

Australian government proposes new “Accord” between business and unions

By Patrick O’Connor
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Australian Prime Minister Julia Gillard has proposed a new “national economic reform panel,” with representatives from the Business Council of Australia—the lobby group for Australia’s largest 100 corporations—and the Australian Council of Trade Unions (ACTU).

Modelled on the “Accords” of the previous Hawke and Keating Labor governments of 1983 to 1996, the panel is to serve as a mechanism for imposing a new wave of pro-business restructuring measures against the working class.

The Labor Party has been in office since 2007, but only now has there been a move for an updated version of the Accords. The timing points to the growing concern within ruling circles about the international competitiveness of Australian capitalism amid a worsening global economic crisis and a slowdown in China that has hit the boom in mineral exports.

The “reform panel” initiative was first proposed by Business Council of Australia (BCA) president Tony Shepherd during the organisation’s annual dinner last Thursday. “My plea to you tonight, as you enjoy your meal and the good company in the room, is that whether you are from business or government or opposition, the union movement or the community sector, that you don’t see other people here, or the groups they represent, as combatants,” he told the assembled corporate executives and politicians, including the prime minister. “In the days of the Accord, different sectors were able to agree on a common purpose and a plan to foster productivity, competitiveness and growth ... There is no reason we cannot do this again.”

The “common purpose” advanced through the Accords centred on a sweeping offensive against the social position of the working class. In 1983, after the

Labor Party was elected to office under Bob Hawke, an economic summit involving the ACTU, individual unions, state governments, big business and social welfare organisations was held, leading to the so-called Prices and Incomes Accord. Its central purpose was to suppress all resistance within the working class to a coordinated government-business-union drive to slash wages, boost corporate profits, and engineer the same regressive restructuring measures that were being implemented under President Reagan in the US and Prime Minister Thatcher in Britain.

The trade union bureaucracy played the instrumental role in breaking up the main centres of working class militancy. The unions enforced the destruction of tens of thousands of industrial jobs, isolating and betraying every strike, and destroying any form of independent rank-and-file activity. The result was an unprecedented rise in social inequality, with average real wages declining between 1983 and 1996, and a parallel redistribution of national income toward corporate profit.

Now the BCA is again calling in the industrial police as the major corporations prepare to cut workers’ real wages. There is a growing chorus of complaint within business circles that labour costs in Australia are far too high, not only in sectors such as manufacturing, which is in severe recession, but also the previously booming mining industry. The mining giants have declared that labour costs in Australia are 30 percent above those in other advanced capitalist economies like the US, and many times higher than the emerging low-wage mining centres in Africa and Asia.

The unions immediately responded to the BCA’s appeal. ACTU secretary Dave Oliver noted that the unions already collaborated closely with different sections of business.

“There is common purpose,” Oliver told Australian Broadcasting Corporation radio. “Over the last five years, there has been different groups that have been established to look at issues over different industries.” He pointed to examples where “we’ve had employers, governments, and unions sitting in rooms working together to deal with the big ticket issues”—specifically naming the steel, textile, automotive and manufacturing sectors. Workers in these industries have been among the hardest hit in recent years by mass layoffs, plant closures and attacks on their wages and conditions. The unions are now offering their services to extend these attacks across the economy.

In her speech to the BCA dinner, Gillard boasted that she had delivered on behalf of the “small government advocates in the room”, slashing \$14 billion in spending from this year’s budget and “making a \$51 billion difference in a decade.” Declaring there was “nothing inevitable” about delivering the necessary economic restructuring, she then emphasised: “If Labor lost the 1983 election, those changes wouldn’t have happened when they needed to. It’s that simple.”

The clear message was that Labor, by using its close relationship with the unions, could deliver for big business and finance capital where the opposition Liberal Party could not.

In subsequent letters to the BCA and ACTU, the prime minister declared that the proposed panel would aim “to build consensus for important reforms.” Gillard continued: “Hard reform requires co-operation with all aspects of the economy, dedication towards the task of reform and respect that we all seek a common goal—a secure and better future ... This group will deliver community consensus and concrete outcomes as the government implements the Australia in the Asian Century white paper.”

The concept of an “Asian Century”, as the *World Socialist Web Site* noted upon the release of the government’s white paper, is being used as the ideological justification for the Labor government’s ruthless austerity agenda, which is aimed at gutting public spending on welfare, health, education and other social services. Those sections of workers that attempt to defend their interests, against what Gillard euphemistically describes as “hard reform”, will be immediately condemned as “selfish” and “unpatriotic” and targeted for repressive measures.

The unions’ enthusiasm for the revived Accord underscores the fact that workers, as they seek to resist the onslaught being prepared, will confront no more bitter enemy than the privileged bureaucratic layer in charge of these pro-corporate apparatuses.

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