
Politics and the Accord is billed on its back cover as providing ‘a dissident, heretical critique of current ACTU and labour movement policies’ which is critical of the “failure of the Left to provide a progressive strategy for economic and social change”.

The authors survey the Accord as the labour movement’s first coherent response to the global restructuring of capitalism following the collapse of the long post-war economic boom. Their major economic criterion for assessing the Accord’s success or failure is employment—and they conclude that the “Accord’s employment record is largely illusory”.

The most vaunted gains of the Accord in the area of the ‘social wage’ are dismissed as “actually intensifying the trend back to a selective welfare system, from which many workers obtain no benefit”. And the authors describe the Accord as having imposed a wage freeze on workers leading to the real wage of a fitter declining by $1032.21 p.a. since 1983-84, or by 5.4% when social wage increases are factored in—a wage freeze costing workers, the authors claim, in the order of $13 billion.

If this wasn’t enough, the authors further claim the union movement under the Accord “is being transformed in the image allowed for it by employers, at the cost of its autonomy and vibrancy”.

However, much of the economic analysis underlying these assertions suffers from an inadequate grasp of Australia’s economic history. The authors seem to be unaware that Australia has had a history of repeated balance of payments crises (1840s, 1890s, 1930s, 1950s and 1970s). Their ahistorical analysis also leads them to attribute the current crisis to the Fraser government’s mishandling of the resources boom. While this may have been a factor, the underlying structure of the Australian economy is the main culprit.

The ACTU is condemned for being too accommodating of the workplace reform strategies of employer organisations such as the Business Council of Australia (BCA). According to the authors, flexibility in its various guises (functional, numerical and wage) is seen as an employer strategy to undermine trade union structures and worker solidarity. Accordingly, the ACTU’s move to decentralised bargaining is portrayed as a collaboration with employers to undermine the Left’s ‘traditional’ national training and skills formation agenda. The authors are also critical of other major ACTU reform proposals such as union amalgamation and rationalisation (a framework described as “rotten with contradictions”), award restructuring, superannuation and industry development.

More broadly they oppose microeconomic reform, International Best Practice, and public sector reform proposals such as privatisation. Even mild reforms such as corporatisation are seen as excluding “community involvement in these enterprises’ management, the very rationale for which is to serve socially determined priorities”.

The authors depict the public sector as crucial to their concept “of a collective society, where social control of economic and political life might take precedence over the unfettered market”. In this view the market is the satanic force to be exorcised. It is “hostility to a market economy directed by private capital” which is “the starting point for union organisation”. With this starting point, is it any wonder that their alternative takes on an air of irrelevance in a world where non-market economic systems have disintegrated? Moreover, on this fundamental point they are sadly out of step with more thoughtful Left thinkers who are seeking methods to harness market power to achieve social goals. For instance, Le Grand and Estrin (in Market Socialism) have pioneered a left reappraisal of the value of markets. The authors might also have heeded High Stretton’s sensible advice that:

Wherever they [markets] work as they should, especially where they work without generating undue inequalities of wealth or power, Left thinkers should value them as highly as any privatiser does. Indeed, more highly: the Left has such necessary tasks for government, and so much to lose from inefficient or oppressive bureaucracy, that it should economise bureaucracy in every way it can. (Political Essays.)

This ideological hostility to the market undermines the credibility of much of the analysis and alternatives contained in Politics and the Accord. At times, the analysis degenerates into a kind of crude kindergarten marxism. The book is steeped in the language of irreconcilable class conflict. References to ‘bourgeois individualism’, the ‘commodification’ of labour, ‘production for profit, not use’, and ‘production for use rather than surplus value’ do not help clarify the argument. Often these catchphrases are a substitute for reasoned analysis.
Even hoary old conspiracy theories get a rerun. Rightwing opponents are accused of being trained at US State Department and CIA-funded university programs. The Federated Iron-workers Association (FIA) is particularly singled out though it is unlikely to be devastated by the force of this criticism. Both this un-reconstructed marxism and this factional point-scoring are insurmountable obstacles to the development of credible alternative labour strategies.

The major practical proposal emerging from Politics and the Accord is the development of a centralised national skill formation and training system funded by employers and linked to a national skills based wages system.

By transforming the industrial relations and training systems from institutions of wage earner security, to institutions capable of influencing economic restructuring, Australian labour might yet define its politics in opposition to private capital’s unfettered domination of the market.

The book’s proposed wages system, in classic collectivist fashion, is designed as a lever to restructure the Australian economy.

It involves a rigid three-tier process of wage movements, including national across-the-board increases, skill payments and industry level collective bargaining. The authors explain it like this:

[All Employers should face an across-the-board claim—if they cannot use labour resources efficiently enough to meet that claim, they should be restructured out of business, and the labour reallocated to industries capable of increasing living standards.

One wonders what individual workers would feel about their enterprises being ‘restructured’ in this manner, particularly at a time of recession. Even more eccentric is the argument that “in the interest of sustainable development, it is imperative...that we mount further campaigns to reduce labour hours”. (Surely a rerun of the 1980s shorter hours campaign is the last thing required at a time of high unemployment.)

However, despite these major analytical flaws and contradictions, the book provides a novel and important insight into the crisis of the Australian Left.

The authors depict the Left as suffering a “crisis of legitimacy” attributed largely to the decline of the Communist Party of Australia (CPA). Its successor, the New Left Party, according to the authors, has failed to establish an ideological identity and is therefore unlikely to mobilise a significant constituency. The Accord, with its attendant reduced role for mass activism, has meant that a new generation of Left activists hankers for “a return to the halcyon if imagined days of wage militancy”—Australian Scargillism. And while the mainstream Left harbours doubts of a private nature about the Accord, according to the authors they are “suppressed for reasons of self-preservation”.

The authors conclude that “the actual course of the Accord has not encouraged further policy debate and formulation within the union movement, if only because dissent is met with accusations of treachery”. Their solution to this malaise and “organisational disarray” is the development of links with two key social movements—the social welfare lobby and the environment movement.

They concede that the command economy is an insufficient condition for socialism. However, they decline to offer a meaningful socialist alternative. They merely express dissatisfaction with “the social, environmental and economic devastation being wrought on the community by a market economy dominated by private property rights”. This inability to move beyond critique underlines the policy bankruptcy of much of the Australian industrial Left.

The crucial issue the book ignores is whether the rapid pace of change brought about by the globalisation of the Australian economy can be reconciled with the labour movement’s continuing commitment to centralised wage fixing, the Accord and centrally directed trade union structures. For increasing sectors of the Australian economy, enterprise bargaining is the only viable industrial relations alternative: a point now recognised by the ACTU, the federal commission and Labor governments.

Trade union survival in this new world requires the acceptance of change. Diverse and more flexible patterns of industrial relations are not solely the demands of ‘New Right’ employers. Workers in the highly segmented labour market of the 1990s are demanding the right to choose the way they arrange their working conditions and hours.

To remain relevant, unions must respond to the increasingly heterogeneous lifestyles of their members, and develop a ‘customer’ focus. Trade union services need to be tailored to the changing needs of their client base rather than to the ideological constraints of trade union officials.

A competitive market for trade union services is the best method for ensuring responsive trade unions. Competition between unions should not be dismissed merely because it does not conform to an outdated collectivist view of the world. As long as the union movement does not have to justify constantly its continued existence to its members and potential members, there will be no effective force to push unions to a more relevant future.

There is need for a thoughtful Left critique of the Accord. Such a critique would explore the political economy of labourism with particular emphasis on the industrial emasculation of the trade union movement under its modern corporatist form. Politics and the Accord, while useful as an insight into the thinking of a section of the Left, does not fulfil this need.

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