

Hypocrisy and nervousness dominate Australian union congress

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Congress 2000 convened by the Australian Council of Trade Unions at the end of last month was marked by a glaring gulf between rhetoric and reality.

Conscious of the deep alienation of many workers from the unions, the ACTU's newly installed leadership—president Sharan Burrow and secretary Greg Combet—attempted to bolster its credibility with a feigned concern for the deepening divide between rich and poor. Even the venue—the industrial city of Wollongong—was part of the performance. For the first time in its 73-year history, the union body held its triennial Congress outside a state capital, to give its members the impression that the trade unions were “returning to their roots”.

But as soon as one entered the Wollongong Entertainment Centre, the cosy relationship between the trade union bureaucracy and big business was immediately apparent. The foyer contained professional booths representing over 20 organisations that had sponsored the event and were eager to court union officials with their glossy brochures and giveaways. Nearly half were superannuation funds. Others included Fuji-Xerox, Ansett Airlines and property developer, Multiplex.

Moreover, one of the guest speakers was former Reserve Bank Governor, Bernie Fraser, who promoted the launching of a new bank, Member's Equity. The banks, building societies and superannuation funds are vying to gain access to the \$438 billion of workers' money tied up in superannuation, an amount expected to reach \$1.3 trillion in the next 15 years.

The *Australian Financial Review* claimed the Congress “unveiled a radical policy shift” and that the ACTU was “moving sharply to the left”. Nothing could be further from the truth. But what the Congress did reveal is a growing nervousness within the union leaderships about their declining membership.

The figures presented to the Congress revealed that unionised workers now make up only 27 percent of the workforce, down from 42 percent in 1989. Since the last congress in 1997 the decline has accelerated. Last year alone, the unions lost some 150,000 members.

In her opening speech Burrow told the Congress: “Australia is a deeply divided rich-get-richer nation, in which both winners and losers of almost two decades of economic and social upheaval are baffled and angry at the destruction of the

fair-go-society.” She cited statistics on health, aged-care, education, childcare, housing and transport to paint a picture of social devastation and then blamed the widening social gulf on the Howard government and the “individualism of the 80s”. But she did not address the obvious question: what role did the ACTU play in all of this?

Under the various prices and income accords established between the ACTU, big business and Labor from 1983 until 1996, the unions isolated and betrayed struggle after struggle, creating the conditions for the cutting of real wages, the elimination of hundreds of thousands of jobs and the dismantling of working conditions. Through the accords, they facilitated the greatest re-distribution of wealth away from workers to the rich in history. In 1987, the ACTU adopted a program, labeled “Australia Reconstructed”, that openly committed the unions to ensuring the profitability and global competitiveness of Australian companies.

For all the talk of a new approach, Burrow defended the accords. “Despite a decade of growth, working families are struggling. Unions played a significant role in ensuring that growth. Despite the contention it created in our constituency, the restraint during the accord years enabled Australia's economic restructuring.”

But the accords created mass disaffection and anger in the working class. As a direct result, the Labor government was defeated by a landslide in the 1996 elections. Prior to the poll, ACTU secretary Bill Kelty blustered about a “war” against the Liberals over their proposed new industrial laws. But it wasn't long before the unions wound down their rhetoric and accommodated themselves to the new government.

Inside the Congress, the new ACTU leaders tried to re-assure the 700-odd assembled delegates that the decline in membership was entirely due to the emergence of the “new economy”. Service and IT industries had replaced the “old economy” of manufacturing—the traditional base of union support. This new workforce, they argued, was highly casualised and concentrated in industries without a history of union coverage.

The fact that the ACTU actively participated in this casualisation process by signing enterprise agreements based on a company's fluctuating production needs was not mentioned.

Indeed, unions have themselves become employers by establishing their own body-hire companies that contract out their members as casual labour, competing for contracts by offering employers the most favourable terms. Some 27 percent of the workforce is now casual.

Despite its declining membership, the ACTU now controls more finances than ever before. It has become increasingly dependent on corporate support and the control of workers' superannuation funds for its revenue, with many union executives serving as directors on superannuation fund boards. Under the accords, the ACTU insisted that workers forgo wage rises in favour of employer contributions to superannuation funds that are increasingly being used to replace state-funded retirement pensions.

The growing significance of this financial base of support was emphasised by American union leader, Richard Trumka, who delivered the keynote address to Congress 2000. Secretary-treasurer of the American Federation of Labor-Congress of Industrial Organisations (AFL-CIO), Trumka told delegates: "The power of worker capital is starting to influence the global economy and corporate decision-making". He cited figures showing that union pension funds in the US now total a massive \$US11 trillion. Control of these funds, Trumka said, could be used to influence international trade agreements.

He omitted any reference to the disintegration of the unions over which he presides and the terrible impact of the AFL-CIO's policies on the American working class. Barely 15 percent of US workers are now unionised, down from 35 percent after World War II. American workers work, on average, 350 more hours per year than their counterparts in Europe, and 70 more than those in Japan. The hourly wages for male workers are nearly 2 percent lower than they were 10 years ago. Moreover, the gap between rich and poor has widened steadily, with the wealthiest 1 percent taking home as much income as the poorest 100 million, and the bottom 80 percent earning a smaller share of total US income than they did in 1977.

Despite the carefully stage-managed character of the Congress, several bitter disputes erupted. On the second day, Labor Party leader Kim Beazley told the assembled union leaders that his party would not abandon its "free trade" stance in favour of greater tariff protection. Australian Manufacturing Workers Union (AMWU) national secretary Doug Cameron criticised Beazley's position and moved a "fair trade" resolution that called for "social tariffs" to exclude cheap labour imports.

Cameron's intervention was directed, on the one hand, to union members angered by the destruction of 300,000 manufacturing jobs since the economy was deregulated, and, on the other hand, to the less competitive national-based industries demanding protection against global players.

NSW Labor Council secretary Michael Costa clashed with Cameron, accusing him of "populist posturing" whilst

defending the ACTU's continued commitment to the transnational corporations. A compromise was eventually struck, with the ACTU agreeing to keep the issue of "social tariffs" under review. The entire argument centred on differences of a purely tactical character, namely, with which section of employers the ACTU should align itself.

The dispute that aroused the greatest passion, however, was over union demarcation and members. In the final hours of the Congress, Combet, the newly-elected secretary, remarked: "We have got to stop knocking off each other's members. We do not want to see a bidding war and agreements struck with employers that undermine wages." This was a reference to the fact that some unions have already signed low-wage deals with employers in order to secure union coverage.

An Australian Workers Union (AWU) official responded by launching a tirade against "union cannibalism, probably one of the most important topics this Congress should be addressing." He admitted that the AWU had spent millions in recent years on court cases over demarcation disputes and was even considering putting a motion to expel from the ACTU any union "poaching" another's members.

The target of his attack, officials of the Construction Forestry Mining Employees Union, responded with vitriolic denunciations of the AWU, backed by catcalling from the floor. The entire spectacle brought to the surface the real state of affairs within Australia's peak union council.

The *Australian Financial Review* commented "Congress marked a sea-change in style for the ACTU after the departure of Kelyt who was close to key business leaders and identified strongly with the Hawke-Keating Labor administration."

While desperate efforts are being made to modify its "style", i.e. to project a more radical profile in order to arrest the collapse of its membership, Congress 2000 revealed the ACTU's ever-deepening ties to big business, its increasing reliance upon the corporate sector and its growing internal decay.



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