

industrial relations laws puts Australia in breach of international conventions.<sup>86</sup> Unions and workers in the USA have more rights compared with those in Australia.

Let us remember why we put emphasis on building social movements. Workers exercising collective action by going on strike is a key component of social action and transformative change. Such actions have brought great benefit to Australian workers, their families and wider communities, won environmental protections, and contributed to international solidarity wins. It was the strength of people's actions backed up by political industrial action that was the key to these wins. Where legislation was needed to enshrine progressive change, MPs acted in response to public pressure. They were not the initiators of change.

For some readers it may appear that my argument emphasising the important role unions play in building social movements is a lost cause. Elizabeth Humphrys may also hold that view as her book establishes how Australia's Accord was a neoliberal project put in place not only by a Labor government but also by a number of unions and their peak body, the ACTU. Many do argue that with membership in most unions declining, and with tough legal restrictions on strike action, the era of political industrial activities boosting social movements is a historic memory.

Unions remain, however, the largest collective organised force committed to progressive change. While there will always be arguments over industrial tactics, the increasing exposure of the crisis caused by corporations and how society is structured is raising awareness and fostering political actions. These objective conditions are putting pressure on the union movement as a whole to be more independent and to be more involved in building social movements. And hopefully the union movement is recognising that social accords that place restrictions on the right of unions and workers to take strike action should be resisted.

#### **Discussant 4: Tim Lyons, Assistant Secretary, ACTU, 2008–15**

I write this not as an academic, but as a practitioner, a union member and an organiser. I have a union background – during the Accord period, I worked as an official with the National Union of Workers (the now United Workers Union but back then the Federated Storemen and Packers Union). These unions were synonymous with the Accords via such figures as Bill Kelty and Simon Crean. For those who promoted the Accords, Humphrys' book

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86. Stephen Long, "Have Australia's Right to Strike Laws Gone Too Far," *ABC News*, 21 March 2017, accessed January 2020, [www.abc.net.au/news/2017-03-21/have-the-right-to-strike-laws-gone-too-far/8370980](http://www.abc.net.au/news/2017-03-21/have-the-right-to-strike-laws-gone-too-far/8370980).

is a punch in the guts. It is a punch that lands and hurts. And a punch that has been a long time coming.

I agree with the book's core contention: Australia's unions made a deliberate decision (although the far-reaching consequences were obscured at the time) to support the suppression of wages and industrial militancy. Indirectly, but importantly, these decisions reduced avenues for rank-and-file activism. We should not have. It was a mistake. Not all the specifics were mistaken but, in aggregate in my opinion, that must be the judgement. The Accords were a series of decisions that seemed incredibly smart, and probably necessary (or at least unavoidable), at the time, but they have aged in a lot of respects very, very badly.

From the outset, Humphrys' book makes the point that open debate about the Accord and its consequences remains rare in the union movement. That is both undoubtedly true and absolutely wrong. There must be a reckoning with the Accord decisions or unions will not make good choices about what is to be done next, and what should be their "policy ask" on a future federal Labor government. There must be a reckoning with what the ALP, the ACTU, and individual union leaders did to dismantle the structural power of unions over the course of 13 years. Looking back years later, as Humphrys notes, Keating claimed to have pulled the "rotten teeth" of the ACTU.<sup>87</sup>

The book successfully debunks the intoxicating view (widely held at the time in the labour movement and one which is far from extinct) that in the Accord/Hawke–Keating period we had found the secret to adapting post-war social democracy for the modern age. Did we, or didn't we? Ironically, it is more common within the labour movement to defend the Hawke–Keating period now than it was in the immediate aftermath of John Howard's 1996 defeat of the second Keating government. Certainly, some of the commentary is ahistorical, particularly the widespread fallacy perpetuated, even by some union leaders, that the employers were party to the Accords. Whatever is the answer to that question, a present-day union leader who does not read Humphrys' book, ponder it carefully, and debate it with colleagues is, in my view, not doing the job required of them.

My reactions to the book were in almost equal parts emotional, practical and intellectual, because I am a political and personal product of the Accords and I have spent my working life wrestling with their consequences as an organiser, industrial officer, policy specialist and ACTU leader. While not a full-time union official anymore, I still work with unions in both the public and private sectors. The book's effect on me was fundamentally rooted in knowing that in all probability I would have made roughly the

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87. Humphrys, *How Labour Built Neoliberalism*, 130.

same decisions in roughly the same sequence if I had been there and had my hands on the levers at the time. Guilt, if you like, by association.

*How Labor Built Neoliberalism* is, in an important way, the theoretical and macro-historical companion volume to the book by my Per Capita colleague, Dr Dennis Glover, entitled *An Economy is not a Society*, which documents the Accord-era destruction of the community of Doveton in suburban Melbourne where he grew up.<sup>88</sup> There are brutal but inescapable truths in these two books for the labour movement.

First, they document (in different ways) how many of the working-class communities and the union institutions that were an essential part of their social fabric, ended up as something akin to desiccated husks, blowing along in the political and economic wind and, in some senses, growing less functional by the day. Emblematic of this decline, perhaps, are the northern Adelaide suburb of Elizabeth and the AMWU. Early in her reign, Queen Elizabeth II visited Elizabeth and opened a car factory, set amid neat and affordable working-class homes. When her grandson visited last decade, he visited a drop-in centre for the long-term unemployed. The Australian car industry is no more. Humphrys appropriately focuses significant attention on the AMWU in her book. A traditionally militant and communist-influenced union, the AMWU was one of Australia's largest and most powerful. It was the custodian of the award rate for a fitter and turner in the metal trades, the job classification around which the entire Australian system of centralised wage fixing revolved. This union also produced intellectual and industrial leaders who profoundly influenced the labour movement. Today, in many industries, modern award rates are largely irrelevant and, where they are relevant, are largely ignored via wage theft. Today, the AMWU is not among the largest of Australia's unions and, while it still has fine officials and activists doggedly pursuing the interests of manufacturing workers, it no longer plays the leadership role it once had in the union movement as a whole.

Second, the books make a persuasive case that we (that is, the entire labour movement) vastly underestimated the extent to which unions were fundamentally unprepared, not just for the changes required by the Accords, but for the changes that came from related policies and the behavioural changes by capital that became inevitable as a result. These changes include the resources and skills needed to implement enterprise bargaining successfully and the increasing anti-union turn of business. The import and future impact of decisions made in the Accord period were often not understood, or were underestimated, even by the most senior participants. The labour movement changed our society, with mostly good intentions, but in a way that had profound and deleterious effects on our own movement's institutional power.

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88. Dennis Glover, *An Economy Is Not A Society: Winners and Losers in the New Australia* (Melbourne: Black Inc., 2015).

The essential question posed by Humphrys' book is where did the Accords end? The answer I give as a unionist and activist is nowhere particularly good. In retrospect, it is arguable that, unintentionally (Keating and perhaps some others are exceptions to this) but nevertheless inexorably, the Accords ended in *WorkChoices* and subsequently in the milquetoast sensible centrism of the *Fair Work Act 2009*. Labour market deregulation developed a political momentum from its own internal logic that was unstoppable.

What started as macroeconomically justifiable, and maybe even necessary, collective wage restraint in return for a social wage dividend ended in bargaining atomised to the individual level, social wage improvements be damned. In the last year of *WorkChoices*, around 1,000 workers per day were being put on statutory individual contracts, usually as a take-it-or-leave-it offer as a condition of employment. Around 70 per cent of these individual contracts removed shift loadings and annual leave loading, 65 per cent removed penalty rates, half removed public and overtime pay, and nearly a third removed rest breaks.

And where are we now under the Fair Work system? Wage theft is endemic. Wage growth has been at record lows for years on end. Militancy is close to extinct; a worker is more than 15 times more likely to get injured at work than to go on strike. Most unions are weak. Industrial disputes are at record lows – lower even than under most of the *WorkChoices* period.

But some context is required. As the book documents with diligence and precision, the Accords did not emerge to destroy some prelapsarian working-class idyll. People, I think, often do not know or forget about how bad things were: the incoming Hawke government faced an environment of low growth, low investment, low profit, falling real wages, high inflation, high interest rates, high unemployment, and high tariffs. The oil shocks of the late 1970s, while very important, were the least of Australia's problems. In 1981, business overdraft interest rates rose to over 30 per cent with John Howard as Treasurer. Both inflation and unemployment were in double digits. Meanwhile, GDP grew at under 1.5 per cent per annum. Union leaders became tired of chasing wage growth against surging inflation and barely, or sometimes not even, keeping up.

On the other hand, criminal tax avoidance for the wealthy was a major industry abetted, ironically, by a trade union, the Federated Ship Painters and Dockers Union, who lent members' names to directorships for "bottom of the harbour" schemes. Only three in ten children finished high school. The Fraser government had repealed Whitlam's proto-Medicare and only 20 per cent of private sector workers had any superannuation. Singaporean Prime Minister Lee Kuan Yu's 1980 line that we were becoming the "white trash of Asia" was frankly pretty accurate. Australia had an artificially high currency pegged to the Trade Weighted Index, and a protected semi-autarkic

domestic manufacturing sector that sat alongside commodity exports and capital importation.

It was into this world that the Hawke government and the Accords were born – an environment of economic crisis and the very recent memory of the Whitlam experiment. Context matters. Change was coming: the world was leaving Australia's old order behind it. Decisions were needed for change from which real people would benefit. The question was if a fairer and stronger society would be built and would a broader social dividend be paid on these disruptive and destructive "reforms" or not? The way those decisions were taken mattered – the values of the people who took them mattered. To my mind, had Fraser and Howard or their ilk presided over the 1983–96 transition, things would have been infinitely worse for working people than the result under Hawke–Keating.

In the end, however, an argument that the other side of politics would have been worse is deeply unsatisfying and intellectually dishonest. Much of what happened under Labor was clearly bad. Exhibit A is the terrible recession of the early 1990s that saw the destruction of whole industries (including some, like the car industry, that limped along into the new century), communities and social democratic institutions. Transition was managed poorly, and the argument that "laid-off factory workers got better jobs" belies the evidence of regional and demographic breakdown of unemployment, welfare dependency and poverty. A more fundamental reckoning with the societal legacy of the Accords is needed.

In my view, the 1980s reformist project has run its course, with the consequences of its inherent neoliberal logic clear in policy areas as diverse as Australia's dysfunctional labour market, our largely non-existent climate policy, and the design of the National Disability Insurance Scheme. The project now necessary for the labour movement is to deal properly with the residual legacy of the Accord period and to decide what is next. As Gramsci wrote in the *Prison Notebooks*, "The crisis consists precisely in the fact that the old is dying and the new cannot be born; in this interregnum a great variety of morbid symptoms appear."<sup>89</sup>

For me as a unionist, the challenge posed by *How Labor Built Neoliberalism* is how we ought to use the lived experience of the Accords to determine a future agenda for working people. To return to Keating's analogy of rotten teeth, the question is: What are the lessons to be learned and what is the way forward from the experience of the union movement as we hold our collective mouth open for the pliers?

First, it is necessary for the labour movement, and unions in particular, to acknowledge our collective responsibility for a range of the morbid

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89. Antonio Gramsci, *Selections From the Prison Notebooks* (London: Lawrence & Wishart, 1971), Q3 §34, 276.

symptoms that continue to blight Australia. The Accord era gave us labour market deregulation, privatisations and the individualised, casualised and outsourced economy we now inhabit. We did much of this to ourselves, even if the job was taken up with relish by subsequent Coalition governments.

The second lesson is that Hawke and Keating viewed social democracy as premised upon harmony between labour and capital. That is not an argument without force but can have the explanatory power to inform the practical program of a centre-left party only if capital is up for the deal. An important legacy of the Accords is that we were unilaterally disarmed with no concession whatever from capital. The evidence of the Accord period and since (as evidenced by disputes at Mudginberri, Robe River, Dollar Sweets, Patricks and so many others) is that Australian capital is unwilling to reach an accommodation with organised labour. Indeed, it is, and remains, committed to its destruction. This is why, absent of any major new organising and rebuilding power initiatives, I find the current push within some labour circles for “workers on boards” to be quaint and frankly pointless. The co-determination model in Germany and elsewhere was a product of a moment in time – a period of organised power, and of the need for post-World War II capital to make an accommodation with organised labour as a bulwark against, if not communism, then at least against a very muscular socialism. But now, in Australia? What, for example, would a worker on the National Australia Bank board be able to do?

Third is the fact that the labour law changes made as part of the Accord have been about ensuring what in the period leading to the adoption of the *National Labor Relations Act* in the USA was called “labor peace.” These changes were explicitly not to facilitate big gains for workers or new organising but rather a response to what capital rightly saw as a crisis. The proper translation of “labor peace” is “extinguish militancy.” Just as that US statute in the 1930s was a response to widespread militancy in the form of sit-down strikes by Congress of Industrial Organisations-aligned unions, the Accords (bolstered by earlier changes outlawing secondary boycotts) were a response to 1970s militancy and redesigned Australian industrial law to limit solidarity between different groups of workers and curb the scope for new organising. The Australian Building and Construction Commission laws that apply to commercial construction is where the mask slips: they are obviously and explicitly committed to the extermination of the construction unions by making basic organising next to impossible.

The reality is that most Australian workers, except those at certain economic choke points and in industries with relatively low net labour costs relative to capital investment, will always struggle to win big gains at a firm level. An urgent task for the union movement is to reimagine labour law as one that is expressly permissive of industrial conduct, promotes the building of solidarity between groups of workers both within and across

industries, and which facilitates organising at scale. Industrial law needs to not be about keeping workers quiet but about amplifying their voice.

Fourth, it is a sad truth that unions are, in almost all cases, still structured to exercise the power we had before and during (at least the early part of) the Accords. For the most part, unions are still not structured to build the power working people so desperately need to win, but rather are structured around forgotten power. Unions are fundamentally about aggregating the power of people and a small portion of their money. So much of the way unions are structured and governed divides as much as it aggregates. The formation of the United Workers Union, which has a unitary national structure, which is organising nationally along industry lines and which has dedicated itself to building solidarity between different groups of workers, is a beacon of hope.

Finally, we must absorb the lesson that we need the union movement for the economy we have, not the one we used to have, or the one for which some might pine. The reality is that a bloke with a tool is not representative of today's Australian unionism or even our economy. The reality is that most of the strongest unions we have are women-dominated and in sectors like health and education, and generally (but not only) based in the public sector. This is an enormous strength for the Australian union movement. And just as the US United Auto Workers Union, under the leadership of its visionary president Walter Reuther, supported the formation of new unions in the public sector using the large resources of that union, we must find a way to support organising amongst the vast proportion of the Australian workforce who so desperately need a union from the coffers of our existing organised workforce. As public sector workers in places like Wisconsin have found out, unionised workforces struggle to survive as isolated islands of collective bargaining "privilege."

*How Labor Built Neoliberalism* is a scholarly, erudite and persuasive account of Labor's neoliberal turn and of the Accords. It should be widely read by labour historians, political economists, unionists and Labor politicians.

### **Rejoinder: Elizabeth Humphrys**

It is an unexpected delight to take part in this roundtable on my book *How Labour Built Neoliberalism*. As anyone who has written a book is aware, you do not know how it will be received after it is released into the world. You hope it will find an audience – or better yet interlocutors – beyond those academics who are expert in the area. Luckily, I have been delighted by the response to the book and challenged by those who disagree or want to debate some of the more controversial and uncomfortable things it raises. The four authors who subjected the book to critical analysis in this journal