

Fighting globalisation

the Australian maritime dispute

The Australian waterfront conflict's legal agreement that came into force in early September 1998 was a contradictory outcome, as the coverage in the *SA Labour Bulletin* predicted ('The waterfront war', vol 22 no 4, August 1998).

The agreement reflected a victory for trade union rights. The April lockout of 2 000 workers by Patrick, one of Australia's two major stevedoring companies, occurred because the government, backed by key sectors of business, was determined to break the union. However, they failed and the Maritime Union of Australia (MUA) remains a force on Australia's docks.

Victory at a price

There was a price to this victory. The MUA has been forced to bend before the dictates of globalisation. This is reflected in the acceptance of a lean production model of work organisation that has resulted in substantial job loss, real wage cuts, work intensification, outsourcing and the strengthening of managerial prerogative.

Blue collar jobs were slashed by a massive 55%. Seven hundred jobs out of a workforce of 1 300 were cut. Another 700 maintenance and service jobs have been outsourced.

Historically, Australia has been marked by many huge and intense labour disputes. Between 1890 and 1894, strikes over the

Rob Lambert explores contradictions in the Australian maritime dispute settlement and argues that the international labour movement needs to consider implications for future strategies.

refusal of employers to recognise trade unions led to the reform politics and distinctive industrial relations system that marked the next century. These included the 1890 maritime strike, the 1891 shearers strike, the 1892 Broken Hill miners strike and the 1894 shearers strike.

Historical parallels

These events shaped Australian institutions but also have parallels with the current era. Then, as now, employers demanded the right to deal with individual workers instead of negotiating with unions.

Whilst the new industrial relations institutions that emerged in response to the militancy created scope for negotiated outcomes, they failed to dampen a tradition of trade union militancy. During the many strikes in this century, unions were most often defeated in their basic demands.

Given this history, the 1998 maritime conflict is a notable exception. The goal of government and employers to have a union free workforce was defeated. The process through which this result was achieved is as significant as the result itself.

Solidarity is the key

As the earlier *Labour Bulletin* article revealed, solidarity from the international labour movement and community was crucial to the victory.

This has to be built on if unions are to effectively reposition themselves under the pressures of globalisation. In 1999, COSATU will host a regional conference backed by the major international trade

secretariates that will review new strategies to challenge the logic of globalisation.

The MUA's survival does provide a basis for reclaiming lost ground in the future. If the frame of reference is a critical perspective on globalisation, the losses may be viewed as reasonably substantive. However, the dominant constructive engagement perspective would view the work organisation changes positively. Within this perspective, the settlement reflects a new maturity on the part of the union and a clear desire to enter into a partnership with management to secure an internationally competitive waterfront operation.

The new agreement's global talk

The new agreement's language and substance reveal the entrenchment of globalisation ideology.

- The new agreement asserts managerial prerogative in the name of world's best practice. Section 13 asserts that the company has the right to introduce modern technology and continuous improvement in all aspects of company operations.
- The company is obliged to provide in writing to the employees concerned and the union, all relevant information about the changes.

Managing director Chris Corrigan, one of the chief architects of the lock out, recently stated that he expected further job losses over and above the 700 redundancies since the new enterprise agreement allowed Patrick to pursue automation on the waterfront.

- Section 16 gives the company maximum flexibility in shifting workers between tasks. This section states: 'The company shall have the discretion to determine the placement of employees to particular functions on an individual basis at the

start of and throughout the course of any shift. An employee shall perform such work as the Company shall, from time to time, reasonably require, including transfers between and within Terminal work areas and functions. Employees may also be required to perform any minor unscheduled, incidental or unforeseen duties that are not normally performed by operational employees.'

- Section 8 of the agreement allows for outsourcing in the areas of maintenance, the relocation and transportation of stevedoring equipment, security, cleaning, line marking, reefer services, mooring/unmooring and specialist training.
- Section 9 specifies that 'recruitment shall be at the discretion of the company and shall be arranged in accordance with the policies and procedures of the Company'.

Central to the agreement is a new wage structure. Workers have been placed on annualised salaries, which taking account of overtime, leads to a lower outcome than the previous agreement. Lost ground can be made up through the piece rate bonus system. Given the context of the negotiations, the MUA did well to limit the severity of the attack on basic wages.

New 'competitive drive'

For Patrick management, the prime objective of the new agreement is reclaiming managerial prerogative and establishing new work practices. Globalisation ideology provides a lean production rationale for introducing changes that seek to intensify work. Fewer workers are required to produce more. This ideology aims to intensify competition between workers in different countries, between workers at different work sites in the same country and between workers at the same work site.

Management hopes that the Patrick agreement will entrench this competitive drive through a fundamental shift from time wages to a bonus based, piece rate system. Patrick sees union acceptance of a piece rate system on the docks as a major advance for many reasons:

- A piece rate system provides the employer with an exact measure of the intensity of labour.
- The quality and the intensity of the work are controlled by the very form of the wage leading to self-disciplined workers. The cost of supervision can therefore be reduced.
- Under a system of piece wages it is naturally in the personal interest of individual workers to strain their labour as intensely as possible. This enables the employer to raise the normal degree of intensity of labour more easily.
- Piece wages may promote individuality and undermine union promoted solidarity culture because they widen the scope for individuality and competition between workers.
- Piece wages have historically lengthened the working day and lowered base rates.

Eighteen months of intense propaganda prior to the lock out claimed that dock workers were highly unproductive and

opened the way for the above changes. In Section 6 of the agreement, an international benchmark of an average of 25 crane lifts per hour was set.

The new piece rate bonus system seeks to create competition between workers at different ports in Australia and between workers at the two major stevedoring companies, Patrick and P and O.

Corrigan has reported dramatic improvements at certain docks. He claimed that Melbourne's East Swanson dock was now beating world's best practice performance benchmarks. He pointed out that before the dispute, 11 workers would handle around 18 boxes an hour. Now a team of six has achieved 37 boxes an hour. One team even achieved a rate of 42 an hour.

An opposition campaign

Jim Donovan, who visited COSATU in August 1998 to thank South African unions for their solidarity, has led an opposition campaign to the new enterprise agreement claiming that the new system had imposed 'slavery and concentration camp conditions' on the workforce. He resigned as president of the MUA to fight the new agreement.

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Corrigan has made a number of claims about the change in work culture and attitude to the union following the signing of the agreement. Commenting on the Melbourne workforce he claimed that the MUA had lost its influence with the workforce and that: 'All of these guys you'll see there's a certain discipline and a



Weeks on the picket lines deepened a sense of solidarity.

certain liveliness' if you'd seen it before, this would have been just a shambles. There was no sort of spring in their step or anything else. It's nice to watch these days. It's just extraordinarily more efficient.'

Corrigan added that 'It's a totally different world now. The mood in the workforce is that they want to get some of this bonus money. They are now talking about how to get rid of these slow crane drivers, they ask, 'How do we get these blokes out of the way that are causing the trouble?' The real task at hand is how to get control of the workforce at the docks.

Union is still vital

Despite the compromises in the agreement, the MUA remains a vital presence on the docks. The union has nurtured a strong democratic tradition of worker participation and workers appear

to be aware of the dangers of a piece rate system.

A Freemantle dock worker commented 'We never wanted this bonus system and we're not going to chase bonuses. When that happens, workers take short cuts and safety goes out the window as workers chase the extra quid. For example, workers just use the ladders because it's quicker than using the safety cage.'

The lock out deepened a solidarity culture as workers shared a common experience of their livelihood cut from under them by the lock out. Together, they faced the dogs, security guards and police baton charges. Weeks on the picket lines deepened a sense of solidarity and class interests. The determination and militancy of the union, the strong community and international support created the sense of union as movement.

The conflict strengthened the union and undermined the legitimacy of Patrick

Managerial prerogative and the reorganisation of work will remain a contested terrain. The agreement requires consultation before any changes are introduced. The union will have to remain vigilant

Obscure class relations

The major reductions in labour costs through radical downsizing combined with the drive to increase container rates have resulted in the stock market value of the company doubling from A\$217-million to \$421-million. The share price has increased by \$2 to \$3,20, delivering Corrigan a personal gain of \$7,66-million over the past year. Senior executives are also in line for massive financial gain. When Patrick workers voted to accept settlement on 23 July 1998, they were issued with one million options, exercisable at \$2,05. Thus for every share they buy, they will make an immediate 56% capital gain.

These gains underpin a lifestyle industry captains come to expect. Peter Scanlon, a major shareholder in Patrick and with Corrigan, the other chief architect of the asset stripping and lock out strategy, owns a mansion, a beach house, a helicopter, a share in a French vineyard and an Italian villa.

These class relations, the profit taking that underpins them and their relationship to wages, conditions and the life chances of working men and women are obscured by globalisation. Workers are now team players with an eye on the ball, not an eye on what happens to the fruits of their labour. Such a class consciousness is viewed as anachronistic under the new conditions.

Future strategy

The settlement reveals Patrick's attempt to maximise profit through the imposition of

lean production. The fact that the attack failed to dislodge the MUA means that the union presence creates the possibility of a continuing contestation over managerial prerogative.

In the longer term, defensive actions around a pure fight for survival need to be transformed into an offensive against the logic of globalisation.

A priority in this will be for each industry sector to establish its own international benchmarks around what constitutes reasonable and humane productivity levels. Strong unionism has always fought against work intensification. Such a strategy may be viewed as anachronistic by management. For the working class, controlling the pace of work is essential to a civilised existence.

The MUA has a proud tradition of internationalism. Together with the International Transport Federation and other progressive national unions, they are likely to be the forefront of carving out new strategies and defining a new global unionism for the new century. ★

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