The Unions: What of the Future?

Gerry Phelan

It is commonly asserted especially in times of economic crisis, that unions are too powerful. It is the kind of statement which, on the face of it, is not discriminating, but when you get down to it, is directed at those unions or those sections of union membership which are actually doing something. So it is not all unions that are too powerful — only the active ones.

On further examination it usually becomes clear that the union is acting to protect or improve the wages or working conditions of its membership which is precisely the reason why it was formed. In pursuit of those aims it attempts to marshall all the power it needs in order to be successful. It will use industrial, economic, political, or legal power or public opinion. It will use film, song, and dance. In short the union will attempt to use all the instruments typically used by any group pursuing sectional interests.

The unions are a product of capitalism. They arose as a reaction on the part of working people to the power of capital and to the many ways in which that power was expressed. They continue to operate in a capitalist economic and social system in which capital is increasingly centralised, increasingly concentrated and ever so much more powerful than it was when the unions were born.

Capitalism is a system in which the powerful thrive. The weak go to the wall. To survive in the system, economically, industrially, politically or in almost any context, power is essential. Reason and perhaps moral right could be helpful but are not as important as power, and there is no such thing as too much power! Those are the rules. Trade unionists, like everybody else who lives in the society, have learnt those rules, often through bitter experience. It’s not nice. It’s not fair. But that’s capitalism.

Power is far from equitably distributed throughout the society; it is more easily and quickly brought into operation by some groups and individuals than by others and there are differences in the extent to which it can be sustained. Trade union power is more apparent than real, more ephemeral than sustained, and more reactive than initiating. For these reasons it is hardly to be compared with the major power agencies in the community if we are looking at the dominant agents of social change or powerful barriers to social change. The employment question brings this point into focus. The unions are no more responsible for Australia’s current high unemployment than they were responsible ten years ago for the reverse. If
the employee, via the machine, to the employer, limits job content (and, ultimately, trade training programs) and job availability which are issues of particular concern to school leavers. Large numbers of unemployed young people throw additional pressures onto the family as a support system and build up pressure for an increase in real wages for those parents who are employed.

Thus, the power of the corporation as it is exercised in pursuit of corporate interest reaches out into much wider areas of social life.

It is especially important to develop an understanding that these consequences of the use of corporate power are not such as can be overcome by improvements in wages or working conditions. Such improvements, though welcome, do nothing to challenge the power of those who, by design or inadvertently, produce these situations and hence do nothing to ensure they will not be repeated. While wages increase, the problems get worse. This is not an argument that wage and salary earners, through their unions or otherwise, should abandon attempts to maintain or improve their standard of living. The reduction in real wages over the period that wage indexation has been operating in Australia shows that this must be a continuing concern. But for present purposes the more important point is that, despite the best efforts of the unions in maintaining the purchasing power of those of their members who do have jobs, they are unable to do even that effectively.

If real wages are to be maintained which means, at the very least, maintaining security of employment, wage and salary earners need greater power over a much broader range of issues. For this to occur it will be necessary to develop a much greater understanding of the need for it within the union movement. Such an understanding will be more easily developed if it begins from, and grows out of, the situation faced by people in everyday life.

In the face of high and rising unemployment and the need to resist it, wage and salary earners might now be willing to think about alternative product strategies, about how the plant might be used to produce different goods which might not be as profitable but which might satisfy some social need. The example of the Lucas Aerospace workers in Britain producing kidney machines is a case in point.

Of course, not all plants will easily lend themselves to alternative production and so the Lucas example might not be as readily transferable as it might at first appear. In any case, rather than imposing solutions from outside, it would be important to go to the wage and salary earners at the shop or office floor and encourage them to unleash their creative energy on an activity that, after all, would be directly in their interests. It will be easier for the unions to begin this process if they have previously developed at the workplace, some competent shop-floor organisation such as a shop committee or a combined unions committee. Such a development would also imply, among other things, that they had previously undertaken the often bitter struggle to win from the employer the right to have union organisation on the job, and it would also imply that the unions had overcome any barriers that might have prevented them from working together at the job level. The development of shop-floor organisation would also be assisted if at least some of those involved had participated in some form of union education program.

Even if these preparatory steps have not been taken, it might well be, as mentioned above, that in the face of high and rising unemployment and the need to resist it, wage and salary earners might now be willing to develop some new approaches. It may be that the ideas they come up with will be rejected by the controllers of the corporation because the rate of return might not be high enough, in which case it would be necessary to resort to industrial and political action in order to keep the plant open. Although this action would be concerned principally with job security and wages and to that extent might be interpreted as a narrow sectional approach it would also inextricably link those issues to a challenge to the employers' power to keep the plant closed when people want to work. And that is a significantly different thing.
the unions had the power often claimed of them, they would not have tolerated the high numbers of their members out of work. If overseas forecasts are any guide, it will get worse. Clive Jenkins, the General Secretary of the Association of Scientific, Technical and Managerial Staffs in Britain, estimates that unemployment in the European Economic Community will increase from the present six million to 18 million by 1990. (1)

The unions just do not have the power to make or not to make the investment decision, the very decision which increases job opportunities or alternatively substitutes capital for labor and reduces the number of jobs available. The situation at the Chrysler plants in South Australia provides an example. Early in May 1978, the company announced plans to sack 1100 employees; altogether the workforce will be reduced from 7,000 a little over a year ago to 4,000 in 1979. The decision to install the existing plant or hire the recent workforce or produce the current models were made entirely by the company. The unions had no part in them. The success or otherwise the company has in bringing those and other factors together, as expressed in Chrysler’s share of vehicle sales, is again something over which the union has little power. It is only at the point where the company begins sacking employees that the union, especially the people at the shop floor, can act. And at that point what action is open to them? At the very least they must have a meeting to discuss the situation. On the day they plan to do this the company closes the plant early, (2) issues dismissal notices and thereby frustrates any possibility of the bringing into effect of the unions’ reactive power.

When compared with the giants in the vehicle industry, the unions are small fry. But on the other hand, if unionists attempt to protect or advance their interests, say, in the metal industry by means of a general nationwide wage claim, it is more than likely that many small employers would be placed in serious difficulty. To these, the unions, in their turn, could appear too strong. But then small businesses are particularly vulnerable to changes in their environment — financial, industrial or marketing. They, too, like wage and salary earners, are early victims of greater power exerted elsewhere within the capitalist system. As capital is further centralised and concentrated there is less scope for small business; it can expand only in the narrowing economic interstices. Typically small business people are encouraged to see their situation as caused solely by the immediate demands of trade unions and to utterly ignore the lessons of their own collective experience, namely, that even if they accommodate those demands they face, jointly with wage and salary earners, the greater power of capital.

What is being suggested then, is that it is capital, principally in the form of the large national and multinational corporations, which has too much power and it is time it was brought under popular control. Rather than the trade unions in Australia killing socialism, as has sometimes been suggested, the power of capital has meant that socialism has not yet been born.

As this power is exercised, as for example it is with respect to manufacturing industry in Australia, it becomes increasingly important to develop an understanding among wage and salary earners within the industry of the way the power is exercised and the effects it produces. The closing of plants within Australia and their reopening in South East Asia heralds a profound reshaping of the industry and a decline in its importance as a source of wealth and employment. For those sections of the industry which remain in Australia the application of new technology produces changes in the labor process which disrupt the traditional trades and other job classifications. The almost-completed retooling program of the British-owned heavy engineering company, Vickers Australia Ltd., (3) illustrates the point. Part of the $5,250,000 spent on imported machine tools was used to acquire computerised numerical control equipment which, when linked to vertical borers, is operated from a visual display unit and replaces up to three machines conventionally operated. But whereas we have come to expect of technological innovation that it replaces labor at the point of production, the greater significance of this particular equipment is that, in the event of equipment breakdown, the fault diagnosis normally carried out by maintenance staff at Vickers’ Melbourne factory will now be carried out in the factory of the manufacturers in the USA to which the equipment is connected by direct line. The deskilling of the workforce, as control over the labor process passes from
Such an approach opens the way to further challenges, on behalf of the union membership, on where additional capital should be installed so as to provide work for unemployed members thus bringing into consideration questions such as urban stagnation, regional development and public transport facilities.

As the unions embrace these issues in their efforts to look after their members they will begin to reach out to those increasingly numerous groups in society generally, e.g. small business people, small farmers, environmentalists, who are also affected by the power of capital but who, hitherto, have been relatively isolated and kept that way, in part, by the power of the opinion-makers in the media.

The greater mutual understanding which would develop would not only ally wider sections of the population to what had, until then, been the concerns of special interest groups, but would thereby broaden the opinion-base on which all groups construct their policies.

The greater mutual understanding would begin to produce, for each group, sound knowledge, based on personal experience of other groups, individuals and issues. Trade unionists’ views, for example, of the women’s movement would then be based on direct contact and discussion rather than on mediation or distortion, by the press, radio and television. To the extent that that occurs it would challenge the power of the media to divide and isolate all those various groups who are wanting change but have not, as yet, found a basis for mutual support or compatible programs.

This is hardly a formula for instant revolution, but does indicate a way that union activity might be expanded in the light of current difficulties. The ideas are not new. For example, the Metal Trades Federation of Unions, in the very successful series of seminars held last year on the crisis in manufacturing industry, brought together a wide range of different groups which had hitherto been unconnected. In the public sector the form and content of the process might be different. For example, the Australian Telecommunications Employees’ Association (ATEA) has recently launched a public campaign which calls into question the decision of the national telephone authority, Telecom, to spend $2 billion on computerised exchange equipment known as ARE 11. The ATEA has produced a pamphlet entitled “Should you step aside for a computer?” and supported it with a paper on social and economic issues related to the new technology. Care is taken in the pamphlet to avoid the charge that the ATEA is simply opposing change and it says:

“We are not suggesting that we abandon technology and miss out on the benefits of modern science. In the past, technology has released large numbers of people from long hours, low pay and excessively hard work. Technology can also make ordinary men and women its victims through mass unemployment, deskilling of jobs and invasion of privacy.”

Concurrently, the ATEA is calling for public evaluation of Telecom’s plans for computerised exchanges. This demand is borne out of the Association’s practical experience, especially Telecom’s 1969 purchase of the common user data network for $20 million. As the Association says:

“It was plagued by technical difficulties which were corrected at the expense of taxpayers-customers … Telecom is looking to dismantle the system in all states except Melbourne (Victoria).”

Both the manufacturing industry crisis and the ARE 11 issue reinforce the view that the kinds of problems facing wage and salary earners, whether they be in private enterprise or the public service, (1) are not such as can be solved by improvements in wages and working conditions; (2) impinge upon much wider sections of society, and thereby enhance the prospects for mutual support referred to above.

The unions’ initiating role in the process is crucial. Numerically, they constitute the biggest single interest group and speak for a population with a heavy dependence on week-by-week income and few, if any, alternative resources. For such people the issues are real and they are important. Given that the typical union in Australia is not confined to the one employer or industry but has members in many industries, the unions are far better placed than many individual employers to bring together an enormous amount of detailed knowledge. Of particular importance is the fact that they have well-
established structures and processes through which this can happen.

In the beginning, of such a process, the unions can expect to come under heavy attack from those in the community who say that unions should not interfere with employers’ prerogatives, that they should confine themselves to wages and conditions issues. These attacks will have to be dealt with when they occur. The entire question of employer prerogatives reminds us of the slogan of the anti-war movement, “Peace is too important to be left to generals”. Similarly in a modern, highly industrialised, highly integrated, highly interdependent economy such as Australia’s, the decisions as to what to produce, if and where, how and when, are too important to be left to employers.

As unions attempt to broaden the base of their industrial activity then from less conservative quarters the suggestion might be made that the problems can be solved at the level of the enterprise by means of something that might be called workers’ participation. Undoubtedly there are changes which will be necessary to improve the situation at that level, but workers participating within narrowly-defined limits substantially set by the employer at the enterprise level is a futile exercise if the determining powers are beyond their reach. The Chrysler company provides a striking example of this. Among the vehicle manufacturers in Australia, it was the first to make a commitment to workers’ participation and the commitment it made was substantial. Among many other things, it sent a three-person delegation overseas to study worker participation schemes in several countries. One of the members of that delegation was the president of the Vehicle Builders’ Employees’ Federation (VBU) Shop Committee at the company’s Tonsley Park works in Adelaide. In the light of the company’s recent decision to rationalise production and sack workers, it is clear that any participating the employees might have done did nothing at all to increase their security of employment or place any moral obligation on the company to find alternative employment. In this situation, the workers’ participation scheme is simply irrelevant.

If the above outline suggests ways in which the unions might move in both advancing their members’ interests and challenging the power of capital, the role of the political parties of the Left, which have traditionally influenced the unions, remains to be explored. They could do much to facilitate the process under discussion.

Capitalism has turned out to be an extremely resilient economic and social system but the various economic, cultural and ideological institutions that underpin it are coming under increasing attack. More and more the bases of power are being challenged by ordinary people in significant ways. Firstly, there is an increasing awareness of the vulnerability of power holders, that the bases on which they rest are not as unassailable as has generally been assumed. Secondly, ordinary people are becoming increasingly conscious of the power they themselves have and how they can affect outcomes by its use. The proliferation, and success of, community action groups attest to this.

These developments suggest that the historical tendency towards greater democracy is beginning to burst through the confining cage of capitalism. They signify that the time has come for much greater openness in the decision-making process. If contending points of view are not accounted for during that process there is now a much greater likelihood than previously that ordinary people who will be affected by the decision, will chain themselves to trees to prevent the destruction of parkland, will lie down in front of bulldozers about to demolish their tenanted housing or in other ways will apply a veto to decisions made in pursuit of narrow interests.

These developments are not at all partisan; they constitute an attack not only on the controllers of capital but on all powerholders including those in political parties and in unions. Not only are they necessary to meet current basic problems, but they also lay a sound basis on which any future society might be constructed.

FOOTNOTES