



## UNION AMALGAMATION: THE ENDURING LEGACY OF AUSTRALIA RECONSTRUCTED ?

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At the time of publication, the trade and industry policy recommendations of *Australia Reconstructed* (*AR*) were widely seen as its distinctive contribution to political and industrial debate. One of the forgotten group of recommendations of *AR*, however, related to what was then referred to as the 'rationalisation' of union structures. Tucked away at the back of *AR* was a range of recommendations directed toward the amalgamation of unions and the centralisation of policy control by the ACTU. Nonetheless, the authors of *AR* saw union amalgamation as an integral component of a broader agenda of economic planning based on a critical union input and overwhelming union support.

In retrospect, it now even seems that union amalgamation was arguably one of the most enduring institutional legacies of the *AR* process. The analysis developed below therefore focuses on how the process of union amalgamations unfolded in the absence of an association with the application of the broader *AR* agenda. Outside the agenda of *AR*, union amalgamations took on quite a different meaning, but one which the union movement felt obliged to defend.

The union amalgamation recommendations of *AR* were followed shortly afterward by the passing of what became known as *Future Strategies* at the September 1987 ACTU Congress. In support of *Future Strategies*, a series of legislative amendments to industrial relations legislation by the Labor Government in the late-1980's and early-1990's free up the amalgamation process and subsidise unions undertaking it. By the early 1990's, union amalgamation had moved to centre stage of industrial activity within the ACTU and its affiliated unions. In the dying days of

the Accord, with the publication of the Evatt Foundation's *Unions 2001*, attempts began to redefine trade unionism in an environment of enterprise bargaining (and the increasing prospect of a federal Coalition government). Not surprisingly, union amalgamation was a central issue of *Unions 2001*.

This article begins by charting the history of the amalgamation process begun by *AR* as a way of developing some insights into the logic that informed *AR*. In so doing, this review may also help to provide a context for understanding the recent initiatives by the Howard Liberal government to permit (and promote) union de-amalgamation. A retrospective discussion of *AR* process helps to show how union amalgamation (and state sponsorship of the process) was in part a consequence of the restructuring of unions to the changing requirements of accumulation. In part also union amalgamation in the 1980's and early 1990's was a response to the way the contradictions of class struggle were increasingly being articulated within trade unions.

### **Strategic Unionism: the Rationale for Union Amalgamation**

Chapter 6 of *AR*, entitled 'Strategic Unionism', established an argument that the union movement needed to reduce the number of individual unions and restructure the ACTU in order to respond to the changing economic and industrial circumstances in the 1980's. The need for union rationalisation (via amalgamation and greater central policy control by the ACTU) was established in terms of the need for unions to adopt what was termed 'strategic unionism'. Strategic unionism was defined by *AR* in terms of unions assuming a greater responsibility for economic conditions in the nation. 'Responsibility' was thought to have two sides: the burden of responsibility, in terms of reducing wage demands as a contribution to a national growth strategy; and the power of responsibility, in terms of increasing union influence on government economic policy.

In *AR*, strategic unionism had both a 'micro' and 'macro' dimension. Chapter 5 established the micro dimension in terms of the need for

workers to be inculcated with a greater 'production consciousness' (recommendation 5.1). This production consciousness was needed because Australia's "severe balance of payments constraint makes the issue of increased productivity inescapable..." (*AR*: 154). At the micro level *AR* argued that this production consciousness is nothing less than a recognition that "the creation of wealth is a pre-requisite of its distribution and . . . the appreciation of the importance of wealth creation [needs to be developed] *at the workplace*" (*AR*: 154). For wages policy, this meant tying wage negotiations increasingly to productivity growth and workplace change (which became known as enterprise bargaining), rather than simply to cost of living rises.

Parallel to the recommended production consciousness for workers at the micro level was the recommendation in Chapter 6, where strategic unionism was said to require that unions accept greater responsibility for overall national economic performance (*AR*: 169). The link between the micro level (production consciousness) and macro level (economic responsibility) is directly made in *AR* when it is stated that "under strategic unionism, trade unions recognise that wealth creation is as important as its distribution. . ." (*AR*: 172). This semantic positioning of production alongside distribution is no more than a reaffirmation of the principles of the Accord, which accepted wage restraint as "an essential, if insufficient, part of eradicating the balance of trade problems and improving international competitiveness" (*AR*: 44). The implications of strategic unionism were, however, deployed as much for internal ACTU purposes as for national trade balance issues. The internal structural recommendations of strategic unionism were to have important implications for the structure of trade unionism in Australia.

*AR*'s planned union rationalisation had two major aspects: greater central co-ordination by the ACTU, and union amalgamation (discussed under the headings 'a small number of unions'; 'industry unionism'; 'strong local union organisation'; and 'central coordination'). Once inserted back into ACTU politics, it was to be the reduction in the number of unions and central co-ordination that were to become the enduring themes of union rationalisation.

## Union Amalgamation and Future Strategies

Within six months of the publication of *AR*, the ACTU's National Congress adopted many of its key recommendations (subsequently published as *Future Strategies For The Trade Union Movement*). Whereas *AR* focussed largely on macroeconomic issues, wage policy, and trade and industry policy, *Future Strategies (FS)* concentrated on 'organisational' and 'legal' issues and relations with government.

*FS* began with the proposition that there has been an increased concentration of corporate economic power, especially at a national level, including the effect of TNCs. In response to these changes *FS* recommended that there was a need for unions to respond by accelerating negotiations at a national level, further developing the national structures of unions; increasing the co-ordination between the ACTU and State Branches; and encouraging the development of larger and more efficient unions (*FS*: 1). Specifically, *FS* argued that, "if Australian unions are to develop and implement a strategy for the future it is of the utmost importance they consolidate their organisational base. This means that it is necessary (i) to rationalise the structure of the movement . . ." (*FS*: 7). *FS* recommended that the needed 'rationalisation' should occur along broad industry lines and provided a detailed outline of the direction of union amalgamation.

Importantly *FS* embraced the union restructuring recommendations of *AR*, turning them into an action plan for implementation. Whereas the other main recommendations of *AR* were also being pursued (especially its endorsement of the form of wage restraint under the Accord moving toward enterprise bargaining), within six months the adoption of *FS* had turned union restructuring into the centre-piece of post-*AR* unionism.

## Union Amalgamation and *Unions 2001*

As the Federal Government's policy shifted towards the agenda of international competitiveness found in policy documents such as *Working Nation* (Keating 1994) the role of unions was inevitably changing. Policy was increasingly emphasising workplace flexibility in

both wages and conditions to increase the profitability of companies in Australia in internationally-exposed markets. The competitiveness of individual companies was increasingly seen as the way to create employment and secure national economic growth - an agenda at odds with the industry planning program of *AR*. In *AR* it was to have been industry planning with an integral role for active union participation which would make local production profitable. In the 1990s competitiveness agenda, it became market forces with union complicity which is the key to profitable industry.

It was in the context of this policy regime that the most recent contribution to issues of union organisation has been made. In 1995, a project sponsored by the ALP think tank, the Evatt Foundation, published a further report on the re-organisation of trade unionism titled, *Unions 2001*. It began by reaffirming the notion of strategic unionism developed in *AR* (and further elaborated by *FS*). This included endorsing the tying of wage negotiations to national economic performance and increasingly also to corporate productivity and profitability (embodied in the shift within the Accord process toward enterprise bargaining). As *Unions 2001* put it: "the shift to enterprise bargaining was . . . a conscious choice for the union movement" (Evatt Foundation, 1995: 38). Indeed, having accepted that corporate profitability and productivity were critical for the health of capitalism in Australia, the need to provide for the increasing differentiation of corporate experiences dictated that enterprise bargaining needed to be embraced.

*Unions 2001* directed much attention to the amalgamation process, which had reached fairly advanced levels by 1995. Written very much in the style of a management consultant's report, *Unions 2001* attempted to assess the achievements of amalgamated unions in attaining the goals that had been established by *AR* and *FS*. Whereas *Unions 2001* sought to assess the record of union amalgamations, there was virtually no acknowledgment of the structural problem of how decentralised enterprise bargaining would fit in to increasingly centralised union structures. This contradiction soon became exposed in the wake of the election of the Howard Coalition Government in 1996.

## Union Amalgamation and the Howard Government

The election of the Howard government in 1996 ushered in a further transition in the industrial landscape. Industrial reform under the Howard government has re-opened the question of the relationship between union structures at the workplace and at the state and national levels. Under the Howard government legislative reform is moving toward encouraging unions to become more autonomous; that is to dis-amalgamate.

Although posed in terms of an attack on unions, the post-1996 era has exposed the extent to which unions had become incorporated into the state apparatus, and were acting in terms of the requirements of industry profitability. During the 1980's, trade unions acted within the state to assist in the expanded reproduction of capital. In return, unions were offered protection within the state against workers or other unions, and even sometimes against individual corporations. Hence union amalgamation advanced first in *AR* rode the rise of corporatist culture, but in the process locked the union movement into support of both the state and the profitability of capital. But both state policy and the way in which the profitability of capital is being pursued have changed. The unions are nonetheless locked into an accession to the primacy of corporate profitability and have thereby become increasingly vulnerable to the demands imposed by the changing requirements of accumulation, and resistance to it.

Union amalgamation, which at first appeared as something of an afterthought to the *AR* process, soon became its main institutional expression. Now that an alternative regulatory regime for labour is being constructed by the state, it may seem that union amalgamation was a stunted part of a potentially broader collectivist politics. This essay has suggested, however, that the logic that informed amalgamation, known under the banner of 'strategic unionism', was tied politically and industrially to restructuring unions to the changing requirements of accumulation. Within this logic, it surely becomes more a matter of state policy determination than the wishes of the union movement as to whether amalgamated unions remain critical to the future regulation of wages and working conditions.

Having attempted for more than a decade to minimise and elide class, and the necessity of class struggle, unions are now being forced to redefine their roles within the state (unions must now find a way to embrace struggle). Yet as the Parliament House rally in Canberra in 1996 showed (and particularly the response by union leaders in denouncing it), struggle may not be neatly organised nor appropriated by peak union institutions for the purposes of exerting mainstream political influence.

Whether unions have been emptied of their historic role of representing class struggle within the state, or whether the class has deserted its 'representatives in the consensus' is not yet clear. Union amalgamation *per se* has however been neither saviour nor sinner of the *AR* process. The particular form of class compromise represented under the banner of strategic unionism (which informed union amalgamation) has however, now been shown to be an utterly flawed and discredited project of class compromise. It is this aspect of the union amalgamation process that makes a reflection upon *Australia Reconstructed* worthwhile, if only in its negation.

### References

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