

Political lessons of the Australian car industry closure

Oscar Grenfell
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Today, General Motors is closing its Holden car assembly plant in Elizabeth, South Australia, leaving more than 900 workers unemployed and clearing the way for the destruction of tens of thousands of car components sector jobs. The shutdown follows the closure of Toyota's plant in Altona, Melbourne, on October 3, which destroyed 2,700 jobs. Ford terminated production at its Geelong and Broadmeadows plants in Victoria late last year, eliminating the remaining 600 jobs.

The closures mark the end of the 70-year-old Australian car manufacturing and assembly industry. They are a milestone in a protracted offensive by transnational corporations, successive governments and the trade unions against the jobs, wages and conditions of the working class.

The shutdowns will intensify the social crisis that already exists in working class areas, such as Elizabeth, where real unemployment is estimated at 33 percent. An entire generation of working class youth has been condemned to a future of poverty and hardship, without the prospect of full-time employment.

The car industry closures are part of a broader onslaught against the working class. For that reason, it is critical that their lessons be drawn and the political forces responsible exposed, in order to prepare a counter-offensive by workers in every industry. The statements of Labor Party politicians and union officials are aimed at preventing this from taking place and covering up their own role in preparing and enforcing the shutdown of the car industry.

Officials from the Australian Manufacturing Workers Union (AMWU), which covers the sector, along with Labor premiers in Victoria and South Australia, have declared that the federal Liberal-National government alone is responsible for the closures because it ended multi-billion dollar subsidies to the car corporations, introduced by former Labor governments.

In reality, Labor's subsidies, backed by the unions, were nothing more than massive cash handouts to the car manufacturers, and came with provisos of stepped-up attacks on workers, including sweeping job cuts, which prepared the ground for the closures.

This was a continuation of a decades-long process, whereby Labor and the unions spearheaded the pro-business overhaul of the car industry, in line with the demands of the corporate and

financial elite.

This drive began with the "Button car plan," introduced by the federal Labor government of Bob Hawke in 1984. Named after Hawke's industry minister, John Button, the program was aimed at restructuring the nationally-regulated car industry in order to integrate it into the increasingly globalised production networks of the auto manufacturers.

The unions, in line with their pro-business accords with the Hawke government and the major corporations, backed the "Button plan" and enforced the cuts it mandated. Over the ensuing years, the unions oversaw the smashing up of rank-and-file shop stewards' committees, the victimisation of militant workers and thousands of sackings.

Under Labor, Toyota shut its plants in Dandenong and Port Melbourne in 1991, destroying 700 jobs. Elsewhere, it introduced sweeping cuts to working conditions, including 12-hour shifts. Over the following years, Nissan ended production entirely, while Ford shut its Sydney plant.

At the same time, the Labor government of Paul Keating, with the support of the unions, introduced an enterprise bargaining system. Rather than industry-wide awards, the legislation provided for industrial agreements at each workplace. This sought to atomise workers and create the conditions for continuous cutbacks at each workplace through union-brokered sellout deals.

This process, continued by the Liberal-National government of John Howard, was again escalated by the Labor governments of Julia Gillard and Kevin Rudd, especially in the wake of the 2008 financial crisis, which triggered a new global offensive by the auto companies.

During their years in office, Labor, working with the unions, oversaw the 2008 shuttering of Mitsubishi's plant in Adelaide, over 1,500 job cuts at Holden, some 450 sackings at Toyota and around 1,000 at Ford.

In all the recent closures, Labor and the unions have done everything they can to prevent the emergence of opposition from workers. The AMWU has sought to squeeze every last bit of profit out of workers. Just days before Toyota's Altona plant was shut, AMWU National Vehicle Division secretary Dave Smith bragged: "This is the best performing Toyota plant in the world, for efficiency, for quality, right to the end."

At Toyota and Holden, state Labor governments and the unions have promoted bogus company-funded “retraining” schemes, which they claim will mitigate the impact of the shutdowns. In reality, after decades of labour, workers are being thrown onto the scrapheap.

According to the AMWU itself, only 50 percent of Ford workers sacked last year have found full-time employment. A 2006 study showed that only a third of workers laid off when Mitsubishi closed its Adelaide engine plant two years earlier found full-time work. Another third were under-employed and a third never found work again.

Aside from the immediate job losses, estimates of flow-on sackings following the closure of the car industry have been as high as 200,000. In other words, the decades-long restructuring of the industry, and its ultimate closure, have created the conditions for a social catastrophe.

The central role of Labor and the unions in this offensive underscores that both are anti-working class entities, which advance the interests of big business. The function of the unions as an arm of company management, demonstrated so graphically in the car industry, is replicated in every industry around the world. Everywhere, the unions are thoroughly corporatised entities, advancing the interests of a privileged union officialdom, which derives its wealth from the exploitation of the working class.

The perfidy of individual union leaders is an expression of broader processes.

In an earlier period, the trade unions sought to extract limited concessions from nationally-based employers and governments, in order to ensure the stability of the profit system which they have always defended.

The globalisation of production, beginning in the late 1970s, shattered the objective basis for this program of national-reformism. Workers confront globally-mobile transnational entities, including the major car companies, which scour the world, looking for the cheapest production costs, and the highest rate of return for ultra-wealthy shareholders.

Taking their nationalist and pro-capitalist program to its logical conclusion, the unions became open instruments of big business. The AMWU, like its counterparts in other industries, told car workers they had no choice but to accept sweeping cuts, to ensure that Australian car production was “internationally competitive” and prevent the industry’s closure.

The unions have enforced a race to the bottom without a finish line, involving the destruction of “unprofitable” sectors of the economy everywhere, and the reduction of the conditions of the working class to those that existed in the 1930s.

At the same time, the unions have pitted workers against one another, through the promotion of nationalism, xenophobia, and claims that government tariffs and protectionist measures would defend jobs. This has been aimed at tying workers to the very corporations and governments prosecuting an offensive

against them and denying the reality that workers in every country face the same fundamental issues and the same enemies.

The car companies are carrying out mass sackings, continuous speed-ups and ever-greater exploitation across operations spanning the US, Europe and Asia. In the US alone, General Motors, Ford and Fiat Chrysler are imposing tens of thousands of job cuts this year. This follows the 2009 introduction of a tiered wage system by the Obama administration, the major auto companies, and the United Auto Workers union, which halved pay for new-hires and imposed sweeping cuts to conditions.

Amid a breakdown of the global capitalist system, the corporate elite, along with the unions and governments everywhere, is escalating its assault on the social rights of the working class.

The deepening downturn of the Australian economy is being used to restructure entire industries, with sweeping job cuts in telecommunications, mining, construction and every area. Major corporations will use the closures of Toyota and Holden as a precedent for the shuttering of “unprofitable” sectors of the economy.

The closure of the car industry demonstrates that to defend their jobs, conditions and wages, workers must break with Labor and the unions, and strike out on a new political path. New organisations of struggle, including rank-and-file factory committees, are required.

The isolation imposed by the unions must be broken and a unified industrial and political fight-back launched by workers throughout entire industries, in Australia and internationally.

Against the nationalism and corporatism of the unions, workers need an international perspective, aimed at unifying their struggles across vast global production and supply chains. The defence of every social right requires a frontal assault on the corporate oligarchy that dominates every aspect of social life on a world scale.

Above all, what is required is a socialist perspective, aimed at establishing workers governments’ to begin the reorganisation of society in the interests of social need, not private profit. Socialist policies, including placing the massive corporations under public ownership and workers’ control, are the only way to establish basic social rights—to a decent, well-paid job, and access to the necessities of modern society, including high-quality free education and healthcare for all.



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