Australian government, unions, business collaborate in job destruction

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Prime Minister Julia Gillard and Industry Minister Kim Carr yesterday held a joint meeting with Australian Workers Union chief Paul Howes, Australian Manufacturing Workers Union head Dave Oliver, and Heather Ridout of the business lobby, the Australian Industry Group.

The discussion was conducted behind closed doors, but photographers and television crews were invited in at the beginning to see the group sitting around a table sharing a joke. Gillard and Carr sat across from Ridout, who was flanked on each side by the senior union bureaucrats. The event threw into sharp relief the political forces that are aligned against the 1,400 BlueScope steel workers being sacked—and the one million Australian manufacturing workers who confront a coordinated assault on their jobs, wages and conditions.

Every effort is being made to throw dust in the eyes of manufacturing workers. The unions have advanced a series of diversions—scapegoating China, engaging in empty demagogy against the mining companies—while striving to work even more closely with the Labor government and the big corporations to boost Australian capitalism's "international competitiveness" by shutting down entire sections of industry and driving down wages and conditions.

Howes and Oliver declared that they had asked Gillard to establish a parliamentary inquiry into the manufacturing sector crisis. Oliver explained that the unions wanted an inquiry modelled on the 2008 review into the car industry that was conducted by former Victorian premier Steve Bracks.

"That was a short, sharp and comprehensive inquiry that came out with significant recommendations which I know secured the future of the automotive industry in this country," the AMWU national secretary said. "So in our mind that is the thing we are looking at."

The Bracks Review coordinated an ongoing restructuring of the Australian car industry that centrally involves continual mass layoffs and elimination of "excess" productive capacity. The review's final report concluded that "the key issue for the industry is not so much that [plant] closures are occurring and will continue to occur, but that 'unplanned' exits need to be addressed."

Bracks recommended an "ongoing dialogue" between the unions, the government and the auto companies, in order to ensure an "orderly transition to a more competitive and sustainable future for the industry." Underscoring this point, the review endorsed a submission from the South Australian Labor government that "ensuring orderly workforce reductions while simultaneously maintaining the confidence of its current and potential future workforce is critical for company CEOs and union leaders alike."

This is the model that the trade unions now want extended to the entire manufacturing sector—a never-ending onslaught on jobs and conditions to drive up productivity, and "orderly closures" where that is no longer possible.

Like its counterparts in the US and Europe, the union bureaucracy in Australia is advancing its services to business and government as an industrial police force amid an intensifying global economic crisis. The union apparatuses are manned by an upper-middle class layer, whose high incomes and privileges are tied to multi-billion dollar superannuation funds and other lucrative investments.

Ever since the Accords under the former Hawke-Keating Labor governments of 1983 to 1996, the trade unions have functioned as the corporatist partners of big business and finance capital. Union bureaucrats today are virtually indistinguishable from CEOs. As yesterday's discussion in Canberra again demonstrated, the unions and business speak with one voice on the need to orchestrate a sweeping restructuring of manufacturing production at the expense of

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working people's jobs and living standards.

Ridout, the employers' representative, endorsed the calls issued by the unions for a parliamentary inquiry. Also, while stressing that she was not "seeking wholesale reform" of the government's Fair Work Australia industrial relations regime, Ridout urged greater workplace "flexibility" to boost competitiveness. Business and media outlets are demanding that Gillard eliminate various workplace protections, including the provision of overtime penalty rates.

The prime minister declared that her meeting with Ridout, Howes and Oliver had been "positive and constructive". Gillard, however, later said the government would not convene an inquiry into manufacturing, declaring, "My focus is on action—I don't want to be held back from acting by an inquiry which would inevitably take some time."

The Labor government has dismissed union calls that the mining companies be required to purchase Australian-produced steel and other component parts. Such a measure, even if implemented, would do nothing to address the crisis confronting steel and manufacturing workers, but for the unions it functions as another useful diversion. Gillard and her senior ministers, however, have sought to promote their "free market" credentials by ruling out any "protectionist" measures.

Opposition leader Tony Abbott, on the other hand, has indicated his willingness to intervene. He has asked shadow ministers for industry and resources, Sophie Mirabella and Ian Macfarlane, to conduct an "industries for Australia's future" policy review. In a speech yesterday, Abbott insisted that public subsidies to sections of industry could be warranted "on the grounds of national security, the inherent value of a diversified economy, or the transitional costs of shutting down capital intensive industries only to start them up again when market conditions change."

Abbott has been denounced in the corporate media today for these remarks. The *Australian*'s editor-at-large Paul Kelly declared that Abbott had "intensified doubts about his economic credentials and policy beliefs."

Gillard is again positioning herself as a more reliable instrument of the corporate elite than Abbott and the Liberal Party. She heads a ruthlessly pro-business government that is centrally oriented toward advancing the interests of the mining sector. Immediately after ousting Kevin Rudd in the antidemocratic Labor Party coup last year, she junked the Resource Super Profits Tax. Since then, she has worked with the Treasury Department and the Reserve Bank of Australia to engineer an economy-wide "transition", in which non-mining sectors of the economy are curtailed or shut down to "make room" for the mining companies.

Reserve Bank chief Glenn Stevens declared last week: "Some parts of the economy will shrink while others grow ... We don't have an instrument that can prevent these shifts in the structure of the economy from occurring. I'm sorry but that is just the reality."

The reality confronting hundreds of thousands of workers is ever greater financial stress and social hardship. Mining now accounts for 60 percent of all new investment in the Australian economy—but just 200,000 people are employed in the sector.

Five times as many work in manufacturing, but whether any more than a small fraction of these jobs will remain in a few years' time is a question now being openly discussed in political and media circles. A new report issued by the credit reporting group Dun & Bradstreet underscored the depth of the crisis. It found that business failures in the manufacturing sector have risen by more than 60 percent since 2008, and new start-ups have virtually ceased. In 2008, 974 new manufacturing businesses were created, in 2009 there were 491, but so far this year there are just 14.

The working class is tasked with developing a counter-offensive in defence of its independent interests. Rank-and-file committees ought to be created, in opposition to the unions, to combat all proposed job and wage cuts by occupying plants slated for restructuring and closure, and to develop a political struggle against the Labor government and the profit system itself. Above all, what is required is a new political leadership that fights for the establishment of a workers' government with a socialist program, placing the major banks, mines and major industries under social ownership and the democratic control of working people.

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