Globalization and the Erosion of Class Compromise in Contemporary Australia

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1. BARGAINED LIBERALIZATION

Contemporary Australia is a prime example of the way in which a state's far-reaching commitment to neoliberal globalization swiftly erodes the politics of class compromise. This commitment has changed Australia's status in two significant ways. First, the nation has changed from being one of the world's most protected economies to its present position as arguably the most open.[1] Second, Australia can no longer be considered the model social democracy of the world, a "social lighthouse" where the interests of working men and women are protected by a state that identified with their interests, "watching over their welfare and prosperity" and extending to them "sympathy and protection."[2] The Australian industrial relations system, which was one of the foundation stones of Australian social democracy and the mechanism for the realization of class compromise, has been radically altered. A state previously the guardian of trade union rights and the politics of class compromise has now marginalized those rights through labor market deregulation founded on a system of individual contracts.

These historical changes in Australia's social and political landscape have a significance beyond the boundaries of this island continent for they reflect the consequences of constructive engagement with neoliberal globalization in a context where social and political systems vary markedly across nations. These systems have come to exert a global influence because economic deregulation in the form of tariff reductions and free capital movement has meant that the denial of basic labor rights by authoritarian regimes has undermined the politics of class compromise in social democratic regimes.[3]

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This paper focuses on the erosion of class compromise in Australia that is propelled in no small measure by the labor market pressures of authoritarian regimes in Asia. In uncovering these changes, the paper challenges the contentions contained in the paper by Webster and Adler, "Towards Class Compromise in South Africa's 'Double Transition': Bargained Liberalisation and the Consolidation of Democracy."[4] They argue for "a bargained liberalisation" that will enable groups to establish "a new balance between the market and society" (349). Their optimism is grounded on a sense of the capacity of unions and other forces in civil society to bargain over the terms and pace of global economic engagement. South Africa's relatively powerful union movement has the means to ameliorate the social adjustment costs of globalization. This bargained compromise has been facilitated by new institutional arrangements that have emerged in postapartheid South Africa. These include the form of codetermination embodied in the new *Labour Relations Act*—a tripartite structure to reach consensus on economic and social policy and industry-wide forums to bargain over the terms of liberalization. They argue that these institutions are being tested by the ANC government's adoption of liberal economic policies that accelerate global economic integration.

Australia provides a sound point of comparison to question this optimistic scenario. Both countries are locked into a similar position in the global economy. The economies of both have relied heavily on commodity exports. Both are struggling to transform their manufacturing system and expand exports. A relatively powerful, well-organized labor movement that has bargained positive wage and conditions outcomes has bound the manufacturing systems of both. Given these similarities, comparison of the relative impact of neoliberal globalization is pertinent because Australia attempted constructive engagement a decade earlier than South Africa. Certain outcomes are therefore already evident, thus providing the basis for an assessment of the bargained liberalization thesis.

In the 1980s, the Australian Labor government adopted a bargained liberalization strategy, confident in its capacity to achieve a new level of economic efficiency as a dynamic material base for retaining Labor's social democratic programs. This optimism in a high-road engagement with globalization was evident in a 1993 speech by Paul Keating, who was then prime minister. He asserted that these changes would foster "a creative, innovative, manufacturing nation in the front rank of trading nations and the front rank of social democracies."[5] Ten years later, research into the impact of this engagement paints a less sanguine picture, one that corresponds more closely with conclusions contained in the Wright paper, "Working Class Power, Capitalist Class Interests, and Class Compromise."[6] Here Wright acknowledges that his analysis leads to "a fairly bleak picture of progressive class compromise." He concludes that globalization undermines bargained compromises, which depend on highly organized workforces where unions are strong and solidarity high. This is so because globalization deep-

ens labor market dualism, increases heterogeneity, and decreases job security. These factors corrode workers' struggle for enhanced associational power. This undermines "high-road" technologically innovative production systems that are enhanced by union power and productivist compromise, which provide the security necessary for workers to accept new technology and flexible work organization. These contrasting assessments point to the importance of cross-country comparisons for the advancement of our understandings of these historic transformations.

To widen debate over the implications of globalization on the politics of class compromise, this paper analyzes the erosion of this compromise in Australia. The argument is structured as follows. First, the paper will show that through much of the twentieth century, Australia represented a classic example of the politics of class compromise, founded on a relatively strong labor movement and a high degree of economic regulation. Second, Australia's strategy of bargained liberalization will be presented. A notable feature of this experiment was the social accord between the Labor government and the union movement, which aimed at promoting the high-road development path. Unions sought to partner business in securing world-competitive industry based on technology and work organization innovation. Third, new survey data, which reveal the ways in which bargained liberalization has eroded class compromise, will be summarized. Fourth, it will be argued that this period of bargained liberalization has severely weakened organized labor through undermining its membership base and commitment to resist the restructuring that accompanied this process. This weakening of organized labor paved the way for a more far-reaching intervention by the state. The coming to power of a Conservative Coalition government in 1996 ushered in a new, intense attack on institutions underpinning class compromise. The nature of this intervention will be explored. Fifth, these state actions have generated a response that demonstrated that the century-old class compromise has roots deep within civil society. The 1998 maritime dispute crystallized this contradiction by revealing the degree to which citizens were prepared to defend Australia's historic compromise. These conflicts and the growing consciousness of the adverse impacts of global restructuring on union power, workers' wages, conditions, and security have generated debate on possible alternative strategies in the new context. These debates are reviewed in this final section.

2. CONSTRUCTING CLASS COMPROMISE

At the turn of the century, the Australian state was founded on a belief in egalitarianism secured through a method of judicial determination in centralized wage fixing and the conscious protection of industry and jobs.[7] Social reformism was a response to the great wave of strikes of the 1890s. Recognition of the role and the rights of trade unionism and protection of their power to bargain collectively were a central feature of the reforms, and the interventions came to reflect the social identity of the new federal state formed in 1901. This was a state that defined itself

in terms of a particular relationship to the working class. In 1890, Alfred Deakin, a founding father of the Australian federal state, commented,

> Instead of the state being regarded any longer as an object of hostility to the labourer, it should now become identified with an interest in his works, and in all workers, extending to them its sympathy and protection, and watching over their welfare and prosperity.[8]

Recognition of worker rights was to usher in "the age of the common man" and "the beginning of a new phase of civilization."[9] The industrial relations system that was to play a central role in making Australia "the social lighthouse of the world" was founded on the *Conciliation and Arbitration Act of 1904*. The act required employers to recognize unions registered under this law and empowered these unions to represent the interests of all workers within an industry. Under the act, unions could force employers into an industrial court even if they were unwilling to negotiate. Courts were empowered to make an award, that is, a legally binding ruling on wages and conditions. Employers eventually came to support the arbitration and award system because the government promised tariff protection, provided they could prove that they had met their responsibility to pay fair and reasonable wages.

Some seventy years after the introduction of the first moderate levels of tariff protection in 1902, the highest tariff levels of any industrialized nation, baring New Zealand, shielded Australian manufacturing.[10] This interventionism was seen to assert the positive social value of egalitarianism. Wage justice through arbitration became the means, which marked "the beginning of a new phase of civilization." A regulated minimum wage structure grounded in the principle of human need and welfare, not profit and productivity, was enshrined through the famous Harvester judgment. In this, the state set minimum wages by judicial decree rather than abandoning workers to the turbulent waters of market forces. The notion of the cost of living became the basis for wage movements. The then president of the Arbitration Commission, Justice Higgins, was ruthless in his enforcement of these principles. In a 1909 case involving one of the large mining companies, BHP, he argued that if the company could not pay the minimum rate, it was preferable that it shut down. He commented, "If it is a calamity that this historic mine should close down, it would still be a greater calamity that men should be underfed or degraded."[11] Hence, the industrial relations system came to be viewed as "the greatest institutional monument to Australian egalitarianism."[12] Trade unions were a recognized, integral component of this system and came to play a key role in securing a steady, uninterrupted improvement in wages and conditions. Between 1939 and 1974, workers' real wages rose by an annual average of 2 percent, and the forty-hour working week was common by the late 1930s.[13]

These material gains, which were the product of trade union recognition, arbitrated wages, and industry protection, represented a century-long, stable, durable class compromise that was the foundation of Australian social democracy. The compromise has had some degree of cultural impact on class relations in Austra-

lia. In certain literature, notions of egalitarianism were presented as a defining feature of Australian society. So for example, Ward in his book, *The Australian Legend*, advanced the mythical notion of "the typical Australian":

> The typical Australian is a practical man, rough and ready in his manners. . . . He believes that Jack is not only as good as his master but at least in principle probably a great deal better. He is a fiercely independent person who hates officiousness and authority . . . yet he is very hospitable and, above all, will stick by his mates through thick and thin.[14]

The notion that ordinary Australians resent class distinctions was also advanced.[15] Historian Sir Keith Hancock noted that deference was not a feature of communication between classes in Australia, and visible signs of class distinction in language, dress, and perhaps education were not visible to the extent that they were in the United Kingdom.[16] The power conceded to trade unions doubtlessly contributed to this lack of deference. The legal protections of the arbitration system contributed to a culture of democratic and social rights that gave a degree of independence to workers and, in some measure, undermined elitism.

3. BARGAINING THROUGH THE SOCIAL ACCORD

In conducting this social experiment, Australia was advanced as a nation that had become "the model social democracy of the world." The nation had set great store both on the capacity of a state to steer the private economy and, equally, on its capacity to shape and shelter Australia's own distinctive social democratic "laborism" in the face of external pressures.[17] This commitment changed during the 1980s. When Labor came to power in 1983, constructive engagement with the global economy was fully embraced. This carried with it the liberal economic assumptions regarding the role of market forces and the state that had shaped global change. Hence, Labor was forced to rethink the notion of "steering" the private economy. The new government accepted the arguments advanced by key agencies of the state that it was in the nation's interests to embrace economic deregulation.[18] The deregulation of financial markets, the dollar float, and sweeping reductions in tariff protection were advanced as an answer to Australia's declining competitiveness, growing external debt, and a reliance on commodity exports that were falling in value. There was consensus that there should be no half measures in the degree of the nation's openness to the competitive pressures of global markets. Openness would challenge the past complacency of Australian manufacturers, thereby reconstructing a manufacturing base that Labor Prime Minister Paul Keating referred to as "a completely uncompetitive lump of industrial archeaology."[19] This "uncompetitive lump" was to be transformed into a sleek, competitive, globally integrated manufacturing system that could contribute to Australia's trading position through a strong export focus.

Labor's strategists were of the view that this efficiency drive was the most effective defense of the social democratic project in the new circumstances. The

creation of a dynamic, globally orientated economy would generate the wealth necessary to sustain these social commitments. Labor aimed at achieving the best in both spheres. The establishment of a social accord between the Labor government and the union movement was to be the principal mechanism for the realization of this balance. The accord established a process within which the terms and conditions of economic liberalization could be bargained over. In seeking the best possible advantage from liberalization, the accord also sought to shift strategic thinking toward a "high-road" development path. The corporate sector and unions would join forces to implement advanced manufacturing technologies, skill formation, and the transformation of work organization.[20]

Mathews argued that while unions had previously "stood back from work organisation" issues, adopting a "hostile and defensive attitude to technological change," economic liberalization necessitated a new strategic response: unions would have to move from "antagonism to protagonism."[21] Unions would become engaged in the process of workplace change rather than being automatically opposed. These changes were founded on "new production concepts" that transcended past principles of work organization such as the fragmentation of tasks, the divorce of conception from execution, and the imposition of authoritarian forms of supervision.[22] The adoption of this new approach in Australian workplaces would realize Labor's twin goals of achieving international competitiveness while retaining a progressive social agenda. This is possible because "worker involvement in the design of technology, of jobs, of work organisation . . . amounts to the democratisation of work."[23] In addition to promoting this deep transformation of work, the accord process also sought to shape macroeconomic management in a manner that would secure the twin goals. In this vein, the early accords tried to regulate wages to underpin high growth without inflation while focusing on the broader question of the social wage.[24]

Australian Council of Trade Unions (ACTU) strategists promoted what they regarded as a new form of unionism appropriate to this phase of economic liberalization. The emergence of best-practice unionism was regarded as "an historic watershed," not just for the future direction of the Australian movement but for trade unionism more generally.[25] In 1987, the Australian unions adopted this new role when the leadership accepted the proposals in the document, *Australia Reconstructed*.[26] This role dovetailed with unending waves of economic liberalization and competition policy of the past decade.

Unions could contribute constructively to this efficiency drive through the adoption of best-practice unionism, which forged a new strategic relationship with management.[27] Unions were to move beyond a traditional defensive wages-and-conditions strategy to a new and innovative role—"that of making enterprises more efficient."[28] A cardinal feature of the change is a transformation of the traditional relationship between management and unions. "The ingrained distrust of employers by unions must give way to a recognition that some points of agree-

ment are critical to all of us—for example the efficiency of enterprises" (59). Workplaces where such a strategic unionism is present "tend to be more productive" (x). Furthermore, such an orientation produces "a cooperative industrial relations climate" in which "unions and management can agree on strategic objectives and negotiate through their implementation. By minimising traditional conflict but remaining independent, the union can concentrate on wealth creation as well as distribution" (x).

This orientation is viewed as a creative response to the breakdown of Taylorized, high-volume mass production systems and their displacement by flexible post-Fordist systems based on lower volumes, greater product variety, and new technologies requiring high skill and new work organization. The introduction of self-managing work teams was viewed as central to realizing the new production system. Their introduction results in less management control. Work teams have "devolved responsibility and created a learning hierarchy that is about informing, training, and generally assisting the workers—in contrast with the coercive, control orientated hierarchy of traditional Taylorism" (3). Under the new conditions of globalization, those who lack strategic vision and who fail to understand the possibilities will "pay a high price" (4). Team-orientated, best-practice unionism, with its clear, long-term strategy, enables enterprises to respond to the market more effectively. Companies become more profitable and the workplace becomes more democratic as unions take on managerial functions through work teams (5).

A further contention is that this broader, sophisticated approach creates the possibility of an effective response to the competitive pressures of globalization. Best-practice unionism can assist international solidarity through pursuing similar changes in work design and skill worldwide. This strategic orientation would pursue "approximately comparable minimum levels of skills, wage levels for skills, principles of best practice design" (6). Such an approach could avoid "the destructive competition between countries that will lower living standards" (7). An enterprise-focused, sectoral approach along these lines would replace "the empty rhetoric that has characterised the sloganising of internationalism" (7). Ogden argues, "We must move beyond generalised conferences and exchanges to establishing links with specific companies and plants to discuss matters such as skills, work design, and management techniques" (72).

These strategic shifts by the new Labor government and the ACTU represented a radical policy change as the nation was propelled over a short time span from high protectionism to extreme openness to global forces. In this context, the ACTU policy transformation was as far-reaching. A union movement, noted for its long history of rank-and-file militancy, was now the advocate of a cooperative approach. It seems logical to assume that such a dramatic change would necessarily be accompanied by intense debate that might underscore notable differences within the Labor Party and within the ACTU. The fact that quite the opposite occurred is intriguing. When Labor came to power in 1983, objective conditions

were such that the liberal market reform arguments driven by treasury and business were taken seriously.[29] Kelly notes, "The new values they [Hawke and Keating] imposed on the Australian Labor Party (ALP) were a belief in economic competition, a faith in market forces, a commitment to the internationalisation of the Australian economy."[30] This change was meant to positively address Australia's declining competitiveness, growing external debt, and reliance on commodity exports that were falling in value. Within the ALP, no alternative to the liberal market model of global engagement was espoused by any of the three major factions (Right, Center, Left). Globalization was not distinguished by the liberal ideology that shaped its course but was rather perceived simply as a new reality that had to be engaged. The liberal vision was so hegemonic that the possibility that there might be various forms of engagement was not debated.

Similarly, the transformation of union strategy was uncontested. When the policy document, *Australia Reconstructed*, was presented at the 1987 ACTU Congress, the policy change "was adopted with barely a murmur."[31] A solitary woman delegate, Ms. Kerr from the Australian Public Service Federation (APSF), spoke out against the new orientation. She denounced the document as a "sinister" move, bound to encourage future attacks on the working class.[32] As she spoke, the APSF delegation made it clear that these comments did not reflect those of the delegation. Kerr's Congress ticket was withdrawn soon after. She wrote an open letter to Congress delegates, which was published in the Australian newspaper, protesting against undemocratic practices.[33]

In the remarkably brief discussion on *Australia Reconstructed* at this Congress, Laurie Carmichael, general secretary of the Australian Metal Workers Union (AMWU), spoke passionately on the need for change. "Unions are the only force capable of providing for improved production." The ideas contained in *Australia Reconstructed* should be "taken up on the job."[34] Carmichael, a leading Communist, was part of the delegation that visited Europe to explore new ideas. They returned enthusiastic over what they had seen in Sweden in particular. They became strong advocates of a post-Fordist future where smaller nations such as Australia could compete on world markets by being smarter through swiftly adopting new technologies and work organization. They argued that Australia's reliance on the export of agricultural and mineral exports "runs against the trend in world trade towards sophisticated manufactures and services."[35] The Australian economy needed a "fundamental restructuring" based on the concerted development of high-value-added export and import replacement industries. This would involve increasing enterprise flexibility, efficiency, and productivity.[36]

The fact that Carmichael, a leading figure on the Left of the trade union movement, drove the argument for change within the union structures meant that the Labor government was certain of ACTU support for their globalization thrust. Since the Right and Center factions were more inclined to a cooperative approach with employers, support from the Left was critical. Inside the AMWU, Carmi-

chael won the day, arguing that it was essential that metal industry in Australia modernize if it were going to survive global competition. In this sense, the Labor government had held a gun at the head of union leaders. The radical tariff reduction strategy that had already been decided left the unions with very limited options at this juncture. The optimism of *Australia Reconstructed* that union cooperation in the modernization process could open new opportunities for worker participation in investment and production decisions gave a positive spin to what then appeared as an absence of alternatives. Keith Peckham, a state president of the AMWU, reflected that these discussions of developments in Sweden, new production concepts, and the perceived potential for greater participation led to a commitment on the part of union officials to the new orientation. Officials were convinced that the strategic shift would present opportunities to strengthen delegate structures in workplaces. There was no debate.[37] A survey of the literature reveals that with few exceptions, intellectuals were broadly supportive of the new thrust.[38]

The AMWU organized a series of meetings across the country to propagate the new ideas. The proposals did not meet with the same enthusiasm from members.[39] In general, metalworkers were cautious and did not anticipate a new attitude on the part of employers. There was also concern that the union movement had become too closely aligned with the Labor government. The real contradictions opened up as the accord process and best-practice unionism drove a workplace restructuring that aimed at achieving international benchmarks. The industrial relations system became geared to advancing this goal. Wage increases were constrained and could not be secured without offsetting productivity gains emanating from the restructuring process. As a consequence, there was a process of constant trade-offs of conditions and benefits for wage increases that further alienated workers from best-practice unionism. The architects of *Australia Reconstructed* failed to anticipate the response of employers to the union movement's cooperative venture. The form of restructuring that emerged was a far cry from the vision of greater workplace democracy and participation that lay at the center of arguments for the new strategy. New production concepts that eroded class compromise did emerge in the 1990s, but they were not those anticipated by the theorists of post-Fordism.

4. BARGAINED LIBERALIZATION'S IMPACT ON CLASS COMPROMISE

Wright considers conditions under which the above strategy might have an impact on class compromise. This is viewed as a non-zero-sum game between workers and capitalists in which "both parties can improve their position through various forms of positive mutual cooperation rather than through simply refraining from hurting one another."[40] Non-zero-sum contexts of struggle open up possibilities for genuine compromises between antagonistic classes where "the realisation of the interests of the members of one class is to some extent facilitated,

rather than hindered, by the realisation of the interests of the other." Wright goes on to argue that the relationship between the power of workers and the interests of capitalists lies at the core of the problem of class compromise (8). He states,

> To the extent that increases in working class power can contribute not merely to the realisation of working class material interests, but also to the realisation of capitalist interests, then class compromises are likely to be more stable and beneficial for workers.

The positive impact of a well-organized labor movement on the character of the compromise is illustrated (11). Organized strength could increase job security. Such security may well generate loyalty to the company and a willingness to cooperate in various ways. For example, workers might accept technological upgrading because they are confident of retaining job security. Hence, compromise may operate in the interests of both contending classes.

The *Australia Reconstructed* experience of the past two decades raises certain vital questions regarding these issues Wright raises. The case is pertinent because, as demonstrated above, a high-road, "technologically innovative system of production and skill" was promoted nationally, rather than a low-wage development path. According to the Wright model, favorable conditions existed for realizing a high-road, productivist compromise. While organized labor was relatively powerful, the movement never contested capitalists' right to control the allocation of capital. Under the accord, as shown earlier, best-practice unionism reflected a commitment to positive mutual cooperation with capitalists, thereby hoping to generate technological innovation in a job-secure context.

The Australian case reveals the inherent risks in this process. Rather than strengthening class compromise, the positive cooperation of Australian unions played a significant role in its erosion. A decade after unions adopted this strategy, research reveals the impact of the change on the material interests of workers. During this period, capitalists advanced their material interests, while those of the working class were eroded.

During the accord (1984-1993), real wages fell, while profits rose. The wages share of nonfarm output fell from 69 percent to 65.6 percent during the life of the accord, while profits increased from 31 percent to 34.4 percent.[41] Taking account of both social and real wages, average living standards declined by 5.4 percent. The pattern of wage restraint was unevenly distributed. Those in relatively unskilled work suffered a massive cut of 15.6 percent.[42] The restructuring has been accompanied by a rise in the level of part-time employment, which has increased at three and a half times the rate of full-time employment.[43] There has also been a notable shift to precarious employment through the increased casualization of work and increases in the proportion of temporary jobs, outsourcing, and the use of labor hire companies as enterprises introduced "numerical flexibility" into the workforce.[44]

As a result of downsizing and outsourcing work, in a mere twelve years between 1986 and 1997, 3.3 million full-time workers were retrenched. Of these,

Table 1
Corporate Downsizing, 1990-1995[46]

Company	Jobs Lost: Numbers	As a Percentage of Employees
Ford	7,160	50
Westpac	5,810	17
Nth Broken Hill	4,729	68
Coca-Cola Amatil	3,787	55
Metro Meat	3,017	60
Australian National Industries	2,855	38
Pasminco	2,687	43
Fosseys	2,408	38
BHP (slab and plate products)	2,355	24
TNT	2,334	20
CRA	2,256	15
BHP (rod and bar products)	2,189	38
Amcor Trading	2,175	95
Angliss Group	2,104	82
Shell	1,987	40
BP	1,761	44
BHP (Utah)	1,648	83
BHP (log products division)	1,562	40
Hawker De Havilland	1,443	56
David Syme	1,289	46

2 million were blue-collar male jobs. By the mid-1990s, more than half of all Australian organizations had been downsized, with the public sector leading the way. Among large corporations, downsizing became almost a standard practice. Between 1990 and 1995, about 55,000 jobs were lost in just twenty large corporations. Most of these firms cut between 20 percent and 80 percent of their workforce.[45] As can be seen from Table 1, the cuts involved substantial numbers of workers.

By 1994, it was estimated that about 25 percent of the Australian workforce had been casualized.[47] Over the decade of global engagement, nearly all industries realized a significant growth in the proportion of casuals (see Figure 1). This change has affected both men and women. Among men, the proportion of casuals has doubled, rising from 10 percent to 21 percent between 1984 and 1997. For women, there was also an increase but of a lessor magnitude—from 26 percent to 32 percent.[48]

Australia's growth in temporary employment, or short-term jobs, has outstripped all OECD countries except Spain. This form of employment rose from 16 percent to 24 percent between 1983 and 1994 (see Figure 2). The growth in casual and temporary work is a form of precarious employment that has a serious impact on workers.

A significant historical gain of the Australian trade union movement was the advancement of the eight-hour working day. Unions fought against the

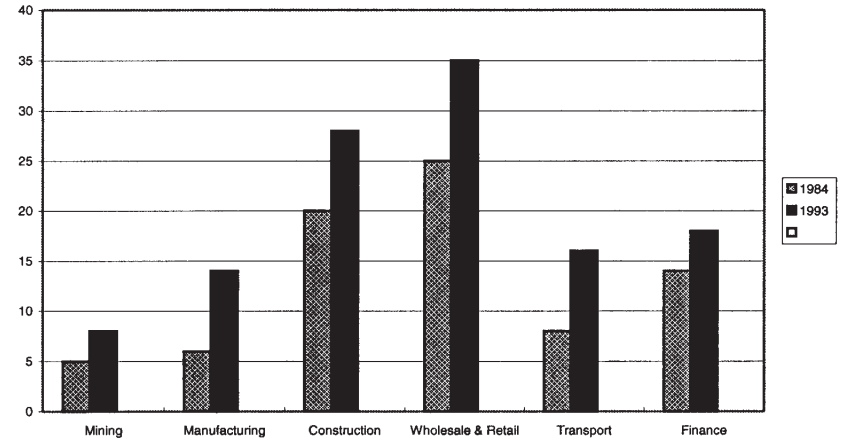

Figure 1. Casual density by industry divisions, 1984 and 1993: Casuals as a percentage of total employees in each industry division.[49]

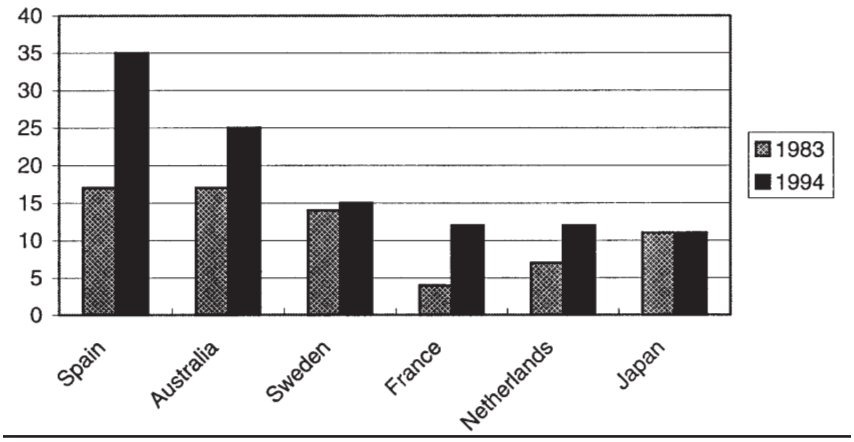

Figure 2. Incidence of temporary employment, 1983 and 1994: Percentage of the labor force who are temporary workers.[50]

nineteenth-century norm of a twelve-hour working day. Eventually, eight hours became the norm. Standard working time arrangements were then defined as an eight-hour day worked over a five-day week during eleven months of the year over a forty-five-year working life. Global engagement of the past decade has resulted in the withering away of these gains. By the late 1990s, only about one-third of the workforce has retained standard hours each week.[51] That is to say, the majority of Australian workers are now working extended working hours. The proportion of full-time workers working very long working hours—more than forty-eight hours a week—nearly doubled between 1978 and 1996, jumping from 19 percent of all

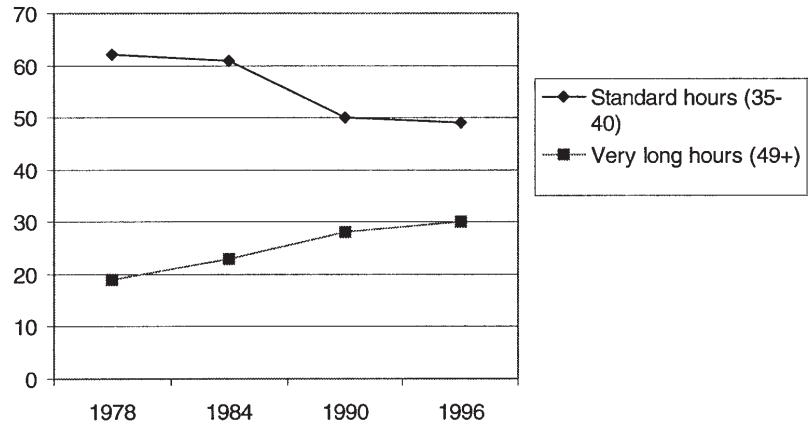

Figure 3. Changes in working hours.[53]

full-timers to 32 percent. The system of wage bargaining introduced in 1987 forced workers to trade hours for modest wage increases. Chairperson of the Future Work Foundation Charles Brass stated that his research reveals that 750,000 Australians work at least one month longer each year than they did a decade ago. Restructuring and job shedding had so infused workplaces with fear that workers were willing to make concessions in this area in the hope of keeping their jobs. Bass commented, "Job insecurity is forcing people to work longer and harder, causing failing health and family breakdown."[52]

Apart from working longer, the Australian Workplace Industrial Relations Survey (AWIRS) shows that work has intensified. Of the respondents to the survey, 58 percent reported that their work effort was higher than it had been twelve months earlier, and 49 percent said that stress on the job had increased. Between 1990 and 1994, stress claims under workers compensation doubled. A 1997 survey of 4,500 union and nonunion workers by the Australian Council of Trade Unions (ACTU) found that 36 percent were stressed by company restructuring, and 29 percent worked long and unpredictable hours. Responding to the survey results, the Chamber of Commerce and Industry's occupational health and safety manager commented, "Employees needed stress to work well."[54] Other surveys have found much higher levels of workplace stress. A 1998 survey of 3,500 workers in Victoria found that 91 percent were stressed. Eighty-five percent in the business surveyed acknowledged that their workplaces were stressed. Commenting on the findings, Vichealth's chief executive officer stated, "The drive for competitiveness was resulting in unhappy, unproductive and sick workers."[55]

These changes, which have so adversely affected the material conditions, lifestyles, and daily experiences of the Australian working class, highlight the nega-

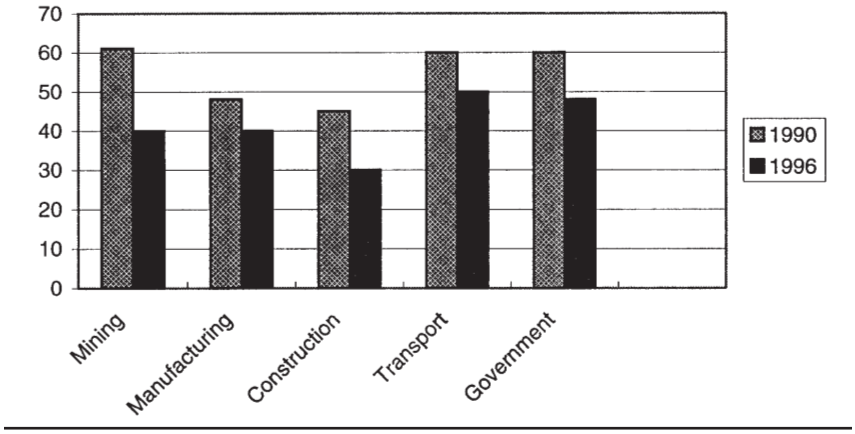

Figure 4. Trade union membership in selected industries.[58]

tive impact of global engagement and the accord strategy on class compromise. For, as Wright has argued, working-class interests center on financial remuneration for work and quality of life.[56] The data reveal that both have been undermined.

In advocating enterprise efficiency, best-practice unionism unintentionally became an active partner in eroding working-class interests. A strategy of positive mutual cooperation provided the rationale for standing the union role on its head. Rather than engendering a consciousness of the way in which these changes undercut working-class interests, best-practice unionism contended that these changes were essential to the nation's survival under the new conditions of globalization. Rather than becoming conscious of the class character of neoliberal globalization, the union movement, through its commitment to this new cooperative venture, promoted these changes as inevitable and essential.

The data outlined above call into question positive mutual cooperation as a strategy for creating durable class compromise. The data also raise doubts about the efficacy of bargained liberalization advocated by Webster and Adler. The Australian experience reveals that bargained liberalization, underpinned by union promotion of high-road global engagement, seriously erodes the class compromise it sought to secure. The real danger is that the union movement has legitimated these changes. As workers experience their interests being undermined, unions risk workers questioning their legitimacy and indeed blaming unions for the erosion of their material conditions and job security.[57] Since the shift to bargained liberalization and best-practice unionism, union membership decline has become a serious problem. The data in Figure 4 reflect this.

The movement's membership decline is one of the largest in the world.[59] This is the reality for a movement that had once enjoyed the highest density in the world. In the space of two decades (1976 to 1996), union density dropped by two-fifths,

declining from 51 percent in 1976 to 30.3 percent in 1997.[60] Thus, a nation that moved swiftly to become one of the world's most liberal economies is also the nation with the largest decline in union membership. Since union power is a critical ingredient in sustaining class compromise,[61] the declining power of Australian unions is significant.

5. DIFFERENTIAL LABOR REGULATION AND CLASS COMPROMISE

There is a further dimension to these changes that requires analysis of a new kind. Implicit in Webster and Adler's account is a national-centered methodology.[62] National change and new national institutions are presented as having the potential to "stalemate liberalization" by ensuring that change is subjected to institutionally structured interplay of societal interests. In this account, globalization is an external force that affects these domestic arrangements. Consequently, the way in which the interaction of different national systems of labor regulation has shaped the class compromise dynamic has not been properly explored. Here it is contended that the global needs to be analyzed not only as a set of external pressures but also as an internal force through the processes whereby corporations organically connect divergent systems within their own corporate structures, thereby transmitting the logic of geographically distant, politically diverse systems.

This approach is central to understanding the most recent state initiatives in Australia to further undermine trade union power and accelerate the class compromise-eroding trends identified in the previous section. The 1996 *Workplace Relations Act* that introduced an individual contract system sought the realization of this objective.

This institutional change aimed at resolving the contradictory interplay between democratic and authoritarian national industrial relations systems. Democratic systems emphasize liberty, independence, representation, and collective bargaining.[63] Authoritarian systems are marked by the unilateral regulation of the employment relationship, which organizes and consolidates employer power while simultaneously disorganizing workers. Australian case studies reveal how companies that globalize benchmark these differential systems.[64] For example, companies investing in China, often through joint-venture arrangements, become embedded within and come to rely on the contract labor system that has emerged in the 1980s. This system is characterized by three key features: the replacement of lifetime employment by a system of individual, fixed-term, renewable contracts; the institutionalization of labor migration not dissimilar in form to apartheid South Africa's; and the denial of independent union rights. Companies gain competitive advantage through this system, securing wage rates at 2.15 percent of the Australian rate, with workers laboring double the working hours per week. These conditions are then transmitted back into Australian companies through the joint-venture linkage. Unionized Australian workers are presented with the

dilemma—either match China's unit costs of production or face the prospect of the remaining production facilities being relocated to China. This pressure has produced downsizing and work intensification as unionized Australian workers compete directly with Chinese contract workers through transnational corporate structures.[65]

In 1997, a Western Australian Labour Relations Minister commented on returning from a trade mission to China, "Asian nations are not dominated by militant union officials as is the case in Australia. The ugly face of unionism is responsible for exporting the jobs for our people."[66] The 1996 *Workplace Relations Act* accommodated these pressures through an authoritarian remodeling of Australia's industrial relations system. New industrial laws centered on individual employment contracts aimed at marginalizing union-based, collective agreements. A system of individual contracts reinforces relations of dominance and dependency, a consolidation of power and hierarchy, unilateral decision making, and the promotion of a culture of obedience that is only ever transformed through labor market institutions that promote checks and balances in employment relations. In a sense, Labor in power had paved the way for undercutting the industrial relations system in this way. Critics argued that bargained liberalization was schizophrenic. Economic liberalization had little chance of success if labor markets remained out of bounds in the reform process.[67] Unleashing one without the other was a recipe for failure. Leaving intact this pillar of class compromise acted as a dead weight on modernizing the economy.[68] Extending reform to this sphere was essential because integration into the world economy, achieved through economic liberalization, introduced intense pressures to lower wages.

The weakening of organized labor described earlier facilitated this demise of the institutional foundation of class compromise in Australia in that the government felt it could move against the unions with only the minimum of resistance. The transition has opened the way for a deepening of the trends outlined in the previous section, which have been so inimical to the class compromise project. Thus far, South Africa's development path contradicts this final phase of liberalization in Australia. The 1994 *Labour Relations Act* contrasts markedly with Australia's 1996 *Workplace Relations Act*. The South African act consolidates the collective bargaining and associational power of organized labor, while the Australian act undercuts these rights. The *Labour Relations Act* is a reflection of the present power status of organized labor in South Africa. The alliance between the ANC government and COSATU means that Australia's radical form of labor market deregulation is not on the agenda. Furthermore, given the fact that South Africa is liberalizing a decade later than Australia, the labor movement may well be more critical and less prone to the constructive engagement model of Australia's best-practice unionism, although these influences appear to be strongly present in certain significant unions.[69]

This only serves to highlight the contradictions. Australia's model of engagement seeks to respond to the competitive pressures emanating from authoritarian regimes. If the ANC is constrained in this regard, how can it expand or even merely retain levels of investment under conditions of democratic labor regulation? A weakness of Webster and Adler's assessment of the prospects of "stalemating" liberalization takes little account of the future impact of differential industrial relations systems on the class compromise project.[70] The business strategies of South African companies that globalize or global companies considering South Africa as a possible investment site will doubtlessly be shaped, at least in part, by the competitive advantage of cheap, ununionized labor, often sustained through authoritarian industrial relations systems. This has to be factored into any assessment of the prospects of building and sustaining class compromise.

6. THE FUTURE OF CLASS COMPROMISE IN AUSTRALIA

Declining union densities, workplace change in the form of a shrinking core and the expansion of precarious forms of employment, concerted pressure to impose individual contracts, and finally government campaigns against trade unionism would appear to reveal a bleak future for class compromise in Australia. The fact that popular resistance to these changes has emerged indicates that the egalitarian culture engendered by the historic compromise still has relatively deep roots in certain sectors of Australian society. Lengthy, bitterly fought disputes at Rio Tinto's Hunter Valley mine and at the U.S. ARCO corporation's site in Central Queensland are indicative both of the corporate strategy of the mining multinationals and of union determination to resist the change. An extraordinary fourteen-month-long strike was triggered at the Rio Tinto coal mine when the company tried to impose individual contracts on the 430-strong workforce with the intent of realizing more flexible work practices to "get into the 20th Century."[71] These included freedom to use contractors, part-time, temporary, or casual labor on any work as required; individual performance assessment; the right to allocate overtime at management's discretion, rather than through a union seniority list; and finally, the right to hire and fire on "merit" as decided by the company in place of recruitment from a union list of retrenched miners and retrenchment on a "last on, first off" basis. The company offered a substantial $10,000 a year pay inducement as well as improvements in superannuation and medical benefits to any who volunteered for individual contracts. All but 7 workers refused the contracts, insisting instead on a collective agreement. The stand-off continues. At the Central Queensland mine, 250 workers have been on strike for fourteen months after ARCO issued an ultimatum: sign individual contracts that would introduce the same set of conditions as sought by Rio Tinto or face the prospect of dismissal. The union has predicted that no one will take up the contracts because "the union and the local communities were committed to the strike." The Australian mining

union has now built an international campaign against Rio Tinto that has incorporated organizations such as Greenpeace.

During 1998, the Conservative government colluded with one of Australia's two major stevedoring companies to cleanse the Australian waterfront of unionized labor. The plan included using military personnel as strikebreakers. On the night of 7 April, a 2,000-strong workforce at Patrick Stevedores was locked out and replaced by nonunion labor.[72] The mass sackings were facilitated by a corporate restructure that transferred the workforce to a labor hire company, which in turn contracted the workers to Patrick under a labor service agreement (LSA). These agreements could be terminated if the services are "interfered with" or "delayed" (clause 2.3(h)) the movement of cargo. Financial analysts calculated that Patrick could reduce its wage bill by 62 percent from A$112 million a year to a mere A$32 million using contract workers.[73] However, what was at stake was more than profitability. The strategically placed Maritime Union of Australia (MUA) had lent power to the entire movement through its practical commitment to the struggles of other Australian unions. The government aimed at breaking the MUA, thereby seriously weakening organized labor more generally.

This attack failed because of legal miscalculations on the part of the government and the strong community and international support the MUA received. In its eagerness to break the MUA, the government contravened section 298K(1), which protects the right of workers to belong to a trade union. The International Transport Federation was effective in organizing an internationally coordinated campaign against the government and the company that included shipping boycotts. Most important, the unions, backed by widespread community support on the picket lines, prevented the free movement of containers in and out of the terminals, placing enormous pressure on the protagonists. The high level of community support indicates that the culture of egalitarianism and fair play that accompanied class compromise still resonates in sections of the Australian population.[74] The continuing attack on class compromise is likely to remain a defining feature of Australian politics. Despite globalization empowering an anti-compromise agenda, further resistance is likely.

7. CONSTRUCTING GLOBAL UNIONISM

While these moments of resistance were vital in challenging aspects of the liberal market agenda, they do not in themselves constitute an alternative strategy. Here lies the critical problem. When the ACTU was questioned over best-practice unionism, they challenged their critics, "Can you present a clearly detailed alternative?"[75] In responding thus, the leadership appeared to be on strong ground. Neoliberal globalization seemed to be the only practical option.

A decade later, the question has assumed an even greater urgency, driven by the impact of global engagement on working people. Leaders of certain Australian unions are struggling to come to terms with the transformation detailed in this

paper. This recognition is now beginning to produce new ideas on the form of unionism appropriate to global reality. There is a move, albeit hesitant, uncertain, and cautious at this stage, toward a new union model—global unionism.[76] The new model is not being progressed in the abstract, in pure discussion and debate, but rather in the process of struggle to organize in ways that are likely to again empower the trade union movement.[77]

When Labor began a process of radical tariff cuts in the late 1980s, leaders from certain Left unions were concerned over the impact that this might have on the status of union rights. Conscious of Australia's rapid economic integration with the then-expanding Asian economies, they were apprehensive over the ways in which the denial of union rights in these nations might play itself through into the Australian system. They therefore set out to establish contacts with the newly emerging independent unions in the region with a view to working to accelerate their development, thereby aiming to challenge the logic of globally mobile capital, which restructured in ways that exploited this absence of rights. In 1991, a new regional network, the Indian Ocean Initiative, arose out of these endeavors.[78] The scope of its operations has now expanded to include Latin America, thus bringing together in a formal way "southern" unions into a new organization: SIGTUR—the Southern Initiative on Globalisation and Trade Union Rights.

This terse summary of the creation of new international relations between unions is significant. First, it reflects a determination in "southern" unions hard hit by globalization logic to forge new responses. Second, the switch from opposition to support by the major international union structures is an indicator of a new union politics in this post–cold war era. Globalization has created such a deep crisis in all movements that past differences and divisions are being swept aside. There is a new search for new pressure points in the system and new ways of acting. Third, the new structure is viewed positively because it is struggling to find a realistic alternative strategy to business or best-practice unionism. The initiative has also generated new forms of international action to resist the attack on union rights. Debates and actions around these alternatives will now be briefly considered.

Alternative strategies are being evolved and the following conclusions have been drawn. These may stimulate debate on the future of trade unionism and could provide a starting point for further reflection and work on the nature and prospects of global unionism. First, globalization has weakened trade unionism in the ways described in this paper while also creating scope for greater empowerment. Global economic integration has fashioned trade- and communications-dependent nations. Strength of organization in these sectors, the forging of organizational links across national boundaries, and a will to act internationally could give the union movement immeasurable power in the new global context. There are two positive indicators in this regard. First, the International Transport Federation (ITF) is one of the strongest and most active internationals. It is extremely

well resourced through the power that it has over shipping companies, and it already provides a concrete model of global unionism through its ships of shame campaign.[79] Second, the effective use of shipping boycotts has already led to real concessions on the part of a state trying to introduce hostile labor laws.[80] There are also negative indicators. At this stage, not all waterfront workers are properly organized, especially in developing nations. Even among those who are organized, international awareness and a willingness to act remain underdeveloped.

These constraints have given rise to a second conclusion. The creation of global unionism is essential to a union fightback. This may be defined as a point of development whereby national sectoral unions create enduring organizational linkages across national boundaries to engage in joint-action programs aimed at securing international standards of labor rights, wages, and conditions. Such organizational linkages may take various forms.[81] Global unionism would aim at raising the level of international awareness of workers in the chosen sectors, thereby preparing the ground for future action.[82] A third conclusion is that the labor movement worldwide is now in such a crisis that the fightback needs to concentrate on the more strategically positioned sectors. Once union strength is rebuilt in these sectors, there will be a flow on effect.

Major Australian unions are committed to this new internationalism and the forging of global unionism as the bedrock of an alternative strategy. As can seen from this brief account, they have been joined in this project globally. This is not to imply that the workplace restructuring elaborated in this paper will be turned around in the short to medium term as a consequence of this internationalism. While the construction of global unionism is an essential cornerstone, there is much to be done before lost ground in the workplace can be reclaimed. At present, most unions are subordinate in varying degrees to political parties and governments committed to a liberal economic form of global engagement that has eroded class compromise. The issue that Webster and Adler raise has to be properly debated. Even if unions are strong enough to influence the terms and conditions of global engagement, will this have any bearing on the actual model of workplace restructuring now being driven by liberal globalization? If not, what would be the content of an independent stance? Debate on this should center on a review of industry policies that are global in scope, where the geography of production is politically determined and where the planning of multinational corporations is constrained by popularly elected national governments. Such a review should also include trade policy and labor rights, reforming the role of international finance capital, and transcending the lean production model. Elaborating these issues is beyond the scope of this paper. They are raised to show that the forging of an alternative union strategy involves not only organizing a new form of unionism but also includes serious debate on the wider policy front. Only a relative independence from political parties and governments committed to globalization will create the space for debate in this arena. So, despite the modest organizational initia-

tives described here, the road to an effective labor movement remains long and difficult. Lack of independence and ideological uncertainty on the question of global engagement remain as significant stumbling blocks.

8. CONCLUSION

Drawing on the Australian experience, this paper has tried to sound a cautionary note on the prospects of bargained liberalization articulated by Webster and Adler. There are differences between Australia and South Africa. The most notable is the relative strengths of organized labor at this point in time and the fact that South Africa has a government not overtly hostile to the unions. Notwithstanding these differences, much can be learned from the experience of the accord in Australia. Best-practice unionism signaled weakness to employers, who soon began an offensive in the form of lean production managerialism. The paper outlined how material conditions declined significantly for workers during this implementation of a high-road strategy. Lean production is not the only force challenging the standards built during the period of class compromise. Economic deregulation in the context of diverse industrial relations systems reinforced this trend.

These are issues South African society will have to confront. If bargained liberalization, a social accord, and strategic unionism are a flawed strategy in the struggle to achieve some form of compromise, what is the alternative? While Australia's bargained liberalization points to the urgency of a new vision and new politics, the detail has yet to be worked through. If the hesitant steps toward global unionism can be sustained and further developed, this transformation may well provide scope for a wider debate on globalization's nostrums. This would include revaluation across a wide range of policy arenas. All that this paper has sought is a critical appraisal of bargained liberalization as a means of securing compromise. The Australian experience reveals that negotiating "the terms and pace" of global engagement is a poisoned chalice for workers. The difficult pathway to forging an alternative strategy seems the only route to a defense of social values.

NOTES

1. Dereck Sicklen, *National Industry Policy: The Key to Jobs Growth and Industry Structure* (Sydney: Australian Economic Analysis Pty Ltd., 1993). Sicklen points out that Australia's trade-weighted average tariff of less than 5 percent means that the country has created one of the lowest import protection regimes in the world. Tariff reductions since 1987 exceeded those required by GATT by 50 percent, a rate of reduction unmatched by Australia's trading partners.

2. These are the sentiments expressed by Alfred Deakin, one of the founding fathers of the Australian federal state. Quoted in Michael Pusey, *Economic Rationalism in Canberra: A Nation Building State Changes Its Mind* (Cambridge, UK: Cambridge University Press, 1991), 1.

3. Robert Lambert, "Global Dance, Corporate Restructuring and Asian Labour Standards," in Jeremy Waddington, ed., *Globalisation and Labour Resistance* (London: Mansell, 1999). This chapter analyses this process.

4. Webster and Adler, "Toward a Class Compromise in South Africa's 'Double Transition': Bargained Liberalisation and the Consolidation of Democracy," *Politics & Society* 27, no. 3 (1999): 347-85.

5. *The Australian* (22 April 1993).

6. Eric Olin Wright, Working Class Power, Capitalist Class Interests and Class Compromise, unpublished paper, 1997.

7. Paul Kelly, *The End of Certainty: The Story of the 1980s* (Sydney: Allen & Unwin, 1992), 2.

8. Pusey, *Economic Rationalism*, 1.

9. The first quote is from Russel Ward, *The Australian Legend* (Melbourne: Oxford University Press, 1958). The second is from a speech by Deakin when he introduced the arbitration bill in 1903 as prime minister. Quoted in Kelly, *The End of Uncertainty*, 7.

10. Ross Garnaut, *Australian Protectionism* (Sydney: Allen & Unwin, 1987), 6.

11. John Rickard, *H. B. Higgins, A Rebel Judge* (Sydney: Allen & Unwin, 1984), 173-75.

12. Kelly, *The End of Certainty*, 9.

13. F. H. Gruen, "How Bad Is Australia's Economic Performance and Why?" Discussion Paper No. 127, Center for Economic Policy Research, Australian National University (1985), 4.

14. Ward, *The Australian Legend*, 16.

15. See the work of influential war historian Charles Bean, *The Official History of Australia in the War of 1914-1918*, vol. 1 (Sydney: Angus & Robertson, 1937). Passage quoted in Janeen Baxter, Micheal Emmison, and John Western, *Class Analysis and Contemporary Australia* (Melbourne: Macmillan, 1991), 15.

16. Baxter et al., *Class Analysis*, 15.

17. Pusey, *Economic Rationalism*, 2.

18. Ibid., see pt. 2.

19. *The Australian Financial Review* (27 July 1995).

20. Australian Centre for Industrial Relations Research and Training (ACIRRT), *Australia at Work: Just Managing?* (Sydney: Prentice Hall, 1999); Peter Ewer, Ian Hampson, Chris Lloyd, John Rainford, Stephen Rix, and Meg Smith, *Politics and the Accord* (Sydney: Pluto Press, 1991); John Mathews, *Tools of Change: New Technology and the Democratisation of Work* (Sydney: Pluto Press, 1989).

21. Mathews, ibid., 2.

22. Mathews, ibid., 33-39, where he draws on the thesis of Kern and Schumanm, "Work and Social Character: Old and New Contours," *Economic and Industrial Democracy* 5 (1984): 51-71; Piore and Sabel, *The Second Industrial Divide: Possibilities for Prosperity* (New York: Basic Books, 1984); Arndt Sorge and Wolfgang Streek, "Industrial Relations and Technical Change: The Case for an Extended Perspective," in Hyman and Streek, eds., *New Technology and Industrial Relations* (Oxford, UK: Basil Blackwell, 1988).

23. Mathews, ibid., 172.

24. ACIRRT, *Australia at Work*, 22; Ewer, *Politics and the Accord*, 16.

25. Max Ogden, *International Best Practice: A Critical Guide* (Sydney: Pluto Press, 1993), 11.

26. *Australia Reconstructed: A Report by the Mission Members to the ACTU and the TDC to Western Europe* (Canberra: Government Publishing Service, 1987).

27. Ogden gives content to best-practice unionism through listing a range of substantive issues that unions should engage in. These include involvement in the following areas: the development of a strategic business plan; participative management through joint consultative committees; skills-based career path pay system; commitment to education and train-

ing; work redesign, work flexibility, and an openness to new technologies; constructive industrial relations; commitment to customer service; the development of an innovative culture; benchmarking and the development of key performance indicators; and commitment to occupational health and safety. Ogden, *International Best Practice*, 32-34.

28. Ogden, ibid., ix.

29. For an account of the dominance of liberal market ideology in key state bureaucracies and their impact on the new Labor government, see Pusey, *Economic Rationalism in Canberra*. Paul Kelly, *The End of Certainty*, is an insightful journalistic account of how the new Labor ministers, particularly the treasurer, Paul Keating, were won over to the new economic thinking.

30. Kelly, ibid., 20.

31. Edward Davis, "The 1987 ACTU Congress: Reconstructing Australia?" *Journal of Industrial Relations* 30, no. 1 (1988): 122. Some have argued that the process was set up so as to minimize debate. Davis noted, "It is worthy to mention that the key points of his address were projected onto a large screen situated behind and above those on the hall's stage. Use of such equipment was without precedent at the Congress. Though it may have aided Creighton and subsequent, similarly prepared speakers to make their points, it may well have served to deter debate and discussion" (120). Humphrey McQueen, "Beyond Safe Pastures," *Australian Society* (October 1987), commented, "The back of the stage was dominated by a triple screen upon which flashed multi-coloured graphs; many delegates were bemused by the high tech look, and even more by the deals which had sewn up most of the executive positions" (30).

32. Davis, ibid., 122.

33. Davis, ibid., 122. Kerr's letter was published in *The Australian*, 11 September 1987.

34. Davis, ibid., 123.

35. *Australia Reconstructed*, xiii.

36. John McCollow, "Trade Unions and Social Change," *Social Alternatives* 10, no. 1 (1991): 3.

37. Interview, 10 August 1999, Perth, Western Australia.

38. The work of Mathews, *Tools of Change; Age of Democracy: The Politics of Post-Fordism* (Melbourne: Oxford University Press, 1989), provided the clearest intellectual rationale for the new strategy. Mathews argued that unions could contribute positively to the transition to a new production paradigm, which would create scope for a degree of democratic control over the work environment. See also John Mathews, "The New Production Systems Debate," *Labour and Industry* 2, no. 2 (1989): 194-246 and "The Democratization of Capital," *Economic and Industrial Democracy* 10, no. 2 (1989): 165-93. Other interventions that viewed the *Australia Reconstructed* agenda positively are Geoff Dow, "Facing the Future: Union Strategy Reconstructed," *Australian Left Review* 104 (1988): 10-17; Arthur Shulman, "Australia Reconstructed: Strategic Advantages for Stakeholders," *Prometheus* 6, no. 1 (1988): 167-73; Edward Davis, "Australia Reconstructed: An Ambitious Report," *Prometheus* 6, no. 1 (1988): 150-57. The few exceptions to this laudatory vein of writing are Don Rawson, "Swedish Wage Policy and Australia: Three Years after Australia Reconstructed," *Australian Journal of Political Science* 26 (1991): 95-110; Herb Thompson, "The Philosophy of Australia Reconstructed," *Journal of Australian Political Economics* 23 (1990): 89-96. Humphrey McQueen wrote a short article in *Australian Society* (1987), where he noted, "While the ACTU is recapturing the initiative with its plans for reconstructing Australia, many employers have established as their agenda the demolition of the entire union movement. One danger is that the ACTU's positive strategy could deflect its attention from the need to preserve its very existence" (30). The history of the 1990s proved these comments to be insightful.

39. Interviews with Keith Peckham, 10 August 1999, and John Gandini, past president of the Trades and Labour Council of Western Australia, 5 August 1999.

40. Eric Olin Wright, Working Class Power, Capitalist Class Interests, and Class Compromise, 6.

41. Ewer, *Politics and the Accord*, 29.

42. Ibid., 32.

43. ACIRRT, *Australia at Work*, 136.

44. Ibid., 138.

45. Ibid., 148

46. Ibid., 149.

47. Ibid., 139.

48. Ibid., 140.

49. This diagram and those that follow are drawn from *Australia at Work*, 139. The table is drawn from the work of Iain Campbell, "Casual Employment, Labour Regulation and Australian Trade Unions," *Journal of Industrial Relations* 38, no. 4 (December 1996): 571-99.

50. ACIRRT, *Australia at Work*, 140. ACIRRT drew on OECD data. OECD, *Employment Outlook* (Paris: OECD, 1996), 8.

51. Ibid., 101.

52. The results of Bass's research were reported in *The West Australian* (23 September 1996).

53. ACIRRT, *Australia at Work*, 103.

54. *The West Australian* (8 September 1997).

55. *The Australian Financial Review* (28 August 1998).

56. Wright, *Working Class Power*, 3.

57. There is a need for research on the question of how union involvement in workplace change has contributed to union membership decline. Over the past decade, I have attended numerous union meetings of workplace delegates where anger, frustration, and bitterness against the union role in promoting these changes dominated discussion. I therefore hypothesize that the new strategy has contributed to the decline. Obviously, downsizing and outsourcing cut into membership, as did the offshoring and rationalization of Australian manufacturing that followed deregulation and global engagement.

58. ACIRRT, *Australia at Work*, 59. The table was compiled from Australian Bureau of Statistics, Trade Union Members, Australia, Cat. No. 6325.0, ABS (Canberra, 1996).

59. David Peetz, *Unions in a Contrary World: The Future of the Australian Trade Union Movement* (Cambridge, UK: Cambridge University Press, 1998), 7.

60. Ibid., 1.

61. Wright, *Working Class Power*, 8.

62. Webster and Adler, "Towards Class Compromise," 358.

63. International Labour Organisation Conventions 87 and 98 establish essential criteria for the evaluation of national industrial relations systems.

64. Lambert, "Global Dance."

65. The case study revealed that Australian workers did eventually match China's unit costs of production through downsizing, reconfiguring, and speeding up the assembly line. The changes came at a price, however. The incidence of repetitive strain syndrome increased so dramatically that the company has now established a special medical unit to deal with the problem.

66. *The West Australian* (29 April 1997).

67. This is the essential thrust of Kelly's argument in *The Age of Uncertainty*.

68. ACIRRT, *Australia at Work*, 21.

69. Labor movement intellectuals from Australia, who were influential in the shift toward best-practice unionism, have worked with key unions in South Africa such as the National Union of Metal Workers of South Africa (NUMSA). Hence, a high-road strategic approach is being adopted in many workplaces. However, the Congress of South African Trade Unions (COSATU) leadership continues to review its strategic options and is searching for new responses to globalization. This involves rethinking trade union internationalism.

70. An international research project on the globalization of whitegoods, which includes the Sociology of Work Project (SWOP) at Witwatersrand University, has already found that South African–based whitegoods manufacturers are moving parts of the production process out of South Africa and into neighboring territories where unions are weak and wages low.

71. *The Australian* (18 July 1997).

72. Rob Lambert, "The Waterfront War: The Australian Dockworkers Struggle," *South African Labour Bulletin* 22, no. 4 (1998): 82-88.

73. *The Australian Financial Review* (9 April 1998).

74. As yet, there has been no research conducted that analyzes the social character of nonunion participants on the picket lines. As a participant, I observed diversity. I spoke to farmers, lawyers, teachers, as well as traditional blue- and white-collar workers. There was also a significant gender and age mix. Their comments indicated anger that such actions could take place in Australia, perhaps indicating that Australian identity for some is still tied to a sense of fairness. Of course, these observations on the line are no substitute for research that might be revealing on these issues.

75. John McCollow, "Trade Unions and Social Change," *Social Alternatives* 10, no. 1 (1991): 4, where he notes, "A weakness of a number of critiques of the ACTU position—one which the ACTU leadership makes much—is the failure to provide a detailed alternative."

76. In his book, *Workers in a Lean World* (London: Verso, 1997), Kim Moody introduced the concept of *global social movement unionism* as an alternative to what he termed *business unionism*. The book raises critical issues and provides some valuable insights into how Japanese production concepts have been globalized. However, his concept of global social movement unionism requires refinement. Furthermore, his examples of the potential of this new form are unconvincing.

77. In this early phase, even the use of the term *new model* is somewhat overstating the case. Choices are being made out of the demands of the struggles currently being fought in Australia. In the midst of these pitched battles, union leaders have spoken of the absolute necessity of international solidarity. They have argued for unions to be linked across national boundaries, joined in a common struggle. More than that, as is shown in this section of the paper, decisions have been taken to advance these links. The relationship between theory and practice is complex. In the late 1980s, Australian union leaders were less conscious of the notion of best-practice unionism than of the need to make what they perceived to be necessary strategic choices.

78. The Congress of South African Trade Unions (COSATU), together with the Australian unions, played a key role in building this over the past decade. Despite early opposition from the International Confederation of Free Trade Unions (ICFTU) and certain International Trade Secretariats (ITS) such as the International Metal Federation (IMF) and the International Union of Food Workers (IUF), in particular, the initiative survived. More recently, these efforts have been recognized by the ICFTU, IMF, IUF, and other ITS.

79. The ITF has regional organizers located across the globe. These organizers operate out of a global consciousness and have been a key factor in successful global campaigning.

80. In 1995, the Western Australian government withdrew a bill hostile to unionism on learning of plans by COSATU to refuse to unload ships from Western Australia. For a brief account of this action, see Rob Lambert, *International Labour Reports, Journal of the International Centre for Trade Union Rights, London* 3, no. 2 (1996): 6-7.

81. There is, of course, the ITF model. The IMF has attempted to create world works councils that focus on linking workers from particular multinational companies. SIGTUR is presently proposing an exchange of union organizers and/or delegates in the maritime sector.

82. We have learned that workers are willing to act when they understand a situation and the nature of the attack on workers in a distant land. Much depends on local leadership. International solidarity action has the effect of keeping national movements relatively independent of national compromises. National governments are always opposed to international solidarity action.