Unions Addressing MNC Relocation: The Case of McCain and Associated Pulp and Paper Mills in North West Tasmania.

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Outline

• Arguments

• The Cases
  – Associated Pulp and Paper Mills
  – McCain

• Assessment

• Conclusion
Arguments

• Changing global markets and increased competition

• Pressures on labour and communities
  – Concessions
  – Redundancy process

• Union power and resources
First Case: Associated Pulp and Paper Mills

• Hydro-industrialisation
• Paternalistic
• ‘The Mill was Burnie’
• In 1950/60s employed 3,500 in a town of less than 20,000 people
Unions

- Heavily unionised
- CFMEU Pulp and Paper Branch dominant union
- AMWU some members
Wesley Vale

- Established 1963
- Expanded 1971
- Paper coating and pulp manufacture
- Site coverage divided between CFMEU and AMWU
Decline

- 1983 sold to North Broken Hill
- Lack of investment
- Intensification of competition
- Changing product market
- Technological change
- Ongoing restructuring

Workforce decreasing –
- 1992 1,100 workers
- Bitter dispute
- 1993 700 workers
Restructuring, unions and closure

- 1993 sold to Amcor – global packaging company
- 1994 200 jobs losses and rally of 1000 people in Burnie
- 2000 Amcor demerged PaperlinX
- 2009 New company Tas Paper
- April 2010 Wesley Vale closed
- August 2010 Burnie mill closed
- Concerns over entitlements
- Unions saw process as part of global restructuring – ‘the reality was evident’.
- Participated in ICEMs
Second Case - McCain Smithton

• McCain – Canadian multinational
• Commenced Australian operations 1968
• 1984 purchased Copper Kettle factory
• 1988 potato processing factory built
• Hierarchical and centralised
• Three unions
  – AMWU
  – CFMEU
  – ETU
Closure announcement and the Premier Arrives

• Announced vegetable processing to shift to NZ
• Implications for community
• Union plans campaign
• Govt announces a Taskforce
The Campaign

• We'd been dealing with McCain's for 20 years and knew that that would never happen but you've got to try 'cause if you try you know that you're not left wondering down the track, gee if we'd gone and met with them, would that have made a difference? So we set that into play. We then just went into campaign mode really which was a number of elements to the campaign. One was about getting the community involved because it's a small community. It's fairly isolated. A lot of the money that's made at McCain's flows back obviously out into the community. Not only from the workers at McCain's but from the actual producers. (Branch Secretary, AMWU, March 2011)
AMWU and Community Protest

• Linked up with farmers and community
• March through streets of Smithton
The Outcome

- Negotiations
- Letters to Allison McCain the Chair of the Company Board in Canada
- Contact with NZ Union
- No contact with global union
- Limited support from confederation
- Redundancy
An Assessment

• Companies took steps to retain international competitiveness

• Long history of union recognition and activity

• Unions did not question the base of power, eg., global unions or local capacities, as region building

• Focused on the immediate and the local

• Limited action: why?
Conclusion

1. Multinational corporations.

2. Workers and their unions.

3. Changes in ownership, economic uncertainty about the corporation, investment and occasionally withdrawal from particular localities and closure.

4. Unions seek to organise, exercise their capacities and realise their purpose.

5. Underwrites the importance of unions as economic actors.