

# Australia: Striking Prysmian workers fighting global “restructuring” offensive

Mike Head

20 November 2010

On strike now for almost four weeks, the 200 workers at the Prysmian cable making plant at Liverpool in Sydney are fighting a global conglomerate that is radically restructuring its operations at the expense of workers’ jobs and conditions internationally. For all the government and media hype about a mining-based boom, the Prysmian dispute shows that workers in Australia face the same kind of corporate offensive as their fellow workers in the US, Europe and worldwide.

Despite a series of talks between company and trade union officials throughout the week, Prysmian remains committed to slashing workers’ redundancy entitlements, a sure sign of plans for redundancies, if not the complete closure of the plant.

The strike began on October 25 after the Italian cable giant Prysmian SpA demanded the right to hire casual workers on pay rates of \$15 an hour—at least \$7 less than permanent workers—and “flexibility” arrangements that would mean working on weekends and public holidays without penalty rates. The company also insisted upon a drastic cut in redundancy pay, from an average of 80 to 52 weeks.

The unions at the site, the National Union of Workers (NUW), Australian Manufacturing Workers Union (AMWU) and Electrical Trades Union (ETU), have told the strikers that this week, Prysmian softened its demands. However, the company still reportedly insisted on setting a redundancy entitlement cap of 80 weeks, which is substantially less than the 100 weeks or more accrued by long-standing workers. Many workers on the picket line are adamantly opposed to this proposal. “This is a sticking point. A lot of us will be worse off,” one striker told the WSW.

The unions have said that Prysmian now wants to settle the dispute. Whatever its immediate manoeuvres, the company’s original demands indicate the measures

it is determined to impose in order for the plant to be “internationally competitive”. This week’s negotiations with the unions have reportedly been adjourned several times for local management to consult with the company’s head office in Milan. Any settlement of the protracted strike—most likely to enable the company to meet its immediate customer obligations—would amount only to a temporary truce.

Prysmian, which boasts of having 56 plants in 24 countries, recently shut plants in Canada and Spain. In a speculative buyout, the investment bank Goldman Sachs created Prysmian in 2005 when it purchased Pirelli’s worldwide cable making plants. The bank began restructuring its acquisition before selling out in the wake of the global financial crash of 2008, during which Goldman Sachs was bailed out by the US government. Since the bank completed its exit in March this year, a consortium of other finance houses—including Bank of America, Barclays and JP Morgan Chase—has continued the process.

Prysmian’s third quarter profit announcement, issued in Milan on November 10, stated: “The Group also continues to rationalise and improve efficiency in its industrial footprint and to optimise its cost structure, while confirming its investment plans ... to further strengthen its presence in the most profitable, high-growth segments and in the fast growing countries, as Russia and India, where the Group recently completed acquisitions.” In another memo, the company stated: “The integration of companies acquired in Russia (RybinskElektrokabel) and in India (Ravin Cables) continues.”

The Sydney dispute has echoes of a bitter-year-long strike at Prysmian’s Saint-Jean plant in Quebec, Canada, which ended with the closure of the factory in April. The 200 workers at the Quebec plant went on

strike to oppose concessions that essentially ripped up the previous collective agreement.

In August 2009, when the Quebec strike was in its fifth month, the management ramped up its demands and threatened to close the plant permanently unless the workers agreed to them. The demands included eliminating the seniority rule when assigning positions, allowing sub-contracting for maintenance work and replacing eight-hour shifts with twelve-hour shifts.

The union involved, the United Steelworkers, kept unsuccessfully appealing to the company for a deal. “This plant is turning a profit for Prysmian, and we strongly believe that with a little bit of good faith, an agreement can be reached,” union official Dominic Lemieux said on the union’s web site.

Like the Canadian union, its counterparts in Australia, the NUW, AMWU and ETU, are holding out hopes of a mutually beneficial deal with Prysmian. Throughout the Sydney strike, they have strictly enforced the Gillard Labor government’s Fair Work industrial laws, which outlaw any solidarity industrial action by other workers, and bar the strikers from stopping trucks crossing picket lines. Before the strike even began, the unions gave the company 72 hours’ notice, as required by Labor’s legislation, allowing Prysmian to operate the plant around the clock to build up stocks.

Picketing workers told the WSWs that Prysmian had been running down the plant, which once employed 1,200 workers, while constantly demanding productivity speed-ups. “There is a ‘manning project’ that requires one worker to run three or four machines,” one striker said. “There are cameras everywhere. But the machines are old. They keep breaking down and the company says it has no money to fix them. The machines used to run at medium speed; now they are going faster.”

Another striker bitterly described the way police had been mobilised to prevent workers from trying to stop trucks entering and leaving the plant. “The police even had a paddy wagon, and there was a plainclothes car with video cameras to identify us.” The police operation underscores the involvement of the New South Wales state Labor government of Premier Kristina Keneally.

Asked to comment on the role of the Labor governments, one worker said: “Labor’s gone too far

to the right. It has taken over the policies of the Liberals. All the heavy business backers were behind Julia Gillard’s installation as prime minister.” He discussed what was at stake in the dispute. “If we lose this one, it will set a precedent. A lot of companies are watching this.”

The striker criticised the way the unions had kept the dispute isolated. “The unions know that the longer it goes, the weaker we get. Then they will try to put through a raw deal. There has been no real discussion at the picket meetings about what lies behind the company’s demands. They are keeping a blanket over the dispute, to keep it under control.”

At issue in the strike are the basic rights of workers to secure jobs, decent pay and conditions, and a dignified retirement. The Prysmian workers are not only fighting a consortium of banks for themselves, but for their fellow workers and for the next generation, many of whom are already working in fully casualised, insecure and sweatshop conditions.

In order to prevent a repeat of what happened in Canada, and a sellout of their four-week stand, the picketing workers will have to take the dispute out of the hands of the unions and form a rank and file committee that will initiate contact with, and seek support from, Prysmian and other cable workers around the world, and throughout the working class in Sydney and across the country. This will mean a direct political struggle against the federal and state Labor governments, which are determined to impose a new wave of pro-market restructuring. Such a fight requires a socialist perspective, based on developing an independent movement of the working class against the entire profit system.



To contact the WSWs and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**