

Australia: Unions betray seven-week Prysmian strike against casualisation

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17 December 2010

After seven weeks on strike fighting against the introduction of low-wage casual labour and the destruction of other hard-won conditions, the more than 200 workers at the Prysmian cable-making factory at Liverpool in Sydney returned to work last Monday following a sell-out deal by their trade unions.

The outcome of the protracted strike against Prysmian, a global giant operated by a consortium of banks, underscores the role being played by the unions in Australia and worldwide in isolating a new wave of workers' struggles.

The Prysmian workers had voted unanimously several times to continue their strike but their resistance was eventually worn down by the unions, which refused to organise any rallies or public campaigns to win wider financial, logistical and industrial support. Not one official union web site publicised their struggle. Nothing was done to alert or mobilise Prysmian workers internationally, even though they all face a ruthless global restructuring operation by the company. Within Australia, the unions strictly enforced the Gillard government's Fair Work Australia industrial legislation, which outlaws all solidarity stoppages, and bars other workers, including truck drivers, from honouring picket lines.

The new enterprise bargaining agreement (EBA) struck between the company and the unions permits management to hire casual workers for up to six months on "agency rates"—about \$15 an hour, well below the rate for permanent workers. The deal also abolishes the current uncapped redundancy entitlements and imposes a two-tier scheme, with payments capped at just 52 weeks for new recruits and 98 weeks for current workers. Inevitably, Prysmian will exploit the EBA to replace older workers with casuals and other new hires on inferior conditions.

Rank and file workers have still not seen, in writing, any details of what was agreed by the three unions—the National Union of Workers (NUW), the Communications,

Electrical and Postal Union (CEPU) and the Australian Manufacturing Workers Union (AMWU). But on the key issues of casuals and redundancies, Prysmian has gained substantially what it wanted.

For weeks, union officials claimed that the strikers could win the dispute on their own. They urged their members to reject the positions advanced on the WSWS—that what was required was a fight to unify workers throughout the country in an industrial and political campaign against the combined employer-Labor government offensive. At the final picket line meetings last week, the unions' claims to be working for a "victory" came to naught. Instead, they insisted the sell-out deal was the "best we could do".

According to a ruling handed down by the Fair Work Australia tribunal on December 7, the unions had already made significant concessions. Commissioner Helen Cargill reported that NUW organiser Bruno Mendonca had noted that "both parties have moved their positions on key issues on a number of occasions". Cargill refused to grant Prysmian a return to work order because "the differences between the parties are relatively confined" and were likely to be resolved "with incentives on both sides". The company then offered a 12 percent pay rise over three years in return for the deal on casuals and redundancies. The unions quickly agreed, even though the wage increase is not enough to cover rising living costs.

A long-standing Prysmian machine operator told the WSWS that workers had mixed feelings about the outcome. "Some are happy, some said the unions should have pushed it. A lot of people are still not clear on the details. I have received no paper work—nothing in black and white—from the union or the company.

"Some say we won the dispute, but I'm not so sure. I feel we have been stabbed in the back. We're being short-changed. This company has been reducing the workforce for years. Where will the casuals fit in, if it is not to

replace us?”

The Prysmian worker said he had raised the need for a broader fight, only to be told by the NUW representative that any such struggle would breach the law. This was a reference to the Gillard government’s industrial laws, which ban strikes except within the confines of individual EBA renewal disputes.

“I asked the union delegate: why not bring in the support of other unions so we can fight this together? He said we couldn’t, because it would be against the law. I think that workers will have to break the law. By that I mean, they will have to overthrow these unjust laws. We got rid of Howard’s WorkChoices laws, but we seem to just swing back from Liberal to Labor and things only get worse.”

The machine operator denounced the asset-stripping operations of the banks, such as the group now in control of Prysmian. “Banks are now running the companies. They are not worried about the health of the companies, only the bottom line. That’s the only thing they care about. The global financial crisis proved that capitalism has failed. It’s ridiculous. The victims are paying for the rescue of the banks.”

Goldman Sachs, the US investment bank, created Prysmian in 2005 when it acquired the cable manufacturing operations of the Italian giant Pirelli in a private equity buyout. After the 2008 crash, during which Goldman Sachs was rescued by the US government, the bank began to sell off its holding, ultimately handing over to a consortium that includes Bank of America, Barclays and JP Morgan Chase. Around the world, Prysmian is aggressively taking over other companies, while shutting plants and slashing jobs and conditions. It recently purchased low-cost producers in Russia and India and is battling a Chinese rival, Tianjin Xinmao Science & Technology, to buy Dutch cable manufacturer Draka, in order to become the largest cable maker.

The Sydney dispute was part of this global rationalisation. The company’s agenda was also part of a turn by Australian-based employers to casualise their workforces, a process that has accelerated since the 2008 financial crash. The trade unions are working might and main to keep these battles separated, in order to prevent a wider struggle developing against the Gillard government, which has pledged to business that it will enforce a new wave of austerity and restructuring.

The Prysmian strike was ended less than a week after Visy Board workers, including those in the nearby Sydney suburbs of Warwick Farm and Smithfield, as well as in

Melbourne, walked out over similar employer demands. Visy, the world’s largest privately-owned paper recycling and packing corporation, wants to increase the number of casuals and pay them about half the average \$30 an hour that permanent employees receive. On Monday, the day that the Prysmian workers returned to work, more than 70 Visy workers were arrested or charged in Melbourne for trying to stop trucks crossing their picket line.

After the return to work vote, numbers of Prysmian workers expressed frustration at the political situation they found themselves in. Their attempt to defend basic conditions came under direct attack from the New South Wales state Labor government, which sent police to order them not to block trucks, and the federal Labor government’s Fair Work laws.

Their experiences point to the political challenge facing the entire working class, in Australia and internationally.

Throughout the Prysmian dispute, the WSWS and Socialist Equality Party fought for an understanding of the international content of the strike. We warned of the treacherous role of the unions, and their collaboration with the Labor government’s pro-employer agenda. We urged the formation of a rank and file committee to take the dispute out of the hands of the unions. Above all, we explained that this would require a conscious political break from the unions and the Labor government, and the fight for a socialist perspective to reorganise economic life in the interests of working people, not the financial and business aristocracy.

We urge Prysmian workers and all our readers to review the lessons of the betrayal of the seven-week strike, seriously study the program of the SEP and apply to join it in order to build the new revolutionary party of the working class.



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