

The way forward for New Zealand meat workers

The Socialist Equality Group (New Zealand)

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Seasonal layoffs are underway at meat processing factories throughout New Zealand. As is the case each year, hundreds of workers at the Taylor Preston factory in Wellington, as many as half the 900-strong workforce, could lose their jobs and be forced to reapply after one month or longer. In some plants, workers can be laid off for three or more months and forced to survive on welfare payments if they cannot find another temporary job.

Last April, the Meat Workers Union (MWU) pushed through a sellout agreement at Taylor Preston, which maintained these insecure working conditions. The deal, falsely promoted by the union as a “major step forward,” keeps remuneration barely above the minimum wage. The union also agreed that the company has the right to sack workers or reduce their hours if it deems this necessary to keep profits up.

In May, the MWU agreed to the permanent closure of Silver Fern Farms’ (SFF) factory in the South Island town of Ashburton, with 370 job losses. As with previous closures, the union accepted the company’s position that the factory had to shut because it was no longer profitable.

These attacks are part of an onslaught against the entire working class, in New Zealand and internationally, driven by the deepening global economic crisis. Since the 2008 financial crash, food production has been beset by speculation and corporate takeovers, driving up prices and placing meat increasingly out of reach for significant layers of the working class. Combined with growing poverty, this led to a 15 percent decline in red meat consumption in the US between 2005 and 2015. A similar fall has taken place in Britain. Moreover, a recent surge in shipping costs has driven global food prices up by a further 10 percent in the past year alone, according to the United Nations.

The downturn has fuelled a crisis of over-capacity in the Australian and New Zealand meat industries. Producers have also been hit by the global turn towards national protectionism, a fall in the value of the British pound following the Brexit vote, and increased domestic production in China and the US.

From 2010-2016, the total value of meat and wool exported by New Zealand increased by 31 percent, largely due to growing trade with China, but is forecast to fall by 10.8 percent for the year ending June 2017. The number of animals slaughtered fell by more than 5 percent in 2015-16. Over the past decade, NZ sheep numbers have collapsed by 30 percent.

In response, the ruling elite is demanding layoffs, factory closures, and attacks on working conditions. The vast majority of New Zealand’s meat is exported, and both the Taylor Preston factory and the much larger SFF, NZ’s largest meat company, are highly exposed to global volatility. Since the 2007-2008 crash SFF has closed about a dozen factories.

The same attacks are underway in Australia, where this year several meat plants have shut down for protracted periods, including in Cobram and Gunbower, Victoria; Cootamundra and Deniliquin, NSW and Longford, Tasmania due to a decline in livestock numbers.

The unceasing attacks on jobs and conditions are driving meat workers into struggle, where they confront not only the company owners but the Labour Party and the trade unions, all of which stand on the side of big business and the government.

The MWU has already begun telling its members to vote to “change the government” in the forthcoming September national elections, declaring in its May newsletter that the opposition parties, led by Labour, would be “more worker friendly.”

This is a fraud. In response to the globalisation of production over the past 40 years and the demise of regulated national markets, the nationally-based unions and Labour Party have ditched any, even nominal, commitment to progressive reform. They have transformed into the direct instruments of New Zealand’s corporations, seeking to make them more profitable by enforcing wage cuts, factory closures and redundancies.

Under successive Labour and National Party governments, job security and guaranteed hours have vanished and wages

have fallen dramatically. The 1980s Labour government worked with the MWU to impose 15,000 job cuts in the meat industry between 1986 and 1990 alone, as it stripped away national regulations and farming subsidies. A wave of bankruptcies and corporate takeovers followed, including the privatisation by Wellington Council of its Ngauranga meat factory, which became Taylor Preston Ltd in 1991. Under the 1999-2008 Labour government, there were more than a dozen meatworks closures and thousands of layoffs.

Young workers were worst-affected by this pro-business restructuring. From 1986 to 2006, real median income for under-25-year-olds dropped by almost half, from \$18,900 to just \$11,500.

And wages have fallen further since the 2008 financial crisis. The current National Party government, supported by Labour and the unions, has cut thousands of public sector jobs, drastically underfunded healthcare, housing and education and pushed thousands of single parents off welfare.

Social inequality has reached unprecedented levels. The country's two richest billionaires own more wealth than the poorest 30 percent of the population. One in four children live in poverty, including many with working parents in low-paid jobs like meat processing. Soaring house prices and rents, encouraged by the government to benefit wealthy investors, have made more than 40,000 people officially homeless.

While insisting that there is no money for basic services, such as pensions and healthcare, the government last year allocated \$20 billion to the military for war preparations. Billions have also been handed to the spy agencies, to expand the prison system and to recruit more police, in order to suppress the working class at home. The Labour Party has agreed with all of this.

The unions are likewise thoroughly complicit in driving down living standards. In October 2014, MWU leader Roger Middlemass told the *Manawatu Standard* that there were still too many meat processors and the union favoured more closures to reduce "over-capacity." Other unions are overseeing mass job cuts at the Inland Revenue Department, New Zealand Post, libraries and coal mines. Following so many betrayals, hundreds of thousands of workers see no reason to join the unions. The MWU's membership, for example, plummeted from 18,100 in 2011 to 13,550 in 2016.

As the struggles of the working class intensify, new workers' organisations will emerge in a rebellion against the unions. Such struggles will only go forward, however, to the degree that workers recognise that a political fight is necessary against capitalism and all its defenders, particularly the unions and the Labour Party. The Socialist Equality Group (SEG) will encourage and politically assist

the formation of workplace rank-and-file committees, controlled by workers, and animated by a socialist and internationalist perspective.

We urge meat workers to join the SEG and fight to build it as the New Zealand section of the International Committee of the Fourth International, the world party of socialist revolution. A fightback by meat workers will provide a powerful lead for workers in other industries facing cuts—including the public sector, education and healthcare—to the extent that it is consciously based on the perspective of abolishing capitalism and establishing a workers' government.

In opposition to the unions' efforts to divide and isolate workers from each other, as the MWU has done at Taylor Preston and SFF, workers committees must unite union and non-union members alike. Strikes and other forms of industrial and political action will become increasingly international in form, as workers forge links with their class brothers and sisters in other countries, including Australia, the US and China, who are facing the same attacks.

The demands by Labour and NZ First for massive cuts to immigration and their constant scapegoating of foreigners for the social crisis are attempts to divide the working class in order to facilitate even deeper government and employer attacks on wages and conditions.

The resources exist to provide decent, well-paid jobs for all, along with housing and other vital social programs. The wealth produced by the working class must be taken out of the hands of the super-rich, who control it, and placed under the democratic control of the working class to reorganise society along socialist lines. The billions of dollars wasted on the military must be redirected to build more schools, hospitals and other social infrastructure.

Along with the banks and other major industries, food production must be nationalised and run by workers to meet human need. In New Zealand and internationally, millions desperately need cheap, high-quality food. Meat factories must not be closed down simply because they are deemed unprofitable, while millions of working class families go hungry in NZ and around the world.

We call on workers who agree with this perspective to study our program, read the *World Socialist Web Site* regularly, and apply to join the SEG.



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