

# Australia: Prysmian strikers face growing dangers as unions maintain isolation

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After six weeks on strike, the 200 workers at the Prysmian cable-making plant at Liverpool in Sydney face the threat of being ordered to return to work by the federal Labor government's Fair Work Australia tribunal. While many strikers remain determined to hold out against the company's demands for sweeping changes to their basic conditions, the trade unions have kept the struggle isolated from other workers in Australia and from Prysmian workers worldwide. This has opened the door for Prysmian to use Labor's industrial legislation to shut down the strike.

The protracted struggle is of both national and international significance. Prysmian, a Milan-based consortium of bankers, is mounting a global offensive against its workforce as it pursues a restructuring drive, based on takeovers and rationalisations, to become the world's largest cable manufacturer. At the same time, its demands at the Liverpool plant are part of a wider turn by Australian-based employers to casualise their workforces, a process that has gathered pace since the 2008 financial crash. The strike has brought the Prysmian workers onto a direct collision course with the Gillard government's draconian anti-strike laws.

The Prysmian walkout began on October 25 after the company demanded, in a new enterprise agreement, the right to hire casual workers on "market" pay rates of as little as \$15 an hour—at least \$7 less than permanent workers. Prysmian also insisted on "flexibility" arrangements that would effectively mean working on weekends and public holidays without penalty rates. As well, in preparation for layoffs, or the complete closure of the plant, the company insisted upon a drastic cut in redundancy payments.

Over the past two weeks, Prysmian has applied to the Fair Work Australia (FWA) tribunal for a return to work order, utilising section 423 of Labor's Fair Work Act. Under that section, the tribunal can terminate industrial action simply because it is "causing, or threatening to cause, significant economic harm" to the employer. If such an order is issued, striking workers lose all legal protection, so that they can then be fined or eventually imprisoned, and be sued for millions of dollars in damages by the employer.

This provision is one of many inserted in Labor's legislation to effectively protect employers from any industrial action,

even within the narrow confines of enterprise bargaining at individual workplaces. Another such provision permits the workplace relations minister to issue a return to work order. The laws also prohibit all solidarity strikes and any actual blocking of trucks on picket lines.

Prime Minister Julia Gillard personally supervised the drafting of this legislation as workplace relations minister under her predecessor, Kevin Rudd. All the trade unions, including the three operating at Prysmian—the National Union of Workers (NUW), Australian Manufacturing Workers Union (AMWU) and Electrical Trades Union (ETU)—voted for these laws at Australian Council of Trade Unions congresses, and have pledged to enforce them.

FWA commissioner Helen Cargill spent nearly two days, last Thursday and Friday, hearing Prysmian's section 423 application. The commissioner's associate told the WSWs that no date had been set for the ruling to be handed down, but the unions have told picketing workers to expect a decision by mid-week.

The three unions, as well as the New South Wales peak union body, Unions NSW, have blocked any mobilisation of other workers behind the Prysmian strikers. No rallies, demonstrations or public campaigns have been called to support the strike. Union officials failed to even visit Prysmian's other Sydney plant, in Dee Why, to report to workers on the strike until last week—five weeks into the struggle. The unions have continually pushed the line that the Liverpool strikers can win on their own.

The reality is that the Sydney dispute is the latest in a series of attacks launched by Prysmian on its worldwide workforce, each of which has ended in a union betrayal. They included a plant closure in Quebec, Canada in April this year—after a year-long strike—and the gutting of the retirement pension scheme at the company's three UK plants in August, after the unions called off strike action.

Last year, citing "economic reasons," Prysmian unilaterally sacked 19 workers in Barcelona, Spain, where it employed about 650 workers. Instead of defending the jobs, the unions appealed to the company to "renegotiate voluntary redundancies". The unions claimed that a layer of older workers would be happy to retire, if "offered a good package".

In June 2009, the unions called off a two-week strike against the dismissals, due to the “normalisation of negotiations”. The union sell-out allowed the company to launch legal action last December against the workforce for conducting an “illegal” strike.

Socialist Equality Party supporters received an appreciative response when they circulated a WSWS article about the current strike at Prysmian’s other Sydney factory at Dee Why. A worker from the Dee Why plant later told the WSWS that he was a “bit shocked” by what it reported about Prysmian’s global restructuring.

“We are quite worried that the same will happen to us when our enterprise agreement comes up for renewal in February. It’s quite alarming actually. At our site, the company already makes us compete for overtime, to make us produce more. If production levels drop, they bring in counsellors to speak to us. What is happening at Liverpool is happening in a lot of places. Over the past 30 years I saw conditions improve, but during the past decade the conditions have gone back a lot.”

The Dee Why worker said the unions had only just visited the plant last week to inform their members about the Liverpool strike. “A lot of blokes blame the unions for not unifying us,” he commented. He opposed the way that both the company and the unions kept the two Sydney workforces apart. “I got told we were two separate companies, but they have appointed new managers to make us one. Why don’t we have a single enterprise agreement?”

Around the world, Prysmian is aggressively taking over other companies, while shutting plants and slashing jobs and conditions in order to obtain “synergies” from its corporate acquisitions. This week, the consortium announced it had completed its acquisition of India’s Ravin Cables for 2 billion rupees (\$US45 million). “We have acquired a 51 percent stake in Ravin Cables to foray into the Indian market,” Prysmian’s chief commercial officer, Fabio Romeo, told reporters.

Prysmian remains locked in an increasingly politicised battle with a Chinese rival, Tianjin Xinmao Science & Technology, to buy Dutch cable manufacturer Draka. Prysmian’s €840 million (\$US1.23 billion) offer for Draka has been gazumped by a €1 billion counteroffer from Xinmao. Under Dutch rules, Xinmao has four weeks to formalise its offer, which was made on November 22.

Last week, Prysmian CEO Valerio Battista said Prysmian would generate €100 million in annual run-rate synergies from buying Draka and overtaking the French-based Nexans as the largest global manufacturer. Battista appealed for the support of the European Commission, declaring that if Prysmian lost the takeover battle, it would be a loss for Europe. European cable companies are currently under investigation by the commission, the European Union’s antitrust and executive body, on allegations of price fixing.

Over the past three years, Prysmian, whose owners currently

include Bank of America, Barclays and JP Morgan Chase, has opened up new low-cost production facilities in China, Spain and Brazil. In the face of this global restructuring, dictated by the insatiable demands of the major banks and finance houses, the unions are cynically deceiving the Prysmian strikers by claiming that they can win their dispute simply by sitting on a picket line, largely hidden from view. The unions are so intent on keeping workers around the country—and Prysmian workers across the globe—in the dark about the strike that it has received only one mention on a union web site.

As a result, the determined struggle mounted by the Prysmian strikers is in great danger. The union officials calculate that the longer the strike continues, the more the strikers will be worn down by financial pressures, particularly on the eve of Christmas, and be forced to seek work elsewhere. The unions would then be in a position to insist that there is no choice but to abide by any return to work order issued by the FWA commissioner.

In order to break out of this straitjacket, the striking workers must take the dispute out of the hands of the unions. As a first step, they need to elect a rank and file committee that will send delegations to other workplaces, organise public campaigns to win support throughout the working class and contact Prysmian workers internationally to appeal for backing. This will mean a direct political fight against the unions and governments, which defend the private profit system and divide workers along national lines, endlessly subordinating them to the drive for the “international competitiveness” of their “own” employers. There is only one way to reverse the deepening destruction of jobs, wages and conditions. That lies in the unified struggle of the working class for a socialist perspective to overturn the entire capitalist profit system and place the global corporations and banks under public ownership and the democratic control of working people, so that they operate in the interests of all, not a wealthy few.



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