

Managers of discontent

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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. 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 became a conservatising layer which accepts the existing order and tends to restrain workers from militant struggles which might challenge it. This chapter considers the characteristics of the labour movement bureaucracy in the trade unions and Labor Party.

The union bureaucracy

When workers come into conflict with their employers, their industrial action can force management to enter into negotiations, leading to agreements (or industrial awards) specifying wages, hours and working conditions. As collective bargaining and arbitration 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 general 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. Over time this layer of negotiating officials has developed into a labour movement bureaucracy which in modern Australia consists of the unions senior officers (secretaries, assistant secretaries and presidents), field staff (organisers), and professional advisers (lawyers, economists, health and safety specialists etc).¹

Traditionally most union officials have hailed from the same blue-collar constituency as their members, sharing many of the same life experiences until becoming officials. Most have come from working-class families, had limited formal education and worked in traditionally blue-collar occupations for a number of years before becoming paid officials.² Since the 1970s, however, the social origins of union officials appear to have become increasingly detached from those of rank and file union members, with many no longer working in industry for a decade or two before becoming organisers. A much larger proportion of union officials nowadays possesses a university education and is appointed into union positions on graduation. In 2001, 39.4 per cent of union officials had a university degree or higher degree, compared to only 23.3 per cent of full-time workers.³

Union leaders must, to some degree, satisfy their political constituency, the members of their unions. Failure to do so risks their hold on office as they may be defeated in elections, may lose control of the union due to an internal revolt, or may over time lose their power base as members simply quit, possibly to join rival unions. The fact that they have to respond to their base means that there are important pressures from below on union officials. These limit the conservatism of even the most hidebound of officials and opens up space for arguments in favour of militancy. How much officials actually do respond depends partly on how remote they are from the rank and file. Generally speaking, the higher up within the bureaucracy, the less likely they are to reflect and respond to members' needs. Thus the president of the Australian Council of Trade Unions (ACTU, the peak body of Australian unions), elected by ACTU conferences dominated numerically and politically by other paid officials, is more insulated from the rank and file unionists than is a branch organiser. In contrast, organisers must face members on a daily basis.

There are other pressures on union officials, however. When employers and governments deal with unions, by negotiating with rather than repressing them, they expect something in return: that the officials help maintain industrial harmony. During the crisis over the sacking of the Whitlam Government in November 1975, for example, the *Melbourne Age* warned that union leaders had a formidable responsibility to restrain unruly crowds of workers whose spontaneous strikes and rallies were threatening to roll back the ruling class attack on the ALP Government.⁴

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 is to sustain a delicate balance between grievance and satisfaction, between activism and quiescence.⁵ C. Wright Mills called the labour leader 'the manager of discontent'.⁶ Negotiations become a means to divert workers' grievances into stable channels, robbing them of their potentially explosive content.

Union 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, their pay and conditions are generally more congenial than those of the rank and file. Other than the top weekly income band of \$1,500 plus, where representation amongst union officials in 2001 was marginally lower than amongst all full-time employees (7.7 per cent as against 8.1 per cent), many more union officials were paid \$1,000 to 1,499 per week (38.3 per cent as against 17.0 per cent).⁷ They therefore have a material interest in avoiding a return to the workplace whence many have traditionally come.

These processes are further institutionalised by the legal framework of industrial negotiations. Many enterprise agreements, the arrangements that govern the conditions of employment for millions of Australian workers, contain dispute prevention clauses which prohibit unions from taking industrial action (strikes, work bans, go slows etc.) during the life of the agreement. The 1996 Workplace Relations Act, by stipulating that strike action is only protected from legal penalty during negotiations over a new agreement, further stymies the ability of workers to use their most powerful weapon, the strike. Union leaders must police their members to ensure that their organisations are not laid open to prosecution by the courts for breaching the Act.

Australian union leaders are also caught up in the finer points 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.⁸ Even in the 2000s, at a time when the tribunal system has been undermined by enterprise bargaining, union officials often use legal mechanisms rather than industrial action to defend or expand membership coverage. In return for state-sponsored protection, union officials are legally obliged to uphold industrial peace, that is to minimising strike and other direct action by members.

The fact that many union leaders are members, if not office-holders, in the ALP also affects their preparedness to wage struggles, particularly when these bring them into conflict with ALP governments. In June 2001, the Labor Council of NSW, on which the State's unions are represented, organised a mass picket of Parliament House in Sydney to protest attempts by the Carr Labor Government to wind back workers' rights to sue employers responsible for injuries at work. Just two days later, the Council signed an agreement with the Government that allowed it to push through the majority of its cuts to workers' compensation. In June 2004, the leadership of the Victorian branch of the Australian Education Union backed off at the height of an industrial campaign to win large pay rises, limits on workloads, contract teaching and class sizes, despite popularly supported strikes, stopwork meetings and rallies.⁹ They feared the dispute might cause a major rupture with the Labor State Government and jeopardise the ALP's election chances nationally.

To be sure, union officials 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. In both cases, however, the maintenance of their bargaining relationship with employers, is more important to them than winning disputes. In the late 1960s and 1970s, when working class self-confidence was high, the main threat to the bargaining relationship came from wildcat action by rank and file union members who chafed at the industrial leg-irons clamped on them by restrictive tribunals. Union leaders sought to put themselves at the head of worker militancy, the better to control it. In 1969, officials of left wing unions in Victoria led a virtual general strike to free one of their number, Tramways Union leader Clarrie O'Shea, from jail. A union pay push in 1974 notched up around six million strike days at a time when rank and file members were demanding wage rises to keep up with runaway inflation. At other times, union leaders cracked down hard on the membership revolt. Union leaders in the car industry, for example, were often called upon by government and employers to discipline their members and to get them back to work. For the most part, they were only too ready to oblige. As a result, the workers became almost as angry at their conservative union leaders as they were about the conditions of work in the factories.¹⁰

Since the late 1980s the balance of power between employers and union leaders has shifted. The main threat to the bargaining relationship now comes from employers. In the context of low levels of strike action and declining union membership, employers are increasingly tempted to force through their cuts to staffing and working conditions without first negotiating with union leaders. Lockouts have become an increasingly common feature of the Australian industrial landscape after virtually disappearing for the 40 years after the Great Depression.

This change in employer strategy presents the union bureaucracy with a grave threat as it challenges their role, just as much as a rank and file membership revolt. This can prompt union leaders to campaign actively for members to take action, including strikes. Nonetheless, for the officials the key issue is still maintenance of the bargaining relationship and their role in it, rather than working conditions. Thus union leaders present themselves as reasonable and offer to facilitate the changes sought by employers, if only the employers would deal them into negotiations. During the 1998 waterfront dispute, for example, from the moment that 1 400 waterside workers were sacked by Patrick Stevedores, the leaders of the ACTU and Maritime Union of Australia (MUA) repeatedly emphasised their willingness to grant the company the concessions in working practices and reductions in staffing that it wanted. From the perspective of the ACTU and MUA leaders, the primary threat posed by Patrick's was not the attack on jobs and working conditions but their own exclusion from negotiations. As soon as their position was secured following the Federal Court determination, these leaders negotiated away conditions of employment and jobs that had taken decades to establish.¹¹

Union officials are not a homogenous bloc. The right wing leadership of the Shop, Distributive and Allied Employees Association or the Australian Workers Union have a preference for sweetheart deals with employers. The left wing and more militant leadership of, for example, the Victorian and Western Australian construction unions are sometimes prepared to lead serious industrial campaigns in defence of union members' interests. Despite these differences, the structural position of trade union officials within capitalism sets limits on the actions of even the most militant of them. In the 1980s, virtually all union leaders supported the ALP-ACTU Prices and Incomes Accord, which did so much to undermine Australian unionism (see below). When a dissident minority of leaders emerges, the majority of union officials can close ranks to squeeze them out. In the 1980s, the Builders Labourers Federation was crushed by Labor governments at State and federal level, but this was only possible with the active assistance of other building unions and the ACTU.¹²

The predilection of union officials for conservative industrial tactics is reinforced by their material privileges. Union office is a traditional route to social advancement, both because the pay is

generally better than for ordinary jobs and because it opens up wider career prospects. On leaving the union movement, many officials go on to parliament or industrial tribunals. This is particularly the case in the higher ranks of the movement. Of the 35 members of the ACTU Executive in 1994, only eight were still on the Executive ten years later. These included one who became President; the other seven remained in their positions as national secretaries or presidents of their unions. Of the 27 who were no longer on the Executive, three became State or federal politicians, five joined the judiciary (mostly industrial tribunals), five became business directors or managers, four were appointed to senior management positions in public administration or government enterprises, four were still involved in unions at some level and two had died (one of the deceased, Jim Bacon, had been the premier of Tasmania). The last four either had other jobs or their subsequent employment was unknown. That is, only one-third of the ACTU executive in 1994 was still active in the union movement ten years on, even though almost all of them were still in the labour force.

Later in this chapter we discuss the material privileges of federal and State politicians. Former union officials who become industrial commissioners find their pay rising to more than \$150 000 a year, along with generous leave entitlements and other perks. Still cushier are positions in the private business sector. These were once out of bounds to many union officials, both because of an entrenched labour movement hostility to those working for the bosses and because employers would not hire former union leaders out of fear that they might still be pro-union. By the turn of the 21st century, literally dozens of former union officials worked for business. Far from labour movement connections being seen as a source of 'divided loyalties', the business sector now sees such connections as a commercial advantage. John Ducker and Michael Easson, NSW Labor Council Secretaries in the 1970s and 1980s, have served as directors on the boards of companies for which political leverage was crucial in winning government contracts or favourable legislation. Their counterpart in Victoria, former Trades Hall Council secretary Tricia Caswell, quit the union movement in the early 1990s and took a post as chief executive of the timber lobby group, the Victorian Association of Forestry Industries, in 2004. More junior union officials take positions in human resource management, consultancies, or law practices advising employers on how to undermine their comrades of yesterday.¹³

It is important to emphasise that union leaders' ambiguity about industrial action is not, first and foremost, the result of their desire for an easy life. Particularly at the lower levels of the bureaucracy, many union officials are dedicated to the ideals of the labour movement and work for modest salaries. Some face blacklisting by employers, many are not prepared to move into the business world.¹⁴ However, the personal worldview of individual officials is no inoculation against the influence of their environment and the social role that they play. Most end up following the logic of their position, or are squeezed out of office.

The Labor Party and reformism

As union officials came to constitute a distinct layer in late 19th century Australian society, they began looking for more effective political representation. The creation of the ALP 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. 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.¹⁵

The ALP is a bourgeois party, serving the needs of the capitalist class. In this sense it is the same as the Liberals and Nationals. Labor administrations take *office* but do not take *power*. They therefore lack the ability, even if they have the will, to bring in large-scale reforms. Labor may at times hold a majority in parliament, but parliament does not run the state (see chapter 2). Reform-minded governments have to adapt to the real power brokers in our society--the military, the bankers and industrialists, the judiciary, the public service heads, and media barons, all of whom are unelected and usually politically conservative. They can and do seek to manipulate governments of all shades.

These people are the capitalist class, the ruling class. They will always press for measures that benefit them, usually at the expense of workers.

Labor politicians capitulate to this pressure, in most cases long before they get into government. From pre-selection onwards they tend to accept only what is 'economically responsible'.¹⁶ They do this, because the alternative is a capitalist attacks on their government, in the form of investment strikes or flight of capital. Labor leaders also know that if they threaten to implement policies that harm business or fail to move fast enough to discipline workers, in the event of social unrest or economic crisis, their governments may also be sabotaged by the courts and the state bureaucracy. They know about the fates of the Chifley and Whitlam governments, discussed in chapter 1. Labor has always been prepared to accept responsibility for managing Australian capitalism.

As in the trade unions, there are left-wing and right-wing Labor leaders and factions, and their political alignment does make a difference. The Labor left usually demonstrates greater support for mass action by trade unions and social movements. The Socialist Left faction in the Victorian branch of the ALP, for example, played a very significant role in the Vietnam moratorium campaigns of 1969-71. More recently, the Labor left factions were prominent in Labor for Refugees which pressured the right-wing leadership of the Party to make modest changes to the policy of imprisoning refugees.¹⁷ Despite these differences, the Labor left is committed to change through parliament and all that goes with it. Like the Labor right, the left swears its allegiance to the Australian capitalist state, which it hopes to capture and use to bring about reforms. Thus committed to the good health of the state, it falls in behind the broad agenda of the Party. Left Labor ministers in the Hawke and Keating governments were to be found administering cuts to social welfare, supporting the Gulf War in 1990-91, and introducing detention centres in 1992.

Ultimately, the Labor left and right complement each other. The right demonstrates the Party's credentials as a responsible organisation to the capitalist class by denouncing and usually defeating the left. The left demonstrates to union militants, socialists and social movement activists that they should support, join or remain in the Party because at least sections of it are committed to radical positions. In July and August 2004, the factional debate over the USA-Australia Free Trade Agreement followed this pattern. Over time, as the activist base of the Party has shrunk, so the factions have become less meaningful, increasingly only a means of distributing Party and parliamentary posts.

Although Labor is pro-capitalist, it is a bourgeois party with a distinct twist, since it owes its formation and continued existence to the organised working class and, in part, represents the interests of the trade union bureaucracy. From the start through to the present, union leaders have delivered substantial funds to the Party, controlled Party conferences and dominated preselections. This has important consequences for the Party. Although union leaders may at times use radical rhetoric, they work within the profit system. They believe in the 'national interest', in fixing the trade deficit, keeping inflation down and getting Australian workers to compete with their brothers and sisters overseas. Trade union officials therefore transmit the demands of the bourgeoisie into the working class. They have also given the ALP deep roots in the working class. Although these roots are more attenuated now, Labor's vote still disproportionately comes from working-class areas, most notably Sydney's western and southern suburbs and Melbourne's northern, western and outer south-eastern suburbs. In these areas Labor's primary vote in the 2001 federal election was 55-65 per cent and the Coalition parties did not win a single seat.¹⁸

The combination of Labor's loyalty to capitalism, its links with unions and the continuing (albeit weakened) working-class identification with the Party that explains the character of the ALP as a *bourgeois workers party*.¹⁹ This explains why Marxists have always distinguished it from its rivals: a vote for the ALP by workers usually represents an identification with their class, however distorted.

Generally speaking, the capitalist class prefers to have an outright capitalist party in government, such as the Liberals in Australia or the Conservatives in Britain. Such parties have no organic ties with the working class and can therefore be relied upon to do the bidding of big business. The ALP's close relationship with the unions means that, historically, it has been regarded as 'suspect' by big employers. If this is the case, why has the capitalist class ever allowed the ALP to take office or, at times, actually endorsed it?

It is the ALP's relationship with the trade unions and *organisational* independence from the capitalist class that explain both its cool relationships with big business at some times and why at other times business turns to it for help. The capitalist class calls upon Labor when splits in its own ranks, for example between small and big business, between urban and rural capital or between productive and financial capital, mean that the conservative parties are too heavily factionalised to adopt firm policies in the interests of Australian capitalism. Business also, at times, welcomes an ALP government, for example, when working class combativity means that harsh measures by a conservative government might spark stiff resistance. The ruling class sees the ALP as its reserve team, to be brought on when its favoured squad is not up to the job. Far from being a 'lesser evil' compared to the Coalition, Labor therefore often leads the way in undertaking crucial tasks necessary to keep the capitalist system functioning smoothly.

Labor governments have never been interested in socialist transformation, for the simple reason that they are an integral part of the capitalist system rather than a threat to it. Labor is not a mechanism for achieving social progress but an obstacle to it.

The ALP is not a business party in the same way as the Coalition parties are. It still depends heavily on the unions for finances, receiving approximately \$5 million from them each year in the early 2000s. But the ALP increasingly looks to business for its funding. Labor now sells sponsorship rights to its national conferences, collecting large sums from companies for the privilege of privately lobbying the Party's leaders. Business also buys access to the ALP in other ways. Corporations, particularly in the hotel, property development, and media sectors--all dependent on government favours--are major contributors to party funds.²⁰

The growing share of ALP funding that comes from business has altered the balance of power between the parliamentary machine and the union bureaucracy, giving politicians greater autonomy from union officials. This process has been under way since the Party reforms of the late 1960s first began to chip away at the power of the major union factions. The relationship between the union bureaucracy and the parliamentary leadership is now weaker than formerly. It is, nevertheless, still intimate and one of the factors that distinguishes Labor from all other parties in Australian parliaments.

Unions continue to provide half of the delegates to State conferences. Many white-collar unions are not affiliated with the Party but more than half of their officials are members of the ALP. But parliamentarians have independent interests distinct from those of the union leaders. This generates tension in their relationships.

Their closer integration of parliamentarians into the state machine means that Labor representatives are much less likely to respond to pressure from below than union officials. This is reflected in their lifestyles and ambitions. Even the most junior ALP federal parliamentarian was paid a salary of \$107 000 in 2004.²¹ Leader of the Opposition, Mark Latham, who liked to boast of his humble western Sydney origins, received a salary of \$198 000 for his services. Should Labor defeat the Coalition in the 2004 election, Labor Cabinet ministers will receive at least \$184 000, while the new Labor Prime Minister will be paid at least \$278 000, approximately six times average adult full-time earnings.²²

The high salaries of prominent Labor politicians are matched by the social circles in which they mix. Cabinet ministers mingle with the top echelons of society and tend to live in expensive

suburbs. Labor politicians are commonly found at society weddings, private sporting events, charity lunches, and birthday or retirement celebrations for business people.

Labor politicians are committed to private enterprise mainly for the reasons outlined above. Many, however, also have direct and personal business interests. In the later years of his term in office, Prime Minister Keating's financial interest in a piggery was rarely out of the news. 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 forced a series of senior West Australian MPs, including the Premier and Deputy Premier, to appear in courts and, in some cases, to serve time in jail.

On retirement, senior Labor politicians commonly join boards in both the public and private sectors. Former State Premiers Wayne Goss (Queensland) and Neville Wran (NSW), and former Prime Ministers Bob Hawke and Paul Keating all became business consultants or company directors on retiring from politics in the 1980s and 1990s.²³

The tendency for Labor politicians to absorb and reflect the prejudices of the wealthy in society was evident from the Party's earliest days and is not just the product of vanity or ambition. It reflects the nature of the ALP 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. This erodes their allegiances to those who voted them into office.

While the basic orientation of Labor politicians has not changed over more than one hundred years, the Party's social composition has changed. Just as has occurred amongst union officials, there has been a growing tendency for the origins of Labor MPs to diverge from their voting base. Between 1901 and 1981 the proportion of Labor parliamentarians from blue-collar backgrounds fell from 63 per cent to 12 per cent, people from white-collar backgrounds rose from 7.5 per cent to 29 per cent, while those from professional backgrounds rose from 11 per cent to 40 per cent.²⁴ By 2002, the blue-collar component had been eliminated entirely (see Table 1), the proportion of MPs with lower white-collar backgrounds had steadily fallen, and those whose previous occupation was in the union or party apparatus had rapidly increased. Within this last category, there had been an internal shift: a relative decline in those from union backgrounds (see Table 2) and a rise in those who had previously been a State politician or an 'adviser, consultant, agent or research officer', to almost three quarters of all federal Labor politicians.

Table 1: Previous occupations of ALP federal parliamentarians immediately before entering parliament, 1971-2002

	1971		1983		1990		2002	
	N	% total	N	% total	N	% total	N	% total
Blue collar	5	5.8	2	1.9	11	5.6	0	0.0
Lower white collar	13	15.1	9	8.5	9	4.6	3	3.2
Higher white collar or professional	28	32.5	11	45.3	96	49.2	12	13.0
Party and union apparatus	21	24.4	25	23.5	68	34.9	67	72.0
Business	2	2.3	0	0.0	5	2.6	7	7.5
Other	17	19.8	22	20.8	6	3.0	4	4.3
TOTAL	86	100.0	106	100.0	195	100.0	93	100.0

Source for raw data: *Commonwealth parliamentary handbooks*, various years.

Table 2: ALP federal parliamentarians with prior experience as trade union officials (percentage of total), 1901-1990

	1901	1941	1971	1981	1983	1990
At some time	79	49		35		
Immediate previous occupation			20.9		10.4	11.3

Sources: L. F. Crisp and Barbara Atkinson *Australian Labour [sic] Party federal parliamentarians 1901-1981*, unpublished mimeo 1981, p. 57; Commonwealth Parliamentary Handbooks, various issues.

The change in the background of Labor politicians is reflected in the membership at large. Once overwhelmingly proletarian, Labor Party membership is now also dominated by people from professional occupations. According to an analysis of the NSW branch in the late 1980s, a professional was 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 in the ALP's most basic structures.²⁵

Along with the Party's changing composition has gone a declining membership and an even more rapid fall in the number of Party activists. With less than 50 000 members in Australia, the Party has a fraction of its peak membership, between 350 000 and 370 000, in the 1940s, in a population that has doubled. The ALP nationally now has fewer members than it did in NSW alone in 1910.

Reformism without reforms

For about 30 years after World War II, the ALP, like most labour parties overseas, promoted a distinct reform project which was founded on the belief that governments should play a mildly redistributive role in the economy, involving the creation and development of a welfare state, with full employment and public provision of schooling, housing and hospital care for workers. While this project was the limit of their ambitions, some labour governments have even failed to pursue its goals. Consequently, a characteristic of labour party supporters around the world has been recurrent frustration with the performance of their party in government.²⁶

Since the 1970s, labour parties have generally failed to attempt even the most modest reforms in the interests of workers and indeed have been more preoccupied with reversing reforms implemented by previous labour and even conservative governments. The current era is one of reformism without reforms. All the factors that underpinned the welfare state reform project in the post-war golden age of reformism--the 1950s and 1960s--have now been reversed. Instead of long-term expansion we have slower economic growth and deeper recessions in most of the most wealthy economies.²⁷ Instead of working-class self confidence and mobilisation (or the threat of it), we have a steady decline in strikes and union membership. Instead of a capitalist class prepared to concede a few reforms during an economic boom, in order to head off more militant sympathies within the working class, we have employers everywhere reacting to economic stagnation and competition by undermining workers' jobs and living standards.

The combination of the underlying structural limitations of reformism with the specific features of the past 20 to 30 years explains the failure of social democratic governments to promote reforms over those decades. Indeed, labour parties all over the world have been just as relentless in imposing neo-liberal policies as their conservative competitors. Tony Blair's 'Third Way' in Britain was little more than warmed-over Thatcherism. In Germany and France social democratic governments have made systematic attacks on the welfare state. They and conservatives alike now agree that governments cannot 'spend their way out of recession'.

The Hawke and Keating governments from 1983 to 1996 are an excellent illustration of the phenomenon of reformism without reforms.²⁸ Under the Prices and Incomes Accord, signed by the

ALP and ACTU in the month before Labor took office, union and ALP leaders collaborated to ensure wage restraint and industrial peace while substantial economic restructuring went on during two economic recoveries and two significant recessions. The Accord's backers within the labour movement promised that it would protect the weak from market forces and employer attacks. The reality was steady work intensification and degradation of working conditions. Productivity rose across the board in major government enterprises (such as Telecom, the waterfront and the electricity boards) during the five years to 1992-93, in some cases doubling, while employment was cut by as much as half.²⁹ In the private sector, the story was the same: in BHP's steel division, the beneficiary of a five-year government industry plan in 1983 and extensive state subsidies, employment fell by more than 40 per cent, while productivity tripled and profits topped one billion dollars annually between 1993 and 1995.

After decades of decline, average working hours began to increase, with the proportion of employees working more than 45 hours per week rising from 17.7 per cent to 25.0 per cent between 1985 and 1998. Part-timers rose from 19.0 per cent to 24.4 per cent of the workforce over the same period.³⁰ Casual workers made up 16.0 per cent of the workforce in 1985, but 23.7 per cent nine years later.³¹ The low-paid fell further behind, with the incomes of those in the bottom decile of non-managerial adult males falling from 47 per cent to 42 per cent of those in the top decile, between 1985 and 1995.³²

By following the demands of the capitalist class, the ALP in office eventually brought about its own demise as Labor's supporters walked away in disgust. In 1983, 65 per cent of manual workers voted for the ALP; by 1996, the figure had fallen to 44 per cent.³³

Reformism without reforms is a feature of Labor governments at all levels. The Carr Government of NSW, elected in 1995, failed to deal with a range of infrastructural problems. Public transport was run down, particularly the railways. The health system was starved of funding.³⁴ Premier Bob Carr blamed environmental degradation on the 'influx of migrants' into Sydney, while he gave the timber industry a green light to clear-fell old-growth forest in the State's north.

In Queensland, the Beattie government, elected in 1998, pursued, with only minor modifications, the same 'low tax, low spending' strategy promoted for two decades by the National Party Government of Joh Bjelke-Petersen. These policies meant that Queensland could boast amongst the worst social, educational and health indicators of any of the six States. Businesspeople were assured of a warm welcome when seeking government funds in these two Labor States. But when Labor's traditional supporters, young people, trade unionists and Aborigines fought for their rights, they were met with repression. Police practice in Queensland was still to arrest first and ask questions later when dealing with protesting Murrumbidgee and students, and police numbers were increased.

The record of Mark Latham since being elected Leader of the Opposition in December 2003 suggests that a Latham government will be just as conservative as the Hawke and Keating administrations. Latham's rhetoric about 'opportunity', about restoring the 'rungs in the ladder of opportunity' that Howard had removed and his 'stakeholder society' agenda boiled down to blaming the victims of economic restructuring.³⁵ Under a Latham Government, those who are still poor will simply be told that they are failures, 'slackers' in Latham's own terms, for being unable to seize the ample opportunities made available to them.³⁶ Even in foreign policy, where Latham made his name attacking George Bush as 'the most dangerous and incompetent US president in living memory' and committing to pull troops out of Iraq on his election, Labor remains committed to the US alliance and whitewashing the United States' history of imperialist aggression.³⁷ Labor under Latham will not, if it wins office, undo much of the damage done by the Howard Government. At best, it will deliver workers a few minor benefits--if the economy continues to hold up. Once the economy goes back into recession we can expect to see another concerted assault on workers rights and living standards, whichever party is in government.

Labor never offered a road to socialism for Australian workers but now it no longer even refers to such a change: Labor leaders today do not advocate nationalisation, economy-wide planning, the welfare state, working class interests or even, except in limited circles, trade unionism. The ALP no longer, even rhetorically, represents a systemic alternative to the capitalist status quo. The Greens, unlike Labor, are critical of economic rationalism and actively supported the campaigns against the imprisonment of refugees and the invasion of Iraq. But they do not seek to develop an organised working class base. Like the Labor Party, they are preoccupied with parliamentary politics (see chapter 11).

Australian workers are therefore faced with the need to build a working-class party worthy of their loyalty and commitment. When they do so, however, the question that has lain at the heart of working class politics for nearly two centuries will emerge immediately: is the party to be a party of reform or revolution? Labor's history over more than century suggests that those who seek the former path will end up harvesting bitter fruit, while revolutionary perspectives provide a better guide, even in struggles for short-term reforms. The task remains the conquest of political power and social revolution if any systematic transformation of Australian society is to be achieved. A revolutionary party cannot be constructed overnight. It will require patient work building on the struggles that happen every day, in the workplaces, on the campuses and on the streets.

Further reading

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Endnotes

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