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TRADE UNIONS & ECONOMIC  
RESTRUCTURING:  
STRATEGIC UNIONISM IN THE  
CLOTHING INDUSTRY

*Chris Briggs*



MONOGRAPH No. 11

# **Trade Unions & Economic Restructuring: Strategic Unionism in the Clothing Industry**

**Chris Briggs**

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# Abbreviations

AAM	Australian Apparel Manufacturer
ABS	Australian Bureau of Statistics
AFR	Australian Financial Review
ACAC	Australian Conciliation and Arbitration Commission
ACM	Australian Chamber of Manufactures
ACTU	Australian Council of Trade Unions
ALP	Australian Labor Party
AMC	Australian Manufacturing Council
AMFSU	Amalgamated Metals, Foundry and Shipwrights Union
AMWU	Amalgamated Metalworkers Union
ATFWU	Australian Textile and Footwear Workers Union
CAD/CAM	Computer aided design/ Computer aided manufacture
CATU	Clothing and Allied Trades Union
CBT	Competency Based Training
CISG	Clothing Industry Sectoral Group
DEET	Department of Education, Employment and Training
DITAC	Department of Industry, Technology and Commerce
FC	Federal Council
IAC	Industry Assistance Commission
IICS	Incentives for International Competitiveness Scheme
IRC	Industrial Relations Commission

JIT	Just-in-time
JWP	Joint Working Party (TCF Award Restructuring)
MEWU	Metal and Engineering Workers Union
PBR	Payment-by-results
RT	Ragtrader
SEP	Structural Efficiency Principle
SMH	Sydney Morning Herald
TCF	Textile, Clothing and Footwear
TCFCA	Textile, Clothing and Footwear Council of Australia
TCFDA	Textile, Clothing and Footwear Development Authority
TCFIC	Textile, Clothing and Footwear Industry Council
TCFITC	Textile, Clothing and Footwear Industry Training Council
TCFUF	Textile, Clothing and Footwear Unions Federation
TQM	Total Quality Management

# 1. Strategic Unionism - An Introduction

## INTRODUCTION

In the early - to - mid 1980's, a paradigmatic break was heralded to have taken place within the Australian union movement. The union movement was held to have thrown off the shackles of 'labourism' and embraced the 'new unionism', alternatively connoted as 'strategic unionism' or 'political unionism'.<sup>1</sup> More specifically, there was an attempt to move beyond a circumscribed and stultifying preoccupation with the achievement of better wages, conditions etc through industrial means in the labour market to pursue a more diversified range of goals. A key element of this 'new unionism' was the emphasis placed upon 'interventions' to shape industry development. This development in union thought and practice was especially novel in two respects. Firstly, it demonstrated a degree of purposive action previously unknown in Australia. Secondly, the strategy was based on the premise that the union movement could be empowered by engaging in the 'politics of production' as well as the 'politics of distribution'. This, it was confidently asserted, 'lies in the logic of an ascendant union movement' (Ewer et. al. 1987:117) and proponents held up the Swedish union movement as a model the Australian union movement could emulate.<sup>2</sup>

Now, almost a decade since the Accord and the era of 'new unionism' was ushered in, the largely disappointing results have prompted a drastic reappraisal. The assessment of the potential for unions to influence industry development (especially through industry policy) amongst key advocates such as P. Ewer (Ewer et. al. 1992) and W. Higgins (1991) has radically changed: after the almost giddy optimism of the early years of the Accord, a deep-set pessimism has set in.<sup>3</sup>

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1 This paper will generally adopt the term strategic unionism. Not out of ideological preference or any other such reason but because whereas political unionism refers to attempts to intervene in the political arena - especially in the formation of industry policies - strategic unionism is a broader term which also incorporates initiatives outside the political arena. Political unionism will on occasions be used to refer to strategies which centre upon the political arena.

2 Strategic unionism enthusiasts placed particular emphasis on the extensive role of Swedish trade unions in initiating industrial policies to promote full employment, dynamic and equitable structural change etc.

3 Even to the point where one of the authors of Politics and the Accord - C.Lloyd - is leaving for South Africa because he can't see any prospect of progressive change in Australia.

It is hard to escape the suspicion that just as the excessive optimism in the early years of the accord occasionally bred a lack of analytical rigour and led advocates to underestimate the forces lined up against strategic unionism, this reversal threatens to prematurely foreclose or restrict debate on industrial labour's forays into industry development. In particular, the debate has been fixated with the metal unions (especially the AMWU). There have been few attempts to study the experiences of other unions, to construct empirical analyses which might inform explanations of the fate of union interventions with greater depth and precision. Nor has there been much consideration of whether the 'new' unionism offers a strategic model of general applicability which is capable of incorporating other less powerful unions and the frequently marginalised workers they represent (the prime examples are of course unions with high percentages of women and/or migrant workers). To the extent that commentators have sought to locate analyses of industrial labour's attempts to shape industry development in the experiences of the ACTU and the AMWU, it is hypothesised here that understanding of union strategy and its consequences during the 1980's remains partial. This study of the Clothing and Allied Trades Union (CATU) represents an initial attempt to begin to fill this lacuna

This chapter undertakes an introductory discussion of the 'theory' and 'practice' of strategic unionism as it relates to industry development. The first section enumerates the different elements of strategic unionism and attempts to demonstrate the manner in which advocates of strategic unionism have conceptualised union practice during the 1980's. The second section surveys interpretations of strategic unionism in practice in order to form a basis for the empirical study.

## WHAT IS 'STRATEGIC UNIONISM'?

As befits a label which is commonly purported to singlehandedly capture that which is novel about union strategy during the 1980's, 'Strategic Unionism' has become something of an umbrella term which encapsulates a diverse range of ideas, stratagems and goals. The ACTU's shorthand definition of strategic unionism in *Australia Reconstructed* - "a tendency for unions to go beyond a narrow focus on wages and conditions" (1987:169) - has passed into common usage.<sup>4</sup> However, this definition is so broadly framed, decontextualised and lacking in precision as to border on the meaningless. Strategic unionism is a multilayered response to the varied demands of the crisis confronting the union movement and needs to be understood in this context.

At its first and most rudimentary level, strategic unionism is merely the use of a more diverse range of instruments within the Australian union movement's traditional sphere of influence - the 'politics of distribution'. This is most evident in the operations of the ACTU during the 1980's. As S. Bell notes, "the ACTU has tended to define Accord politics around wages, taxation, superannuation and social

4 For instance, see Easson (1992:9); Singleton (1990:199); Burgess & McDonald (1990:53). In some cases, this is because strategic unionism is peripheral to the concerns of the article but all the same, it highlights the vague manner in which strategic unionism is commonly viewed.

wage issues" (1991a:130). Using its institutional links with the ALP and pivotal role in the wages system, the ACTU has been able to influence a wide range of policies which determine the incomes of working people. In this sense, strategic unionism is different in degree rather than kind from past union practice as it involves the use of previously inaccessible mechanisms to affect the same variable. In the *first instance* then, strategic unionism involves a more thoroughgoing or holistic approach to and involvement in the 'politics of distribution'.

A more novel development is the nascent concern with industrial regeneration - 'the politics of production'. This found concrete expression initially in the Accord and the AMFSU's interest in industry policy. Originally floated by Ralph Willis at the 1979 national ALP conference, the idea of a 'social contract' between the industrial and political wings of the Labour movement quickly gained momentum within the ALP. It appeared to be an ingenious solution to the twin demands of setting the union-party relationship on a new, more stable footing and the need to develop a 'third way' to solve the deepening economic crisis, in the face of the apparent bankruptcy of Keynesianism and monetarism.

The union movement was wary. However, confronted with the determination of the politicians and reeling under the attacks of the Fraser government in a deepening recession, they adjusted their strategies and conceded that a solution to the national economic crisis and the election of a Labor government were the overriding imperatives:<sup>5</sup>

that the AMFSU and the union movement more generally were prepared to contemplate an incomes policy which would involve voluntary restraint on wage claims is a measure of the severity of the crisis that they perceived (Stilwell 1986:8).

The AMFSU's interest in industry policy was sharpened by a fear that the Accord could emulate the British 'Social Contract' - that is, an incomes policy which became purely and simply a mechanism to ensure wage restraint (and ultimately collapsed ushering in a conservative government). The key to avoiding a repetition of the disastrous experience of the British union movement was perceived to lie in the development of interventionist industry policies to bridge the perilous and uncertain space between wage restraint and increased investment; to exert greater control over the level, character, and direction of investment to ensure that the sacrifices of wage-earners would not be squandered but instead translate into more internationally competitive industries capable of sustaining fuller levels of employment (Stilwell 1986:89; McEachern 1991:65). The ACTU's wages policy and the ensuing interest in industry policy among significant sections of the union movement were practical adaptations to an organisational crisis, but also signalled a nascent desire to participate in public and private economic decision-making: the

first step along this path and the *starting point* for that which is *truly novel* about strategic or political unionism is *the acceptance of the prime importance of economic renewal*.

For proponents of strategic unionism, the political leverage offered by the Accord in a period of economic crisis offered historically unique opportunities for the union movement to influence industry development. Recent scholarship has emphasised that resolving the fissure in the process of capital accumulation which lies at the core of economic crises requires more than a recovery of investment levels; recasting the economic and social relations of production is essential to resynchronise the 'circuits of capital' - that is, the labour process, labour market and product market - and produce the change in direction of industrial development that is necessary for the restoration of profitability (Tailby & Whitson 1989; Gourevitch 1986). Accordingly, as F. Stilwell notes:

An economic depression is thereby not seen simply as a reduction in the rate of growth of GNP, but as a period during which dynamic processes are set in motion: restructuring and/or relocation of capital, changes in the nature of work organisation, changes in market structure and so on" (quoted in Zappala 1987:7).

Advocates of strategic unionism emphasise several distinctive interrelated features of the current crisis. Firstly, the unprecedented velocity and scope of industrial restructuring (Mathews 1989; Higgins 1987:228; Ogden 1991:12). Secondly, the emergence of new technology and economic conditions - principally intensified competitive pressures and more volatile, segmented product markets - which are giving rise to generalised pressures for labour market reform and changes in work organisation to increase enterprise 'flexibility'<sup>6</sup> ("a general capacity of enterprises to reorganise in close response to fluctuations in their environment" [Streeck 1987:290]). Thirdly, to this end there are pressures for and a worldwide trend towards the decentralisation of national industrial relations systems (Locke 1991; Ogden 1991). The nature of the current turbulence is seen to generate confluence alternatively between the *single*, or more modestly, *one* of the means by which industrial renewal can be achieved and the goals of the labour movement (eg Higgins 1987:229; Botsman 1988:34).<sup>7</sup> In particular, it is seen to open up the

6 As is widely known by now, 'flexibility' is a loaded term encompassing a number of different meanings - there are several ways to achieve 'flexibility' as defined by Streeck. Boyer's schema identifies five types of flexibility: adaptability of productive equipment; 'labour polyvalence'; 'external flexibility'; 'wage flexibility'; 'freedom of management' (1987:109-10). Needless to say, it is the first two types that the labour movement is interested in promoting.

7 Critics have frequently accused purveyors of post-Fordism of technological determinism; that is, asserting that the dictates of new technology and product market conditions mean capital has no option but to adopt post-Fordist techniques (eg Fieldes & Brambles 1989; Flew 1989). Certainly there is a good deal of substance to this criticism. The best - or more accurately most extreme - illustration of this notion is to be found in the following euphoric passage by John Mathews: "trench warfare in the workplace, and the brutal suppression of individual aspirations by technologically-imposed drudgery, is just not efficient or productive: goods produced in this way are now too costly to compete. At last, the labour movement has history on its side. . . . Industrial democracy has now become a matter

possibility of a more democratic, humane industrial system which provides better remunerated and enriching work.<sup>8</sup> By rendering obsolete axiomatic propositions, political coalitions and industrial practices, this crisis - like its predecessors - holds the potential (even likelihood) " . . . to be (a) crucible for substantial social change" (Gourevitch 1984:360); the form which any resolution takes is not inevitable and predetermined, but instead is the outcome of the interplay between economic forces and political interactions (Mathews 1989; Tailby & Whitson 1989). In a nutshell, the political power of the union movement as embodied in a Labor government and the Accord means they are uniquely placed to take advantage of the prevailing economic flux to change the structures of industry and workplaces; *if*, they are able to shift from a 'defensive', 'reactive' posture where they seek to resist the dynamics of change to a 'proactive', 'interventionist' position where they seek to actively encourage and shape change (Ewer et. al. 1987; Mathews 1988:21; Mathews 1989).

The mechanics of how this transformation is to take place becomes clearer when attention is focussed on the two primary vehicles for strategic unionism in Australia - industry policy and award restructuring. Through selective interventions by the Labor government and institutional reform to define meaningful and independent roles for tripartite industry councils, the union movement hoped to exert greater control over investment flows (ACTU 1987:89; Boreham 1991:49; Ewer et. al. 1987:120; Mathews 1989:89). More specifically, by using the promise of state assistance and union commitment to workplace reform to exert leverage over the investment process, it was argued inter and intra-industry investment could be steered towards higher value-added, quality-oriented production which utilises flexible manufacturing systems (Bell 1991a:120-1; Curtain & Mathews 1990:60; Ewer et. al. 1987; ACTU 1990). Beyond investment, the industry councils were seen as a means by which trade unions could harness the labour movement's political power at the 'macro' level in order to insert themselves in decision making at the 'micro' level on a range of issues, especially with respect to technological change (Ewer et. al. 1987:141; Markey 1987).

From the mid-1980's, strategic unionism's hopes for 'workplace change' largely shifted to award restructuring. From the Accord III, in order to receive 'second tier' wage increases, unions have had to engage in productivity bargaining over award structures and work practices. For the ACTU, it was primarily a defensive ploy to defuse pressures for labour market deregulation. Supporters of award restructuring in the broader union movement were more ambitious. Award restructuring was another mechanism to further the project of industrial renewal, a more concrete and accessible point to influence restructuring at the enterprise level. The designs of

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of economic survival" (1988:20). It would appear however that these criticisms have had an effect on the parties involved, especially John Mathews. Witness his more recent pieces of work which are less insistent and more 'voluntarist' eg "It is the models of award restructuring . . . that determines whether flexibility, productivity and efficiency will be sought through the adaptability of a skilled and responsible workforce, or through further hierarchical control and intensification . ." (Curtain & Mathews 1990:62).

8 The contours of this argument have been reproduced ad infinitum and are not worth labouring over here. Briefly, if management is to fully realise the potential of new technology and achieve the productive adaptability necessary to respond to the challenge of producing high quality goods for 'niche' markets, a committed, independently functioning and multi-skilled labour force is held to be necessary or at least one alternative open to management.

strategic unionism are expressed in Curtain & Mathews definition of award restructuring:

the negotiated transformation of the conditions governing employment, expanding the scope of such negotiations from the external characteristics of work to establishing a framework which will make it easier for different forms of the labour process to emerge (1990:62).

Award restructuring was considered to be an instrument to recast workplaces in a more efficient and egalitarian mould, to change the social relations of production by removing the structural barriers to and actively struggling for a post-fordist model of restructuring. A third, quite distinctive element of strategic unionism can be identified: the intention to exploit current politico-economic conditions to promote a particular *form* of industrial development - one which broadly correlates with post-Fordist schemes.

Interwoven with and fundamentally underpinning the different layers of strategic unionism is the belief that interventions in industry development can empower the union movement. It is posited that engaging in the 'politics of production' will be a catalyst for the expansion of the institutional capacities of trade unions and greater power mobilisation. Successful participation in economic policy-making requires stronger central organs and tapping into the knowledge and expertise of shopfloor workers (Ewer et. al. 1987:116; ACTU 1987:174). Leadership and shopfloor organisation will grow 'interdependently' as officials draw on the resources of members, building the ability and confidence of workers to participate, generating greater enthusiasm and mobilising the membership on a broader range of issues relevant to their working lives (Ogden 1991:13; McCreadie 1989:28;<sup>9</sup> Ewer et. al. 1987:114; Mathews 1988:22).<sup>10</sup> Internal development will enable more sophisticated participation in economic debate. By counterpoising alternatives to economic liberalism in campaigns for a more efficient and democratic economy (Higgins 1984:100), exposing managerial irrationalities and incompetence, and participating in tripartite bodies which legitimise union participation in economic decision-making (Dow et. al. 1984:24), ". . . it can open up a new chapter in its own emergence as a counter-hegemonic force" (Higgins 1987:214-5). The union movement has an opportunity to reposition itself, to move from being defenders of anachronistic industrial practices to activists for a new, more dynamic industrial order and in doing so cast management as an obstacle to future prosperity. Strategic unionism is presented as a means by which the union movement can move ". . . from a powerless marginal position in society to one where its *social power* is more compatible with that of business" (Ewer et. al. 1987:112-3).

9 quoted in an interview with D.Burchell.

10 It is in this sense also a response to declining membership, an attempt to reinvigorate the 'integrative capacity of trade union culture' - to use K.McDonald's phrase (1988:34).

The core objective of strategic unionism is to secure greater control over economic decision-making. In the immediate future, strategic unionism would defuse the threat of continued decline while in the longer term it would extend the union movement's economic influence.

In the short-term, the union movement hoped to consolidate its power in the process and achievement of economic regeneration. The link between the power of unions and the business cycle has frequently been made,<sup>11</sup> but the form of this crisis presents special challenges to the union movement and its traditional organising principles. Emboldened by a shift in the balance of class forces and pushed by intensified competitive pressures, employers are seeking to wean employee loyalty away from unions in the name of 'flexibility' (Ewer et. al. 1992; Botsman 1988:41) or to reorganise work in ways which at worst are inimical to organised labour (eg core/periphery models, casualised employment etc); or at best, through means such as variegated employment conditions and decentralised bargaining (Streeck 1987; Locke 1991) which are deeply problematic for the Australian union movement given its reliance on uniform regulation, centralised bargaining and palpably weak workplace structures. The dilemma for trade unions as understood by strategic unionism is best expressed by W. Streeck: unions can either adopt a strategy of 'conservative optimism' whereby they defend the existing system and practices in the hope that the imperatives currently structuring national political economies blow over or a 'productivist' strategy of 'conflictual cooperation' whereby they attempt "to advance an accumulation model in which trade unions stand a reasonable chance of a return to power" (1987:302). Through award restructuring (and to a lesser extent industry policy), the Australian union movement has chosen the 'productivist' route. Conducted within the framework of the arbitration system with parameters for acceptable outcomes and the process being established at the centre ('managed decentralism'), award restructuring aims to use the union movement's leverage in the arbitration system to contain pressures for further deregulation, promote a post-Fordist model of accumulation and embed trade unions in the change process (strengthening workplace union organisation to enable unions to engage management at the enterprise level) thus eliminating the possibility of further marginalisation and eventual annihilation.

In the longer-term, strategic unionism's designs are more ambitious. Above all else, strategic unionism represents an attempt to move from a defensive posture where trade unions resist economic change and restructuring to a position where they can shape and harness these dynamics. Inherent in the formulations of strategic unionism is a desire to both exert greater control over, and to the extent that it is possible, weaken or decouple the nexus between the business cycle and union power. 'Control' in the sense that it is envisaged that by contesting managerial

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G.Esping-Anderson is worth quoting at length on this subject: "... control of the business cycle offers general material satisfaction and reproduction of social democratic unity and power mobilisation ... nothing weakens Labour movements so much as economic instability and crisis" (1985:35) and "a Labour government will easily find itself in the position of having to discipline its own working-class constituency of the conditions of economic growth disappear ... the cycles of heavy unemployment ... reinforced the labour movements age-old understanding that full-employment is a necessary pre-condition for trade union strength and political mobilisation" (1985:193)

prerogatives in tripartite institutions<sup>12</sup> and through the process of award restructuring, unions will be able to influence a range of economic processes - investment, technological change, work organisation, skill formation and training - which are integral to the functioning of the economy.<sup>13</sup> 'Weaken' in the sense that in the process they hope to create institutional forms which will perpetuate their role in policy making, preventing future restructuring being undertaken in ways inimical to collective organisation which place the costs of dislocation and adjustment entirely on the working-class. So, in the short-term, strategic unionism hopes to exploit its political leverage to consolidate its economic power in the face of a deepening crisis and in the longer-term, use this as a platform to extend its sphere of influence and control.

The upgrading of the social and economic power of the union movement is expected to augment the labour movement's political power - which is where strategic unionism begins and ends. It is a Labor government that opens up the possibility of influencing previously inaccessible spheres of economic management and the manner in which institutions are adapted in response to economic imperatives. Strategic unionism, for its part, by assisting in the regeneration of the economy and creating an environment conducive to labour movement ideals, is expected to perpetuate the electoral dominance of the Labor party strategic unionism and Labor's electoral success are presented as mutually compatible and reinforcing.

To reiterate, strategic unionism is a multilayered response to the organisational crisis confronting the union movement. Initially a pragmatic reaction to economic downturn and organisational disarray, it became increasingly sophisticated as the 1980's progressed, orienting itself to the specific form of socio-economic changes. Throughout this period, the unifying principle has been the notion that the short-term material interests of workers can be married with the organisational interests of trade unions in the process and achievement of industrial regeneration.

## STRATEGIC UNIONISM IN PRACTICE: TOWARDS AN ASSESSMENT

Strategic unionism evokes quite passionate responses amongst supporters of the union movement. Proponents present it as a lifeline in difficult times. Opponents consider that at best it is simply ineffectual (Flew 1989), at worst it is further weakening the movement and leading unions to a position where they could potentially be permanently marginalised (Brambles 1989; Burgess & McDonald 1990; Fieldes & Brambles 1990). A wide-ranging debate has emerged which cannot possibly be adequately covered in the remainder of this chapter. Instead, some of the broader controversies and apparent lacunae will be discussed as a prelude to an

12 Throughout much of the 1980's, differences of emphasis between the ACTU and the manufacturing unions/leftist activists were apparent. For the ACTU, industry policy was purely and simply a technique of economic management - one component of the policy mix necessary to promote what is essentially still a market-led recovery - and their vision was utterly technocratic, industry policy being centrally coordinated and implemented through tripartite institutions.

13 It should be noted that this was the ordering of priorities from the mid-to-late 1980's onwards. In the earlier years of the Accord when industry policy was really the sole focus of strategic unionists, it was ambitiously - and naively - thought that this could be achieved in the immediate future by shifting class conflict into the political arena and in so doing precipitate an expansion of planning at the expense of the prerogatives of the market.

empirical investigation of a union which has attempted to put the ideals of strategic unionism into practice (the Clothing and Allied Trades Union).

### Unions and Industry Policy

Although the 1980's has witnessed increased union involvement in the formation of economic policy and some notable successes in industry policy, the consensus is that the results of the 'new unionism' have been disappointing. Particularly disheartening has been the inability of the union movement to drag the ALP from the throes of economic rationalism to implement interventionist industrial policies. Understanding why it has thus far failed to live up to expectations is necessary before more fundamental questions about the capacity of unions to shape industry development can be broached.

"It lies in the logic of an ascendant union movement to spread its operations out from struggles at the point of production into the political arena" (Ewer et. al. 1987:117). It can be a cruel and brutally unfair exercise to quote such pronouncements with the benefit of considerable hindsight. It is done so here, partly because the statement apparently inverts the trajectory of the union strategy during the 1980's, but more importantly because the statement encapsulates some of the flawed premises upon which Australian proponents of strategic unionism based their formulations. With their quite cavalier extrapolation of the Swedish model as an exemplar for the Australian union movement, the bases for the Swedish successes and the potential for their reproduction in Australia was generally ignored or overlooked.

Fundamental to the 'logic' of political unionism was the assumption that like the Swedish union movement, the Australian union movement was 'ascendant': the tremendous disparity in power was not incorporated in any real sense into their analyses. Contrast the very high level of union density, industrial unionism, strong workplace organisation and activism etc which exists in Sweden with Australia's significantly lower and declining union density, tradition of craft unionism and reliance on arbitration and very poor levels of workplace organisation etc. The superior organisational cohesion and market power of Swedish trade unions empowers the movement as a social actor in elections and public policy formation. Their numerical strength and an ability to effectively mobilise union support and member votes for Social Democrat policies make them a crucial electoral asset (indeed, the votes of unionists are almost in themselves enough to win an election). Their industrial power, the capacity to severely disrupt the national political economy and thoroughgoing engagement in the 'politics of production' (which extends to highly developed strategies and positions on industry policy, investment, industrial democracy etc) makes their support extremely important for the successful operation of public policy<sup>14</sup>. From this position of strength, the Swedish union movement is able to not only veto, but also initiate policies. The Australian union

movement does not possess the same degree of market power, nor the same capacity to translate market power into political influence which underpins the leverage of Swedish trade unions in political exchanges with the Social Democrats.

Interacting with historically derived sources of weakness,<sup>15</sup> a range of other factors - both internal and external to union strategy - frustrated unions in their attempts to intervene in the political arena during the 1980's. To name a few, the hostility and indifference of the bureaucracy and business to institutional reform; the deregulationist policies of the ALP which have extended rather than contracted the prerogatives of the market;<sup>16</sup> the threat of having to deal with an anti-union government and resurgent employer militants in tandem increased their dependence on the Accord and the ALP; the deepening recession towards the end of the 1980's; and the union movement's disunity on industry policy and continued dependence on their role in the wages system as a source of leverage. Ultimately, due to the widening power imbalance underpinning the political exchange within the Accord, political labour has had neither the need nor the inclination to implement interventionist industrial policies which could antagonise business.

This diagnosis draws attention to the critical importance of political Labor for the union movement to successfully intervene in industry development. This is especially so for industry policy as was acknowledged by W. Higgins and N. Apple from the outset:

If the reformist party's 'logic of choices' constantly short-circuits the development and application of this political trade unionism then 'reformist limitations' cannot be transcended (1983:615-6).

This is indeed what has occurred during the Accord. The proponents of political unionism were overly sanguine in their assessment of both the willingness and the capacity of the Labor party to implement an interventionist industry policy or to introduce the necessary institutional reforms to make it feasible. Less often stated, but equally important, has been the ALP's role in constructing the award restructuring and national training system framework.<sup>17</sup> The fortunes of political unionism are clearly quite dependent on the response of the political wing of the labour movement.

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15 There are other important historical legacies eg the industry policy tradition of 'domestic defence' (Castles 1988) which as a strategy, a set of institutions and a particular mindset militates against the development of West European industry policies.

16 As commentators such as T.Flew (1989) & G.Maddox (1989) have pointed out, especially important in this respect was the deregulation of the financial sector.

17 There are some important difference between award restructuring and industry policy with regard to the relationship between the two wings of the labour movement: firstly, the award restructuring process takes place within the industrial relations system where the union movement's power allows it to interact with the ALP on more equal terms; secondly, award restructuring does not require the same degree of active intervention and financial involvement by the state that an interventionist industry policy does - its role is confined to establishing and maintaining a framework.

The corresponding tendency - evident for much of the 1980's - to churlishly berate the ALP as anachronistic (eg Ewer & Higgins 1984:28; Higgins 1987:221) betrayed a failure to come to terms with the root causes of the union movement's malaise. Not only was there a tendency to overestimate the intrinsic capacities of the union movement, but a parallel disregard for the active countervailing power of capital (and its allies within state institutions) in the initial projections and subsequent explanations of political unionism.<sup>18</sup> The ALP, like Labour and Social Democratic parties everywhere in the capitalist world, has reformulated policies in the face of prolonged economic downturn, the fragmentation of working-class politics and a shift of class power from labour to capital during the 1970's and 1980's. The anger and frustration of union activists is understandable and certainly not misdirected. In so many ways, by choosing the programmes and philosophies of economic liberalism, the Labor party has complemented the power shift but the logic of their choices was not inherently irrational or even unlikely. Clearly, the emphasis placed on the labor party in the formulations of political unionism was excessive. At its current stage of development, the union movement cannot depend on the Labor party to the extent that political unionism did throughout the 1980's: trade unions must concentrate on remedying their own weaknesses and focus on points where existing power bases can be used to influence industry development more effectively. To the extent that the more recent ideas and practices of strategic unionism open up such possibilities, they have been a positive development (see Ewer et. al 1992).

### **Beyond Industry Policy: Can Unions Shape Industrial Restructuring?**

It is apparent that debates surrounding strategic unionism have been very state-centric: reflecting the initial emphasis on industry policy and interest as to its potential as a strategy for political transformation, the battle between the two camps was often reduced to a polemic between competing theories of the capitalist state (see Flew 1989; Beilharz & Watts 1984; Higgins 1984). Even with respect to industry policy, this preoccupation with meta-theory left a number of questions unanswered. No account has adequately integrated or analysed the implications of trade union industry policy 'successes', those union mobilisations which influenced the form of industry plans (eg TCF plan) or even prompted the initial decision to establish a plan (eg Heavy engineering plan). How are these 'successes' to be located within a pattern of generalised failure? By relying so heavily on neo-Marxist models or the revisionist state-as-an-arena-of-class-conflict position, neither camp delineated a framework conceptualising the bases of trade union power in 'policy networks'. For just as one group used 'its theory' to deny the agency of trade

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An example is the discussion of the failure of tripartite bodies such as EPAC to develop meaningful and independent functions. The focus has been almost exclusively on union attempts to cajole political labour into reforming the bureaucracy (Ewer et. al 1987:120; Ewer et. al. 1991:83; Boreham 1991:49). Yet, such institutions have usually developed in a context of rising union and working-class power where business has been actively committed to corporatism. The indifference or antipathy which existed in most sections of business to the development of a new bureaucratic body with economic planning functions did not make it impossible but it would have required a struggle of sorts and clearly the support of business would have given considerable - probably irresistible - momentum to the campaign.

unions to affect progressive change dynamics within the state,<sup>19</sup> so the other aggressively defended its position by using 'its theory' to strip away structural constraints.

For a period of time the debate stagnated. There is now a rapidly burgeoning body of scholarship on award restructuring. However, the empirical analyses necessary to inform theorising about the leverage award restructuring can provide unions to change work structures were slow in emerging and remain a little thin.<sup>20</sup>

Indeed, the whole question of whether or not unions can intervene in and shape economic restructuring has been analysed only at a very general level (eg Bray & Walsh) or more commonly marginalised altogether. To the extent that this question has been addressed outside industry policy, it has usually been done indirectly; by examining the character of management initiated flexible manufacturing systems of one sort or another (eg Bramble 1988) or the generalised existence or otherwise of the product market conditions claimed to be propelling workplaces towards post-Fordism (eg Fieldes & Bramble 1987; Campbell 1990; Hampson 1990). Understandable as this focus is in some respects, it is rather ironic that in a debate where all participants have been at pains to distance themselves from 'technological determinism', critical attention has largely failed to move from technology and product markets to analyses of the capacity of unions to influence economic restructuring.

Some commentators have invoked the spectre of the 'polarisation scenario' (Campbell 1990:4; Hampson 1991:66-7; Bray & Taylor 1991) - the possibility that the drive for flexibility could lead to the creation of a core of privileged, skilled workers surrounded by a periphery of casualised, low-paid, unskilled workers. It is a potentially powerful criticism which draws attention to one of the main shortcomings of the antipodean variants of strategic unionism; the limited attention paid to structurally disadvantaged workers and their unions in their ruminations (McDonald 1988:35; Flew 1989:95). The industries in which weaker groups of workers are located are precisely those where the danger of a core/periphery model emerging is greatest. The potential for the emergence of new, more resilient and enduring divisions both within the union movement and the workforce has not been substantively addressed by advocates of strategic unionism.

The partial<sup>21</sup> exception to this blindspot is the debate which has taken place about the implications of award restructuring for women workers. Historically women have been excluded from jobs classed as 'skilled', hermetically confined to low-status

19 Although a degree of ambiguity about this can be found in the account of T.Flew. T.Flew bases his critique of 'political unionism' around the improbability of the labour movement 'winning' the state, and the impossibility of it exercising effective power in labour's interest. However, at the end of the article he says that public policy can be 'transformed' if unions are prepared to use industrial action when participating in tripartite forums. How the two elements can be reconciled is not clear.

20 Analyses of the progress of the SEP and factors influencing its outcome are beginning to emerge (eg Curtain & Mathews 1990; Gough et. al. 1991; Ewer et. al. 1992) and will be looked at more fully in chapters five and six.

21 Partial in the sense that with the exception of several prominent women within the union movement, the main and most prominent supporters of strategic unionism have not participated in the debate.

jobs where the skills they did perform were usually downgraded or simply not recognised. Some feminists, especially but not exclusively within the union movement, have argued that award restructuring has the potential to break down the structural bases of the sexual division of labour. The redefinition of job classifications creates the opportunity for social recognition of women's skills, while the construction of skill-based classification structures and a competency based training (CBT) system could allow women to receive formal training, gain recognition and reward for their skills and attain higher status jobs (McCreadie 1989:14; MOA 1991:49; Bolton 1989:7 Seekers 1992:10). Other feminists have responded sceptically to award restructuring, suggesting that the continued marginalisation of women within unions, their responsibility for childcare and patriarchal assumptions etc could lead to unequal access to training and inculcate new and deeper forms of inequality (Hall 1989:14; Pocock 1989:15; Donaldson 1991:107). Supporters such as S. McCreadie (1989:14) and K. Windsor (1991:13) have acknowledged these dangers, but maintain that it has the potential to dissipate the structural bases of gender inequality depending on the 'resources' unions devote to the task: once more the debate revolves around the capacity of unions to shape economic restructuring.

Again, it is at this point that the debate flounders. Commentators such as I. Campbell and S. Hampson have failed to sketch the strategic implications for the union movement or to engage claims that the best way to combat the polarisation trend is active intervention by trade unions (eg Streeck 1987; Mahon 1987). Internationally, scholars have begun to study questions surrounding union interventions into industrial development (eg Tailby & Whitson 1989; Turner 1992): yet despite its absolute centrality to strategic unionism - and critical importance for weaker unions and their workers - this remains a glaring lacuna in Australia.

### **Can Strategic Unionism Empower Unions**

Strategic unionism is ultimately a plan to empower the union movement. It is fundamentally predicated on the dangers associated with the continuation of traditional practices and the latent potential of union interventions into the 'politics of production'. However, just as the 'power resources' ["characteristics which provide actors with the ability to punish or reward other actors" (Korpi 1983:15)] of the union movement in the political arena have been poorly conceptualised, so the 'bases' of union power in the industrial arena - with one notable exception - have not been explicitly theorised.

The power of a trade union ultimately flows from the capacity to inflict economic injury; to impose costs on an employer and act as an impediment to profitable investment. This in turn is dependent on, firstly the intrinsic power of the union, and secondly its ability to mobilise and effectively use its 'power resources'.

The intrinsic power of a trade union is determined by a range of factors. Membership coverage must be sufficient to be able to influence the economic

viability of an employer to some degree. However, what constitutes a 'sufficient number' to achieve relevance (Arpke 1985:50) and the relationship between coverage and power depends on other factors. These include the degree of control workers and their union exert over the labour process - itself dependent on the organisational distribution of skills and responsibility, the degree of labour substitutability etc - and their capacity to affect the manner in which the labour process is reorganised in response to stimuli such as technological change, product and process innovation etc. Cyclical shifts, changes in product and labour market conditions, reinforce or contradict structural power resources. The extent to which unions can operate as an effective countervailing force is also dependent on the strategic choices of management and the strength of its internal organisation. The exact relationship between and salience of these factors varies enormously but in very broad terms these are the determinants of a union's *potential* power.

The extent to which a union realises its potential power depends on how effectively it operationalises its 'power resources' ie the strategic choices unions make as organisations, and most importantly their capacity to mobilise the membership cohesively and decisively. The power of a union on any issue is defined by the willingness of workers to struggle (Coolican & Frenkel 1984; Arpke 1985) and the union leadership's ability to control and channel rank-and-file activism (Hyman 1975) - if the union has no control over its membership, then management will see little value in collective bargaining (Kirkwood & Mewes 1976:298). The ability of a union to articulate strategies and goals which are best suited to particular situations and generate active support and enthusiasm from its membership determines the correlation between *potential* and *actual* power.

With this in mind, strategic unionism can be seen as an attempt to exert greater influence over the determinants of its potential power. Initially, by improving the utilisation of current power resources - essentially by mobilising union members to greater effect on a broader range of issues - in order to increase its leverage over functions fundamental to profitable investment. Two related points of contention have emerged: its impact on the relationship between union leaders and rank-and-file members; and the internal cohesion and capacity for power mobilisation by trade unions.

Critics have argued that strategic unionism is undermining the potential of unions to mobilise by creating a chasm between union leaders and members and the possibility of internal division. Strategic unionism is said to have given rise to a bureaucratic 'layer' (Brambles 1989) of union officials who 'suppress' rank-and-file activity " . . . in the interests of consensus and top-level negotiations" (Fieldes & Brambles 1989:15); that participation in tripartite institutions leads to a demobilisation of the working class. Advocates of strategic unionism have maintained that bolstering central institutions is necessary to be able to influence broader politico-economic developments which affect labour's strength and unity; and that the strategy is fundamentally premised on the cognate development of shopfloor organisation (Burchell 1989; Higgins 1985:358). On a slightly different tack, the ability of trade unions to maintain internal cohesion while exerting greater control over skill

formation has been questioned.<sup>22</sup> J. Gough has argued that any attempt to base union strategy upon the regulation of skill will exacerbate and reinforce divisions between workers:

Any bargaining strategy based on skill depends on exploiting differences within the labour market, and this encourages an active strategy among sections of workers of protecting and reinforcing these differences (1986:50).

This represents a misunderstanding or misrepresentation of the envisaged strategy. It is precisely the reduction or elimination of these divisions which is the aim of strategic unionism. By opening access to training and skills to all workers, developing industry-wide skill standards and genuine career paths, strategic unionism aims to collectivise the process of skill formation; to eliminate enclaves of 'labour aristocrats' who align themselves with employers against their fellow workers. Yet, it does raise an important point. Lost in strategic unionism's visions is an appreciation of why divisions currently exist, of the material interests and prejudices which underpin skill demarcations. The possibility of jeopardising existing power bases and generating internal conflict between 'skilled' and 'unskilled' workers has been largely overlooked.<sup>23</sup> Although the quality of these arguments is variable, they highlight the possibility of internal tensions within strategic unionism in practice.

Nevertheless, as this rudimentary model of union power shows, what is especially commendable about strategic unionism is that it is now confronting the sources of the union movement's weakness. The power of organised labour is inextricably linked to the 'model of accumulation': it is the capacity of unions to successfully make the transition from the 'politics of distribution' to the 'politics of production' which remains problematic and is being examined here.

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22 Kirkwood & Mewes (1976) have also questioned the ability of trade unions to maintain cohesion if they were to exert greater control over investment. They argue that trade unions derive power from performing intermediary functions between capital and the state on the one hand, and workers on the other. If unions succeed in exerting significant influence over investment decisions, they will be placed in an impossible position; having to choose between supporting corporate objectives or blocking capital accumulation by siding with rank-and-file unionists. However, their analysis is flawed because they pose the choice so starkly and assume there is only one way to maximise profits. Strategic unionism aims not to prevent capital accumulation, but rather to change the mode of accumulation. The value of their argument however, is that it points to the possibility of conflicts between union leaders and members - particularly in a recessionary economy.

23 H. Rainbird, a British academic who supports union participation in training, expresses the problem well: "Training is a phenomenon which historically has divided worker from worker and has been used to justify the division of labour and wage differentials. Access to and regulation of training forms the basis of workers sectional interests. The way in which worker organisation overcomes the dilemma of defending members' jobs against dilution and other groups of workers is a fundamental political problem for the working-class movement" (1990:8).

## CONCLUSION

Strategic unionism is a multifaceted response to the organisational crisis confronting the union movement. Initially constituting a hazy commitment to economic regeneration, it centred upon interventionist industry policies as a means of ensuring wage restraint translated into increased investment and employment. As the 1980's progressed, strategic unionism became more oriented to the distinctive character of the industrial and economic changes taking place. By intervening in the 'politics of production' primarily through industry policy, tripartite industry councils and award restructuring, strategic unionism aims to encourage post-Fordist forms of industrial development. Through the process and achievement of economic regeneration, the power of trade unions would be consolidated and extended.

Analyses of the practice of strategic unionism have a number of shortcomings and lacunae which this paper will explore. Chapter three will investigate the politics of sectoral policy in the TCF industries, focusing on the efforts of the CATU to influence industry policy formation in order to develop a more systematic explanation for the experiences of trade unions with industry policy during the 1980's. Chapter four will examine their efforts to build upon their industry policy triumph in 1986, in particular examining their attempts to influence industrial restructuring through tripartite forums. Chapter five will examine their endeavours to shape restructuring through mechanisms situated within the industrial relations system. The central problematic around which this thesis will be organised is the capacity of trade unions, and especially unions which are relatively weak and represent structurally disadvantaged workers, to intervene and shape industrial restructuring and empower themselves in the process. However, before such issues can be broached, an understanding of the character of the clothing industry is necessary. This is the subject of the second chapter.

## **2. The Clothing Industry: An Historical Profile**

### **INTRODUCTION**

The clothing industry appears to be an eminently suitable object of study for an analysis of strategic unionism. In the first instance, this is quite simply because the industry's union - the Clothing and Allied Trades Union - has embraced the core concerns and ideals of strategic unionism. Additionally, some of the distinctive characteristics of the industry make it ideal for probing some of the perceived weaknesses of strategic unionism. The coexistence of a large group of 'unskilled' female workers with a smaller group of 'skilled' male workers, a factory and an unregulated super-exploited home based workforce and the structural disadvantages of the workforce in general offer an opportunity to test the critiques of strategic unionism; to assess its potential to represent workers outside powerful male, blue-collar unions.

Before an analysis of the CATU's strategies and their outcomes can be attempted, an appreciation of the main features and character of the clothing industry is obviously essential. Some comprehension of the formation of the industry's contemporary structures and practices is crucial to understand the constraints and opportunities generated by the union's industrial milieu and its traditions (especially in the light of the durability of the basic forms of the clothing industry); to make a reasoned assessment of the successes and failures of the union's strategies; and, to establish the capacity for generalisations to be made from the experiences of the CATU.

This chapter, then, aims to provide a brief history of the clothing industry - how and why it has developed the way it has - with a view to understanding the political, economic and social environment in which the CATU was embedded in the 1980's. This history is divided into two parts: pre-world war II and 1945-84. In each part, developments in the industry structure, labour process and industry policy of the clothing industry will be discussed.

### **THE CLOTHING INDUSTRY PRIOR TO WORLD WAR II**

The definitive characteristics of the clothing industry - its fragmented industrial structure, the labour process (especially the exhaustive and rigid sexual division of labour), the coexistence of factory and home based production, the industry's vulnerability to imports and dependence on high levels of protection etc - were all in

place from an early stage in its development and remained largely unaltered for many years.

### Industry Structure

The Census and Industrial Returns Act (1891) gives an initial insight into the clothing industry at the end of the nineteenth century. C. O'Donnell reports that it unearthed three types of clothing establishments:

large establishments in which cheap and shoddy clothing was made; wholesale workshops in connection with retail businesses in which most of the clothes were engaged for the order trade; and private residences where many hands were engaged on order or contract work (O'Donnell 1984:102).

This encapsulates the principal divisions which were to emerge from this relatively compacted formation - between small and large manufacturers; manufacturers, wholesalers and retailer; the cheaper, more price sensitive segment of the market and the more 'up-market' quality conscious segment; factory and home production.

From the outset, the industry structure of the clothing industry was extremely fragmented, characterised by the existence of a small number of larger manufacturers surrounded by a vast array of medium-sized and small operators. A primary distinction needs to be drawn between two types of small firms who were able to survive in the clothing industry - independent competitors and sub-contractors (who managed one or several stages of the production process for a larger establishment).

Although there was some concentration of capital during the 1930's, the expansion of the clothing market up to World War II had little impact on the market structure of the clothing industry (Ellem 1989a). In the case of independent competitors, this was essentially because the conditions which encouraged the entry of individuals and small coalitions into the industry and allowed them to compete remained fundamentally unaltered. The minimal starting-up costs and requisite capital investment ensured a ready and constant influx of entrants into the market (Rainnie 1984:148;<sup>1</sup> O'Donnell 1984:99). The surfeit of cheap female labour, the labour intensive production process and its amenability to sub-division (and therefore to sub-contracting to even smaller firms and individual households) enabled the smaller operators to compete with the larger firms. The advent of arbitration proved to be an additional spur to fragmentation, as the smaller establishments and sub-contractors were able to avoid costs which the larger, unionised firms had to pay. However, the key to understanding its resistance to centrifugal forces lies in the lack of technological change, mass investment and subsequent development of economies of scale which were the precursor to the concentration of capital, growth of 'market power' and entry barriers in other industries.

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It will be noted that this section draws considerably on the work of A.Rainnie. His analysis is of the British clothing industry, but the structural characteristics of the British and Australian clothing industries are broadly similar which allows his work to be used when discussing the Australian industry.

In its 1986 report, the IAC argued that the high levels of protection had created a cosseted industry, immune from competition and incentive for innovation, technological change and large-scale investment (IAC 1986). Certainly, the exclusion of largely unbeatable price competition from developing nations made it possible for so many clothing establishments to rely on small-scale, highly labour intensive production processes; but this does not explain why so many clothing establishments, especially the larger ones, continued to do so for so long.

Technical difficulties posed one obstacle. Sewing in particular has proven very resistant to mechanisation ["engineers have found it impossible to invent a machine that can handle soft and floppy fabric without the intervention of a skilled hand" (Cockburn 1985:46)] and much of the early machinery was only suitable for heavy clothing (Rainnie 1984:147).

More fundamentally, volatile demand and the relatively small market for clothing reduced the imperative for long production runs while fierce competition from a swarm of small establishments militated against experimentation. With a large pool of cheap female labour available (Cockburn 1985:46; Rainnie 1984:147), there was neither the incentive nor frequently the potential for technological development and investment. The 'rational' strategy for clothing capital in these circumstances was not investment in new machines but cost-cutting and labour intensification: "faced with a fluctuating demand, a ready supply of labour, and a seemingly endless stream of small competitors, it made sense for the capitalist to keep the labour process labour intensive and as cheap as possible." (Rainnie 1984:147)

Sub-contracting (and its surrogate, outwork) was an extensively used and frequently essential companion to labour intensification in the factory. Its popularity amongst employers is readily intelligible. Sub-contracting provides a supremely cost efficient solution to the problems created by fluctuating and seasonal demand. Employers could transfer capital and ongoing production costs to the outworker via the sub-contractor (eg the purchase of the sewing machine, electricity etc), elude the costs associated with awards (Ellem 1989a; Cummings 1986) and exploit the intense competition amongst sub-contractors to bid down their margins and consequently the wages of the outworker to a minimum (thereby increasing the rate of exploitation and average rate of surplus value which could then be siphoned away).<sup>2</sup> Demand could be neatly shadowed without resorting to the more costly and problematic alternatives of employing/ sacking extra factory workers.<sup>3</sup> In short, they provided an extraordinarily cheap and almost infinitely malleable supply of labour. Needless to say, the widespread use of sub-contracting reinforced the tendency towards small-scale, labour intensive production and fuelled the ongoing dispersal of clothing production.

The endurance of large numbers of small clothing manufacturers then, was essentially the product of competitive pressures and the ready availability of cheap, malleable labour. Product market, labour market and labour process conditions

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2 As noted by commentators such as J.K. Galbraith (1974), J. Gouverner (1974) etc., this is a generic condition of sub-contractors.

3 If extra workers were employed during upswings, they would either be idle during slower periods or the employer would have to sack her/him with the potential associated costs.

worked in concert to retard the developments in technology and mass investment which might have facilitated larger productive units and the concentration of capital.

### The Labour Process

From the end of the nineteenth century to the second world war, the labour process was more or less 'frozen' (Rainnie 1984:153). The market strategies of clothing capital and dynamics of competition coagulated with the craft-based responses of the CATU. Technological change was infrequent, incremental and unevenly diffused. Where change did occur, the CATU negotiated with employers to ensure continuity, especially with regard to the pervasive sexual division of labour and outworkers.

In the midst of a period of rapid expansion, a rudimentary division of labour had emerged by the 1870's containing four components - cutting, sewing, pressing and finishing (Ellem 1989a).<sup>4</sup> Cutters had to 'mark in', laymark and cut material in specific sizes and quantities. This "required the ability to visualise further production and a knowledge of the whole process . . . pride in the skill of the trade was central" (Ellem 1989a:13). Working in association with the cutter was a trimmer, who (predictably) cut the 'trimmings' (lapels, cuffs etc). The two teams worked together in the same room, were almost exclusively male and represented the craft elite of the clothing industry. The garment was then pressed (frequently heavy work), passed to a sewing machinist and given another pressing before the 'finishers' added items such as buttons, studs etc.

From the outset there were clear status demarcations within the labour process along gender lines. Whereas women did the more specialised and detailed jobs, men did holistic tasks; men had already colonised cutting, trimming and the final 'press off' and established a 7-year apprenticeship whereas women were being concentrated into sewing - a trend consolidated by the introduction of the sewing machine which allowed management to use cheap female labour to replace tailors (Ellem 1989a:14).

Although formal union organisation was primitive and unstable,<sup>5</sup> male workers were able to use the collective strength they derived from their position in the labour process to solidify these differences. Through piece-rates, craftsmen exerted a degree of control over the work process, whereas management was able to set extremely low rates for the 'unskilled' women " . . . which ensured that they would have no independent status" (Ellem 1989a:19). Their economic vulnerability combined with the large pool of women with sewing skills competing for work - embodied most graphically in the large numbers of outworkers sewing in homes - made it extremely difficult for women to unionise themselves in the face of virulent employer opposition. As male trade unions gained in strength and women struggled to organise themselves, the male unionists began to fight for and achieve regulations

4 It should be noted that there was and continues to be an enormous diversity in labour processes from one firm to the next.

5 Where unions did exist, they represented different sections of the labour process - pressers, cutters etc. - and it was not until 1907 that they were combined under the auspices of the Federal Clothing Union.

(eg apprentice restrictions) which restricted and in some cases prevented the entrance of women into craft occupations altogether (eg pressing).

Between the end of the century and the second world war, the 'extended' or full labour process<sup>6</sup> which exists in the contemporary clothing industry solidified. Although there were changes in the nature and configuration of work processes (eg the four stages became pattern-making, cutting, sewing, and pressing), the hermetic confinement of women in extremely poorly paid lower-level jobs defined as 'unskilled' was cemented.

Some of the tasks performed by cutters passed to the pattern-making room. The pattern-making process was divided into three stages. Initially, a paper pattern arrived from the designer to the pattern-maker. He then set about converting it into a "workable pattern for a saleable garment" (Cockburn 1985:5)<sup>7</sup> while retaining its distinctive character. Once orders were placed for the new style, the grader then worked out the different sizes using a 'grade rule table' and their own instincts to produce patterns for a range of different sizes. The pattern then passed to the laymaker who positioned the pattern pieces on the cloth so as to minimise waste given its dimensions, the grain direction and its 'nap' or pattern. All three stages of the pattern making process were jobs which required a high degree of initiative and skill, combining technical competence with 'artistic flair'; requiring a lengthy apprenticeship for entry, they were accorded a very high status (Cockburn 1985:51-4).

Although in some small establishments, cutters' continued to perform laymarking functions, in most workplaces their range of tasks was reduced - sometimes to the point where they simply cut the fabric; a job which requires a certain deftness and touch, but mostly - until the introduction of 'mechanical pattern-cutting' after World War I - little more than a fair degree of physical strength (O'Donnell 1984:103; Cockburn 1985:55). Despite the apparent diminution of skill and initiative, cutters retained their status.

The remaining sections of the production process had a much lower status. From the turn of the century when order and retail tailors or tailoresses might make the whole garment and wholesaler garment assembly was divided into several sections, they underwent extensive sub-division. By World War II, a highly developed division of labour had evolved such that a machinists job was highly specialised - each worker sewing on a particular part of the garment (button holes, cuffs, collars etc) - and repetitive (O'Donnell 1984:123). Unlike the pattern-makers and cutters, the machinists worked under a payment - by - results (PBR) incentive system, were almost exclusively female and classified as 'unskilled'. Pressing was mechanised, extensively sub-divided and deskilled and lost much of its status.

Where change did occur, be it from the introduction of new technology or work rationalisation, the union was important in reaffirming the pre-existing social relations of production. A sectional, craft consciousness pervaded the union. The

6 The term 'extended' is used for two main reasons. Firstly, the existence of a plethora of firms or individuals who do any one or several of these production stages. Secondly, this represents a fairly advanced division of labour and especially prior to the 1930's, would probably only have been present in the larger establishments.

7 Essentially, this involved adapting it to the master patterns (or 'block') for the different components of the garment, sizes which more accurately reflect the proportions of the general populace.

wide range of production methods and types of employer allied with the sexual and ethnic divisions within the workforce stymied the development of a more thoroughgoing and solidaristic industrial or class consciousness. By virtue of their strategic power, the union leadership was drawn almost exclusively from the ranks of the male 'labour aristocrats'. The clothing union's officialdom both reflected and reinforced the principal divisions in the structure and labour process of the clothing industry.

Union policy was articulated by and for male craft workers. The CATU was entirely reactive, ". . . be it to new machines, new work processes or new schemes of payment" (Ellem 1989a:254). There was no attempt to influence or challenge managerial initiatives on new technology, work organisation or job design. For the most part, the union welcomed such changes as the harbinger of increased productivity and hence increased wages, better working conditions and shorter hours. Their only concern was the dilution of the craftman's status by deskilling ("There was some resistance to the debasement of skill, but this was usually restricted to the insistence that apprentices still be taught all aspects of their craft" [Francis 1986:102]) or an influx of women. Usually they were able to work through the arbitration system (eg resisting the entry of women by appealing for equal pay or provisions explicitly prohibiting women from the classification(s) [Francis 1986:99-100; Ellem 1989:63]) or alternatively, came to an accommodatory position with management:

The male elite who were the union stalwarts and officials identified more closely with the management than with the ordinary female machinist. They were able to bargain with employers to preserve their own margins for skill at a relatively high level, while at the same time accepting the nominal margins awarded to women . . . the bargain also suited the employers, since they could afford to pay the 18s. margin to 10% of their workers when the rest were only paid a few shillings (Francis 1986:106-7).

The CATU 'actively encouraged' (Francis 1986:102) workplace change while representing the interests of craftsmen.

In this way, the clothing union played a key role in defending, reproducing and deepening the sexual division of labour in the clothing labour process; their responses to managerial strategies to intensify and cheapen labour intertwined with social factors which were salient in the initial construction of the sexual division of labour. The performance of domestic sewing led large numbers of women to enter the industry from its earliest days, but due to the structure of family (which places men at a relative advantage when entering and participating in the labour market), related familial ideology and the reproduction of broader sexual power relations, men immediately took the more skilled and better paid jobs. Reinforcing this, the range and depth of skills required for sewing was not recognised because they were considered 'natural' - training often being undertaken in the home or on-the-job (O'Donnell 1984:123; Jenson 1989:151; Thompson 1983:206) rather than through an officially recognised apprenticeship - and were held by a large number of women. The substitutability of women sewers and their extremely low level of pay left them unable to develop collective organisation in the clothing labour process's formative

period. A self-perpetuating, vicious cycle had been created in which work-based sources of disadvantage - low pay, narrow job structures and consequent substitutability - were deepened by their lack of industrial power. The CATU struggled to retain the 'objective' skill content of craft occupations [the range of tasks and initiative required to perform them (Littler 1982)] - to maintain control over skill acquisition (excluding women and other workers) and use their industrial power to maintain social definitions of their skill levels.<sup>8</sup> The interplay between societal and workplace relations left women poorly positioned to defend or advance their claims in periods of flux. Whenever circumstance did create structural fluidity or even pressure upon the sexual division of labour, the CATU successfully repelled them.

With regard to outworkers, the union adopted what B. Ellem calls an 'ignore or exclude' strategy (1991). Outwork was correctly seen as an omnipresent threat to the jobs, wages and working conditions of factory workers. Adopting M. Bray's schema, the union had a number of alternatives - they could attempt to ignore the problem, 'exclude or oppose', 'limit and regulate' or 'recruit and integrate' marginalised workers (Bray 1991:200). Although the union did make periodic attempts to recruit outworkers, their response to outwork was characterised by extended periods of inaction interspersed with calls for its abolition. Whether or not the union was capable of regulating outwork is a moot point; but at the very least it can be said that they ensured that the exploitation suffered by outworkers continued unabated. The clothing union, then, defended and consolidated divisions within the 'public' labour process and between the 'public' and 'private' labour process.

## Industry Policy

On the question of industry policy, there was generally consensus between the state, employers and the unions. The Commonwealth government introduced tariff and quota protection at the beginning of the century. For the most part, policy makers believed increased protection was the best means to develop the industry. Whenever dissenting voices emerged, employer pressure (with unions in tow) quickly dispelled any challenge to the burgeoning protective arrangements. Organised labour gave largely passive support to employer campaigns for import protection (Ellem 1989a; IAC 1986). The result was an extensive and complex configuration of protective arrangements glazed over the clothing industry which underwrote the continuation of its characteristic forms.

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8 Placing this in context, the influence of social ideologies and power relations in the workplace usually meant that this was not necessary. The initial assignment of men and women to particular jobs generates its own self-perpetuating dynamics in which "... both people and occupations are gendered" (Cockburn 1985: 231). Jobs become 'masculine' or 'feminine' and social norms discourage crossover - women being discouraged by notions of femininity to strive and the overt masculinity of craft occupations (and unions). Defence of the sexual division of labour becomes not just an act of material self-interest, but necessary to protect masculine self-identity and existing patterns of social interaction (Pateman 1988: 140; Willis 1977: 103).

## AFTER THE WAR: THE CLOTHING INDUSTRY TO THE 1980's

Throughout the 1950's and 60's, the clothing industry enjoyed a period of steadily increasing profits and expansion. The rising levels of affluence, immigration, the decline of the price of clothing relative to other consumer goods and improved consumer perceptions of Australian clothing goods swelled the domestic market and industry profits (O'Donnell 1984:105). Under such conditions, there was little or no impetus for change and the industry continued to plod along the trajectory carved out before the war:" . . . the industry's performance during the post-war period was characterised by stable, long production runs, technological stagnation, low capital requirements and an unskilled labour force." (Grieg 1990a:331)

However, the emergence of a new set of pressures from the late 1960's drastically reduced profit margins and undermined the foundations of the post-war manufacturing paralysis. Briefly, these were: the globalisation of clothing production, the renewed competitiveness of developing nations and increased import penetration; rapid concentration in the retailing industry; changes in the trading environment (eg market segmentation, increased volatility of fashion and consumer demand); and technological change. These created what proved to be irresistible pressure for change.

### Industry Structure

The industry structure of both clothing retailing and manufacturing underwent substantial change. In the case of retailing, there has been an enormous concentration of capital since the second world war. The industry structure of clothing manufacturing was subject to two quite divergent, and at first sight, paradoxical trends; the contemporaneous growth in size of the largest manufacturers and a proliferation of small establishments.

The process of concentration in the retailing industry is relatively straightforward and familiar. In the post-war period, the larger retail companies undertook aggressive expansionist policies and massive increases in investment to capture an increasing share of a largely static market. Complemented by extensive mergers and takeovers, the inevitable result has been a dramatic increase in the concentration of the retailing industry (Rosewarne 1983; Grieg 1990a): by 1980, 2.8% of outlets and the four largest companies accounted for 40% and 68% of sales respectively (Rosewarne 1983:21). The concentration of the retailing industry reduced the number of potential buyers for manufacturers thereby shifting power towards retailers.

The polarisation in size of clothing producers is more complex. The steady growth of profits gave rise to longer production runs, increased investment and more substantial economies of scale. This was the initial catalyst for concentration. However, the emergence of new pressures forced producers to change their strategies. There were two inter-related responses - increased investment in new technology and greater use of subcontracting (O'Donnell 1984:119; Ellem 1991:95).

There was an unprecedented efflorescence of technological change in the clothing industry during the 1970's and into the 1980's. The effect of these innovations was to make the production process more capital intensive, reduce labour costs and make entry into the industry more expensive. Many of the smaller prospective and present competitors simply could not afford the new machines (O'Donnell 1984:119; Giles 1985:115) which put them at a competitive disadvantage. For the first time, economies of scale and barriers to entry into the clothing industry began to develop.

However, manufacturers also faced a constellation of new and more severe risks. Young consumers and the 'pop culture' of the 1960's introduced a new volatility into clothing product markets:

The youth market . . . shifted the industry off its axis. It did not conform to seasonal rhythms and was not based on a total 'new look', lasting for the duration of a season. It was, in effect, a demand for the production of difference on an expanded scale, for a proliferation of the game of fashion itself into many subsets and syncopations (Wark 1991:64).

Product markets became progressively harder to control,<sup>9</sup> more segmented, diverse, quality oriented and revolved less around 'seasons' (Zeitlin & Totterdill 1989; Wark 1991). Retailers exploited their newfound bargaining power by shifting as many of the risks as possible onto manufacturers by demanding shorter lead times, greater quality at lower prices, and in some instances even changing prices or terms of purchases after orders had been supplied (Rosewarne 1983:34; Mitter 1986:53; Rainnie 1984:151). The increasingly inflexible commitment of time and money which accompanies the introduction of new technology added to their vulnerability.

The growth of sub-contracting was a direct response by manufacturers to their exposure to these hazards. Just as retailers exploited their bargaining strength to pass on risks and costs to manufacturers, so manufacturers responded by seeking to pass them onto sub-contractors and outworkers. Subcontracting and outworkers provide an extremely cheap, flexible source of labour which provide manufacturers with productive adaptability and greater cost efficiency. By the mid-1980's, it was estimated by the clothing union (more or less supported by the ACAC), that there were 60,000 outworkers (over half the clothing workforce) [Ellem 1991:98].

The crucial point to note, which seems to have escaped some industry observers such as the IAC, is that it was largely sub-contractors, not independent competitors, that increased. Some small clothing manufacturers and retailers were able to exploit the increase in demand for quality clothing (O'Donnell 1984), but essentially the growth occurred in sub-contracting. In other words, this is also evidence of increased concentration in the clothing industry as sub-contractors are frequently in effect, extensions of the contracting firm. The industry structure of the clothing

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9 Critics of post-Fordism have rightly noted the capacity of capital to adapt through marketing. Clothing is to an extent an exception and correlates more closely to the post-Fordist ideal - as M.Wark notes: "rather than being a story in which industrialisation and the division of labour proceeds to inexorably subordinate culture to industry, fashion and clothing represents a somewhat more complex set of relationships between the rhythm of consumption and the production cycle . . . it is quite false to see fashion as an ideological tool of mass production" (1991: 63)

industry remained relatively fragmented, but the surge of small establishments should not mask the fact that a significant degree of concentration had taken place.

### Labour Process

The accelerated pace of technological change and its uneven diffusion created an even greater diversity of labour processes in the clothing industry. However, although the craftsmen found it increasingly difficult to retain their status, the sexual division of labour remained largely intact.

The impact of new technology has been felt most keenly in the design and pattern-making processes. The 'block' or master pattern has been 'digitised' so that instead of using cardboard pieces to modify the initial design, the pattern maker/technician uses a computer (Cockburn 1986:56). It is an immensely quicker and more precise procedure (Cockburn 1986:57). The grader's job was eliminated as the grade rule tables were now contained within the computer; the pattern maker simply uses the computer to calculate the range of different sizes almost instantaneously. There are two types of laymarking by computer - 'interactive' and 'automatic'. In the case of 'interactive' laymarking, the computer is essentially a tool at the laymarkers disposal which still enables them to use their own initiative in determining the most economical position of the pieces on the pattern. Whereas in the case of 'automatic' laymarking, the computer has accumulated the knowledge and skill of the laymarker to the point where the operator uses little initiative. The introduction of new technology has also transformed the cutting process. Mechanised spreading machines and motorised tables now transport the cloth to the cutter. The use of laser cutters has in many instances reduced the worker to a 'machine minder':

The cutter . . . merely feeds in the magtape from the pattern room, checks the settings of the cutting head and the accuracy of the spread of cloth, positions the knife at its start point and thereafter switches on and watches the machine run" (Cockburn 1986:60).

New technology, then, certainly has 'revolutionised' (Giles 1985:113) the cutting and pattern-making processes.<sup>10</sup>

However, in both cutting and pattern-making, these changes were far from uniform and opinion amongst industry participants was divided as to the effects on skill levels (Ellem 1989b:53). The CATU was able to achieve wage increases for cutters in a work value case in 1980 on the basis that they ". . . had to learn new tasks and . . . the range of tasks often increased" (Ellem 1989a:285). In any case, the strength of cutters' collective organisation meant they "had little difficulty coping with the changes. They were retrained and saw management recognise their skills" (ibid). Although cutters have been deskilled to the extent that less 'brainwork' is required and they have less control over the pace of work (Cockburn 1985:60) - which has led to limited penetration by female workers - they have been able to maintain their craft status.

Although sewing remains resistant to innovation, there were some changes of an incremental nature. For instance, automatic cutting threads and needle positioners were widely introduced and some of the specialised tasks more immune to the vicissitudes of product demand were mechanised (eg machines which 'stamp' button holes into place) [Giles 1985:113; Ellem 1991:97].<sup>11</sup> Although assessment is hampered by less than rigorous definitions of skill (Ellem 1989b:55), it would seem that their tasks became even narrower, further reducing their control and increasing their substitutability (Cockburn 1985; Giles 1985; Ellem 1989b).<sup>12</sup>

Despite the relative technological flux, the divergence in status and pay of male and female workers remained as strong as ever - but there were signs of change in the union's stance. Influenced by women's organisations, the CATU began to undergo a transformation in the late 1970's/early 1980's and gradually, ". . . the office was feminised" (Ellem 1989a:278). The union also reconsidered its position with respect to outworking. Changes in personnel and the industry's slump "set up intense contradictions within the union's 'ignore and exclude' approach to outworkers" (Ellem 1991:106) which culminated initially in the CATU's application for award variations to cover outwork. By the 1980's, the CATU was rearticulating its goals to incorporate outworkers and women factory workers.

## Industry Policy

The deepening crisis which enveloped the clothing industry refocused critical attention on the protective arrangements which surrounded the industry and the appropriate strategy for the industry's development. The seemingly inexorable increases in import penetration undermined the rationale for protection and brought the costs of protection (eg consumer prices) into sharper relief. Yet, until the mid-1980's, the industry was able to successfully resist pressure for the dismantling of protection barriers.

The steady growth of the 1950's and 60's was not built upon solid or sustainable foundations. It would seem that for the majority of consumers, clothing is seen as a basic item on which they will not spend beyond a certain portion of income (ie it has elastic income demand) - ongoing profitability for the clothing industry as a whole is dependent on population growth and/or 'steep' reductions in cost. Even during the halcyon post-war era, consumer expenditure on clothing rose at a slower rate than most other consumer goods (O'Donnell 1984:106). Unemployment, an aging population and the shift to less clothes (Ellem 1991:94) have subsequently exacerbated the trend; from 1966 to 1981, private consumer expenditure for TCF goods rose 17%, compared to an average of 44% for other consumer goods (IAC 1986: Vol. 2, Appendix H-11). This is not a uniform trend (eg demand was especially slow for men's suits and women undergarments) and there were significant increases in demand for quality, casual clothes (IAC 1986:Vol. 2,

11 The same obstacles which have perennially militated against technological change - technical difficulties, fluctuating demand, small product markets etc. - remain as strong as ever.

12 The CATU was in fact able to win a wage increase for machinists in the 1980 work value case, but the grounds tend to confirm rather than refute the deskilling hypothesis: "it was not hard to show that changes which allowed machinists to spend more time sewing did, in a sense 'enskill' them because they were hired for their skill in machining. If the use of this skill was proportionately increased, then so should pay rates be increased" (Ellem 1989a: 285).

Appendix H-11). Nevertheless, it remains true to say that clothing manufacturers and retailers had to operate in a market with comparatively slow growth rates.

An even greater problem for clothing manufacturers were the increases in import penetration. The rise of multi-national corporations and the consequent globalisation of clothing production opened up the potential to exploit cheap third world labour on a hitherto unenvisioned scale. The improved quality of their clothing products, more efficient transport systems and communication technology cumulatively gave developing nations a renewed competitive advantage. Industry statistics reveal the extent of the crisis. From 1968/69 to 1975/76, there was a 27% decline in employment and the number of clothing establishments (O'Donnell 1984:111). Coinciding with a worldwide slump in clothing (De La Torre 1986), the Whitlam government's overnight tariff reductions precipitated a mini-collapse in the market share of domestic clothing producers - in 1973-74 clothing imports increased 69% and in 1974-5 employment fell by 22% (O'Donnell 1984:108). What made import penetration especially critical was the lack of international competitiveness of domestic clothing manufacturers and their consequent dependence on the domestic market. Pressure for change of one sort or another in public policy for the clothing industry correspondingly intensified.

In the immediate future, these pressures were resolved in favour of the protectionists as employers mobilised successfully to maintain protection levels for the clothing industry. The gravity of the crisis led manufacturers to band together within the Australian Confederation of Apparel Manufacturers (O'Donnell 1984:108) and they proved to be highly effective lobbyists. Emphasising the job losses and their location in marginal seats, the industry won the support of the Fraser government. Global quotas were increased in 1976 and a new, three-year assistance programme consisting of increases in import quotas, tariff rates and bounty payments was announced in 1977. The ALP criticised the Fraser government's policy but after a sustained campaign by the Australian Confederation of Apparel Manufacturers, "by 1980 the ALP had promised the TCF industries what it could not bring itself to give during the 1977 election campaign" (Warhurst 1982:66). The 1982 industry plan marked a slight shift as it aimed to facilitate gradual structural adjustment, but this was to be achieved through marginal adjustments to the protection regime (not by drastic reductions to protection levels as advocated by the IAC in its 1980 report) and providing a stable policy environment to encourage investment (Capling & Galligan 1991:49-50; Grieg 1990a).

However, these protective arrangements failed to stop the rot. TCF employment fell 13% from November, 1978 to November, 1985 while employment in other industries grew on average by 14% (IAC 1986:Appendix II, H-32). Import penetration continued unabated with the value of imports increasing by 70% in nominal terms between 1977/8 and 1983/4 and domestic producers share of the market falling to 76% (IAC 1986:Appendix II, H-12). Exports continued to decline with Australia's share of world trade falling to 0.4% by 1980 (IAC 1986:Appendix II, I-4).

A consensus emerged that although the 1982 industry plan had elicited greater investment, it was not addressing the structural problems of the industry: the

existing industry policy position was clearly untenable and in October 1984, Senator Button commissioned the IAC to conduct another report into the TCF industries.

## CONCLUSION

The definitive characteristics of the clothing industry were quickly established and proved to be very durable. The exclusion of low-wage foreign goods, domestic competition and the capacity of manufacturers to tap into cheap labour produced a self-perpetuating set of dynamics which militated against change. However, the renewed competitiveness of developing nation products, emergence of new product market conditions and retailing concentration exposed manufacturers to a new set of pressures. Some smaller operators were able to thrive in this new environment, but more generally, there was increasing polarisation as technological change created economies of scale and the larger producers made greater use of sub-contracting and outwork. These changes were unable to stem the flow of imports which placed unbearable pressure upon the industry's protective arrangements. Social change, in particular the rise of feminism, led the union to reconsider its position with respect to women workers and outworkers. The advent of the Accord and the announcement of another IAC report into the industry proved to be the occasion for the union to reconsider its position with respect to industry policy - it is here that this account of strategic unionism in the clothing industry begins in earnest.

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# 3. The Politics of Sectoral Policy in the Clothing Industry 1986 -1992

## INTRODUCTION

In the context of the 1980's, the TCF industry plan announced on November 28, 1986 presents several paradoxes. Not only was it an instance of selective intervention so abhorrent to the usually dominant economic rationalists in the bureaucracy and the ALP; but even more surprisingly, it very closely resembled the proposal which the TCF unions - especially the CATU - campaigned for. The TCF unions, historically among Australia's weakest trade unions, had apparently succeeded where other unions such as the AMWU and latterly the ACTU have failed.

Subsequent events have also demonstrated the CATU's capacity for effective political mobilisation - especially the campaigns in 1988 and at the end of 1991/ beginning of 1992 - but equally apparent is their dissipating influence. The radical changes made to the plan in March 1991 and the obstinate refusal of key ALP figures to shift from this path - despite the existence of an opposing political coalition similar to 1986 - have confirmed their marginalisation. An investigation of the vicissitudes in the political leverage of the CATU and industry policy in the TCF industries holds the potential for a deeper understanding of the experience of trade unions with industry policy during the 1980's.

## THE 1986 INDUSTRY PLAN: THE CATU'S TRIUMPH

In October 1984, Senator Button commissioned the IAC to develop recommendations for a new sectoral policy to replace the 1982 Lynch plan when it expired in December 1988. The terms of reference reflected not only a desire to reduce the industries dependence on protection and improve their international competitiveness, but also a recognition of the industries proven ability to mobilise politically, their social importance and economic vulnerability. Making reference to their importance for 'employment opportunities', the IAC was asked to "pay particular attention to the government's desire to encourage the restructuring of TCF industries through a combination of gradual reductions in protection and specific positive adjustment measures" (DITAC press release in IAC appendix A 1986:1).

The initial exchanges between the IAC and the TCF industry revolved around the appropriate level of tariff protection. In what the IAC saw as an attempt to 'soften' its approach, it proposed three options: maximum tariff rates of 75%, 50% or 25%

(Capling & Galligan 1991:51). The TCFCA<sup>1</sup> mounted a defence of existing protection levels, arguing that even if existing protection levels were maintained, market shares would decline in a wide range of TCF products.<sup>2</sup> If tariffs were to be reduced, then 75 per cent was "the maximum sustainable by the industry" and there would be "a big shakeout at 50%" (IAC 1986:xvi). Despite criticising the Lynch plan and a nascent interest in selective industry policy, the TCF unions fell in behind the TCFCA, advocating the maintenance of the tariff status quo (Ellem 1989a:288). Positive assistance measures suggested by the industry to the IAC were both underdeveloped and crudely self-interested:

Neither the manufacturers nor unions believed that the government had the political will to kick out the crutch of protection . . . proposals for so-called positive adjustment assistance were, in fact, brazen demands for special treatment . . . 'labour-intensive firms sought labour subsidies; capital intensive firms sought capital subsidies; potential exporters sought export subsidies; potential importers sought import subsidies' (IAC 1986:xviii quoted in Capling & Galligan 1991:51-2).

With both the IAC and the TCF industry groups truculently holding to their traditional positions, a clash was inevitable.

The final IAC report handed down in May, 1986 was uncompromisingly *laissez-faire*. Making extensive references to the consumer costs and economic distortions created by protection and the need to wean the TCF industry off the protection 'magic pudding' (1985:xxiii), the IAC suggested four options to the government: a maximum tariff-quota rate of 75%, 50% and two paths which would culminate in a 25% rate. After rejecting the 75% option as economically useless<sup>3</sup> and noting that a 25% rate ". . . would be preferred if achieving a more internationally competitive TCF sector were the only criterion" (1986:94), the report grudgingly recommended that 'on balance', given the government's desire to achieve greater efficiency while 'minimising hardship', a 50% target was the 'preferred option'. The report brusquely dismissed any need for positive assistance measures or a monitoring authority and reaffirmed its belief in the efficacy of exposure to international competition as a means of improving efficiency.

The IAC report provoked a virulent response, with the heaviest criticism being focussed on the inevitable job losses and economic damage to regional centres. The TCFCA and TCF unions attacked the IAC's prediction that only 19,000 jobs would be lost<sup>4</sup> arguing that the IAC showed no appreciation of the distinctive characteristics of the industry and that up to 60,000 jobs would be lost. State and local government politicians also railed against the IAC recommendations, claiming that the devastation of regional economies and small towns was potentially fatal - in Tasmania, Ray Groom contended that Devonport's economy would collapse while the threat to Victorian country towns such as Wangarratta led industry minister

1 The TCFCA was now the industries main interest organisation and represented "designers, retailers, manufacturers and statutory authorities such as the Wool Corporation" (Capling & Galligan 1991:51).

2 Namely, "knitted garments, hosiery, cardigans and pullovers, trousers and jeans, footwear, leather tanning and fur dressing" (Capling & Galligan 1991:51).

3 In the words of the IAC report, "adoption of this target would imply placing a very high emphasis on the desire to minimise disruption in the TCF sector and almost no emphasis on achieving the benefits to the community from lowering TCF protection" (1986:87).

4 The IAC also suggested that most of the lost jobs would be relocated to the retailing sector.

Robert Fordham to condemn the report (Capling & Galligan 1991:52-3). A growing band of major manufacturers threatened to relocate operations offshore (a 'capital strike')<sup>5</sup> which further undermined the credibility of the IAC report.

The future of industry policy in the TCF industry became the site for a broader conflict within the labour movement between economic liberals and advocates of selective intervention. At the instigation of John Halfpenny (F. Peterson, interview), the clothing industry presented a fashion parade at the Labor party's national conference in July, 1986 (after which a group of workers personally introduced themselves to the conference and outlined their 'grim futures' if the IAC report was adopted). Composed of the most impoverished fraction of the working class, the TCF industries possessed powerful symbolic value to a party still grappling with its own identity and future direction - which made it the ideal vehicle for dissidents. In a carefully orchestrated ambush, the left-wing of the Labor party and both factions of the union movement forced the acceptance of platform amendments committing the Labor government to more interventionist industry policies. The financial markets reacted 'nervously', the Australian dollar 'plunged' and the financial press spoke ominously of the Labor party's 'regulationist tendencies' (AFR July 8, 1986). The following day the economic rationalists regrouped. In what was interpreted by *The Age* as an attempt to soothe the financial markets (July 9, 1986), the Prime Minister Bob Hawke and Senator Button stated that they refused to abide by the amendments and strongly criticised them. This led to angry exchanges between the leaders of industrial and political labour.<sup>6</sup> Nevertheless, the conference rejected the IAC report and called for positive incentives and labour adjustment measures.<sup>7</sup> Afterwards, Senator Button indicated he was more amenable to positive assistance for the TCF industries (AFR July 8-9 1986). Although the general push for a commitment to interventionist industrial policies was unsuccessful, the extreme laissez-faire option pushed by the IAC was no longer politically feasible.

Although the contours of a possible solution were beginning to emerge, the form of post-1988 arrangements was at this point politically indeterminate. The IAC had effectively placed itself at one extreme of the debate. Although it had paved the way for substantial tariff cuts, in doing so it had opened the policy process up to actors who were normally excluded. John Warhurst's study of the IAC found that in the great majority of cases, the IAC's recommendations - supported by influential sections of the bureaucracy such as treasury - were adopted by the government (1982:110)<sup>8</sup> However, on this occasion the IAC's final report was so far beyond all the relevant parties expectations - including Senator Button, who was determined to restructure and rationalise the industry, but to do so in a manner which secured

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- 5 Pacific Dunlop, Stafford Ellisson, Flairs mens wear, King Gee and Entrad all threatened to move part of their operations offshore (Australian Apparel Manufacturer Vol. 60 (5), August/September 1986). Bonds Coats Patons threatened 'complete closure under the 50% option but said it had a 'fighting chance' under the 75% option (AFR Nov. 1 1986). Of course, it is difficult to know how much of this was bluff but that has historically been one of the most potent weapons of organised interests against the IAC's recommendations (Warhurst 1982:110).
- 6 Bob Hawke and John Button claimed that they were threatening the economic future of Australia and decried the 'orgy of IAC bashing'; John MacBean responded that 'we're paid to keep people in work . . . we're not here to be lectured by you, John Button . . . don't come and lecture us about the IAC. We know all about it, John Button' (AFR July 9, 1986).
- 7 Prominent figures within the ALP and the union movement continued to state publicly that the IAC report was unacceptable. Gerry Hand - who was chairperson of the TCF sub-caucus sub-committee - stated 'textile clothing and footwear workers are Labor's industrial base. They did not elect a Labor government to see themselves thrown to the wolves' (Age, October 20 1986).
- 8 To quote John Warhurst, "in the majority of cases, the IAC's recommendations were supported by at least a majority of interdepartmental committees and later adopted by the government. Several conspicuous rejections of major reports tended to obscure this essential fact, leading to an underrating of the very great influence which the IAC wielded" (1982:110).

the active cooperation of the industry - that it became something of an ambit claim: between the unqualified protection of the TCF industry and the doctrinaire liberalism of the IAC lay considerable room for manoeuvre.

Discussions took place initially between Senator Button and the TCF industry council (TCFIC). Exchanges were acrimonious and Senator Button publicly attacked council members for their 'uncooperative approach' and 'self interest' (AFR October 16 1986). Although the council ". . . accepted the nature and extent of the industry's problems" (Senator Button 1987:4), the disparate range of interests on the council<sup>9</sup> precluded any agreement on the form of the appropriate solution. Principally, retailers and importers wanted an accelerated programme of tariff reductions which was unacceptable to unions and manufacturers. Senator Button was in any case ambivalent about formal tripartite negotiation (A. Booth, interview) and discussions reached an impasse.

The IAC report and the changes in the political landscape had thrown TCF employers into strategic disarray. The TCFCA attempted to adjust its position; accepting that a reduction in tariffs was inevitable, it decided to campaign for the 'soft option' - a 75% maximum tariff - but was unable to maintain unity. Retailers and importers, recognising the shift that had taken place, rejected it as too high. Even amongst manufacturers, the TCFCA was unable to maintain a united front as some of the more successful companies (eg Fletcher Jones) 'broke ranks' and to the end maintained that the industry could sustain lower tariffs. The TCF industries' tradition of tariff solidarity had disintegrated into internecine sectionalism.

The CATU descended into the vacuum created by the disintegration of TCF capital. Influenced by the metal and steel industry plans, the CATU discarded its support for protection<sup>10</sup> and throughout 1986 developed an increasingly detailed proposal containing three elements - phased reductions in barrier protection to 75%, investment incentives which were 'targeted, monitored and reviewable', and labour adjustment measures (FC minutes 1986:16; A. Booth, interview; Ellem 1989a:289). A seven-point plan was constructed and disseminated through the membership by 'campaign bulletins', shop steward/organiser kits and factory meetings (CATU 1986; CATU 1987b). A furious 'life or death' campaign was launched. Mass demonstrations were held in seventeen metropolitan and regional locations with over 10,000 workers attending a Melbourne rally (CATU 1986; AFR October 21 1986). Senator Button and members of the TCF sub-caucus committee received a vitriolic reception when they visited country towns with workers wearing black armbands and leaving a coffin outside his motel room in Wangaratta (AFR September 22 1986). In contrast to employers, the CATU stressed the confluence between their plan and the government's objectives in discussions with Senator Button and then, importantly, through the industry council secured the support of the ATFWU and a significant group of employers (Capling & Galligan 1991:54; A. Booth, interview). The politically and economically judicious proposals of the union's leadership allied with the intense mobilisation and palpable desperation of

9 The council consisted of representatives from the TCF unions, large companies, industry associations such as the TCFCA, CEO's from large companies, retailers, importers and was chaired by a senior bureaucrat (Capling & Galligan 1991:54).

10 Forced to reexamine the rationality upon which its support for tariff protection was based, it was found wanting - "protection placed no obligation on the recipients to pay decent wages, to undertake investment or training, or to provide job security (McCreadie & Booth 1991:318).

TCF workers culminated in cross-factional support within the ALP by late October.<sup>11</sup>

In the final stages, negotiations took place within the labour party. Leading union officials and CEO's from some of the major companies held intensive discussions with Gerry Hand (head of the TCF sub-caucus committee) who acted as a go-between for negotiations between the industry and Senator Button (A. Booth, interview). Round-the-clock negotiations from November 24-7 culminated in an agreement, subsequently ratified by cabinet,<sup>12</sup> which with several changes very closely resembled the union's plan (CATU 1987a).

The main features of the plan were:

- the gradual reduction of tariffs from 134% to 60% between 1989 and 94 and the eventual abolition of quotas;
- a \$120 million 'industry development strategy' which aimed to encourage the shift of production 'up-market'. This included the 'industry efficiencies program' (which would provide grants to promising firms - on the condition that recipients had negotiated a 'labour-management' plan with the union),<sup>13</sup> the 'industry infrastructure program' (which was designed to upgrade design, management and labour skills), the 'export development program' and a 'raw materials processing program';
- 'Labour adjustment measures' for retrenched workers which consisted of benefits - non-means tested to allow access for married women who would normally be excluded - retraining programmes and where possible relocation or reemployment;
- The establishment of the TCF Development Authority (TCFDA) to administer, monitor and review the plan. If employment fell by 15% in the sector as a whole or 10, 20 and 20% in TCF respectively, then it would invoke a 'trigger mechanism' whereby tariff reductions would be halted.

The 'trigger mechanism' was the crucial tradeoff which facilitated agreement to a 60% tariff: "Button got away with more than we and the industry were prepared to accept on the basis of the safety net" (F. Peterson, interview).

The response to the plan was more or less universally favourable. Although a little apprehensive about the future, manufacturers were clearly relieved - in particular by

11 Ewer et. al. have questioned the efficacy of mass action as a lever for influencing industry policy (1992:81). To some extent this campaign was an exception - as they acknowledge in passing (1992:80) - because it brought questions about the impact of the Labor government's policies on its working-class base into sharper relief.

12 There was a late push within cabinet to reduce tariffs to 50% but the Labor caucus stressed its opposition and with the TCF industry highly mobilised, supported of the package and with an election approaching, this remained a minority position.

13 This appears to have been superseded by the Incentives for International Competitiveness (IICS). Its guidelines state that it is to provide assistance for company specific investment projects. To receive assistance, companies must provide a strategic plan and a human resource strategy which meets criteria such as involving a 'specific financial commitment', being 'commercially viable' (DITAC 1988:2) and resulting in demonstrable improvements in international competitiveness (performance measures and target outcomes on 'investment expenditure', a schedule of 'plant and equipment installation' and a schedule of 'cost/ production' targets being agreed upon prior to assistance being granted [DITAC 1988:4]).

the inclusion of the 'trigger mechanism' (*Australian Apparel Manufacturer [AAM]*, February/March Vol. 61 (2); *Ragtrader [RT]* February no. 318). It was well received within all sections of the labour movement (ACTU and G. Hand media releases November 28, 1986) and the press presented it as an economic and political triumph for Senator Button: "if there were any doubts about the Hawke government's ability to get its political act together under stress, they were dampened by this canny deal . . . using his Circean ability to bewitch his opponents, Senator John Button managed to pull one of those rare political coups in which just about everybody is happy" (Hywood 1986:3).<sup>14</sup>

The CATU triumphantly declared 'We've won' (*Ragmag* March 1987). Indeed they had but the final outcome should not obscure the fact that the success of the CATU was contingent on a number of external factors: the politically unacceptable and economically simplistic IAC report; the tensions between the industrial and political wings of the labour movement; and the disunity of employers. The CATU took advantage of this conjunction of circumstances with an irresistible campaign. The essentially contingent nature of the CATU's success is underlined by the ephemerality of its influence and the subsequent changes in the direction of government policy.

### THE 1988 REVISIONS: 'NEGOTIATION' BECOMES 'CONSULTATION'

In the lead-up to the 1988 May economic statement, the TCF industry discovered that Senator Button was intending to make changes to the 1986 plan. Now established as the leading interest representative within the industry, the CATU remobilised its membership to oppose the changes. A rally of 5,500 workers was held outside Parliament house in Canberra (TCF unions, 1988) while the union's leadership used its influence within the ACTU. Simon Crean, then president of the ACTU, persuaded Bob Hawke of the merits of their case thwarting Button:

. . . he (Bob Hawke) brought Button in and Button was very unhappy about that because he was saying I'll commit the government and we reached agreement in that room, that night, that the changes would not be to the extent that Button had wanted (A. Booth, interview).

Senator Button had originally wanted to shorten the plan by two years and reduce the end tariff level by 10% (*AFR*, May 25 1988) but the outcome was 8 months and 5% respectively (Button, 1988).

More important than the actual changes - which were relatively inconsequential - was the fact that quite fundamental elements of the original plan were not agreed upon which raised the spectre of further changes. With hindsight it is apparent that Senator Button never considered the original plan to be a 'deal' or 'agreement'. In his 1987 statement to Parliament, he warned that "the industries cannot expect the plan to be immutable" (1987a:6). Fred Peterson and Anna Booth both agree that despite the 'horsetrading' in 1986, Senator Button considered it to be 'consultation'. Indeed, he believed he had now suffered two defeats (A. Booth, interview) and the

14 Other papers also gave glowing reviews. The Age editorial writer cooed that it was ". . . a masterly political compromise and a tribute to the economic sense and diplomatic skills of Senator Button".

same journalists who eulogised about Button's political acumen in 1986 now spoke of the original plan as a burdensome 'defeat' (AFR May 30 1988).<sup>15</sup>

### MARCH 1991: NO MORE 'CONSULTATION'

John Button's response was to make radical unannounced changes to the plan in 1991. He abolished the 'trigger mechanism' and the mid-term review, introduced an import credits scheme and decided that from 1992 quotas and bounties were to be phased out by 1995 and tariffs reduced to between 5% and 25% (Castle 1991:20; McCreadie & Booth 1991:320-1).<sup>16</sup> By removing the mid-term review, Senator Button was attempting to signal that the plan was now cast-iron, irrespective of employment losses.

The clothing industry was understandably aghast (RT April 30 1991 no. 411; Clothing Union News June 1991) but the media was laudatory. *The Age* commended the statement: "Labor's systematic withdrawal of the old, easy tariff blanket is arguably the single most important economic reform of post-war Australia" (March 13 1991). With respect to the changes to the TCF plan, C. Wallace of *The Australian* is representative: "Button has now unequivocally delivered the goods on tariff reform in the case of the TCF industries, in excess of the most ambitious expectations" (March 13 1990).

By the end of 1991, the plant closures and job losses were becoming so severe that the CATU decided that it would make another attempt to change government policy. Despite being unable to generate the same degree of support within the union movement - "the ACTU was behind us in resolution but not in determination" - they managed to gain the support of almost the entire caucus (A. Booth, interview). In response, an extra \$51 million was allocated in *One Nation* to the TCFDA. Significantly though, the funds were added to the labour plan, claiming the job losses were due to the recession rather than tariff cuts (AAM August/September 1991:14). Although the \$51 million allocated to the TCFDA was seen as unnecessary and useless, the media congratulated the government for its economic responsibility [" . . . there has been no surrender to the neo-protectionists or those who would have the government pick winners" (*The Australian* February 29-March 1: editorial)]. While it confirmed the ability of the CATU to politically mobilise, the marginalisation of the CATU - and the TCF industries - was all too apparent.

### CONCEPTUALISING THE BASES OF TRADE UNION POWER IN THE POLITICAL ARENA" EXPLAINING THE RISE AND FALL OF THE CATU

The union's movement's forays into industry policy in the 1980's remain poorly conceptualised. Universal diagnoses which locate the structural power of capital as the source of their disappointments have an obvious resonance. They are, however, of little value in explaining the fluctuations in influence as experienced by the

15 The media's verdict on the 1988 changes was mixed. The AFR's M. Stutchbury declared it to be a 'clever win' whereas. *The Age's* editorial writer thundered that the pace of tariff reform was too slow, an unacceptable burden on mining and agricultural industries and attributed it to excessive union influence (May 30, 1988).

16 The CATU was frustrated with the response of the industry - in particular its refusal to engage in consultation and the slow pace of restructuring - and for that reason did not 'rush to the barricades' (A. Booth, interview).

CATU, nor in delineating with any precision the sources of a trade union's power in the formation of industry policy. For this it is necessary to draw upon the formulations of commentators who analyse the 'politics of industry policy'. These can inform a more nuanced analysis of trade unions and the industry policy process which weld 'structure' and 'agency' together more effectively.

The potential influence of an individual union in the political arena is circumscribed by the properties of the industry in which it is embedded. With the exception of the small minority of cases where the votes of an industry's workers can affect electoral outcomes, industry policy becomes politicised to the extent that an industry is either important to the vitality of the national economy (Gourevitch 1986; Glezer 1982:228) and/or influential in shaping perceptions of the government's economic competence. Whereas industries in the first category derive power primarily from their strategic position within the economy, industries which belong exclusively to the former category rely largely upon political and social definitions of their economic importance.<sup>17</sup> These are, in turn, largely a function of the magnitude of reverberations created by dislocation - determined by factors such as size, spatial distribution, the composition of its labour force etc - and the industry's public profile. The character of the industry underpins the terms upon which politicians and social actors interact.

Once sectoral policy becomes open to political determination, influence is dependent on the interplay between the 'control' of economic functions' and mobilisation within 'policy networks'.<sup>18</sup> The extent to which an actor can influence the well-being of an industry and hence the successful operation of industry policy is of obvious importance:

In a significant way power is linked to economic situation . . .  
 economic situation arises from the functions groups play in the  
 economy . . . investment, management, labour buying, professional  
 services . . . power depends on the importance of the function . . .  
 and the resources that control of the function provides (Gourevitch  
 1986:58-9).

But as Gourevitch also notes:

. . . Position alone is often too blunt an instrument to achieve results .  
 . . between politicians and societal actors lies a vast network of  
 associations . . (which) manage the evaluation of options, the  
 articulation of opinions, the mobilisation of collective action . . . "  
 (1986:60).

Intermediating economic power and policy outcomes are a range of variables including on the one hand, the organisation and internal politics of the state; and on the other, the ideology, mobilisation and strategic choices of societal actors.

17 The distinction between the two is of course rarely this clear-cut in the 'real world' but it is important to make the point that broadly speaking there are two bases from which an industry derives political leverage; the tendency to link power to strategic position cannot explain the leverage industries such as the TCF are able to obtain in the policy process.

18 Originally coined by P.Katzenstein, it is defined by Atkinson & Coleman as ". . . relations . . between public and private sector actors in advanced capitalist systems" (1989:50).

Although the range of tactics available to trade unions to intervene at points linking the state and society is related to industrial power,<sup>19</sup> their power is rarely sufficient to counteract the fact that they are at least one step removed from investment and most managerial decisions. This renders them dependent upon winning support within the state - through their relationship with the ALP - in order that it will use its leverage to adjust the position of business ie to use the state to counteract the power superiority of capital. According to Atkinson & Coleman, the capacity of the state to do this is dependent on the one hand on the strength of the relevant section of the state - largely a function of the concentration of decision-making, the level of coordination within and the 'autonomy' of the state (1989:51; Trebilcock 1986:329; Grant 1982:128) - and on the other, the degree to which societal actors (including trade unions but crucially business) are 'mobilised' ie the extent to which interest organisations are 'centralised, integrated and representative' (Atkinson & Coleman 1985:28). To this, 'broader economic dynamics' (Bell 1992a:51) should be added - for instance, the level of demand and the investment cycle also influence the power of business. As S. Bell continues:

the historical variability of business power, the political fragmentation of business interests and the independent power resources of government and state agencies . . . (create) opportunities for governments and state agencies to exert an important influence on political outcomes (1992a:55).

Yet, if business is mobilised and irreconcilably opposed to a form of selective intervention, the state is effectively limited in its options (Grant 1982:125; Gourevitch 1986:222); ". . . without the manufacturers acceptance of the incentives granted . . . much of government industry policy is an empty shell" (Glezer 1982:218). For the majority of unions, their potential to influence industry policy remains closely tied to the ideology and interest mobilisation of business.

These concepts can be used to explain the variations in the CATU's influence: their political power *within* the TCF industries has increased, but subsequently the political power *of* the TCF industries has decreased. Confronted with a minister who was determined to restructure the industry and backed by a state sufficiently well organised and autonomous to do so, the disorganisation of capital rendered employers incapable of exploiting their potential power: the CATU's level of mobilisation, sophisticated lobbying and links with the Labor party enabled them to step into the breach and to a large extent they have remained the most powerful actor in the sector. Manifestations of the industries reduced potency, such as Senator Button's insistence on tariff reductions and wavering commitments to revitalisation, are initially puzzling because the political coalition that underpinned the original plan remains largely intact. Button's stance was - and continues to be - vociferously and actively opposed by all elements of the industry, state premiers (AFR June 22 1992) and has led to increasingly severe tensions both within the Labor party and between the two wings of the labour movement (SMH July 17 1992). What has changed is that Senator Button has redefined his power base - his support coalition now consists of non-manufacturing interest organisations, the financial markets and crucially, the media. The mass media has always occupied a critically important position due to its capacity to shape popular opinion (Glezer

19 Trade unions may be able to use their market power to negotiate directly with employers or on rare occasions directly with the state - the instance that comes to mind here is the AMWU which was able to use its importance for the survival of the Accord to force the ALP to develop a plan for heavy engineering (Ewer et. al. 1987).

1982) but never more so than in the 1980's. Labor party elites have placed ". . . new emphasis on microeconomic reform . . . tariff cuts, as well as attempts to reduce budgetary assistance measures to industry" (Bell 1991a:125). Media commentators have enthusiastically applauded them at every stage and commended their 'economic responsibility'. Together they have forged a climate in which the path to economic regeneration is seen to lie in the removal of impediments to the operation of the market mechanism which have in the past channelled resources into inefficient industries such as TCF. In such a context, job losses in the TCF industries are not evidence of the failure of government policy, but a 'necessary' albeit 'unfortunate' consequence of economic restructuring: a TCF industry is only desirable if it can prove it is 'truly' competitive by existing without protection.<sup>20</sup> The dominance of this viewpoint is not total but sufficient to render industry policy largely impervious to political mobilisation.<sup>21</sup> The political landscape has tilted decisively against the industry and the union.

It needs to be stressed that the burden of this explanation falls upon Senator Button and the ALP. Although the media has become more insistent, it has consistently advocated trade liberalisation over the last 20 years (Glezer 1982). The media did not in any sense 'determine' Button's policy responses, but rather made them more politically viable. As a conduit for the dissemination of information to the broader public, the mass media occupies a very powerful position. Their importance may perhaps be best illustrated by considering the position of Button and the ALP if the media's stance were reversed; could (or would) they steadfastly hold to the programme of tariff reductions and non-intervention if the media was a member of the opposing coalition of the TCF industry, Labor caucus and the union movement? It seems most unlikely.

It is precisely because ideology, the manner in which different actors define their interests and mobilise in different contexts is so important that the industry policy process is historically indeterminate: caution needs to be taken not to over-determine its dynamics on the basis of 'power resources' to the point that historical agency is denied. One of the weaknesses of attempts to understand political processes on the basis of 'power resources' is a tendency to assume that the identified 'bases' of power have equal potency in different contexts and that the relevant actors have a uniform and perfect understanding of their power and the historical moment (Clegg 1979:103-4). Any power resources model can provide no more than a set of static reference points which need to be reconsidered and reformulated when applied to concrete situations. The importance of strategic choices and shifts in the political, economic and social environment - amply apparent in interactions within the TCF policy network, leaves industry policy particularly open to change - and potentially, the influence of trade unions.

20 This is a theme which runs through the comments of government ministers on the TCF industry. For media commentators inspired by neo-classical economics, this is presented as a near impossibility. So popular is this line of argument that R.Gittens felt confident enough to state that "no-one seriously wants to see more investment in the TCF industries" (SMH August 22 1992).

21 The distinction between industries established earlier may not seem especially relevant in the late 1980's/early 1990's when the industry policy regime has been increasingly uniform. It remains relevant because whereas strategically important industries gain power from their impact on other sections of the economy and as a component of the whole, the significance of industries such as TCF is essentially as an employer of a large group of vulnerable workers. If, as has happened, an alternative model which suggests that these workers can be more productively employed elsewhere gains currency, the rationale for the sectors' existence disappears. If conditions continue to deteriorate, in this context economically strategic industries are more likely to be able to achieve political change.

Nevertheless, the potential for influence which exists by virtue of existing power resources and historical contingencies should not deflect attention from the structural position and weaknesses of the union movement: until trade unions are able to influence more substantively functions that are integral to industry performance and represent a more substantive impediment to profitable investment, their influence over industry policy will remain variable - subject to their capacity to woo Labor caucus members and the coordination of capital.

## **CONCLUSION**

The CATU's industry policy triumph in 1986 represented in many respects the high-water mark of Australian trade unions in the political arena during the 1980's. There is clearly much to commend about their efforts and ability to mobilise effectively, but equally apparent is the contingent nature of their success. The CATU, more than most unions, was dependent on achieving support within the ALP and the disorganisation of capital. Their story demonstrates what can be achieved but also confirms the difficulties facing unions who try to intervene in the industry policy process.

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## 4. 'Sectoral Corporatism with a Difference?'

### The TCF Plan & the Relationship between the Industrial & Political Power of the CATU

#### INTRODUCTION

With the achievement of the industry plan in 1986, the trajectory of events and development of organised labour in the clothing industry had closely shadowed the projections of strategic unionism. Intervention in the political arena had revitalised its rank-and-file organisation (*RT* no. 340 1988:30;<sup>1</sup> CATU Federal office report 1987:1) and opened up new vistas for the CATU; the prospect of a more humane industry, new issues to further upgrade the union's potential for mass mobilisation and mechanisms to actively shape the pattern and character of investment.<sup>2</sup> The CATU planned to take advantage of these opportunities and consolidate its gains by making the TCFDA and the TCFIC the 'embodiment of corporatism' (A. Booth, interview).

It is the CATU's efforts to establish corporatist forums for industry planning that is the primary subject of this chapter. In this endeavour, it will be seen that the CATU failed. The TCF plan correlates closest to what Atkinson & Coleman (1989) term a 'state directed' policy network in which organised interests are excluded. The experience of the CATU holds one particularly salient lesson for the union movement, and especially weaker unions: the notion that industrial weakness can be circumvented by intervention in the political arena is illusory - the ability to use mechanisms generated by political intervention remains contingent upon industrial

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1 With a certain amount of chagrin, *Ragtrader* noted that "until 1986 when the industry was under threat for its very existence, it was obvious that the clothing workers could not be mobilised. But with the spontaneous support of workers for a cause, the CATU can look forward to being able to organise industrial action again. Just how seriously employer representatives take this threat is probably expressed in their immobile response to the union's submission in December" (*ibid*).

2 CATU's Federal office report contains a concrete example of the way in which participation in industry policy and tripartite bodies is potentially able to generate positive leadership-rank and file dialectics. "1987 will be a year of exploration of ways of implementing the plan at all levels and of putting in place the internal union mechanisms that will be necessary to properly implement the plan. For example, if the safeguard mechanism is to work, then we must know . . . if production and employment declines are . . . likely to occur. Organisers and shop stewards are a source of information which will be central to the Federal office's ability to alert the development authority . . . and of course if this information does not come through to the Federal office to be aggregated and put into a picture that can be presented to the development authority, then the safety mechanism won't be triggered" (CATU Federal Office Report 1987:4).

power. The consequence of this failure is that the mechanisms through which the CATU can influence industry development are situated largely<sup>3</sup> within the industrial relations system. With this in mind, the chapter will finish by examining the effects of the industry plan to establish the broader context within which the CATU has been operating.

## THE TCF DEVELOPMENT AUTHORITY AND INDUSTRY COUNCIL TRIPARTISM IN PRACTICE

The CATU determined that corporatist intermediation was essential if they were to influence the implementation and actual operation of the industry plan. The intensive tripartite negotiations of 1986 and the apparent commitment to planning which emerged raised hopes that the TCFIC and TCFDA would evolve into corporatist bodies through which the union could influence the character of restructuring.

The TCFIC had previously functioned - rather ineffectually - as a consultative forum between the government and the industry. Its membership included representatives from the TCF unions, CEO's from large companies, industry associations representing manufacturers, retailers and importers and was chaired by a senior bureaucrat (Capling & Galligan 1991:54). Discussions generally revolved around protection, but the council "was seen as one of the least effective (of the industry councils) . . . and . . . tended to consume a lot of bureaucratic resources and not achieve very much" (S. McCreadie, interview). However, the CATU saw the advent of the plan as a potential catalyst for the development of the industry council into a body which influenced the deliberations of the TCFDA and formulated policy on areas related to industry policy such as outwork and redundancy procedures .

The TCFDA was established as part of the 1986 plan. Its 'main function' was 'to implement the Industries Development Strategy' (Button 1987b:1) in order to promote 'revitalisation' through up-market restructuring and the adoption of quick-response production techniques (TCFDA 1990-1:5). The TCFDA contained a 6 person secretariat or board which was to make decisions about applications for funds and establish a strategic direction for the body supported by a 17 person bureaucracy (which was to sift through applications for funds and monitor the industry) (TCFDA 1990-1:2; S. McCreadie, interview). A tripartite advisory council was established to create a nexus between the industry and the TCFDA.<sup>4</sup>

The CATU's attempts to reform the TCFIC into a more substantive body were an abject failure. Employers, presumably seeing little value in tripartite negotiation, were always reluctant participants and there were few tangible outcomes from discussions. Angry with its focus on tariffs, Senator Button abolished the TCFIC in June 1988 (A. Booth, interview). Employers were largely unperturbed and did not protest. However, for all its shortcomings, this significantly affected the CATU because it ". . . removed the only formal consultative forum available to the unions to

3 I say 'largely' because the CATU is still able to wield some influence within the Labor party, and in the implementation of the various programmes of the TCFDA (as will be seen). However, such influence is spasmodic and incidental with the result that much of their energies have been directed to mechanisms within the industrial relations system.

4 Senator Button refused to make the body which distributed funds tripartite and the CATU 'readily' agreed because of the potential problems involved with major figures within the industry viewing other companies strategic plans and deciding who receives funds (A.Booth, interview).

participate in policy formation and implementation" (McCreadie & Booth 1991:326). After a struggle, the CATU secured agreement from employers to participate in a bipartite 'panel'.<sup>5</sup> However, the employer representatives - the TCFCA and CEO's from some of the larger companies - still did not have any real commitment to negotiation. On the rare occasions when agreement was reached on an issue such as redundancy procedures, the outcome was a letter "reading the riot act to their members from time to time saying you're not doing the right thing" (S. McCreadie, interview) - the TCFDA was not sufficiently representative or integrated to bind members to agreements. CATU officials found the bipartite panel of some use for keeping abreast of industry trends and reaching agreement with employers on certain issues with relation to the TCFDA, but it "met less frequently than . . . is necessary . . . to make an impact on the implementation of the plan" (CATU Federal Office report 1990:12). Accordingly, the TCFIC continued to be a rather limited consultative forum which did not influence the operations of the TCFDA or generate its own agreements on substantive issues related to industry policy.

The evolution of the TCFDA was more complex but ultimately just as disappointing for the CATU. The ALP's commitment to industry planning reached its apogee in 1986 and by 1988, there had, as Sue McCreadie noted "been a considerable retreat from the tripartite approach by the government" (interview). This manifested itself initially in the selection of the TCFDA board. The federal government chose people from outside the industry - including amongst others, Judith Sloan (well known for her laissez-faire leanings) - with the intention of "keeping the board at least one step removed from the industry" (S. McCreadie, interview). This was immediately reflected in its administration of the plan:

The TCFDA initially thought they could leave it to the captains of industry to make the adjustments . . . on their initiative with the dangle of these grants out front of them (T. Thomas, interview).

Needless to say, this approach was incompatible with a more tripartite administration:

The whole essence of tripartism is to involve vested interests . . . (and) intervene in the market . . . the approach was really the opposite. It was to say we'll have no vested interests, we will somehow let market forces take over but we'll have some assistance available and we'll have people who are neutral to administer it (S. McCreadie, interview).

Stressing the need to maintain the 'confidentiality' of applications, David McCarthy (CEO of the TCFDA) treated the advisory council with 'derision' (A. Booth, interview). Strongly supported by employers who were ideologically opposed to forms of selective intervention and initially feared that the union might be able to use the development authority to expand its sphere of influence (D. Campbell, interview), the advisory council was starved of information and never called upon to make recommendations as was originally envisaged (A. Booth, interview). Consultation between the TCFDA and the CATU has been strictly informal and erratic. Although the TCFDA belatedly agreed to 'regular meetings' with the industry and unions during 1990, the CATU continues to be largely excluded from

<sup>5</sup> The TCFDA refused to join, ". . . preferring to attend on an adhoc basis when invited" (McCreadie & Booth 1991:326).

decisions about the implementation of the plan: "there's no easy way into the debate . . . we're just knocking on the door . . . (and there's) silence" (S. McCreadie, interview).

The inability of the CATU to graft a corporatist - or even tripartite - structure onto the TCFDA left the union unable to enforce the 'labour-management plans' provision. The prospect of quasi micro-corporatist arrangements in the form of labour management plans was perhaps the most exciting element of the plan for the unions. The 1986 plan announced that in order to receive a grant, employers had to reach agreement with the relevant union over issues such as work organisation, the implementation of new technology etc . Here was a mechanism which could potentially open up areas of managerial prerogative to negotiation and hand the CATU a very potent, concrete lever to shape enterprise restructuring. However, not one agreement has been registered. The TCFDA deemed that a letter from recipients of assistance " . . . saying we're committed to human resource management, training, and good work organisation fullstop" (S. McCreadie, interview) was sufficient to meet the requirements of the provision. Only after sustained union lobbying would the TCFDA even agree to publish the names of companies who had received grants in its annual reports (*ibid*). After a minor scandal in which a company rorted one of the plan's schemes, the TCFDA has now agreed that the negotiation of an 'employee-management' plan (as they are now known) is necessary to receive assistance (A. Booth, interview). The significance of this is as yet uncertain, but the absence of any labour-management plans to date symbolises the inability of the CATU to exert direct influence over the implementation of the plan at any level.

### **THE TCF PLAN: 'SECTORAL CORPORATISM WITH A DIFFERENCE'?**

The one substantial analysis of the TCF plan to date (Capling & Galligan 1991) characterised it as 'sectoral corporatism with a difference'. Indeed, they use this as a generic label for all the Labor government's sectoral plans " . . . because they involve tripartite arrangements between government, business and unions, but with a difference - they are statist in being devised and sustained by state initiative and supporting state structures that have been put in place" (1991:56). Although Capling & Galligan confine themselves largely to the formation of the plan, the assertion that a corporatist infrastructure had been established is clear: this represents a challenge to the argument that has been developed here and raises the issue of how exactly the TCF plan should be characterised.

Corporatism, of course, remains a nebulous and controversial concept but by synthesising the work of the major writers in the field, it is possible to construct an empirically testable definition of corporatism which contains the popularly identified elements. Corporatism is in the first instance a voluntary process, involving the negotiation of industry policy - at the 'meso' level - between the state and encompassing class organisations; wherein the state surrenders some of its powers, confers 'monopoly representation' status upon them and allows socio-economic groups to participate in and shape some aspects of policy formation and implementation. In return, the organisations of capital and labour have an obligation

to ensure that their members abide by agreed policy decisions (Grant 1985:3-4; Cawson 1986:72; Schmitter 1979).

Whatever affinities with corporatism were apparent in the establishment of the plan, it is clear that the 1986 plan did not construct a corporatist edifice. Consultation with societal actors has been ad hoc and infrequent. No interest organisation has been conferred 'monopoly status', significantly involved in the plan's implementation or under any obligation to ensure member compliance. To maintain that the TCF plan is 'sectoral corporatism with a difference' in the face of such evidence would be to stretch corporatism's considerable definitional elasticity to breaking point.

Drawing on Atkinson & Coleman's influential typology of policy networks, the TCF plan correlates closest to what they term a 'state-directed' network.<sup>7</sup> A 'state directed' network occurs when there is a strong 'autonomous' state and a sector with a 'low' level of mobilisation. At times their description of the characteristics of 'state directed' networks bears a startling resemblance to the operations of the TCF plan:

In this network the privileged position of business in advanced capitalist systems is put to a severe test. With little warning . . . the state embarks upon economic projects that have serious repercussions for the investment decisions of business. Business is typically divided and . . . officials are not in the mood for concertation (Atkinson & Coleman 1989:59).

The division between policy formation and implementation becomes blurred. Instead of a broadly fixed policy being implemented and refined after varying degrees of consultation with societal actors, the state is able to fundamentally recast policy by excluding organised interests.<sup>8</sup>

### **EXPLAINING THE CATU'S INABILITY TO ESTABLISH 'SECTORAL CORPORATISM': THE RELATIONSHIP BETWEEN POLITICAL AND INDUSTRIAL**

Political unionism was fundamentally premised on the notion that political intervention could secure both a particular type and form of public policy. The CATU successfully achieved the type of plan they desired; but unable to establish a corporatist policy network, the operations of the plan have diverged quite markedly from the CATU's expectations. Needless to say, this raises fundamental questions about political unionism.

In one sense, the non-emergence of sectoral corporatism is readily intelligible. Atkinson & Coleman state "sectoral corporatism . . . becomes more likely when . . .

7 Given that Capling & Galligan (1991) also draw on Atkinson & Coleman (1989) and note the strong role of the state, their insistence that it is 'sectoral corporatism with a difference' is puzzling. It can only be explained as an attempt to fit the TCF plan to a broader argument that the instances of sectoral corporatism explain why the Hawke Labor government has been able to maintain political support from the union movement in the face of its deregulationist policies.

8 This framework is not without shortcomings. By severing the sector from the broader society to focus upon the internal characteristics of the sector's actors, it fails to elucidate the constellation of forces which determines the relative power of the state and industry. It implicitly assumes all sectors have an equal amount of political power, which as was demonstrated in the last chapter is clearly false. The TCF sector is, in fact, by Atkinson & Coleman's criteria quite mobilised. It is the manner in which Senator Button has drawn on external players and redefined his power base that explains the power imbalance between the state and the TCF industry.

the dominant policy problem in a sector . . . (is) defined in terms of the viability of the sector as a component of the national economy" (1985:27). This is clearly no longer the 'dominant policy problem' for the TCF sector. However, given that there was a commitment of sorts to its future as embodied in schemes such as the Industry Development Strategy and the Industry Infrastructure Program; given the intense tripartism of 1986, exactly why the CATU's attempts to establish sectoral corporatism were such a comprehensive failure still requires explanation.

There is a broad consensus amongst analysts of 'macro' and 'meso' corporatism that economic vulnerability and a relative "equilibration of power potentials which could be called a 'balance of class forces' " (Marin 1985:111-2)<sup>9</sup> are the critical imperatives which underpin the emergence of corporatist arrangements. Vulnerability creates a greater need for and legitimises state intervention. However, only when organised labour represents a substantial impediment to profitable investment is capital prepared to cooperate with labour on the scale and terms associated with corporatism; to enter into potentially restrictive agreements which - notionally at least - expand the sphere of trade union influence. It is in this context that the state is drawn towards incorporating capital and labour into public policy formation and implementation within corporatist structures. The state itself must of necessity be strong enough to shape the demands and strategies of sectoral class representatives, yet weak to the point that it cannot achieve its objectives independently. Highly centralised and vertically integrated employer and union organisation are in the final analysis essential for such a system to be constructed and function effectively.

Despite some general similarities which led Capling & Galligan to prematurely and erroneously term the plan 'sectoral corporatism with a difference', the preconditions for corporatism were not present in the clothing industry. Certainly, some of the industry's characteristics suggested the potential for corporatism: the perilous economic position which generates recurrent pressures for state intervention; the combination of strength and weakness that characterises the state; the emergence of the TCFUF and the employers tradition of mobilisation within the TCFCA; and the tripartite negotiations of 1986. However, the weakness of organised labour constitutes an insurmountable barrier. Put bluntly, the CATU does not represent a significant enough threat to profitable investment to induce employers to enter into a corporatist arrangement. The tradition of tariff solidarity masks fundamental employer divisions, and in the absence of a stronger imperative to compromise with labour, the TCFCA was never likely to be sufficiently representative or integrated to be a party to a corporatist agreement. The state's ambivalence then, in a sense, confirms or formalises what is already apparent: the conditions which were the catalyst for corporatist arrangements elsewhere - a combination of economic vulnerability and a relative equilibration of class forces (usually also accompanied by recent experience of apocalyptic conflict) - did not exist in the clothing industry.

The experience of the CATU illustrates the limited efficacy of political interventions as a means of remedying industrial weakness. The CATU had the political power in 1986 to achieve the type of plan they wanted, including the 'labour-management plan' provision; but not the industrial power to enforce this provision or to

9 Other commentators who make this point include C.Maier (1984), C.Crouch (1985), W.Grant (1985), W.Korpi (1983:20) and Atkinson & Coleman (1989:57). Atkinson & Coleman's argument has a twist because they argue that the equilibration need not be between capital and labour - it can also be between two fractions of capital - but the point remains the same ("Whatever the level or the groups involved, corporatism arises when the parties are in a position of 'mutual deterrence'").

substantively influence how the plan operated in practice - its actual content or form. The CATU's essential powerlessness rendered them effectively dependent upon the sentiments of Senator Button and members of the TCFDA:

You'd expect a Labor government that is in partnership with the union movement at the macro level to see the logic of partnerships on a sectoral or micro basis. Button never saw that (A. Booth, interview).

Nor did the TCFDA. It effectively formed an alliance with the larger employers to maintain existing power relations. In other words, the CATU's political power had extended beyond what they could sustain industrially, but not so far as to circumvent or counteract its relative industrial weakness.

Advocates of political unionism have tended to conflate policy formation and implementation thereby analytically sidestepping the relationship between industrial power and policy outcomes. The point is not that interventions in the political arena are useless, but rather that lingering notions that they can be a panacea for the ills of the union movement are misguided: ultimately, industrial power underwrites not only the efficacy of political interventions, but also the ability to use public policy mechanisms generated by such interventions.

## THE EFFECTS OF THE PLAN

Having established that the influence of the CATU over the implementation of the plan has been minimal, it is necessary to enumerate in general terms what the actual effects of the plan have been; to establish the broader context which is structuring the industrial relations system within which the CATU has attempted to influence development of the industry. The different elements of the plan relevant to the clothing industry will be examined in turn before considering the effects of the reductions in protection.

The inability of the CATU to influence the implementation of the plan is palpably obvious in the operation of the Incentives for International Competitiveness Scheme (IICS). Instead of using grants as a lever to actively encourage particular forms of investment, the use of funds has been haphazard. Despite a consensus that the guidelines for the program were too 'tight' (*RT* No. 431:8),<sup>10</sup> the distribution of funds does not appear to have been governed by any systematic criteria (T. Thomas, interview). Indeed, contrary to the plan's objectives, companies which have received assistance in 1988/9 used the funds ". . . for investment in labour saving technology, rather than in new production methods or flexible manufacturing systems" (McCreadie & Booth 1991:323). Even more startling:

Companies who've been assisted have ended up in a lot of trouble and the issue, thinking of one of them, would seem to be their marketing skill and their positioning in the market: no amount of computerised equipment can change that . . . they say they look at their business plan, but you have to wonder at the capacity of the people looking at the plan (S. McCreadie, interview).

A little ironically, IICS grants have been used recently by new entrants into the industry to restructure bankrupt companies (T. Thomas, interview). Over its duration though, there has been a disjuncture between the plan's objectives and the manner in which investment incentives have been deployed: due to its chaotic administration, the IICS has not facilitated up-market restructuring and to a limited extent, may even have impeded it.

The Management and Business Skills (MBS) Scheme has produced tangible benefits, but its impact has been limited and at times also partially negated by its discordance with the objectives of the plan.<sup>11</sup> The MBS was designed to improve the planning skills and 'business efficiency' of small and medium sized firms (TCFDA 1990-1:9). Administered primarily through the National Industries Extension Services (NIES) network, consultants try to encourage strategic planning, diagnose weaknesses in their current strategy (if they have one!) and develop business plans (AAM Aug./Sept. 1991:22; T. Thomas, interview). However, it has been criticised on several grounds. Trevor Thomas argues that many of the consultations were flawed in that they severed considerations of 'internal' efficiency from the 'external' environment:

there were a lot of plans ostensibly guiding firms about where they were going . . . which weren't really well-founded on the changes to the competitive environment . . . the competitive environment in effect determines whether the internal changes will be a success (T. Thomas, interview).

Building on this, Sue McCreadie makes a related criticism:

They've got these off-the-shelves packages . . . which management puts through. In about 60, 70% of cases, the unions and the workforce aren't involved at all . . . which makes a nonsense of things like TQM - you can't do it without people! (S. McCreadie, interview).<sup>12</sup>

Another problem has been a lack of resources. Few companies have received more than one consultation<sup>13</sup> which limits its effectiveness [" . . . a one-off business plan or a one-off TQM isn't going to solve anything" (S. McCreadie, interview)]. While it has undoubtedly improved managerial skills, this program has also been poorly integrated with the restructuring objectives of the plan.

There are two programs designed to encourage and assist exporters - the export development program and the import credits scheme. Take-up of the Export Development program has been very patchy - some elements being popular and others suffering from chronic underuse - and although reaction has been largely favourable, its benefits are considered to be marginal (RT April 30, 1988:no. 345; S. McCreadie, interview). The imports credits scheme has been more effective. The

11 For reasons of continuity, the Industries Infrastructure Program - which has funded amongst other things an industry-wide skills analysis, a trade union education program and a skills centre - will be discussed in chapter five. The Textile Industry Modernisation program will not be discussed (for obvious reasons) while the Labour adjustment Program is really outside the ambit of this thesis, although the take-up has been disappointingly low [out of 20,000 - 9.4% (OLMA 1991:)].

12 The source for S. McCreadie's statement was a Price Waterhouse survey of the NIES program.

13 In 1988/9, only 9 out of 168 firms visited had 'second stage exercises' (CATU Federal Office Report 1990:9 citing survey by Arthur Andersen).

scheme has enabled exporters to as much as double profit margins on an exported garment, allowing "new exporters . . . to drop international prices substantially to enter the market, while retaining their present domestic margins" (RT No. 429, 1992) and more established exporters to generate "good cash flow for their restructuring plans" (T. Thomas, interview). The only misgiving is that it may be encouraging off-shore production.

Overall, the impact of programs designed to promote and assist restructuring has been quite marginal. Due to the emphasis on the textile industry (see TCFDA 1990-1) and personnel changes, the TCFDA struggled to develop a clear set of principles to inform a strategy for the clothing industry. To the extent that they did have a characteristic *modus operandi*, it was distinguished by a faith that left to their own devices with obligation-free grants to encourage them, industry principals could be relied upon to restructure the industry and themselves. Not only did this leave no place for corporatism or the use of assistance as a lever to direct restructuring, it meant that the multitude of small and medium sized firms did not enter their calculations. The only assistance available to small and medium sized firms has been the MBS<sup>14</sup> and the work by the Melbourne City Council to promote small firm collaboration and clustering, collective purchase of technology and provide infrastructural support (eg market information systems, training facilities etc) [Procter 1989] was stopped by a lack of government funding (S. McCreadie, interview). On the positive side, the programmes have to a certain extent helped upgrade managerial skills, the penetration of export markets and encouraged technological change. But the limited achievements of the plan have been overwhelmed by the the plan's general irrelevance and the support of administrators for existing practices which has impeded the emergence of new dynamics: the positive assistance measures in the TCF plan have not in any real sense promoted or facilitated up-market restructuring.

With measures designed to facilitate restructuring proving to be peripheral, reductions in protection have been effectively the only mechanism driving change. Even a cursory survey of the standard indicators of industry performance demonstrates that the reductions in tariffs have had a drastic impact upon the industry.

From the mid-1980's to the the beginning of the plan in 1989, the figures show gradual improvements. In 1985-6, 86-7 and 87-8, new capital expenditure increased 22%, 32% and 23% respectively; exports increased 67%, 49% and 32% while increases in imports were negligible<sup>15</sup> (CATU Federal Office report 1990:14). From 1982-3 to 1986-7, value-added increased from 1354.8 to 1998.6 million - an increase of 15.6% at constant prices compared to 11.4% for manufacturing as a whole (A.B.S. Cat. no. 8203.0).<sup>16</sup> Between 1986-9, investment increased from \$218 million to \$384 million (OLMA 1991:20). In the years leading up to the

14 This criticism should perhaps be tempered by acknowledging the difficulties facing public policy makers. The fragmented structure rules out plans such as that in the steel industry which tie investment guarantees and workplace reform to assistance (Kelly 1989) and would require sophisticated mechanisms to disseminate information and incentives to smaller producers. However, it seems fair to say that they have not really acknowledged these difficulties - they have made no attempt to tailor the programme to assist smaller firms who are innovative or use assistance as a lever to promote a form of restructuring compatible with the plan amongst larger firms.

15 They increased 5% in 1986-7, 6% in 1987-8. This trend continued into 1988-9 when exports increased 85% and imports 20%, although clearly imports were on the rise again. Also of note is that in 1986-7 value-added in the clothing industry increased by 23% (CATU Federal office report 1990:13).

16 This figure incorporates footwear as well as clothing.

beginning of the plan, there were gradual improvements in the international competitiveness of the clothing industry.<sup>17</sup>

From 1989, these trends were dramatically reversed. New capital expenditure collapsed, falling from \$373 million in 1989/90 to \$176 million in 1990/91 - a trend that appears to be continuing with new capital expenditure in the March 1992 quarter (\$32 million) almost half the level in the December 1991 quarter (\$59 million) [A.B.S. Cat. no 5626.0]. The rate at which import penetration increased trebled between 1988-89 (4.27%) and 1989-90 (13.2%) and under pressure to retain domestic market shares, the increase in exports slumped to 16%. In 1984-5 prices, the gross product of clothing and footwear declined in 1989 and 1990 by 5.8% and 21.5% respectively (A.B.S. Cat. no. 5222.0). Full-time employment in the clothing industry declined by approximately 4,000 in 1989 (A.B.S. 6203.0) while in 1990 there were 4,955 notified retrenchments (McCreadie & Booth 1991:325).<sup>18</sup> Between March 1989 and March 1992, the number of jobs in the clothing industry fell from 60,300 to 43,400 (A.B.S. 6248.0). The increases in import penetration and the number of manufacturers relocating offshore demonstrate that the job losses cannot be attributed to the recession alone.

As these figures indicate, the challenge confronting clothing manufacturers is formidable. M.Porter's voluminous study (1990) pinpointed two sources of 'competitive advantage' - 'lower prices' or 'differentiation' ie the ability to produce a similar product more efficiently and cheaper or a 'differentiated' product which is capable of commanding a 'premium price' (1990:37). The Australian clothing industry has traditionally sought to compete on the basis of lower prices, but with the tariff reductions will increasingly have to compete on the basis of product differentiation.

Tariffs are a very blunt and in some ways contradictory instrument to promote up-market restructuring. The influx of cheap imports and the emphasis placed on rationalisation by public policy complicates what would in any case be a challenging transition:

on the one hand, the industry is being urged to improve its quality, to move upmarket, to discover niche markets (etc) . . . But these signals are compromised . . . (because) the plan explicitly encourages firms to pursue rationalisation and cost reduction, ostensibly to remove the basis for tariffs and other forms of costly assistance . . . rationalisation simply to reduce costs (and perhaps achieved at the expense of investment in long-term skills development) is a recipe for disaster. It is the unqualified endorsement of cost-minimising, mass-marketing strategies that is the problem . . . firms will find themselves pulling in

17 This is not to suggest that without the plan the industry would have continued to inexorably improve its international competitiveness - indeed, the announcement of the plan in 1986 and the depreciation of the Australian dollar were at least partially responsible for these improvements - but to illustrate the effect of the tariff reductions.

18 However, as OLMA noted, ". . . notified retrenchments are becoming less reliable as an indicator of the state of the industry. These figures do not reflect the cases where workers are told to take short-term leave, which is subsequently extended indefinitely, nor the increasing incidence of short-time working" (1991:7). The figures on TCF employment are perhaps more helpful. One-in-eight TCF jobs disappeared between February 1990 and 1991 (OLMA 1991:17) - clothing, being more labour intensive than textiles or footwear, could be expected to account for a proportionately greater share. It should also be noted that a significant quantity of employment was (and is) being transferred from factories to homes as indicated by discrepancies between A.B.S. Cat. no 6203.0 (the labour force) and A.B.S. Cat no. 6248.0 (wage and salary earners).

opposite directions seeking quality but compromising it by attempting to compete on the basis of lower costs (Mathews & Weiss 1991:51).

Without wishing necessarily to endorse Mathews & Weiss's alternative - the dissolution of the industry structure to promote Italian-style clusters - there is obvious merit in their assessment. To create competitiveness on the basis of 'product differentiation' takes time and the investment of considerable resources. The government has argued that the very slow pace of restructuring necessitated lower tariffs to accelerate change. However, lower tariffs are in fact primarily designed to quicken rationalisation and to the extent that they relate to restructuring the industry, it is the stultifying influence of neo-classical ideology which determines that the only option available to policy makers is to accelerate the reductions in protection. The pace of tariff reductions and enormous cost pressures which weigh upon most clothing manufacturers creates a real danger that the industry will be caught in between the twin poles of competitiveness and extinguished.

Inevitably, the plan has already overwhelmed a significant section of the industry. Many smaller producers who were chronically dependent on protection - and even a significant number of the industry's larger firms - have gone to the wall. The remaining sections of the clothing industry are now in the midst of a frantic round of restructuring - of one form or another. Amidst this chaos, the CATU has been attempting to influence the direction of the clothing industry from within the industrial relations system.

## CONCLUSION

Despite the tripartism of 1986 and the apparent commitment to industry planning, the CATU was unable to convert the TCFIC and the TCFDA into corporatist forums. Whatever commitment there was to planning had dissipated by 1988 and this was reflected in the TCFDA's 'hands-off' approach. Solidifying this pattern, the CATU lacked the industrial power to generate pressure from within the industry for corporatist intermediation and targetted assistance - employers supported the TCFDA's style and rejected the notion of selective intervention. In the absence of coordinated, targetted assistance, reductions in protection have effectively been the only mechanism driving change and these have precipitated a frenzied bout of restructuring. Unable to exert any substantive influence over the operation of public policy, the points at which the CATU could seek to influence restructuring were now located within the industrial relations system.



## **5. The Retreat to the Industrial Arena: Attempts to Influence Industrial Restructuring from within the Industrial Relations System**

### **INTRODUCTION**

With their inability to shape industry restructuring through the TCFDA or the TCFIC manifestly apparent, the CATU's focus necessarily switched to mechanisms within the industrial relations system. The CATU attempted to influence industry development through the award restructuring process and reforms to the training system; renewed efforts to regulate outworking; the promotion of rank-and-file interventions at enterprise level; and the reconfiguration of the union's internal structure to enable it to exert more substantive influence over enterprise restructuring.

This chapter will analyse each of these inter-meshed campaigns - although reflecting its importance, award restructuring will be given greatest emphasis - with regard to two primary concerns. Firstly, the extent to which the CATU has been able to tangibly influence the direction of restructuring through these mechanisms. Secondly, whether the CATU's organisational capacities with respect to industry development have been upgraded; or in other words, whether they are in a better position to influence restructuring now than before.

### **AWARD RESTRUCTURING THE CONTEXT**

The convergence of product and labour market pressures in the clothing industry created conditions apparently favourable to the ideals of award restructuring. Dysfunctionalities classically associated with mass production and extreme labour alienation - high rates of absenteeism, occupational injuries and worker compensation claims, labour turnover and recruitment problems - are a pervasive feature of the clothing industry. Not only is work a debilitating, often crippling experience for workers, but its manifestations are also extremely costly for

employers (RT July 31, 1986 no. 307; RT March 31, 1988 no. 343; Windsor & Pocock 1989:10).<sup>1</sup>

The costs of mass production were brought into sharper relief by the industry plan and the reductions in protection. Exposure to international competition dramatically intensified price competition and in doing so, changed the conditions for capital accumulation: with every reduction in barrier protection, successfully competing on the basis of price alone became increasingly difficult for Australian clothing manufacturers. Domestic manufacturers could try to slug it out with Asian imports, searching out cheaper and cheaper sources of labour and rationalising costs, but an apparently insurmountable differential between Australian and Asian labour costs marked this as a short-term strategy under the projected schedule of tariff reductions. In the absence of absolute cost advantage, retaining/ extending market share would be increasingly dependent on the capacity of manufacturers to respond quickly to market fluctuations, precisely target market segments and manufacture products of greater fashion value and quality. Such is the labour intensive nature of clothing production that it is primarily through changes to work organisation rather than new technology that increases in productivity, quality and flexibility can be achieved. However, the legacy of the clothing industry's extremely detailed division of labour, narrow skill formation and low levels of training are skill shortages,<sup>2</sup> poor product quality and production rigidities. To the perennial costs associated with Taylorism, exposure to international competition added new penalties for persevering with mass production methods.

Award restructuring prospectively offered employers reduced labour costs, a more flexible/skilled workplace and harmonious industrial relations. At the same time, the process also promised workers better paid, more satisfying, safer employment with the possibility of a career path and greater job security. The *potential* of tangible gains for both capital and labour meant that the 'portents' for award restructuring in the clothing industry were good.

A study of the clothing industry should be able to usefully contribute to the understanding of the potential of trade unions to use award restructuring to shape industry development. In an influential article, R. Curtain & J. Mathews (1991) posited that 'two models of award restructuring' were emerging - the 'cost minimisation approach' (CMA) and the 'productivity enhancement approach' (PEA). The CMA involves a 'narrow' agenda restricted to award 'tradeoffs' with little or no increase in skill formation, multiskilling or new forms of work organisation while the PEA broadly corresponds to the post-Fordist agenda. Historically, clothing employers have pushed the 'cost minimisation approach' to the limits, but they are now confronted with increasingly severe pressures to adopt more of a 'productivity enhancement approach' - which is what the CATU was advocating. The CATU was struggling against the considerable weight of tradition and entrenched structures, but with the aid of labour market and product market pressures. Linked in no small measure with the success of their struggle for a PEA would be the outcome for women workers. Given their preponderance in lower level jobs, women workers had much to gain from an exercise which might allow them to acquire skills and access career paths; and conversely would bear a disproportionate share of the costs

1 Without a hint of irony - or indeed remorse - the pages of the industry's main trade magazine (Ragtrader) were regularly filled in the mid-1980's with complaints about the exorbitant cost of workers compensation and the urgent need for governments' to change the legislation to remove this heinous burden from the shoulders of employers.

2 In a survey of 'best practice' firms by the Labour Resource Centre, the main problem cited by most firms was 'skill shortages'. Also prominent was 'staff turnover' (1988: 18).

if a CMA prevailed. What is being examined here then, is whether by actively participating in the successive phases of productivity bargaining (from the second tier to the SEP/award restructuring and beyond), the CATU was able to promote its favoured form of restructuring: the introduction of post-Fordist production models which weaken the structural bases of gender inequality within the workplace.

## THE SECOND TIER

With the advent of the Accord III, Australia's wage fixation system took a radical new twist. The National Wage Case (NWC) in March 1987 introduced the 'two tier' wage system. Under the first tier, a wage increase of \$10 per week was granted.<sup>3</sup> To receive second tier wage increases, unions had to engage in productivity bargaining over 'restrictive' work and managerial practices, impediments to multiskilling and other measures to improve efficiency which generated productivity gains of at least 4% (the 'restructuring and efficiency' principle); or alternatively, make an application under the 'supplementary payments' provision which was designed to assist 'low-paid' workers (Gardiner 1991:89; Brambles 1989:382).

Second tier negotiations in the clothing industry were protracted and relatively complex. In the first phase of negotiations - which lasted from the middle of 1987 to the end of the year - bargaining took place over 'restructuring and efficiency' offsets. The second phase - which lasted from the beginning of 1988 until the middle of the year - centred around the CATU's campaign to receive the second part of the second tier wage rise in the form of a supplementary payment.

The first phase of negotiations revolved around 'restructuring and efficiency' trade-offs. The CATU agreed to a range of offsets, but their refusal to negotiate on penalty rates and other award conditions led to an impasse. The union filed for the case to be heard by the Australian Conciliation and Arbitration Commission (ACAC). Following three adjournments to allow for further negotiations, the Australian Chamber of Manufactures (ACM) continued to stall, asking for a further adjournment until the new year to allow 'proper consultation' with its members. Making reference to the period the CATU's claim had been outstanding and the strain it was placing on relations, Deputy President Riordan rejected their application. When proceedings resumed the following day (December 24), the employers made no submission. Somewhat reluctantly, Riordan accepted the CATU's submission with one additional offset - agreement to the payment of wages by electronic funds transfer (ACAC 1987:7) - and awarded clothing workers a 2% pay rise.<sup>4</sup>

Rimmer & Zappala (1988) group the CATU offsets into two categories - 'internal numerical flexibility' and 'functional flexibility'. The changes made to internal numerical flexibility were a 'slight alteration' to the spread of ordinary working hours (A. Booth, interview), the 'introduction of shift work'<sup>5</sup> and more 'flexible' guidelines

3 There was agreement at the time that a second first tier wage rise would be granted. Workers were subsequently awarded \$6.50 per week in February 1988.

4 That clothing workers were awarded only 2% reflects the claim - the CATU applied for a wage rise of \$6 (equivalent to 2%) under the restructuring and efficiency principle and a \$13.75 supplementary payment - and Justice Riordan's ambivalence about granting the wage rise without submissions from employers as to the worth of the submissions. The supplementary payment application was deferred.

5 Although in the words of A.Booth, "the introduction of shift work isn't as grand as it sounds . . . the shift work aspect . . . was about the ability of the union and employers to reach agreement on a second shift rather than a shiftwork provision" (interview).

for the operation of RDO's. With respect to functional flexibility, the CATU pledged agreement to the introduction of a new traineeship scheme, new production methods such as JIT and TQM and made a commitment to the award restructuring process. The vague nature of the agreed changes designed to increase functional flexibility reflects the inability of the CATU to shape the bargaining agenda and the extent to which they had been placed on the defensive.<sup>6</sup>

However, the CATU successfully took the initiative in the new year. Exasperated by the employers' filibustering (RT February 1988, no. 340:1), the CATU decided to take direct action. Taking advantage of their newfound capacity to mobilise after the industry plan campaign, they launched company-by-company negotiations. These culminated with a 24-hour industry-wide stoppage on February 15, 1988 (Clothing Union News, March 1988:7) and achieved a \$3 per week increase on February 23, 1988 (ACAC 1988a).<sup>7</sup> In a subsequent hearing in the arbitration commission, the CATU successfully applied for a \$10 per week supplementary payment which removed the need for any tradeoffs. The ACM's appeal against the second part of the second tier being awarded under the supplementary payments provision instead of the 'restructuring and efficiency' provision was rejected (ACAC 1988b).

As with most industries (DIR 1990a:41; Timo 1989:402), the second tier in the clothing industry was an exercise in static cost-cutting: outcomes usually varied across industries only in the extent to which employment conditions were conceded. The offsets in the clothing industry were in fact relatively minor - a commitment to several ongoing processes and small concessions. Both union and employer representatives agree that the changes implemented by the second tier were marginal (A. Booth, D. Campbell, interviews).

The limited nature of the changes bear testimony to successful defensive action by the CATU - a success assisted in no small measure by strategic errors by employers. The CATU suggested that negotiations be conducted at industry level and, in Anna Booth's opinion (interview), it simply did not occur to employers to push for enterprise negotiations. Only strong unions were usually able to repel pressure from employers for enterprise negotiations (Rimmer & Verevis 1990:99). By restricting negotiations to the industry level, the CATU avoided the possibility of shop-by-shop trade offs as occurred in some industries (eg metals). Compounding this lack of initiative, it would appear that although their delaying tactics succeeded in postponing a wage rise for a period of some weeks, employers lost the opportunity to force further trade-offs from the union. Deputy President Riordan stated that "the matter of effective cost offsets has caused me particular concern because of the absence of any submissions in respect of them by the employers" (ACAC 1987:7). Deeply ambivalent about whether the CATU's offsets were sufficient to warrant the 2% wage increase, Riordan granted employers the right to apply for 'further cost offsets'. However, from that point onwards, the CATU took the initiative and frustrated any ambitions for further trade-offs.

6 The extent to which the CATU saw the process as a means of promoting 'skill based restructuring' (to use Ewer et. al's [1992] term) at this point is unclear. The document, Restructuring of the TCF industries and the importance of skill formation (published in December 1987) outlines the need for a skill-based classification structure and 'broadbased', 'comprehensive' and 'targetted' training for successful restructuring. It seems likely though, that this was something of a learning period for the CATU. In any case, faced with concerted attacks on award conditions, they were placed in a defensive position and unable to exert any proactive influence over the bargaining agenda.

7 The decision ruled that the wage increase was to take effect from February 5, 1988.

It is a measure of the extent to which the second tier framework placed unions on the defensive that the CATU regarded its agreement as something of a 'coup' (A. Booth, interview). It is difficult to see how negotiations could have transcended award tradeoffs given the vague requirement that unions agree to 'offsets' to the value of the wage increase and the clothing industry's traditions. Countervailing pressures were only just beginning to manifest themselves and consequently the second tier generated a 'cost minimisation' approach and outcomes.

## THE STRUCTURAL EFFICIENCY PRINCIPLE

A consensus emerged amongst the Accord partners and in the ACAC after the second tier that there had been a predominance of short-term cost-cutting measures rather than structural change in the second tier (DIR 1990b:41). The response was to attempt to deepen the process, to refine the principles which framed the wage bargaining process to try and elicit more substantive and longer-term restructuring. To this end, the August 1988 NWC (Accord Mark IV) introduced the 'structural efficiency principle'. To receive two staggered wage increases - the first 3% and the second \$10 per week - unions had to agree to a total review of their awards in order to facilitate enhanced labour flexibility, productivity and more satisfying jobs for workers with career paths.

Employer and union representatives in the clothing industry welcomed the adjustments in national wage guidelines. Debora Campbell believed the second tier was a useful beginning, but it was only a 'toe in the water'; a exercise in 'tinkering' which was inherently limited by the emphasis on 'award matters' and the union's very strong resistance to award tradeoffs (AAM Dec. 1988 /Jan. 1989:9-10; interview). For its part, the CATU was as angry as the rest of the union movement at the emphasis on trade-offs (CATU Federal office report 1988-9:9); especially because they believed increased skill acquisition, labour flexibility etc was crucial for the survival of the industry.

A burgeoning awareness amongst all parties of the potential contribution award restructuring could make to the industry's survival and a shift of power within employer representation gave the process enormous momentum at the outset. Traditionally, there had been a division of labour between employer organisations whereby the ACM represented employers on industrial relations issues while the TCFCA represented employers on industry policy issues. However, a perception emerged amongst employers that under this arrangement representation had become unwieldy, fragmented and was creating problems of coordination. Dissatisfaction amongst employers with the structure of representation grew, especially with the CATU's leadership proving to be such a dynamic force on all fronts (D. Campbell, interview). Anna Booth had also been extremely critical of the ACM prior to the industrial action in early 1988 (RT no. 340 1988:1), stating her preference for dealing with clothing employers directly.<sup>8</sup> The TCFCA acted on the swell of discontent by employing an industrial relations specialist for the first time in 1988 (D. Campbell). It was immediately apparent that there was indeed a greater convergence of perceptions of award restructuring between the TCFCA and the TCF unions (A. Booth, D. Campbell interviews).

8 CATU's federal office report also stated that "... it was at this time following our disastrous second tier negotiations that we recognised the importance of bringing industry principals to the negotiating table and breaking the stranglehold on negotiations held by the Australian Chamber of Manufactures" (1988-9: 9).

This was especially important because the lack of managerial expertise in industrial relations at corporate level was profound. As industrial relations negotiations had historically been conducted by the ACM, top-level management was initially at a loss when attempting to draw up its own agenda for award restructuring - as Debora Campbell explained:

It was my task to form the TCF employers into a cohesive group which had its own view about what it wanted out of award restructuring . . . we had blank faces. We had comments like 'we'd like to get rid of the leave loading' and me saying, 'well gentlemen, I don't think that's very creative' . . . and having to suggest things (interview).

In this context, the importance of having industrial relations specialists committed to the process is obvious. During the second half of 1988, corporate level managers came to comprehend the role award restructuring could play in the broader restructuring process and that the award restructuring agenda of employers and unions had broad similarities: ". . . what the unions wanted out of it didn't conflict in any way with what, particularly the more progressive of my members were saying . . . they'd been studying the industry policy question . . . and they knew what it was going to mean and that changes were going to have to be made" (D. Campbell, interview).

Feeding into these internal factors were external pressures. The clothing industry was one of the industries selected by the ACTU to set the pace and act as a 'model' for others in award restructuring (see ACTU 1989). There was also considerable political pressure upon the industry to demonstrate its commitment to restructuring with the industry plan on the verge of commencing (D. Campbell, interview). To this end, the federal government funded the Joint TCF Award Restructuring working Party (JWP).

The JWP was established in 1988. Its 'principal objectives' were "to create skill-related career paths . . . (and) to establish working patterns, conditions and arrangements which ensure that flexibility and efficiency are reflected in awards and/or enterprise agreements" (TCF 1989:3). Essentially, the JWP sought to construct a broad framework, to establish parameters around the award restructuring process (A. Booth, D. Campbell, interviews).

To this end the JWP moved with breathtaking speed. They agreed to replace the 162 award classifications with a skill-based classification structure and set in motion a number of the research projects necessary to inform the construction of the new skill levels and training system (eg an industry-wide skills analysis to ascertain the skills workers possessed, currently used and the industry's skill needs and shortages). A draft of the new classification structure and its constituent skill levels, 'entry requirements' for each skill level, a timetable and procedures for its testing were agreed upon in quick succession. Negotiations began over a transition procedure, consultative mechanisms for implementation of the new classification structure and allowance for variations in the award to facilitate greater 'enterprise flexibility' (CATU Federal Office Industrial Report 1990:1-2; TCF 1989). In fact, the JWP had done much more than construct a framework: the group had negotiated major changes to

the structure of awards and taken a series of 'leaps of faith' (D. Campbell, interview) which placed the TCF industries at the forefront of national developments in award restructuring.

These negotiations culminated initially in the ratification of a structural efficiency agreement on October 17, 1989. The agreement formalised broadbanning with the abolition or repositioning of existing classifications within a series of skill levels and the introduction of a greater range of duties and skills within each category. Complementing broadbanning, wages were grouped together within the minimum rates adjustment process (S. Lavery, interview) whereby minimum award rates were to be increased over four phases. TCF workers received immediate 'structural efficiency' wage increases of \$10, \$12.50 and \$15 or 3% if this was greater and total pay rises ranged from \$40-\$60 per week (AAM Nov./Dec. 1989:1; ACAC 1989). Additionally, there was agreement to a review of the PBR clause and its rate, the establishment of consultative committees and a rudimentary set of guidelines for the introduction of 'enterprise flexibility' agreements (ACAC 1989).

With this agreement and the work of the JWP, award restructuring was now firmly back on 'productivity enhancement' tracks. The emphasis was decisively on skill formation, training, the provision of career paths and other means to enhance 'functional flexibility'. The key to maintaining this path and repelling pressures for a CMA lay initially in the manner the 'enterprise flexibility' clause was managed.

### **THE CATU AND ENTERPRISE RESTRUCTURING: THE 'ENTERPRISE FLEXIBILITY' CLAUSE, CONSULTATIVE COMMITTEES AND UNION STRUCTURES IN THE WORKPLACE**

The CATU had agreed 'in principle' to enterprise bargaining and guidelines for 'enterprise flexibility' agreements were included in the structural efficiency agreement under pressure from employers. Although these guidelines were originally to be voluntary (D. Campbell, interview), when negotiations over the details started to take place the CATU decided that they wanted mandatory procedures included in the award.

The CATU aimed to consolidate and confirm the path award restructuring was now on and ". . . drive the process of workplace democratisation through this enterprise flexibility procedure" (A. Booth, interview). The TCF unions maintained that they would ". . . not cooperate in a repeat of the two tier system" (ACAC 1989:5) and argued that the provision had to safeguard workers from expedient employers seeking to cut award conditions:

Award restructuring was not designed for employers to use it as a means of grabbing back wages and conditions that have been hard won over many years (*Clothing Union News*, June 1990:42).

Accordingly, negotiations should only take place over issues such as job redesign, training, childcare etc and not have the power to alter basic award conditions such as ordinary hours of work, sick leave entitlements etc. To ensure that workers understood and accepted the terms of the agreement (a particularly acute problem in the clothing industry given the high portion of migrant workers with poor English language skills), the CATU also wanted a set of procedures which would guarantee the involvement of the union throughout its negotiation: if employers were genuine

about their intentions towards award restructuring and enterprise agreements, they should be prepared to negotiate with consultative committees on an equal basis (*Clothing Union News* Sept. 1990:1). In this way, the bargaining rights of the union and workers would be expanded (CATU Federal Office Report 1988-9:20) while ensuring that the agreement was a 'win-win situation' for both employers and employees and consistent with the ideals of award restructuring being developed at industry level: under this arrangement, employers who were seeking 'genuine' flexibility would not be disadvantaged (AAM Feb./March, 1992:19; *Clothing Union News* Sept. 1990:21).

TCF employers complained that the union's proposal did not represent 'a genuine flexibility clause' and insisted that any guidelines should be voluntary (S. Osbourne, interview). In July 1990, the case went to arbitration. The commission agreed with the TCF unions' - in particular making reference to the vulnerability of migrant workers - and in September 1990, mandatory provisions for award variations at enterprise level were included in the award (*Clothing Union News* Dec. 1990:33).

The CATU was understandably happy with the procedural and substantive provisions of the 'enterprise flexibility' clause. It contained an 11-step procedure for the negotiation of an enterprise flexibility agreement; entitlements for consultative committee members to receive paid leave for union training and to hold meetings with the workforce during working hours; and a requirement that the consent of the consultative committee and a majority of the workforce be obtained for an award variation. Beyond procedural matters, the clause outlined quite detailed lists about what could and could not be renegotiated which correlated closely to the CATU's preferred forms of flexibility. Importantly though, the 'terms of reference' were framed quite broadly to allow negotiation over new technology, the impact of changes in 'product orientation', the introduction of new work methods, EEO principles etc in addition to issues related to award restructuring.<sup>9</sup> This was 'managed decentralism' on the union's terms.

The enterprise flexibility clause appeared to be a highly effective, if not ingenious, response to the dangers and opportunities presented by enterprise bargaining. The negotiating terrain was framed in such a way as to provide a safeguard against the loss of award conditions and 'whipsawing'. Although they expected management would generally be the one initiating award variations, the CATU believed the provision would increase the union's shopfloor presence and relevance to its membership. More ambitiously, the provisions of the clause were seen as an opportunity to upgrade the union's shopfloor organisation and recast internal structures to enable them to influence enterprise restructuring. The installation of consultative committees and provision for union training would enable them to 'resource' workplace representatives and strengthen links between officials, organisers and shop stewards. Improving the negotiating skills of the membership and their understanding of the union's restructuring objectives could facilitate a more interactive relationship whereby shop stewards are given greater autonomy to negotiate and the union ". . . then comes up with solutions rather than doing the policeperson's job" (S. McCreadie, interview). In this vein, the CATU urged shop stewards in its 'Award Restructuring Speakers Kit' to "get support from members to set up a consultative committee . . . and draw up an Industry Development Agreement which is appropriate for your factory" (CATU 1988:4). Although they were perhaps more hopeful than expectant, the CATU clearly saw the consultative

committees as a mechanism for democratising workplaces and creating pressure 'from below' for post-Fordist forms of restructuring; in short, moving towards a proactive position where they could influence workplace dynamics.

In terms of 'workplace reform', the enterprise flexibility clause and the consultative committees have had limited impact. Consultative committees have been widely established but only three enterprises have finalised agreements - two relating to working hours and the third to 'wages and redundancy' (AAM Feb./March 1992:19-20).<sup>10</sup> The CATU was only disappointed with the content of one of these agreements (S. McCreadie, interview) which was agreed to by workers only after a second vote, prior to which management delivered what AAM described as "a 'blunt speech' about the future of the company" (Feb./March 1992:19): the enterprise flexibility clause did not precipitate the scale of workplace reform they had hoped.

Why have there been so few agreements? Partly, it may be attributed to the difficulties middle management has experienced in adapting to and taking advantage of the opportunities available to them under the clause (S. Osbourne, interview). The recession has severely restricted managerial time and resources with many companies concentrating on survival (S. Osbourne, interview; AAM Feb./March 1992:18). In such a climate, some companies have undoubtedly been discouraged by the procedural requirements of the provision (S. Lavery, S. Osbourne interviews). More fundamentally though, it is clear that there is a disjuncture between middle management's notions of flexibility and those of the union and even substantial portions of top-level management (S. Lavery, D. Campbell, S. McCreadie interviews). A significant number of proposals for award variations have been disqualified by the clause because they were attempts to remove conditions such as penalty rates (S. Lavery, S. McCreadie interviews). A shortage of flair, commitment to or even knowledge of new production techniques within middle management appears to have been the greatest obstacle to a greater number of enterprise agreements.

The plan to use the process to improve the union's organisation and influence at workplace level has been a qualified success, subject to teething problems and internal tensions. Under the Industry Infrastructure Program, the CATU received funding to design and conduct training courses for shop stewards (CATU Federal Office report 1988:13). Reflecting the importance the union placed upon membership training ("the number one priority . . . during 1989" [CATU Federal Office Report 1988-9:20]), between August 1988 and 1991 some 1660 union members from over 300 companies representing 80% of all companies in the industry received training (CATU Federal Office Report 1990-1:7). They were 'resourced' primarily in 'communication skills', their role as a union representative and the objectives of restructuring (S. McCreadie, interview). Additionally, 'workchange advisors' funded by the government who work for the union toured workplaces to "try and resource the people involved in . . . the consultative committees" (S. McCreadie, interview). Certainly, these are very impressive figures and such a commitment of resources could not have failed to improve the skills of rank-and-file members and communication between the different levels of the union.

10 Elaborating on this, at Formfit it was agreed that employees would work on their RDO's during busy periods and take them off in quieter periods; at Sportsraft, the agreement "relates to wages and redundancy (no further details released)"; and at Stafford Ellison, "employees received improved leave conditions in exchange for more flexible work-hours (no further details released)" (AAM Feb./March 1992: 19-20).

However, the impediments to more active and independent member participation are formidable and enterprise negotiations have generated new coordination problems. For instance, in the case of the bad enterprise agreement, "the union adopted a very hands-off approach . . . which was to . . . set out the pro's and con's and stand back and say you make the decision and then go, 'oh dear' " (S. McCreadie, interview). In a recent case which received extensive media coverage, the union stepped in and squashed an agreement made in a Gazal plant and became embroiled in an intense dispute with its own members. The conundrum facing the union is the risk of being seen as 'meddling' if it intervenes, or alternatively risking the creation of precedents which undermine industry standards if it stands back. Compounding this dilemma, Sue McCreadie mused that ". . . we were a little optimistic about how much training people needed to be equipped . . . for the sorts of things which might come up from management's side . . . it's quite easy to scare them" (interview). Sonia Laverty's conclusion seems apposite: "overall its been a big development of the workforce . . . (but) we're creating them (workplace organisations) from scratch really and it's a long haul" (interview).

Constrained by a shortage of resources and the disparate nature of the industry, the activities of union officials and workplace representatives are not sufficiently well-integrated to overcome shortcomings in shopfloor organisation; the CATU's workplace organisation still lacks the knowledge, skills, cohesion and industrial strength necessary to challenge and substantively influence the direction of organisational change.

This is all too apparent in the case of firms which have introduced new manufacturing systems such as JIT. Bargaining has been limited to payment systems<sup>11</sup> and in some instances retraining (S. McCreadie, interview): the workers and union officials have not been involved in broader issues such as the reorganisation of work, job design etc ". . . beyond simply being informed by management of what their decision is" (A. Booth, interview).

Where the union's organisation has proven sufficiently strong to mount 'productivist' interventions at the workplace, attempts to initiate 'workplace change' in conjunction with delegates through the consultative committees have been stopped dead in their tracks by middle management:

I'd say to them . . . that . . . talking to the delegates, we'll come up with a package of things on the committee; production in this section could be better, we can get the work through the factory faster (etc) . . . if you do x,y and z. They have a heartattack. It takes six months for them to recover. Its real basic stuff . . . in the end the delegates who are quite fired up on this stuff . . . get quite dispirited because of the total lack of response and because they know that unless the company does pick up on these sort of things, they won't have a job in six months time (S. Laverty, interview).

Although commitment to the new manufacturing systems at this level of management is at best variable, it is notable that the source of frustration lies as much in the lack of internal communication between the different levels of management and the industry's traditions of 'arms-length' management; middle

<sup>11</sup> Individualised, PBR systems are in their traditional form incompatible with the new production techniques. There has been considerable disagreement over what form the system which replaces them is to take (S. McCreadie, interview).

managers appear fundamentally unable and even unwilling to interact with their employees (D. Campbell, S. Lavery, S. Osbourne interviews).<sup>12</sup> Hopes that the consultative committees could be forums for discussions of corporate strategic plans have also been frustrated to date, although there are some planned for the near future (A. Booth, interview).<sup>13</sup> Unable to respond effectively to organisational change or initiate change themselves, the CATU's influence at enterprise level remains marginal.

The consequence is that " . . . the majority of the committees are pretty wishy-washy . . . it's all this day-to-day stuff that gets talked about . . . there are bigger issues that they should be addressing" (S. Lavery, interview). Consultative committees have generally become marginal problem solving groups or at best, forums for discussions about the implications of award restructuring. The DIR's (1991) breakdown of the AWIRS data confirms the assessment of the CATU officials:

The level of formal consultative arrangements . . . has not been matched by a willingness on management's part to provide information to employees, particularly when this relates to corporate policy . . . while . . . interaction may be extensive in its incidence, there are indications it is more limited in terms of the scope of issues covered (1991:25-6).

Consultative committees will assume a greater role when the restructured award is finalised - at the very least they will translate the new award - which will probably lead to them becoming more substantive bodies in at least some establishments.<sup>14</sup>

Although the CATU's designs proved overly ambitious, the enterprise flexibility clause and the consultative committees have proven useful tools for the union. Certainly, they have not been the catalyst for substantive restructuring or the democratisation of work. All the same, they have been very effective in deflecting attempts to dissolve conditions while granting the CATU the opportunity to make initial forays into enterprise negotiations and upgrade their workplace organisation with regulatory safeguards.

12 There is a striking degree of unanimity between union and employer representatives on this. For instance, D. Campbell stated: "They've never been communicated to or with in their lives, half of them. I think unionists are sometimes shocked and amazed how appalling internal communication is in organisations" (although she did add that unionists also had poorly developed conceptions of 'communication' - "Communication, to a lot of unionists . . . is about telling . . . its' one-way, not two-way, and I've seen that in a lot of union environments. A consultative committee is where we sit down and tell you what to do and similarly a lot of managements think that too") [interview].

13 Elaborating on this point, A. Booth says that "the way we've tried to break into that area is by proposing to companies that they embark on a strategic planning workshop with their consultative committees and union officials and management. We would firstly seek a presentation by the company of their corporate plan and funnily enough the first one we had scheduled for August was postponed because the company didn't have a corporate plan so we feel we've made some impact already! We would dissect it in a group situation with an outside facilitator and we would get into a process of, if not explicitly bargaining, then implicitly bargaining about what the companies corporate direction is going to be" (interview). There is an agreement being finalised between the TCF union and Textile Industries Australia but more generally it is acknowledged that it is unlikely to become an area over which collective bargaining takes place, so much as one where the union makes suggestions which management may or may not take up.

14 This is certainly the hope of A. Booth: " What you're trying to achieve is . . . (to) develop a truly consultative, participative process of decision-making in the enterprise where it's second nature for management to consult the workforce over the introduction of change" (interview).

## NEGOTIATIONS AT INDUSTRY LEVEL: AWARD RESTRUCTURING AND REFORMS TO THE TRAINING SYSTEM AFTER THE SEP

It was in 1989 that training became an active concern of the award restructuring process. Union and employer representatives recognised that the training system would require significant changes to realign it with the new award structure. The recasting of the classification structure and the development of a skill-based career path would necessitate: new courses (or more accurately 'modules'); the creation of consultative mechanisms to ensure courses remained responsive to the needs of employers and employees; competency assessment procedures to determine whether workers satisfied performance criteria embodied in the new skill levels; and an accepted accreditation and certification system for both trainers and workers. This would ensure a degree of uniformity in the quality of training thereby creating an industry-wide standard to provide workers with skills formally recognised and portable. Bridging the new award and the training system would be the competency standards which are the lynchpin of a competency based training system (TCFUF 1989:1-2; Training Costs Review Committee:19-22; Committee on Employment, Education and Training 1989).

The incumbent membership and structure of the Textile, Clothing and Footwear Industry Training Council (TCFITC) at this point constituted a major obstacle to the development of a CBT system. The TCFITC had evolved into a 'narrow' training provider which did not form policies or develop competence programs. Links with the industry (including the CATU) had atrophied and the majority of employers felt it was irrelevant (S. Laverty, D. Campbell, A. Booth, interviews). Award restructuring implied an enhanced, albeit substantially different, role for the TCFITC. The CEO of the TCFITC strongly resisted moves from within the industry to reform the body (*ibid*). Faced with a CEO who was irreconcilably opposed to a CBT system, like-minded employer and union officials engaged in clandestine manoeuvring to obtain a majority on the board of the TCFITC. After a year, their opponents were removed in something resembling a putsch (March 1990) and 'after a struggle', the board was restructured to allow greater union participation (S. Laverty, interview).

Far from being the final hurdle, negotiations over award restructuring and the training system have become a very drawn out process which is still not yet finished. On the employer side, there were important personality changes - key personnel who pushed the process through at the start were replaced by people who were more ambivalent about award restructuring<sup>15</sup> - and a shift of power from the TCFCA to the ACM. The recession and the concomitant difficulty of getting 'industry principals' to commit time to negotiations meant that the TCF unions increasingly had to negotiate with the ACM. The ACM was able to steal the initiative by exploiting amalgamation tensions between the CATU and the AFTWU to split the JWP into sectoral groups (A. Booth, interview).

As negotiations shifted from generalities to specifics, protracted disputes developed over a range of issues such as wage relativities between the different skill levels, the 'entry requirements' for each skill level (which employers felt made it 'too easy' for workers to progress upwards), the translation procedure and even the desirability of a national training system (A. Booth, S. Osbourne interview). On the issue of the training system, resistant employers received vigorous support from elements of the

bureaucracy within DEET and the National Training Board who stalled the process.<sup>16</sup> All the disputes about the award were filed through the IRC and a work value case was being heard (as of early October 1992).

Despite this, the new award is nearly finalised.<sup>17</sup> Although there are important training issues to be resolved (eg the competency standards not yet finalised), there will be a national training system with accreditation, assessment and certification procedures. The exact form is still to be determined but the general character is apparent which allows some conclusions to be drawn.

## AWARD RESTRUCTURING: A PROVISIONAL ASSESSMENT

The actual restructuring of the award has not yet been finalised, let alone implemented in any workplaces. Assessments of its character are for that reason necessarily tentative and provisional for negotiations are not finished and the extent to which the restructured award will lead to or facilitate workplace change is unclear. Notwithstanding these uncertainties, the CATU appears to have had a significant measure of success (albeit not to the degree predicted by the enthusiasts of award restructuring).

The CATU appears to have been largely successful in using the award restructuring process to have the extant skills of women recognised and remunerated. CATU officials are unanimous that the process has succeeded in 'unpacking' the machinists' classifications and gaining formal recognition of their skills (A. Booth, S. McCreadie, S. Lavery interviews). Their claims are supported by the protracted dispute which revolved around employer claims that the entry criteria definitions for the skill levels made it too easy for workers to progress upwards; and acceptance by the TCFCA that a significant number of workers will be translated upwards when the new award comes into place (S. Osbourne, interview) which has intensified a dispute over relativities that is currently being arbitrated (again as of early October). Equally importantly, it is likely to be an ongoing process. Not only has the exercise raised women workers' consciousness of the issue, lifted the self-valuation of their skills and willingness to struggle for their recognition as an industrial right (S. McCreadie, S. Lavery interviews),<sup>18</sup> but the introduction of competency assessment and dispute procedures will provide a channel to direct workers' activism and a mechanism to have their skills assessed against an 'objective' standard (A. Booth, interview). On the other hand, what is also apparent is that due to the realpolitik of industrial relations, the skills of women workers will in all probability still not receive their just recognition and payment. The skill levels have had to be rewritten ". . . quite a number of times to make progress" (S. McCreadie, interview), stiffening requirements for each level in terms of number of machine types, responsibilities etc

16 In the words of A. Booth, "there was a section from within DEET who . . . saw the Labor government's agenda as antithetical to their agenda of promoting employer interests and it was direct class warfare." To illustrate this point, A. Booth referred to an application for a competency assessment project which was under funding consideration for almost 2 years after "10 different letters and resubmissions" (interview).

17 There is to be a review of the classification structure but employer and union representatives agree that the unresolved issues are at the margins.

18 The importance of this should not be underestimated. One of the central insights of labour process scholars was that there is a tension inherent in managerial strategies between the need to elicit a degree of consent while maintaining control (Litler & Salaman 1984: 54); the manner in which management attempts to resolve that tension varies along a continuum between 'responsible autonomy' ("workers are given responsibility, status . . .") and 'direct control' (vice-versa) [Friedman 1986:98]. Where initial momentum for an expansion of industrial rights can be created, self-perpetuating dynamics can be generated which force management to adjust its position and shift along the continuum (Friedman 1986).

(TCF union 1992) and their payment remains uncertain. Yet, the process has politicised the issue of 'women's skills', and will lead to significant wage rises and provide a base for further mobilisation.

The picture with respect to the prospect of women being able to access training is less clear. Training is critical to the outcome of award restructuring for women because only by receiving formally accredited training will women be able to update their skills and progress upwards through a skill-based classification structure. Only through training will women be able to escape the machinist ghetto.

In some respects, the reformed training system should make it easier for women to receive training. The training system will be modularised which means that it is broken down into smaller units, 'building blocks' that can be "put together in all sorts of different combinations to create a qualification" (A. Booth, interview). The advantage of modular training for women is that because qualifications consist of discrete 'building blocks' which can be assembled at different times, when workers with 'broken employment patterns' - as women commonly have - reenter the workforce they can 'top up their skills' (MOA 1991:50). Moreover, there is bipartisan agreement that training will be delivered and competency assessed in the workplace (A. Booth, S. Osbourne interviews) which should also make it easier for women to undertake courses and gain recognition for on-the-job learning.

What has not yet been decided is when the training will be delivered and the criteria which will govern the selection of workers for training.<sup>19</sup> In the absence of training delivered within work hours, the domestic responsibilities of women will continue to make it difficult for them to attend courses. Without a clear set of criteria, the greater assertiveness of male workers, implicit assumptions and explicit biases about the relative worth of male and female employees which inform judgements about who should be trained etc represent major obstacles to women being selected in the first place.

To try and ensure women receive training, the CATU will seek to negotiate training plans and have training rights inserted in the award [which amongst other things would enshrine the role of the TCFITB and establish "what sort of rights they (workers) had to essentially demand a certain amount of training" (A. Booth, interview)]. On the issue of when training is undertaken, the ACTU has already made concessions and Anna Booth concedes they are "going to be continually challenged on this issue" (interview). With respect to the broader issue of 'training rights', there is strong employer opposition to additional regulation (S. Osbourne, interview) which means the issue is likely to end up in the IRC. Although there are precedents in some areas, reliance on arbitration almost inevitably means some form of compromise.

Although the first step to substantively breaking down the sexual division of labour has been achieved, the CATU's industrial power is unlikely to be sufficient to ensure that women are able to take advantage of the opportunities award restructuring has opened up in the immediate future. The CATU has won recognition of machinists' skills and the possibility of a career path for women. The stranglehold of the

19 The CATU made their first attempt to increase the level of training and exert some control over its distribution in a campaign for a training fund in 1988. It was proposed that employers contribute a certain amount per employee and would have to meet some negotiated criteria to withdraw money out of the fund for training (CATU 1987:10). The campaign never really got off the ground and was snuffed out by the introduction of the training guarantee levy (S. McCreadie, interview).

craftsmen on training has been loosened, some aspects of the skill acquisition process which actively discriminated against women have been removed and it is, of course, an ongoing process. However, in the absence of social change to remove the labour market disadvantages of women, redistribute domestic responsibilities more equitably and promote more egalitarian, non-sexist ideologies etc, progress is likely to be piecemeal and uneven.<sup>20</sup> In the immediate future, the outcome for women will depend on the capacity of the CATU to negotiate training plans - which in turn will depend on the extent to which a productivity enhancement approach emerges from the award restructuring process.

In many of its fundamentals, the award restructuring process in the clothing industry correlates with a PEA. The construction of a national training system with uniform procedures for competency assessment, accreditation and certification to generate industry wide standards; a skill-based classification structure; and broadbanding to encourage multiskilling are all in the PEA mould.

However, these are partially compromised by substantive deviations. Importantly, payment is to be for 'skills used' rather than 'skills acquired'. No trade union has been able to achieve this yet,<sup>21</sup> and the CATU conceded "very early on . . . that we weren't going to win that debate" (A. Booth, interview). Its significance lies in the fact that not only would payment for skills acquired create a source of pressure for forms of work organisation which more effectively utilise the skills of workers, but it also influences the portability of workers' skills. If one of the objectives of industry-wide standards was to provide workers with portable skills "which secure them against the fortunes and deprivations of individual employers" (Ewer et. al. 1991:42) and allow "job transfer . . . without loss in pay and status" (AMWU 1988:1), this is clearly compromised by payment for skills used. Although the possession of formally recognised, structured training should increase and stabilise a worker's labour market value, the maintenance of pay and status will remain dependent on finding work of equivalent worth.<sup>22</sup> Additionally, impediments to the acquisition of skills and their 'flexible use' remain in the form of PBR incentive schemes - as PBR systems reward speed, they encourage workers to stick to one machine where they are fastest (Windsor & Pocock 1989) - and the lack of employment security, as embodied most graphically in the extensive use of sub-contracting.

The question which remains then, is, to what extent will the restructured award facilitate - or indeed grant the union leverage to negotiate - changes to work organisation? Although this question cannot really be answered at this point in time, it would seem that at best the restructured award will provide a base or framework

20 The CATU's award restructuring strategy is a rare - almost unique - instance of a trade union actively struggling against the sexual division of labour. They have removed some of the obstacles which stand between women and 'skilled' jobs, but not to the point where the structure of the award and training system can effectively counteract broader social disadvantages which discriminate against women. Yet, the outcome of award restructuring in the clothing industry is one of the most far-reaching achievements of a union with respect to women workers. It would seem that the ability of trade unions to positively affect the sexual division of labour requires a conjunction of circumstance, proactive policy development and a degree of leadership commitment which is very rare and elusive.

21 The BWIU succeeded in winning employer agreement to payment for skills acquired but Justice Ludeke rejected the agreement because of the wage relativities and the fear of payment for skills acquired flowing to other industries.

22 On this basis, S. Osbourne says the changes will make no difference with respect to portability: "Whether they have a competency certificate is not the issue. . . if a company wants someone to do certain tasks and perform at a certain skill level, they will advertise for a person with certain skills, test those skills (etc) . . . that will be no different from how its been . . . there's no portability that suddenly arrives from having a competency standard" (interview). This is true insofar as it goes, but the difference is that if an employer hires someone for a particular job and then asks them to use additional skills, they will be able to receive recognition and payment for them (A. Booth, interview).

from which the CATU can operate as they enter enterprise bargaining. The process has generated expectations amongst workers for recognition of their skills, more satisfying jobs and a career path (S. Laverty, S. McCreddie interviews) and raised managerial consciousness of new production methods (D. Campbell, A. Booth interviews).<sup>23</sup> Perhaps more significantly, a not insubstantial group of employers fear that award restructuring will lead to increased labour costs with 'no immediate benefit' (S. Osbourne, interview; McArdle & Rechter 1991:10). In other words, it will deepen pressure for restructuring - whether the industry shifts towards more causalised forms of employment or the new manufacturing systems remains to be seen. Although the union can use the restructured award as a lever in enterprise negotiations, what it really represents is not so much a tool through which the union can force change as the removal of 'impediments' to post-Fordist forms of restructuring: the extent to which it translates into workplace change will ultimately still depend upon managerial evaluations of their options.

## REGULATING OUTWORK?

So far, this chapter has concentrated on attempts to encourage post-Fordist forms of restructuring by altering the regulatory configuration within the unionised sector of the industry. One alternative to the union's preferred form of restructuring is the pursuit of greater flexibility by evading award regulations through the use of subcontracting and outworkers. Access to an ultra-cheap casual pool of labour tends to perpetuate production for low-cost market segments by undermining, or at the very least reducing, the incentive for technological innovation and new forms of work organisation.<sup>24</sup> The CATU underwent a transition from an 'oppose and exclude' to a 'recruit and integrate' strategy<sup>25</sup> and in the mid-1980's explicitly linked the need to regulate outwork to the outcome of industrial and award restructuring (CATU Federal Office Report 1988-9:12; Ellem 1991:106). This culminated initially in the achievement of a comprehensive award provision for outworkers which gave them a legal mechanism to try and regulate outworking.<sup>26</sup> The pressure on capital for 'up-market' restructuring would correspondingly increase with the ability of the union to regulate this sector of the industry.

The CATU has sought to enforce the award through two main strategies - 'top-down' and 'bottom-up'. They have attempted to establish rapport and trust with outworkers themselves and inform them of their rights through a diverse range of mediums (Ellem 1991:110).<sup>27</sup> Alternatively, they have sought 'to utilise ordinary resources' to follow the flow of production to check if outworkers are registered and prosecute employers when they are reported by an outworker (A. Booth quoted in AAM, April/May 1988:11). In other words, the CATU's efforts have focussed on

23 This is supported by Windsor & Pocock's study which found that the majority of workers wanted more training, greater responsibility etc (1989) and Grieg's study in which all the industry principals surveyed were now aware of new production techniques such as JIT, TQM etc (1990b).

24 This is a theme of a number of international studies (eg Tailby & Whitson 1989; Sorge & Streeck 1988; S. Evans & R. Lewis 1989; Whitson 1989).

25 The terms are M. Bray's (1991: 200). For details of the transition, see Ellem 1991.

26 Deputy President Riordan ruled that conditions for outworkers should be equivalent to those already operating within the award system and to help the union enforce the provision, the decision placed responsibility for registration, compliance and burden of proof as to whether the worker was an 'employee' or 'subcontractor' on employers (Ellem 1991: 108).

27 These include working through ethnic and community groups, media interviews, announcements on ethnic radio programmes, an advertising campaign, multi-lingual leaflet drops, the establishment of an outworker hotline, and the employment of outwork project officers to try and make contact.

incorporating outworkers ('bottom-up') and discouraging employers from employing outworkers under non-award conditions ('top-down').

Although they have achieved a significant degree of success, it has inevitably been partial. The CATU has recovered large sums of money for sacked outworkers and launched a significant number of prosecutions (although they are hampered by the expense of legal action) [CATU Federal Office Report 1988-9:12; S. McCreadie, interview)]. However, recruiting outworkers has proven more difficult. Outworkers generally only approach the union after they have lost their jobs (CATU Federal Office Report 1988-9:12) and the union and the industrial inspectorate lack the resources to effectively police the provision:

It's a very labour-intensive activity finding outworkers . . . declining membership in factories . . . means we've had to put off organisers rather than put on new ones . . . (and) there's no resources within the government for enforcement. So we've got a good award provision which is not being enforced (S. McCreadie, interview).

The CATU has recruited approximately 1000 outworkers (S. McCreadie, interview); a substantial achievement, but, as the CATU acknowledges, this is only " . . . scratching the surface of this abhorrent employment practice" (CATU Federal Office Report 1988-9:12).

What the CATU has achieved then, is an increase in the living standards of the most exploited fraction of the working class (albeit only temporarily in many cases). However, to date the union has not been able to integrate outworkers in sufficient numbers to influence restructuring in a systematic way.<sup>28</sup>

## RESTRUCTURING TRENDS: IMPLICATIONS FOR AWARD RESTRUCTURING AND THE CATU

The ultimate purpose of much of the CATU's activity during the 1980's has been to encourage a particular form of restructuring in the clothing industry. Thus far it has been established that the influence of the CATU has been variable and usually indirect. The actual direction of change then, is in large measure the outcome of managerial strategies. To understand the likely impact of award restructuring and capture the complexities of restructuring in the clothing industry it is necessary to examine the evolving strategies of the different fractions of clothing capital.

Prior to the plan's commencement in 1989, there was little 'up-market restructuring'. Konstantinidis noted a shift away from cheaper market segments to the higher fashion value segments (1989) and amongst larger firms, there was quite substantial investment in new technology. However, there was very little change in production methods. Several large firms experimented with JIT in one or several sections of their operations (eg Yakka, King Gees, Stubbies);<sup>29</sup> a significant number attempted to overcome their 'labour problems' by adopting a 'spokes-and-wheels' strategy (De La Torre 1986) ie relocating the assembly stages of production to the country (Peck 1990);<sup>30</sup> and a number prepared themselves for the plan by relocating some of their

28 Although presumably, if they recruited 1000 outworkers, they must have had an impact on some manufacturers.

29 Even rarer were companies who introduced JIT throughout the whole of their plants. Windsor & Pocock (1989) found one.

30 Elaborating on this point, J. Peck states: "shortages of labour . . . and industrial relations problems in urban labour markets have prompted a number of the larger clothing firms to relocate part of all of their production activity . . . by

cheaper 'lines' offshore (TCFDA 1990:4). However, most observers would agree with McCreadie & Booth's statement that "many companies have not bothered to reconsider their position in the market, their manufacturer supplier relationships and/or their production methods" (1991:321).<sup>31</sup>

There was greater flux amongst small and medium sized firms in volume markets. Without the luxury of 'brand loyalty', the dominant response was to intensify traditional strategies. Production was reorganised to increase labour intensification, reduce labour and operating costs and make more extensive use of outworking. Without the capital to invest in new technology, the knowledge or frequently the ability to institute the new production techniques, these establishments almost invariably sought to 'tap' into cheaper and cheaper sources of labour.

The strategies of 'up' and 'down' market producers were not entirely distinct. Some companies which introduced flexible manufacturing systems also increased their use of sub-contracting. For instance, Yakka introduced JIT in several of its plants while increasing sub-contracting in 'fashion areas' (AAM June/July 1990:8). The ability of post-Fordist style production and outworking to peacefully coexist was disturbingly apparent.

Industry principals began preparing themselves for the new competitive environment in the late 1980's. A. Grieg found that it was at this point that most principals started the process of repositioning themselves in the market. Sixteen out of eighteen firms surveyed had increased their product range (usually 'substantially'), most were targetting a range of 'market niches' and "non-price factors were an important element of their future strategies" (1990b:23-25). All companies surveyed were aware of the new production techniques and a little surprisingly, thirteen out of eighteen claimed to have introduced JIT in varying degrees. On closer inspection however, seven had 'substantially embraced' it and only three had systematically implemented JIT (1990b:21-2). These findings are supported by other studies (Windsor & Pocock 1989; Mathews & Weiss 1991) and industry actors (A. Booth, S. McCreadie, interviews; *RT* Aug. 31, 1989 no. 375:30) who agree that plants operating with the new manufacturing systems remained rare. Their use of outwork was largely determined by their relationship with respect to retailers. Under heavy pressure from retailers, companies who deal with the 'core retailers' brought production back in-house to improve the quality and uniformity of production (Grieg 1990b:16; T. Thomas, interview).<sup>32</sup> On the other hand, a 'substantial minority' (five out of eighteen) of principals, 'fashion' companies who were vertically integrated (and therefore less dependent on the core retailers) made 'extensive use' of sub-contracting (Grieg 1990b:17). Three of these companies had adopted the 'Benetton strategy' ie design, marketing and pre-assembly stages of production kept in-house and organised along post-Fordist lines while labour-

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locating in areas with few alternative sources of female employment, they are able to monopolise a segment of the labour supply, thereby avoiding many of the urban labour market problems of labour turnover and wage competition" (1990: 46). It would seem however, that it has not always worked out as well as hoped. For instance, King Gee complained of having labour problems despite the 'apparent unemployment problem' (AAM Dec. 1987/ Jan. 1988: 10-11) and many subsequently implemented JIT type systems in these plants (Grieg 1990b).

31 Similar views were expressed by the Labour Resource Centre (1988), D. McCarthy (AAM June/ July 1990: 11), T. Thomas (interview) and the TCFDA (1990), Mathews & Weiss (1991) and by Senator Button.

32 Whether quality can be maintained while using outwork is a moot point. Mitter (1986) and Peck (1990) maintain it can be done by close supervision of the pre-assembly and finishing stages of production. However, retailers have complained that standards have fallen and variability increased since the resurgence of sub-contracting in 1980's (*RT* July 15 no. 350; Grieg 1991: 16) and due to their dependence on the orders of these retailers, manufacturers have generally complied with their wishes.

intensive areas of production are sub-contracted out (Grieg 1990b:33). Smaller fashion companies are organised along similar lines (Grieg 1991:20). In the lower end of the market, the vast majority of small-medium firms were decimated while larger firms accelerated their use of off-shore production. So, although clothing manufacturers were repositioning themselves in the market, changes to work organisation remained limited and there were some ominous signs with respect to outwork.

Once the plan and the recession began to take effect, the pace of restructuring quickened. Some of the industry's largest firms and most established interests went bankrupt. New owners (usually foreign) moved in and began to substantially restructure them (T. Thomas, interview). More generally, the new 'economic discipline' and the high profile failures spurred the 'principals' into action.

A sharper bifurcation of employment practices, production techniques and manufacturer sizes appears to be emerging. It would seem that there has been an increase in the use of new manufacturing systems. McArdle & Rechter's survey found that "all companies except one . . . were moving to some means of working as quick response manufacturers" (1991:49). Anna Booth believes "there's been quite a rush towards . . . cell-based manufacturing in 1992 as opposed to 1991" and tentatively suggested that 20% of the industry's employees were now working under such systems.<sup>33</sup> In other words, a majority of industry principals are probably now using new manufacturing systems but "it's still by no means the dominant production method" (interview).<sup>34</sup> Many medium-sized firms are, and will continue to be, sucked down to the size of CMT's as protection comes down and they lack the returns to make the quantum leap upwards (T. Thomas, interview). Significantly, there has been another surge in sub-contracting and outworking (S. McCreadie, interview).<sup>35</sup> In the absence of more detailed research, it is impossible to say whether this is largely transient, a reflection of the changes in the industry's structure and a desperate attempt to maintain cost competitiveness in the face of increasing import competition; or indicative of the expansion of firms employing the 'Bennetton strategy'. Not until consumer demand picks up will a clearer picture emerge.

The effect of award restructuring cannot be predicted with any certainty, but several scenarios may be speculatively posited. Amongst the principals dealing with core retailers, the wage increases and potential to improve labour flexibility flowing from the restructured award are likely to consolidate and speed up progress along the path they are already on.<sup>36</sup> The small fashion companies tend to be non-unionised

33 There is undoubtedly a considerable diversity of practice between firms using systems which are notionally the same, as the industry tries to adapt its traditional practices to fit the new systems. For instance, there is a considerable range of payment systems. Individualised PBR systems remain popular (McArdle & Rechter 1991: 9) but as firms move to implement group and cell based manufacturing, a considerable number of variants has emerged. The extent to which worker responsibility and participative practices are increased is also variable and there have been reports of operators being restricted to one machine in order to avoid having to pay wage increases when the new award is implemented (S. McCreadie, interview).

34 This could be interpreted as wishful thinking. However, past judgements by CATU officials have been largely borne out by other studies such as A. Grieg's and certainly, they have not been prone to overstate the diffusion of new production techniques. One might speculate that there was a lag between the adoption of greater product variety and the discovery of the value of systems such as JIT in dealing with the problems this creates which is said to be one of the systems greatest virtues. In the words of P. Turnbull, "it enables companies . . . to make the same product range at lower cost and/or higher quality, or make a greater variety of products (within limits) at a similar or even lower cost" (1989 :137). This is also the interpretation A. Booth chooses.

35 This is based on the discrepancy between the wage and salary earner (ABS Cat. no 6248.0) and labour force (ABS Cat no. 6203.0) series.

36 This is supported by McArdle & Rechter's survey. They found that ". . . award restructuring was to a large extent complementary to the changes already set in motion as survival strategies" (1991: 10).

and changes in the award will mean little to them. However, there are two possible directions for vertically integrated clothing manufacturers to go. Many of their CMT's will have increased labour costs.<sup>37</sup> Whether they will retain their CMT's and intensify in-house reorganisation or - even though it potentially jeopardises production quality - search for more underground and cheaper sources of labour is uncertain. Much will depend on whether they believe they can maintain sufficient quality and consistency with outwork (or alternatively believe marketing can counteract any deterioration in standards). At the very least, it seems clear that outwork will remain an integral component of the business strategies of significant sections of the industry.

Drawing this back to the CATU, the award restructuring process has secured and even marginally extended the union's influence and power in the core of the industry. The emergent 'model of accumulation' and the union's efforts to upgrade its shopfloor structures mean it is poised to exert greater influence over restructuring. However, there is a danger that these gains are being undermined by the shifting patterns of investment and the possibility that this sector may be shrinking.<sup>38</sup>

## CONCLUSION

The CATU has shown considerable resolve and ingenuity in attempting to shape industrial restructuring through mechanisms within the industrial relations system. They have attempted to *change* and *extend* the network of industrial regulation to encourage post-Fordist forms of restructuring. By promoting a new model of accumulation and strengthening their workplace structures, they have sought to position themselves to exert more substantive influence over enterprise restructuring.

The CATU has achieved much of significance. Correlating in large measure with a 'Productivity Enhancement Approach', award restructuring has weakened the structural foundations of gender inequality and substantially increased the likelihood of post-Fordist forms of restructuring. However, they have not been able to close access to outwork or generate mechanisms through which they can exert more direct influence over investment decisions. In the absence of such mechanisms, the shifting pattern of investment threatens to pull the rug from beneath them: the CATU has consolidated its power in the core of the industry, but the core may be shrinking.

37 The CATU is preparing to deal with this through the arbitration commission - as A. Booth explains: "most of the small firms . . . in the high fashion end . . . will have the higher level skilled workers . . . you could have a factory full of level three's if you're a maker for Perri Cutten or Anthea Crawford . . . that will be a very large increase in the wages bill for that particular employer. . . that employer has either got to be able to pass that back to the principal . . . or they'll go out of business . . . we will, if necessary bring principals . . . into the commission . . . and say sorry, but you'll have to pay this maker sufficient to cover the increase in the wages bill. They might say the market won't bear it - I don't believe that". When asked whether she felt the commission would be willing to do that, A. Booth replied: "I don't know the answer to that . . . there is a wide power to prevent industrial disputes and already the commission has said it has the power to regulate relations between principals and contractors . . . but it's going to be interesting . . ." (interview)

38 A. Grieg makes a similar point in respect to the broader process of industry restructuring (although he seems slightly ignorant of their attempts to regulate outwork): "the union . . . must ensure that their resources remain evenly spread . . . they may discover that they are representing the interests of a declining proportion of the total clothing workforce, while neglecting a thriving deregulated labour market. The final outcome could be the decline of clothing unionism, rather than the decline of clothing production" (1991: 23).

## **6. Conclusion: Reflections on Strategic Unionism based on the Experiences of the CATU**

### **INTRODUCTION**

Throughout the 1980's and into the 1990's, the CATU has attempted to influence industrial restructuring by intervening in a diverse range of processes. These have included the formation of industry policy, the operations of industry level tripartite forums and the implementation of sectoral policy, award restructuring, enterprise bargaining and consultative committees, and the regulation of outwork.

The breadth of their involvement and depth of commitment provides a quite unique opportunity to consider questions relating to union strategy and economic restructuring which were posed at the outset of this thesis. These were, firstly the capacity of trade unions, and in particular 'weak' unions (ie unions which are relatively industrially powerless and represent structurally disadvantaged workers) to use various mechanisms to shape or influence industrial restructuring; and secondly, whether strategic unionism could empower unions - and indeed if it is the most appropriate strategy for trade unions in the 1990's. This chapter aims to recapitulate the experiences of the CATU and relate them to some of these broader issues.

### **REFLECTIONS ON THE EXPERIENCES OF THE CATU IMPLICATIONS FOR STRATEGIC UNIONISM**

With varying success, the CATU managed to access mechanisms within and straddling both the industrial and political arenas. This enables some assessment of the capacity of other trade unions to use these mechanisms and the implications for their ability to substantively influence restructuring.

This study of the CATU has developed a more systematic framework for analysing trade unions and industry policy which confirms that trade unions are unlikely to exert much influence over industry policy in the foreseeable future. Industry policy settings are particularly susceptible to change and potentially - because influence depends on the interplay between economic power and political mobilisation - interventions by trade unions; as the CATU has demonstrated. However, the political climate is so antipathetic to notions of selective intervention that political mobilisations by all industries, strategically important or otherwise, have been comprehensively defused. A more thoroughgoing structural problem is the inability of most Australian trade unions to develop their 'power resources' in such a way as

to extend their leverage beyond the wages system. The CATU demonstrated an admirable capacity to mobilise politically, but it is apparent that in the absence of substantive industrial power, their successes were contingent upon a conjunction of circumstances. It is the inability of most trade unions to extend their 'power resources' in such a way as to constitute a greater impediment to profitable investment that fundamentally explains why the influence of trade unions over industry policy during the 1980's was limited: for this reason, when (or if!) the political landscape shifts, union influence is likely to remain essentially contingent and inconsistent, subject to external factors and the effectiveness of political mobilisations in swaying Labor caucus members.

For similar reasons, the ability of trade unions to influence existing or newly created institutions which administer sectoral policies is also likely to be variable and circumscribed. A fundamental misconception of political unionism was that intervention in the political arena could secure the future of trade unions. Industrial power underwrites not only the potency of political interventions, but also the ability to use public policy mechanisms. Lacking the industrial power to generate pressure for corporatism, the CATU's was unable to influence the operation of the industry plan despite its tenacious efforts. As with the CATU, the mechanisms through which most unions can influence restructuring will be located within the industrial relations system.

This undeniably restricts the ability of trade unions to influence enterprise restructuring and prevent the emergence of unregulated, casualised employment practices. The CATU could scarcely have succeeded in winning a more comprehensive award provision for outworkers, but despite a far-reaching campaign they have been unable to recruit outworkers in the numbers required to substantively influence restructuring. It would seem that where a periphery of marginal workers who are not contained within the industrial relations system exists, trade unions are likely to find it very difficult, if not impossible, to incorporate these workers or to prevent their numbers increasing. Inside the industrial relations system, L. Turner's comparative study found that where corporatist bargaining exists, unions are able to limit managerial perogatives and 'integrate' themselves in the process of enterprise restructuring:

The real problems come for unions in countries where labour is not integrated into managerial decision making and there are no appropriate laws or corporatist bargaining structures. In these cases, labour has little political leverage to push for . . . a new pattern of engagement, integration that does occur does so . . . as a result of management prodding (1991:13).

In the absence of 'integration' and/or corporatist bargaining, unions ". . . will be unable to play a proactive role in influencing the shape of new work organisation" (Turner & Auer 1992:5). The CATU's struggles to engage management at enterprise level bear testimony to the validity of this statement: the CATU has been unable to influence organisational change or to initiate change themselves.

However, L. Turner fails to consider the extent to which industrial relations systems can provide alternative points of entry and influence. As R. Mahon notes:

A crucial condition for such an outcome (trade union influence) is the existence of a national industrial relations system which encourages

and enables unions to play a positive part, both in pressing modes of work organisation which maximise workers opportunity to acquire and develop skills and in ensuring that high wage levels are maintained (Mahon 1987:20).

Award restructuring was, it will be remembered, conceived in similar terms to be a mechanism to promote 'skill-based restructuring' (Ewer et. al. 1992).

The CATU has been quite successful in promoting 'skill based restructuring' through award restructuring. Although the second tier generated a 'cost minimisation approach', the CATU was able to limit the extent and significance of the trade-offs. Through the SEP wage increase and the MRA's, the 'relative award position' of TCF workers was improved in the late 1980's (DIR 1991:16)<sup>1</sup> and the forthcoming wage increases (after the translation of the restructured award) will intensify pressure for work reorganisation. The consultative committees and the strengthening of workplace structures should enable the CATU to exert greater influence over enterprise restructuring (although further progress is necessary before consistent and proactive influence is likely). Through the creation of a national training system, a skill-based classification structure and broadbanding, the CATU has also managed to defend and promote the interests of women workers and increase the likelihood of 'skill based restructuring'.

To draw conclusions from the CATU's experiences however, it is necessary to contextualise them. Curtain & Mathews have noted the importance of industry plans and the nexus between positive outcomes in award restructuring and " . . . a wider agenda and imperative of industrial restructuring" (1990:66):

These plans . . . have provided the opportunity for both unions and employers to gain a new perspective on productivity, seeing it not merely as a tradeoff against wages, but as . . . directed towards the improvement of the long-term viability of their industry. This has created the political and economic climate within which the project of award restructuring could make sense (1990:63).

R. Gough et. al. (1992) make a similar point with greater precision. On the basis of 33 case studies, they found a range of 'survival problems' to be compatible with and often driving award restructuring. It is notable that a number of these - skill shortages (especially where new technology had been installed), product diversification and 'quality challenges', manifestations of a 'divisive workplace culture' such as labour turnover and absenteeism - were present in the clothing industry.

Yet, this should not lead to the conclusion that the emergence of a PEA was inevitable, thereby underestimating the role played by the CATU. Curtain & Mathews overstate the importance of an industry plan. Although the plan generated a momentum for change, there was no essence to the TCF plan which demanded a 'productive enhancement approach'. Indeed, the administration of the plan has been chaotic leaving tariffs as the main pressure for change and most industries are now grappling with increased exposure to international competition. Further, there were considerable pressures for an outcome more in line with a CMA. That a PEA was

1 For most workers of course, award restructuring has proven to be a more subtle and effective means of wage restraint (See Ewer et. al. 1992:32-3; Gardiner 1991:89-91).

the eventual outcome was due in no small measure to the efforts of the CATU and their success in building upon favourable dynamics.

A more thoroughgoing verdict will not be possible until some assessment can be made of the CATU's efforts to use it as a model in enterprise bargaining, and more generally its impact in workplaces. However, award restructuring in the clothing industry illustrates the potential for weaker unions (if not necessarily the likelihood) to use the industrial relations system and award restructuring to promote 'skill based restructuring', while confirming its limitations. The process has not generated mechanisms through which the CATU can exert more direct influence over investment decisions and without such mechanisms, there is an obvious possibility that the shifting pattern of investment is undermining the gains of award restructuring: the CATU has consolidated and even extended its power in the core of the industry, but there is a real danger that this core is shrinking.

In the immediate future, the ability of the CATU and trade unions generally to influence restructuring will depend on the capacity of the union movement to build upon the positive elements of award restructuring - as Ewer et. al. note: "Union strategy for the labour market . . . needs to continue the process begun with award restructuring, of converting the industrial relations system into a mechanism of economic adjustment" (1992:156).

### **STRATEGIC ALTERNATIVES FOR THE UNION MOVEMENT 'COOPERATION' VERSUS 'MILITANCY'?**

The assertion that the strategic choices of the CATU were important in the outcome of award restructuring raises the issue of alternatives. The CATU's experiences were bittersweet and arguably, they have been one of the more successful unions during the Accord period. To the extent that strategic unionism can be considered representative of the union movement's strategies, the issue of whether it is the 'correct' strategy and what alternatives exist needs to be addressed.

The main alternative counterposed to strategic unionism is a bout of rank-and-file led wages militancy. Bramble & Fieldes advocate:

building on and encouraging that collective activity which does still exist - strikes and workbans . . . rather than trying to suppress them in the interests of consensus and top-level negotiations (1990:15).

Extending this line of argument, Brambles states:

an alternative strategy . . . commences from the critical need for ordinary rank and file unionists to organise themselves . . . to reject award restructuring proposals and to mount campaigns for wage increases . . . ultimately, the strength of trade unions lies not in tripartite industry councils . . . but amongst their base . . . any alternative strategy has to involve mobilising this core before it atrophies completely (1989:394-5).

By engaging in cooperation with management primarily under the auspices of award restructuring, strategic unionism is said to have demobilised rank and file organisation thereby undermining the power of organised labour.

By extending their critique of starry-eyed post-Fordism<sup>2</sup> to strategic unionism *per se*, Bramble and Fieldes misrepresent strategic unionism (at least as it has been operationalised by the CATU). The CATU's involvement in award restructuring clearly has involved a significant degree of 'cooperation' with management, but the notion that this is all-encompassing is erroneous. It has not prevented the CATU posing alternatives to the employer agenda; mobilising to resist attempts to wind back award conditions and to promote their own agenda; and far from 'suppressing' rank and file activism, CATU officials have been trying to facilitate and encourage shopfloor activism on a broader range of issues to enable the union to engage management as a more powerful and independent entity. Streeck's (1987) phrase 'conflictual cooperation' is indeed an apt characterisation of the CATU's strategy during the 1980's.

The 'alternative strategy' is substantially flawed. In the first instance, they inflate the ability of wages militancy to mobilise union members; sustained wage militancy was historically confined to the relatively powerful male, blue-collar unions and has never been an option for weaker unions such as the clothing union. Now, as in the past, it would increase pay differentials and labour market segmentation. Nor does the strategy address or incorporate the problems generated by restructuring, the manner in which the reorganisation of workplaces and industry is undermining established bases of union power - except to brusquely dismiss commentators who raise these issues as trying to 'marginalise' critics such as themselves (in a similarly dismissive manner, ironically, to that adopted by the more fervent advocates of post-Fordism). The 'alternative strategy' is critically weakened by the limitations on its capacity to mobilise (being essentially irrelevant to weaker unions) and refusal to address the major threats to the strength of trade unions.

Perhaps most fundamental of all, their dichotomisation of union strategies into 'cooperation' or 'oppositional' is heavy-handed and stultifying. Union strategies need to be informed by more discriminating and empirical assessments than are to be found in the structural-functionalist formulations of Bramble and Fieldes; to determine how and when participating and struggling within institutions and processes can augment the power and organisational capacities of trade unions by effectively contesting managerial prerogatives, shifting the direction of restructuring, upgrading the potential for mobilisation by improving the skills, expanding the consciousness of and involving members; and how to integrate forms of industrial action. Incorporation and demobilisation can and does occur but to equate a particular set of institutional relations with a single, undifferentiated strategy and outcome sits uneasily with the variability of historical and contemporary industrial relations practices. The 'radical' alternative is a retrograde strategy founded upon a denial of the distinctive characteristics of and shifts in the politico-environment confronting the union movement: strategic unionism has weaknesses and contradictions, but it does have the advantage of opening up a range of channels

2 It needs to be clearly stated that the Brambles & Fieldes do make some telling theoretical criticisms of post-Fordism and John Mathew's work in particular. Ewer et. al's (1992) empirical criticism of Curtain & Mathews (1990) is worth adding in this context: "They neglect to tease out the politics of skill, and in particular the battle between a national training agenda and enterprise-specific skills. Praise for the Metal Industry Award . . . is matched by favourable references to leading exponents of the Business Council strategy - ICI Botany, Alcoa and BHP . . . But no matter. The Business Council 'workplace culture' and the restructuring of the Metal Industry award are all new and flexible" (1992:47). The uncritical enthusiasm for change neglects the conflicting interests of capital and labour and ignores the manner in which the new 'workplace culture' is able to demobilise labour.

through which the activism of officials and members can be directed squarely at the sources of the union movement's malaise.

Ultimately, this study of the CATU is double-edged; it offers cause for both optimism and pessimism. The experiences of the CATU demonstrate what can be achieved by progressive and innovative unions and their members; but equally, it illustrates the magnitude of the challenge facing trade unions - a challenge which is unlikely to diminish in the foreseeable future.

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## **ACIRRT**

The Australian Centre for Industrial Relations Research and Teaching (ACIRRT) at the University of Sydney was established as a Key Centre of Teaching and Research in 1989 through a grant from the Commonwealth Department of Employment, Education and Training. The Centre is closely linked with the University's Department of Industrial Relations, which has a long and distinguished history of teaching and research in this area.

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