



POLITICS AND THE ACCORD

*By Peter Ewer, Ian Hampson,
Chris Lloyd, John Rainford,
Stephen Rix, Meg Smith
(Pluto Press, Sydney 1991)
Reviewed by Jane Barrett**

The Accord between the Australian Council of Trade Unions (ACTU) and the Australian Labour Party was signed in 1983 as part of a pact leading to the election of the Labour Party as government (a position it has held every since). It was initially based on centralised wage and price fixing. The union movement's agenda was the hope of expanding its influence and control over the economy and over management.

Ewer et al have written a detailed 200 page analysis of the Accord, exploring the reasons why the union movement's objective has not been fulfilled. The book poses some interesting questions and issues for the trade union movement not only in Australia, but throughout the world. This is particularly true for SA, given that one of the authors, Chris Lloyd, is currently advising COSATU's metal affiliate, NUMSA. The underlying theme of the book is the search for a "redefinition and reawakening of the political purpose of unionism" (p99).

The Accord

At the heart of the Accord lay a policy aimed at regulating both prices and wages in an attempt to encourage economic growth and job creation in a non-inflationary environment. Wage strategies were linked with broader economic objectives.

In theory the Accord links wage policy, the social wage (in the form of limited extensions to the welfare system), and economic intervention (in the form of industry strategy). However, in practice, there have been strategic weaknesses within each of the three components.

INCOMES POLICY REDISTRIBUTES TO CAPITAL:

Whilst there was initially an impressive rise in employment, most of the jobs created were of a part time and/or low paid nature. No greater access to the higher paid, higher skilled job market was created for the marginalised categories of labour – women, migrants, and youth.

Whilst wage restraint was being exercised, profits for employers actually rose. A real fall in living standards for workers was the result. In the process, wage militancy has been surrendered, without any other viable form of activism being put in its place.

WEAK ECONOMIC INTERVENTION:

The authors argue that the framework for intervening in the economy, and in industry policy in particular, had the potential for preventing the incomes policy dimension from degenerating into wage restraint. However, it failed to do so partly because it proved to be extremely difficult to mobilise union membership around industry strategy initiatives, and partly because the government was perhaps never seriously committed to effective intervention in the economy. "ACTU's wage strategy of complementing the government's macro-economic strategy has therefore linked union wage policy to a derelict cause."

Government's lack of commitment to tripartite industry policy development was not counterbalanced by strong union intervention. The authors argue that formulating industry strategy is essentially a bureaucratic project, which does not provide obvious areas for direct union influence.

The lack of experience on the part of the unions in industry policy matters compounded the problem, and resulted in failed efforts at reforming parts of the state economic advisory bureaucracy. For example, the tripartite Economic Advisory Council "was easily colonised by the older bureaucracies and serves now only as a shop front for economic rationalism."

* Jane Barrett is a national organiser at TGWU.

NARROWED SELECTIVE WELFARE SYSTEM: Not only did the Accord not commit the parties to the implementation of a full welfare system, but in practice increasing numbers of people have been excluded from the system.

A progressive alternative

The authors argue that whilst the Accord has failed in its objectives of economic growth, full employment, and income redistribution, the framework itself does not have to be completely abandoned. They suggest that a progressive alternative is to be found in changing the wages policy component. They also suggest that there is a need to move away from an all-encompassing social contract, and to negotiate sectoral agreements instead.

The seeds of such a progressive alternative, the authors suggest, are to be found in the 1989 Accord, which recognised the need to raise minimum wages, reduce skills grades, and introduce clear career pathing. They argue forcibly that these three elements of wage policy could be combined to "erode managerial prerogative and empower workers hitherto denied control over their own work and skills". If the union movement wishes to maintain an opposition to a market economy dominated by capital, it will have to start at the workplace and build out. "Workers must want to defend regulation of the workplace". Such a defence should be based on a fight for a direct say in skill formation, in work organisation, and in working time arrangements.

The authors argue that this strategy has an economic and a political motivation. The economic motivation is that the "future of high value-added manufacturing and service industries depends on the ability to devise modern skill formation processes which are capable of efficiently reallocating displaced labour", whilst the political objective is "empowering workers to respond to industry restructuring and technological change".

The authors argue that the union movement has failed to mount the ideological case for such a new approach. Instead, employers have developed workplace flexibility approaches which are designed to provide short term boosts to

productivity by crippling the union movement's ability to influence the labour market. The move away from centralised bargaining to enterprise bargaining based on productivity is part of the same employer project of short term gain. Employer-led 'participative work' is "not industrial democracy but coercion" the authors argue. It provides no challenge to the power of management to organise the production process, and emphasises the need to minimise labour costs in order to maximise output.

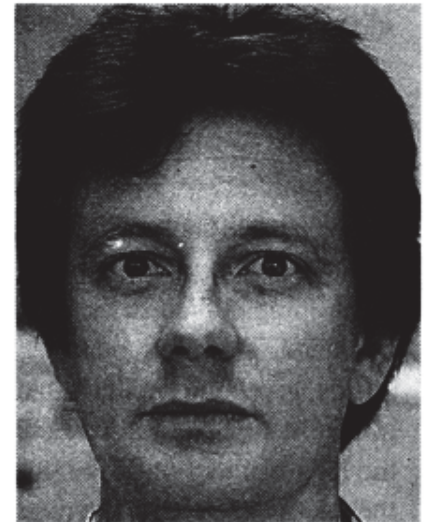
There must be more

The central argument is that a new approach to skills

formation could result not only in a more successful influence and control over industry strategy for the trade union movement, but could also result in a new politics embracing a much wider social base - a more distinctly class politics.

Whilst the authors put up a pretty convincing argument for a new approach to skills formation *contributing* to a new union politics and practice, the reader is left feeling that there must be more to the argument. For example, they pay no attention to the struggle for a legislative framework which provides for full disclosure of information, the reinvestment of profits, or the extension of trade union rights - particularly in the area of strike action.

On the question of widening the social base, again the authors could have spent more time in exploring the wider political context. There is almost a suggestion that a progressive political consciousness will grow automatically out of a new approach at the workplace. But if in the



Chris Lloyd, one of the authors of the book

Photo: William Mattala

course of wage bargaining part of the wage should be directed towards social benefits provided by the employer, as the authors suggest, won't this in fact reinforce the divide between employed and unemployed, trade unions and other organisations? Surely the commitment to full social security will not grow simply out of sectoral and workplace struggles around skills formation? Surely there *is* a national political dimension to the struggle for social security?

Lessons

The book nevertheless suggests some very important lessons. Firstly, if the union movement is to see itself intervening in the economy it has to assert its ideological objective - that of intervening in the market against the domination of capital. This is all the more important in South Africa, given the explicit attack of the government's Normative Economic Model on the legitimacy of trade unions precisely because they do interfere with the market.

Secondly, to sacrifice wage militancy as a means of mobilising worker unity without an alternative unifying and mobilising project could be disastrous. Furthermore, industry strategy in isolation does not provide such a mobilising tool, as it is too bureaucratic in nature. If the struggle around skill formation provides a possible alternative, then the workers must own that struggle and believe in it. Given the long entrenched and relatively unchallenged philosophy of 'managerial prerogatives' in SA, considerable effort would be required to build up the confidence of workers to tackle the issue. For example, to what extent do the rank and file of NUMSA understand and believe sufficiently in the most recent proposals to SEIFSA on skills formation to really fight in support of their demands?

Thirdly, it is important to develop the skills and experience of trade unionists so that when they engage in industry policy development they are not "colonised" (as the authors put it) by the existing bureaucracy.

At the macroeconomic level, perhaps the most salient lesson of the book is that industry development programmes have to be supported by appropriate macroeconomic policies – unfettered

deregulation of the money market and privatisation and/or commercialisation of the public sector being singularly inappropriate policies. In South Africa it is clear that the union movement will have to develop far sharper answers to the debates on these two issues. In relation to the public sector, for example, it is not enough simply to assert an opposition to privatisation because of the potential job losses. The union movement (and its allies) has to develop a coherent political and economic argument in favour of the public sector.

Finally, the book does show quite clearly that there is a way out of the passivity and frustration caused by worker participation and job flexibility programmes imposed by management – that, through a struggle around skill formation, it is impossible to challenge in a fundamental way, the notion of managerial prerogative. Whether such a challenge will in *itself* result in the assertion of a more progressive and class based politics is questionable, but that it would certainly *contribute* to the same is irrefutable. ☆

Industrial Council Digest review: author responds *Shane Godfrey*

The first point about Jane Barrett's review of the INDUSTRIAL COUNCIL DIGEST (SA LABOUR BULLETIN Vol 17 No 1) is that it is a critique rather than a review. She does not do the book justice because she focuses almost exclusively on what the book does not contain rather than on what it does. So the review fails to show how the book does make a substantial contribution to understanding of industrial councils as institutions for centralised bargaining.

The aim of the DIGEST was to provide systematic and detailed information on all industrial councils and the industrial council 'system' as a whole, something which has never been done before. I believed that systematic research of this kind would inform the debate on industrial councils and any strategy that might result from that debate. The aim of the book was not to intervene in the debate but rather to contribute to the debate. Accordingly, it