

Bramble, T. (1996): 'Managers of discontent: Problems of labour leadership' in R. Kuhn and T. O'Lincoln (eds): *Class and Class Conflict in Australia*, Longman Australia, Melbourne, pp. 40-57.

The establishment of mass trade unions in the 19th Century made the working class a force to be reckoned with. The subsequent rise of the Labor Party transformed Australian politics. Yet the fruits of both developments have been ambiguous. Unions are institutions firmly located on the terrain of capitalism, devoted to improving the terms on which labour power is sold within the existing class system rather than striving to transform it, while the ALP is devoted at best to modest reforms within the established social and political framework. Given that both operate on this basis, it is not surprising that the full-time representatives of labour's interests come to constitute a conservatising layer which accepts the existing social order and tends to restrain workers from militant struggles which might challenge it. This chapter considers the roots and contours of the trade union officialdom¹, related phenomena in the ALP, recent trends and the political implications.

A privileged layer

When workers fight their employers, their industrial action eventually forces management to enter into negotiations, leading to agreements (or awards) specifying wages, hours and working conditions. As collective bargaining became central to industrial relations in the quarter century before World War One, unions appointed full-time representatives to negotiate for them. These officials developed valuable expertise, but as a result of their removal from the work force they have come to play a separate and distinctive role within the labour movement: part of the union but not part of the working class. Their work experiences are different and their wages and conditions are generally better.

Being subject to election and often answerable to members at meetings, union officials must to some degree satisfy their political constituency on pain of losing it: to non-unionism, rival leadership candidates or membership revolt. How much they respond depends partly on how remote they are from the rank and file. The higher up within the bureaucracy, the less likely they are to reflect and respond to members' needs. Although certainly fuelled by a desire to protect its own local empire, the NSW Labor Council's opposition in the early 1990s to the growing power of the ACTU also showed that it was somewhat more subject to pressure from members on issues such as enterprise bargaining and 'super-unionism' which the latter was attempting to force through.

There are other pressures on union officials, however. Once employers and governments decide to deal with unions by negotiating, rather than crushing them, they expect the officials to help maintain industrial peace. During the 1975 constitutional crisis, for example, the *Melbourne Age* warned that union leaders had a 'formidable responsibility' to restrain unruly crowds of workers.² Negotiations become a means to divert worker grievances into stable channels, thereby robbing them of their potentially explosive content. Amidst growing wage pressures at the end of the 1980s, the *Financial Review* reported that wages were being 'contained to a remarkable degree' because 'the industrial relations fixers ... have hosed down a series of brush fires which have threatened to ... set off an old-fashioned wage-price spiral.' The fixers included the ACTU.³ Thus the officials face pressure both from members and from their 'industrial partners' — capital and the state. Caught between these two social forces, union officials tend to vacillate; their task, as Hyman puts it, 'is to sustain a delicate balance between grievance and satisfaction, between activism and quiescence'.⁴

The officials seek to maintain good relations with employers because they themselves benefit from continued negotiations regardless of the outcomes. Broking between capital and labour is the reason they exist. Further, since their pay and conditions are generally more congenial than those of the rank and file, they have a material interest in avoiding a return to the workplace. This requires their adherence to what Gramsci called 'industrial legality'.⁵ C. Wright Mills called the labour leader 'the manager of discontent':

He makes regular what might otherwise be disruptive, both within the industrial routine and within the union which he seeks to establish and maintain [operating as] an agent in the institutional channelling of animosity.⁶

Australian union leaders are also caught up in the finer points of 'industrial legality' as a result of the arbitration system. Since the late 1890s, the Australian state has maintained industrial tribunals which accord unions and their officials an assured role as workers' representatives. Although there is a countervailing tendency when rank and file workers assert their industrial power through strike action, the presence of arbitration tribunals encourages union officials to depend on the machinery of state.⁷ Even in the mid-1990s, at a time when the tribunal system has been undermined by enterprise bargaining, union officials often use legal mechanisms rather than industrial action to protect or expand membership coverage. In return for state-sponsored protection, union officials have to declare their adherence to peaceful methods of resolving industrial conflict.

Dependence on the state and arbitration enhances the mistrust evinced by many officials towards industrial action, a fact recognised by both supporters and opponents ever since the foundation of the tribunal system in 1904. In 1913, for example, the president of the Arbitration Court, Mr Justice Piddington, noted that it had engendered among union officials 'a distaste and distrust of the methods of trial by force and a willingness to abandon them and abide by the methods of trial by reason and law'.⁸

To be sure, union leaders are sometimes willing to lead militant struggles, either because pressure from the rank and file makes this inevitable or because union structures are threatened by employer or government attacks. During the late 1960s and early 1970s sections of the officialdom were prepared to sanction or even place themselves at the head of major strike waves. In 1969, Victorian left officials led a virtual general strike to free one of their number, Tramways Union leader Clarrie O'Shea, from jail. In 1974 a union pay push notched up around 6 million strike days at a time when rank and file members were demanding wage rises to keep up with runaway inflation. More recently, Victorian Trades Hall secretary John Halfpenny organised massive stoppages and rallies in 1992 and 1993 against the Kennett government's attacks. Even in such circumstances, however, union officials generally pull back at crucial turning points. This is just what Trades Hall did in late 1992, for reasons Halfpenny himself explained in a December 1993 interview. Reflecting on the huge protest actions of late 1992, he remarked 'given a re-run ... perhaps ... we may have decided to go in much harder in the wake of the 10 November rally'. Asked why Trades Hall had backed off he said: 'I think we perhaps made the mistake in believing that the Kennett government ... would be influenced by the concerns that were being expressed.'⁹ Union officials prefer to appeal to the reasonableness of the ruling class in crisis situations, for the alternative, upping the stakes and organising further action, threatens to unleash social forces beyond their control.

Australian union officials today

A look at union officials' incomes and career opportunities will illustrate their privileged position and links to the ruling class. Union office is a traditional route to social advancement, both because the pay is generally better than obtains in ordinary jobs, and because it opens up wider career prospects. Census data showed that only 12% of union officials received an annual income of less than \$25,000 in 1991, as against the 60% of the total work force who fell into this category.¹⁰ Of those paid more than \$40,000, the relevant figures were 37% and 12%. Reflecting the gender-segmented nature of the union officialdom, nearly 90% of union officials earning more than \$50,000 in 1991 were male (despite representing only two thirds of those holding such positions), while two thirds of those earning less than \$25,000 were female, double their representation in the ranks of officials as a whole.

Standardising income for educational qualification allows us to eliminate the bias resulting from the fact that union officials tend to be better qualified than the average employee. If we do this, we find that union officials of both sexes *at any qualification level* were less likely to be in the lowest income bracket in 1991 than were males with similar qualifications outside the unions. Further, they were much *more* likely than the general work force with the same qualification to be earning more than \$40,000. The difference is especially evident amongst those with vocational qualifications, indicating the substantial social advance that election or appointment to union officialdom represents for such workers when compared to those from better-educated backgrounds. Again, indicating that union officials reflect broader trends in the work force, female officials fared worse than males for each level of educational achievement.

With professional qualifications as well as contacts in business and politics, union officials are well placed to seek lucrative career opportunities. In recent years the phenomenon of senior union officials pursuing parliamentary careers has been most evident in the political ascendancy of three ACTU figures, Bob Hawke,

Ralph Willis and Simon Crean. The trend continues in the mid-1990s, with Pat Staunton joining the NSW Upper House in 1995 and Jennie George slated to enter the Senate.

Over the past 80 years there has also been a steady flow of senior union officials to positions in the industrial tribunals. In 1992, three of the 21 Industrial Relations Commission (IRC) deputy presidents were former employees of the ACTU and four others had union backgrounds.¹¹ Their salaries in 1994 were \$143,000. In April 1994, they were joined by Iain Ross, who at the age of 35 went directly from the ACTU assistant-secretaryship to presidency of the newly-created Enterprise Bargaining Division of the IRC and senior vice-presidency of the Commission itself (at a salary of \$155,000). Eighteen of the 42 Commissioners (salary \$100,000) in 1993 also had a union background.¹²

Then there are those who go to work for the capitalists themselves, such as Garry Weaven (then ACTU assistant secretary) who took up a post managing superannuation funds for Westpac in 1990. Four years later, Michael Easson, secretary of the NSW Labor Council, quit his union job (having failed to win parliamentary pre-selection) to work as adviser to Sydney law firm Corrs Chambers Westgarth. These are well-known union figures from the ALP Right, but business can also lure some from the Left. Bruce Hartnett, former ACTU research officer, became a manager at ICI and then a senior manager at the National Australia Bank. Anne Sherry, formerly an organiser for what is now the Community and Public Sector Union, became head of the Office for the Status of Women, and is now a Chief Manager at Westpac.

Not all officials either desire or are able to make this transition. Some face black listing by employers, while others are not prepared to move into the business world. Although we lack comparable data on Australian unionists, New Zealand attitudes are unlikely to be much different. One half of New Zealand officials surveyed by Michelson reported that they would not consider a management position, largely because of their commitment to the labour cause. Nonetheless, a large minority (about 40%) would take a management position and/or are sympathetic to those who do.¹³

The growing profile of the union officialdom within the labour movement can partly be measured by their growing number, with the ACTU's own staff complement increasing from 15 to 56 during the 1980s.¹⁴ The 1991 Census gives union staff numbers as 7,519, up from 4,316 in 1976.¹⁵ Of all union staff in 1991 only 4,306 (57.3%) are officials. However this figure is still likely to be much higher than in 1976.

The true significance of the growing number of union officials can only be demonstrated when we contrast it with the number of union members. Union membership in 1991 was approximately 2.6 million.¹⁶ Working on this figure and the 4,306 trade union officials recorded in the Census, we arrive at a figure of 1.7 officials per 1,000 members. This represents a sharp increase compared to previous surveys in 1978, 1979 and 1984, which found 0.80, 0.83 and 0.81 officials per 1,000 members respectively.¹⁷ By comparison, British unions in the late 1980s had between 0.21 and 0.36 officials to cover each 1000 members.¹⁸

According to data presented in the 1994 ACTU National Union Directory, eleven of Australia's largest unions (accounting for two thirds of total union membership) employed 3,184 full-time staff (of all types) in January 1994.¹⁹ The average large union in Australia today therefore has more than 150,000 members and nearly 300 staff, or 1.8 staff for every 1,000 members. The ratio tends to be higher in unions covering predominantly white-collar office or para-professional employees. The education union, the main service-sector union, and major public servants' unions (AEU, ASU, PSU and SPSF) all have more than 2.2 officials per 1,000 members. This figure is higher than in the traditional blue-collar unions or in those covering workers in the retail and hospitality sectors, which have 2.0 or fewer staff per 1,000 members.

The *gap* between the union leadership and the rank and file appears to be widening: in the past two decades the tendency towards remoteness from the membership and attendant social conservatism has been exacerbated by a process of 'middle-classing' and a greater concentration of power in the hands of senior officials, particularly in the context of the ALP-ACTU Accord.

The union hierarchy's increasing social distance from the ranks is indicated by educational qualifications and work experience, when contrasted both with the previous generation of union officials and with union members. Traditionally, most men who became officials left school at the earliest age: in 1970, 81% of West Australian full-time officials surveyed by Dufty had left school by the age of 15. By 1977, the figure had

dropped to 59%, but even as late as 1985, the majority of NSW union secretaries responding to an academic survey had left school at this age. We also know most officials had 'worked at the tools' for the majority of their early life, only becoming full-time officials after several years in the work force. A 1977 survey of WA officials, for example, found that one third had become officials when aged 41 or more, and three quarters had at least 11 years work experience.²⁰ More recently this has begun to change. Anecdotal evidence suggests that in the 1980s significant numbers who first took office in the post-war decades retired and were replaced by university graduates. The Census data reveal that for every major age cohort, union officials in the 1990s had left school later relative to the work force at large. For example, while two thirds of officials aged between 25 and 40 had left school aged 17 or 18, the figure for the work force was less than one half. The disparity is most evident amongst younger officials, suggesting a growing differentiation between themselves and the membership.

Union officials in every age group and of both sexes are much more likely to possess a university degree or diploma of some kind, and somewhat more likely to have a basic vocational certificate than are the work force at large, but they are less likely to possess a skilled vocational qualification or to have no post-school qualifications. Older officials are much more likely to have left school early, with two thirds leaving at age 15 or 16, compared with only one third of those aged 25 to 40. Part of the difference may be due to changing school leaving ages, but the data still suggest that the new generation of union officials are a step ahead of their predecessors. This trend is particularly evident amongst men: younger male officials are twice as likely to have undergraduate degrees or diplomas as their older colleagues.

Regarding work experience, an analysis of the 36-member ACTU Executive as at January 1994 is instructive.²¹ The typical ACTU Executive member is a man in his 40s who became a full-time official in his mid to late 20s, and has been an official for most of his working life. Four of the five leading ACTU figures in January 1994 had between them no more than six years' work experience after graduation from university before becoming union officials — the President and Secretary had none whatsoever. The fifth, Bill Mansfield, did complete a four-year apprenticeship as a technician. Other Executive members who had no more than five years work experience before becoming full-time union officials included two of the six ACTU vice-presidents, three of the five state branch representatives, but only three of the 17 industry group representatives. This trend is continuing with the channelling of ALP student activists into research and organiser positions within the unions. Lacking a base among members on the job, these young officials must rely on patronage from incumbent officials to further their careers, and will be less likely to respond to rank and file concerns.

The tendency towards a concentration of power in the upper echelons of the union officialdom is enhanced by union amalgamations. Kim Moody has argued in the American context that amalgamation of unions with memberships of dissimilar industrial or occupational backgrounds places full-time officials in a dominant position, as they become the only people with a complete overview.²² He points to the United Auto Workers, covering both Detroit factory workers and Harvard University clerical staff, and argues that the ability of rank and file members to hold their leaders accountable is much diminished. In Australia, the amalgamation process of the 1990s has thrown together workers from equally disparate backgrounds: for example the main metal trades union now covers surveyors, food preservers and printers.

Finally let's consider sex and ethnic background. Women and migrants from non-English speaking backgrounds continue to be under-represented. There has been a strong emphasis since the 1970s on migrants' needs: bulletins and newspapers appear in various languages, migrant liaison officers have been appointed in key manufacturing unions, and unions are often strong advocates of multiculturalism. Yet as of the 1991 Census, union officials still were more likely to be Australian-born, and amongst older union officials, British- and Irish-born, than the population at large. While individual unions have made some progress, there appears to be no overall tendency for Australian unions to employ more from non-English speaking backgrounds now than in the past: their under-representation is consistent across all age groups.

The situation for women in the officialdom is also unsatisfactory, though it may be slowly changing. Census data show that, despite comprising less than one half of total union staff, men account for two thirds of all those in the top three categories (managers, professionals and para-professionals), while women account for nearly 90% of all clerical staff. Nearly 80% of all males employed in trade unions are in the top three categories, as against just over one third of all females. In 1991, women accounted for only 13% of branch

secretaries of unions in Victoria, despite constituting 40% of the unionised work force in that State. Even where women made up between 50% and 70% of the membership in a given Victorian union, the secretary's position was twice as likely to be held by a man.²³

Gender segmentation may, however, be declining. The number of women working for unions more than doubled between 1976 and 1991, from 1,884 to 3,993, raising their share within union staff from 46% to 52%. Moreover the disparity between males and females in the top positions declines the younger the union officials concerned are. Advances by senior officials, such as Anna Booth (TCF union), Jennie George (Teachers/ACTU) and Wendy Caird (public sector), also suggest a longer-term improvement in the position of women working for unions.

While there have been some changes for women, therefore, union officialdom still displays continuing problems in terms of gender and ethnic balance. In an era where women and migrant groups have a high profile in the labour movement this is another indication of its isolation from the rank and file.

The Labor Party, unions and reformist politics

As union officials came to constitute a distinct layer in late 19th Century Australia, they began looking for more effective political representation. The creation of the ALP at the turn of the century was a product both of the *strength* of the working-class movement, in that workers voted en masse for their own class-aligned party, but also of its *weakness* in that strike defeats in the early 1890s had sapped their ability to mobilise on the ground and allowed reformist union officials and politicians to dominate the political agenda.²⁴ Just as the consolidation of stable unionism threw up the full-time officials, so early successes for the ALP created a breeding ground for a new cadre of Labor MPs, who notionally represent the working class rank and file while in fact acting as a prop for the existing class system.

The fortunes of the party and the unions are inextricably linked, with unions providing between 50% and 75% of the delegates to State conferences. Even in the white-collar sectors more than half of all union officials are members of the ALP. However, the parliamentarians also have their own independent interests, and this generates tension in their relationship, as Phil Griffiths explains:

... between the union officials and the politicians there is both a mutual dependence and a permanent tension. Although they are both part of the same labour bureaucracy, their social roles are quite distinct — the officials, resting on the workers at the point of production, mediating directly between them and the bosses, whilst Labor is a whole step removed from this, representing the officials (not the workers) inside the state machine, at the same time acting as an arm of the state (and the ruling class generally) within the labour movement.²⁵

The much closer integration of parliamentarians within the state machine means that Labor representatives are much less likely to respond to pressure from below than are union officials. This is reflected in their lifestyles and ambitions. Even the most junior federal parliamentarian was paid a salary of nearly \$75,000 in 1994 and received an electorate allowance of between \$25,000 and \$35,000, plus other allowances. Further up the scale, ministers were paid nearly \$125,000, and the Prime Minister, who liked to boast of his humble Bankstown origins, received more than \$185,000 for his services.²⁶

The social circles in which MPs mix also change more markedly. Cabinet ministers mingle with the top echelons of society and live in desirable suburbs, while Bob Hawke lived at the exclusive Ritz-Carlton Hotel in Sydney after leaving the Lodge. Attendance at society functions and weddings becomes natural for senior politicians and their spouses, and in the 1980s cordial relationships between prominent Labor figures and entrepreneurs Sir Peter Abeles and Alan Bond were much discussed.

Senior Labor MPs frequently join the business sector themselves, sometimes even before they leave Parliament. In 1994, the Prime Minister's financial interest in a piggery was rarely out of the news. Once retired they join boards of businesses in both public and private sectors, earning directors' salaries of up to \$30,000 for attending no more than half a dozen meetings a year. In 1994-95, retired Cabinet Ministers Graham Richardson and Ros Kelly took senior advisory positions with Kerry Packer's Australian Consolidated Press and mining company Normandy Poseiden respectively. Some Labor politicians are even

tempted by more covert forms of enrichment. In the 1980s and early 1990s, fall-out from the WA Inc corruption scandal led to a series of senior West Australian MPs, including the Premier and Deputy Premier, appearing in courts or even going to prison.

All of these characteristics were evident from the earliest days and reflect the nature of the party itself. Labor MPs, who seek to manage the capitalist state, have to prove their loyalty to the status quo if they are to be allowed close to the system's engine room, and this erodes their allegiances to those who voted them into office. They often explain this in terms of representing the 'whole nation' rather than just 'sectional interests'. The problem is that in capitalist society the interests of 'the nation' invariably resolve themselves into the interests of its richest section. As Humphrey McQueen argues:

A primary manifestation of [ruling class] hegemony is the belief that the interests of society as a whole are identical with the interests of the rulers of that society ... It is this domination, rather than the cruder techniques of large salaries and imperial honours, that ensures the subordination of the Labor Party.²⁷

Labor MPs who turn their backs on the needs of their working class voting base must take steps to remove themselves from the discipline of the rank and file ALP membership. This subversion of democratic process has been evidenced since 1983 by the leadership over-riding Party policy on issues as diverse as uranium mining, university fees and East Timor.

Just as has occurred within union officialdom, there is a growing tendency for the origins of Labor MPs to diverge from those of their voting base. Starting in the mid- to late 1960s the ALP has experienced a rapid middle-classing of its individual membership (as opposed to its union-affiliate membership). Once overwhelmingly proletarian, Labor Party membership is now dominated by people from professional occupations. Andrew Scott's data from NSW show that while white collar and professional employees have become more significant in the work force at large, ALP membership changes '*far exceeded* the occupational shifts in the State's population' (emphasis in original) and 'a professional is currently more than three times as likely as a manual worker, and five times more likely than a salesperson, personal service employee or clerk, to participate at the ALP's most basic levels'. The middle-classing of the Labor Party is even more advanced in the case of Labor *parliamentarians*, with MPs from professional backgrounds outnumbering those from manual origins nine to one.²⁸

Laborism since 1983

The existence of separate layers of union officials and Labor politicians is reflected in the realm of ideas. Chapter 2 discussed reformism (sometimes called 'Laborism') as the dominant set of ideas in working class politics. The union and ALP leaderships share this ideology, and are important agents for producing and reproducing it. This is because they have an interest in maintaining the status quo. Without an organised working class movement, they would be out of a job; at the same time, without the existence of class society there would be no need for class organisation, and thus no need for union officials. The labour bureaucracy therefore accepts the existence of classes, but generally plays down or denies the need for class conflict, preferring to argue that workers and employers have common interests. Thus the recent ACTU-endorsed strategy document *Unions 2001* declares that 'Australian workers and Australian capital have a joint interest in national wealth creation' and calls for a new workplace culture based on the 'win/win principle of mutual benefits'.²⁹

What this means in practice is evident from the experience of the Hawke and Keating Governments. Under the ALP-ACTU Accord, union and ALP leaders have collaborated to ensure wage restraint and industrial peace during substantial industry restructuring and two significant recessions. Within the labour movement, the Accord was sold as a means of improving social welfare and job prospects, while employers were offered an opportunity to increase profits and to expand their businesses.³⁰ This sounded attractive when the Accord was signed in 1983 in the context of 11% unemployment, and a union movement devastated by redundancies and anxious to defeat the conservative Fraser Government. Union leaders joined several tripartite bodies including the Economic Summits, the Economic Planning Advisory Council (EPAC), the Australian Manufacturing Council and eleven Industry Councils: by 1985, 60% of NSW union branch secretaries and

assistant secretaries were members of such advisory committees.³¹ Involvement in these committees dramatically reinforced the conservative tendencies among union leaders, as EPAC explained:

The character of union leadership is undergoing transformation. The need for careful management of the rate of growth of labour costs has become more accepted ... Much greater awareness is also emerging of the role of productivity growth, technological change, capital investment and foreign competition in determining future levels of wages and family incomes.³²

Initially the Accord seemed to yield some positive results for workers. The world economy picked up in the early 1980s and Australia recovered quickly: employment grew by 3% each year, and unemployment fell from 10% to 6% in the mid- to late 1980s.³³ Nonetheless, even in this period of relative prosperity, the benefits went predominantly to business and the wealthy. Between 1983 and 1988 profits rose by at least 25% each year, while company taxes were cut from 49% to 39%. The fortunes of the *Business Review Weekly* 'Top 200' rose from \$7.3 billion to a massive \$36.7 billion while award wages fell. Summarising the experience of the 1980s even before the recession took hold, long-time Labor Party member and academic Graham Maddox concluded that Bob Hawke had

presided over an economy in which, as the fortunes of our richest people rose and fell by hundreds of millions of dollars and entrepreneurs made millions in *overnight* deals, poverty traps closed sharply over the unemployed and the employed poor and propertyless pensioners despaired over an inadequate subsidy.³⁴ (original emphasis)

Then came the recession of 1990-92. Unemployment increased sharply to 11%, and the number who had been unemployed for more than one year rose to 370,000. The recovery officially started in early 1992 but the business sector again benefited disproportionately: company profits doubled from 1992 to 1994 while corporate taxes were cut further. Annual salary and benefits packages for top executives increased from an average of \$400,000 to \$800,000 between 1989 and 1994. Meanwhile, unemployment remained stuck at about 8-9%. Part of the problem was that union promotion of increased workplace productivity and 'Best Practice' working methods undercut the need for business to put on more staff as order books filled.

Work intensification has been a consistent theme of the past decade. One Government study has measured the changes in employment and productivity at all of the major government enterprises (such as Telecom, the waterfront and the electricity boards) in the five years to 1992-93. This reported productivity increases sometimes topping 100% alongside massive jobs cuts of up to 50%.³⁵ A similar situation prevailed in the private sector. At BHP's steel division, subject of a five-year Government industry plan in 1983, employment fell by more than 40% while productivity tripled. After decades of decline, average working hours began to increase, with much of the rise representing unpaid overtime performed by workers scared of being selected for the next round of redundancies.³⁶

The Accord's backers within the labour movement had promised that centralised wage determination would protect the weak from market forces and employer attacks. But since 1987 there has been a steady erosion of award standards and an increased emphasis on 'dog-eat-dog' in the labour market sponsored by the ALP Government and ACTU. This culminated in the 1993 Industrial Relations Reform Act, which signalled an intention to phase out awards, to eliminate common conditions for people doing the same work, and to allow employers to use the threat of non-union agreements to batter down conditions. In practice enterprise agreements have commonly resulted in longer working hours, increased shift work, reduced penalty rates, more casual and part-time work, fragmentation of workplace unionism and redundancies.³⁷

To pressure workers into enterprise bargaining, the Government and employers kept safety-net wage increases minimal and infrequent. This did not, however, satisfy business interests. Encouraged by Government and ACTU promotion of enterprise-based agreements, employers in the mining and banking industry increasingly began to push a union-busting agenda of individual contracts in 1994-95.³⁸

A further consequence of the Accord has been a concentration of union power in the hands of the ACTU, which has policed union activities lest industrial action and wage claims outside Accord commitments jeopardise commitments given centrally.³⁹ The Builders Labourers Federation and the Federation of Airline

Pilots were nearly annihilated with the help of the ACTU because they refused to play by the rules. The ACTU was rewarded by the Government and the Industrial Relations Commission, which accorded it the right to represent the interests of all trade unions in formulating industrial and economic policies.⁴⁰ Its secretary Bill Kelty and Treasurer Paul Keating made deals without reference to union members.

In summary, the Accord has shifted politics to the right, has further disempowered rank and file workers while undermining their jobs and conditions, and has encouraged employers to make still more ambitious claims.

The demise of unionism?

The situation is paradoxical: well into the second decade of an ALP Government, the proportion of workers in trade unions is the lowest since the 1940s. ‘At a time when we are more popular than ever in the boardrooms and cabinet rooms,’ says former Victorian Trades Hall secretary John Halfpenny, ‘we are less popular in the workplace.’⁴¹ The labour movement confronts three crucial questions: are trade unions disappearing; what is the cause of declining union density; and how can it best be reversed? In successive ACTU conferences, the problem has been addressed, often in the most catastrophic terms. *Can Unions Survive?*, a report to the ACTU, said union organisation could fall to 25% of the work force by the year 2000.⁴² In early 1995, *Unions 2001* warned that urgent action was required.

It is true that the growth of the work force has outpaced the growth of union membership over the past 20 years. A common explanation points to the changing structure of the work force: stagnation or decline in heavily-unionised public-sector and manufacturing industries, and growth in private-sector services.

The ACTU has taken five steps to address the problem.⁴³ First, it encourages unions to promote themselves as marketers of services (discounts on airfares or health insurance) rather than organisers of labour. The premise is that ‘traditional’ methods of improving members’ living standards through industrial action will deter white collar workers from joining and that the latter are best approached as consumers. The second step is the employment of several hundred young organisers to recruit young workers, especially in private-sector white-collar jobs.⁴⁴ Third, the ACTU has sought to rationalise the movement by reducing 300 unions to 20 super-unions. The rationale is that amalgamated organisations will have the financial and membership clout to offer better services. Fourth it has launched a public relations campaign aimed at an audience of politicians, business leaders, financial institutions, academics, lawyers and journalists. The ACTU’s glossy magazine *Workplace* extols enterprise bargaining and workplace reform to convince employers that unions are good for business. A fifth strategy, which began to emerge in early 1995 with debate around *Unions 2001*, was for unions to encourage workplace activism — both to meet the demands of enterprise bargaining and to demonstrate to employers at a local level that unions could and should be fully involved in restructuring to improve efficiency.

The first two measures are not just episodic tactics; they reflect a trend which Ed Heery and John Kelly call ‘managerial unionism’. The chief characteristics of this model are its emphasis on trade union officials playing a servicing role towards members, with members in the role of customers purchasing union products rather than active fighters for industrial demands. As a result,

union bureaucracy must become more managerial in its functioning, researching and monitoring employee needs, designing and promoting union services to match, and planning the organisation, training and deployment of its own human resources to support service delivery.⁴⁵

This managerial model requires appointed specialists in areas such as public relations or health and safety, and a high priority on officer training. It implies a shift in the internal power relations, with a greater decision-making role for union specialists and consultants. So while these tactics might help recruit a few thousand new members, essentially they are part of the bureaucratisation process — part of the problem rather than an effective solution. Amalgamations, the third measure being tried, also contribute to this process, and slicker public relations are unlikely to make a major impact, particularly if the message being promoted simply reinforces the pro-business logic which has alienated so many of the rank and file. This point was reinforced by a 1995 study of two large federal unions which suggested few members had used the

new consumer services, while union amalgamation had actually worsened union responsiveness and led to a growing remoteness of the union hierarchy.⁴⁶ Attempts to stimulate workplace activism do point towards a solution, but this is undercut both by bureaucratisation and by the pro-business policies around which such activism is supposed to revolve.

The key to declining union coverage has not been changes in the structure of the work force *per se*. Unions *can* recruit white-collar, service-sector, or part-time workers. For example, overall union density declined in the 1960s due to expanding employment in areas such as nursing, teaching and the public service, where unions had traditionally lacked influence. The rapid recovery of union membership in the 1970s, however, was based on the recruitment of such workers on a massive scale.⁴⁷ The most important reason workers join unions is to gain support if they have a problem at work and to improve their pay and conditions. The problem with the union recruitment program in the 1990s is that it is based on accepting wage restraint and work intensification. There is less incentive, therefore, for non-members to join.

Moreover, unions are failing not only to recruit but also to retain membership. De-unionisation results not just from government attacks but also from a hardening of employer strategies. All major employer groups have flagged their intention to undermine unionism and the award system. A substantial minority of employers now cite 'reducing union influence' as an important objective of enterprise bargaining. Whether they are successful, however, depends on unions themselves. David Peetz has found that in workplaces where unions are active on the ground and meeting workers' needs, anti-union tactics tend to fail.⁴⁸ Where unions falter it is because they fail to defend members' basic interests, a problem that will not be redressed by providing cheap health insurance. Where union policies lead to the scrapping of historic gains such as penalty rates, job protection systems and the eight-hour day, it is not surprising if workers vote with their feet.

To reverse the malaise, unions need to confront rather than collaborate with employers, fight to improve wages and conditions, and mobilise members for collective action. In addition, they need to reverse the trend towards centralisation of power at the top, and counter the erosion of democracy evident in the professionalisation of the union apparatus. Finally, they need to become independent of Government economic and industrial policies.

Prospects for revitalisation

The discussion so far might make the decline of union strength appear so inexorable, and the grip of bureaucracy and reformist politics so tight, that no alternatives are possible. Yet alarming though the decline is, it is not unprecedented or irreversible. There have been other times in the past century when falling union membership has been turned around. Moreover the problem of bureaucracy must be set against the continuing pattern of rank and file activity outlined in the previous chapter, including dissent against and resistance to official policies.

Even during the first few years of the Accord there was some resistance to the ALP/ACTU strategy, although episodes of dissent involving the Builders Labourers Federation and individual union officials (such as those in the Telecom technicians union) were easily marginalised. There were also times when dissatisfaction with declining real wages led workers to vote for new officials, for example in the Transport Workers or Federated Clerks. Still, it was not until the 1990s recession that the political climate began to change. Although overall strike levels have kept falling and most officials have clung to office, it seems clear that working class dissent has grown during the 1990s.

One important manifestation is resistance to enterprise bargaining. In the first half of the 1990s, a significant minority of proposed agreements were rejected or were opposed by large minorities of workers.⁴⁹ Workers at Toyota's Port Melbourne plant, for example, rejected their union's proposed enterprise agreement four times in 1992. At BHP, workers struck nationally in March 1993 for the first time in 10 years to press for the company to fulfil its promises to pay increased wages arising out of an earlier enterprise agreement. Other areas of resistance included Telecom, Franklins' warehouses and NSW firefighters. Members of the NSW Public Services Association succeeded in winning large pay rises without conceding trade-offs, while Federal public servants in some key departments waged long campaigns to reject agreements. A second manifestation was the mass resistance to Victorian Liberal Premier Jeff Kennett's cutbacks and sackings.

Perhaps a million workers took strike action in late 1992 while up to 250,000 rallied in the streets. Forced to respond to the changing climate, union leaders stepped back slightly from their endorsement of the Government's economic and industrial agenda in 1993-94, resulting in attacks on the 1993 Budget and frequent criticisms, especially by the Transport Workers' Union, of enterprise bargaining at ALP and ACTU forums.

The growing gap between union officials and rank and file workers may itself open up opportunities for militant oppositional currents to grow. When union officials primarily rose through the ranks, they had an intimate knowledge of their industry and had usually consolidated a base of support amongst workplace activists. Such a base could be used to win a hearing in workplaces and at mass meetings. If the new generation of union officials lack such knowledge and connections, this may impede their ability to fend off oppositional challenges. Anecdotal evidence suggests that in the first half of the 1990s few officials at mass meetings could rely on rank and file members to speak in their support. In a period when workplace activists lack confidence, the official line still generally prevails. But if the climate changes the officials may lose control as a fresh wave of rank and file militants seizes the agenda.

To fundamentally transform the situation would, however, require more than discontent. It would take both a revival of industrial militancy and the emergence of at least some elements of an alternative industrial and political leadership. A look at past occasions when unionism has revived can give us some appreciation of the possibilities.

Workers' organisations were shattered by depression and industrial defeat in the 1890s, with union density falling from around 20% to below 5% of the work force. As a result, employers could refuse even to negotiate with unions. Yet by 1901 union membership had begun to rise again. In 1911 density was 28%. The revival is sometimes attributed to the arbitration system, but Peter Sheldon has identified other, more relevant factors. These include economic growth but also the active intervention of forces determined to rebuild. He cites the NSW Labor Council's active fostering of new unions, initiatives by skilled workers to organise the unskilled, and the efforts of rank and file militants. Some of the latter operated inside existing structures, others such as the Industrial Workers of the World sought to create revolutionary alternatives, but 'the efforts that the militants of both tendencies put into job-level organising and propaganda flowed into the membership statistics of the existing unions.'⁵⁰

New defeats in the late 1920s, followed by mass unemployment during the Great Depression, left the unions severely demoralised in the early 1930s. Union density fell by over ten percentage points. It fell to the growing Communist Party to rebuild many unions, which they accomplished with a combination of radical politics offering an alternative to the Labor Party and rank and file organising through the Minority Movement.⁵¹

The growth of unionism among white collar and professional workers in the 1970s displayed some similar features. This occurred against a background of blue collar militancy, in which Communist and left ALP unionists played an important role. Within organisations such as teacher and public service unions, these currents also had some importance but they were complemented by a generation of 'new leftists', many of them former students who had absorbed radical politics through campus and anti-war struggles or the women's liberation movement.⁵²

In some of these cases new working class leaderships emerged. In others, the existing leaderships were obliged to alter policies and lift their game. Either way, the lesson from history is that improving the prospects of the Australian labour movement will require some combination of dissent, militancy and alternative politics.

References

¹ A note on definitions: Ron Callus divides union employees into four categories: *executive officers* (secretaries, assistant secretaries and presidents), *organisers*, *salaried experts* (in such fields as law or health and safety) and *office staff* (secretaries, clerks, etc). R. Callus 'Employment characteristics of full time union officials in NSW' *Journal of industrial relations* 28 (3) 1986. This chapter is concerned with the first three categories, although the data do not always allow us to clearly differentiate them from the fourth.

² G. Cleghorn 'Hawke off to keep things cool' *The Age* 14 November 1975.

- ³ M. Stutchbury 'Pilots' dispute aside, the Accord is holding up remarkably well' *Australian Financial Review* 13 September 1989.
- ⁴ R. Hyman *Marxism and the sociology of trade unionism* Pluto Press, London 1971 p 37.
- ⁵ A. Gramsci 'Unions and councils' in A. Gramsci *Selections from political writings, 1910-1920* International Publishers, New York 1977 p 93.
- ⁶ C. Wright Mills *The new men of power: America's labor leaders* Harcourt Brace, New York 1948 p 8-9.
- ⁷ See G. Griffin and V. Scarcebrook 'The dependency theory of trade unionism and the role of the industrial registrar' *Australian Bulletin of Labour* 16 (1) 1990 p 21-31.
- ⁸ E.W. Campbell *History of the Australian labour movement: A Marxist interpretation* Current Book Distributors, Sydney 1945 p 53.
- ⁹ *The Age* 27 December 1993.
- ¹⁰ Census data on trade union officials are tabulated and presented in their full form along with a discussion of data sources in T. Bramble 'Deterring democracy? Australia's new generation of trade union officials' *Journal of Industrial Relations* (forthcoming).
- ¹¹ 'Bias or balance? Anatomy of the IRC' *Workplace* Spring 1992 p 6-10.
- ¹² These figures include both primary appointments to the Industrial Relations Commission and dual appointments with state tribunals. Data on income is from the Commonwealth Remuneration Tribunal.
- ¹³ G. Michaelson 'New Zealand under the Employment Contracts Act: Career attitudes' *Labour and Industry* 5 (3) 1993 p 137-56.
- ¹⁴ G. Griffin 'The Authority of the ACTU' Department of Management and Industrial Relations Working Paper 80, University of Melbourne 1994 p 4.
- ¹⁵ Data from Censuses from the year in question.
- ¹⁶ This figure is given in ABS 6325.0 *Trade union members Australia*, derived from household surveys rather than union records. But even if the latter, higher, estimate is used the general trend is not altered.
- ¹⁷ Figures cited in M. Rimmer 'Union shop floor organisation' in B. Ford and D. Plowman (eds) *Australian unions: An industrial relations perspective* Macmillan, Melbourne 1983 (from a Trade Union Training Authority survey); L. Cupper 'A profile of white collar union officials' in *ibid*; and R. Callus 'Employment characteristics of full-time trade union officials in NSW' *Journal of industrial relations* 28 (3) 1986. Cupper's figure of 0.80 for white collar unions is itself a significant increase on the figure of 0.50 which obtained in 1968.
- ¹⁸ E. Heery and J. Kelly 'Full-time officers and shop steward networks: Patterns of co-operation and interdependence' in P. Fosh and E. Heery (eds) *Trade unions and their members: Studies in union democracy and organisation* Macmillan, Basingstoke 1990 p 86.
- ¹⁹ Data are presented in full in Bramble 'Deterring democracy?' op cit.
- ²⁰ N. Duffy 'The characteristics and attitudes of full-time union officials in Western Australia' *British Journal of Industrial Relations* 18 (2) 1980 p 173-86.
- ²¹ Table listing key demographic details is provided in Bramble 'Deterring democracy?' op cit and is sourced from 'Priorities towards 2000: A complete guide to the ACTU Executive' *Workplace* Summer 1994 and personal interviews.
- ²² K. Moody *An injury to all: The decline of American unionism* Verso, London 1988.
- ²³ M. Nightingale *Facing the challenge: Women in Victorian unions* Victorian Trades Hall Council, Melbourne 1991 p 34.
- ²⁴ See B. Pocock 'Women in unions: What progress in South Australia?' *Journal of Industrial Relations* 37 (1) 1995.
- ²⁵ See R. Markey *The making of the Labor Party in New South Wales* University of New South Wales Press, Sydney 1988.
- ²⁶ P. Griffiths 'The social roots of the Labor tradition' *The Socialist* December 1989 p 12.
- ²⁷ The exact figures for salaries are \$74,460, \$123,508 and \$186,629 respectively in January 1995 (Source: Remuneration Tribunal).
- ²⁸ H. McQueen *A new Britannia* Penguin, Ringwood 1988 p 251.
- ²⁹ A. Scott *Fading loyalties: The ALP and the working class* Pluto Press, Sydney 1991 p 25, 37, 46. See also D. Jaensch *The Hawke-Keating hijack* Allen and Unwin, Sydney 1989 p 51.
- ³⁰ Evatt Foundation *Unions 2001: A blueprint for trade union activism* Sydney 1995 p 283, 83.
- ³¹ There is now a substantial literature on the Accord, both critical and supportive. See for example M. Burford 'Prices and incomes policies and socialist politics' *Journal of Australian Political Economy* 14, 1983; G. Dow, S. Clegg and P. Boreham 'From the politics of production to the production of politics' *Thesis Eleven* 9, 1984; M. Ogden 'The Accord: Intervening to deepen the democratic process' *Australian Left Review* 90, 1984; L. Ross, T. O'Lincoln and G. Willett *Labour's Accord: Why it's a fraud* Socialist Action, Melbourne 1986; F. Stilwell *The Accord and beyond* Pluto Press, Sydney 1987; T. Bramble 'Award restructuring and the trade union movement: A critique' *Labour and Industry* 2 (3) 1989; B. Dabscheck *Australian industrial relations in the 1980s* Oxford University Press, Melbourne 1989; G. Singleton *The Accord and the Australian labour movement* Melbourne University Press, Melbourne 1990; P. Ewer et al *Politics and the Accord* Pluto Press, Sydney 1991. See B. Mansfield 'Trade unions and the challenge of change' in M. Costa and M. Easson (eds) *Australian industry: What policy?* Pluto Press, Sydney 1990 for a summary of ACTU strategy at the turn of the decade.

- ³¹ Callus 'Employment characteristics ...' op cit p 417.
- ³² Cited in C. Johnson *The Labor legacy: Curtin, Chifley, Whitlam, Hawke* Allen and Unwin, Sydney 1989 p 105.
- ³³ M. Eaton and F. Stilwell 'Ten years hard Labor' *Journal of Australian Political Economy* 31, 1993.
- ³⁴ G. Maddox *The Hawke government and the Labor tradition* Penguin, Ringwood 1989 p 5.
- ³⁵ Steering Committee on National Performance Monitoring of Government Trading Enterprises *Second Annual Report* Australian Government Publishing Service, Canberra 1994.
- ³⁶ See *The Australian* 6 March 1995.
- ³⁷ The path to enterprise bargaining and its outcomes are considered in Bramble 'Award restructuring...' op cit and T. Bramble *Enterprise bargaining: A no-win game for workers* Bookmarks, Sydney 1994.
- ³⁸ 'Employers in award push to bypass unions' *The Australian* 5 April 1995.
- ³⁹ For more on this aspect see Griffin 'The authority of the ACTU' op cit.
- ⁴⁰ *ibid* p 10.
- ⁴¹ *The Australian* 11 July 1994.
- ⁴² P. Berry and M. Kitchener *Can unions survive?* Building Workers Industrial Union, Canberra 1989. ACTU tactics were discussed fully at the 1991 Congress: see ACTU *Organisation, resources and services of the trade union movement* Conference Policy 1991.
- ⁴³ See Evatt Foundation *Unions 2001* op cit.
- ⁴⁴ 'The new breed' *Workplace* Summer 1994.
- ⁴⁵ E. Heery and J. Kelly 'Professional, participative and managerial unionism: An interpretation of change in trade unions' *Work, Employment and Society* 8 (1) 1994 p 7.
- ⁴⁶ G. Hanley MA Thesis Department of Economics, Deakin University reported in *The Australian* 21 March 1995.
- ⁴⁷ S. Deery and D. Plowman *Australian industrial relations* McGraw-Hill, Sydney 1991 p 225.
- ⁴⁸ D. Peetz 'Australian unions on the American road? Employer strategy, structural change and de-unionisation' paper presented to the Association of Industrial Relations Academics of Australia and New Zealand, Royal Melbourne Institute of Technology, Melbourne 1995.
- ⁴⁹ Bramble *Enterprise bargaining* op cit.
- ⁵⁰ P. Sheldon 'Arbitration and union growth: Building and construction unions in NSW, 1901-1912' *Journal of Industrial Relations* 35 (3) 1993 p 396.
- ⁵¹ See T. O'Lincoln *Into the mainstream: The decline of Australian communism* Stained Wattle Press, Sydney 1985 p 42-45.
- ⁵² See M. Simms *Militant public servants: Politicisation, feminisation and selected public service unions* Macmillan, Melbourne 1987.