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A LABOUR MOVEMENT PERSPECTIVE ON POLITICAL ECONOMY

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What is the relevance of political economy to workers daily struggles with employers and governments? Elliot Perlman helps us with a way of looking at this question in his novel *Three Dollars* (Picador, 1998) when his character Tanya confronts the need for a PhD if she is to have any chance of retaining her position at a tertiary institution (a position without tenure or promotional prospects). She sets out her plan to her husband and the narrator of the novel, Eddie:

Every institution, including and especially the nation state, and this is a global phenomenon, is now in crisis due to either the profound failure or the wilful abandonment of every previously conceived political economic doctrine, unless you count completely *laissez-faire* economics with nearly zero government intervention as a doctrine and a return to the jungle.

What is being peddled in their place are panaceas devoid of all reason and humanity, religious fundamentalisms, be they of the market kind – the market delivers all socially desirable outcomes – or their varieties...

There is currently no policy so absurd that you could be confident that no economist would advocate it. There is currently no policy so cruel that you could be confident no politician would implement it (Perlman, p125).

This excellent summing up of where we are at is why unions should be helping their members grapple with political economy – so that they can

challenge the absurdities that are daily presented to them in the media as the only options.

In the meantime Tanya has to confront what the system throws at her while raising children, teaching, paying a mortgage, and coping with job insecurity. The restructuring of the public sector in terms of market fundamentals sees Eddie's father forced into early retirement and Eddie eventually forced out of his public sector job by departmental restructuring because he doesn't agree to write a report favouring a corporate pollution scheme. She has mental health problems that are not helped by all this. Before she can complete her work Tanya finds she is no longer wanted.

Perlman, through the character of Tanya, is trying to rekindle the 'left imagination' to a better future. In a similar vein, Sam Gindin and Leo Panitch (2000), write about rekindling the left imagination. They see too much modern political economic work accepting things as they are, looking only for change on the margin. It's a move:

toward a depoliticization of both the firm and the union. [Many leftists] underestimate[s] the social power of capital and the oppositional politics necessarily involved in changing it. And, committed to some notion of making economic competition into something that is progressive, they stunningly fail to see that the whole point of addressing alternatives is to liberate ourselves from the notion that it is only through competitiveness that we can confront the development of our productive capacities. To accept competition as the goal—even for a poor country and even qualified as 'progressive competitiveness'—is to give up on the socialist project before you begin.

Tanya would wholeheartedly agree.

So what can unions learn from political economy to help approach the future? The *historical awareness* underlying what these authors have to say is the key. It puts attention on the ideas and hopes we should strive for, rather than being constrained by enterprise agreements that reluctantly grant wage rises if we make the firm more profitable. The openness to these ideas is what is missing.

Industrial relations and political economy can be linked; indeed academic boundaries are there to be crossed for political economy. The best industrial relations research work done in Australia is a part of political economy and does push the boundaries of what is acceptable. For example, the paper by John Buchanan and Barbara Pocock (2002), presented in the *Journal of Industrial Relations*, with their own 'eleven point plan', shows the way the edges are pushed.

This is the type of defensiveness to which Panitch and Gindin refer:

The problem with unions is not, as so many seem to think, that they have been too defensive but that, in most cases, that they have not been defensive enough; at least not defensive in a way that allows them to get beyond merely being reactive. To be defensive doesn't mean to be static. A trade unionism committed to mobilizing its defensiveness would be committed to developing a culture of resistance. Nothing is more important to the future possibility of socialism than the current existence of a working class that is determinedly oppositional and organizationally independent, self-conscious of its subordinate position and ideologically confident in the legitimacy of its demands, and insistent that its own organizations be democratic and accountable so as to embody this spirit of popular activism and militancy. In addition to fighting aggressively for traditional demands, the content of union demands could, on this base, take on new dimensions and creatively lead other struggles.

The work of Organising Works (the organisation that the ACTU has established to replace the Trade Union Training Authority) takes up these issues in Australia, and the work of the AMWU organising and education sections perhaps most strongly takes these approaches into account.

The culture of resistance is important. As Arrighi, Hopkins and Wallerstein (1989) have pointed, out anti-systemic movements are the line of resistance, and unions remain the best organised oppositional force, despite all those who argue that their role has been superseded by other social movements. That these organisations are important is not doubted, but we see many examples in Australia where the organising ability of unions is crucial to the activities of other protest groups.

The culture of resistance, and the activities of anti-systemic movements, needs to be linked to systematic political economic analysis. In the past Marxism has been the main vehicle for this. A Marxist mode of analysis underlies much political economy, whether the emphasis is on the environment, land, institutions or transnational corporations. Marx had a detailed critique of the economic system, but a sketchy vision of a post capitalist world. The retreat from even trying to imagine a future stifles unions and the social movements, who have been incorporated into the system, or marginalised. The political economic processes create the structures. But we seek to make our own history, albeit not from a position of our own choosing. In this sense, the Marxian analysis, although incomplete, still has much to offer.

However, radical political economic perspectives are continually being undermined by other more conservative ideologies. The pervasive individualism that seems to drive talk about 'aspirational voters' in the suburbs as being the groups towards whom policies need to be targeted has influenced unions too. The ideas are open to competing interpretations. A desire for a better world can be conservatively individualistic ('I want to change my place in the world') as the 'aspirational' view would have it, or radical ('I want to change the world'). Unionists are driven by both these concerns. It isn't necessarily an 'either/or' approach, as Gindin and Panitch seem to imply. To change your own place in the world can also embrace a concern to help others change theirs.

So unions can be informed by the analysis provided by a political economic approach. The political economic approach informs scholars and their research and policy work in industrial relations. It also informs many historians of business and labour, which is important because unions need to be aware of their own history as well as the history of capital. In Australia the work of Evan Jones in particular, well known to a couple for generations of political economy students at Sydney University, emphasises the importance of history to counter the 'programmed forgetting' that most current commentators and journalists ply us with. His emphasis on the importance of the tariff and protection debate is an example of why we should always question the orthodoxies. We are told by politicians and journalists that the Australian settlement,

comprising a white Australia immigration policy, arbitration and tariff protection was a set of evils. I think Evan would agree only on the first of these, with a question mark over arbitration and a 'not so fast' on the protection issue. That unions bought the 'tariffs are evil' line is borne out by their lack of resistance to the winding back of protection under the Labor governments led by Hawke and Keating.

That unions in that earlier era did have a political economic approach to a certain degree is shown by the careful work that went into preparing the *Australia Reconstructed* report. But its major proposals for macroeconomic policy, incomes policy, industry policy and social reforms were largely ignored (as shown by former Trade and Industry Minister John Button's comments in the special issue of JAPE 10 years after the report). *Australia Reconstructed* was largely concerned with productivity and competitiveness, reconstructing Australian capitalism to ensure its survival, rather than remaking it to a real social democracy. Unions should see clearly from this historical experience that their attempts to help capitalism help itself really have only provided ideas and the green light for the capitalists to revitalise their rampage over workers, the environment and society.

An *Australia Reconstructed* along the lines that Gindin and Panitch argue is necessary requires 'the accumulation of capacities'. The *Australia Reconstructed* document did address this to a certain extent. It did look at industrial democracy and investment funds that could be used for a social purpose (although the emphasis was on a national infrastructure fund which favours developments that make it easier for business to do business, with the achievement of social goals as a lucky by-product). The debate that seems to be starting, in the wake of several spectacular corporate crashes, about the democratisation of superannuation funds may be the start of a fresh approach.

The ten point plan Gindin and Panitch outline embraces issues that should be at the heart of trade unions' and political economists' efforts to promote these ideas so they take hold of the collective imagination. This could also help to increase union memberships. The ideas include ecology, socialisation of markets, democratic communications, democratic planning, transforming consumption (not simply reducing it) and, crucially, overcoming the alienation from our work that also

alienates many from 'life'. Humphrey McQueen has addressed alienation, overwork and underemployment in the Australian context (McQueen, 2001).

Frank Stilwell also challenges us to 'change track' (Stilwell, 2000) and his ideas and work over many years help provide us with ways of approaching Australian political economy and the international scene. He argues for a new socialism as a 'fourth way' and outlines how this can be made attractive to a society that clearly is uncertain about its future. A true popular socialism would be based on an appeal to concerns for equity, as opposed to a system based on unequal ownership; an appeal to rationality against the massive waste of economic resources; the extension of democratic principles from the political sphere to our daily lives as workers, students, consumers and citizens; and the appeal to solidarity – a recognition of common interests and the development of mutual support and co-operation. It would also seek more social balance, seeing the environment as central, not peripheral, to decision-making. Clearly its not a simple matter to strive for this 'utopia' but realising that there are other ways of doing things is part of the political economic project. It is crucial to unionists who so often face management and government with their backs to the wall, seeming to have to choose from a bad to worse menu of options.

Developing a better understanding of political economic issues and alternative political possibilities involves the organisation of education. Union education is a field that was formally recognised in Australia with the establishment of the Clyde Cameron College in 1975 as a training centre for union delegates. Unfortunately, the College is no more, the Federal Government having discontinued its financial support. So the incorporation of a political economic framework into union education is now largely a matter of individual union initiative. Don Sutherland, the Australian Manufacturing Workers' Union Education Officer, is introducing political economy into the extensive education plans he is developing in that union.

An example of the kind of issue that political economy research could take to enhance the links with the practice of unionism is the recent response by ACIRRT (2002) to the Productivity Commission's report on assistance to the car industry. Other recent work from a political

economic background is the work by Iain Campbell (2002) for the ACTU on working hours, its impact on workers and the importance of developing a broader social policy response. Recent issues of the *Journal of Australian Political Economy* also highlight areas of crucial importance for unions, with articles on outwork, foreign investment and trade union responses, industry policy options, the fair trade versus free trade debate, and a critique of what is and isn't included in the way economic progress is measured. The political economy research is there but more solid connections need to be developed between unions and researchers. Terry Irving and Sean Scalmer (1999) have been looking at various labour movement intellectuals in Australian history, and it is this connection that seems to have been lost (the issue of *Labour History* with their introduction covers this concern with studies on the BLF and the AMWU). The communication problem between the academic sphere and 'shopfloor' seems to be the biggest barrier, not any lack of commitment from political economists to labour movement concerns.

Union members have to go about their work, sustain their families and relationships and generally participate in our society. The various forms of the media present them with a picture of our society that seems to offer many choices - in schools, work and consumer items, for example. However, that same media offers one version of the economic system that union members have to deal with, and this economic system acts to severely constrain the type of choices and decisions they can make. Union members acquainted with a political economic approach to the socio-economic system are better able to think and act in an anti-systemic fashion in dealings with employers, governments and other interest groups. The major reason for studying economics, as I remember Ted Wheelwright saying early on while I was studying for my (very average) degree at the University of Sydney, is to learn why to distrust economists.

Unionists are more at the 'sharp end' of dealing with those who take the 'economically correct' line than many, although the negotiations with employers, demonstrations and lobbying efforts by unions affect many more people than just their members. Taking a knowledge of political economy into dealings with bosses and into discussions of issues with fellow workers can help with knowing why the bosses takes the attitudes

they do, and with how to explain and discuss with fellow workers where the boss is coming from. Some unions do have sufficient resources to employ research officers who can pursue broader political economic concerns and bring these to bear when the union and members in particular industries are dealing with employers. Developing the lines of communication with political economists outside can broaden this research capacity.

Political economy enables the most broad thinking about where we might like society to head. We can start to work towards a practical political economy that demands ecological sustainability, useful work rather than useless toil, the expression of the creativity of humans, worker control of work and industry, a just and good society, and a universal recognition of the right to be human, central to which is respecting the rights of others to be human.

All this may seem to be a tall order for trade unionists who daily have to confront workplaces with the opposite characteristics and governments who seem more and more at the beck and call of transnational corporations. The need to be defensive in the way Gindin and Panitch describe can enable us to face the future. Victor Serge (1989) put it well when in the steely grip of Stalin at the Orenburg camp:

The ardent voyage continues, the course is set on hope.

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