

# Australian Labor Party and unions posture over Toyota closure

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Attempts by the opposition Labor Party and trade unions to score political points against the Liberal-National government over the threatened closure of Toyota and destruction of the entire car industry in Australia are a deeply cynical exercise aimed at diverting any scrutiny of their own responsibility for the disaster confronting tens of thousands of workers.

Labor leader Bill Shorten yesterday moved to censure the government in parliament. He declared that Prime Minister Tony Abbott had failed to “stand up and fight for Australian jobs at Toyota, Electrolux, Simplot, Holden, Qantas, Ford, the Gove alumina refinery, SPC Ardmona, and countless other small businesses around Australia.” He added that the government had “surrendered the war to keep manufacturing in Australia.”

Shorten was a senior member of the previous Labor government, which from 2007 to 2013 orchestrated a sweeping pro-business economic restructuring program that decimated wide sections of industry. During its six years in office, more than 100,000 manufacturing jobs were destroyed. The most prominent cases included Mitsubishi (shut down in 2008, axing 900 jobs), BlueScope Steel (1,400 jobs destroyed), Qantas (8,500 job cuts imposed between 2009 and 2013) and Ford (pending closure announced last year, 1,200 jobs).

Shorten’s list of companies that have shut down or imposed mass layoffs since the federal election last September points to an accelerating economic slowdown and an intensifying assault on working class living standards and conditions. However, this marks a new stage in an agenda initiated by the Labor government.

Working in close collaboration with the unions, under both Prime Ministers Kevin Rudd and Julia Gillard, Labor responded to the global economic crisis that

erupted in 2008 by seeking to impose the burden on the working class. Jobs were destroyed, wages suppressed and productivity speedups imposed in order to protect the profits of the largest corporations and banks, and boost the personal fortunes of the ultra-wealthy elite.

Both Gillard and Rudd spoke about engineering a “transition” to an economy dominated by the highly profitable mining and banking industries. The survival of other sectors was dependent on achieving “international competitiveness” by meeting the wage and productivity benchmarks set in the cheap labour platforms of Asia and other regions.

The Labor Party is now attempting to blame the car industry crisis on the Abbott government’s failure to hand over more public money to the transnational corporations. However, the aim of the former Labor government’s subsidy schemes was to facilitate the car manufacturers’ restructuring and destruction of jobs.

In 2008, the Rudd government commissioned an inquiry into the car industry, conducted by former Victorian Premier Steve Bracks, which concluded that “excess” productive capacity would have to be addressed through continual layoffs. The purpose of the corporate handouts was to ensure these layoffs were orchestrated in an “orderly” way, with no resistance from the affected workers. As Bracks’s report put it, “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.”

The Bracks review recommended an “ongoing dialogue” between the unions, the government and the car companies, to ensure an “orderly transition to a more competitive and sustainable future for the industry.”

Throughout the auto industry, the union bureaucracy

has been thoroughly integrated into both management decision-making and government strategy. “Tripartite” industry bodies have met regularly over the past three decades to coordinate the continued restructuring. On behalf of the corporate elite, the unions have delivered one closure after another, ensuring that there has not been a single struggle waged to defend jobs in any of the plant closures.

Last August, the ruthless role played by the Australian Manufacturing Workers Union was again demonstrated when senior union bureaucrats personally drafted a new industrial agreement for General Motors Holden, freezing wages and gutting conditions. The company demanded that its workforce in Elizabeth, South Australia accept a blanket \$200 a week wage cut or face the plant being shut down. The union—knowing that this would be rejected by the workers and fearing their reaction to this provocative ultimatum—stepped in to deliver equivalent cost-cutting through other mechanisms. These included a three-year wage freeze—a real wage cut—reduced break times, compulsory overtime provisions, company-dictated annual leave and new clauses allowing management to employ casual workers and contractors on lower rates of pay. The union organised a vote of the workforce to approve the deal—but then GM announced it was shutting down anyway.

The union proceeded more cautiously at Toyota, fearing it would be totally discredited if another wage-cutting deal was followed by a plant shutdown.

Last year, the Japanese transnational demanded that its labour costs be slashed by an amount equivalent to the GM Holden deal. The company attempted to have its workforce vote on a regressive proposal, but unlike at Holden it was drafted by management rather than the AMWU. The union reacted by initiating legal action, successfully blocking the company from putting its proposed agreement to a vote. This has since been seized on by the Abbott government and the media to accuse the union of resisting Toyota’s demands—a cynical falsehood that was nevertheless used by the bureaucracy inside the Toyota plant to foster illusions in the union among a layer of workers.

The AMWU, however, made its real position clear in a January 30 statement. Union National Secretary Paul Bastian declared that “the solution to Toyota’s productivity concerns would not be decided in court but

when the company decided to sit down with the AMWU and be transparent about its plans and all the cost factors of its Australian operations.”

In other words, the union wanted to work more closely with Toyota executives and be given some token assurances of “job security” as the means of imposing a deal on workers.

The trade unions internationally are playing a similar role. The United Auto Workers union in the US has worked with the Obama administration and the auto giants since 2009 to slash wages for new-hires in half and tear up conditions and benefits won through the struggles waged by previous generations of auto workers. In Europe, the unions are helping impose numerous plant closures and mass layoffs. Around the world, in every industry, the trade unions have long ago ceased to defend workers’ interests in any way. The upper-middle class layers that comprise the union bureaucracy work with corporations and governments against the working class in the name of “international competitiveness,” pitting workers of every country against one another in a never-ending race to drive down wages and conditions.

To defend their jobs, workers at Toyota and throughout the Australian car industry must first break with the AMWU and the unions, fighting to organise new rank-and-file committees in every plant to spearhead a political fight against the closures. This can be successful only to the extent that it is guided by a new socialist and internationalist perspective.



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