

# **POLITICS AND THE INSTITUTIONAL APPARATUS OF AUSTRALIAN INDUSTRIAL RELATIONS IN THE LATE 1980s**

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Social institutions of industrial relations and their associated belief systems might be considered to constitute important elements in what Gordon, Edwards and Reich (1982) have termed the social structure of accumulation (SSA). In their long wave theory of capitalist development, periodic crises arise which lead the interests of capital to a gradual recognition that a transformation of the decaying SSA is necessary if accumulation is to begin afresh and the necessary reproduction of the capital-labour relation is to be secured. Such crises reflect an intensification of the contradictions to which capitalist political economies are subject. Threats to corporate profitability, investment levels, monetary stability, external balance, employment and the living standards of the working class emerge as manifestations of the pressures operating. At such historical junctures, capital and labour are said to become embroiled in increasing political confrontation which sees the gradual emergence and consolidation of a new SSA.

Critics of the SSA thesis have expressed concern over the failure of the authors to deal with underlying problems of concept formation, and their exclusive reliance on ( and misinterpretation of) US empirical data (Brody:1984; Burawoy:1985; Nolan and Edwards:1984). Most of the criticisms are apt. However, the work was particularly refreshing in that it attempted to shift the study of transformations from an abstract to an

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operational level, while aiming to avoid the multifarious, and often confusing world of micro-analysis. Equally, while too little emphasis is given to exchange relations and their links with production, the project is especially seductive to industrial relations scholars given the emphasis on the labour process, the structure of labour markets and the system of labour control more generally. Even in this regard it is not without deficiencies. Treatment of the state, theoretically and empirically, is one shortcoming, especially to the reader acquainted with Australian conditions of labour management. Another is the limited attention given to the degree of fit between the evidence on worker resistance and the central argument.

Nevertheless, there is still the seed of a concept entailed in the idea of a SSA which might inform an analysis of concrete industrial relations events, political struggles and ideological contests in industrialised economies at the present time. Clearly apparent are moves to redefine mechanisms of class accommodation in the spheres of exchange and production relations for wage labour, or (in industrial relations terms) to fundamentally reshape the wage-effort relationship and the surrounding institutions. We shall use the term *institutional apparatus of industrial relations* (IAIR) as shorthand to describe the set of social institutions and arrangements which surround the labour process, labour markets and skill reproduction processes.

In Australia, where just on 85 percent of employees are formally covered by terms and conditions of employment specified in awards and determinations of the various industrial tribunals, systems of conciliation and arbitration constitute a significant element of the IAIR. So too is trade union structure and the extent of state support/restriction applying to unions through legislative measures and broader legal mechanisms. Likewise, bargaining or accommodation structures constitute an important component of the IAIR as these both reflect the respective strength of labour and capital and are able to be moulded through intervention or abstention by the state. To be sustained, the prevailing IAIR requires legitimisation. It comprises two key elements - a set of structural and process components and a supportive ideology. Historical experience suggests that the IAIR is continually evolving so that, for example, processes of conciliation and arbitration, while retaining the same label, will display movement in their social and political characteristics over time. Yet there are historical periods during which more than an evolu-

tionary process is occurring in the IAIR. Periods of transformation do appear and share many of the attributes that Gordon, Edwards and Reich associate with their changing social structures of accumulation. The 1890s in Australia, the 'New Deal' period in the U.S., and Thatcher's jihad in the 1980s all constitute episodes during which the relevant IAIR went through a significant transformation.

It is arguable that Australia is currently in the midst of such a transformation process involving its IAIR. This is a process which has its roots in the seventies and which is still incomplete. It has been in a sense *the* issue on the political agenda for most of the eighties, characterised by continuing attention to the reconstruction of capital-labour relations. It will undoubtedly continue to be a key issue in the nineties.

When Labor came to power in 1983 at the Federal level it did so with some flair, placing on the political agenda what was essentially a vision of a new IAIR for Australia - the well known *Accord* model. More than six and a half years have now passed. The *Accord* has evolved and capital has regrouped to some extent. Some signs of unity, and some signs of discontent, have developed within the ranks of labour around the *Accord* model. But in 1989 it is still the case that the IAIR has not been transformed in a way which would serve capital's expectations regarding long term profitability and security from socialist intrusions into its affairs and strategic decision making. Instead, it is possible, with a little licence, to identify four optional approaches to the reconstruction of the IAIR on the political agenda. That there are varying degrees of interdependence between the four will become apparent, but it is suggested that there are sufficient differences between each to enable a typology to be identified. The four are what might be termed:-

- (1) the Strong Corporatist (Early *Accord*/Australia Reconstructed) Option;
- (2) the Opportunistic Corporatist (Late *Accord*) Option;
- (3) the Technocratic Business (Business Council) Option;
- (4) the Free Market (New Right) Option.

The characteristics of each of these options, and their proponents, will be considered in turn.

## The Strong Corporatist Option

Perusal of the original Australian Council of Trade Unions/Australian Labor Party (ACTU/ALP) *Accord* document reveals that it mapped out a complex but coherent direction for Australian society. It involved an incomes and prices policy component which sought to arrest unemployment and inflation while ensuring an equitable movement in incomes (including non-wage incomes) and the protection of living standards over time. To achieve these objectives a centralised system of wage fixation was seen as essential by the parties concerned. Subsequently, business representatives attending the Economic Summit in 1983 also endorsed the centralised approach, so that on the question of wage setting tripartite legitimacy was achieved. The then Conciliation and Arbitration Commission went on to formulate principles under which the centralised system would operate.

However, the original *Accord* was more than an incomes and prices policy. The ACTU and the ALP agreed that a range of supportive policies would be put in place. More than wage restraint was seen to be necessary for the revitalisation of the Australian economy. Attention had to be given to industrial relations arrangements, to welfare and areas of social infrastructure, and to the generation of change within industry and the encouragement of international competitiveness. The machinery of change was not to be naked market forces but a tripartite, interventionist strategy, which was likely to see some designated fractions of capital succeed at the expense of others. Despite the varying degrees of reticence shown by capital to the tripartite arrangements mooted in the *Accord*, a network of such organisations was created, not least of which was the Economic Planning Advisory Council (EPAC) and a series of industry councils. Viewed as a social contract in the European mould, the *Accord* offered labour some guarantees on living standards, some considerable institutional benefits for its trade union wing, and an undertaking to set about restructuring Australia's industrial base collaboratively. The corporatist credentials of the *Accord*, though removed from the ideal type of the textbook, were still evident in the original document.

The 1983 *Accord* serves as the base on which both the Strong Corporatist and the Opportunistic Corporatist options are built. Where the two diverge is related in part to the reception given to proposals contained in *Australia*

*Reconstructed* (1987), the report prepared by the ACTU/Trade Development Council (TDC) Mission to Western Europe. The signatories of the report endorsed a wide ranging set of recommendations, some of which have also been generally accepted in policy terms across the broad spectrum of labour politics including the Opportunistic Corporatists. However, the emphasis given to questions of industry planning, to price restraint, to the creation of an investment fund, and to strong forms of industrial democracy, is where the two models diverge. The Strong Corporatist option has implicit within it a desire to make progress towards a more socialist form of economic organisation by establishing institutions which create scope for a form of economic democracy through links with the investment resources of superannuation and like funds. Tripartite industry plans have been determined in a number of well publicised instances (e.g. steel, vehicles), but this approach is atypical and such plans have rarely embraced the full content advocated in the recommendations made by the Study Mission.

This particular option is distinguished from the Opportunistic version by its concern to put in place an institutional apparatus which is not antipathetic to socialist reform and which provides avenues for genuine union influence and participation in an expanded agenda of policy decision making. As an option it is, however, particularly disagreeable to capital which has engaged in very limited debate over the proposals, preferring instead to largely ignore the report and ensuring limited media exposure and public discussion.

## The Opportunistic Corporatist Option

This option is the one currently being pursued by the dominant elite within the Federal Parliamentary Labor Party and the ACTU. In practice the *Accord* has evolved over time; indeed the specifics of its incomes policy (and taxation) component have been re-negotiated on a number of occasions. Real wage restraint has been achieved. Official data show that real earnings grew marginally in the first three years of the *Accord* and then declined quite sharply in the subsequent three years. Over the same six years the non-farm wage share of production declined from 64.9 percent to 59.4 percent (*Treasury Round-Up*, July 1989, Table 4). By the end of March 1989, the figure fell further to 57.6 percent on a seasonally

adjusted basis. At least in the medium term, accumulation trends have already been reversed substantially.

This option is labelled 'opportunistic' because of the convenient slippage which has developed around the original *Accord* model. Co-operation and consensus, though far from total, have been obtained by the state from organised labour in the area of wage restraint, and in relation to widespread changes in the division of labour, skill formation and a variety of areas relating to the effort bargain. The required 'no further claims' commitment which operates through wage setting procedures has played a part in ensuring that attempted breakouts have been few, and 'successful' cases virtually non-existent. The 1989 air pilots dispute provides a clear example of just how difficult such challenges can be.

The state, it is true, has delivered benefits identified as the supportive policies of the *Accord*. For example, Federal legislation for industrial relations has been reviewed and re-written following the work of the Hancock Committee of Review. Measures to modify the approach taken towards occupational health and safety have been implemented<sup>2</sup>, and a network of tripartite industry advisory bodies has been created. However, organised labour has made limited headway in influencing the strategic decisions made by industrial capital. In its policy making, the state itself has become captive, to an extent, to the pressures exerted by international finance capital through its capacity to influence exchange rates, interest rates and other monetary settings which have an impact on real investment/disinvestment decisions.

Thus the *Accord* in its current form is seen to lack any real objective in line with socialist politics and has evolved instead as an institution-shaping instrument of the state, concerned to create conditions which capital will find attractive. Most fractions of capital have made it clear that there is no place for direct union involvement in corporate decision making and in these circumstances the energy spent in tripartite bodies can be dissipated and diverted. There are exceptions, most evident in previously

2 From 1983 onwards, new occupational health and safety legislation was enacted in New South Wales (1983), Western Australia (1984), Victoria (1985), South Australia (1986), and Queensland (1989). In the federal sphere, the National Occupational Health and Safety Commission Act received assent in 1986.

protected industries which had been affected by an upsurge of import competition to such an extent that survival became a real issue. On the other hand, it is difficult to recall cases where tripartite activity has been significant in establishing the direction of new and growing sectors.

A similar type of development is to be found in the more traditional areas of industrial democracy. In the early years of the *Accord*, union expectations were high regarding the possibility of gaining government support for significant advances in this sphere. Considerable expectations were generated in 1984 by both the then Minister of Employment and Industrial Relations, Ralph Willis, and the Prime Minister who lent their support to the shaping of policy.<sup>3</sup> After some delay, a Green Paper appeared late in 1986. This document, in attempting to find a path between the differing agendas of organised labour and capital, appears to have done little in a practical sense to cultivate further developments beyond the realm of rhetoric. Certainly there is little in the Green Paper which one could align with even a weak socialist strategy. Since that time the Confederation of Australian Industry (CAI) and the ACTU have issued a Joint Statement on Participative Practices which can perhaps be described as a saccharine document, and the Government itself has promoted the idea of *individual* employee share ownership schemes (ESOPs) and profit sharing through a discussion paper and provision of some tax concessions.

The Hawke Federal Labor Government can be seen then as the major proponent of the Opportunistic Corporatist Option. There is no deeply embedded commitment to the development of full-blooded corporatist arrangements as a basic ingredient of the IAIR. Bipartite and tripartite mechanisms will be embraced where they are seen to serve the currently predominant objectives. Inevitably long term considerations will be swamped by short term expedients and assumed high priorities.

The erosion of working class traditions, the economism of middle Australia and the accumulation needs of capital have forced the Parliamentary Labor Party to abandon the old socialist ideals and pushed it

3 Both addressed a major seminar on Industrial Democracy and Employee Participation held in Melbourne on 17th August, 1984, stressing the importance of further policy development and measures to enhance the implementation of industrial democracy practices in both private and public sectors.

towards a pragmatic centrist stance, and into a pattern of policy making which aligns with this Opportunistic Corporatist Option. Despite the hopes of some senior union officials it seems that the current occupants of the cabinet room have no desire to embrace fully the notion of political unionism which has been promoted with some vigour by those who see merit in emulating a 1970s Scandanavian scenario more closely attuned to our first option. What has become particularly evident among the group of senior Labor ministers is a strong attraction to what is termed economic rationalism and reliance on 'market mechanisms'. Many Labor policies of recent years have been built upon such a logic and the remaining corporatist-like centralised wage setting machinery appears to represent the major exception to this general drift of the policy philosophy of the government. Consistent with this trend are the findings of research completed by Pusey (1988) into the ideologies and attitudes of senior bureaucrats. Not surprisingly those in the powerful policy departments of Treasury and Finance display a distinct leaning towards neo-classical policies designed to deregulate the labour market with institutional modifications to match.

## **The Technocratic Business Option**

As a decade of crisis, the eighties has spawned many treatises on appropriate responses to recover an era of economic prosperity. Most of these works are well known. Some focus on policies for nation states, but the more popular, in managerial circles, concentrate on approaches and policies for individual corporations. In this mould the so-called 'excellence' or 'new wave' management studies - particularly the ideas developed initially by Peters and Waterman (1982), by Kanter (1985), and more recently by Peters (1987) alone stand out as particularly influential. At the heart of this literature is the notion of a relevant and considered approach to business strategy on the part of senior management.

Within the specialist industrial relations literature, the eighties have seen a growing recognition of the analytical significance of business strategy. Especially influential has been the work of Kochan, McKersie and Capelli (1984) who have proposed the introduction of a strategic choice variable into industrial relations analysis. Of relevance in this context, they identify three institutional levels - the level of work organisation at the point of



production; the collective bargaining or accommodation level involving unions and employers in the traditional industrial relations system; and the strategic choice level in the corporation. This latter is the area of business strategy determination where key directional decisions are made by senior management assisted by their planning department advisors. Matters such as entry into, or exit from, specific product markets, the location of production units, investment in new technologies, plant closures, major procurement policies, and corporate restructuring, comprise the type of decisions that are typically considered at this level. The treatment of this area in standard management texts such as Stoner, Collins and Yetton (1985) reveals the underlying rationale.

Practitioners and teachers of business strategy models of corporate management utilize terminology and analytical tools which create a perception of special technical competence and legitimacy. There is almost a sense in which a strategically managed corporation represents the application of Taylorist-like principles to the managerial activities involved around the significant allocative decisions taken by the company. These features are the hallmarks of a technocratic organisation. As Burris (1986:180) has observed;

"In a technocracy, there is an attempt to reduce political questions to technical considerations: that there is 'one best way'; that this way can only be understood and found by the experts, and that the parameters of choice are dictated by technical imperatives, rather than political ones".

Thus successful corporations, it is proclaimed by the advocates of 'excellence', will be those that have top class managers and who do their homework on the strategic questions facing the specific organisation in the late eighties. A capacity to adjust strategy in response to sudden environment changes is also seen as crucial.

These new opinion-makers in the policy prescription world do not focus primarily on individual countries, but on companies and their constituent business units. Despite appearances, how far such an approach is technical rather than political is far from clear.

Within the Australian political economy such a stance has been utilised by the Business Council (BCA) in the development of its preferred approach to the question of an appropriate IAIR for Australia. The BCA has rapidly acquired considerable status as a representative of the interests

of large scale capital with operations in Australia. In the realm of industrial relations, it established a Study Commission in 1987 to advise it on policy directions for the future; that is, to formulate an alternative IAIR to ensure continuing high corporate profitability. A series of reports on differing aspects of a proposed new framework for industrial relations is to be released over a period of time.<sup>4</sup> A number of preliminary papers had been published previously (BCA: 1989a; BCA: 1989b) and a briefing document was also prepared for EPAC early in 1989. From these sources it is possible to identify the key features of what we have termed the Technocratic Management Option.

The underlying imperative for the BCA Group is the need for corporate management to develop what it terms globally competitive enterprises. Business strategy settings, and their timely adjustment, are seen as crucial to 'winning'. Ultimately, the enterprise is said to be "defined by customers and markets", and it is management which has the task of reading 'the signals' sent by those forces defining the enterprise, and then of responding appropriately. The implicit cornerstone of the enterprise is then a highly competent, professional corps of senior corporate managers well versed in the technical intricacies of modern approaches to business strategy. Essentially technocratic in character, this segment of 'the enterprise team' exercises the primary allocative power of capital and supplies direction and leadership. Success for the state is derivative, coming through its ability to attract, or encourage, the development of a set of globally competitive enterprises within its borders.

The industrial relations institutions which are seen to best serve the interests of this power structure are enterprise based, unitarist, and self contained. Required functional flexibility, and remuneration related to enterprise capacity, would preferably rest upon the achievement of single

4 The first volume of the series became available on 5th October, 1989 - *Enterprise Based Bargaining Units: A Better Way of Working - Report to the Business Council of Australia by the Industrial Relations Study Commission, Volume 1*. The report essentially provides an elaboration of the brief overview papers published earlier by the BCA. Members of the Study Commission were F.G. Hilmer, at the time Senior Partner of McKinsey and Co., now Dean of the Australian Graduate School of Management, P.A. McLaughlin, Executive Director of the BCA, D.K. Macfarlane, Managing Director of James Hardie Industries Ltd. and J. Rose, Director of the Graduate School of Management, University of Melbourne.

union enterprise level bargaining units. Workers could be represented in negotiations by either a US style local union, or by an enterprise union or association. Unions, like business, would engage in competition and have their prosperity hinge upon the success they have at winning representation rights. No mention is made of restrictions which might be placed on the use of unfair tactics by management to block particular unions seeking coverage. Industrial tribunals would become more peripheral, but would have as one of their remaining tasks (in conjunction with other elements in the legal system), a punitive role over unions and their members. Encouragement of attitudinal change among employees, and a reduction in the number of industrial relations specialists (renamed *employee* relations managers), through the devolution of many of their current responsibilities to line managers, are seen as necessary and complementary changes to ensure a full institutional transformation of the system.

These BCA Employee Relations proposals have already attracted academic criticism from people such as Guille et.al.(1989). What is clear to date is that this version of the Technocratic Management Option would entail a very significant movement in the predominant set of current arrangements. In a practical sense, it has in its political favour that it runs with the current tide in some of its more central concerns; for example, the encouragement of greater functional flexibility. The question remains, whose interests are served by these tendencies, and with what impact on the structure of power in industrial relations?

That this approach shares many of the attributes of British 'New Realism' will be apparent to those acquainted with recent developments in the UK. There have been anecdotal reports of similar practices emerging in Australia, and the principles behind external award restructuring may help accelerate its appearance at 'greenfield' or new sites. At the time of writing the Federated Ironworkers' Association (FIA) is involved in a case before a Full Bench of the Australian Industrial Relations Commission for recognition of a single union agreement at a site in the aluminium industry (Southern Aluminium). Should it be successful in warding off challenges from other unions, the incidence of this pattern of relationships is likely to increase as management find that it is in a position to select the union it prefers through its approach to the design of the plant and the division of labour. There are a number of Australian unions which are not averse to the 'new realism' and much of the BCA blueprint of industrial

relations, despite its capacity to severely limit the already limited power resources of unions.<sup>5</sup> 'User-friendly' unions are taking shape in Australia. Concentration on proposals put by the BCA must not be taken as an indication that it stands alone as a political sponsor of a Technocratic Management Option. It shares much in common with the analysis provided by Niland in his green paper, *Transforming Industrial Relations in New South Wales*, prepared for the New South Wales Liberal National Party (LNP) State Government. Of necessity this document has had to address the idiosyncracies of a specific State system and its associated legal framework. But the emphasis on an enterprise level is there, as are proposals to encourage flexibility and single union accommodation structures. Likewise, the sanctions side of a contractual approach to regulation is also evident with proposals set out which, it is believed, would provide for more effective penalties against unlawful industrial action. On balance, the Niland proposals may retain a more significant role for the relevant industrial tribunals than that envisaged by the BCA in its analysis of Federal arrangements, but until more detail is provided in the final reports of its Study Commission it is impossible to be conclusive on this point. Niland proposes two types of agreements, one of which (Certified Collective Agreements) need not have a registered trade union as a signatory. Thus a NSW business which wished to pursue a non-union industrial relations policy could seek to proceed in that direction, provided

5 The Full Bench reached a decision on this matter late in December, 1989. Making use of the powers available to it under the demarcation provisions of the Industrial Relations Act, (s.118), the Commission approved the FIA as the sole union on the site. Despite ACTU opposition, the Amalgamated Metal Workers' Union obtained a stay order early in January, 1990, and is reported to be initiating proceedings to challenge the Commission's jurisdiction over this matter in the High Court (Australian Financial Review, 12/1/90). A second similar case, involving the Olex Cables division of Pacific Dunlop, Ltd., and the National Union of Workers is under consideration by the Industrial Relations Commission. This case involves a 'brownfield' situation.

that any union application for coverage within the existing Federal system was unsuccessful.<sup>6</sup>

This particular proposal essentially emulates arrangements present in Queensland at the time of writing and referred to in the text under the 'Free Market Option' heading. However, until draft legislation is produced it is not possible to identify the final direction of these intended reforms. The absence of an upper house majority could lead to modifications.

Much of the Federal LNP opposition's evolving stance on industrial relations also shares ground with the Technocratic Management Option. Successive policy statements on industrial relations and its manifesto, *Future Directions*, launched late in 1988, articulate a broadly similar philosophy of enterprism. To cite *Future Directions*,

'Our policy is about ensuring that the focus of industrial policy is where it belongs - at the level of the individual enterprise. At the workplace level employers and employees can see most clearly that they have a common interest in the success of the enterprise and it is there the responsibility for industrial relations - including the determination of wages and conditions - should rest' (p.39).

Within the LNP there is a spectrum of ideologies. Some members (and would-be members) of the parliamentary party differ regarding the vigour with which they would pursue a strong free market approach to the labour market. There are some members, possibly a growing group, who hanker for a post-union world of individualism and the demise of industrial tribunals. At this point, however, the dominant ideas require us to move into a consideration of the fourth option.

6 Some details of the NSW Government's intentions have been outlined in an information paper released by the Minister on 2nd November, 1989. Among the proposals is an intended amendment to the *Industrial Arbitration Act* which, "...will provide scope for creation of a single enterprise - focussed bargaining unit in workplaces or enterprises currently covered by multiple unions and awards, where this is approved by 65 per cent of employees voting in a secret ballot. Such bargaining units could be parties (sic.) to either an enterprise agreement or an enterprise - focussed award arbitrated by the Commission."(p. 10-11)

## The Free Market Option

This option represents the well known blueprint of the radical right. The prescription is not unique to Australia. The programme of change to labour laws that has been progressively implemented by Margaret Thatcher's Conservative U.K. Government draws on 'new right' ideas for its philosophical basis. In this regard the theoretical positions taken by the modern gurus of this line of thought, such as Hayek and Friedman, have been able to conjure up an evangelical fervour among followers. But the parallel does not end there. In Australia, as elsewhere, a highly supportive network of apparently well funded 'think tanks' has set about propagating the underlying philosophy and specific policies derived from it. The media, both print and electronic, appear to be highly receptive to new right ideas. What clearly has the hallmarks of a long term marketing campaign has been in operation at a variety of social levels for some years (Carey: 1987).

Within the setting of the Australian IAIR, the agenda set by the new right in its pursuit of the Free Market Option is fairly well understood. It advocates a radical individualism and the deconstruction of the collective organisations of labour, the progressive elimination of state-created machinery of conciliation and arbitration and a return to contractualism as the means to determine terms and conditions of employment. Even 'free' collective bargaining tends to cause eyebrows to be raised. After all it is *collective* bargaining.

Not all parts of the state machinery with a role in industrial relations are marked for dismantlement. Enhanced strength is seen as desirable and necessary for those sections of the legal system charged with ensuring compliance with 'voluntary' negotiated contracts. The convenient assumption made is that employment contracts are entered into by individuals with symmetrical rights and obligations. In this world, social and economic power differences are not a consideration.

More specifically, the spokespersons of the new right in Australia have worked hard at discrediting unionism and the *Accord* model, even in its present form. Thus Abbey (1987) is led to conclude from her extensive analysis of Costello's (1986) article "The Trade Union Reform Act of 1987" that:

'Costello's aim therefore, seems to be identical with that of his confederates in the New Right - the eradication of unionism...He conveys his proposals in a way that obscures their real import and packages them so that they could elicit support from quarters that actually may not accept them were they made clearer. Hence the vital importance of de-coding 'New Right speak'.' (p.296)

More generally, most new right publicists show a remarkable tendency to present their 'free' market approach to industrial relations institutions as one in which there would be no losers. Positive benefits would flow throughout the community in the form of real wage increases and higher levels of employment. However, there is a catch, pointed out by Moore (1989), at least in the short to medium term. Unfortunately, the *Accord* in his estimation, has not delivered a sufficient degree of wage restraint and so a spell of further belt tightening would be necessary before the living standards of wage earners could move upwards.

In his words,

'The fact is that, while the present system may have exhibited flexibility by past standards, the degree of wage restraint since 1982-83 leaves a good deal to be desired.' (p. 162)

Apart from a group of vocal ideologues, the 'new right' within Australia appears to draw its major support from sections of the small business, mining and farming sectors.<sup>7</sup> In the mid-eighties, a group of its activists mounted a calculated, and extensively reported, legal offensive against a number of unions. Considerable notoriety was achieved by these cases and the unions concerned have suffered heavily. In recent months some of the core members of this group of activists have won Liberal Party Federal preselection and all stand a firm chance of entering the parliamentary arena of political activity, in which they will, presumably, continue to espouse their right philosophies and seek to influence the direction of the party.

Indicative of the concrete industrial relations world that the new right hope will spread is the direction taken by the former Queensland National Party

7 Plowman (1987) provides a useful profile of organisations which have articulated and pursued 'new right' philosophies and policies for Australian industrial relations.

Government in its 1987 amendments to that State's *Industrial Conciliation and Arbitration Act*. This legislation enabled the introduction of Voluntary Enterprise Agreements (VEA). VEAs are designed to provide employers with the opportunity to side-step registered unions by granting recognition to deals entered into by the employer and his/her employees. These agreements can be on terms that are poorer in a number of respects than those minimum conditions (apart from the minimum ordinary time wage rate) in previously relevant awards to which the respective union or unions are party. It takes little analytical skill to see VEAs as a means to enable some employers to induce employee acceptance of pay and conditions which could easily be construed as a form of self exploitation entered into to retain a job. Others might point out that these arrangements would render legal, practices followed in parts of Queensland which had previously been in breach of award conditions but rarely prosecuted.

The basic requirements specified for the introduction of a VEA is that 65 percent or more of the employees concerned indicate their willingness to sign such an agreement. Not surprisingly there have been numerous practical questions concerning the operation of this legislation, but the intent to provide downward flexibility in labour costs for employers, and to destabilise unionism, seems to be clear. Hall (1988) has detailed many of the loose ends in the initial legislation, but further amendments, operative from 5 May 1989, had the effect of eliminating the initial requirement that the Industrial Commission vet such agreements against public interest considerations. Public record arrangements for VEAs were also removed by these amendments.

It is likely that the Queensland situation will change soon given the election of an Australian Labor Party administration which has expressed its intention to review Queensland's industrial laws. However, the Federal Liberal-National Party coalition retains in its industrial relations policy proposals for VEAs which appear to be modelled in line with the Queensland legislation. Exactly how popular such arrangements might be with both employers and the employees concerned with production and pay, rather than ideology, remains an unanswered question.

That the Free Market Option and the Technocratic Business Option have much in common should be clear from the above analysis. The Technocratic Business Option finds independent trade unions an untidy loose end within its unitarist ideology and encounters real difficulties in locating



a role for unions other than one which could see them as a **defacto** element of management. It does not take too much ingenuity to see the Technocratic Business Option as simply a staging point on the way to the New Right's Free Market Option. In the final analysis the differences between these two options are perhaps more matters of emphasis than of substance. Diehard free market advocates appear to have a profound distaste for tribunals and unions but would endure a marginal (temporary?) role for both to appease public desires. The Technocratic Management adherents present a slightly softer approach. Tribunals will retain significance in some sectors, and unions, divested of their class origins, have a place as **defacto** service sector firms.

## Concluding Remarks

What of the future? Electoral politics are currently being played at the Federal level in Australia, and the current polls suggest a close fight. The emergence of a 'green' dimension to add to an already existing group of smaller parties seems certain to ensure that neither of the major parties will achieve an overall majority in the Senate. Such an outcome will almost certainly mean that dramatically radical changes could be difficult to introduce, even should a change of government occur.

In assessing the future, two important factors must be taken into account - the potential breakdown of incomes and prices policies, either from internal or external pressures, or from a combination of the two; and the direction in which Australian industrial relations institutions are moving at the behest of the Labor Government and ACTU bureaucrats. Apart from wage determination, that direction is towards a more decentralised set of arrangements. It is possible that the die is cast and pointed towards something akin to the Technocratic Management Option. In the end, party politics may be more or less peripheral to the forces operating within and around existing industrial relations institutions. Whether that would signal the emergence of a period of relative stability around a modified IAIR remains to be seen.

Analytically the evidence suggests that what might be termed enterprisism is becoming the dominant strand in Australian discussions regarding the future IAIR. It is possible to locate such a thread embedded in the Opportunistic Corporatist, the Technocratic Management and the Free

Market Options. At the heart of enterprisism is a micro-corporatist institutional design for the future organisation of work and industrial relations. It pays no attention to strategic level institutions. The proposal put by the BCA Study Commission to amend the objects of the Industrial Relations Act to incorporate enterprisism seems to be a measure designed to enhance further the social legitimacy of the idea and to provide it with legal status. Increasingly, managements who subscribe to enterprisism can be expected to put in place communications programmes and personnel measures designed to enhance micro-corporatist tendencies and to mould enterprise union organisation into user friendly entities. It will be particularly interesting to peruse the findings of the Australian Workplace Industrial Relations Survey when they become available to ascertain the extent of such initiatives as a characteristic feature of present practice.

What is especially disconcerting in such discussion is the limited attention that has been given to the implications that it has for the institution of unionism. What seems particularly clear is the potential that enterprisism has to undermine and to further debase the class dimension of unionism, despite the assurances of ACTU leaders. If the capacity of the union movement to engage in political exchange with the state and capital rests upon its ability to institutionally aggregate workers' interests, and to mobilise when necessary, then the implications of enterprisism for the wider distribution of social and institutional power warrant serious exploration. Class interests around social wage and welfare measures may be difficult to articulate and pursue should enterprisism reach some critical threshold level. In the final analysis, unions and unionists will need to give serious thought to the industrial relations options they currently face and to consider whether the price associated with the emerging enterprisism is really worth paying. This current transformation of the Australian IAIR could then have a little further to go.

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