well.

“As far as I am concerned, there is no difference between Labor and Liberal. Labor is a Liberal government. Labor’s actually worse, because under their laws we had to give the company 72 hours’ notice! That’s just so it could get our work out before we went on strike. Now we could be out here for weeks!”

Another striker, Jeffrey DeVisscher, joined in. “Workers are being turned into slaves. Profits are not

enough for the companies; they want our conditions. The banks are getting a free hand, while the workers suffer. We seem to have no voice.

“Labor is in power, but they have turned against us. We were told that this government was going to reverse everything, including the Howard government’s industrial laws. Now we have to go through a whole process, even giving the companies enough notice to prepare for strikes. I didn’t vote Labor this year because Rudd went the same way as the Liberals. I felt cheated.”

DeVisscher bitterly noted that one of Prysmian’s chief executives in Milan had just received a bonus of nine million euros, “but they want to take away our rights”. Spatari interjected, saying: “They even want to take away our homes, like they did in the 1930s. Did you hear the Commonwealth Bank of Australia chief? When he was asked about the bank putting up interest rates, he said people might have to lose their homes for the good of the economy!”

The only way to break out of the isolation imposed by the unions on the Prysmian workers, and prevent a betrayal of their struggle, is for the striking workers to form a rank and file committee, made up of their own representatives, that will take the dispute out of the hands of the unions and appeal directly for support from workers at Prysmian plants in other countries, who will be facing similar “restructuring” attacks, and among workers in Sydney and throughout Australia. Such a struggle will involve a political confrontation with the state and federal Labor governments, which are completely committed to enforcing the requirements of the financial and corporate elite. It requires the development of an independent political movement of the working class, guided by a socialist perspective, aimed against the capitalist profit system itself, and based on the needs and interests of the working class, the vast majority of the population, not those of a privileged minority.



To contact the WSW and the
Socialist Equality Party visit:

wsws.org/contact