BETWEEN
CONTROL AND CONSENSUS:
AUSTRALIA’S ENIGMATIC CORPORATISM

by
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INTRODUCTION

It is with some bemusement that erstwhile antipodean admirers of Euro/Scandinavian 'models' view the current overseas interest in the Australian experience of 'corporatism'. In part, this interest derives from a search for guidance with the difficulties of industrial adjustment flowing from globalisation, during a period when traditional 'corporatism' has become distinctly unfashionable, even allegedly inviable (Lash and Urry, 1987). Robin Archer argues that "just when the rest of the world was moving away from corporatism, Australia was firmly embracing it" (Archer, 1992:376; 1995, ch. 9). Allegedly, corporatism in Australia has enabled a period of "flexibility and structural adjustment through consensus", in which broad agreement existed as to the direction of economic policy (Kyloh, 1989; 1994). For Robert Kyloh, "the Australian experience [of industrial restructuring] is particularly interesting because it has been largely directed by the political and industrial leaders of the labour movement" (1994:344-5). For Archer, corporatism under the Accord has enabled unions to influence the content of public policy and the conduct of employers to their advantage (1995: 86-87). The Australian experience challenges the view that curtailing trade union influence is an essential component of successful industrial adjustment strategy (Kyloh, 1989:104). This, of course, presumes that Australia has seen successful industrial adjustment, and that trade union influence has been preserved or enhanced. This paper rejects both propositions.

Archer, Kyloh and other writers eulogise the period from 1983, the year in which the Hawke Labor Government came to power after a long period of Conservative incumbency. The Labor Party's 'Accord' with the peak union body, the Australian Council of Trade Unions (ACTU), held considerable electoral appeal. The document symbolised the Hawke Government's 'special relationship' with the unions, and its reputed predilections for consensus and consultation, not confrontation. It followed a classic corporatist pattern in which unions trade wage restraint for a promised influence over public policy. This paper argues that the veneer of consensus has masked intense conflict over the terms in which Australia's policy and industrial relations arrangements were being recast. Despite some victories, the Accord experience has meant defeats for labour in crucial policy contests over the terms of industrial adjustment. And if the argument of this paper is along the right lines, the nature of the contest itself has not been properly judged even by otherwise perceptive commentators on the Accord.

The overarching contest is between an approach to industrial adjustment which focuses on directing investment via industry policy, and one which frees capital and shifts the burden of industrial adjustment onto workers -- ie economic liberalism. The Accord

1 There is considerable interest in Australia in Canadian and US circles. See Hecker and Hallock (1991:145). Even in Sweden, Australia and New Zealand have been touted as possible models, although admittedly more by employers and policy makers that in Australia would be known as economic rationalists (SAF [1995] Study Tour: Australia and New Zealand, October, SAF; Australian Financial Review, 1/9/94; Personal Communications and Letters, Berger Viklund, Winton Higgins).

2 Gourevitch et al use the terms radical and conservative to denote this contest. These apparent alternatives are not really exclusive, since there are cases (notably Singapore) where industrial adjustment policy has followed both tracks -- economic intervention, and attacking the conditions of workers. Rodan, 1992
process has locked the union movement into self-defeating support for this latter approach to structural adjustment. Although the version of economic liberalism is a slightly less virulent strain than that favoured by Labor's political opponents, the difference is more one of degree than kind. Economic liberalism is deeply opposed to the interests of organised labour, therefore the sense in which Australia is an example of corporatism is problematic. And the conceptualisations used by certain advocates of Australian corporatism are inadequate. Improving on them is the task of the first section, which identifies varieties of corporatism. If Australia is a corporatist society, which type of corporatism is it? The answer turns on the extent to which the interests and preferences of organised labour have been expressed in policy and other outcomes, or overridden by the state and/or business interests. The rest of the paper argues that events in Australia under the Accord are best grasped through some variant of labour subordination or exclusion, although Australia is hardly an instance of 'pure' labour exclusion. Section two exposes the historical and political roots of the industrial adjustment problems which Australia was confronting in the 1980s. Section three traces the crucial contest over industry policy. Organised labour lost this contest, yet remained committed to the Accord. It also accepted a shift in the focus of national industrial adjustment strategy from industry policy to industrial relations. Section four outlines the alternatives in the contest over industrial relations and training reform. Section five traces their outcomes in the succession of Accords and the decentralisation of industrial relations. These outcomes suggest that Australia is 'between control and consensus', while leaning towards labour exclusion.

1) CLASSIFYING CORPORATISM

The study of corporatism burgeoned in the 1960s, as new political formations, in particular linkages between the state, business and unions, captured the imagination of theorists seeking alternatives to political pluralism (Martin, 1983). In this growth industry, corporatism was subject to an "excess of conceptualisation" (Lehmbruch, 1982:1). Certain writers later attempted to draw linkages between 'corporatism' and economic outcomes (e.g., Bruno and Sachs, 1985:26-27), despite lacking a clear definition or means of operationalising 'corporatism' (Therborn, 1986:22-23; Dabscheck, 1995:33-40). It is not possible or necessary here to review all the shades of meaning and terminology 'corporatism' has assumed. Suffice to identify the major political possibilities inherent in political formations identified as 'corporatist', highlighting the role of the state, and the position of organised labour. Then we will be better able to assess what variant, if any, fits Australia.

According to Archer (1992:377), corporatism is essentially an industrial relations system characterised by a high degree of centralisation, public involvement, and class cooperation. But this approach is too narrow, since the concept must register variations in the relations between business, labour and the state, which go outside the realm of industrial relations properly so-called (Valenzuela, 1992:53). 'Corporatism' also denotes a greater range of societies than Archer allows; societies as diverse as Austria, Switzerland, Norway, Sweden and Germany (Katzenstein, 1978, 1985), Japan (Pempel and Tsunekawa, 1979; Hirst and Zeitlin, 1989; Aoki, 1988) and Singapore (Deyo, 1989; Rodan, 1992). Therefore, if the concept of 'corporatism' is to be illuminating, it must register important variations in national political economic structures, in particular the nature and interrelations of the state, business and labour. That is, 'corporatism' must
refer to types of capitalist political economy, of which industrial relations systems are subsets.3

As a starting point in developing a taxonomy of 'corporatism', the work of Katzenstein (1985, ch. 1) is useful. Katzenstein has divided capitalist economies into three broad types: liberal, statist and democratic corporatist. Liberal economies are those which prioritise market processes and macroeconomic approaches to economic management. State intervention is kept to a minimum, both by ideological preference, and by the state's inability to shape powerful interests in the polity. The examples here are the UK and the US, in which early industrialisation left a distinct institutional legacy -- limits on the state's capacity for economic intervention, and a union movement which prioritised collective bargaining supported by control of skill, and/or shop-floor job control, rather than political activity (Zysman, 1983; Valenzuela, 1992:77-84; Ofori-Dankwa, 1993:271). On the other hand, in statist political economies the state has driven late ('catch-up') industrialisation, in particular by industry policy. The best example here is Japan (Johnson, 1982). Other writers identify the Asian "Tiger" economies, in particular Taiwan, Korea and Singapore (Deyo, 1987; 1989). Katzenstein also mentions France, the linguistic originator of *dirigisme*.

The economies Katzenstein identifies as democratic corporatist, eg. Sweden, Austria, Denmark, Norway, are also typically late industrialisers. In these countries, for Katzenstein, small size and a resulting sense of external vulnerability encourage a sense of shared national interests and inclusive politics, in particular negotiation over the terms of industrial adjustment.4 The labour movement is organised under powerful peak bodies, and in Scandinavia has very high union density. Associated with this is a strong, universalist welfare system, and a battery of institutions to effect 'domestic compensation' -- to compensate the potential losers of industrial adjustment via welfare and active labour market policies (Katzenstein, 1985, ch. 2). Zysman (1983, ch. 1) uses an essentially similar categorisation, distinguishing 'market led', 'state-led' and 'negotiated' approaches to industrial adjustment. Similarly, and respectively, Wilensky and Turner (1987) place countries on a continuum of least to most corporatist, with liberal countries being least corporatist, and countries like Germany and Sweden at the extremes of corporatism.5

However, for Wilensky and Turner, Japan falls somewhere in the middle, because of the tight connections between business interests and the state, and organised labour's political exclusion. Pempel and Tsunekawa (1979) grasp this configuration with their category of 'corporatism without labour'. There are peak bodies of unions in Japan, but, unlike their Euro/Scandinavian counterparts, they have little control over their affiliates, and little influence over public policy. Somewhat weakly, Aoki (1988:262) labels this "managerial corporatism" -- a "microversion" of corporatism, where the interests of labour and capital interact at firm level, before ascending to influence state policy. However, Japan's

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3 The 'types' of capitalism are grasped with such concepts as Katzenstein's (1978) "policy network" and the French Regulation School's "mode of regulation" (Boyer, 1990). That the differences between national capitalisms have different consequences for economic and social development is a commonplace of comparative political economy.

4 As Katzenstein acknowledges, the position of Germany is problematic here. Germany approximates the structure of the small, European states, despite its large size. Katzenstein, 1978

5 Interestingly, Wilensky and Turner (1987:15) see Australia as fragmented and decentralised, and among the 'least corporatist' economies. Also see Bray, 1995:2

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enterprise union structure works against unions decisively opposing the interests of 'their' firms, even if that means going against the preferences of union peak bodies (Moore, 1987; Kumazawa and Yamada, 1989).

Other types of corporatism emerging in Asia do not register in common typologies. Deyo (1987, 1989) has charted the "modes of labour exclusion" in several Asian economies. What is interesting about these structures is that certain of them combine the appearance of political inclusion with the reality of exclusion. That is, nominally tripartite institutions, like Singapore's National Wages Council, transmit state policy to the union movement, rather than encouraging influence in the reverse direction. Indeed, Singapore's union movement has been subject to extensive intervention, even to the extent of choosing its leaders, and appointing them to Cabinet! Joint incumbency of political and trade union office thus blurs the boundaries between the union movement and the state (Leggett, 1988:247; 1993; Deyo, 1989:107-108; 141).

The nature, position and role of the state is crucial to define what sort of corporatism we are dealing with, despite this being a notable lacuna in corporatist theory (Martin, 1983:90). The state's predilections and capacities for economic intervention have already been mentioned. In terms of the state's relation to the union movement, there are three broad possibilities, which Martin (1989:112) identifies. One is, as in the above example of Singapore, that the state controls the unions. Another is that the unions are somewhat autonomous, neither clearly dominating, nor being dominated by, the state. This yields two broad variants of corporatism: first, state, or authoritarian corporatism, and second, societal, or liberal, or social, or democratic corporatism (Schmitter, 1979:20; Lehmbuch, 1979:54; Deyo, 1989; Pekkarinen, et al., 1992; Katzenstein, 1985; Valenzuela, 1992:70-71). In the first, organised labour is incorporated in the institutions and functions of the state, entailing loss of political autonomy. (Let us refer to this as authoritarian corporatism.) In the second, organised labour retains the possibility of influencing the state to its advantage. (Let us refer to this as democratic corporatism.)

The third notional possible relation between the state and labour -- that organised labour dominate the state -- leads us into another debate, since such a political economy may not be capitalist. The poles of this debate are as follows. On one side, writers known variously as "power resource", or "labour movement" theorists (Mahon, 1994; Fulcher, 1991), argue that via 'corporatist' arrangements the labour movement might attain such influence over the state that the latter becomes labour's "instrument", and labour uses it to drive socialist transformation (Higgins, 1985; Stephens, 1979; Rueschmeyer and Evans, 1985:63-64). On the other hand, writers influenced by another reading of Marx insist that such a strategy is doomed to failure, since social democratic governments are bound to serve business interests as they administer the state, and this forestalls such transformational possibilities. Panitch's classic definition of corporatism emphasises "representation and cooperative mutual interaction at the leadership level and mobilization and control at the mass level." (1981:21). The element of controlling the membership is seen as containing their "impulse to revolt", and therefore forestalling socialist transformation. However, containing militancy is important to entrench the union leadership's position in state policy making, and therefore its ability to influence institutional development that enhances organised labour's political efficacy. Its ability to enforce deals negotiated at the central level is a precondition for negotiation itself (Martin, 1983:89), and therefore any corporatist arrangement must contain a mix of
negotiation at high levels of politics, and control of the base. (Indeed, the very nature of unionism implies an element of control in the relationship between the leadership and its membership.) For Katzenstein's concept of 'democratic corporatism', socialist transformation is not an issue. Rather, the question is, within this type of capitalism, can organised labour influence the terms of policy formation to its advantage? Clearly, the answer is, maybe, and sometimes. But the element of labour control inherent in corporatism makes any such involvement risky for a union movement, since the leadership's role in disciplining the base entails the risk that it may lose legitimacy with its membership, unless it delivers *quids pro quo* that justify such restraint. Martin (1989:112) also notes that union movements can move from one category to another, as may have happened in the case of Australia.

Summing up this section, the political position and capacities of the union movement, and its relations to the state, are key indicators of what sort of corporatism we are dealing with. In democratic corporatism, the labour movement exerts considerable influence over public policy. In the two varieties of labour exclusion -- 'corporatism without labour' (Japan) and 'authoritarian corporatism' (Singapore) organised labour is denied significant influence over state policy making. Which case, or cases best approximates Australia is a question to which we will presently turn. For the optimists, Australia's corporatism is more like Sweden's democratic corporatism, than Singapore's authoritarian corporatism, or the labour subordination model developed by the 'reformist limitations' writers, like Panitch. Before turning to the episodes of policy contest in Australia that enable us to test this claim, it is necessary to sketch a historical backdrop to the problems of industrial adjustment Australia faces.

2) **AUSTRALIAN CAPITALISM: BETWEEN HISTORIC COMPROMISES**

Francis Castles (1988) has noted that Australia's historic pattern of policy is not well captured in the taxonomies developed by Katzenstein and others. Australia was like the small Scandinavian states, in that it had a small population, albeit in a large land mass with abundant natural resources. One might therefore expect economic openness and a capacity for 'flexible industrial adjustment', with the active labour market and welfare policies to compensate those who might lose from industrial change summed up in the notion of 'domestic compensation' (Katzenstein, 1985). But, Australia's pattern of domestic politics and public policy differed fundamentally from this because of the 'historic compromises' between producer groups. Economic and industrial policy had been characterised, not by openness and adjustment, but by economic closure and resistance to change. Such a policy posture became inappropriate to the increasingly open, 'globalised' and unstable world economy, in particular from the 1970s (Castles, 1988; Fagan and Webber, 1994). Its breakdown has occasioned the current period of policy instability, and the experiments with 'corporatism'. As Castles suggests, Australia is 'between historic compromises', and the political accommodations between the state and major producer groups are far from settled. What Kyloeh and others see as 'consensual industrial adjustment' is in fact a time of sharp policy contest, as the terms of Australia's social settlement are fought out.

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6 The phrase belongs to Francis Castles, 1988, ch. 7.
Castles (1988) summed up Australia's historic pattern of policy in the concept of 'domestic defence'. This was at once the name for a 'historic compromise' between political interests, and the set of policies that emerged from that political accommodation. In the first Parliament following Australia's Federation in 1901, there were three political parties; the Free Traders (predominantly pastoralists and miners), Protectionists (manufacturers) and the Labor Party, representing the 'working man'. The latter's interests were seen as linked to compulsory arbitration. The Labor Party and the Protection party made a deal in which each would support the other's interests. Thus the interlocked system of arbitration and protection was cemented at the core of Australia's policy arrangements. The central concept was known as 'new protection'. Under new protection, a unique system of compulsory conciliation and arbitration was the centrepiece of the industrial relations system. Manufacturers were to have access to industry protection provided they paid wages determined in industrial tribunals, and expressed in legally enforceable 'awards'. At least in principle, tribunals' wage determinations paid attention to needs-based criteria, not employer capacity to pay. Awards also prescribed conditions of work, and reserved certain work for certain workers. The system defended, sheltered and shaped the existing pattern of unionism, in which the craft element was predominant (Macintyre, 1990). Wage determination was to be, in the oft-quoted words of Justice Higgins, a "new province for law and order", and not the realm of market forces or class conflict (Dabscheck, 1994).

Domestic defence was at the same time both racist and sexist. A key plank was the 'White Australia' policy, which kept out Asians and Pacific Islanders who might undercut award wages. And the 'needs' according to which wages were determined were (as defined in the Harvester Award) those of a normal male, supporting a dependent woman and three children, in a condition of 'frugal comfort' (Macintyre, 1986:107-109). The welfare system was 'residual' to these arrangements, picking up only those who were not served through the employment system. Rather than national economic flexibility being underpinned by generous welfare and active labour market policies, the employment relation itself functioned as a form of welfare, in what Castles referred to as the "wage-earners' welfare state" (Castles, 1985).

Australia's policy orientation, then, was not to adjust to the changes in the world economy, but to exclude the latter's effects under policies of 'protection all round'. At the turn of the century, Australia had the highest living standards, in terms of income per capita, of any country in the world. Domestic defence was underpinned by wealth from primary exports (Castles, 1988). But the manufacturing industry that emerged, and reached its apotheosis in the 1960s, was not designed to be internationally competitive. Rather it was to be a source of employment and 'national self sufficiency', and to transfer wealth from the primary sector to the urban population (Capling and Galligan, 1992; Bell, 1993; Ewer, et al., 1987; Higgins, 1994). Nor did the industrial relations system easily permit work reorganisation, since the system of awards entrenched skills, jobs and union structures. It gave rise to a chaotic system of multi-unionism at plant level, with particular plants covered by several multi-employer awards, and prone to demarcation disputes. As Australia's Business Council later pointed out, this virtually demanded 'overmanning', and encouraged flow-on of wage increases, between unions in the same

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7 At first, there was one Tribunal for each of the five states, and a Commonwealth Court. The Constitution delegated industrial relations powers to the states, except where they had an interstate (transborder) aspect. Over time, the Federal jurisdiction has come to predominate.
plant, and from plant to plant within unions (BCA, 1989). With the onset of stagflation in the 1970s, and changes in the world economy from the 1960s (notably developments in transport and communications eroding the protection afforded by distance, a shift in the composition of world trade favouring manufactured goods, increasing volatility in prices for primary products, and not least the British decision to seek EEC membership -- a condition of which was purchasing primary products within the EEC), a consensus emerged among Australian policy makers that the old ways would have to change (Fagan and Webber, 1994). Manufacturing industry would have to play a greater role in earning the nations' wealth, rather than simply redistributing it. Manufacturing could no longer function as a disguised form of wage earners' welfare.

The Whitlam Labor Government struck the decisive blow against domestic defence in 1973, with a 25% across the board reduction in industry protection. There had been battles within the bureaucracy over this issue, and in the early 1970s, the 'new' free traders, an army of economists educated after neo-classical economic orthodoxy, attained considerable presence in the state policy making apparatus (Warhurst, 1982; Stretton, 1987). From then on, they were a constant in state policy making, using their control of promotion procedures to populate the bureaucracy with their own kind (Pusey, 1991). Their approach to industry development was captured in the simple (and logically invalid) proposition that if protection had led Australia into manufacturing decline, removing protection -- to encourage the invigorating winds of international competition -- would lead to an industrial renaissance. This became known as the 'rationalisation by competition' strategy (Ewer, et al., 1987). The tariff reduction program commenced, fortuitously, in a climate of near full employment. But soon, rising unemployment caused politicians to rethink tariff reductions, as they faced a choice between the purity of economic 'rationality' or electoral survival. Industry policy for the next 10 years oscillated between these two imperatives, as the state "lacked autonomy from powerful cross-cutting economic interests" (Bell, 1994:258; Warhurst, 1982). The industrial relations system, in particular the wages system and union structure, was to bear the blame for wage explosions in 1974-5, and 1981-2, which resulted from the system's inability to contain such exogenous shocks as the rise in the price of oil (Kyloh, 1994:348-9). With decreasing protection came imperatives to reorganise work, and to recast the industrial relations system, including union structures. But these developments would have to await the arrival of the Hawke Labor Government in 1983.

3) INDUSTRY POLICY AND THE POLITICS OF THE ACCORD

The Accord ushered in an experiment in 'corporatist' politics, offering the unions special access to public policy making since 'their' party was in government. Some writers and activists saw the Accord as the platform to launch a new 'political unionism', even a socialist transformation in Australia (Higgins 1987; see Stilwell, 1986). Although somewhat quixotic from the point of view of the mid 1990s, appreciating this point is essential to understand the dynamics of the Accord. For what might be nominated the "mainstream" Left, the Accord was a sophisticated form of class struggle, marking the latter's entry to the state arena. This analysis, for some, justified persisting with the Accord through events that might otherwise have led to its recision.

In the academic world, the so-called labour movement theorists (eg Korpi, 1983, see Fulcher, 1991) represented in Australia by Winton Higgins (1980, 1985, 1987) among
others argued that Australian unionism was now embarked upon a virtuous upward cycle of increasing political efficacy and influence. For these commentators, the centrepiece of the Accord was its commitment to industry policy and interventions into the investment function. In return for this, and certain other measures (notably a legislative backdrop to industrial democracy and improvements to the 'social wage') the ACTU would restrain the wage demands of its members. The economic strategy here was to enable competing income claims to be met with less inflationary pressures at higher rates of (employment creating) economic growth. At the same time, directing investment into manufacturing industry would not only create jobs, but, by increasing domestic productive capacity, help to overcome the tendency for increasing economic activity to be cut short by influxes of imports. The strategy would also, it was thought, provide unions with levers into investment, the most sacred of managerial prerogatives (ALP/ACTU, 1983; Ewer, et al., 1987; Higgins, 1987; Stilwell, 1986; MTU, 1984).

Within Left activist circles, key strategists saw the Accord as a new, viable strategy for the Australian Left. Prominent among these activists was Laurie Carmichael, erstwhile leader of the Communist party and Secretary of the then Amalgamated Metal Workers Union. For these activists, the Accord offered a way beyond the strategically barren wages militancy of the industrial Left. It was a means to implement the kind of creeping socialist transformation that many thought was happening in Sweden (see Higgins, 1980). In the words of Mathews, it was a "powerful engine of socialist advance" (1986:177). Although far from universally held throughout the union movement, these ideas were very influential underpinnings of the first Accord, although conspicuously absent from subsequent incarnations. The support of the industrial Left was crucial to the success of the incomes policy. The Left had the industrial muscle, revealed in the wages and shorter hours campaigns of 1974-5 and 1981-2, to disable such a policy, and industry policy was the price of its support (Ewer, et al., 1991:28). Industry policy was crucial to achieve full employment, the necessary industrial restructuring for which was not possible without substantial state intervention. Unions would be involved in masterminding this intervention. Full employment was a stepping stone on the road to socialism. The Left Accordists were successful in gaining documentary expression of their socialist aims in the Accord, which states

the paramount objective of economic policy is the attainment of full employment. Industry development policy should be integrated with macro economic policy to achieve this goal....

fundamental to the interventionist policies required is a planning mechanism. This process will embrace consultative mechanisms of a widespread nature which will play a co-ordinated and ongoing role in assisting the success of the transition of the economy onto a planned framework (ALP/ACTU, 1983:416).  

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8 Also see Mathews, 1986; Dow, et al, 1984; Ogden, 1984; cf Beilharz, 1994:168-172
9 Sydney Morning Herald, 21/4/84. In a special Communist Party of Australia (CPA) Congress in Sydney, on 3-4 November 1984, the CPA acted to endorse formation of a new 'reformed' socialist party. One aim of the Congress was to marginalise opponents of the Accord from the 'mainstream left', and to lock the latter into support for the Hawke Government. Sydney Morning Herald, 5/11/84.
10 McEachern (1991) reads all this very differently, suggesting these passages were vague, designed to placate trade union scepticism, and were not a hard and fast commitment to industry policy, or at least to measures to direct investment. This may be true, but it is certainly the case that important elements on the Left of the union movement thought there was a commitment to industry policy. See the AMWU National
Despite appearances to the contrary, it would be a mistake to presume that the union movement was united behind the Accord. The Australian union movement carries deep historical enmity between the Left and the Right (Turner, 1978:111-114; Rawson, 1986, ch. 5). The latter, in part out of a Catholic heritage, tend to regard the socialist project as anathema. Indeed, writers have cautioned against using the term 'movement' to refer to Australia's unions, since the term implies a degree of unity not actually present (Singleton, 1990:6-7; Rawson, 1986:10). These divisions militate against the view that the Australian union movement could be part of any democratic corporatism. The countries where such arrangements have reached their fullest expression -- notably Sweden, Germany and Austria -- are countries where the union movement is not so divided by ideology, but has been more influenced by social democracy, and the latter's vestiges of class struggle. In Australia, the appearance of unity derived in part from the ACTU's new found status as the union movement's bridge to the government, which endowed it with a considerable capacity for centralisation. But, in time, the ACTU, and, in particular Secretary Kelty, became the targets of considerable criticism about the secrecy with which they conducted negotiations with the Government, testifying to a lack of democracy in the Accord process.\(^{11}\)

Just as the union movement's participation in the allegedly corporatist Accord processes was problematic, so was that of Australia's employers. Their peak bodies did not take kindly to the Accord, but maintained an appearance of consent to the latter in a carefully stage-managed 'National Economic Summit'. This was unfamiliar country to Australian business, habitually divided between manufacturing, agriculture, mining and finance. Business representation was therefore a problem. Additionally, big business was not organised into any particular group, and the support or acquiescence of this section was important to any economic strategy. Therefore Prime Minister Hawke personally invited certain business leaders to attend. Later in 1983 these elements organised themselves into the Business Council of Australia, representing Australia's largest 80 corporations, and bid for policy leadership. The then premier employers' body, the Confederation of Australian Industry resented this (Carney, 1988:69; 75 Wann, 1992:66-67). That business lacked a single peak body that could speak in the national arena militated against claims that the Australian system was 'corporatist' in any conventional sense. Trevor Matthews (1994:204-209) therefore invented another form of corporatism -- "corporatism without business".

This apparent exclusion did not mean that business lacked influence over the policy outcomes of the 'corporatist' processes -- far from it. This runs directly counter to the views of optimists like Kyloh, and commentators like Bray and Walsh (1995:18-19), who suggest that disunity prevented the employers foiling the corporatist intentions of the unions, or becoming part of the Accord. But as Matthews notes, following Streeck, this

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Information Bulletin, 1 May 1983, p. 3. This document is basically a reprinting of the Accord, with a foreword, which describes the new directions in industry policy as historic and essential.

11 To mention a few examples, Peter Sams criticised the ACTU leadership over lack of consultation with the wider union movement as to its influence over the contents of the 1991 budget (Australian, 20/8/91:3). The negotiations over Accord Mk 6 consisted of a private dinner between Kelty and Keating (Norrington, 1992). When the contents and processes of Accord Mk 6 were criticised by Chris Lloyd, an AMWU official, in an interview published in the July 1990 edition of Australian Left Review, George Campbell claimed the criticisms had no support in the movement, and that if Lloyd cared to debate the concept, Campbell would "...crunch him into the ground". Weekend Australian, 30/6/90:4).
kind of political fragmentation can actually be a source of political strength, as the lack of a single voice absolves the business sector as a whole from making any commitments, for instance to direct investment or to restrain prices or executive salaries. It also proved possible for business interests to influence the course of government policy by other means, like lobbying and shaping the media agenda. And the appearance of negotiating is less important than the outcomes of the contest, which, as we will see, certainly favoured business interests over those of organised labour. Business did not need to be an Accord partner to derive benefit from the agreement, which delivered profits, low wages and industrial peace (Matthews, 1994:209; 217). Treasurer Dawkins admitted on the occasion of his retirement that the BCA was the dominant influence on Labor's reform agenda in the past decade, and even on the ACTU after the first few years of the Accord (Australian Financial Review, 15/7/94). As we will see, Dawkins' view is lent credence by the course of industry and industrial relations policy development, which came to embody the preferences of the BCA more than those of the union movement.

Resurgent free trade interests, championed by the Business Council, were less than enthusiastic about the Accord's interventionist industry policy arguing that it "would lead us back to the quagmire of the past" (BCA, 1986b:13; Bell, 1992:37). It was all too easy to confuse the multitude of selective interventions flagged by the unions' policy, with the past single instrument protectionism. While manufacturing employers were more interested in industry policy, they were less inclined to allow influence of the state, certainly the unions, over particular investment decisions. Some manufacturers however, the Metal Trades Industry Association in particular, were positively inclined towards industry policy, even producing industry plans of their own (MTIA, 1984). But whatever enthusiasm the Government might have had for industry policy was short lived, as the political obstacles revealed themselves. There was an initial surge of interest in industry policy, as industry plans were put in place in the Textile, Clothing and Footware, Steel and Automotive sectors. Although somewhat successful in their own terms, these sectoral plans were not linked into any overall plan to drive industry development in Australia. Nor were they orchestrated from a single national institution with a brief to coordinate and direct the diverse arms of policy that affected industry (Bell, 1991:120; 1993,ch. 6; 1994:251; Stewart, 1990:105). Thus Capling and Galligan (1992:117-119) see clear continuity between the ALP's industry policy and that of the Fraser Government. The Government was clearly dragging its feet on implementing key industry policy provisions of the Accord, in particular those that related to building the institutions that could direct Australia's industrial development.

The Communique of the 1983 Economic Summit committed the Government to set up the Economic Planning and Advisory Council (EPAC). This was hailed as the "most striking institutional expression of the Accord" (Ewer, et al., 1987:120; Boreham, 1990:46). As its name suggests, EPAC was to develop economic plans, and provide a forum for labour and other interests to influence economic policy making. However, Treasury resented EPAC's challenge to its monopoly of economic policy advice, and set out to undermine its status with the Government, in part by colonising it with economists sympathetic to economic liberalism. These manoeuvrings ensured that EPAC would become, not a

12 "So, while the BCA occasionally laments its lack of success, and lack of influence, it and its predecessors have, by their proxies in the Government and the ACTU, achieved more than they could have expected from a Government of their friends," said Dawkins. Dawkins also pointed to a 'revolving door' between the Canberra bureaucracy and the BCA policy secretariat.
forum for labour input to economic policymaking, but an instrument for "locking both parties into support for Government policies" (Boreham, 1990:49; Capling and Galligan, 1992:48). In other words, EPAC was like a classically authoritarian corporatist institution.

This and other episodes illustrate that the Government was stalling on the key industry policy provisions of the Accord well into 1984. This caused considerable disquiet within the union movement, especially the Left, which convened a special conference of Left unions to discuss areas where the Government had departed from its obligations under the Accord (Sydney Morning Herald, 21/2/84). Then ACTU President Cliff Dolan spoke out about the necessity for industry policy, even proposing the formation of an institution like Japan's Ministry of International Trade and Industry (Sydney Morning Herald, 11/10/84:1). Some Left leaders threatened to walk out of the Accord.13 However, the Government persistently ignored these manifestations of discontent by its Accord 'partner', even to the extent of rejecting a rare cross-faction exhortation by the 1986 ALP Conference to change direction on industry policy (Australian, 9/6/86:9). Another response of the unions was to undertake their own policy development initiatives. One of the most important of these was the Metal Trade Unions' (MTU) Policy for Industry Development and More Jobs, essentially a fleshing out of the Accord's industry policy, following the 'Asian Model' of state intervention. Arms of the bureaucracy and the financial press rejected the report as special pleading, "picking winners", and protection in a new and devious guise (see eg. Australian Financial Review, 2/3/85; 9/5/85). In any case, whatever the unions' policy development efforts, the Government was by now, and obviously, driving policy reform in exactly the opposite direction to that envisaged in the Accord, in a program of financial deregulation that expressed neo-classical economic ideology, and with predictable results.

The Fraser Government began the program of financial deregulation, against somewhat effective political opposition, especially by the unions. But the Hawke Labor Government pressed ahead, with the unions locked in via the Accord. The Hawke Government's financial deregulatory package followed the recommendations of the Campbell Committee. These were based on the view that the most efficient way to organise an economy is through competitive markets and minimal government regulation. (Campbell, et al., 1981:1; Daly, 1993:74). Accordingly, the Government 'float' the Australian dollar in December, 1983, and allowed sixteen new fully or partly foreign-owned banks to operate in Australia in the next year. In short order, it removed all interest rate controls, controls on the types of deposits that could be accepted by banks, and nearly all controls on foreign investment in 1986 (Davidson, 1992:222).

Corporate Australia started to experience good profits from the beginning of the Accord years. Profits rose in the mid 1980s to the highest point since the 1970s (Ewer, et al, 1991:30; Stegman, 1993:89). But lifting exchange controls and the floating of the

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13 Carmichael said "we are not satisfied about the lack of an authoritative industry policy, there are still no planning or consultative mechanisms in place for industry...." The Left unions therefore decided to run a 'campaign', including education seminars, deputations, and industrial action as a last resort. (Sydney Morning Herald, 21/2/84) Two months later, Metal Union Secretary George Campbell expressed concerns about the direction of the Government's economic policy, indicating that the Accord was in danger.

"What's being proposed is pulling in the opposite direction to what the union movement wants to achieve". Sydney Morning Herald, 12/4/84.
Australian dollar exposed the economy to large and volatile capital movements, facilitating a dramatic increase in overseas debt (Ravenhill, 1994:90; Daly, 1993:77). The Australian currency became a plaything of international currency speculators; the sixth most traded currency in the world, despite Australia not being in the top 20 exporters! (Ravenhill, 1994:90; Davidson, 1992:222). The entry of foreign banks did indeed increase competition in the finance sector, but not with the anticipated results (lower interest rates). The result was a large pool of credit, and a scramble for market share which drove down prudential lending standards and placed huge amounts of capital in the hands of 'entrepreneurs', some of dubious character and business acumen. (Davidson, 1992:224; Bell, 1993:163; Daly, 1993:77; Sykes, 1994). A spate of corporate collapses and poor showings in terms of profitability followed -- accompanied by renewed calls for wage restraint (Ewer, et al., 1991:66, 70; Stegman, 1993:90; Bell, 1993:163). The wage restraint of workers had gone into executive salaries, management buy-outs, conspicuous consumption, and unproductive investment in paper entrepreneurship or asset speculation (McEachern, 1991:64, 80; Davidson, 1992:223; Bell, 1993:163; Capling and Galligan, 1992:123).

The unions plans for industry policy were thus thwarted by the Government's deregulatory drive. The results of this program have been little short of disastrous for the Australian economy. As Bell notes, "despite the Accord, the policy context of the 1980s did much to ensure that manufacturing industry was not a target for new investment." (Bell, 1993:162). Further, the policies pursued actually decreased state autonomy, forcing the Government to pander to financial interests, lest the 'judgement of the markets', expressed by selling off the dollar, be that Government policies are not 'economically responsible' (Stilwell, 1986). Against the optimistic corporatist theorists like Kyloch, this is hardly successful industrial adjustment.

Given the importance of industry policy to the Accord, at least for the Left, it might be presumed that the rational course of action was for the union movement to rescind the Accord and pursue wage gains in the field. This because, whatever strategic justification deferring wage rises might have had, with the government driving policy in the other direction, clearly the terms of the first Accord no longer applied. Why this course of action was not pursued is the central mystery of the Accord. Whatever the answer, the prominent union response was to attempt to argue the case more fully via policy development -- as if rationality, not political power, could recast the relationship between business and the state. At the same time, it is difficult not to presume that there was among key union leaders a certain tacit acceptance of the thrust, if not elements of the detail, of the Government's reform agenda.

But that is to speculate. In fact, the unions and segments of the Government undertook renewed policy development, in the form of a 'Mission' to certain European countries, to uncover the secrets of their success. The report of the Mission, Australia Reconstructed, contained 'lessons' drawn from, in particular, Sweden and Germany (ACTU/TDC, 1987). It was also the unions' policy response to shortcomings in the activities of Australia's investors. The document advocated significant, if not dramatic, interventions into the investment function, in the form of a 'National Development Fund', and a 'National Training Fund', to correct the shortfalls in manufacturing and training investment, modelled on the Swedish Investment Bank and Renewal Funds, respectively. It also advocated an inquiry into investment, noting the irrationality of investment behaviour in
Australia. The document even admired the Swedish wage earner funds, and solidarity wages policies. But the direction of Government reform drove in exactly the opposite direction. The unions' proposals gained only lukewarm support, even embarrassment, from the incumbent political arm of the labour movement, and met a political brick wall in the form of employer opposition. In response to the union proposals in Australia Reconstructed, the BCA argued that

Government and unions have an important and helpful role to play in the investment process but not through intervening in the detailed decision making process either through widespread industry plans or direct financial interventions (BCA, 1987a:6)

Not to be outdone, the CAI described Australia Reconstructed as the thin end of the socialist wedge.

It is one thing to seek consultation and information sharing. It is quite another to involve union officials in the decision making apparatus of Australian business ... if ... greater cooperation and understanding through discussion is all they want, they will find Australia's employers more than happy to have them achieve it. But if what they seek is to guide the decisions of industry, then they will have a fight. (CAI, 1987a:30; also see 1987b, and McEachern, 1991:70-71).

The union movement lacked the political strength and the will to pursue this radical agenda, in part because of its above-mentioned lack of unity. Australia Reconstructed is a curious document, revealing the difficulties of policy formation in a factionalised union movement. Reading between the lines, one can discern various political agendas at play - the Right and Left of the union movement, and the influence of the ALP seeking to defend the Accord. The document contains both critique and defence of the Accord's performance. It notes the Accord's failure to defend wages and living standards, in the context of soaring executive salaries and irrational, speculative and unproductive investment activity. Taken together, these might have tempted the union leadership to be more serious about either pursuing industry policy by political campaign, part of which might have been threatening to rescind the Accord and hang the consequences. But due to factionalism the union movement could not do so. Support for industry policy from the Right was simply not there. The strategy adopted, therefore, was to maintain the Accord, and (importantly) support the ALP's political incumbency, and persist with a reform agenda that was set, at least in part, by Australia Reconstructed.

Australia Reconstructed also advocated reforms to Australia's training system to permit 'lifetime learning' and continual upskilling. This in turn required rewriting many awards, which prescribed training and work organisation. The authors of the document also advocated recasting Australia's chaotic pattern of union organisation, from the existing craft and general structure, of which there were 320 or so unions at the time, to 20 or so unions modelled on German-style industry unionism. These two directions of reform -- award restructuring and union rationalisation -- set much of the industrial relations agenda for the next few years. Union rationalisation was in part an attempt to arrest the decline in union density, from 51% in 1976, to 49% in 1982, to 46% in 1987. The logic was that larger unions would gain economies of scale that would permit greater recruitment efforts (ACTU, 1987). And Australia Reconstructed also accepted the
proposition that wages should be set, not by the traditional principles of need or comparative wage justice, but by reference to the productivity of firms.

_Australia Reconstructed_ was a turning point, in which the union movement accepted the need to recast its own structures and embark on wholesale skill formation and work reorganisation. However, the course of politics before, during and after its publication, denied its radical, interventionist aims -- which were the main justification for the Accord. Despite this, the union movement (in particular the Left) persisted with the Accord process. By not breaking out of wage restraint and rescinding the Accord, despite the latter's failure to live up to its interventionist promises, the movement accepted that since industry policy could not be invoked in quest of international competitiveness, the latter would have to be achieved by means of contributions from workers on top of the wage restraint to which they had been subject. If the guardians of Australia's investable surplus could not be relied on to fund Australia's economic recovery, investment would have to be attracted from overseas, in particular from Japan.

But the image of Australian industrial relations in Japanese circles was drawn from the 'bad old' (pre-Accord) days. Japanese investors needed to be made aware of the fall in industrial conflict under the Accord, and the Government's intentions to implement appropriate labour market reforms. These would be designed, in part, to permit the transfer of Japanese production systems into Australia. Thus, according to Senator Cook, industrial relations reform "should provide the trigger for increased Japanese investment." ( _Australian Financial Review_, 24/1/92). One aim of such reform, in the Treasurer's words, was to create "a framework which can handle greater wage flexibility without generating destabilising flow-ons and wage breakouts" (Keating, 1989, quoted in Ewer, _et al._, 1991:56-57, and Dabscheck, 1995:61-62.) Another was to create the possibility of single union deals, and greater enterprise 'flexibility'. Tripartite missions to Japan aimed to convince Japanese investors of Australian unionism's 'flexibility' to attract investment (eg., see Anon, 1992). The ACTU threw its support behind the "improvements" in the industrial relations system, suggesting they will continue even under a future conservative government since they are "above politics" ( _Australian Financial Review_, 30/1/92). The irony of it all is that labour 'flexibility' on its own and without a credible industry policy may not overcome manufacturing investors' wariness of the Government's industry policy ( _Sydney Morning Herald_, 3/5/91; 3/2/92:11). Thus, while 'the Accord' remained intact, the shift in policy was a defeat for organised labour, and in particular the Left. Arguably this alone justified the union movement rescinding the Accord from about 1985, when it was becoming clear that the Government was reneging on industry policy.

4) FROM INDUSTRY POLICY TO INDUSTRIAL RELATIONS

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14 Keating also declared his intention to the Japanese Chamber of Commerce and Industry, of moving to wage determination by enterprise bargaining in September 1992 ( _Weekend Australian_, 30-31/10-93:7). For the record, the Japanese External Trade Organisation in March 1993 pronounced itself happy with the labour market reforms, but was concerned about cuts in industry protection. _Australian Financial Review_, 24/3/93:7

15 For Toyota, the price of investing in the new Altona car plant was a single union deal, and accepting 'lean production' arrangements. _Australian Financial Review_, 25/1/91; 12/2/91; _Australian_, 27/7/91.
Although this shift from industry policy to workplace reform was itself a major policy defeat for the unions, sections of the Left tried to make the most of it by developing reform proposals consistent with their perspective. At the same time, business interests developed and articulated powerfully their own version of unionism's future. The essential nature of this contest has been described by Ewer, *et al.*

The attempt to move from an occupationally defined segmentation of organised labour to a segmentation defined by corporate structures collided with an alternative vision of reorganising the labour movement along industry lines, backed by a more egalitarian conception of skill formation. (Ewer, *et al.*, 1991:59)

Clearly, the terms of industrial relations reform were to be highly contested, and the Government acknowledged this by setting up a Commission of Inquiry, to examine, among other things, proposals for industrial relations legislative reform contained in the first Accord (to which we will presently turn) (Hancock, 1985). The changes to Australia's skill formation and training system envisaged by the authors of *Australia Reconstructed*, in particular the shift from 'front-end training' to 'lifetime learning', required major changes to awards, in particular the construction of skill-based career paths which would encourage continual upskilling.16 These elements of the Left emphasised the importance of a *nationally integrated* focus to award restructuring and training reform. The strategy was first formally articulated by the AMWU, in its *Award Restructuring: Guidelines for Organisers*, which came to be known as the Red Book (AMWU, 1988). The document proposed restructuring the Metal Industry Award, central to Australian industrial relations, since it regulates the fitter's wage rate, which traditionally sets the pace of wage movements which, under the principle of comparative wage justice, provides a reference point for other workers' claims before the Commission (Deery and Plowman, 1991:388). The award also symbolised stereotypical Taylorism, as it reserved intellectual work, like problem solving and maintenance, for specialists and tradespeople, while it atomised production work into a vast array of repetitive tasks (Ewer, *et al.*, 1991:41). The restructured Metal Industry Award was to replace this archaic classification structure with one better reflecting the requirements of modern manufacturing processes. Job classifications would be defined in terms of skill hierarchically arranged and linked to pay, and interrelated with other occupations in a national system. The AMWU sought to establish a national framework for workplace bargaining over award restructuring, and reached agreement with the Metals employers in June of 1988 over appropriate guidelines (Macken, 1989:36; and see DIR/MTFU/MTIA, 1988).

The national framework was crucial to the interests of unionists and the national manufacturing effort alike. Portability of skills would improve the bargaining position of organised labour, and with it, the life-chances of individual workers (Hyman, 1988:53; Grahl and Teague, 1989). Workers' abilities would be assessed by means of competency standards, not time served. Pay would be linked to the skills with which workers were

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16 'Front End' training is the model traditional in Australia, and indeed other Anglo-Saxon countries. Here, training is regarded as a one off event completed prior to entry to the labour market. The skills so achieved are the worker's 'capital', not to be modified lightly. Such a training system does not encourage 'lifetime learning', or continual upgrading of skills. Yet such further training is a necessary counterpart of industrial restructuring and technological change. An economy moving into such a phase needs to encourage the latter. Lane, 1989, ch. 3
accredited. Recognition of Prior Learning (RPL) would acknowledge skills workers already possessed. A national system of accreditation, policed by a National Training Board (NTB), would help retain, recognise and transfer skills otherwise potentially lost as industries restructure. (The NTB was also to be part of a system in which employers were compelled to contribute more to the costs of training the nation's workers.) National reference points for the development of training programs would help prevent workers being immersed in an organisational 'culture' controlled by their employer, at the expense of solidarity with their union. If employers controlled training, the latter would be a major means of constructing such a workplace culture (Ewer, et al., 1991, ch. 7). But despite the importance to unionism of the national framework of training and wage determination, reforms to the industrial relations system, in particular the systems of wage determination sanctioned by the ACTU, undermined the above objectives, as we will presently see.

On the other side of politics, despite the real outcomes of the Accord in terms of profits and wage restraint, business was still preoccupied with the perception of excessive union power. Countering the union movement's 'strategic unionism', the BCA embraced the politics of what Trevor Matthews calls 'strategic managerialism'. It attempted to undermine what it saw as the ACTU's policy leadership, and reshape the power relations between capital and labour by redefining the bargaining structures of industrial relations (Matthews, 1994:214-215). Thus the BCA from the mid 1980s committed itself to pursue a program of industrial relations decentralisation, designed to undermine the position of unions and the Industrial Relations Commission in a new system of 'enterprise bargaining' (BCA, 1987b:6; 1989).

Echoing international 'post-Fordist' managerial ideology (eg. Peters, 1988), in the BCA view of the world, rapidly changing customer preferences drive changes in the global economy. In Australia, these pressures are increasingly transmitted directly to firms by reducing tariff protection, and firms must therefore offer a greater variety of choices to customers. This means changing products rapidly to fulfil customer demand, and requires skilled, committed, and flexible workers, and considerable managerial discretion at enterprise level to meet these challenges. An interventionist state, and (worse) interventionist unionism and indeed any 'external' impositions on the enterprise can only impede this capacity for flexibility (BCA, 1990a:8; Angwin and McLaughlin, 1990:12). In this analysis, the system of industrial relations, in particular rigid and archaic union structures, prevents Australian enterprises achieving internationally competitive stature. "[M]ost cases of poor work organisation can be traced back to some kind of demarcation, either cross union or intra union", leading to "rigid and outmoded patterns of work" (BCA, 1990b:9, Angwin and McLaughlin, 1990:11). These impede change, "even when rendered anachronistic by new technology or training possibilities." (BCA, 1989b:18). Also, multi-union workplaces encourage flow-ons of wage increases. Since several unions and awards are found in most medium to large workplaces, this maximises the transmission of claims about wages and conditions between unions at the same workplace, and within unions across enterprises and industries (Angwin and McLaughlin, 1990:16-17).

All this called for a greater capacity for the constant adjustment of work methods as the needs of customers, technologies and skills of employees change. Remuneration needed to reflect enterprise specific factors, and be more performance-based. The conflictual
culture of "industrial relations" had to give way to a culture of "employee relations" reflecting a "greater degree of common purpose and caring" (BCA, 1990b:9; Angwin and McLaughlin, 1990:11). There needed to be more orderly and amicable procedures for settling disputes. Developing these implied some insulation from Australia's longstanding system of industrial relations, if not the latter's destruction.17

The BCA's preferences for 'flexibility' were not to be extended to the broader labour market. Labour mobility requires that workers' training qualifications be recognised and supported by a set of external national institutional arrangements (Grahl and Teague, 1989). Without such institutional carriage, workers are not free to leave their job within 'the enterprise', and seek comparable employment elsewhere. This not only puts workers at a disadvantage in bargaining, but also impedes rapid transfer of skilled labour from areas of economic decline to areas of expansion. But discouraging worker mobility between firms and industries is precisely one intention of the BCA, as it makes clear

the problem with craft or award based career paths is that they only make the external labour market operate more efficiently. To put this another way, they encourage employees to leave the firm in order to pursue careers. (BCA, 1990b:13).

Thus, in the BCA's vision of the Australian labour market, the influence of unions at enterprise level is to be minimised as far as possible, even eliminated. Training is to be enterprise-specific, not linked to external awards or training standards. Conflicts of interest are to be submerged in a unitarist culture of 'common purpose and caring'. Clearly, the Left award restructuring agenda, and that of the BCA, are radically different pictures of the future of unionism. Indeed, the BCA vision for the future of unionism was outlined in its nine steps to an enterprise focus, the last of which was deunionisation (BCA, 1989:96). Which vision was more fully expressed in the ensuing period of reform in Australia is evident from a review of the wages fixing systems embodied in the succession of Accords, and examining the course of reforms to the industrial relations and training systems.

5) INDUSTRIAL RELATIONS REFORM AND THE ACCORDS: FROM AWARD RESTRUCTURING TO ENTERPRISE BARGAINING

The Accords and wage fixing systems provide a convenient window on the contest over industrial relations policy, as parties argue their case before the Commission, and there is a clearly identifiable outcome (McEachern, 1991). As Niland (1992:9) notes, the National Wage Case decisions resulting from the Accord "gradually dismantled the traditional approach of Australian industrial relations." Due to space limitations there is no attempt here to trace the effects of tax cuts and various tinkerings with the social security system, which were important transactions under the Accord. Nor can this section pursue the contest over the Commission's independence, which would become increasingly problematic as it was expected to rubber stamp policies agreed under the Accord (see Dabscheck, 1995, ch3). The argument of this section is that the course of industrial relations reform accepted by the unions was self defeating, in that it ultimately undermined the position of unions in Australian society, and the nascent training system

which might have provided some support for unions and workers. Industrial relations and training reform are two distinct policy defeats for the Australian labour movement.

Most parties agreed that the Australian industrial relations system needed to be reformed. However, such agreement quickly dissipated over the alternatives -- the restructuring of unionism along industry or corporate lines, the former underpinned by a nationally integrated system of awards and training standards, and the latter hostile or indifferent to such a regime. The Government opposed radical labour market deregulation, because it would make it difficult to control wage outcomes, and would impede the desirable goal of a national training system "which ensures a measure of national consistency in training standards and curriculum and provides an opportunity for the national accreditation of skills." (Willis, 1988:iv). The history of this struggle reveals how the ACTU and the Government came to accept a version of industrial relations which resembled that of the Business Council more than the initial AMWU and ACTU blueprints.

**Tracing this contest through the Accords:** The first Accord provided for full 'wage indexation', where wage movements were linked to movements in the consumer price index (CPI), and the Commission endorsed this. In practice, however, various factors ensured full wage indexation was withheld, and wages fell by 7.1% between 1983 and 1985 (Dabscheck, 1995:25). Notwithstanding the 'success' of the incomes policy, calls to do away with wage indexation grew from the mid 1980s. The background was a deterioration in Australia's economy -- declining terms of trade, a fall in the balance of payments, increase in overseas debt, and a depreciating currency. This challenged the whole rationale of wage indexation, as devaluation drives up import prices, and was especially inflationary given Australia's high degree of import dependence (in particular on manufactured goods). This was exactly the kind of economic weakness the Accord's industry policy was designed to correct, by increasing the capacity of the domestic economy to meet increases in demand without leakage overseas. However, in the absence of such policy, these factors simply pressured the Accord's wage fixing arrangements. Upward pressures on the CPI fed directly into wages growth, with the danger of a wages-prices spiral. To shortcut this logic, the ACTU accepted the Government's arguments that the devaluation should reduce the size of the aggregate wage claim. Wage restraint continued (Stilwell, 1991:36; Deery and Plowman, 1991:410).

As argued above, with industry policy effectively off the agenda, the focus of reform shifted onto the industrial relations system. The debate surrounding industrial relations reform became highly politicised with the rise of the so-called 'New Right', a collection of business figures, politicians, academics and policy analysts who shared certain aims; labour market deregulation, challenging the powers of the arbitration system, attacking unionism, and restoring management's 'right to manage' (Niland and Spooner, 1991:152-153; Dabscheck, 1988, ch. 6; Carney, 1988:103, ch. 5; McEachern, 1991:48-58). There were two keys to this project: first, legislative action under common law against unions, and second, publicising so-called 'restrictive work practices', condoned by unions and by implication the whole industrial relations system (Carney, 1988:91-94; Ewer, et al., 1991:48-56; Dabscheck, 1995:31). The campaign culminated in a stage-managed 'work practices summit', in September 1986. By now, the ACTU (or at least Secretary Kelty) appeared converted to the emerging vision of labour market flexibility, which duly appeared in the next wages system.
Accord Mk 3, negotiated in 1987, departed from the historic principle of comparative wage justice, which tended to entrench relativities between pay rates (Timo, 1989:401; Niland, 1992:11-12). In the new system, wage increases were to be made via two 'tiers'. The first tier increases were automatic, across the board, and uniform. But the second tier component had to be justified by productivity increases, or cost offsets from unions (Deery and Plowman, 1991:411). These could result from initiatives which might change work practices, reduce demarcation barriers, advance multiskilling by training and retraining, facilitate 'flexibility' of labour use, or reform payment systems and working time arrangements (Macken, 1989:34; Macken, et al., 1992:30; Deery and Plowman, 1991:410-11). The two-tiered system also contained the 'flexibility' to increase wage differentials by enabling sectors of organised labour in possession of skills in short supply, or otherwise empowered, to gain wage rises (which, however, were still limited by the central system). These rises, which were like safety valves for aggregate wage pressures, could be quarantined from the rest of the workforce at some cost in terms of labour solidarity (Stilwell, 1991:30-31, 37). Although hailed as a means of improving productivity, this system tended to encourage a 'trade-off' mentality rather than a better deployment of skilled labour, as cost-cuts and working conditions were traded for wage increases. (Mathews, 1988:9; Timo, 1989:401-2). It rewarded those firms and industries which came to the system with inefficient practices to trade off, but penalised already efficient producers, or workers in weak unions. (Niland and Spooner, 1991:155). But productivity bargaining "was the key for separating workers from previous gains over work conditions." (McEachern, 1991:46). That was its greater significance.

The wages system sanctioned by Accord Mk 4 took the exercise further, beyond trading off allegedly 'restrictive' work practices, to restructuring awards and driving industrial restructuring (Ewer, et al., 1991:42; Anon, 1989:1). It was another two-tier system, under which second-tier wage increases were allowed only for unions which would commit themselves to a fundamental review of their awards, in accordance with the new 'Structural Efficiency Principle' (SEP). The latter was aimed at establishing skill-related career paths, eliminating impediments to multi-skilling, and broadening the range of tasks a worker may be required to perform, among other things (Stilwell, 1991:37-38). The terms of the review were vital, since it put hard won industrial conditions on the table, where employers were all too keen to contest them. The difficult challenge for union negotiators under this system was to ensure a payback in terms of industrial efficiency, without compromising working conditions. One key here was the training reform agenda -- to enforce a national framework of training standards, to which training given at firm level would refer, and which would ensure skills recognition (and a pay rise) and portability.

Enforcing the training agenda would require powerful interventions in workplace negotiations, in face of employer opposition. But the political will of the ACTU and the Government to back such intervention was uncertain. The Commission was ideally placed to perform this intervention, but lacked a brief to do so. In the event, the Commission revealed itself receptive to BCA arguments that the principles for the review of awards should include a provision to ensure "that working patterns and arrangements enhance flexibility and meet the competitive requirements of the industry" (AIRC, 1988:6, quoted in Ewer, et al., 1991:42). The Commission accepted that the scope of negotiations under the SEP should be wide (Wages Policy Branch, Department of
Industrial Relations, 1992:22). This held great danger that the training arrangements in individual firms would lack reference to the national system, yet to be fully put in place, and that national training reform would stall.

After the Commission's August 1988 decision, negotiations recommenced on a new Accord Mk 5. The wages strategy again hinged on award restructuring. In February 1989, the Commission reviewed the SEP, and considered the ACTU blueprint on award restructuring. The latter was strongly influenced by the AMWU's 'Red Book'. However, the ACTU was not successful in arguing the merits of the blueprint, which entailed restricting award restructuring to measures designed to improve productivity via training and work organisation, not giving away long-held entitlements. On the other hand, employers argued that the principles for the review of awards should include such components of 'flexibility' as changes to working hours, penalty rates, manning levels, annual leave and a review of sick leave provisions (Stilwell, 1991:39; Dabscheck, 1995:60-61). The Commission agreed, and the BCA had thus succeeded in opening up the award restructuring negotiations to include changes to these long established working conditions (Ewer, et al., 1991:43). Training was only a small part of such an agenda, and one easily marginalised in the face of the Commission's indifference.

Meanwhile, on a more public front, the BCA and the New Right increasingly captured the debate about industrial relations reform. When the BCA released its major report in July 1989 (discussed in the previous section), according to Dabscheck (1995:61-62) Keating and Kelty came to accept 'enterprise bargaining' as inevitable -- the only question was the content of enterprise negotiations. Indeed. As later events testify, union negotiators were prepared to concede much, including the skills based classification structure and reference to the Australian Standards Framework. And eventually the role of unions themselves in such arrangements would be called into question. This raises the issue of industrial relations legislative reform.

Parallel with the contest in the Commission, there was a battle over the content of industrial relations legislation. The Government, as committed by the Accord, attempted to reform some significant pieces of anti-union industrial relations legislation. The Government also, initially at least, supported the report of the Hancock Committee's review of Australian industrial relations, which was supportive of the centralised system (Hancock, 1985; Ewer, et al., 1991:49). But in the highly politicised climate, the Government could not proceed with corresponding legislative reform. Combined Democrat and Liberal opposition in the Senate defeated the Government's initiatives. The Government abandoned the Bill as the election of 1987 drew near (Ewer, et al., 1991:52). This episode reveals the Government's inability to enact a labour-oriented legislative program against business opposition, with obvious implications for the view that sees Australia as a democratic corporatist society. From this point on, the Government's industrial relations reform program, and that of the ACTU, came to reflect business preferences more than those of the labour movement.

The Bill was reworked and reintroduced in April 1988, and it contained a number of elements which permitted a version of enterprise bargaining. It allowed employers and unions to "reach their own particular arrangements on wages and conditions notwithstanding the Commission's general wage fixing principles", notwithstanding the Commission's role as overseer (Wages Policy Branch, Department of Industrial Relations,
The Act gave the Commission the power to change union coverage of particular plants and industries, without the consent of the unions concerned if necessary. (Ewer, et al., 1991:55; Ellem, 1991:93). This permitted business to achieve its goal of one 'bargaining unit', while giving some teeth to the ACTU's union rationalisation drive. BCA firms soon used the powers to express their preference for union coverage by Right wing unions, at the expense of the Left.

Returning to the succession of Accords: The proximity of the March 1990 election complicated the negotiations around Accord Mk 6. The onus was strongly on workplace restructuring, via enterprise bargaining, to deliver wage increases (Stilwell, 1991:41). Thus, the parties before the Commission in the NWC -- the ACTU, the Government and the employers -- all favoured enterprise bargaining. This had the happy result, for the Government's election campaign, of blurring the distinction between the opposition's industrial relations policy ('enterprise bargaining') and its own, but also a little product differentiation was secured by the ACTU's assent to the latter, but not the former.

But the proximity to the election damaged the training reforms emerging from the AMWU. At the time, the negotiations over the restructuring of the Metal Industry Award were coming to a head. Some crucial elements, including paid training leave and the all-important award provisions for the regulation of the training standards through the National Training Board were outstanding, and resisted by employers. (Part of the issue here was that skills recognition and reclassification often would involve employers paying more for skilled labour.) The threat of industrial action in support of these claims in the lead up to an election brought pressure on the union negotiators from within the ALP to modify their demands. Preserving the ALP's electoral fortunes took precedence over the union interests in the training provisions in the new award (Ewer, et al., 1991:58; Lloyd, 1990). As a result, the Metal Industry Award is a pale reflection of the vision articulated in the Red Book, at least as regards to training.

Thus, prior to the election, most parties agreed to a wages system based on a version of enterprise bargaining. The proposal was put to the Commission, which in the event rejected the ACTU and Government arguments for enterprise bargaining because of the parties' "immaturity". The ACTU's reaction must have surprised the Commission. Kelty refused to accept the determination and took the ACTU into a campaign in the field, to win from individual employers the wage rises Accord Mk 6 promised (Norrington, 1992.)

However, this campaign was ill-fated from the outset, because of the adverse economic conditions. Not only this, but it was strongly opposed by elements of the union Right (Australian, 20/8/91). Eventually the unions drifted back to the Commission to get their 2.5% (Dabscheck, 1995:72). Even so, the Commission reversed its opposition to 'enterprise bargaining' in October 1991, and adopted the Enterprise Bargaining Principle

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18 As the Red Book put it,  

"The new Metal and Engineering Industry Award is to be based on classifications which have set education and training standards. These will be recognised national qualifications. The commitment to a nationally integrated system is also evident in DIR/MTFU/MTIA (1988), and Anon (1988:17) Also see Macken (1989:36)."

Yet the new Metal Industry Award that emerged from the negotiations, on this point, merely makes reference to "the need to develop vocational skills relevant to the enterprise and the metal and engineering industry through courses conducted by accredited educational institutions and providers" MEWU (1992:23).

19 In the colourful language of the day, Kelty refused to "eat the Commission's vomit."
EBP) which was designed to extend the productivity focus associated with the SEP. However, amendments to the Industrial Relations Act in 1991 permitted enterprise deals without reference to the SEP, and provided the ACTU and ALP with the means to effectively bypass the Commission (Wages Policy Branch, Department of Industrial Relations, 1992:24; Dabscheck, 1995:75).

It was curious for the ACTU to support such a radical decentralisation of the industrial relations system, especially in an era of declining membership, because of its potential for deunionisation. Such potential was particularly marked in the system which provided the exemplar for many of the changes -- not Euro/Scandinavian corporatism, but the US. The industrial relations system would later fall into confusion, as a result of the attempt to graft a US-style system of collective bargaining onto a system based on compulsory arbitration. Part of the ACTU's thinking may have been to increase the role of workplace bargaining to attract union members (Evatt Foundation, 1995). If this is the case, the strategy backfired, since many workers, and certainly employers, were keen to explore alternatives to unions and the award system controlling their wages and conditions, indicating a dramatic disintegration of worker solidarity.

The role of the award system was always going to be problematic in a truly decentralised industrial relations system. But wage restraint put even more pressure on it. From 1990, the wages systems were designed, in part, to force workers into enterprise bargaining and to improve profitability by workplace change. This was also the means by which better organised workers gained wage rises. But it raised two questions. First, the fate of weakly organised workers, and second, the role of unions vis-à-vis workers in non-union firms, formerly covered by awards. The first was taken care of through 'safety net' rises -- in other words, by retaining key features of the centralised system. The second was more difficult, exposing a major weakness in Australian unionism, and the difficulty of implementing US-style collective bargaining in Australia. Formerly, the wages and conditions of these workers were determined through the Commission, where unions and employers would argue their cases. The Commission's determinations, ie awards, covered non-union workers in the workplaces of the respondent employers -- even if the workplaces were totally non-union. In this way, the award system prevented the emergence of 'true' non-union enterprise bargaining, since only unions could appear before the Commission to represent workers. This, of course, supported the position of the established unions by preventing the rise of competitor unions or bargaining agents. The Government was inclined to further decentralisation, even if that meant non-union enterprise bargaining. The ACTU and the unions, by now, were not quite so sure about the wisdom of this path to which the Accord apparently committed them.

Despite their differences, the parties closed ranks prior to the 1993 election, which the Government was likely to lose. Accord Mk 7, struck 3 weeks before the election, extolled the virtues of awards and the role of industrial tribunals. It pledged to create 500 000 jobs over the next 3 years, and to pay 'safety net' wage rises which, however, were to be contingent on satisfactory progress on jobs (Weekend Australian, 20-21/2/93). Motivated by fear of a conservative victory, the unions' efforts in support of the ALP helped it win the election (Sydney Morning Herald, 30/7/93). But the edge was somewhat taken off the euphoria created by the Government's victory, as, in his first major post-electoral speech, Prime Minister Keating foreshadowed ending the award system. Keating suggested that enterprise bargains, which until then had been merely
supplementary to awards, might move to being full substitutes for them. Keating also indicated that industrial relations reform should make it possible for non-union workers to make their own bargains (Australian, 22/4/93; Australian Financial Review, 22/4/93). The unions reacted violently. This was a threat to their own institutional survival which no amount of economic ideology could rationalise. Certain key union figures eventually threatened to cut off funding to the ALP in retaliation (Australian, 26/7/93; Australian Financial Review, 27/7/93; 3/8/93). Kelty suggested that if non-union deals were to be acceptable, non-union bargaining agents should have to meet requirements similar to those unions do, for instance election by workers. Kelty also sought that the Commission's powers to regulate union coverage be removed, to enable a 'free for all' and the creation of thousands of small unions. Also, details of the right to strike, and the workings of secondary boycott legislation came up for consideration, and union leaders even turned to the tiny Democrat Party in the Senate to oppose aspects of the ALP's legislative program! (Sydney Morning Herald, 27/8/93; Weekend Australian, 20-21/11/93:10).

The ALP could not impose this course of reform on the unions without unacceptable strains on the relationship, which might lead to loss of Government.\(^\text{20}\) Here, the limits of "consensus" were reached, and here was a major policy battlefield for the next year. Eventually, a compromise was reached which established the possibility that ununionised workers could form their own bargaining unit, bargain with their employer, and have the results ratified by the Commission as a non union 'enterprise flexibility agreement'. There were two sweeteners for the unions. First, the maintenance of the award system, in the form of an arbitrated safety net, albeit certain to be further eroded, that could deliver wage increases to weakly organised or non-union workers still covered by awards (Australian Financial Review, 5/8/93; 26/8/93). Second, there were uncertain possibilities, to be defined in the courts, for unions and the Commission itself to monitor, and perhaps influence, enterprise flexibility agreements that undermined existing award conditions. The \textit{Industrial Relations Reform Act} of 1993 (enacted in December, operative from March 1994) put these in place (Dabscheck, 1995:109-113).

The years since the shift to enterprise bargaining have been ones of extraordinary instability and change in Australian industrial relations, and this period is far from over. Certain key issues are contested, in particular the powers of unions, the Commission and of the ACTU to oversee 'enterprise flexibility agreements' that are perceived as undercutting existing award conditions. To take one recent example, an agreement struck at Tweed Valley Fruit Processors trades off sick leave and overtime entitlements, tea breaks, holidays and holiday loading for a pay increase, swapping entitlements worth $56.40 a week for pay rises of $42.80 a week, according to analysis by the Australian Financial Review. The agreement also abolishes the existing skills-based classification structure, and with it reference to the ailing national training system (Australian Financial Review, 21/9/95; The Australian, 21/9/95). The powers of 'outside' unions to police the deal, or for the Commission to overturn it are, under the 1993 Act, undefined or

\(^{20}\) It had already been mooted at the 1991 ALP Conference, that unions influence in the party needed to be reduced, because of changes to the composition of the workforce, in particular declining union density (Sydney Morning Herald, 24 June 1991, p. 6). But whether losing financial support was worth such measures was another matter.
Under the Act, employees at the plant must be 'consulted' about the deal, although the Act does not define 'consultation'. There is considerable anecdotal evidence of unfavourable enterprise deals being struck, as workers trade off award entitlements for pay rises. Recently, a survey of 11,000 employees and 1,000 managers at 1,060 workplaces reported widespread dissatisfaction with the outcomes of enterprise bargaining. 53% of respondents reported increasing productivity, but 60% also reported increased levels of stress. 26% of employees reported they were worse off, with 40% reporting no change (Australian Financial Review, 21/8/95).

The abolition of the skills-based classification structure in the Tweed Valley deal returns us to the question of training reform. As noted above, once Australia Reconstructed accepted that Australia's award and training system and its union structures needed to be recast, the Left put forward a proposal for a competency-based national training system, to provide the blueprint for award restructuring, which was accepted by the ACTU and the Government. However, the BCA strongly opposed the mooted national training system, arguing that its needs would be better served by firm-specific and non-transferable training. This would impede labour mobility, and facilitate shaping a unitarist workplace culture. There was also the contentious issue of who should pay for the training, and employers strongly resisted any legislative compulsion in this regard. Which preferences carried the day? We take these two points in turn.

The necessarily cursory treatment of this question here notes that enterprise bargaining and a national approach to award restructuring and training reform are fundamentally at odds. At least, it would require substantial intervention by national authorities in enterprise negotiations, or at the ratification stage, to ensure that work reorganisation and training reform made appropriate reference to national standards. Although best placed to perform this role, the Commission was ill suited to it, and lacked a brief to perform it. We have seen above how it accepted BCA arguments to widen the scope of award restructuring in such a way that marginalised the issue of training reform -- or, at least made it one among many issues. The training reformers in the AMWU and elsewhere envisaged that a National Training Board would police the formation of competency standards, ensure their reference to an Australian Standards Framework (ASF) and therefore their transferability between employers (see Ewer, et al, 1991, ch. 7). But the NTB from the start lacked the capacity for such intervention, as the Government did not set up the body by statute. (Since Australia's Constitution allocates power over education to the State Governments, this was impossible, or at least very difficult.) Rather, the NTB was formed as a public company under a memorandum of understanding between the Ministers of Vocational Training and Education (MOVEET). Its aim was to "assist" industry to develop and implement competency standards (NTB Network, 1/6/91, 1,10). The system therefore lacked the statutory teeth to enforce the conformity of firms' training programs with national competency standards, and some firms chose not to cooperate with it. Its only powers were to withheld national accreditation for some training programs. The Board was also, with a staff of 15, hardly well resourced for this task, which it delegated to a band of Registered Industry Training Authorities (RITAs). This was "the closest link the NTB has with actual training users" (NTB Network, 1/6/91, 1,10). With such a lax supervisory infrastructure, it is not surprising to find Federal Minister for Schools, Vocational Education and Training Ross Free warning that the

21 The deal has since been overturned by a Full Bench of the Commission, and employers have appealed to the High Court.
centrepiece of the National Training Reform Agenda -- the National Framework for the Recognition of Training (NFROT)-- is clearly not working (Weekend Australian, 3-4/4/93). Further, with a remarkable display of diplomatic language, in 1993 the BCA claimed the right to issue their own qualifications in an "enterprise stream" within the NFROT (Australian Financial Review, 17/8/93). Despite objections from the union movement, MOVEET and the NTB assented to this proposal (ANTA, 1994:11). Clearly, the national framework of training is lost to organised labour. Defined as an "unhelpful industrial relations lever" by the employer submission to ANTA's review of the training process, the likely outcome is reduced portability of qualifications and quality of training (Allen Consulting Group, 1994).

To turn to the question of paying for training: After a protracted policy battle and considerable resistance from employers, the Government (influenced by Laurie Carmichael, now head of the Employment and Skills Formation Council) enacted the Training Guarantee Act 1991. Under the Act, firms over a certain size were required to expend 1.5% of their payroll on accredited training, or forfeit that amount to the Tax Office. Part of the NTB's role was to issue such accreditation, so firms could claim their taxation deductions. But as described above, failures of institutional design and resourcing prevented the Board fulfilling this brief. With such a lax supervisory infrastructure, much of employers' expenditure was not directed to bona fide, as opposed to fictitious, training, and the scheme was pronounced a failure and discontinued in the 1994 Budget. In its place, under the Working Nation set of policies, the Government and trainees increased their share of national training expenditure (Keating, 1994). The Government provided wage subsidies to employers to take on trainees, paid a below-award 'training wage', from the ranks of the long-term unemployed. Training was thus tied to employment policy, where it fulfilled the useful function of reducing the statistics of the long-term unemployed, and providing employers with cheap labour (Campbell, 1994; Australian, 3/5/94; Sydney Morning Herald, 7/5/94; Australian Financial Review, 9/5/94). Clearly, the labour movement's aims to force employers to contribute more to the cost of training which served the interests of Australia's workers, by improving their labour market mobility, has been a failure. The contest over training is the third major policy defeat for labour that this paper identifies.

CONCLUSION

Australia's corporatism has hardly been the stuff of which models are made, despite the overseas interest shown in Australia under the Accord. The optimistic interpretation challenged in this paper characterises the period as one of 'successful industrial adjustment by consensus', in which the influence of trade unions has not been curtailed, and has even been enhanced. On the contrary, this paper has argued, the period has not been one of successful industrial adjustment, as the corporate excesses and failures, and the economic record of the 80s testifies. Nor has it been consensual, but has been characterised by quite sharp contest over crucial policies. Using its links to the ALP, the unions attempted to influence the terms of industrial adjustment, but was stymied by opposition from employers and the state. In policy contests that were absolutely crucial for organised labour's future --industry policy, industrial relations reform and training reform -- the unions lost out.

22 I am indebted to Peter Ewer and Meg Smith for assistance with this passage.
Ironically, the period of alleged union influence over policy in Australia has resulted in a set of circumstances which drive towards deunionisation, declining union density, and even the individual contract.\textsuperscript{23} Strategic failures have meant that the Australian union movement has not translated the undoubted political influence it had in the first few years of the Accord into an ongoing strategy for unionism's continuing political and institutional development. Australian unionism has slipped from a position of considerable autonomy (democratic corporatism, with some possibility of dominating the state) to a position of less autonomy, bordering on subordination and exclusion. In other words, there has been a shift from democratic to authoritarian corporatism, although one does not argue that the shift is, or could be, complete. But the way organised labour has found itself locked into processes it could not control, that were opposed to its interests, indicates labour exclusion or subordination. This is not full Japanese-style 'corporatism without labour', nor Singaporean-style 'authoritarian corporatism', for, despite the policy defeats, organised labour has exercised some influence over the ALP in government. This paper has not concentrated on those, but they include the defeat of the Government's preferred course of taxation reform in 1985, and, to be fair, important measures to improve the lot of the very poorest paid. Perhaps most spectacularly, the episode over the 1993 Reform Act indicates the relation between the ALP, the ACTU and the labour movement. The ACTU had accommodated the Government's preferred course of industrial relations reform, and helped impose that on elements of the union movement which were uneasy about, and even resisted, the shift to enterprise bargaining. But even the ACTU could not accommodate abolishing the award system, although the logic of the ALP's reform program drove in that direction. This episode revealed the limits to how far the ALP could go, although those limits are certain to be pushed further.

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\textsuperscript{23} A major mining firm, among others, has attempted to put its workers on individual contracts. There is considerable support for the initiative among workers, since it means increased remuneration. The ACTU here again drew a line in the sand, threatening and even commencing a national strike if the monetary difference between award conditions and contracts was not redressed. Once again, the provisions of the Act in this respect are yet to be tested. See Australian Financial Review, 9/2/95


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