

# Oppose the BlueScope sackings! Fight for a socialist strategy to defend steel and manufacturing jobs

The Socialist Equality Party (Australia)  
24 August 2011

The decision of BlueScope Steel to shut down its export division and destroy up to 1,400 workers' jobs marks a new stage in the class struggle in Australia. The Labor government, big business and the trade unions are jointly coordinating an onslaught against the living standards of working people, with an estimated 100,000 set to lose their jobs in the next few months.

The fight against the mass sackings at BlueScope must be taken up not only by steelworkers but by every section of the working class now facing devastating attacks on jobs, wages and working conditions.

The mass sackings are being carried out with the collaboration of the Labor government and the entire trade union bureaucracy. For the past three years, the mass media and the entire political establishment have collaborated in a campaign to promote the myth of "Australian exceptionalism"—that somehow Australia, and workers in this country, were exempt from the contradictions now tearing apart the world capitalist economy.

The purpose of this big lie campaign now stands exposed. It has been to leave the working class unprepared for the onslaught being unleashed today as world financial markets once again descend into turmoil.

The Australian ruling elite has begun a ruthless assault on the social position of the working class in response to the capitalist breakdown. As in the US and Europe, unprecedented spending cuts to public services, welfare and social infrastructure are being implemented by Prime Minister Julia Gillard's government. This austerity agenda forms part of a social counter-revolution—with every concession made to the working class in the advanced capitalist countries during the course of the twentieth century being wrested back. To the extent that this process has been delayed somewhat in Australia as compared to other countries, it only means that it will be now carried through with even greater ferocity.

Far from insulating Australian capitalism from the forces unleashed in the global economy, the "mining boom" has been their transmission mechanism. Unprecedented commodity export prices and record investment in new mining operations have pushed up the value of the Australian dollar and triggered several interest rate hikes. As a result, all non-mining export sectors are in crisis—including manufacturing, tourism and education, as well as retail. Mass layoffs are now being prepared in the oil refining sector, car and airline industries and the food processing sector, along with more in the steel industry.

Prime Minister Gillard and Treasurer Wayne Swan have declared that the BlueScope sackings indicate that the Australian economy is undergoing a "transition." This raises the question—transition to what?

The endpoint of the Labor government's program is an economy geared entirely to the profits of the major mining companies and the banks. Virtually every section of manufacturing still standing after the deindustrialisation drive of the past three decades is to be wiped out. A narrow ultra-wealthy elite will be entrenched at the top of society, with a surrounding wealthy upper middle class layer—including members of the trade union bureaucracy—while the vast majority of the workforce will confront permanently high unemployment and insecure, low-wage jobs, coupled with the rundown of education, health and other social services.

Young people and workers in industrial centres such as Wollongong have no future under such a social order.

An industrial and political campaign to defend all steel jobs must form the start of a struggle throughout the working class against the Labor government and the program of the financial and corporate elites that it serves.

That is why every effort has been made to pre-empt and

sabotage such a struggle. Company executives notified government ministers and trade union bureaucrats about the layoffs before making a public announcement. These forces then swung into action, functioning as a well-oiled machine to ensure yet another “orderly closure.”

First, there was the right-wing chauvinist diversion, spearheaded by the Australian Workers Union, that sought to scapegoat China for the job losses and back Washington’s drive to force a devaluation of the Chinese currency. Then, as if in a well-rehearsed play, the “lefts” moved in, with Labor senator and former union bureaucrat, Doug Cameron, issuing an empty demagogic condemnation of mining industry billionaires for not investing in manufacturing.

The government and the unions have promoted the illusion that there exists an individual solution to the unemployment crisis, with BlueScope workers offered inducements to either move to Western Australia to find work in the mines, or to sign up for bogus re-training and re-skilling courses. This is nothing but another attempt to hoodwink workers and stymie any struggle. For its part, the corporate media has called for further attacks, presenting the layoffs as the product of inviolable market forces, requiring further pro-business economic reforms, including the dismantling of workers’ overtime penalty rates and unfair dismissal protections.

Gillard rushed to reward BlueScope for its mass sackings by handing over \$100 million in public funds that had been due for delivery as “compensation” when the carbon tax is introduced. BlueScope executives meanwhile celebrated the layoffs by awarding themselves \$3 million in bonuses.

The company, the Labor government and the trade union bureaucrats are acutely aware that steel workers and coal miners in the Wollongong region have a long history of militant struggles, including strikes, occupations, demonstrations and the storming of Parliament House.

In 1982-83 miners and steel workers spearheaded the struggle against the Fraser Liberal government in the fight against the destruction of thousands of jobs. But that struggle was subordinated to the Labor leadership and diverted behind the election of the Hawke-Keating Labor government, which, over the next decade, carried out the destruction of jobs, wages and conditions far beyond anything dared by the Liberals.

The lessons of that history must be now drawn and acted upon. The fight to defend jobs will only go forward through a rebellion against the trade union apparatuses, which are working might and main to subordinate workers to the dictates of the company and the Labor government.

From 1983 to 1996, the unions worked hand-in-hand with the

Hawke and Keating Labor governments and big business to restructure wide sections of industry, at the expense of workers’ jobs, wages and conditions. In that period, the unions were transformed from limited defence organisations of the working class into open agents of the corporations and the capitalist state.

As in every advanced capitalist country, the union bureaucracy now constitutes an upper-middle class stratum. Its privileges are largely drawn from multi-billion dollar superannuation funds and other lucrative business investments, entirely dependent on the ever greater exploitation of working people. Today, the unions are ruthlessly policing a corporate restructuring drive even more savage than that seen under the previous Labor government.

BlueScope workers must form independent rank-and-file committees and turn out to other sections of the working class facing similar attacks. Industrial action, including the occupation of the Port Kembla blast furnace and Hastings hot strip mill, should be the starting point for a broad political mobilisation against the steel companies and the Labor government.

Above all, what is required is the development of a new political perspective. There is no way of resolving the contradictions of the “two-speed” mining-driven Australian economy—and the accelerating international race to the bottom for workers’ wages and conditions within a globalised economy—outside of a political struggle against the capitalist profit system, based on an international strategy.

A socialist program involves bringing the steel industry, mining sector, banks and other multi-billion dollar corporations under public ownership and the democratic control of the working class, as the first step toward the establishment of a rationally planned world economy based on satisfying the social needs of the majority, not generating profit and personal wealth for a small minority.

The realisation of this perspective requires a fight for a workers’ government and the building of a new revolutionary leadership. Only the Socialist Equality Party fights for this perspective. We urge steelworkers to study our program and history, and make the decision to join and build the SEP.



To contact the WSWs and the Socialist Equality Party visit:

**[wsws.org/contact](https://www.wsws.org/contact)**