

## **Successful unionism in a difficult environment**

### ***The Papua New Guinea Maritime Workers Industrial Union in the 1990s***

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Internationally, maritime transport has gained a reputation for difficult industrial relationships. It has also provided amongst the most successful examples of union organisation. With wharves and ships playing pivotal roles in national and international trade for a wide range of industries, workers in these areas have been able to use industrial power in ways unavailable to most employees. Industrial relations results are seen along a continuum from cultures of bargaining to traditions of confrontation. State intervention has also played a prominent role, with governments drawn to attempt regulation of an industry with such broad economic impacts.

Papua New Guinea (PNG) has proven no exception to this international trend. Waterside workers and seamen were amongst the first indigenous workers to unionise and they have been remarkably successful in using the industrial relations system to improve their terms and conditions of employment. In this the influence of Australian practice has been strong. The industrial relations system itself has been modelled on that of the former colonial power and recent reform has followed the pattern familiar in Australia of moving from central tribunal determination to enterprise based agreements. Unions in PNG generally and the Maritime Workers Industrial Union (MWIU) in particular have had sustained and direct links with their Australian counterparts.

In the 1990s, however, with the Australian waterfront unions and management plunging into their most serious industrial confrontations in decades,<sup>1</sup> their PNG counterparts have continued to negotiate their employment relations successfully in a stable and non-confrontationist industrial environment. The union has been through a period of regeneration, shipping tonnages are high, companies are investing in new vessels and stevedoring productivity levels have been acceptable to both employers and government. While overall this may be seen as one of PNG's few industrial success stories, this article concentrates more narrowly on the role of the union in the industry. It seeks to explain the union's organisational effectiveness in terms of its historical capacity to gain for its members outcomes that have contributed in a fundamental way to the viability of the industry.

### **Constraints to effective union organisation in PNG**

In PNG a number of historically specific constraints have faced workers seeking to develop effective unions. While some of these arise from external factors to do with legislation and economic performance, there are also internal issues with regard to the willingness and capacity of PNG workers to establish and maintain collective industrial organisations. In order to understand the success of maritime workers in doing this it is first necessary to look briefly at how unions have fared in PNG more generally. The following discussion positions the experience of maritime workers within an overview of PNG union history.

While Papua New Guinea workers were involved in some anti-colonial protest, most spectacularly the 1929 Rabaul Strike (Gammage 1975; Willis 1970) they did not become industrially organised until late in the colonial era. In the late 1950s changes in Australian colonial policy under the ministerial direction of Paul Hasluck saw the first attempts at recognising and regulating the 'free' labour markets of the major towns of the then Territory of Papua and New Guinea (TPNG). Subsequently Hasluck has presented this in terms of 'reformulating' colonial labour policy to meet contemporary needs (Hasluck 1976: 231–2). His cabinet memorandum at the time, however, couched the need for change in terms of avoiding international criticism, particularly within United Nations fora, and forestalling the

possibility of nationalist and communist agitation using worker grievances as leverage to gain political influence (Minister for Territories 1960). In any case, during 1959–60 Hasluck met with representatives of regionally based welfare societies in Port Moresby and established a Native Wages Board. This heard submissions from employer organisations and the newly formed PNG Workers' Association (PNGWA) led by Reuben Taureka and Albert Maori Kiki (Metcalf 1968: 104–13; Hess 1992: 60–77).

The Board hearings gave TPNG's urban workers their first real opportunity to air long-standing grievances formally. The Workers' Association was assisted in this task by the public solicitor, W A 'Peter' Lalor, who was also president of the largely expatriate Public Service Association. So successful were the union case and the public meetings accompanying it that the employers' organisations entered into negotiations with the Workers' Association and agreed on an urban cash wage a few days before the Board was to deliver its findings. The Board promptly declared this agreement a common rule and suggested further legislation to establish legal mechanisms for the settlement of future disputes. As the Urban Cash Wage Award this decision brought 'modern' wage arrangements to TPNG's four major towns, Port Moresby, Lae, Rabaul and Madang. There was some outcry in the settler press that the proposal to establish a complete industrial relations system would cause the colonial administration to 'lose control' and that unions led by 'black Neros' would sow discord among the normally contented workforce (*South Pacific Post* 18 April 1961). Hasluck's administration, however, using the Western Australian state legislation as a model, gazetted both an *Industrial Relations* and an *Industrial Organisations Ordinance*, which legalised unions and established a system of compulsory conciliation and arbitration. As the settler press put it, 'the demon' was loose but clearly even the politically conservative Minister Hasluck did not agree that it would 'speedily ruin the Territory' (*South Pacific Post* 11 Nov. 1961).

Subsequently a series of regional general workers' associations was formed in towns throughout TPNG (Stevenson 1968; Hess 1990). Most were organised by local politicians, with the immediate aim of securing the flow-on of the Urban Cash Wage Award to their locality. In this they were generally successful, with maritime workers forming the backbone of the

organisations, and by the mid-1960s employment in most TPNG towns was regulated in this way. At the same time, however, the political aspirants who had been the unions' leaders were drawn into the business or political opportunities becoming available in the twilight of colonial rule. This created a problem for the colonial officials charged with the administration of the Australian-style system of arbitration. Unions that can act as formal representatives of employees are pivotal to the effective operation of such a system. With many of their leaders becoming professional politicians, most of the regionally based general workers' associations were unable to sustain this representational role for long periods. The solution was for officials of the Department of Labour to step in to prop up the unions so that they could fulfil the minimum statutory requirements necessary for the system to operate. The result was that neither the system nor the unions had much of a workplace presence although both could be quite effective at a national level where the colonial labour officials and the politicians who had been union leaders were most available (Hess 1987, 1988).

This dependency on colonial officials and absentee leaders placed the unions in general in a weak situation. Nor did the process end with the initial group of union leaders. Many workers' organisations lost several generations of leaders as individuals established their leadership credentials in the local general workers' unions and then left them to assume grander roles on the national and later provincial political stages.

PNG's first unions were no more successful in terms of national organisation, where they have been hampered by their failure to develop an effective peak council. Efforts in the mid-1960s to draw the regionally based general workers' associations into a Territory-wide federation failed (Hess 1988). While officials of the Department of Labour saw a use in such an organisation's potential for facilitating the operation of the industrial relations machinery, the politicians who formed its leadership saw no reason to share their power bases with each other or the colonial bureaucracy.

Subsequent efforts to establish a Trade Union Congress (TUC) were more successful (Hess 1992: 149–87). In the mid-1970s the organisation repeated the history of the regional workers' associations that were its major affiliates, becoming part of the political machinery of Toni Ila, Minister for Labour in the Pangu Pati Government. Based in Ila's electorate in the provincial centre of Lae, the TUC provided a conduit for international

assistance, which was of direct benefit to Ila's electorate but did little real industrial relations work. Subsequently a change in leadership—in which the late Henry Moses, leader of the Bougainville Mining Workers Union, was prominent—and a move to Port Moresby saw organisation reach a high point in 1989, with the affiliation of unions bringing the membership to 70,000 or about one-third of the workforce. At this time the TUC had as its general secretary Lawrence Titimur, a former official of the Department of Labour, whose administrative experience was evident in its increased organisational capacity.

Internal difficulties, however, emerged in the early 1990s. The large public sector unions withdrew support following resistance of other affiliates to moves to increase their influence in the peak council. Today the TUC has reverted to a largely private sector base and despite efforts of some dedicated officials it continues to depend heavily on international assistance. A major TUC strategy that has met with some success has been to encourage the amalgamation of small and/or regional unions to form national organisations, which are more likely to have the leadership and financial resources to operate effectively. This has resulted in the formation of a national union in the communications industry covering postal and telecommunication as well as electronic and print media employees. Efforts to replicate this in mining and energy industries have also made some headway. In 1998 workers' organisations in the various banks and insurance companies amalgamated to form the first national finance sector organisation, the PNG Banking and Insurance Workers Union. This is one of the few industries in which employment is expanding, so a national union may prove quite a significant development.

A cameo of the TUC's internal difficulties was on display in late 1998 when the TUC became politically embroiled in the national budget process. This process was itself part of a wider policy controversy surrounding the role of PNG's Chief Economic Advisor, Dr Pirouz Hamidian-Rad (Curtin 1999). Dr Rad had spent much of his career as a World Bank economist during the period when the thrust of the Bank's policy was very dry economic rationalism. He had been leader of the Bank's team in PNG and successfully transferred his employment to the Prime Minister under extremely favourable financial conditions. While Dr Rad's neoliberal policy prescriptions and his presidential style attracted criticism, his impact during

the period of Bill Skate's prime ministership was huge, with very few policy makers capable of putting forward alternative views.

The 1998 budget process was notable for Dr Rad's impact. Amongst the policies bearing his imprint were those to cut areas of government spending regarded as not contributing to 'development'. These included labour regulation. In the drafting stages of budget planning, a note was made of the possibility of deleting funding to several key labour regulatory activities—the arbitration tribunal, the office of the Industrial Registrar, the National Training Council, the National Labour Consultative Committee and the Minimum Wages Board. When the final budget papers were released this notation remained.

The implications for unions were considerable. In particular the function of the Industrial Registrar was fundamental to their operations because it is only through formal registration that they acquire the legal ability to organise. So a threat to this office could be interpreted as having the intention of removing the practical right to organise, despite the guarantee of this right in the PNG Constitution (Paska 1998: 1–2).

Union officials were furious and despite the Prime Minister's statement that Cabinet had rejected the idea and that the references ought to have been removed, TUC president, Caspar Lapan, called for public meetings and a 24-hour strike against the budget proposals. He seems to have been guided in this action by former TUC general secretary, Lawrence Titimur, who had been working as an independent advocate for some unions, including the Communication Workers' Union of which Lapan was also president. Some statutory authority employees and government-employed doctors, the latter apparently for reasons quite unrelated to the TUC's grievances, did take strike action. The calling of public meetings, however, became the major focus of the TUC activity. These meetings saw unionists and non-unionists who were dissatisfied with aspects of the government's performance raising a wide range of political issues. This tactic attracted activists amongst whom were figures openly associated with the parliamentary Opposition, whose influence with the TUC may have been reflected in its new demand for the withdrawal of the entire budget. Needless to say the Government indicated that it had no intention of allowing the budgetary process to be derailed in such a fashion. Some union officials, in any case,

had doubts about the political wisdom of challenging the fundamental policy process of a democratically elected Government in this way (Paska 1998).

One of the difficulties faced by the TUC in this dispute was that the absence of its general secretary John Paska (who had been studying in Australia for most of the year) meant effectively the loss of the ability to make strategic decisions. Paska returned to PNG during the strike. In an interview at the time he expressed the view that ‘unions should not be politically partisan’, complementing it with his judgement that TUC affiliates ‘were not well prepared for a long drawn out battle with the Government’. Through his intervention, Lapan was replaced in the management of the dispute, leading the TUC executive to pursue a more moderate course. The success of the more moderate strategy was evident when TUC representatives meeting with the Prime Minister received a guarantee that the labour functions would be funded, that a Minimum Wages Board would be convened in 1999 and that the administration of the value added tax would be reviewed. This represented a substantial achievement from the union point of view, raising the possibility of an inquiry into minimum wages for the first time since 1992 and promising an opportunity to present public argument regarding the distributional impacts of the tax regime.

The outcome of this dispute and its implications for the TUC in organisational terms are still far from clear. It was, however, a public relations disaster for the unions, who were accused of taking politically motivated action instead of accepting an outcome both negotiated by the TUC secretary and offering possibilities for airing long-term industrial grievances. Nor did the industrial relations administration emerge with much credit. A dispute that began with the suggestion that this regulatory machinery be abandoned proceeded to show just how powerless it was when sections of the union movement and their supporters took their grievances to the streets.

Such spectacular action has, however, been rare in recent PNG union activity. In terms of private sector unionism, unions of mining workers have been significant players in the large mining ventures that have been keeping the PNG economy afloat. With many employees moving from one mine to another, the shared experience of both industrial organisation and industrial conditions has facilitated organisation. The 15 years before the 1989 collapse of mining by Bougainville Copper Limited at Panguna saw many

workers pass through the ranks of the very successful Bougainville Mining Workers Union (BMWU). Under the leadership of the late Henry Moses, this union had built on gains made during the construction phase of the mine and its associated facilities, when Australian unions had been very active. The relationship it had developed with both mine management and its workforce enabled it to exercise great influence over workplace practices.

Government policy seems to have been influenced by both BMWU and maritime union successes and has been firmly opposed to the establishment of a national organisation or the formal standardisation of terms and conditions of employment for mining workers. On most mining sites, however, there are individuals and organisations capable of conducting both direct action and industrial negotiation. In formal terms there are registered unions operating at Ok Tedi, Misima and Porgera mine sites, while employees at Lihir have been trying to gain union registration. Proposals for the establishment of a national union have struck both bureaucratic and political obstacles. Opposition has taken two forms. On the one hand it has come from the Employers Federation, which fears national escalation of disputes under a national union. On the other there has been resistance from local officials—especially of the relatively effective Ok Tedi union—who fear a loss of influence if their union is absorbed into a national organisation. In terms of the bureaucratic process, the registration of the national union can take place only after secret ballots have been conducted but despite some initial enthusiasm the three local unions have been unable to complete this process.

In other private sector areas unions have met with less success. Organisations of retail workers have existed in major towns for short periods, with company unions being prominent for periods in major trading enterprises such as Burns Philp and Steamships. In the early 1990s the Port Moresby Commercial Workers' Union enjoyed some success, attracting as many as 1 000 members.

In the public sector, the Public Employees, Teachers and Police Associations continue to have large memberships. Formed in 1947 to represent colonial civil servants, the PEA (Public Employees Association) completed its transformation into a union of Papua New Guinean employees in 1973 with the election of its first national general secretary, Jacob Lemeki. While it is true that since then only one person (Madiu Andrew) has held this



position for more than four years, the association has nevertheless maintained a stable leadership through its national president of 18 years, Napoleon Liosi. In addition many national executive and regional committee members have been active over long periods. This stability of leadership has been a vital factor in the association's effectiveness. Also vital have been the sheer numbers and distribution of members: 23,000 (or about 50% of the total of public service employees) are spread throughout the nation's small and large towns.

The PEA has pursued a strategy of direct pressure on government rather than militant industrial action. Recent public sector wage rounds demonstrate the effectiveness of this as well as showing just how complex even cooperative industrial relations can become. In 1995, against a background of a wages freeze, the PEA and the government agreed on a 9% wage increase. The PEA, in line with its policy of 'economic responsibility', had argued that CPI movements since the previous increase of 17% justified a 14% increase. The final agreement was for an initial 4.9% increase, which was granted in February 1995 (*Post Courier* 9 Feb. 1995), with the rest of the increase to follow a year later. No budgetary provision, however, was made for this. So when the increase fell due the government simply had no money to pay for it. Availability of money was further constrained because of the conditions of drought and humanitarian disaster dominating 1996 and 1997. The fact that the due date for the (retrospective) payment was February 1996 meant that the longer payment was delayed the greater it became. By early 1998, the Prime Minister had agreed to make the payments and the association had offered to lessen the burden on the budget by having it applied to PEA members only (about half of the public service). In the event, when the final payment of 4% was made in early 1999, it was applied to all public servants.

While this does not mean that public servants' wages have kept pace with inflation, any wage gains in this climate may be taken as indicators of the association's industrial capacity. On the other hand the PEA has been unable to prevent substantial job losses. Currently it faces the prospect of the retrenchment of 7,000 national public sector employees at the very time that reform of local government structures is creating a need for an increase in public servants at provincial and district levels. In fact rather than campaigning against the public sector restructuring that has led to these job

losses, the association's leaders have adopted a 'responsible' stance in which they have accepted the necessity of reform and have sought compensation for those forced to leave their employment. This approach has been in line with long-standing association policy of avoiding confrontation. At its fiftieth anniversary, national president Liosi was proud to point out that the PEA's last major strike had been in 1983. He characterised this moderate *modus operandi* as 'ensuring industrial and social stability in the public service', which he claimed as 'one of the PEA's outstanding but understated achievements' (PEA 1997: 2).

Several constraints to effective union organisation in PNG can be identified from this brief history. The external ones relate to the environment established by the bargaining structures of the industrial relations system, economic performance and the policies of government. Historically, none of these has been favourable to successful unionism. Apart from a brief period in the mid-1970s when the prospect of political independence favoured a nationalist approach, PNG governments have seen unions as a threat to both political stability and economic policy. In general this has paralleled the views of managers. Furthermore, few industries have performed well enough to make buying workers off a viable management strategy. So there have been both material and ideological obstacles to accepting that unions might have a legitimate place in workplace relations. Both political and managerial attitudes have impacted on the industrial relations system itself. On paper, this system seeks to replicate Australian bureaucratic procedures. In practice, PNG has lacked many of the prerequisites for the successful operation of such a system. This has been especially true with regard to trained and skilled managers, administrators and union officials. Furthermore, the industrial relations system has been under-resourced to the point where the agencies charged with its oversight are rarely able to carry out their statutory functions.

By regional standards PNG's labour costs are high, a feature that academic commentators and many managers attribute to union bargaining power. While this view fits easily into a neoliberal economic analysis, it is difficult to correlate with PNG unions' organisational weakness. A stronger argument from a neoliberal perspective seems to be that the centralised bargaining structure has made wage movements almost inevitable. Historically, this system has enabled unions to function at a bureaucratic

level where they could gain wage rises by completing the formal requirements of the tribunal system regardless of their actual strength in workplaces. So a written log of claims once rejected by employers could be advocated before an industrial tribunal by a single competent union official and become the basis for a new award. This was especially the case in the 1970s and 1980s when regular Minimum Wages Board decisions provided cost of living–based increases that could be incorporated in awards by a largely administrative process regardless of any industry specific considerations.

In the Australian system of arbitration this highly formalised approach was recognised as producing unions that were ‘industrial cosmetics’ fulfilling a bureaucratic function and representing the interests of the industrial relations system as much as those of their members (Howard 1977). In PNG it allowed unions to remain in good standing in the industrial relations system regardless of their actual presence in the workplace. Thus many apparently ‘successful’ unions operated in an unreal bureaucratic environment where the realities of their industries and even the interests of their members were secondary considerations. The result for many PNG unions was a political rather than an industrial *modus operandi*. Not only were union officials themselves generally political activists with personal agendas well beyond the immediate workplace interests of their members, but the most effective mechanisms available to unions were also political. In particular their relationship with the state industrial relations agencies was a crucial factor in organisational success. In PNG this made most unions agents of the bureaucracy, with little interest in the success of the industries in which their members worked, no focus on their members’ long-term workplace interests and little capacity to promote those interests.

The relative success of the PNG Maritime Workers Industrial Union (MWIU) should be judged against this background.

### **The development of the MWIU**

Maritime workers have been able to avoid most of the problems evident generally in PNG unions, through the establishment of a national industry-wide organisation that has enjoyed remarkably stable leadership and pursued an industrial rather than a political agenda. The position of legitimacy in the industry that this strategy has won their union is unusual in ‘developing’

countries in general and quite remarkable in PNG. This success has its historical roots in the decision of the maritime workers to split from the general workers' associations in the years just before and just after Independence, a time when the political situation was conducive to the success of an organisation representing indigenous workers against the largely foreign owned and managed stevedoring and shipping companies.

Maritime industry unionism began its independent existence in 1968. Many Port Moresby waterside workers had been members of the unregistered PNGWA and its successor the Port Moresby Workers' Association (PMWA) which was briefly active in the mid-1960s. During the 1968 election campaign Albert Maori Kiki and his fellow radical nationalist Gavera Rea sought to revive the PMWA. At a meeting called for this purpose workers angrily rejected the idea, demanding to know what had become of the association's funds, but the waterside workers present asked Rea to help them start their own union. Both Kiki and Rea lost in the elections to candidates closely associated with the colonial administration. Rea turned his political attention to the waterfront, where it was a matter, as he put it, of 'doing something for the workers' (Hess 1988).

It took Rea six months to negotiate the bureaucratic labyrinth to register the Central District Waterside Workers' Union (CDWWU). By the time registration finally came through, contact with the Australian Council of Trade Unions (ACTU) had resulted in the Australian Waterside Workers Federation's (WWF) general secretary, Charlie Fitzgibbon, coming to Port Moresby to establish the union's first log of claims. CDWWU committee members at that time recall the colonial administration's initial refusal of permission for him to enter TPNG. They also recall their amazement as Fitzgibbon explained 'how to do things properly'. Encouraged by the promise of improvements rather than actual concrete gains, watersiders joined the new union rapidly. By 1970 there were just over 400 financial members and it was possible to employ Rea as a full-time official.

Rea and his committee were able to achieve immediate improvements in terms and conditions of employment, even though he was unwilling to use the full range of bargaining tactics available, which from self-government in 1972 included a constitutional right to strike. Furthermore, Rea's political activities involved a focus on matters much broader than his members'

industrial grievances. The problem the union committee members faced was that while they heartily approved of Rea's radical nationalist politics, they also needed someone with the administrative and organisational skills required by unions in the formal industrial relations system, who would be a constant presence on the waterfront.

Rea himself helped them find such a person in Reg McAlister, a young Australian clerk who was an honorary official of the Clerical and Shop Assistants' Union and was also active in local pro-independence groups. With Rea heavily involved in political matters, McAlister was introduced to Port Moresby's waterside workers as someone who could replace the politician in the union (Hess 1987). Despite initial scepticism, it was to prove a fruitful arrangement and rank and file leaders quickly recognised the commitment and ability McAlister brought to the job as their secretary.

In the years between self-government and independence (1972–75) the CDWWU revealed a capacity for using a range of industrial tactics successfully. It took direct action, bargained for agreements with employers and took matters to industrial tribunals. The matters it successfully addressed ranged from what Fitzgibbon had described as the 'filthy and nauseating' conditions of waterfront amenities (*Maritime Worker* 4 Aug. 1968: 1) through irregularities in payments to issues of training and safety. In addition, it began to make rapid strides in improving wages. Matters on which Rea had been unable to make progress proved solvable once employers realised that the union would, if it deemed it necessary, take strong direct action.

The greatest impact of the union on the stevedoring workplace, however, came about as a result of Boards of Inquiry into casual stevedoring labour in 1973 and 1975, in which the WWF's Norm Docker assisted McAlister and the union committee. The Boards were established by the nationalist coalition Government (in which Rea was Minister for Labour) after consistent pressure from the union on the issue of casual labour. Up until this time the port's casual waterside workers were hired under a version of the notorious 'bull system' in which men lined up like cattle for stevedoring supervisors to choose the men who would get the opportunity to work. Not only was this system open to nepotism and corruption but it was clearly inefficient to take labour literally 'off the street'.

Despite the low productivity—a result of the use of what was, often, untrained and transient labour—the stevedoring companies resisted all demands for a registered and rostered casual workforce. Docker, McAlister and experienced waterside workers on the union's committee, such as Daniel Haroi and Doriga Navo, convinced the tribunal that a modern port needed a modern workforce and that the interests of the industry would be best served by abandoning the colonial practices of the past. The result was the institution of a system in which casual watersiders were registered and rostered to equalise work opportunities amongst experienced employees. Both productivity and employment security improved.

The tactic of using the experience of Australian unions and the opportunities of arbitration to expose outdated, inequitable and inefficient work practices was also employed in respect of permanent watersiders and seamen. PNG seamen on overseas ships had often used Seamen's Union of Australia officers in Australian ports to press their claims on reluctant owners and oppressive officers. By the mid-1970s those employed in the PNG coastal trade had begun to do the same, using the CDWWU when their ships came into Port Moresby. McAlister's representation of seamen (and later fishermen) was so successful that the CDWWU became their *de facto* industrial organisation.

A similar situation evolved in respect of regional maritime unions in Lae, Madang and Rabaul. Like the CDWWU, these organisations had been formed in the late 1960s but had experienced fluctuating fortunes determined by their capacity to attract and retain competent and able leadership. Not only did union secretaries follow the well-trodden path into politics with regularity but committee members and delegates were often also lost to the organisation because of the high labour turnover in the industry. CDWWU success was widely reported by national media and discussed as seamen carried stories—often exaggerated ones—from port to port.

As a result, in 1978 moves were begun to bring the overseas seamen and those operating out of the four major ports into a single organisation with the Lae, Rabaul, Madang and Port Moresby waterside workers. The logistical difficulties of this were great. Of the six unions involved only the CDWWU had anything like the administrative capacity required for effective operation. The legislative requirements pertaining to amalgamation demanded meetings at which minutes were kept of resolutions (including particular

wordings) as well as secret ballots of financial members. In an uneven and messy process, the desire of workers to improve their industrial representation and the determination of the CDWWU committee to pursue the formation of a national organisation eventually overcame the obstacles. In 1982 the PNG Waterside Workers and Seamen's Union was registered, with branches in Port Moresby, Lae, Madang and Rabaul. Reg McAlister became the new union's first national secretary, capping ten years of work to improve the organisational and industrial situation of workers in the industry.

The success of the CDWWU was due to its ability to locate and use the power available to it. This was founded on a willingness to take direct action, which in turn relied heavily on the understanding, discipline and commitment of its members. Here the work of its committee was crucial: workplace leaders developed and explained union policy to the point where all members of the workforce were strong and knowledgeable supporters of the changes the union sought. The nature of this reform agenda was a vital factor in its success, the changes being largely about modernising workforce arrangements. With the dead hand of colonialism resting heavily upon employers in this period, it was the union that took the lead in demanding the structural changes needed to allow the creation of a permanent, skilled and committed workforce. The organisational focus of these activities was also crucial in the union's success. McAlister and Docker provided the sort of formal administration and advocacy that made it possible for workers' grievances to be dealt with through the mechanisms of conciliation and arbitration rather than through constant resort to confrontation in the workplace.

The example this set for other maritime workers was such that it was possible to overcome the considerable obstacles to the formation of a national, industry-wide union. Not least among these obstacles were the bureaucratic and legal actions required to wind up some organisations, amalgamate others and start an entirely new one. As unions have found internationally, amalgamation presents huge problems; for an organisation in the immediate post-independence years in PNG to achieve it was no mean feat. The establishment of the national Waterside Workers and Seamen's Union (WWSU), however, also represented a triumph over PNG's specific barriers to organisational effectiveness. The greatest of these was regionalism. In a nation where the primary loyalties of individuals are to family, clan,

ethnic/language group and region (in that order) the difficulty of establishing organisations that bridge hundreds of such loyalties is extreme. When the national union was registered it was, arguably, the only national organisation to have been formed by Papua New Guineans. Under the colonial regime, all other national bodies—political, social and religious—had been the creations of Australians.

### **The MWIU in the contemporary environment**

The establishment of the national WWSU marked the beginning of a decade of quiet achievement in PNG maritime industrial relations. During this time the union consolidated its organisational gains through the expansion of the award system. While direct industrial action remained a potent threat of which employers were often reminded, most of the union activity took place within the functioning of the national arbitration system. This operated at three levels, from each of which the WWSU was able to take advantage. The first level was that of the Minimum Wages Board, which delivered regular decisions increasing minimum wages in line with cost of living increases. The second level involved the making of new awards and the updating of existing awards. The third level saw the use of industrial tribunals to resolve particular disputes.

Most PNG unions were able to benefit from the first of these levels by seeking a ‘flow-on’ to their members through applications to alter their awards in line with the decision of the national tribunal. Some were also able to use the second of the mechanisms of the industrial relations system, although for many, even the relatively straightforward processes involved in updating existing awards proved problematic. Initial enthusiasm, plus competent leadership and Department of Labour assistance, often carried a new organisation through the process of creating an award. Few were able to sustain this success in the mundane environment of continued operation. By contrast, the WWSU was able to use award renewals to gain substantial improvements in wages and conditions. It was also able to use the award system to expand these benefits to areas previously unregulated by specific provisions. By the mid-1980s its awards were sophisticated documents detailing terms and conditions of employment across all the job classifications on the wharves and ships. Eventually they included provisions for training



and career progression, which assured Papua New Guineans of access to skills training and the job security needed for long-term productive commitment to an industry.

The third level of operation for the resolution of disputes available to unions under the industrial relations system required an organisational capacity that few PNG unions have possessed. In this regard the WWSU showed itself to be exceptionally competent, taking action through the industrial dispute resolution mechanisms on a range of industrial issues familiar to observers of industrial regulation internationally. These included individual cases in respect of career development, training and dismissal. They also extended to local and national award coverage, with existing awards being regularly updated. Maritime workers not originally covered by the earlier awards were often drawn under their protection by ‘roping-in’ procedures and where this was not possible new awards were established. In this way the WWSU came to establish itself as one of the few unions in PNG, or indeed the Pacific region, with a genuine capacity for autonomous action in pursuit of the industrial interests of employees within its industry.

The 1992 Minimum Wages Board decision marked a turning point in PNG industrial relations in general. This determination ended the rural/urban needs-based wage differential and has been hailed by some economists as a major change making PNG more internationally competitive and reducing incentives for rural–urban migration (AIDAB 1994: 7). Years later, there is no evidence either that PNG is more internationally competitive or that rural–urban migration has slowed. In terms of the evolution of industrial regulation, however, the 1992 decision may best be seen as part of a trend away from centralised tribunal-based wage fixing to enterprise-based collective bargaining. Here its role was to discourage unions from seeking broad national increases through minimum wage movements and to encourage employers to make their own arrangements outside of the formal system. This parallels contemporary developments in Australia and seems to be largely modelled on them. Two major differences between the Australian and PNG situations are the lack of major legislative change in PNG and the absence of unions able to operate effectively outside the tribunal situation.

A major impact, then, of the 1992 Minimum Wages Board decision was a running down of the arbitration tribunal system, cutting unions off from the arena in which they had, historically, been most effective. For the WWSU this coincided with a period of organisational weakness.

Reg McAlister's retirement from the union in 1986 saw a change in leadership style, which culminated in a delegate-led revolt and McAlister's return in 1992. In that four-year period, the union had three general secretaries and suffered organisational problems such that it became inactive industrially and almost bankrupt financially. While the union's records for this period are incomplete, long-serving committee members recall being in constant conflict with the senior officials over the lack of industrial activity and the way in which the union's funds were spent. The union's 1991 bi-annual conference provides some insights into the industrial style of the new leadership. The Secretary of the Department of Labour opened the conference with an apology for the Minister's unavailability and prayers for industrial harmony (MWIU 1991). The president's report then noted that the new agreement he had just signed with the Employers' Federation had been gained with no disputation, 'not like in the past'. His view was that this showed how the union was 'contributing to the Nation'.

The president also reported on his financial stewardship. He announced the establishment of the union's own superannuation fund and noted dealings regarding union-owned land. In 1990 the union had title to three pieces of land in Port Moresby. These became pertinent to disputes regarding an unpaid taxation liability, for which the government could resume the land. In a complicated arrangement involving land swaps and sales, the union was able to make a considerable profit. As a result, said the president, 'I am happy to mention that this union is half a million [Kina] rich'.

The members of the union's National Executive Council were less happy. They called in question the style of decision making that had seen the president sign industrial agreements without the authorisation of members. Questions were also asked as to why the land 'was sold with no proper recordings' and why accounts showed that K12,000 had been paid for a union vehicle when the actual cost was half that amount. Criticism was levelled against the president for having no information regarding the number of members in the union. The general secretary came in for more direct attack after his admission that he had crashed the union vehicle when

‘returning from the village after a few drinks’. There was less explicit criticism regarding cheques paid to union employees (including the general secretary) that may or may not have been ‘an advance for Christmas’. The Executive Council decided that it would allow the general secretary to remain in his position but that he would not be allowed to sign cheques or use the car after business hours.

Eventually this style of leadership proved too much for the union’s committee to bear. Led by long-standing members Alex Rawali, John Arua and Vani Hebou, the committee staged a revolt forcing president, general secretary and seamen’s secretary from office. Not until 1992 do records resume that can paint a picture of the problems of this period. In the vacuum left by the departures of senior officials, the union’s industrial officer, Philip Drang, took on the day-to-day work of running the office. He too, however, fell foul of the committee. He was dismissed at the 1992 National Executive Council meeting under the chairmanship of a new president and with Reg McAlister participating by invitation. The complaints against him were largely directed at his failure to restore the union to its former operational effectiveness, alleging specifically his failure to take control of the accounts, settle industrial matters, review awards, sign a lease with the union’s tenants (costing K10,000 in lost income) and provide accounts for 1990–91 (MWIU 1992).

This criticism seems harsh in retrospect. The reality was, however, that Drang had squandered whatever credibility he had with the Council by ‘using his position in the union to apply for the job as General Manager of Port Moresby Port Services’, the stevedoring company in which local landowners held 51% of the shares (MWIU 1992). When the vote was taken to formalise his dismissal, it was unanimous.

The acting general secretary’s report delivered by the Momase region secretary, J Turmurum, gave some idea of the extent of corrupt financial dealings of the previous leadership. The unauthorised use of union funds for which either the president or general secretary had signed included the purchase of vehicles and the withdrawal of the K100,000 in the union’s investment account. The issue of land transactions was less clear cut because of varying valuations but the union’s accounts clearly show no benefit to the organisation from the sales and transfers reported so happily by the previous president. The union had also been used to guarantee a

personal loan for its former president. A seamen's delegate added to the general picture of corrupt behaviour by demanding an accounting for the spending of an unauthorised levy of K60 per member raised by the former seamen's secretary.

As a more detailed picture emerged it became hard not to conclude that the leadership had engaged in a systematic attempt to strip the union's assets and raid its funds. This also extended to the superannuation fund, of which the former president was trustee, with the clerk in charge being dismissed for forging cheques and falsifying documents relating to eligibility for the fund's housing advance scheme.

The Council then appointed Reg McAlister as general secretary, Douglas Gadebo as seamen's secretary and long-serving committee members as trustees of the superannuation fund. Coopers and Lybrand were appointed to audit the union's finances. Their inquiries revealed that for the brief period of the former leadership the union had: an operating loss of K125,988; 'discrepancies and non-reporting of expenses' of over K200,000; an amount of K282,000 from land sale not shown in the accounts; and an amount of K10,000 held in trust by the union's lawyers following the land sale which had not been recovered (Coopers and Lybrand 1993). Some of the personal extravagance with which the former officials conducted themselves at the organisation's expense can be inferred from the auditor's comment that 'the levels of travel, accommodation, entertaining and executive meeting expenses were particularly high during 1991'.

While such failure in the proper discharge of a fiduciary duty has been noted by other commentators in respect of unions in other countries and other organisations in PNG, the situation of the MWIU deserves attention particularly because of the way it was turned around.

When McAlister and Gadebo took up their new positions the union's general account showed a balance of K230, while its investment account had been cleaned out entirely. There were outstanding debts incurred by the previous office holders, the office telephone and facsimile connections had been cut off and the union faced many unaddressed disputes. Reports to the first National Council under the new leadership reveal the extent and speed of the change they achieved. These include: 'finalising' the property transfers so that the union got clear title to land at Konedobu plus K24,500 in its now specified 'property account'; the transfer of monies contributed

by members from the National Provident Fund to the union's superannuation fund; settlement of a series of disputes with shipping companies, for which members received over K50,000 in back pay; the development of a coastal seamen's log of claims; and adjustments to watersiders' wages in minor ports (MWIU 1993).

Nor did this increase in activity come at a greater cost to the organisation. In fact the audited accounts showed that organisational expenses were down from K56,221 in 1991 to a mere K10,081 in 1992. Despite having to meet outstanding costs from the previous year, this combined with the increased income derived from collecting debts to result in a fall in the annual deficit from K102,958 in 1991 to K5,050 in 1992 (Coopers and Lybrand 1993).

This dual trend towards proper internal management and effective industrial representation continued in the following years. National awards were once again regularly updated and new agreements and awards were gained. Some results were spectacular in industrial terms while others were simply solid improvements. In August 1992 an updated National Stevedoring Award guaranteed waterside workers 6% wage increases for each of the following three years. In November 1993 the union was able to update the National Coastal Seamen's Award, gaining an interim 3.5% increase for a single year with substantial increases in industry allowances and reclassifications that resulted in many of the seamen's long-standing grievances being addressed. Rather than being simply the result of the enthusiasm of a newly reformed leadership, these movements in terms and conditions were maintained throughout the whole decade. The union used the national stevedoring award as the leading award, gains made in it being sought subsequently in other awards such as those covering coastal and international seamen and ship's officers.

The most recent stevedoring award, gained in 1999, included a 12% one-step wage increase and a 40-hour week. Its most significant gain, however, was the inclusion, for the first time in private sector employment in PNG, of a provision for paid maternity leave. The *Employment Act* provides a general entitlement of 12 weeks' unpaid leave but the MWIU was the first union to have part of this (three weeks) paid as an award entitlement. The 12% figure also provided the basis for 1999 award updates for coastal seamen. Not all of these improvements have been made without

confrontation. In fact, the last few years have seen a move away from agreements and back to tribunal decisions. The trend has also seen an increase in MWIU's use of strike as a dispute tactic.

The union's major battle of the mid-1990s, however, was over an issue of government policy. In late 1994 the Minister for Transport, Andrew Baing, announced an intention to institute a policy to localise the ownership of stevedoring operations in PNG. The union's initial response was to praise this in the expectation that landowner companies would be front runners for the new licences (*Post Courier* 14 Dec. 1994). It quickly became evident, however, that there was more at stake than was at first apparent. The chairman of National Stevedores Limited announced that his company had been invited by the government to bid for licences on the understanding that this would deliver to them a viable level of custom. While 'monopoly' was not publicly mentioned at this stage, subsequent events make it seem likely that it was at least raised privately. Now National Stevedores complained that despite having invested in equipment, 'we do not seem to have a business' and went on to 'demand that the Papua New Guinea Harbours Board withdraw all licences issued to foreigners' (*Post Courier* 5 Jan. 1995).

The issue rapidly became an industrial one. Three hundred waterside workers in Lae struck against the suspension of licences to the four foreign owned companies that employed them. New MWIU president, Alex Rawali, noted that this sort of 'farce' could 'lead to a closure of all ports by members of the Union' (*Post Courier* 6–8 Jan. 1995). The farce certainly deepened the following week when the nine companies with stevedoring licences in Lae and the five with licences in Port Moresby became involved in direct confrontations over who was entitled to unload which ships. In Port Moresby a game of 'musical wharves' was played out with ships being brought into the main wharf from anchor to find that stevedoring was unavailable and then being taken out to anchor in the harbour again while others tried their luck. The high point came when National Stevedores employees tried to unload a ship without the agent's authorisation and were chased off by the crew and employees of rival companies (*Post Courier* 9 Jan. 1995, 11 Jan. 1995).

The dispute then went into abeyance for some months until a new Minister for Transport, Peter Yama, thought to try his hand at achieving a one licence per port policy. He seems to have seen the Harbours Board as an obstacle and his approach included amending the Harbours Board Act to make the chairman a ministerial appointee, thus reducing its capacity to act independently (*Post Courier* 5 Feb. 1996). In doing this he pointed out that ‘what I’ve done here is exactly the same thing being done by other ministers’ to statutory bodies under their jurisdiction (*Post Courier* 12 Feb. 1996).

Five months later Minister Yama again raised the issue of the one port one licence policy, announcing it as the ‘nationalisation’ of stevedoring at Madang, Kavieng, Wewak and Oro Bay but then delaying the implementation of the monopoly until a new Harbours Board was installed (*Post Courier* 2 July 1996). Rawali delivered the union’s public response. While not directly mentioning ‘cronyism’, the union president questioned the capacity of the proposed single licensees to act in the interests of the industry. He pointed out that ‘these so-called 100 per cent national stevedoring companies have not stevedored any vessel in any port since they were granted licences in 1994’. He went on to describe the attempts to impose a monopoly in each port in terms of the potential loss of jobs, characterising it also as a direct threat to the landowner based stevedoring companies already operating in the four ports (*Post Courier* 17 July 1996).

Finally the employer organisations also joined the fray publicly when six weeks later the Chamber of Commerce and Industry, the Rural Industries Council, the Shippers Council and the Manufacturers Council announced their opposition to the policy. In a joint statement they pointed out that international experience indicated that such a monopoly would lead to reduced levels of service and increased costs (*Post Courier* 2 Sep. 1996). The policy was quietly dropped.

MWIU policy at this point was not only to defeat the granting of a stevedoring monopoly to people the union committee regarded as ‘the Minister’s cronies’ but also to subject the Harbours Board to the sort of scrutiny other maritime industry employers faced. For some time the MWIU had been signing Harbours Board employees as members and by the end of October 1996, 300 or 66% of these workers had joined the MWIU (*National* 1 Nov. 1996). At the same time an opportunity to expose management practices arose with the announcement that ‘Harbours Board

employees' were under investigation for the sale of Board houses at below market rates, as well as the misuse of vehicles and irregularities in the Board's cheque accounts (*National* 30 Oct. 1996). Philip Drang, now secretary of the Harbours Board National Employees Union, responded by accusing the MWIU of 'dirty tricks' and calling on the Board to sack members of the MWIU (*National* 13 Nov. 1996).

Over the following months this opposition was eroded by events as more Harbours Board employees, voting with their feet, joined the MWIU. By April 1997 when the unions launched their attack on the senior management of the Board they were operating informally as a single organisation. Their list of corrupt practices compiled over the preceding nine months included: the purchase of three vehicles for the 'non-working' Chairmen of the Board; the use of these vehicles by the Chairman's *wantoks*; the use of Board funding for personal accommodation and transport for the Chairman and General Manager; and nepotism in appointments and promotions (*Post Courier* 9 April 1997).

The general manager at this time was amongst the political appointments criticised earlier when it was first proposed to alter the Act so as to allow ministerial appointments in the Board. It now emerged that this particular individual had previously been manager of Minister Yama's own company, in which position he had been sacked and re-employed several times.

Four months later the unions were still calling for a probe of the Harbours Board and particularly its practice of paying to senior officers high salaries that were outside the guidelines set by the government's Salaries and Conditions Monitoring Committee (*Post Courier* 13 Aug. 1997). The straw that broke the camel's back in this campaign was the Board's decision to spend K115,000 to buy its chairman a four wheel drive vehicle. The government reacted by suspending the Board of Directors and its general manager (*Post Courier* 26 Aug. 1997). Subsequently, the State Minister intervened, overriding the authority of the Minister for Transport, to sack the general manager, whose annual salary was revealed to have been K135,000. Even the Prime Minister got into the act by stopping a termination payout of K426,400, for which the general manager subsequently sued (*Post Courier* 15 Oct. 1997).



As part of its general economic policy, the current government of Sir Mekere Morauta has continued the Harbours Board privatisation proposal. The MWIU, having completed its absorption of the 400 Harbours Board employees, is even more directly involved now than it was previously. Amongst the subtleties of the situation are the complex roles of harbourside landowners throughout PNG, who are often also shareholders in the stevedoring companies, waterside workers and members of the MWIU! In the largest ports these landowners hold 51% of the shares in the licensed stevedoring companies. The union's efforts to develop a united position with its landowner/members have seen the MWIU arguing that any privatisation should be on the basis of 51% of the privatised entity being owned by a combination of the landowners, the employees and the union.

Regardless of the outcome, the 1990s have clearly seen the MWIU re-emerge as both an industrial representative and a policy player in maritime transport. Its 3,500 members represent the vast majority of employees in the industry. This includes all but the smallest wharves as well as most vessels operating in and out of PNG ports. The union has membership levels of 100% of the workforce on most of the larger wharves and about 80% on ships. With careful administration, membership fees have restored the union's financial position to viability.

## **Conclusion**

An intriguing postscript to this story is provided by the greatly improved relationship between employers and the union in recent years. Shipments of machinery and fuel especially related to mining activity gave the industry record tonnages and high financial turnovers from the mid-1990s. With shipping companies building new vessels and stevedoring companies professing themselves content with productivity, both investor and labour sides of the industry may be seen to have made a commitment to its sustainability. Collective agreements delivered wage increases of some 33% between 1993 and 1997 in an environment of annual inflation rates of around 5%, making the industry one of the few in which employee remuneration improved in real terms before higher levels of inflation set in following the Kina's devaluation. Even the tighter economic circumstances of the late '90s have seen the union continue to be successful in wage negotiations, with 12% increases being the standard for its most recent round of awards.

Nor does there seem to have been any sign of a move by companies against the union to roll back allegedly ‘unproductive’ practices, as occurred in Australian stevedoring in 1997–98. While comparative container handling rates can be misleading, the Port Moresby rate of 19 per hour appears satisfactory to employers, given the lack of investment in shore-based equipment and infrastructure. So there are no serious calls for ‘waterfront reform’ such as might result in significant industrial disputation.

The purpose of this article, however, has been not so much to analyse PNG’s maritime transport industry as to identify more narrowly the determinants of the success of its union. Had the MWIU been successful in only one time or place it would be reasonable to expect that these determinants would be found in that environment. The fact is, however, that it has been an effective representative of employees from workplaces as varied as local wharves and the largest international vessels, and this effectiveness has spanned periods characterised by forces as different as colonialism, nationalism and globalisation. The only reasonable conclusion is that the major determinants of the MWIU’s success are internal to the organisation itself.

Clearly a major factor has been a strong, knowledgeable and stable leadership. While Reg McAlister is easily visible as a significant figure in this, his presence is by no means the totality of the union’s leadership potential. Both the documentary record and anecdotal evidence indicate that McAlister has often been the facilitator rather than the initiator of union policy. Most often the initiative for activity has come from members in the MWIU committee structure. A glance through the membership lists of these committees reveals the high degree of continuity there has been in this group over many years. The National Executive Council, the committees in particular ports and the shipboard delegates all include in their number many individuals who have served the union over considerable periods—some for most of their working lives. This has given the union a solid base of experience of both the jobs involved in the industry and the industrial conditions pertaining to them. When the MWIU fell victim to opportunist leadership in the late 1980s and early 1990s it was this group of workplace representatives who were able to identify the problems and set in train the events that led to their resolution.

In both historical and contemporary terms the Maritime Workers Industrial Union is an outstanding industrial organisation. The fact that its 30-year history spans a period in which many organisations in PNG have failed their members and their country is testimony to just how remarkable the achievements of the MWIU are.

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## Notes

1 The most complete scholarly analyses of these events to date are the articles by Dabscheck, Glasbeak, Harcourt and Sloan in the University of New South Wales journal, *The Economic and Labour Relations Review*, 9(2), December 1992.

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