

# WORKERS, TRADE UNIONS & INDUSTRIAL DEMOCRACY

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## INTRODUCTION

The most interesting feature of the Industrial Democracy Conference is that it is being held in a time of economic crisis. In Australia the main impetus for industrial democracy arose during the late 1960's-early 1970's, a time of economic boom conditions and full employment (unemployment was around 1 percent for most of this period and even fell below that figure for some of the time). During this period absenteeism, labour turnover and industrial disputation reached record levels. Management needed new methods to eliminate these features in the workplace. Workers were sick of alienating and inhuman production lines, filthy factories and low wages, they voted with their feet, followed the highest pay and stayed away from work often.

Given the reality of these developments it became increasingly apparent, at least to the more farsighted members of the employing class, that new methods of workplace control were required.

Basing themselves upon the seemingly promising experience of a number of capitalist countries in Western Europe where industrial democracy was in vogue, they sought to implement a similar policy here so as to defuse working class militancy.

Essentially the object of the employers was to change the manner in which they administer the workplace from an authoritarian dictatorship to rule by consent via the techniques of workers' participation. However, in times of crisis and high unemployment workers have to accept what employment is available and behave themselves in it.

In the now changed economic climate the enthusiasm of employers for any substantial change has almost disappeared.

## BRIEF HISTORY — SOUTH AUSTRALIA

### (a) 1972-1975

The initial framework of government policy was established after a committee of enquiry set up in 1973 handed down reports dealing with worker participation in the public and private sectors. The emphasis of the reports was on job enrichment, making the job more interesting, reducing boredom and introducing job consultation.

It is important to note that these concepts of worker participation were (1) seen by some sections of management as reducing absenteeism and raising productivity, and (2) the reports had little to say about the role of trade unions and shop floor organisation. The main thrust of the policy was on better communication between employers and workers.

(b) 1975-1976

By the middle of 1974 a number of unions had raised their concern at both the policies of the Quality of Work Life Unit (the body responsible for implementing government policy), and the practice of the Unit, which seemed to be biased towards management. The government then adopted the Working Environment Committee Report in 1975. The Report had been drawn up by an A.L.P. subcommittee and had suggested legislative change in the following areas:

- (1) recognition of basic trade union rights;
- (2) recognition of rights of shop stewards to carry out union business;
- (3) legislation relating to job security;
- (4) the single channel of representation;
- (5) education facilities to equip unionists with the background knowledge of some of the ideas behind the term "industrial democracy".

(c) 1977-1978

The third and final phase has seen the retreat of the government under sustained employer opposition to the recommendations of the Working Environment Committee Report.

A tripartite committee consisting of employer, union and government representatives has become an important part of the policy-making function together with the now renamed "Unit for Industrial Democracy". The committee's approach has been one of stressing the mutual advantages of industrial democracy to employer and worker, but without tackling the recommendations of the 1975 A.L.P. Report. More recently it has been announced that there will be no legislation on job security or access to information, by workers and their representatives.

The progressive ideas behind the 1975 A.L.P. Report appear to have been discounted and in their place a much more cautious approach adopted by the government.

A BOSSES' PLOT OR A TOOL FOR WORKERS' CONTROL

Is industrial democracy a capitalist tool for more successfully integrating workers into the system and raising the rate of exploitation so that profits and productivity shoot upwards? As part of this process absenteeism and labour turnover rates would drop and a happier work force would contribute to the greater welfare of private enterprise.

Or is industrial democracy a trade union tool aimed at strengthening the power of the workers? This would challenge the power and control that management presently has.

In South Australia the history of industrial democracy contains both of these characteristics. However, the basic feature of industrial democracy has been the desire of the Labor government to increase the efficiency of industry while at the same time increasing job satisfaction of workers. The Labor programme aims at producing benefits for the total community, however, it does not challenge the basic rights of control and exploitation by the employers.

Industrial democracy can be used to cut down the power and structure of the union movement. Many examples in private enterprise demonstrate this point. In these circumstances greater productivity and profits are the aims and this is achieved through the white-anting of the union movement. However, industrial democracy is a two-edged sword and can be used to make gains for the working class. Specifically it can be used to build the strength of shop floor organisation which in turn can lead to greater workers' influence and control in the production process.

## THE PRESENT

In the past few months much confusion has developed. There has been a concerted attempt by the conservatives to discredit the Labor government which is a part of their attack on the Labor Movement. Partly as a response to this it appears that the Labor government has retreated on several key issues. The idea of worker representatives on boards has been scrapped and there will be no legislation on issues such as job security and access to information, with which the employer must comply.

It has been announced that the policy of the government is no longer the working environment report which was produced in 1975. In rejecting this document the government has committed itself to the policies of the tripartite committee which consists of bosses, union officials and public sector representatives.

It is obvious that within this general trend no new gains will be made by the Labor Movement. Rather we will be stuck with the old forms of joint consultation, job enrichment and job redesign which are basically a tool for improving the efficiency of industry.

At present there are two aspects of this situation which are particularly important to trade unionists. The first concerns ideas and attitudes, and the second, the concrete situation of the workers and their unions.

Early in the development of industrial democracy in South Australia, the attitude of trade union officials was either disinterest or hostility. In the latter case it was often accompanied by an intention to 'boycott' industrial democracy. However, because of developments at the political level and the continuing work of the Unit for Industrial Democracy and also because of the activities of some sectors of the employers, in introducing industrial democracy schemes the problem is unavoidable.

Consequently attitudes have changed. Most union officials now accept the need to be involved in order to safeguard the interests of the workers and their unions.

The change in attitude has two sides. Involvement does not necessarily mean acceptance by those involved of any particular approach to industrial democracy. It does presume that there must be an approach though.



The original ideas of the trade unions on the question of industrial democracy are revealing. They reveal the fundamental conflict of ideas over industrial democracy between the unions and the bosses.

The employers have traditionally viewed industrial democracy as a different method of organising the workplace but still under their control. They anticipate some concessions to the workers by way of consultation on decisions and perhaps some changes to improve the physical environment of the workplace. However they jealously guard their right to make the final decisions, in particular, the right to hire and fire. Furthermore, they expect increased productivity from these changes by way of improved output, less absenteeism and less industrial disputation. At the most they also expect a weakening of union organisation in the workplace as industrial democracy channels replace the union as the method of dealing with grievances. It is important to note that the leading employer advocates of industrial democracy are the top executives of large companies where union organisation is strongest.

Naturally the unions saw little value in participating in such a programme. It could not be ignored though because of the risks involved, and because of the inclination of the employers to pursue the programme. It had to be opposed. Opposition should be constructive.

The unions' opposition had to be and is grounded on different ideas of industrial democracy. The principle of these ideas is that employees should have the right to secure employment. (What purpose would schemes of industrial democracy have served the 1,100 retrenched Chrysler workers if they had no right to control their own employment?) Further the trade unions aim to transfer power to workers themselves so that the bosses do not hold the ultimate veto. This it is proposed should be done through the existing union structure in the workplace through shop stewards, committees and the like. For this purpose it would be necessary to protect and develop union organisation in the workshops. Most of these ideas are reflected in the Working Environment Committee Report of the A.L.P. Convention 1975. This concept is generally referred to as the "Single Channel of Representation".

The concrete circumstances of union organisation are the major problems facing workers confronted by this new development of industrial democracy. Because of their inadequate resources the unions cannot progress far on their own toward creating an awareness of a broad nature amongst the shop stewards and their membership of the complexities of industrial democracy. Because industrial democracy is more a body of ideas rather than established fact or practices, it cannot be quickly and easily understood. This offers an opportunity for the bosses who are well-equipped to push their sets of ideas of industrial democracy onto the workers at large.

There are two leading groups in the development of industrial democracy. The Unit for Industrial Democracy and the Tripartite Industrial Democracy Committee. These two groups function very closely with one another. The tripartite committee is in fact a creation of the Unit for Industrial Democracy. The aim of the Unit in creating the tripartite committee was to create a 'consensus' amongst leading personalities in industry, government and the unions. The members of this committee are not elected in any way but chosen by the government on the advice of the Unit.

One of the basic elements of a 'consensus' type approach to any problem is that once serious divisions occur amongst the group they must be placated or the whole consensus fails. This is a big problem for the trade unions. Because of their political affiliation with the government and loyalty to it, it is difficult for them to take strong positions in a consensus approach because if these strong positions cause division the whole government strategy would have to be altered at some embarrassment to their own political party. On the other hand, the bosses who owe no political loyalty to the Labor Party and in some if not most cases are

hostile to it, can afford to take such strong positions and gain concessions. This is exactly what happened recently. The Premier made a speech interstate promising legislative action on industrial democracy. The bosses organised a lot of pressure demanding he reverse his decision and threatened to destroy the consensus approach to industrial democracy by withdrawing from it. Because the government had invested too much political capital in the consensus approach it had no choice, the Premier altered his stated intentions.

The ultimate failure of the consensus approach is built in. Because consensus is held out as the way to proceed, legislation to force employers to come to the party can be prevented by the employers refusing to be part of the consensus. Then if legislation is adopted it is seen to be implemented without the consensus which the government itself deemed necessary. Therefore what will be achieved by consensus is only what the employers are prepared to concede. As any unionist knows, all of the conditions which workers enjoy (for example, annual leave and sick leave) were won by coercion and not one major condition was ever in the history of Australia conceded by the employers.

One of the causes of the emphasis on consensus is the institutional nature of the Unit for Industrial Democracy. The "Unit" operates at both personal (the people who work there) and institutional levels. In the latter case it is very much a part of the status quo. Its staff are permanent public servants and it is part of a public service department. Its object however is to complete an overt and even controversial political task. To avoid becoming the target of any of the contenders in this matter it seeks to survive by developing consensus upon its tasks. This appears eminently reasonable at first glance; however, the survival of the Unit\* tends to become an end in itself and its public service characteristic a cushion which can be used to avoid sitting on the very prickly problems of industrial democracy proper. Like all things though, the Unit has both real and potential usefulness to the workers and their unions.

The present situation is a gloomy one for the workers unless the Labor Movement can regain the offensive and makes specific commitments based on the recommendations of the Working Environment Report.

## THE FUTURE

Under these circumstances then what should be the policy for workers, shop stewards and the unions?

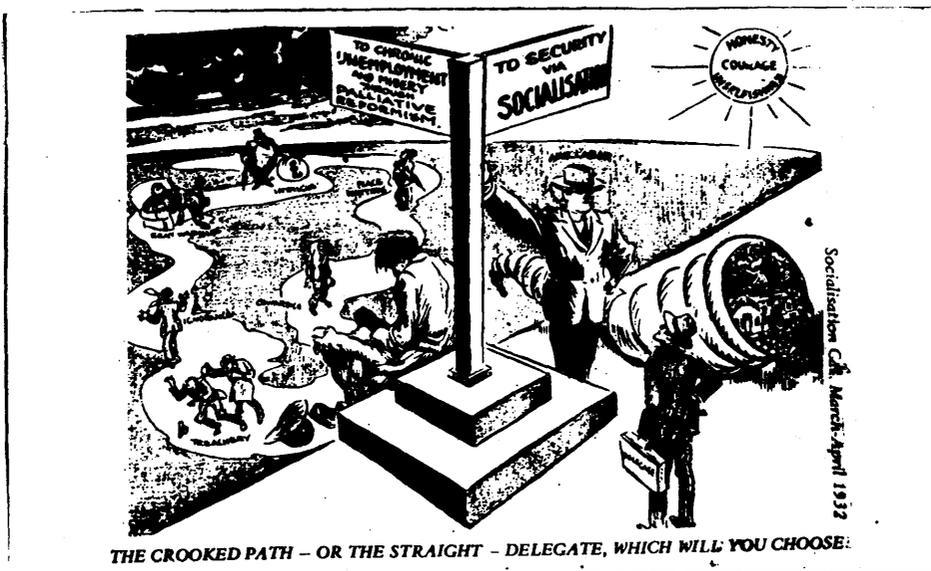
The starting point should be to press for the legislative implementation of the recommendations of the Working Environment Report which are set out below.

### Individual Workers

1. All workers must be guaranteed right to union advice and representation in all disciplinary matters.
2. No dismissal may take effect for three (3) weeks after the notice of dismissal has been communicated to the worker and his/her union representative in writing. This notice must include the grounds for the dismissal.
3. No worker over 45 years of age may be dismissed merely by reason of his/her age. Suitable alternative employment must be provided by the employer.
4. No worker may be dismissed by reason of involvement in union or civil duties or by reason of marriage or pregnancy.

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\*This is not meant in the sense of physical survival but survival as an influential force in the decision-making process with the consequent prestige and status, etc.



5. No worker may be dismissed by reason of health, mental or anti-social problems which require lengthy rehabilitation.
6. The Master and Servant Act should be removed from the Statutes.

#### Redundancies

7. Decisions to declare workers redundant are not taken in a short period. If workers are to be protected from arbitrary redundancy they must be guaranteed access to information (see Section 3.4 below). They must also be given minimum periods of notice and it should be incumbent upon the employer to enter into negotiations justifying proposed redundancies.
8. Minimum redundancy payment scales must be legislated by government (both State and Australian) in relation to both the length of service and age-minimum of four weeks' pay for each year of service.

#### Shop Stewards

9. Legislation should be introduced to require employer recognition of shop stewards subject only to union accreditation and membership endorsement, and to provide additional protection from arbitrary dismissal.

#### Trade Union Rights

10. In order to facilitate the objective of developing a single channel of representation it is important to extend trade union rights. This involves the following provisions.
11. Trade union safety representatives to be granted statutory powers of access to premises and power to take appropriate action to ensure the safety of union members.
12. Trade union officials should also have extended rights to meet members and shop stewards during working hours on the job.
13. Access to information is another important area for extending trade union rights. Information should be required by legislation in the following areas:
  - (i) employment and remuneration;
  - (ii) control;
  - (iii) development, production and investment;
  - (iv) cost, pricing and profit.

14. Membership subscriptions may be withdrawn from wages upon the request of the union or its members without commission.
15. Shop stewards are to be provided with information about new starters and an opportunity for interviewing them in working hours.
16. Facilities for shop stewards must be upgraded. A shop steward must have a locker and desk, relative freedom of movement, interviewing place, access to the internal postal system and to telephones.

### Trade Union Training

Courses conducted by the Trade Union Training Authority or by individual unions ought to be encouraged by extension of paid study leave by legislation. This should be in line with the 1974 A.L.P. Convention Resolution.

The building blocks for industrial democracy should be workers' control over the right to hire and fire, security of trade union rights in the workplace and a single channel of representation through the unions.

The tripartite committee should not be seen as a policy-making body as the bosses gain more from this consensus approach for reasons explained previously. Policy should be determined through the trade unions such as was done in the case of the Working Environment Report.

The unions need to catch up with the level of development of the bosses, particularly at the workshop level. For this task resources are required, assistance should be provided by the government (for example, education programmes for shop stewards, publications, etc.) but under the direction of the unions themselves. If the government wishes to pursue industrial democracy with the employers and the unions it must ensure that both parties are equally placed to proceed.

The ultimate aim of industrial democracy should be to remove the absolute control exercised by management and place it in the hands of a democratically elected apparatus in the workplace. The Unit for Industrial Democracy should develop models of factory organisation which would be viable in Australia to give effect to this aim.

If the union movement is to make gains they must take the initiative and recognise that industrial democracy is an industrial issue. Industrial gains are made on the basis of protracted negotiation, bargaining and struggle. The minimum wage and the forty-hour working week were achieved through such action. Similarly these techniques will have to be used if industrial democracy is to provide benefits.

### IN SUMMARY, THE DEMANDS SHOULD BE:

- Legislation to implement the Working Environment Report.
- No more indiscriminate sackings. Legislate for decent redundancy provisions.
- Expand trade union rights, the right to organise, facilities on the job for shop stewards, shop stewards' rights, no victimisation of any kind.
- Full access to information.
- A single channel of representation through the trade unions for industrial democracy purposes.
- The tripartite committee to revert to an advisory role.
- Policy to be made by the unions and their members.

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