

## The Ebb Tide of Trade Unions

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*Tom Bramble's Marxism stands in the way of understanding the decline of trade unions, explains Michael Warby\**

As he says right upfront, Tom Bramble's *Trade Unionism in Australia: A History from Flood to Ebb Tide* (Cambridge University Press, 2008, 314pp, \$49.95) is a Marxist analysis of the history of trade unionism in Australia from World War II to the election of the Rudd Labor government.

Apart from being clearly written (not always a feature of Marxist writings) the book is very much full of facts. It has considerable value simply in its assembling of relevant statistics and presenting them clearly. In contemporary academe, Marxist scholars can be a welcome relief from the somewhat fact-challenged products of more recent intellectual trends. Bramble is an example of 'there are facts and they matter' Marxist scholarship. When the blurb talks of Bramble's 'compelling rigour,' this may be what it is alluding to.

It is also a useful corrective to those who fail to think about the downsides—particularly for those who have to suffer under it—of management arrogance. That, over the long run, employers tend to get the unions and workplace problems they deserve comes across quite clearly.

Bramble starts off with an amusing contrast between union militancy over the destruction of the penal provisions of arbitration law in the O'Shea case of 1969, when union official Clarrie O'Shea was briefly gaoled for breach of said provisions (his fine was paid anonymously) and the rather stage-managed union protests against WorkChoices in 2007. Bramble sees the former as genuine union militancy driving politicians to respond—the beginning of the high point of union effectiveness; indeed, from the start to the end of the book it is his template of how union activism should be done. For Bramble, strikes are a positive indicator—particularly given the evidence he cites for such action encouraging union recruitment.

He sees the 2007 WorkChoices campaign as being carefully managed to help one lot of politicians against another, which left the union movement in the weakest position it has been—both within the ALP and more broadly—in the entire post-war period. He notes how limited a roll-back of the Howard Government's WorkChoices the Rudd government is committed to. To Bramble, the history of Australian unionism is one of achieving a peak of militant effectiveness in the late 1960s and

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early 1970s— that peak coming to a halt in the economic crisis of the mid-1970s, a period of marking time while resisting the Fraser government, and then a long decline from the election of the Hawke government onwards.

### **The limits of Marxist analysis**

All events are interpreted in terms of a struggle between working class and capitalist ruling class, 'class' being treated as an unproblematic concept. Electoral outcomes are interpreted relentlessly within that framework. So the near defeat of the Howard government in 1998 is analysed as following on from the failure to break the MUA in the Waterfront dispute. The GST gets no mention, and the social reforms enacted by Federal governments—or wage rises generally—are talked about in terms of concessions by the capitalist class.

The rise of the Green movement fails to get any coverage (except in getting the Left vote up to more than 50 percent in 2007). Yet, even in terms of Bramble's own concerns, this is foolish analysis. Bramble laments the decline of militant networks within the union movement. That activists who, in previous times, might have gone into the union movement now flow into advocacy NGOs—particularly of a 'green' variety—surely has much to do with said decline of militant networks.

This pattern of leaving highly relevant things out runs through the book—to a sometimes laughable extent. So Bramble cites Gen. Pinochet's violent 1973 overthrow of the Allende government in Chile as being in people's minds as they responded to what Bramble calls the 'Kerr Coup' in dismissing the Whitlam government. Yet that the Communist Party of Australia dissolved in 1991 is noted without any reference to what else dissolved that year.

Again, in terms of Bramble's own concerns, ignoring the global collapse of the socialist alternative to capitalism is foolish analysis. Surely it is precisely that in 1969–74, there *was* still a sense of socialism as a viable alternative to capitalism that mattered in both directing and firing up militant workplace activity. Socialism-as-genuine-alternative's accelerating collapse—starting with China's dramatic economic reforms from 1979 on and the 1980 Solidarity Union-based challenge to Polish (and indirectly Soviet) Communism—reduced ideological differences within the West, at least on economic issues, and moved political debate into managing capitalism. (After surging from about 1940 onwards, use of the terms 'Marxist' and 'Marxism' in the JSTOR academic journal database peaked in 1988, then went into continuing sharp decline.)

Bramble's Marxism both drives, and seriously limits, his analysis: the facts are subordinated to his theoretical framework. Since, under the labour theory of value, the only human thing or action that contributes to exchange value is labour, then wages cannot be 'too high' if any profit share exists (Bramble explicitly denigrates connecting unemployment to wage levels: to the extent of endorsing shorter hours on full pay to 'share the work around,' there is no notion that wages might be a price), all profit is exploitation. So there is no legitimate role for business, so business and its supporters can never have legitimate motives, cooperation with

business is always betrayal, there can be no commonality with exploiters and there is no legitimate sense in which we are all in a common economy and society together. Hence any constraining of union militancy due to concerns for democracy, the rule of law, or unemployment are betrayals.

There are also no returns to trade between labour and capital—it is all a zero-sum game. So the question of complexity costs or waste of resources doesn't arise—nor do issues of loss, bankruptcy or managing risk figure in his analysis (that is all subsumed into rise and falls in the profit-share of GDP or rates of profit). Innovation or commercial creativity figures still less (there is merely productivity) nor does the question of whether capital accumulation—by making labour more scarce compared to capital—might prove to be an investment in higher returns to labour.

Indeed, there are no problems of ownership (particularly not providing any guarantees against income variability). Nor are there any problems of information flows or incentives other than those that affect levels and effectiveness of militancy and union organisation. This is 'economic' analysis with most of the actual economics left out.

Bramble is in the rich tradition of academics who live in capitalist societies, study and critique (even obsess about) capitalism but, in certain crucial respects, do not understand it.

Bramble lauds the advance of women in the workplace but glides over union resistance to the same—the ACTU's abandonment of the family wage concept in 1977 is seen as worthy but somehow comes without any attached history worth mentioning. Bramble cites oppression of migrant workers with little sense of why Australia so attracts migrants. And he does not bring up the issue of whether the combination of mass migration and women entering the workforce might put downward pressure on wages. (The push for equal pay may help obscure the larger effect.) Workforce changes that also increased the difficulty of appealing to a common union culture: the more diverse the background of workers due to varying cultural backgrounds and life experiences, the harder solidarity politics tends to become.

Not all the deleterious exclusions flow from Bramble's theoretical framework, his polemical purposes also have an effect. So he includes useful graphs of average earnings and average award rates for the periods of the Hawke and the Keating governments. The period of the Howard government does not score any such graph, just a passing mention that average earnings rose.

### **What are unions for?**

For Bramble, unions are intermediaries between capital and labour that represent the worker's interests best when they are their most militant and are most focused on mobilising the shop floor. (As long as the union activists get their analysis right: his Bramble's critique of the failure of left-militants in the face of the 1973–75 economic crisis as being due to their 'disorientation'—i.e. inadequate revolutionary

rigour—is a gem in its own way.) He sees the period from 1983 onwards as one where union officials concentrated on the benefits to be had in being co-opted into political and business networks while their connections with their members withered. It is this co-option that he blames for the lessening of ideological dispute within the union movement and the labour movement more widely: not any larger trends in world affairs.

That the Kelty program of union amalgamations was a failure is hardly to be denied. Not a single union official position was lost while union coverage fell dramatically, and fell more quickly in the smaller states: the diseconomies of scale were increased and any economies of scale largely avoided. That something *more* might be going on is, however, suggested by the fact that union coverage fell in many developed economies and that the only other developed economy where it fell even more precipitously was New Zealand.

Bramble sees the last as being a result of New Zealand being even more avid in adopting 'neoliberal' economic reforms. New Zealand was also the one other country that had an arbitration system analogous to Australia's. This meant that, like Australia, NZ unions had developed as managers of legal complexity tied into a comparatively rigid structure of workplace regulations and legal privileges.

The worldwide move towards economic liberalisation was a response to the failure of socialism, the failure of highly centralised paths of development, and to stagflation. In the developed world, both the movement of women into the workforce and mass migration placed downward pressure on wages, lessening the willingness to pay for extra taxes, while increasing demand for jobs and economic and social infrastructure. Economic efficiency acquired an increasing public policy premium, given the increase in welfare expenditures already underway—particularly income support, a form of expenditure that, unlike previous surges in government expenditure, did not contribute notably to either physical or social infrastructure—and the slowdown in productivity growth. All this led to the liberalisation of domestic markets; restructuring the scope of government; and trade liberalisation to create an economically sustainable welfare state based on a mixture of employment and economic growth (increasing income and reducing demand on welfare) with more targeted (and affordable) redistribution.

Despite attempts to characterise this resurgence of liberal economics as some weird derailing of history (including giving it the highly misleading title of 'neoliberalism'), the reforms were very much within long-term patterns of responses to fiscal crisis. From the work of economic historians such as Douglass North, we can see that some combination of reducing transaction costs, re-assigning and more precisely defining property rights, plus seeking private funding for infrastructure (in modern terms: deregulation, corporatisation and privatisation) are a recurring pattern in economic reform in Western Europe back to medieval times.

New Zealand—as a smaller, narrower and more vulnerable economy with a much more centralised political system—had more entrenched problems than Australia

and reacted more dramatically. But in both Antipodean economies, the union movement was tied to a complex regulatory structure whose implicit and explicit costs were increasing. The response of becoming even more tied to the political structure actually moved them further away from being the genuine service organisations that they needed to become to retain member loyalty.

Worse, by parading politics as a way of delivering benefits to their members as a substitute for union action on wages, they actively undermined their own value as providers of negotiation and risk management services. Use of statutory minima for wages and conditions turned lawyers into their competitors: competitors who became increasingly affordable competitors as household incomes rose. If benefits are to be politically delivered, advocacy groups and 'gotcha media' also became alternative avenues for workers.

As household incomes rose (including from women entering the workforce and increased income transfers to working families), worker ability to cope with income variability, and the importance of controlling other elements in their work life, both increased—as did the appeal of various forms of self-employment. As intermediaries, it is in the interest of union officials to have worker income delivered in as complex and contingent (i.e. tied to specific job) ways as possible—particularly divided up into lots of allowances and contingent benefits that union officials can trumpet achieving. Conversely, it is better for workers to have their remuneration as simple and direct as practicable. Increases in the costs of complexity—the 'wedge' of wasted resources—for full-time permanent employment (the most easily regulated, and union-organised form of employment) left more resources to be garnered by moving to other modes of employment (casual, part-time, sessional, contract, etc.) that allowed more efficient use of resources: hence higher rates of profit, more income in direct wages rather than contingent benefits, and a wider range of positions that catered to diversity and were far less easily union-organised. Unsurprisingly, as the gap between the interests of workers and union officials grew, unionisation rates fell—particularly among private sector workers (a dramatic trend Bramble fails to note).

That many employer organisations have a similar vested interest in there being regulatory complexity that they can 'manage' for their members passes Bramble by. As it does so many commentators.

### **Conclusion**

In the end, union officials believed too much in their own propaganda to perceive how much they were just a vehicle for workers: and the more other vehicles became available for what workers wanted, the more competitive pressure unions would come under. By failing to successfully adapt to competitive pressure, unions have been steadily abandoned by workers. Ironically, by building up political mechanisms to deliver benefits to workers the unions increased this competitive pressure.

But to perceive the reality of such competitive pressure, one has to see social choices for what they are, not what one wants them to be. Bramble's book is

ultimately far too attached to congenial theory to be a successful work of empirical analysis. Perhaps Marxism's most serious analytical flaw is that it purports to be a complete structure of analysis when it is clearly not so. The analytical flaws Bramble is so firm in criticising Bill Kelty for loom large in his own analysis—not seeing how the world actually looks from where workers are and the unresolved contradiction between claiming that union officials have failed to connect with workers and their concerns, while wanting workers to be willing foot soldiers in causes and outlooks not their own.

But thus is the history and failure of Marxism. Given the manifold failures of all the attempts to create 'post-capitalist' alternatives, Bramble's endorsement of revolutionary rigour as what Australian workers 'need' is not quaint, it is contemptible. This is particularly so because revolutionary elites using their position to act in their own interests—precisely what he damns union officials for doing—is at the heart of the failure of socialism: the concentration of power required to 'transform' the society giving them vastly more scope to so act.

Underneath the rather selective facts and scholarly apparatus—even given its genuine perceptiveness on some key issues—this is self-serving fairy tale parading as social analysis. The union movement does not need more of such.