

# Australian union congress seeks government-business partnership

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At its triennial congress in Brisbane this week, Australian Council of Trade Unions (ACTU) officials postured as opponents of free market policies, while imploring the Rudd Labor government and business to work with them to head off rising discontent produced by the ongoing destruction of jobs and conditions.

In her opening address on Tuesday, ACTU president Sharan Burrow warned that the “anger of people around the world is growing” because “their jobs, their houses, the value of their pension funds have been stripped away by a crisis caused by greed and incompetence in the financial sector.” She said governments had to hear the message: “There must be an end to unrestrained financial markets, the fraud of self-regulation and the greed and stupidity of our bankers and businesses leveraging massive profit from unconstrained debt.”

The ACTU bureaucrats even put on a show of outrage at some of the Rudd government’s most brazen pro-business decisions, such as its support for special low-wage provisions for hospitality industry workers and its refusal to abolish coercive powers against construction workers. Deputy Prime Minister Julia Gillard, a keynote speaker at the congress, was heckled when she declared that unions would be better off “pounding the streets” in support of the government’s new workplace laws than lobbying for changes.

No one should be taken in by this display. The ACTU has worked hand-in-glove with the Labor government and employers to prevent any struggle against the elimination of thousands of jobs, including the 2,700 being destroyed in Australia and China by Pacific Brands. Its officials have worked to impose widespread short-time working, including half-time working at General Motors-Holden (GMH) plants. Having channelled widespread hostility in the working class to the previous Howard government’s WorkChoices legislation behind the election of the Rudd government in 2007, the ACTU has agreed to every one of the anti-strike measures being retained in Labor’s workplace legislation.

The union apparatus is now seeking to use the anger building up among working people as leverage to further entrench itself as the

central labour policing agency. At the end of Burrow’s speech she pleaded for Australian trade unions to be recognised as “legitimate”, just as the American unions have been by US President Barack Obama. Burrow even quoted one of Obama’s speeches, where he said labour unions were not “part of the problem” but “a big part of the solution”. Obama declared: “We know that strong, vibrant, and growing unions can exist side by side with strong, vibrant and growing businesses. This is not an either-or proposition between the interests of workers and the interests of shareholders.”

Burrow cited these remarks just a day after General Motors, once the largest industrial corporation in the world, filed for bankruptcy. The Obama administration relied upon the United Auto Workers (UAW) union to block any resistance by workers to the socially devastating restructuring demanded by the financial markets. With the agreement of the UAW, GM will close 14 plants, some 23,000 hourly workers and 8,000 salaried employees will lose their jobs and 2,100 dealerships will close, affecting up to 100,000 workers. The concessions imposed on the remaining “New GM” workers will freeze wages, eliminate cost-of-living increases, substantially reduce break time and holidays and strip retirees of medical benefits, including dental and optical care. Increasingly, they will be replaced by low-paid entry level and temporary workers, on rates as low as \$US14 an hour.

In return, the UAW will receive billions of dollars in shares, a 17.5 percent stake and a seat on the corporate board of directors, giving the union apparatus a direct financial stake in further slashing labour costs. A similar deal has been struck at Chrysler. The UAW, which emerged seven decades ago in the bitter sit-down strikes of the 1930s against the exploitation of GM workers, has been transformed, over the past three decades, into a business operation whose material interests are directly opposed to those of its members.

Similar processes are well advanced in Australia. The ACTU and its affiliates have evolved, through years of collaboration with employers and governments, into instruments for stifling and straitjacketing the working class—a transformation that is rooted in very real material interests. While Australian union officials do not yet sit on corporate boards as co-owners, they jointly control with employers hundreds of billions of dollars in industry

superannuation funds, giving them a direct stake in slashing labour costs and suppressing industrial action that could affect the revenues derived from their investments.

Since the last Labor governments of Hawke and Keating introduced compulsory superannuation in the 1990s—effectively diverting 9 percent of workers’ wages to pay for their own retirement—the funds have mushroomed to more than \$700 billion, with the lion’s share held by union-employer funds. Together with the ACTU, for example, the construction unions are among the biggest investors in the building industry through the Cbus fund, which now holds a pot of almost \$13 billion. Top officials from the Construction Forestry Mining and Energy Union (CFMEU), the Australian Manufacturing Workers Union (AMWU), Electrical Trades Union (ETU) and Australian Workers Union (AWU) sit alongside representatives of the big construction firms on the Cbus board.

For all Burrow’s feigned horror at the devastating consequences of the global financial crisis, the ACTU has long enforced the dictates of the markets. Under Hawke and Keating, through the prices and income accords established between the ACTU, 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. In 1987, the ACTU adopted a program, labelled “Australia Reconstructed,” which openly committed the unions to ensuring the profitability and global competitiveness of Australian companies.

Through the accords, the ACTU facilitated the greatest re-distribution of wealth away from workers to the rich in history, accompanied by the slashing of the top income tax rate from 60 percent to 36 percent. From 1983-84 to 1987-88, real earnings fell 4.2 percent. To drive up profit rates, de-industrialisation was combined with wholesale privatisation, outsourcing and deregulation of basic services, notably telecommunications. Labor’s steel and car plans led directly to more than 20,000 job losses. Major privatisations included the Commonwealth Bank, Qantas, Australian Airlines and the Australian National Line.

This offensive was enforced through a series of major union betrayals, including, to name just a few, the SEQEB strike in 1985, the Robe River and Dollar Sweets disputes in 1986, the smashing of the Builders Labourers Federation in 1986, the NSW workers’ compensation strike in 1987, the Williamstown Naval Dockyard privatisation in 1988, the Cockatoo Island dockyard occupation and the 1989 airline pilots’ dispute.

Over the same period, union membership plunged dramatically as workers lost their jobs, dropped out of unions or saw no reason to join them. Today, the unions cover just 19 percent of the workforce (only 14 percent in the private sector), down from more than 50 percent in the 1960s. This haemorrhaging underscores the chasm that exists between the union apparatuses and the working class, and the growing dependence of the union bureaucrats on

alternative sources of revenue.

In his opening speech to the congress, ACTU secretary Jeff Lawrence said: “If we are to succeed however in ensuring our voice is heard by government, we must be unified and disciplined in our approach.” This is a warning that the union apparatus will be no less ruthless than it was during the 1980s and 1990s in suppressing any opposition to its partnership with the government and big business.

Two key proposals for “significant and structural reform” were outlined in the opening addresses by Burrow and Lawrence, designed to ensure business profitability as unemployment climbs to an expected million workers by mid-2010. One was to systematise the use of short-time working, along the lines agreed at GMH. This would “ensure that our workforce remains cohesive and skilled for competitive advantage in recovery,” Burrow said. Where production was “downsized” due to a collapse in demand, “the most productive measure is to keep workers in place with an eight or nine day fortnight and use the ‘down days’ for re-tooling and re-skilling”.

The second was for “National Interest Expenditure Guidelines” to mandate that Australian-based companies get preference in tendering for government contracts and that businesses subsidised by the government protect “Australian jobs”. Such “buy Australian” clauses would mirror those being pushed by union organisations around the globe, as each strives to subordinate workers to the interests of their “own” capitalist class. While Lawrence tried to claim that this scheme would not be at the expense of “other workforces around the world,” it is precisely designed to pit Australian workers against their international counterparts.

The ACTU congress underscores the necessity for the working class to make a decisive political break with the pro-capitalist, nationalist union apparatus in order to develop its own independent—socialist and internationalist—solution to the breakdown of the capitalist system.



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