



**INDUSTRIAL DEMOCRACY IN SOUTH AUSTRALIA IN THE 1970's:
POLICY AND PRACTICE**

by

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ABSTRACT

The thesis is divided into four parts: a chapter on theoretical considerations; three chapters which trace the historical background and origins of industrial democracy in South Australia, the development of Labor Party and government policies and their implementation during the years 1971-1979, and a series of eight case studies drawn from both private and public sectors over that period; two chapters of analysis of issues for the state on the one hand and for the labour movement on the other; the final chapter focusses on the prospects for industrial democracy in Australia in the 1980's.

The theoretical approach is multidisciplinary and draws on the fields of democratic theory, feminism, theories of the state in capitalist society, as well as industrial sociology and psychology, public administration and industrial relations.

The second part locates the Dunstan Labor government initiative on worker participation in the early 1970's in the context of the political economy of South Australia and the international movement of worker participation and industrial democracy, and traces the development of government policy within the widening debate and practice of industrial democracy in Australia.

The two chapters of the third part analyse the issues which arise from the intervention of the state in the relations between capital and labour, and the dilemmas and challenges this intervention presents for the Labor Party and the union movement.

The final chapter compares and contrasts the South Australian history of industrial democracy in the 1970's with the emerging practice in particularly the federal public sector since the Labor Party took office nationally in March 1983.

STATEMENT

This thesis contains no material which has been accepted for the award for any other degree or diploma in any University and to the best of my knowledge and belief, it contains no material previously published or written by another person, except where due reference is made in the text of the thesis.

I consent to the thesis being made available for photocopying and loan if applicable if accepted for the award of the degree of Master of Arts.

FRANCES M. BALDWIN

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It should be noted that during the period 1975-1978, I was directly associated with unions and industrial democracy issues through the agency of the Trade Union Training Authority. For part of the time while writing this thesis I was employed as an official of the Association of Draughting, Supervisory and Technical Employees in South Australia.

ABBREVIATIONS

AA	Affirmative Action
AEU	Amalgamated Engineering Union
AMWU-AMWSU-AMFSU	Amalgamated Metal Workers Union/Amalgamated Metal Workers and Shipwrights' Union/Amalgamated Metals, Foundry and Shipwrights' Union.
AGWA	Australian Government Workers Association
ACID	Advisory Committee on Industrial Democracy
ACTU	Australian Council of Trade Unions
ALP	Australian Labor Party
AWU	Australian Workers Union
AMIEU	Australian Meat Industry Employees Union
AAESDA	Association of Architects, Engineers, Surveyors and Draughtsman of Australia
ADSTE	Association of Draughting, Supervisory and Technical Employees
ASE	Australasian Society of Engineers
BHP	Broken Hill Propriety Limited
CSR	Colonial Sugar Refinery
DLI	Department of Labor and Industry
DFE	Department of Further Education
E&WS	Engineering and Water Supply Department
ETU	Electrical Trades Union
ESOT	Employee Share Ownership Trust
FEDFA	Federated Engine Drivers' and Firemen's Association
FFA	Fire Fighters Association
FS&PU	Federated Storeman and Packers Union
FMWU	Federated Miscellaneous Workers Union
GMH	General Motors Holden
GFC	Glanville Factory Committee (CSR)
IDAC	Industrial Development Advisory Council
ICI	Imperial Chemical Industries

JCC	Joint Consultative Committee/Council
LCL	Liberal and Country League
MMAL	Mitsubishi Manufacturing Australia Limited
MEAB	Metropolitan Export Abattoirs Board
MWCC	Metropolitan Workshops Consultative Committee (E&WS)
OD	Organisation Development
PSAC	Public Service Advisory Committee
PSA	Public Service Association of S.A.
PSB	Public Service Board
PGER	Planning Group for Employee Relations (CSR)
SAHT	South Australian Housing Trust
SAMCOR	South Australian Meat Corporation
TAC	Tripartite Advisory Committee
TUTA	Trade Union Training Authority
UTLC	United Trades & Labor Council (of S.A.)
WEC	Working Environment Committee (of the S.A. Branch of the ALP)
VBU/UBEF	Vehicle Builders Union/Vehicle Builders Employees Federation

CHAPTER ONE
CONSIDERATIONS OF THEORY



Introduction

This thesis is about the processes and theories of social and political change. It is about equality, freedom and justice, and the means of achieving reforms which extend these democratic rights to ordinary workers and citizens. It is also about the limited chances for change in the political economy of capitalism in Australia.

The experience of worker participation and industrial democracy in South Australia in the 1970's is situated some distance from the ideals of liberal political, socialist and feminist theory. Not only did the practice fall short of the theory; in fact it relied upon only a shadow of the twentieth century heir of liberalism - social democratic theory. This is in no way surprising in the Australian context where historically freedom has been heavily proscribed by the state, where notions of equality have been couched in the terms most (and indeed sometimes solely) relevant to the interests of sections of the male workforce, and where justice has been viewed as having a punitive purpose rather than a liberating one. Early social and political reforms in Australia have not given rise to distinctly indigenous reformist tradition. Rather the Australian response has been to utilise the state in a very deliberate way to assist the development of capital, to make an institution of the state the umpire in the capital-labour conflict, and to exacerbate the problems of the Westminster system of government by creating and maintaining a federation of states. While at times Australia has been notable for such democratic reforms as the early enfranchisement of women, for welfare provisions such as child allowances, and for some social reforms like those which extend women's rights, this has been ad

hoc reformism in response to the particular pressures of the time. As Tulloch argues, short periods of innovation have been followed by long periods of inaction.¹ What is clear is that a coherent socialist philosophy and theory did not lie behind these advances, neither then, nor in the 1970's in South Australia when worker participation became part of the Labor Government's reform programme.

An important focus of attention throughout this thesis is on the development of tripartite forms of policy formulation and implementation in regard to industrial democracy in South Australia in the 1970's. This particular experience has abundant implications for the labour movement, especially in the 1980's in the context of the "consensus" style federal Labor government and the Accord between the Labor Party and the union movement. The consideration of tripartism necessarily involves an analysis of the state in capitalist political economy. Particular attention is given to the use of the state apparatus to develop and implement reforms and to the determinants of this utility, in other words, the specific form of the state, its functions, degree of autonomy, extent of corporatism and character of its administration.

Ideas of industrial democracy and worker participation appear in the contexts of either critiques of capitalism and strategies for socialism, or crises of capitalism. That is to say, programmes for greater equality, freedom and justice for workers are inevitably part of a strategy for changing capitalism. Sometimes the strategy involves a great deal more. On the other hand programmes for worker participation and the like concentrate on the limited modifications to the economic system - in the main centred on the work place - which may or may not involve extensions of workers' rights.

Industrial democracy is about workers' rights. Initially these are rights to organise, to bargain, to an equitable and sustaining wage, to

personal freedom at work. In its more developed forms it is about the de-commodification of labour; about breaking the nexus between private appropriation for profit and employment (that is, about guaranteed employment), and, beyond the cash nexus to challenging managerial prerogative of decision making on all matters - organisational, policy, managerial, and economic. Further still, economic democracy might be said to be about ensuring an anti-capitalist direction for economic development.²

Behind the analysis of the state is the assumption that the economic inequalities of capitalism and the separation of the economic and political spheres of society make a mockery of the claims that there exists a political equality. A feminist analysis complements the socialist critique of the economic and political systems of capitalism with a critique of the social and personal relations of patriarchy. A socialist-feminist position extends the socialist economic class analysis with a sex class one and stresses the interdependence of the economic mode of capitalism with the ideological mode of patriarchy. Thus it may be argued that the separation of the personal from the economic and political spheres of society makes a mockery of the claims that there exists an economic or a political equality.

The feminist analysis of sex class greatly extends the ambit of the socialist claim for political and industrial democracy. In considering the history of industrial democracy in South Australia, bereft as it was of any feminist or socialist insights, attention is focussed on the exact nature of the limitations of the social democratic experiment and the lessons which can be learned by those who would wish to pursue reforms in a fundamental way to bring about a more fully democratic society.

The international character of workplace and industrial relations reform, notwithstanding the particular nature of Australian culture and history, can provide crucial insights and lessons for Australia

particularly in terms of the interventionist role of the state in respect of industrial relations and industrial democracy, and also in relation to the contribution made by behavioural and political theorists to the foundations and maintenance of the prevailing ideology of capitalism.

Democracy and Feminism

From the outset it should be recognised that both social and economic inequalities undercut the formal political equality of parliamentary democracy. Chief amongst the social inequalities is that of sexual inequality.

As Pateman points out, both liberal and radical democratic theorists ignore the implications and the fact of the social relationships of sexual domination and subordination which have their basis in the division between private and political life, and the sexual division of labour within private life.³ No man is good enough to be another's master, but for radicals, social democrats and liberals alike, everyman is good enough to be a woman's master - at home at least and preferably at work as well.

The widespread increase in participation of women in the workforce in the post war period has brought in to sharp focus the interdependence between capitalism and patriarchy. Married women workers and "working mothers" are subjected directly to the dual forces of patriarchy and the market as they perform both unpaid domestic labour and paid wage labour. The previous separation of the demands for unpaid domestic labour from the demands of the labour market established the interdependence of patriarchy and capitalism. Equality for women has to be achieved both at home and at work. A necessary, although not sufficient, condition for equality at work is a radical change in the division of domestic labour between men and women.⁴

Advocates of industrial democracy argue that the formal equality of the polity should be extended into the economy. The privateness of capital should not remain but should become publicly accountable. This achieves nothing in terms of the economic, or social, inequality of women which is based on their domination and subordination by men in the private sphere of the family. Neither does it improve their compounded additional inequality as workers - which is again, both social and economic, and takes the forms of discrimination, segregation and harassment - for none of these is addressed in policies for either representative or participatory democracy schemes advanced by labour.

The schemes for representative democracy advanced by organised labour are typically based on existing and sometimes emerging union structures of workplace representatives, branch officials and peak councils. Like all other organisations in the public sphere, and especially those which involve "politics", with very few exceptions unions do not advance other than a patriarchal interest. Although formally more democratic than other work organisations and frequently in practice extensively so, the level of active participation by women in unions reflects their generally more obvious alienation from the political system. Thus, representative systems of industrial democracy based on union structures leave women members on the periphery of participation.

Further, feminist political theory and practice shows the extent to which traditional and contemporary methods of organisation by and within unions are male forms and antithetical to women. Hierarchical structures, formal procedures, rigidly defined roles even within the nominally democratic structure of unions are contrary to the feminist idea and practice of democracy.

By contrast, participatory democracy schemes of job redesign and the like, deal directly with the immediate work tasks and are thus rather less likely to affect women workers in a discriminatory manner.

Typically, however, these schemes alter work tasks and roles within the existing occupational segregations and discriminatory practices. In addition, most of them are based on psychological and sociological theory which is gender biased. For example in the field of psychiatric theory and psychoanalysis it has been quite clearly established that femaleness has been defined in strictly other-than male reality. These theories emerged from a culture where one sex is the embodiment of weakness and the other the embodiment of strength.⁵ If the basic issues of self determination are to be addressed then it must be done not only at a political, but also at a personal level; and of course, person encompasses gender. Similarly, psychological theories of motivation are phallogentric. The attributes more typically identified with women, are given lower status.⁶

In personal relationships between men and women there is not only a sexual division of labour but also a sexual division of experience. As with labour, the uniquely women's experience in a society dominated by men, is in a very extensive way unacknowledged, and because it is non-male, is viewed by the culture of that society as being "unreal". As far as work is concerned, the reality of the domestic labour which women perform is conveniently ignored and thus denied by economic theory. As for experience, the primacy given by the dominant male culture (and marxist theory as much as that of the bourgeoisie) to truth/knowledge defined in terms of male experience, has the effect of denying women as well as the people of non-Western cultures, the reality and truth of their own existence/experience.

Thus the derivative theories of industrial social psychology assume a commitment and orientation to paid work which is essentially male. These in turn rely on the domestic division of labour and the extensive unpaid labour of women at home. Compared with men, women workers - particularly those who are married and more especially those who have children - have

quite different orientations, commitment and priorities concerning work precisely because they are married women workers, or working mothers. Because of this difference, which has its cause in the unequal economic social and sexual relations within the family and society, women are given only secondary status in the workplace and the workforce and the inequalities are reinforced.

Just as unions press for equal status and preconditions for equality so that representatives of labour might participate in decision making on the same basis as capital, so women must press for equal status as workers and unionists.

The State and Capitalist Political Economy

Theories concerning the state in contemporary advanced capitalist economies abound. They come from two principal perspectives, that is, a liberal political science point of view and the neo-marxist schools. Within these two perspectives there are substantial differences in emphasis and considerable variations in argument. For instance within the liberal political science school approaches range from pluralist theory, to technocratic theory of elites and experts, to theories of corporatism, market liberalism and public administration. Neo-marxist theories of state and economy relations on the other hand include functionalists, structuralists, derivationists, and the crisis theorists.

Several comprehensive reviews of the development of theories of the neo-marxist type together with more specific commentaries and critiques inform the matters discussed below.⁷ The recent summary of some of these theories, made specifically in the Australian context, has provided some of the detail of the direction taken in the discussion which follows.⁸

The nineteenth century liberalist division between economic and political life, a separation upon which capitalism depends, has been perpetuated to the present day. The separation of worker and citizen has allowed liberals and more recently social democrats, to claim equality for the people in the political sphere while countenancing all the inherent inequality of the economic system of capitalism. Power in the political system has not brought power over the economic system.

The dichotomies between the political and economic, the public and private, the state and civil continue in spite of the active role the state has and does play in economic life. Power in the system of parliamentary democracy does not mean control over the system of capitalism - not least because capitalism is international. Separation of worker from citizen roles perpetuates the inequalities of the economic system which benefits capital, and at the same time traps the citizen into an acceptance of the primacy of those interests.

The state, as part of the political system, is part of the public arena and is separate from the economic system of (mainly) private capital. The extent of this separation and the nature of the relationship between the state and capital are the essential questions which are addressed by state theorists. The degree of autonomy which the state has from capital is one matter which has been extensively debated, with some resolution in the direction of the position which argues that the state has a relative, changing autonomy from capital. The extent of this relative autonomy is not easily determined for two reasons. Firstly, the state apparatus is complex, it encompasses executive, legislative and judicial systems which are themselves comprised of multiple agencies. For example, within the executive there is not only the governing elite, but also expanded administrative and policy support groups which have traditionally been based in the public service bureaucracy but also include specialist advisors. Within the bureaucracy

a multiplicity of departments, commissions, authorities, boards, councils, committees and courts provide structural and operational complexities which defy simple generalities about the nature and operation of the state apparatus. Within Australia the federal system of government means that there are frequently complex, and frequently competing interests between the three levels of government (federal, state and local), with very substantial powers located at the state level. Secondly, capital is not a simply entity with a single identifiable interest. The diversity of interests of individual capital, or fractions of capital may be such that the state can not act for one without acting against another's interests.

Thus, in attempting to establish the relationship between state and capital an internal analysis of the relevant state apparatus is required together with specific detail of the type of capital involved in that particular relationship.

Within the context of the existing theory the question of the purpose and functions of the state in capitalist economy is one which is closely associated with the degree of autonomy of the state. Leaving the "manager for the bourgeoisie", and "ventriloquist" explanations behind, some of the more recent theoretical debates have concentrated on the role of the state in assuring conditions for profitable private accumulation and in assuring conditions for social harmony and legitimisation.⁹ These dual functions necessitate various forms of intervention by the state into the economy and into the social life of its citizens. In Australia historically the state has undertaken an active, interventionist role in the economy to maintain law and order, to establish the infrastructure for economic development, to make available cheap land and credit capital, to regulate the workforce, provide public health and education, to encourage foreign investment and immigration, as well as subsidising and protecting local industry, and fostering industry through the granting of government contracts.¹⁰

Assuming that these forms of intervention are directed towards assuring that conditions for profitable accumulation and for social harmony and legitimisation are not compatible, (they may of course, also have other consequences which are beneficial to labour) two questions then arise. How are the interests of capital, monopoly or otherwise, perceived and implemented by the state? To what extent are the interests of capital not wholly reflected in state policies?¹¹

One theorist takes the point of view that those who manage the state are committed to maintaining a high level of economic activity - thus the role of the state in assuring the conditions for profitable accumulation - because the consequences of not doing so would be electoral defeat and restricted state revenue.¹² The state acts to preserve the system of capitalism of which it is, of course, a part. Nevertheless, the interest of capital, as distinct from the system of capitalism, are not always fully protected or fully reflected in state policies. This is because of the diversity of interests of individual or fractions of capital, the disparate effects of state action, the independent institutional power base of state agencies which give the decision makers within the state their own resources and interests, the modification of interests of capital by other pressures (for example, labour, women) and also because state policies may be inadequate for the purposes of capital. The state may also develop policies which are in response to working class demands but policies of this type are frequently shaped by the state managers' institutional self interest in buttressing their own power and in promoting economic efficiency and accumulation.

The development and features of corporatism is a subject which has received theoretical attention from liberal political scientists and neo-marxists alike. Head, drawing on the major contributors to corporatist theory, suggests there are a number of important implications of corporatism.¹³ Firstly, corporatism has strengthened an already

existing trend in parliamentary democracies for the locus of decision making to be shifted away from parliaments towards administrative-legal agencies. Secondly, the determination of policy through formalised agreements and consultations on a tripartite basis draws union leadership into consensus frameworks and away from their class obligations. Thirdly, while corporatism gives state recognition to major economic interest organisations for the purposes of policy formation the cooperation required of labour in return is considerably more than that required of capital. The obligation on labour leaders to restrict members' demands (for, typically, increased wages) seldom has a parallel for employers whose decisions concerning investment, employment and prices are within the control of individual capitals and are typically defended in terms of the logic of the invisible hand of the market. In other words, labour becomes socially controlled and integrated.

Fourthly, corporatism is only one of several strategies available to the state for managing the capitalist system, but it is the one most commonly associated with social democratic and labour governments. This is because of the willingness of such governments to undertake some modicum of economic planning and regulation (compared with conservative governments who seek to limit this type of state interventionism) and their special relations with union movements. For union leaders who represent a union movement which is characteristically economistic in its ideology, the promise of economic and employment stability and increased productivity is sufficient to attract support and involvement in corporatist structure.

From a review of the operation of corporatism in Western Europe and the United Kingdom, Hill concludes that the corporatist solution to labour problems of conflict and wage demands have not been successful in the long term.¹⁴ Typically one of the two essential ingredients for the successful operation of corporatism, that is consensus, (the other is

heirarchy) has not been maintained. Where corporatism has been most successful it has been where there has been some preexisting harmony and consensus in the industrial relations system, for example Netherlands, Belgium and conversely, the United Kingdom. "A basic flaw is that corporatism cannot by itself bridge the opposition of interests within industry. It needs an element of normative consensus, and this is precisely what is so often missing in industrial relations."¹⁵ A secondary reason for the limited success of corporatism is that even where union structures have a high degree of heirarchy and centralisation, there are limits to the power and authority of union officials over their members, especially when other economic and social pressures apply. Thirdly, the relationship between labour and the state which exists within the corporatist structure is inherently unstable not only because it involves bargaining, but also because it highlights the state-economy relationship. Union officials see new possibilities to be achieved through social and economic policy which would be unrealistic demands from a conventional, industrial union position, for example taxation reform. Frequently these new claims are very difficult fiscally for the state to satisfy or accomodate.

Notwithstanding these conclusions which imply a demise for corporatism, or at the least an instability, it might be argued that a more overt corporatism operates (and has always operated) when conservative, rather than social democratic, governments are in office. While it is more likely that unions will cooperate with social democratic governments, they may also cooperate in a corporatist structure with conservative governments. Less extensive labour involvement in these circumstances is a reflection both of a degree of unwillingness by unions to be coopted into a corporatism which is not at all of their own making, and the higher priority given to the interests of capital by a state administered by a government "representative" of those interests. In

these circumstances, the broad balance of power is very much in the favour of capital and the obedience of labour can be coerced rather than coopted.

Whatever the degree of corporatism in terms of its formality and explicitness, its representation of functional interests for the purpose of state intervention in matters of economic management and social policy can be seen to bring those interest groups inside the state and as a consequence, depoliticise that area of policy making.

Some would argue that since corporatism requires consensus, and since the nature of capitalism is such that class conflict may only be overcome in the short term, corporatism is inherently unstable and only a short term solution to the state's problems of economic management and social control. In other words, the fundamental division between capital and labour will reassert itself. As Cawson points out however, the growth of the state in size and the broadening of its functions means that important sections of workers employed by the state are removed from the social relations of capital, and thus have distinctive interests which are linked to state expenditures.¹⁶

It might be suggested therefore, that the contemporary state combines parliamentarism and, in one degree or another, corporatism. A major question at issue is how democratic control over the corporate section of the political economy might be extended while retaining and extending basic liberties.¹⁷

In the post-war period social democratic governments have become increasingly aware of the realities of the Westminster system of government, particularly as it relates to public administration. Though some students of public administration attempt to maintain the myths, there is a growing literature which confronts that mythology, and which accepts the major political role that public administration and which also attempts to analyse and assess the political and administrative implications of the reality of a modern state bureaucracy.¹⁸

Thus the artificial division made by some between the executive and administrative functions of politicians on the one hand and public servants on the other which allows the state to be narrowly defined as the system of public administration and apolitical by definition has to be rejected here. The wide range of functions performed by the contemporary state, particularly in the production of goods and services where the state is an employer of other than administrative labour, has to be taken into account in any discussion of the role of the state.

Some public administration theorists have recognised the shared interests of the state and capital in the profitability of capital and thus go beyond the early simple accounts of the shared value systems of the public servants and managers of capital. Similarly some neo-marxist theorists while acknowledging the importance for state managers of maintaining a high level of economic activity and profitability - and thus their shared interest with capital in its survival - also identify the separate interests of those who manage the state, and their relative autonomy. What a neo-marxist perspective ensures, which the public administration theory does not, is that the internal analysis of the state apparatus is related to the specific pattern of political and economic relations.¹⁹

Much of the empirical material which follows in Part Two of this thesis focusses on the administrative machinery of the South Australian public service and in particular on the agency responsible for the introduction of industrial democracy, that is the Unit for Industrial Democracy. To give some shape to what might otherwise appear to be an anecdotal account of bureaucratic infighting (among other things) this specific part of the state apparatus is placed in the context of a more general internal analysis of the state. Naturally this occurs within the framework discussed above, that is, broadly neo-marxist and feminist.

The considerations of this internal analysis are the issues of the extent of accountability by the administrators to the ministers, the extent of influence over policy and the nature and purpose of that influence, the degree of independence or autonomy from the class forces in the economy, the extent to which the ministers believed in the neutrality of the advice they received from the public service.

With respect to the two questions raised above concerning how the interests of capital are acted on by the state, and to what extent the interests of capital are not reflected in state policies, two illustrative analyses follow.

Referring to the international economic crisis of the early and mid-1970's, and in particular the contours of that crisis in the United Kingdom, Harris argues that the state attempted to make the crisis fruitful for capitalism.²⁰ The state responded to complex and inadequate indicators like rates of profit and exchange, and developed policy frameworks (which were frequently as ambiguous as the indicators) which were intended to assist capitalism to survive the crisis. The restructuring of capital on an international scale was assisted and also modified by government policies which had as their main objective increased predictability, especially of labour production costs, through wages and incomes policies and social contracts, a moderation of class conflict by way of "orderly" industrial relations, legal controls on unions and participation schemes, and reduced resistance by labour to the industrial restructuring by the sponsoring of redundancy payments legislation. Harris argues that it is the relative strengths of labour and capital which determine the exact form of the policy, given that such a policy will be broadly in the interests of capital; that is, capital accumulation and control of the class struggle. In relation to the particular aspect of policy formulation Hyman has this to say:²¹

....the fact that the survival and stability of a capitalist system form the normally unquestioned framework of policy, and

that this commitment is regarded as natural and non-political; decisions which are systematically class-biased appear within this framework to be neutral and indeed inevitable.

This legitimisation function of the state equates the general interest with that of capital while denying the class content of the equation.²² McEachern in a similar fashion to Harris, and with reference to the United Kingdom and Western Europe, argues that the framework of capital-state-labour relations was substantially modified in the post-war period by the state's increased involvement in welfare and the productive economy; the first altered the balance of capital-labour bargaining, and the second led to a significant proportion of the market economy being determined by the state.²³ With the end of the long boom in 1974 this new framework of relations was reorganised once again and was characterised this time by corporatism, tripartism, the linking of economic and political systems through social contracts, planning agreements and so on. In this, labour was included on the basis of a need to implicate it in policies which would tie it to capitalism.

In a critique of the political tradition of analysis of industrial conflict, Edwards provides an historical account of the role of the state in the United Kingdom and the United States, and argues for the integration of the state in any analysis of industrial conflict.²⁴ In so doing he provides some considerable detail of the specific operation of the state in the regulation of industrial conflict. He adopts a broadly neo-marxist position concerning the state, as follows,²⁵

What makes the state capitalist is its location in a society whose dominant mode of production is capitalist. The state relies on the continued production of a surplus to secure its own existence, and it is therefore constrained by the structure of the economy in the ways in which it acts...it operates within the confines set by the need to reproduce the conditions for the successful operation of a capitalist economy...(its) tasks are not defined by the eternal character of the state but depend on the particular role it plays within a social formation defined by the capitalist mode of production.

Following from that he is critical of some of the shortcomings of the marxist position, and uses Jarvie's concept of "the logic of the situation"²⁶ to identify the specific features of state intervention in industrial relations in both countries.

The interest of Edward's particular analysis for the discussion here lies in specific examples he gives of the way in which the state had a degree of real autonomy which allowed it to act against the presumed interests of capital; that, in pursuing its contradictory tasks of securing the conditions for continued accumulation and maintaining legitimacy, the state "has to pick a complex path between differing pressures."²⁷ In picking this path, however, the state's intervention is limited in its aims to remedying certain problems, not to transform the economy. As Duncan points out, concepts of political action are dependent on perceptions of the social order; few state managers see the system of capitalism as other than as a setting for political action, reformist or otherwise.²⁸ From an analysis of the United States New Deal legislation Edwards concludes that since the working class was not able to force concessions, those which were made were the result of the more general identification of the problem by legislators and associated lobby groups rather than a reflection of the labour-capital conflict in the state.

Union movements and social democratic and labour political parties also accept the basic viability of capitalism and thus are reformist in their attitude and actions. Further and most importantly, they help form the expectations of workers of what is reasonable by way of reforms.

In Australia, historically the state has played a large role in society generally, and in industrial relations in particular, since the 1890's. The nature and timing of the interventions of the state into Australian industrial relations are distinctive and very different to the British and American experiences, and are quite obviously outcomes of the specific economic, political, and cultural conditions of the time.

The terms of the settlement of the great clash between capital and labour in Australia in the 1890's set the framework of industrial relations before the major industrialisation of Australia. The raison d'etre of state intervention has been protection for both capital and labour and a bureaucratic form of the truce between the parties, which of necessity incorporated the famous third party of Australian industrial relations, the tribunal, into the framework. On the one hand unions have had their survival assured by a system of commission-controlled registration, regardless of the condition of the labour market, the quality of union leadership, the extent of membership support and the degree of social tolerance for unionism. Employers on the other hand, have been protected not only from the development of self-reliant, cohesive, industrially oriented unions, but also from any rapid intrusion by unions into the area of managerial prerogatives.²⁹ The union movement turned its attention to politics after the massive defeat of the 1890's and secure in the arms of the tribunals, unions remained for the most part, fairly timid and sheltered until the foray into partial collective bargaining during the late 1960's and 1970's.

While modified by elements of conciliation and negotiation, the Australian system is notable for the role of the state institution in arbitrating between capital and labour on a compulsory basis: the compulsion to register, the compulsion to attend, the compulsion to accept the decision (which is legally binding) and the capacity of the tribunal to impose a settlement and to apply sanctions for disputation.³⁰

As a result of state patronage, the Australian union movement enjoyed a very high level of membership during the 1920's (49-56%). Although it has reached higher levels (63% in 1953), more recently membership has levelled out at around 55%.³¹ Thus, although survival has been assured, the state system, apart from the initial impetus, has not

contributed to the continuing growth of unionism in Australia. In many ways the arbitral system has preserved a narrow, rigid industrial focus amongst unions. This is entirely consistent with what Connell calls the "conservative hegemony" in Australia which values material exploitation, economic development, a certain pragmatic liberalism and private consumption.³²

The extent of the independence of the various tribunals from the government has been a matter for considerable debate in Australia. MacIntyre³³ argues that the establishment of the tribunals, in spite of the opposition from capital, is a striking example of the relative autonomy of the state. Kirby has argued for the independence of the federal Conciliation and Arbitration Commission in the face of attempts by government to alter its powers.³⁴ Others have argued that there is a demonstrable anti-labour bias not only in the institution of the tribunals but also in the nature of their decision.³⁵ There is no doubt that various governments have attempted to mould the tribunals to their own view. Where governments combine with either of the other parties in these attempts, the tribunals are compelled, in an effort to retain their relevance, to modify their approaches.

In the short term both capital and labour in Australia were advantaged by this form of state intervention. Protected unionism and the early growth in membership show the benefits of this for labour. Capital had an institution committed to the prevention and settlement of disputes, in other words to industrial peace. In the longer term, however, the consequences for labour have been such that capital in Australia, even though initially opposed to the intervention of the state in industrial relations, has been able to "use the state's intervention to reconstitute industrial relations on terms suitable to themselves."³⁶

State Intervention and Industrial Democracy

In the context of this discussion of the interventionist role of the state in capitalist economies one specific form of intervention which is directed towards moderation of class conflict is of importance here. It is the development of worker participation schemes within the wider framework of industrial relations reforms.

Interesting comparisons have been drawn between the withdrawal from work and the subsequent crisis of motivation of workers in the United States, and the crisis in industrial relations in the United Kingdom during the 1960's and the drift of power and control - and thus wages - to the shop floor.³⁷ The identification by employers and governments of workplace problems has not typically revealed the real nature of those problems for those parties: namely, that they are challenges to the authority, control, and power of capital, and that they represent a problem of legitimation for the state. For capital and the state these were and are the real problems, not as they were characterised as; individual job satisfaction, workers' mental health, organisational development and so on. In the main, social scientists have provided capital and the state with a means of expressing those problems in an ideologically acceptable form, without them being acknowledged directly. Very largely, workplace reform was carried out in the terms formulated by the theoreticians irrespective of whether the focus was on job satisfaction, participation, job regulation or orderly conflict resolution. The state acted to facilitate this process through the establishment of commissions and inquiries, and by providing appropriate agencies and even legislative frameworks for the implementation of the reforms.

A great deal of this reform, undertaken during the 1960's and 1970's finds its theoretical basis in the academic disciplines of psychology and

sociology and the more recent industrial relations theory. It is worth noting that the increasingly extensive involvement of state agencies in the regulation of the workforce, unions and the workplace, made the field of industrial relations a growing specialisation within both academia and management in the later part of the post-war period. It is appropriate therefore, to examine some aspects of theories of sociology and psychology which have been applied and developed in the context of the reform of the workplace and industrial relations.

The extensive literature on subjects such as organisational change, job redesign, quality of work life (or any other of the dozens of terms used to describe the plethora of technical innovations) is very largely based on theories developed by behavioural and social psychologists and organisation theorists.³⁸ A great many of the authors have written for management, both in terms of the problems articulated - productivity, conflict reduction - and the solutions suggested - such as job redesign and information sharing, which encourages individual identification with the organisation. This has been particularly the case in Australia,³⁹ and very markedly so in relation to material produced by state agencies where conservative parties are in power. For example, the training manuals released by an Australian government department on the topic of employee participation, prepared before the Labor Party won government in 1983, are almost wholly based on concepts developed by the neo-human relations school in the United States.⁴⁰

The concepts of job satisfaction and autonomy, and what in fact constitutes such abstractions, are central to the debate about participatory democracy. To maintain control of decision making within their organisations, managements have frequently sought to perpetuate the individual worker's relative isolation and/or powerlessness. Where management has been forced to allow high levels of autonomy, usually because of the nature of the work, then it seeks to win identification of

the worker with the organisation by different means. In other situations, where capital faced a better educated and more affluent workforce, restructuring of jobs and work was brought about by the rejection of some types of work and jobs by workers. With the assistance of social scientists, managers have paid more sophisticated attention to individual, psychological motives and to group dynamics. The extent to which these techniques are utilised depends partly on the complexity of the organisation, but also, and more importantly, on the degree of withdrawal of commitment by workers from their jobs, or the strength of the challenge for at least a share of that control; a challenge which is most typically made from a work group or through a formal trade organisation. Both of these types of dissent are substantially determined by the economic climate, although social and cultural factors influence both the strength and the persistence of such dissent.

Work restructuring theorists, whose approach is psychological, seek to provide the individual worker with a job which will allow satisfaction of a wide range of psychological and social needs.⁴¹ Such jobs are typically and ideally presented as jobs which are intrinsically satisfying because they require the exercise of skill and discretion by the worker. Many studies substantiate the desirability of such jobs for the mental, and presumably physical, health of individual workers.⁴²

Some theorists argue that unless redesign strategies give central importance to skill utilisation they will have little impact on the quality of the individual worker's job satisfaction.⁴³ They argue that the association of skill utilisation with job satisfaction is much stronger than associations of job satisfaction with influence, variety, pressure or interaction with workmates. This view challenges the influential semi-autonomous work group approach to job redesign. Nevertheless, as much as the proponents of these theories disagree between themselves⁴⁴ they share a common assumption, that is, that job

satisfaction of the individual worker is the most important criteria in making judgements about the success of industrial democracy, or participatory schemes. The extent of direct worker participation in work itself, that is job satisfaction, then tends to be equated with industrial democracy.

Many of these theorists also imply that workers who have such intrinsically valuable jobs will, necessarily, perform them in the best interests of the work organisation. Individual and organisational goals will be fairly closely congruent; job satisfaction and organisational effectiveness are per se congruent, or at least complementary. As Frankel points out however, historically the "aristocrats of labour" (craftsmen) have enjoyed this categorisation both because they enjoyed high quality jobs and because they were able to exert their own collective control over the labour supply and to extract better economic returns.⁴⁵ Such workers did not exhibit any particular identification with their employer's organisation. On the contrary, the opposite was very often the case - the organisation was instrumental to the practice of their craft, given the obvious economic motivation. What might be termed the new aristocrats of labour (technical workers with high discretionary roles) do not necessarily display particularly high levels of identification with management or integration with the work organisation. The opposite may often be the case.⁴⁶

The work restructuring theories have another underlying assumption, that is, workers wish to improve their intrinsic rewards as an urgent priority. Much of the research on lack of job satisfaction however, limits the choice of more leisure rather than greater job satisfaction.⁴⁷ As well, many studies have overlooked the trade-off many workers make between economic and intrinsic rewards. Much of the preference for greater job satisfaction (as created by skill requirements, complex tasks, variety, discretion) may be very heavily

influenced by the utility of such job characteristics where workers are claiming higher rates of pay. Alternatively, many workers may not want job restructuring, implying as it does greater investment by the worker in the job. Given that few people have any choice not to work, and that the great majority have little choice about how to go about their work, if there are opportunities for fulfilment of needs outside work, instrumental attitudes are realistic and entirely understandable. The important question is, if people had more choices concerning jobs and work practices, would they choose high skill, high discretionary jobs as the self-actualisation theorists imply,⁴⁸ and would they choose them for the reasons those theories suggest? Some research substantially challenges any answer in the affirmative.⁴⁹ High discretionary jobs are very frequently perceived as involving such high social and personal costs that they are unattractive to many workers.

Notwithstanding these theoretical problems however, evaluative studies on the benefits of participation at a variety of decision making levels, encourage the view that propensity to participate is very heavily determined by individual and/or group experience of autonomy and political efficacy. Whilst personal job satisfaction is not the only vehicle for such experience it is one of the most obvious, and one most frequently raised by workers themselves as the source of confidence for further participation in other work related and organisational decision making processes. To approach this matter from another perspective, it would appear that skill-based jobs which carry with them an integral element of autonomy represent the most successful defence against managerial control; high discretionary jobs are not, by their very nature, accessible to management without the voluntary concurrence of the workers who perform those jobs.

The conduct of empirical research into worker participation, job satisfaction and job redesign necessarily relies on the establishment of

a relationship between the researchers and the employers, and subsequently the employees. In this application of social science to industry, many argue the existence of ideological bias on the part of the researchers.⁵¹ Anthony's recent analysis of social scientists' studies of work and work relationships in the twentieth century describes the shift in emphasis from the human relations school of social psychology of the pre-war and immediate post-war period to the pluralist and conflict regulation schools of the decades after 1960.⁵² He questions the value to the workers of the myriad of schemes said to be aimed at improving the quality of work life, whether in psychological, social or political terms. In relation to democratisation of work and work organisations he argues that social scientists have acted as instruments for a fuller integration of workers into organisations over which they have virtually no control. Individual goals become those which provide the social control required by the organisation, and the diffusion of authority (in the name of democracy) defies resistance of that authority.

Similarly, Shaw provides a political analysis of the utilisation and penetration of social science, pure as well as applied, by both capital and the state; extending and up-dating Baritz's earlier American study.⁵³ Shaw argues that social science is needed by capital to provide not only a means of technical control at the workplace, but also a systematic understanding of capitalism which will allow it to manage social change. Irrespective of these means of technical control, whether they are in the form of scientific management, human relations, job evaluation or the whole range of schemes for "participation", it is Shaw's contention that social science has provided capital with the labour control techniques required to maintain social and economic control of the workplace; and it has contributed to a variety of mechanisms by which the interests of capital are protected and advanced in a more abstract and longer term way. In the context of the growth of

monopolies, state capital and state coordination of capitalist economies, Shaw is unequivocal:⁵⁴

It is no wonder then that the small number of categories of intellectuals traditionally maintained in class societies to interpret and mould social consciousness have been submerged and replaced by a vast new array of practitioners of social understanding, pure and applied...The practical revolt of the working class is reflected, as we shall see, both in the emergence of technical social-scientific manipulation in industry, and in major changes in the structure of abstract social thought.

A similar trenchant criticism of the role of the researcher in the search for "truth" is made by Wilden.⁵⁵ In the belief that social study can be objectively carried out, and thus the modelling of the social sciences on natural sciences in an empiricist fashion, and on the assumption that knowledge is value free, researchers (often unconsciously) distance themselves from the context within which the object of their study exists, as well as from the actual object. The isolation of the object of the study from its context in order that it may be studied is used to justify isolation of the researchers from their context: thus social and academic position, expectations, economic privilege, political and ideological views and commitment of the researchers are set aside. The researcher, like the truth, is supposedly value free.

Specific criticism of the academic discipline of sociology in this regard is advanced by Gouldner.⁵⁶ Since many of the critiques of empiricism and to some extent conventionalism emanate from a marxist perspective which is preoccupied with the concept of ideology and the context of the knower (that is, the researcher) Gouldner's interpretation of Marx's critique of ideology is helpful here:⁵⁷

His (Marx's) critique of ideology, however, focalizes the failure of the knower, the ideologue, grounding his cognitive failure in the social situation of the knowing subject, in his relation to the larger society. The concept of ideology in Marx thus manifests the fuller surfacing of his materialism, in which the knower is seen not as the self-grounded actor autonomously producing truth, but as an object itself shaped by class forces and social interests, as the spoken as well as the speaker.

In addition to the personal and existing social context of the researcher and object, the historical context is also of great importance to the development of political and social theory. This has been shown by Pratt in his argument concerning the development of functional beliefs in capitalist and pre-capitalist societies. These beliefs were developed to support essential activities.⁵⁸ In his major work Giddens convincingly demonstrates the influence of the socio-economic system of capitalism on the development of the theories of three modern theorists; Durkheim, Weber, and Marx.⁵⁹

In South Australia in the 1970's much of the policy and practice of industrial democracy experiments initiated by both the state and capital was heavily dependent on modern theories of social science. Almost without exception, in public debate and elsewhere policy makers and practitioners relied on being able to claim an objective basis for their point of view. Different and sometimes radical worker and union oriented plans for action and change however, were invariably characterised as being "ideological", biased, and therefore undesirable. Thus it was not only academics who claimed their "objectivity" like a prize and neatly confined "ideology" to left-wing political parties and groups. As Gouldner argues it, "objectivity" performs a very definite social function:⁶⁰

'Objectivity' transforms the nowhere of exile into a positive and valued social locations; it transforms the weakness of the internal 'refuge' into the superiority of principled aloofness. Objectivity is the ideology of those who are alienated and politically homeless.

By comparison, the intervention of the state to establish and extend representative systems of participation and in undertaking industrial relations reform generally has been rather more extensive than its intervention to effect direct participation schemes. Although legislation in some Scandinavian countries in the late 1970's has addressed requirements for job redesign, and for a decade or more various

state agencies in those countries have encouraged and assisted such developments, the major intervention of the state has been directed towards representative forms of worker participation. Principally under pressure from unions, various social democratic governments there, and elsewhere in Europe, have introduced mandatory requirements for representative systems of worker participation in management, government and in some cases equity in industrial organisations.⁶¹

The history of the reform movement in Norway illustrates the role of the state in assisting labour in increasing worker participation in representative forms.⁶² Early in the 1960's a joint union-labour party report recommended strong forms of worker participation in company decision making structures. At the same time, a joint union-employer committee reported very critically on existing representative forms and provided an alternative; direct participation of the semi-autonomous work group type. For a time, most research and developmental work concentrated on work restructuring, and no action was taken on the recommendations of the union-labour party report. Employers were reluctant to change any company structures voluntarily, however, and under pressure from unions a labour government legislated in 1972 to reform company law to provide for board and assembly employee representation.

The extensiveness of the development of state intervention into the relations between capital and labour in the form of facilitative and prescriptive legislation for industrial democracy over the last two decades has led to a theoretical debate about the nature of those developments; whether they constitute an evolutionary trend in the changing face of advanced capitalism, or whether they are cyclical in nature, evidenced during the high phase of the economic cycle and attributable to the failure of traditional methods of labour discipline.⁶³ The latter case is one which is tested in the next

chapter when the origins of worker participation in South Australia are discussed in the context of international developments.

Summary

The subject of industrial democracy brings together not only theoretical considerations from psychology, sociology and industrial relations as conventionally utilised, but also the politics of gender and of the state in capitalist society. The discussion above has identified some of the major issues which underpin and affect the development and practice of industrial democracy. These are role of the state in the political economy of capitalism, particularly under a social democratic government in Australia, and the implications for industrial democracy policy and practices of the feminist critique of patriarchy. The first of these contains within it a whole range of specific considerations which direct our attention not only to the relations between capital and the state, but to an internal analysis of the apparatus of the state, and the tension filled relationship between the state and the labour movement when a social democratic government is in power. In other words, the changing and diverse manifestations of labour-capital relations within the state, and the state-capital-labour relations in the political economy. The second issue of the patriarchal character of society and the feminist critique that this gives rise to provides a fundamental challenge to the theory, policy and practice of industrial democracy.

The South Australian experience of worker participation and industrial democracy arose not only in the context of the international developments in participation in the post-war period, but also in the context of its own particular history and culture within the broader Australian society. It is to both these wider historical references that we now turn for an examination of the background and origins of worker participation in South Australia.

FOOTNOTES

1. Tulloch, P. "The Welfare State and Social Policy", in Head, B.W. (ed.) State and Economy in Australia, Oxford University Press, Melbourne, 1983, pp. 252-271. p.256.
2. Higgins, W. "Working Class Mobilization and Socialism in Sweden: Lessons from Afar", in Boreham, P. and Dow, G. (eds.) Work and Inequality, Vol. 1, Macmillan, Melbourne, 1980, pp. 143-161, pp. 152-153.
3. Pateman, C. "Feminism and Democracy", in Duncan, G. (ed.) Democratic Theory and Practice, Cambridge University Press, Cambridge, 1983, pp.,204-217.
4. See Eisenstein, H. Contemporary Feminist Thought, Unwin Paperbacks, London, 1984, Hamilton, R. The Liberation of Women: A Study of Patriarchy and Capitalism, Allen & Unwin, London, 1978, Eisenstein, Z. The Radical Future of Liberal Feminism, Longman, New York, 1981.
5. Baker Miller, J. Towards a New Psychology of Women, Pelican, Harmondsworth, 1979.
6. Maslow, A.H. Motivation and Personality, Harper, New York, 1954. Maslow's hierarchy of needs (physiological need, safety, love, esteem and self actualisation) locates affiliation needs below both esteem and self actualisation. Affiliation needs, cooperation and mutual assistance are generally acknowledged as being central to women's psychology, whereas self actualisation is central to men's.
7. For example, Jessop, B. "Recent Theories of the Capitalist State", Cambridge Journal of Economics, I, 1977, pp. 353-373. Frankel, B. "On the State of the State: Marxist Theories of the State after Leninism", Theory and Society, 7, 1979, pp. 167-198. Laclau, E. "The Specificity of the Political: The Poulantzas-Miliband Debate", Economy and Society, Vol. 4, No. 1, 1975, pp. 87-110. Strinati, D. Capitalism, the State and Industrial Relations, Croom Helm, London, 1982.
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9. O'Connor, J. The Fiscal Crisis of the State, St. Martin's Press, New York, 1973, and with different emphases, Habermas, J. Legitimation Crisis, Beacon Press, Boston, 1975.
10. Head, op.cit. Also, Stretton, H. Ideas for Australian Cities, Georgian House, Melbourne, 1975, concerning the role of the state in urban development in Adelaide. Chapters 6 and 7. This is also discussed with specific reference to the economic development of South Australia in Chapter Two below.
11. These are questions which have been posed by most of the writers in the field.
12. See the discussion of Block's development of the concept of relative autonomy in Head, op.cit. pp. 41-42.
13. Head, op.cit., pp.30-31.

14. Hill, S. Competition and Control at Work, Heinemann, London, 1981, Chapter 11.
15. ibid., p.255.
16. Cawson, A. "Functional representation and democratic politics: Towards a Corporatist democracy?", in Duncan G. (ed). op.cit. pp. 181-182.
17. ibid., p.182.
18. In the Australian context see Kouzmin, A. (ed.) Public Sector Administration: New Perspectives, Longman Cheshire, Melbourne, 1983.
19. See Clegg, S. "The Politics of Public Sector Administration", in Kouzmin, op.cit. Chapter 1.
20. Harris, L. "The State and Economic Policy", unpublished mimeo, Flinders University, January, 1980.
21. Hyman, R. Industrial Relations: A Marxist Introduction, Macmillan, London, 1975, p. 129. Emphasis in the original.
22. Head, op.cit., in a discussion of Offe's crisis management theory. P.48.
23. McEachern, D. "From Depression to Depression: Class and State in Western Europe", unpublished mimeo, University of Adelaide, 1982.
24. Edwards, P.K. "The Political Economy of Industrial Conflict: Britain and the United States", Economic and Industrial Democracy, Vol. 4, No. 4, November 1983, pp.461-500.
25. ibid., p.478.
26. The logic of the situation comprises such things as the situation as it appears to the actors at the time, the constraints within which they were working, the conditions which may have made their plans unworkable or have created unexpected consequences. From Jarvie, I.C. Concepts and Society, Routledge & Kegan Paul, London, 1972, quoted in Edwards, ibid., p. 481.
27. ibid., p.480.
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29. Howard, W.A. "Trade Unions and the Arbitration System", in Head, B.W. (ed.) op.cit., p.241.
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31. Dabscheck, B. and Niland, J. Industrial Relations in Australia, Allen & Unwin, Sydney, 1981, Appendix 5.1 Membership of Australian Trade Unions, 1891 to 1979. pp. 133-134.
32. Connell, R.W. Ruling Class, Ruling Culture, Cambridge University Press, Cambridge, 1977.

33. MacIntyre, S.F. "Labour, Capital and Arbitration, 1890-1920", in Head, op.cit. Chapter 5.
34. Kirby, R. "Conciliation and Arbitration: Can Governments Control It", in Cole, K. (ed.), Power, Conflict and Control in Australian Trade Unions, Pelican, Ringwood, 1982, pp. 157-176.
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36. Edwards, op.cit. p. 493. He refers to the United States during the 1930s.
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38. See for example, Maley, B., Dunphy, D. and Ford, G.W. Industrial Democracy and Worker Participation, Department of Organisational Behaviour, University of N.S.W., 1979. "A select annotated and classified bibliography of international citations on the theory and practice of industrial democracy and worker participation and their role in organisational change."
39. See Jones, G.P. Worker Participation in Management: A Select and Annotated Bibliography of Worker Participation in Australia, Canberra College of Adult Education, Library, Canberra, 1978.
40. Employee Participation Training Series, Modules 1 and 2, Department of Employment and Industrial Relations, Working Environment Branch, Canberra, 1983.
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42. Two early American studies are: Blauner, R. Alienation and Freedom: The Factory Worker and His Industry, University of Chicago Press, Chicago, 1964. Kornhauser, A. Mental Health of the Industrial Worker, Wiley, New York, 1965.
43. O'Brien, G.F. "The Centrality of Skill Utilization for Job Design", Working Paper Series, National Institute of Labour Studies, No. 37, August, 1979. Skill utilisation is defined as "the degree of match/congruence between individual skills and opportunity to use them". P.3. This paper is very similar to the one presented to the International Conference on Industrial Democracy in Adelaide in 1978, as "The Evidence for Industrial Democracy". It reviewed evidence only in relation to job satisfaction. Results of a survey in one factory are given in O'Brien, G.E. and Stevens, L. "The Relationship Between Perceived Influence and Job Satisfaction Among Assembly Line Employees", Journal of Industrial Relations, Vol. 23, No. 1 March 1981, pp. 33-48.
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- decision making provides little support for a simple minded approach which endorses collaborative group decision making." p. 196.
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 54. ibid., pp. 12-13.
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 56. See Gouldner, A.W. The Coming Crisis of Western Sociology, Heinemann, London, 1973.
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 59. Giddens, A. Capitalism and Modern Social Theories, Hutchinson, London, 1975.
 60. Gouldner, A.W. The Coming Crisis of Western Sociology, op.cit., p.103.
 61. For an extensive documentation of developments internationally (including developing countries and centrally planned economies as well as Western Europe and North America) see Workers' Participation in Decisions Within Undertakings, International Labour Office, Geneva, 1981, Cordova, E. "Workers' Participation in Decisions Within Enterprises: Recent Trends and Problems", International Labour Review, Vol. 121, No. 2, March-April 1982. pp. 125-140. He comments that regardless of the debate about the use of legislation for establishing systems of worker participation "the fact remains that in almost every year since 1974 a major piece of legislation has been enacted in European countries which in the past preferred the voluntary or collective bargaining approach." p.133.

62. This account relies on that given by Dr. O. Skard, "Industrial Democracy in Norway", Proceedings of the International Conference, pp. 30-42 op.cit.
63. An evolutionary argument appears in Cordova, op.cit and a cyclical one in Ramsay, H. "An International Participation Cycle: Variations on a Recurring Theme", paper for Conference on Organisation, Economy and Society: Prospect for the 1980's, Brisbane July 16-19, 1981.

CHAPTER TWOBACKGROUND AND ORIGINS:WORKER PARTICIPATION IN SOUTH AUSTRALIA

In this Chapter the origins of the worker participation movement of the 1970's in South Australia are examined in the context of the political economy of the State and in the broader international worker participation movement which had its genesis more than a decade earlier.

The first section draws attention to the unique pattern of industrial development which has taken place in South Australia since the 1930's. The extensive participation by the state has been integral to this process of industrialisation. A significant consequence of this state sponsored development of the economy has been an imbalance in the economy towards consumer durable manufacturing and associated industries, which in turn has emphasised the importance for state sponsored diversification. The second section locates the Labor Party government initiated inquiry into worker participation in 1971 in the contours of the political landscape within which the Labor Party took office in 1970.

This inquiry and the policies and practice which flowed from it occurred within the context of international trends towards workplace reforms which encompassed worker participation. The major features of these trends and their impact on the work and recommendations of the inquiry, and on the government's intentions in the area of worker participation, are examined.

Industrial Development in South Australia

Until the 1930's the South Australian economy was predominantly agricultural. During that decade the impetus for the industrialisation of the economy was provided by the apparatus of the state. After 1933

successive Liberal and Country League (L.C.L.) governments undertook and maintained a programme of industrialisation which provided international and Australian capital with substantial incentives for investment.¹

The limitation of local costs of production was a key element in a programme designed to give South Australia an economic advantage over other states of Australia. Thus, in addition to the provision of various types of infrastructure (land, transport facilities, low cost power sources and so on), the "Premier's Plan" included a number of arrangements which limited the labour costs of production.² These arrangements were effected through the state agency of the South Australian Housing Trust by the provision of low cost housing for workers in the developing industries.³

Industrial unrest was also minimised as a result of additional elements in the plan. Union leadership was encouraged to view the plan favourably since, not only did it have the obvious benefit of bringing employment opportunities to a State which had experienced a deeper depression than most, but it also guaranteed substantial levels of union membership through closed shop agreements and, for some individual leaders, there were positions on the boards of public corporations as acknowledgement of their status in the community.⁴ What little unionisation there was prior to the Depression was severely affected during the period 1927-34 when the workforce in South Australia experienced the highest unemployment rate in Australia.⁵ Even to the present day South Australia experiences a lower level of industrial disputation than other states.⁶

The unbalanced nature of industrial development in South Australia is a feature of the State's economy. Whereas the state had undertaken a facilitatory role for British finance capital in respect of agricultural investment prior to 1930, after that time it facilitated the entry of national and multinational industrial capital into the local economy.

While much of the success of the attraction of investment can undoubtedly be attributed to Premier Playford, the influence of the federal government policy of decentralisation and self sufficiency in industry, developed during the mid and late 1930's as the possibility of war in Europe increased, was also a major factor in influencing the pattern of industrial development. During the time of successive L.C.L. governments (1933-1965) major secondary investment programmes were undertaken by international capital, for example British and American, and Australian private capital, mainly Broken Hill Propriety. (B.H.P.)⁷

The consequences of this narrow pattern of development are that the South Australian economy is still dominated by multinational capital which is itself concentrated in consumer durable manufacture, principally motor vehicles.⁸ Vehicle and white goods manufacturers and the B.H.P. and associated companies, have and do dominate the private sector labour market of the State.⁹ The great part of the product market for these goods, notoriously sensitive to variations in consumer confidence, is interstate.¹⁰

In addition to the careful inclusion by Premier Playford of some union officials on various bodies associated with the industrialisation programme, a number of other factors have contributed to a conservatism in the labour movement in South Australia. These include the unique character of the social and economic origins of the State and the disastrous electoral defeat of the Hill Labor government in 1933 and the weakness of the Australian Labor Party (A.L.P) for decades afterwards.¹¹

Premier Playford's notion of the corporate state resulted in the socialisation of many of the costs of production of private capital investment, especially in relation to social investments and some variable capital costs - principally housing - decades before the post-war boom and crises forced other conservative governments to intervene in their national economies.¹² From the commencement of

industrialisation there are two notable features of the highly facilitatory role of the state for private capital. The first is the utilisation of tripartite government advisory councils.¹³ As early as 1937 the Industries Assistance Corporation had representatives from the Chamber of Commerce, and public service and one union. (In the late 1960's the membership of an Industrial Development Advisory Council was similarly constituted). The second feature is the central and crucial role of the Housing Trust management in developing and implementing government directives for the facilitation of private investment.¹⁴

The strategy for industrial development which Playford embarked on during the 1930's set a pattern which was followed in most of its essential elements throughout the period to the late 1960's when the Labor Party put forward a policy of diversification. Even this new Labor Party policy, however, relied on the essence of the Playford plan, that is, the extensive provision of state resources to attract and sustain private capital investment. These included the government guarantee of loans, provision by the Housing Trust of low cost factory sites and worker housing together with transport facilities, concessions on water and electricity rates. While the Labor government from 1967 pursued a policy of diversification into skilled and technical areas based on research assessment of development possibilities, its newly formed economic intelligence unit was principally concerned with researching submissions to the federal Industries Assistance Commission for the protection of local industry.¹⁵ The proposals for the strengthening of price controls were but extensions of the Playford approach.

A recent assessment of the role of the Labor government in the State's economy says much about the failure of successive labour governments to alter the course of economic development, but provides few insights as to the reasons.¹⁶

..we suggest that there is little evidence that the Labor government ever believed what could be described as either a 'policy' on industrial development or even a coherent approach to the subject. The closest we come to the former is when the concept of 'diversification' is introduced or when the terms 'gaps' is used in relation to the State's industrial structure although, even here, the criteria by which gaps are identified are never made explicit. For the latter, there is substituted a policy of searching for, rather than implementing, an existing set of priorities.....Unfortunately, the commitment to intervene is not in itself a viable policy alternative to the market forces strategy, nor does it become one by establishing inquiries, agencies and groups of experts.

There was an essential difference between the Labor government's package and the Playfordism of thirty years. Later in the 1970's Labor looked to local capital more than to interstate or international capital to take up the package of incentives. With few exceptions local capital did not show the enterprise expected of it.¹⁷ The reasons for this appear to lie in the conservatism and anti-Labor feeling of the local bourgeoisie, and the deep seated resentment of the "Adelaide Establishment" towards the Labor government after more than three decades of conservative government. It is indicative of their conservatism that they failed to recognise where new interests might lie in a rapidly changing economic environment.¹⁸ During the period of the Whitlam government (1972-75) the State government's options for attracting international capital were significantly restricted by the strongly nationalistic attitude to economic development as the issue of multinational control of Australian industry was extensively debated and efforts to limit further foreign investment in Australia were made.

Nevertheless, the Labor administration of the state in South Australia continued the pattern of facilitative intervention for private capital in their attempts to widen the narrow base of the economy. The economic and political context within which this took place changed extensively during the decade of the 1970's. The post-war boom ended abruptly in 1974, and the federal Whitlam Labor government was dismissed in 1975. Multinational capital made economic decisions independently of

the government and local capital, and having mostly failed the challenge of government sponsored diversification in good economic times, were encouraged to turn to the state in times of adversity.¹⁹

The extent and nature of state intervention which took place under conservative governments during the major period of industrialisation indicates a very high acceptance by the electorate and the interests of capital of a strongly facilitative state role. The Labor government also intervened to assist capital, and much of this assistance was directed towards local capital. From Dunstan's account of his role in protecting a local cement manufacturing company from an interstate company, it is clearly seen how the state apparatus was utilised for this purpose, and for the purpose of trying to overcome the prejudice against the Labor government. Dunstan justifies his action in terms of identity of interest between local capital and the State.²⁰ While the state "acted for capital" in this manner there appeared to be no dissention. In addition, the early formation and continued existence of tripartite advisory committees to the government shows them to be a standard vehicle for legitimising and facilitating state intervention.

Two other matters deserve mention at this point. One of the difficulties for the new Labor government in 1965 (and subsequently) was to overcome the extensive and entrenched non-labor attitudes of public servants generally; particularly those senior ones who had formed close liaisons with Premier Playford. One such person was the manager of the Housing Trust. As a consequence the common understanding between him and the Premier of the purpose of the conservative government, the manager of the Housing Trust developed a high degree of autonomy and influence.²¹ This posed particular problems for the new Labor government in relation to the reorganisation of the bureaucracy for the purpose of implementing Labor objectives.²² From 1965 the various Labor governments sought to

ensure cooperation between the Trust and the government on new policy and the administration of industrial development. In doing this they were forced to "wave the big stick" of Ministerial control to ensure proper pursuit of the new policy requirements and methods.²³ It may well be that, "Notions of industrial development, largely a legacy of the Playford era, have continued to exercise a far greater influence on political decision making in South Australia than would be apparent on the surface."²⁴

The exceptional degree of autonomy of the Housing Trust also affected its internal operation and management. This aspect of the problem will be addressed in a case study of participation in the Housing Trust.²⁵

The long term problem for the Labor governments of the 1970's in respect to economic development was that they were unable to provide a fundamental alternative to the uneven pattern of industrial development which relied so heavily on multinational capital and which was its legacy from the Playford years of government. Thus the social and economic costs of an undemanding, obliging hosting by the state of capital were to manifest themselves in the lack of control by labour or the state over decisions that capital made (and makes) in its own interests, whether they concern the intimate detail of the work processes or the major investment or workforce reduction programme decisions. Just as the dependency of the economy on the agricultural sector was responsible for the depth of the 1930's depression in South Australia, so the depth of the recessions in the 1970's and early 1980's was the outcome of a narrow industrial base described above.

Political Context

In South Australia the years of the 1960's, particularly the latter part of the decade, were years of transition²⁶ between the very conservative political and social environment presided over by Premier Playford, the local establishment and the few multinational companies that provided so much of the employment in the State, and the first of the modern, social democratic, reform Labor governments of the post-war period in Australia.

There were two significant features in this transition. Firstly, the electoral malapportionment which had enabled the LCL to retain government for many years in spite of the majority of the electors' preference for the ALP was discontinued.²⁷ After the first two year period in office (1965-67) with only a very narrow majority (won partly as the result of the changing demography of the State whereby partial urbanisation of a formerly country electorate secured the seat for Labor) the A.L.P. lost the election of 1967 even though fifty two percent of electors had voted Labor. The "easy road to government" enjoyed by the LCL under the Playmander was significantly eroded by the reforms put forward by the new LCL Premier Steele Hall during 1969 in response to pressure from the opposition and public opinion.²⁸ Secondly, the old style labourist leaders of the Labor Party were being replaced by younger, professional people interested in a wide range of social reforms. Dunstan and the previous leader of the Party and Premier for a brief period (1965-66) Frank Walsh, provide the contrasting examples.

Thus in 1970 when Labor won the first of a series of elections which were to keep the Labor Party in office for a decade in South Australia, it did so as a more modern social democratic party which had, as the result of the electoral malapportionment, had time to adjust its programme accordingly to meet the needs of a changing community.

Apart from the electoral reforms for the Legislative Council which continued to occupy the new Labor government there were a number of areas of reform in which the Dunstan ministry took an interest.²⁹ Many of these programmes for reform pre-dated 1970. Some of them, such as those in the social welfare and aboriginal affairs fields, Dunstan had been vitally concerned with during his time as Attorney General and later Premier during 1966-67. Decades of conservative government had resulted in a critical need for extensive programmes of reforms that were undertaken after 1970. Nevertheless, detailed accounts of these reforms shows clearly that much of it was initiated prior to 1970.³⁰ After 1972, federal government funding from the newly elected Labor government for a wide range of social and education programmes made the initiatives in South Australia financially feasible.

It is in the context of this general programme of reform that two specific areas are examined in a little detail for the bearing that they have to further discussion of workplace reform and the role of state agencies in that reform. The first of these concerns the public service.³¹ Quite clearly a programme of reform necessitates administrative capacity for its implementation. It also requires coordination and policy development. Further, public servants need specific skills and sympathetic attitudes to ensure proper advice and implementation. The initial alterations to the public service structure and operation to effect these changes took place in 1967. The Department of the Premier was formed to provide policy development and direction, and departments responsible for the expanded government programme and its reforms were expanded in size. Younger people with professional qualifications were recruited and also selected for senior administrative

positions. Necessary and desirable though these changes were they obviously went no further than giving the Premier some closer control over the policy development areas and introducing younger and more flexible people to the service.

Secondly, during 1967 Labor had introduced a Bill to reform industrial relations for those workers and employers within the jurisdiction of the South Australian Industrial Commission.³² Provisions included equal pay for some female workers, the abolition of penal powers, preference for unionists and minimum wage rates for building sub-contractors. Amendments in the Legislative Council ensured that few of the major reforms took place. This is a further example of the conservatism of the representatives of local capital, for in most respects the code as proposed sought only to reform the South Australian jurisdiction in terms of what existed federally. By the late 1960's the industrial relations framework was increasingly federal and most of the major industry companies in South Australia were parties to federal awards.³³ The remainder of industrial legislative reforms were not undertaken until after 1970 and the Industrial Conciliation and Arbitration Act of 1972 was largely a response to specific problems concerning the law of torts, rather than a major piece of reform.³⁴ Dunstan's own experience and inclinations were in the areas of social and civil rather than industrial reform. He was first a social reformer and only by way of necessity an industrial reformer:³⁵

Throughout the years it was led by Mr. Dunstan the S.A. government showed an awareness of the complexity of industrial affairs and was able to thread its way through day-to-day problems while maintaining a consistent long-term course of social reform and innovation.

Unlike many other areas of reform where considerable development took place before 1970 and major reforms were implemented by the mid 1970's, industrial relations appears to have been a lower priority in the early 1970's. By 1975 the government was less able to reform industrial legislation as the economic and political situation worsened.³⁶

The particular character of the labour movement in South Australia is an important factor in any explanation of the operation of the Labor governments during the 1970's. A programme of state induced industrialisation which took place after a severe depression meant that the major concern of the labour movement from the 1930's was to secure and protect workers' employment. This was undertaken primarily in a manner consistent with the interests of capital. Further, the predominantly Protestant beliefs of the population meant that the consequences of significant Catholic groups within the working class and the unions were avoided. Thus the National Civic Council and the Democratic Labor Party have no real influence in the unions and the Party, and the destructive effect of the split of 1955 in the A.L.P. was not experienced in South Australia. The conservatism in the South Australian labour movement has been of a quite different kind, consistent with the social and cultural and economic history of the State. The early absence of an urban working class precluded the development of a strong union movement to articulate class based opposition to the prevailing ideology.

In addition, in the immediate post-war period the Labor Party developed a modus operandi of consensus which became the hallmark of the South Australian branch of the A.L.P. until the 1980's.³⁷ During the years of Dunstan's leadership of the Party (1967-79) the absence of formal factions within the Party was particularly noticeable. Thus, as Premier, Dunstan was unlikely to be faced with many strong demands from socialist elements either from within the Party generally or from the union movement specifically.

In 1970 Dunstan and the Labor Party won the election with a package of reforms which were overwhelmingly directed towards social and electoral matters. As a social democrat Dunstan obviously placed great faith in the parliamentary system, and his lengthy fight to reform that

system in South Australia attests to this. Quite obviously too, any passage of social or industrial reforms through the parliament in these circumstances was and is contingent on a fully democratic structure.

Dunstan's own view of the role of a social democratic government within the political economy of capitalism was that it should carry out a planning and facilitative function to ensure economic activity and investment occurred in the desired directions; that it should prevent exploitation in the market place; that it should ensure the effective working of the economy and provide secure employment.³⁸ The principle vehicle for such a government's programme of social reform of capitalism is the use of various organisations within the state apparatus to correct the dysfunctions of the economic system. These organisations include financial institutions, such as the State Bank and the State Government Insurance Commission, land allocation and housing provision institutions, like the Land Commission and the Housing Trust, other infrastructure bodies, such as the Electricity Trust, and for investment assistance, the Industrial Assistance Corporation. To effect the acceptance of the operation of such institutions and to provide the forum for state-capital liaison, the government frequently established advisory committees representative of the interests of capital more sympathetic to state intervention, for example, the Industrial Development Advisory Council, and of the public administrators responsible for the function within the state apparatus. Dunstan viewed the people in the social democratic movement as performing an elite role as agents of change and since the nature of the change and its success in achieving the objectives he had established for it depended upon "the understanding and motive of the elite seeking to work it",³⁹ like minded public administrators were essential to the reform process.

Substantial criticisms can be made about the role of social democratic parties in government and about the parliamentary system in

general. Some of these have been addressed earlier. Analysis of the limitations of the role of social democratic governments centre on their inability to carry out reforms in the face of opposition from representatives of capital. The purpose of this first section of the Chapter has been to locate the incoming government of 1970 in an historical and political context. The following section examines the origins of one specific reform, the extension of democracy into the workforce, in the light of national and international trends in workplace reform.

International and National Context: Worker Participation

It can be argued that the interest in workplace reform, both motivational and institutional, which became evident amongst both capitalists and state functionaries (politicians and bureaucrats) in the United Kingdom and the United States was a response to a crisis of control and legitimacy faced by both capital and the state in the period of the 1960's and early 1970's.⁴⁰ Whatever the interpretation of these events, it is clear that an upsurge in interest in "participation" was an international trend evident not only in the United States and the United Kingdom, but in Western Europe, North America generally and Japan.⁴¹

Participation schemes initiated by capital in the post war period (with or without the assistance of the state) have had three objectives; deflecting worker interest away from organised labour movements - that is seeking to make unions redundant; increasing worker commitment to work and the particular employer in a manner which is congruent with organisational functions; and as a consequence of the two foregoing, to decrease the pressure for higher wages and the potential for continued challenges to authority and control at the workplace.

These objectives have been pursued most obviously in the United States where the union movement is for the most part substantially weaker than those in Western Europe and the United Kingdom. Nevertheless there has been an element, if variable, of these intentions in employers' approaches to the introduction of participatory schemes internationally. The extent of the variability has depended very much on the degree of organisation of the union movement, the ideological positions of the unions and the political complexion of the party in government, that is, the pre-existing power relations between labour, capital and the state.

Considering firstly the United Kingdom, it is clear that between 1950 and 1970 there was a marked decline in the use of joint consultation as a participatory form.⁴² This was the result of the development of strong shop floor union organisations during that period. Joint consultation is more effective where unionism is weak and, conversely where workplace bargaining is developed, shop stewards and members regard the consultative process as inferior to negotiation because it has fewer successful outcomes.

In 1968 the Donovan Commission Report⁴³ acknowledged the shift in power to the shop floor in the United Kingdom evidenced by the wages drift, and recommended institutional reforms for the extension and regulation of collective bargaining, the predominant form of participation. As far as worker participation in management was concerned, the Report had this to say:⁴⁴

As regards the suggestion for workers' representatives to be included in managerial bodies in the factory and at other levels of management apart from the board, we believe that our proposals for the reform of collective bargaining will do more than could any other change to allow workers and their representatives to exercise a positive influence in the running of the undertakings in which they work.

In general the recommendations were oriented towards orderly regulation of industrial conflict in such a way as to minimise the challenges to workplace management authority. They were an acknowledgement of the

strength of workplace organisation within the unions.

Additionally, some sections of the union movement, disillusioned with the lack of impact on workers' lives of the major post-war nationalisation, developed a new movement for workers control. The campaign for industrial democracy conducted through the Institute for Workers Control during the 1960s found expression in the wider labour movement in the British Labour Party Report on Industrial Democracy.

In the United States the crisis of workplace relations manifested itself in a quite different manner and the resolution of that crisis was also different. In the context of business unionism and a very low proportion of union membership, during the 1960's employers embraced the theories of the neo-human relations school of social psychology and opted for a whole range of motivationally oriented policies and practices.⁴⁵ Subsequently, a government appointed committee investigated workplace problems and arrived at similar solutions.⁴⁶ The most radical experiments in direct participation have taken place in non-union workplaces. As the authors of a Trilateral Commission Report comment: "The failure of the unions to organize these companies is held by their managements as confirmation that they have satisfied the needs and aspirations of their employees"⁴⁷. This ignores the extremely important fact that historically the weakness of American unionism can substantially be accounted for by the use by employers and the state, of both direct and indirect force against their development. Nevertheless, one might say that the force of capital is far more subtle in the contemporary context, and that the weakness of workers' organisations is perpetuated by reforms of the workplace undertaken by capital which are principally oriented towards providing individual satisfaction (of both intrinsic and extrinsic kinds) and therefore, in deflecting worker interest away from the organisation of a labour movement.

Without a political arm the labour movement in America is spared both the possibilities and the dilemmas of the trade unions in United Kingdom, Western Europe and Australia and so can pursue its members' interests by participating only in a collective bargaining framework.

Turning to Western Europe, in Norway, investigations into systems of industrial democracy had commenced in 1962 with a union-employer joint programme which initially addressed itself to the effectiveness of the existing patterns of worker representation on boards of state owned companies which had existed since the early 1950's.⁴⁸ The outcome of this research and evaluation, which was highly critical of representative systems of worker participation, was the establishment of semi-autonomous work groups as a highly influential model internationally by 1970.⁴⁹ What was often forgotten or ignored in the rush to experiment with this form of direct participation was that in Norway there was a well developed and effective system of representative participation through the union structures, one which was so much preferred by workers and unions alike for its effectiveness that the works council structure, established by law during the 1930's was seldom used.

These developments in Norway were significant for the development of worker participation in Australia for two reasons. Firstly, one of the principal researchers, Dr. Fred Emery, returned to Australia at about the same time as the Norwegian study was published. He brought with him extensive personal experience and expertise not only from the Norwegian experiments but also from consultation and research in the United Kingdom through the Tavistock Institute. Secondly, a number of the multinational companies, for example Imperial Chemical Industries (I.C.I.) and Shell, employed Tavistock researchers as consultants in the United Kingdom. Their Australian subsidiary companies, subsequently initiated participatory experiments at worksites in Australia.⁵⁰

In Sweden during the 1960's the highly organised and centralised trade union movement pursued industrial democracy reforms within the context of their collective bargaining framework. As was the case in Norway, the Works Council provisions for consultation existing since 1946 had been largely ignored in favour of collective bargaining. By the late 1960's the effectiveness of workplace democracy, redesign of jobs and semi-autonomous work groups was being assessed by the Swedish trade union movement.⁵¹ While obviously concerned with participatory democracy, the unions also focussed a good deal of their attention on winning co-determination rights on job security, health and working environment matters. One of their chief concerns was the restriction placed on collective bargaining by Paragraph 32 of the Swedish Employers Federation constitution which enshrines managerial preogatives in respect of dismissal of workers, the allocation of work and the right to hire non-union labour. It read:⁵²

Collective contracts concluded between a part owner or member of the Confederation and a trade union or trade union federation must contain the provision stipulating the right of the employer to engage and dismiss workers at his own discretion; to direct and allot the work; and to avail himself of workers belonging to any organization whatsoever, or to none.

The concern of the Swedish Trade Union Confederation was explained as:⁵³

An extension in the scope of collective bargaining may relate to material conditions of employment. It may also be concerned with establishing new and better machinery for bringing the influence of the workers and the trade unions to bear on the day-to-day running of the firm. This brings us directly up against the provisions of Paragraph 32, that is to say its implications for such areas as management and organisation of work, staffing policy, security of employment, the working environment, health and medical services, the procedure with regard to disputes etc.

This fundamental barrier to the extension of collective bargaining and other types of participation was subsequently removed by legislation. Having failed to negotiate collective agreements which would take account of the reforms the unions wished to have made, the union movement relied

increasingly on legislation during the 1970's to ensure participation through collective bargaining.⁵⁴

Unions successfully negotiated increased job security provisions, the establishment of a Joint Industrial Safety Council for coordination of medical care to workers, and an agreement for widening the scope and strengthening the role of consultation within Works Councils during the 1960's. For the 1970's the union movement had a threefold approach: to undertake measures which would contribute towards the structural transformation of the organisation, to extend collective bargaining into a number of specific fields of management like staffing, training and budgetting and to generally increase worker participation in management at all levels, including governing boards.⁵⁵

Various experiments in work redesign undertaken in Sweden, for instance at the Volvo Kalmar plant, were often quoted in Australia as examples of the Swedish model of worker participation. Indeed for the Dunstan government, Sweden was a highly influential model of social democracy. In 1970 however, the Norwegian experience in respect of job redesign and semi-autonomous work group was much more influential in the developments in South Australia.

The political events in France in 1968 had extensive implications for governments and owners of capital, particularly in Western Europe and the United Kingdom. During the series of strikes, take overs and riots of May and June, workers made demands for fundamental changes to the industrial system and campaigned for workers control.⁵⁶

Workers demanded the right to information and a say in management decision making. The C.F.D.T. produced the 16th May statement demanding that the industrial and administrative "monarchy" be replaced by democratic institutions based on self-management; the extension of trade union rights, the recognition of industry trade unions, the guarantee of employment and the right of the workers to participate in the running of the economy and of industry.

Suspicious of employers' promises of "participation", unions included claims for improvements in basic work conditions in their counter proposals.

The outcome of the challenge was the Grenelle Agreement of May 27, 1968 wherein one of the major, longstanding claims of the French union movement, recognition by employers and the right to represent members, was satisfied. This is in very marked contrast to the position of unions in Australia and many other countries, where recognition has existed for many decades. The minimal nature of the union claims in France illustrates the underdevelopment of the industrial relations system.

The impact of these developments were felt in Australia in the following ways. Experiencing these challenges to the authority and legitimacy of industry, multinational capital and the state took note of the need to deflect any local radical demands for industrial democracy. The spectacular claim by workers for fundamental changes to the patterns of power and control at work, as well as those in the political system, were highly influential in informing those in the Left of the labour movement in Australia as well as other countries. Lastly, governments everywhere took note of the implications of the events in France (and Italy) for their own stability and legitimacy regardless of how dissimilar their political and economic circumstances.

Subsequently, the contours of the international terrain altered. Most obviously, the economic "bust" of 1974 after the long post-war boom changed the balance of power between capital and labour in a substantial way. Additionally, fiscal crises of capitalist states shifted the balance of power further in favour of capital. Subsequently too, multinational capital changed its approach to participation.

The conventional wisdom of the late 1970's suggest an evolution from adversary collective bargaining towards shared decision making of a bipartite or tripartite form. Alternatively it might be suggested that,

rather than being an evolutionary trend towards a more participatory, democratic economic system, employee participation, despite the institutional and legal edifices constructed during the 1970's particularly in Western Europe, has been of little interest or use to capital since the late 1970's when the recession had well and truly set in.⁵⁷

In Australia during the late 1960's there was growing militancy over wages, penal sanctions and rights to share, if not control, decision making in the workplace.⁵⁸ It was this militancy which provided the context for discussion and action concerning worker control in the larger industrial states of Australia.⁵⁹ Generally the strong demand for labour, increasingly militant shop floor and workplace activity throughout Australia together with the strengthening anti-war and anti-conscription movement profoundly challenged the authority of employers and governments alike. As far as worker participation was concerned however, there was very little interest in, or evidence of, schemes of worker participation at the end of the 1960's. The debate on worker participation was extremely limited.⁶⁰

In 1970, at about the time that the Labor Party gained office in South Australia for the second time, a handful of major companies - mostly foreign owned multi-nationals - commenced developmental work on workplace level participation schemes. While initiators of these schemes might well have voiced some concern with bettering the social relations at the workplace, the primary purpose of the worker participation schemes was to ameliorate practical problems of the management of the workforce caused by a tight labour market and more militant union activity.⁶¹ An assessment made by Derber some years later argues that varying combinations of "home office" pressure (North American, British or European), the need to increase productivity and efficiency, concern over high rates of absenteeism and labour turnover and the increasing number

of stoppages, together with desire to win employee loyalty away from unions, and later, the pressure from government agencies, forced Australian management to develop policies and schemes for worker participation at this time.⁶² Once government policy was enunciated and possibilities of legislation were raised management also saw the need to modify what they perceived as radical employee and government pressure for industrial democracy.⁶³

In view of the use by employers of various forms of worker participation to solve labour problems outside Australia it is not surprising that most of the public discussion in Australia in the early 1970's was conducted in the terms defined by theories of organisational and behavioural science applied by managements' throughout the United States, Western Europe and the United Kingdom.⁶⁴ The debate about worker control and shop stewards rights which took place in the union movement was largely ignored, publicly.⁶⁵

For Dunstan, a self styled social reformer from a professional background, leading a Labor Party government which, in part, was representative of a long conservative union history, and who had as one of his major problems the industrial development of the State's economy, reforms of the workplace to modify or deflect the claims of a workforce growing more militant and so assist in making South Australia a desirable investment location for capital, both local and interstate, appears to have been an ideal approach. The worker control debate in the eastern States which had preceded the development of employer initiatives on worker participation, had very little influence in the bulk of the more conservative unions in South Australia. Discussion within the Labour Party did not occur at this stage, except in so far as members of the Young Labor Movement contributed and these people were isolated from the union movement. They did not have the necessary alliance with unions to effect any substantial debate which would lead to a formal policy statement.

Thus the Premier was able to embark on a process of policy formulation on worker participation almost without the involvement of the union movement and quite separately from the Party structure. His allies in this initiative were some representatives of local capital, academics and public servants. The first initiative of the government proceeded without reference either to the debate about workers and union rights that had taken place interstate and overseas, or to the political ideology which decades before gave rise to the concept of industrial democracy. Rather, it took place strictly in the terms of humanising capitalism; that is, in the prevailing managerial and applied social science ethos of the period. It is to the details of that initiative of the Dunstan Labor government that we now turn.

The South Australian Committees of Inquiry into Worker Participation:

The State Initiative.

In 1970 the newly created Projects Branch of the Premier's Department (part of the policy secretariat) undertook some developmental work on industrial democracy. The direction from the Premier was clear from the outset: the existing industrial relations system was not adequate; workers themselves needed opportunities to directly participate in decision making within existing management structures.⁶⁶ The government had a role to play in developing this type of reform.

As a result of this early work by officers of the Projects Branch, a Committee of Inquiry was appointed by the government in February 1972 to advise the government on a policy for worker participation. The membership of the Committee was as follows: two academics from Adelaide University, one of whom was the Vice Chancellor, Professor Badger and a member of the governmental Industrial Development Advisory Council (I.D.A.C.); two major local employers who were also members of

I.D.A.C.,⁶⁷ one of whom was an influential member of the opposition Liberal Party; two senior public servants one from the Department of Labour and Industry and the other from the Department of the Premier and Development, and one union official who was an influential member of the A.L.P. Contrary to the long history of tripartism in South Australia under Playford, the union secretary had been included in the membership Committee only shortly before it was announced by the Premier, and only after pressure from the union movement.

In March 1972 a second Committee was appointed by the Premier to make recommendations on worker participation in the public sector. Its membership was even more restricted: a Commissioner of the South Australian Public Service Board, Mr. G. Inns, was Chairman and there were three other members - two of the members of the major Committee (an academic and one of the senior public servants) together with a senior manager from a statutory authority. Conspicuous by its absence was a representative of any public sector union.

Although this latter, public sector committee, was appointed some six weeks after the private sector committee, the Premier had indicated in November 1971 that a definite proposal for implementation in the public sector would be required by September 1972.⁶⁸ The operation of both the Committees was made a little easier when the confidentiality requirement was relaxed sufficiently to enable members to hold "informal and discreet discussions with representatives of management and trade unions but not with the workers themselves".⁶⁹

Terms of Reference and Recommendations of the Badger Committee

The terms of reference set the parameters for the initial period of government policy. They were:⁷⁰

To examine the advantages and disadvantages of direct worker participation in management within industry and commerce in South Australia.

In particular, the Committee should give regard to the following:

- (i) what companies are undertaking any form of worker participation in management and, if so, with what success in: (a) South Australia; (b) Australia; (c) Other Countries?
- (ii) Which aspects of worker participation in management are most applicable to South Australian industry?
- (iii) How can these aspects best be implemented: What processes should be commenced to enable the appointment of worker representatives and how would such representatives report back to the workers?

Thus the Premier's intention not to involve unions in a representative form of participation, expressed in earlier notes to the policy secretariat, was clearly reflected in these terms. The Committee was to restrict itself to the examination of direct worker participation in management.

No public comment was sought by the Committee and much of its investigations were conducted on a confidential basis over the relatively short period of one year.

The perspective from which the Committee members approached the subject, at least in a formal sense, is provided by a "Conceptual and Theoretical Framework" published as Chapter 2 of the Report, and published concurrently in an academic journal.⁷¹ The introductory remarks in the latter article include a short reference to the socialist tradition which provides much of the political concept of industrial democracy. This fleeting reference does not appear in the Report.⁷² Although working from the distinction made by Robbins (the author) between the political and technical purposes behind participation schemes, the Report fairly well obscures the motivation/rationale for participation of both categories. For example, what was clearly distinguished as "participation as techniques" in the article only

remains in the Report as schemes "which introduce a measure of involvement as a contribution to job fulfillment and as a solution to practical difficulties."⁷³

Further, in the definition of forms of involvement, the form of nationalisation was omitted from the Report. After the definition of forms, the Report and the article diverge substantially. The article takes up a summary of participants "Attitudes to Involvement" which includes a short discussion on the role of the State and the question of ownership as well as the response of trade unions to overseas schemes. In contrast the Report continues on in terms of the advantages of worker participation in management for workers; that is individual rights, reduced alienation, increased job satisfaction. This is presented in a way which implies that this is the extent of the claim for participation as democracy. What this achieves is an inclusion of a liberal human rights arguments into the discussion, rather than any participation as democracy concept.

The framework of the Report, by ignoring the question of ownership, by limiting self management to job enrichment/enlargement, by misdefining the concept of workers control,⁷⁴ and by legitimising worker participation in management in the terms of a human rights argument, attempts to gain acceptance of the concept of worker participation not just as technique, but as a social reform.

Important sources of influence in this Chapter of the Report are the proceedings of a symposium published in 1970, especially the final article which summarised issues raised in the symposium.⁷⁵ The authors' synopsis of their own thesis is this.⁷⁶

Our thesis mainly is that (1) participation in many cases has been introduced from the top down as symbolic solutions to ideological contradictions; (2) its appeal is due in large part to its apparent consistency with both socialist and human relations theory; (3) in practice it has only spotty success and chiefly in the personnel and welfare rather than in the production areas; nevertheless (4) its chief value may be that of providing another forum for the resolution of conflicts as well as another means by which management can induce compliance with its directives.

While noting some differences between the socialist and human relations approaches to participation (chief amongst these being political rather than psychological analyses), the authors claim the recent success of participation is partly due to "the fact that it represents a happy melding (sic) of the ideologies of socialism and human relations".⁷⁷ They attribute to socialists an overriding concern with "formalities", for example, ownership and representation, and argue that for representative schemes to operate successfully in managerial terms they probably need to be preceded by informal, human relations style participation schemes on the job.

In conclusion and notwithstanding Robbins' rejoinder,⁷⁸ one must agree with Pateman that semantic confusions were indeed embodied in the Report.⁷⁹ Further, while Robbins may not do so in his article published separately, the theoretical framework of the Report implies an identity of participation with democracy: an echoing of the "melding" process as explained by Strauss and Rosenstein.

There were three formal recommendations made by the Badger Committee:⁸⁰

That the Government actively encourage the introduction of worker participation in management in South Australia on a voluntary basis in the form of joint consultative committees in all companies with more than 50 employees. To this end the Government should invite employers' organisations to initiate discussions between employers and unions. The question of legislation should be considered only after the educational campaign has been allowed to develop.

That the Government encourage the introduction of job enrichment schemes in South Australian companies. Although these schemes may be more appropriate in those companies where workers are required to undertake repetitive tasks, they need not be so confined.

That a branch or section be established in an appropriate Government department to provide information and advice on all aspects of worker participation.

The major conclusion of the Report was:⁸¹

The Committee considers that real advantage would result, both to South Australian managers and workers, from the introduction of worker participation in management especially those forms of worker involvement known as joint consultation and job enrichment.

This appears to have been a foregone conclusion on the part of the members of the Committee.⁸² Most other forms of participation were excluded either because they were too different and/or too difficult to implement,⁸³ or because they had fallen outside the terms of reference.

The recommendation in favour of joint consultation was contrary to the review of overseas developments the Committee itself provided in the Appendix to its Report.⁸⁴ One example will illustrate the contradiction. The Report points out that in the United Kingdom joint consultation was, "designed to promote co-operation between management and employees in subjects outside the collective domain"⁸⁵ and reviews four such schemes. Having done so, the Report goes on:⁸⁶

a general assessment of joint consultation and other forms of worker participation in management in the U.K. shows that, although many schemes have been operating for many years, and have had some success, shop stewards and workers prefer to operate through normal dispute procedures.

Further, the Report explains:⁸⁷

several reasons have been suggested for this attitude. Many think that areas of conflict can best be settled through strikes....There is a basic disinclination on the part of shop stewards to view productivity questions as matters of common interest. Moreover, shop stewards demand unrestricted access to top management to get speedy and satisfactory settlements, and they see joint consultation and other forms of participation as being unnecessary.

These reasons contrast sharply with the assessment made by various commentators in the U.K. and quoted in the Report.⁸⁸

properly conducted, collective bargaining is the most effective means of giving workers the right to representation in decisions affecting their working lives....Managers and shop stewards prefer negotiation because of its flexibility and its directness....Faced with either alternative managements have thought it wise either to allow committees to lapse or to incorporate them as part of normal procedural arrangements with shop steward committees for negotiation purposes.

A British example which is commented on favourably in the Report, Glacier Metals,⁸⁹ is the subject of a highly critical analysis by Pateman, who comments that at Glacier the higher level of partial

participation legitimised the decision making powers constitutionally retained by management and in so doing enabled management to make far more decisions and changes without the customary objections from worker representatives.⁹⁰

The Committee identified a number of organisational and structural inadequacies in unions which, it was argued, limit their capacity to participate in workplace bargaining even on traditional employment problems; namely minimal workplace representatives, a limited role for such representatives where they do exist, multi-union coverage at most workplaces, and a limited role for joint union shop committees in bargaining at the workplace.⁹¹ These inadequacies are of course a consequence of the centralisation of the industrial relations system in Australia around industrial tribunals at both state and federal levels.

The identification of these features of trade unions which mitigate against the union-based, representative forms of participation which were quite clearly favoured in the United Kingdom gave the Committee the rationale for a recommendation of a form of participation which could be seen to supplement/complement traditional union/industrial activity:⁹²

...many union officials fear that worker participation in management in forms other than via union participation will erode their powers. These fears can be allayed because worker participation in management in the form envisaged (i.e. joint consultation) by us involved areas outside the usual ambit of union interests (wages and working conditions) and it seems to us that the trade unions could easily co-exist with J.C.C.'s.

In view of the Premier's attitude concerning the inappropriateness of union involvement in worker participation this comment was well made. It was a view held by many union representatives.⁹³

The Committee had very little source material upon which to draw for its judgement about worker participation in Australia. In a survey of the limited literature on worker participation available at the time the Report shows very little positive evidence for joint consultation. On the contrary, two of the examples show the same tendency as in the United

Kingdom: the replacement of employee representatives with union ones.⁹⁴

To overcome the dearth of current information in Australia⁹⁵ the Committee sponsored a survey of enterprise in South Australia to determine the extent and success of more formal schemes of worker participation in management. The detailed analysis of the minority of firms (25) which had any formal means of worker participation found that ten of these had safety committees or shop steward committees only. Thus no comparison was made between the success of joint consultation compared with union representation and negotiation. Consistent with the terms of reference, collective bargaining was set aside, even though it was included in the "Conceptual Theoretical Framework" of the Report.

The Report avoids defining what constituted the success of the joint consultative committees (J.C.C.'s) it surveyed, and gives no indication of the range of matters before the committees. Nevertheless, the Report is able to set forth six factors on which this undefined success depends: adequate representation, time and facilities, management cooperation, recognition of worker contributions, responsible attitudes by participants and appropriate authority for management members.⁹⁶ Elsewhere the Report makes a general observation about successful J.C.C.'s.⁹⁷

A successful joint consultative committee ensures that employees gain a clearer understanding of policy and management problems....The net result of successful joint consultation can be increased stability, decreased absenteeism, increased quality of workmanship, better service to customers, the elimination of production bottlenecks and increased productivity.

But the virtues of joint consultation and the benefits for South Australia were:⁹⁸

simplicity, easy to understand, non-directive....because joint consultation does not remove managements' ultimate decision making power, and because no substantial alterations in the structure of management in the companies would be necessary.

The recommendation concerning job enrichment as an advantageous form of worker participation for workers and management, was heavily influenced by Dr. Fred Emery, an internationally recognised advocate and practitioner of direct participatory schemes, who had returned to Australia in 1969 and who had been extensively consulted by management of national and multinational companies in Australia.⁹⁹ In discussions with the Committee members Emery made substantial claims for the success of job enrichment - success in this context being defined as lower rates of absenteeism and labour turnover. The Report does not further investigate this claim, and the Committee appears to have accepted it at face value.

Apart from the recommendation concerning the formation of a governmental advisory unit the Committee virtually ignored its third term of reference, concerning implementation and processes for attainment and procedures for worker representatives.¹⁰⁰

In view of the fact that the Report has a badly defined objective for participation¹⁰¹ and is inconsistent in its major arguments,¹⁰² what purpose did it serve? Its limited terms of reference and managerially oriented committee members ensured that the recommendations would be acceptable to employers. The Report went part of the way to placing the subject on the public agenda for public debate. The establishment of an advisory agency in the public service provided the government with a vehicle for continuing its role in the limited reform of the workplace relations.

The employers on the Committee were able to join with the government to continue to restrict the field of joint union-management decision making to already established matters, and further to strengthen the legitimacy of a most important managerial prerogative: the right to nominate which matters will be the subject of consultation with unorganised labour.

Terms of Reference and Recommendations of the Inns Committee

Both the terms of reference and the recommendations of this Committee were similar to those of the Badger Committee. Nevertheless, there are some important differences which warrant some examination here. The terms of reference were as follows;¹⁰³

- (1) To examine the extent to which worker participation in management exists in the public service (excluding local government) and statutory authorities in South Australia, Australia and other countries.
- (2) To assess whether further aspects of worker participation in management should be introduced in the public service and statutory authorities in South Australia; and if so -
- (3) To outline details of implementation of any recommended proposals of worker participation in those sectors.

The theoretical framework provided in Chapter Two and the structure of the Report are similar to those of the Badger Report. What the Inns Report reveals however, is a more extensive and more easily documented pattern of worker participation in the public sector than in the private sector. This most often took the form of co-determination in areas of promotions appeals, classifications and discipline together with some joint consultation.

The Report's recommendations extended the scope of this co-determination in relation to promotion, selection, classification and disciplinary enquiry committees as well as using an overseas innovation (from the Papua New Guinea public service), the Category Review Team.¹⁰⁴ Most significantly the recommended membership of these committees was typically a nominee of management, a nominee of the relevant "industrial organisation" (union) and a mutually agreed chairman (sic). Union representation and tripartite decision making was incorporated in the recommendations of the Report at least as far as more traditional industrial matters in the public sector were concerned. The Report however, did not support union participation at higher management

levels in the service, like the Public Service Board.

As far as joint consultation is concerned the Report makes substantial claims for it in terms of organisational effectiveness - in almost exactly the same terms as in the Badger Report. "The net result (of joint consultation) can be increased stability, decreased absenteeism, increased quality of work, better service to the public, the elimination of production bottlenecks and increased productivity."¹⁰⁵

Despite the fact that most of the six unions with which the Committee had discussions supported worker participation in management through union representation, the Committee advanced the same argument concerning union roles as did the Badger Report: separation of union interests and successful coexistence of unions and joint consultative structures.

Along with the recommendation for joint consultation the Report included two model constitutions for J.C.C.'s, one for the departmental or authority level and the other for a central J.C.C. for the whole of the public service.¹⁰⁶

The only mention of legislative change in either of the Reports is made tentatively in the concluding Chapter of the Inns Report: "In some instances amendments to legislation and regulations might be necessary, while in other cases, the employing authority might be required to seek variations to industrial awards or agreements."¹⁰⁷

Thus the Inns Report recommendations were different from those of the Badger Report in two significant aspects. They encouraged the extension of a tripartite form of participation in relation to specific career progression issues. In addition, the vehicle for worker participation on these committees was strictly defined as union nominated representation. In other respects the two reports were at one: all issues not defined as "industrial" or award matters were to be handled in a joint consultative framework which would specifically discourage union participation. Job enrichment was the preferred form of participatory democracy.

Conclusion

The origins of the initiative taken by the state into the field of worker participation are to be found in the Labor government's undertaking to continue and diversify the industrial development of the State and in the social democratic view that democracy should be extended into the workplace - in particular to Dunstan's view that involvement of workers should take as direct a form as possible.

As far as the private sector of the economy was concerned the government sought to encourage worker participation in the management of specifically locally based companies. This was in turn related to the long standing objective of the Labor Party to democratise the Legislative Council of the parliament from where the representatives of local capital frustrated reformist programmes.

In the area of public sector employment, and more especially the public service, the government sought to increase the efficiency of the administrative structure by making some areas of managerial authority more open to employee influence through joint consultation, and to extend some areas of co-determination by managers and unions to foster greater acceptance of change by employees generally.

It is quite apparent that the newly elected Labor government in South Australia, the only one in Australia at that time, and the first of a social democratic style, recognised the developments in workplace reform taking place on an international scale, and the appearance of some such schemes in other states of Australia. The initiative of the government, and the consequential intervention of the state into the workplace relations between capital and labour took place largely in the terms of the prevailing managerial and applied social science ethos of the period. The extent to which a principal researcher, Dr. Fred Emery dominated the field of management and governmental advice on worker

participation in the early 1970's is indicative of the very limited number of people in Australia with any detailed knowledge of, or practical expertise in, the field - as it was defined by the prevailing ideology. This paucity of expertise is partly explained by the fact that the relatively few multi-national companies who were involved in projects at the time utilised expertise from outside Australia. It is also partly explained by the prevailing conventional wisdom which separated worker participation from traditional industrial relations practice. Consequentially union leaders were not accepted as having expertise in workplace participation. Indeed, in South Australia the emphasis for the private sector was very much on individual worker participation.

The approach of the government in undertaking this initiative independently of any but the most limited union involvement reflects not only this liberal-social democratic attitude towards workplace reform, but also the narrow economic outlook of the union movement in general in South Australia. In placing worker participation on the agenda in the way he did Dunstan may have confronted managers of capital, but he also challenged indirectly the traditional managers of labour-capital conflict, the unions.

From a wider perspective it is apparent that the origins of the state intervention into workplace relations did not lie with either local capital or labour. This is not to argue however, that the worker participation inquiries were instances of the state acting autonomously, independently of the interests of capital. Notwithstanding the humanistic and liberal elements in Dunstan's approach, in this instance the state attempted to anticipate the interests of local capital on the basis of the observable experience elsewhere.

FOOTNOTES

1. Much of the background to this section was drawn from Mitchell, T.J., "Industrialisation of S.A. 1935-40", B.A. Hons. thesis, University of Adelaide, 1957, and Carmody, A.D. "Industrialisation in S.A.", M.A. thesis, University of Adelaide, 1974.
2. An account of the Premier's plan, developed by a public servant (Wainwright), is given in Stretton, H., Ideas for Australian Cities, Georgian House, Melbourne, 1975, pp. 136-40.

In 1981 the Liberal government sought to maintain the labour cost advantage for S.A. by opposing full wage indexation. The Advertiser, 13.6.81.
3. An anti-socialist group, the Political Reform League drew up the ideas for the S.A. Housing Trust and these were subsequently adopted by Wainwright. See Lonie, J. "Conservatism and Class in S.A. During the Depression, 1929-34", M.A. thesis, University of Adelaide, 1973.
4. Stretton, op.cit, p. 140.
5. Broomhill, R. Unemployed Workers: A Social History of the Great Depression in Adelaide, University of Queensland Press, 1978, p. 13.
6. See Oxnam, D.W. "The Incidence of Strikes in Australia", in Isaac J.E. and Ford, G.W. (eds) Australian Labour Relations; Readings, 2nd edition, Sun Books, Melbourne, 1971, p. 39.
7. For a short account of the infrastructure provided for the establishment of the shipyard and later the steelworks for B.H.P. at Whyalla, see Kriegler, R.J. Working for the Company, Oxford University Press, Melbourne, 1980, pp. 3-10.
8. For a useful and interesting class analysis of this industrialisation process which draws on a wide range of sources, see Nyland, C., "The Labor Government of South Australia 1965-79 - A History", B.A. Hons. thesis, University of Adelaide, 1980.
9. Carmody, op.cit, pp. 2-5.
10. Jaensch, D., The Government of South Australia, University of Queensland Press, 1977, pp. 13-15.

Warhurst, J., "The Politics of the S.A. Economy", Australian Quarterly, Vol. 51, No. 2, 1979.
11. Lonie, J., "Good Labor Men: The Hill Government in S.A. 1930-33", Labour History, No. 31, Nov. 1976, pp. 14-29.
12. For an account of Playford's economic interventionism in particular, and his general approach to government and politics see Blewett, N., and Jaensch, D., Playford to Dunstan: The Politics of Transition, Cheshire, Melbourne, 1971, pp. 1-33.
13. MacIntosh, M.L., "Industrial Development Administration in S.A.", B.A. Hons. thesis, University of Adelaide, 1969.

14. ibid.
15. Davis, K., and McLean, I., "Economic Policy", in Parkin, A., and Patience, A., (eds.), The Dunstan Decade, Longman Cheshire, Melbourne, 1981, pp. 36-41.
16. ibid., pp. 40-41.
17. Examples were given in the Premier's speech to the A.L.P. S.A. Branch Convention, June 1978.
18. Dunstan, D., Felicia, Macmillan, Melbourne, 1981, p. 191. Dunstan records also the pragmatic approach taken by interstate management of companies to the Labor government.
19. A local agricultural implement manufacturer (Horwood Bagshaw) approached the government through the Unit for Industrial Democracy for assistance in 1977. As a result the Unit drafted legislation for employee share ownership schemes to be loan guaranteed by the government and financed through the superannuation funds. See Chapter Three.
20. Dunstan, op.cit., p. 193.
21. MacIntosh, op.cit., pp. 66-70. In 1954 the Trust committed the government to the planning of the Elizabeth satellite town and factory sites. In 1958 an amendment to the Industries Development Act formalised this situation.
22. Dunstan, op.cit. Referring to senior public servants Dunstan remarks, "Almost invariably these men were strongly LCL in personal outlook, had never known another administration, and regarded not only existing organisation, but existing policy, as their personal property". p. 103.
23. ibid., p. 79.
24. Carmody, op.cit., p.vi.
25. Chapter Four.
26. Blewett and Jaensch, op.cit.
27. Parkin, A., "The Dunstan Governments: A Political Synopsis", Parkin, A. and Patience, A., op.cit., pp. 1-3.
28. Jaensch, D., "Electoral Reform", in Parkin and Patience, op.cit., pp. 220-237. See also Dunstan, op.cit., pp. 159-162.
29. For an analysis of a substantial number of these areas see Parkin and Patience, op.cit. Chapters 2-12.
30. ibid., See Bright on law reform ("the wave originated a long way back" p.151), Oxenberry on social welfare ("..the main reforms of the Labor government in the 1970's were built upon the work of the Social Welfare and Advisory Council during the 1968-70 Liberal government" p. 57) on the influence of federal government initiatives (p.64) and Hyams on education ("...some of that expansion was needed and there was money around" p.90)

31. For a detailed account of the changes in the public service see Jaensch, The Government of South Australia, op.cit. pp. 132-141.
32. See Nyland, op.cit., and Carmody, op.cit.
33. Plowman, D. Deery, S. and Fisher, C. Australian Industrial Relations, McGraw-Hill, Sydney, 1980, pp. 50-56.
34. Nyland, op.cit.
35. Cunningham, A. "Industrial Relations", in Parkin and Patience, op.cit. pp.165. Emphasis given.
36. ibid., pp. 171-2.
37. See Stokes, G., "South Australia: Consensus Politics", in Parkin, A. and Warhurst, J. (eds.) Machine Politics in the Australian Labor Party, George Allen & Unwin, Sydney, 1983, pp. 132-164.
38. Dunstan, D.A., "Social Democracy in the '70's: The Struggle Against the Myths", 1976 Chifley Memorial Lecture, Melbourne University Australian Labor Party Club. P. 21.
39. ibid., p. 22.
40. Frenkel, S.J., "Workplace Reform in Britain and the United States: An Essay in the Dialectics of Power and Knowledge", Working Paper 5/1977, Department of Industrial Relations, University of N.S.W. and Ramsay, H., "An International Participation Cycle: Variations on a Recurring Theme", paper for Conference on Organisation, Economy and Society: Prospects for the 1980's Brisbane, July 16-19 1981. See also the discussion in Chapter One.
41. Collective Bargaining and Employee Participation in Western Europe, North America and Japan, The Trilateral Commission, The Triangle Papers: 18, New York, 1979.
42. See Clarke, T., Fatchett, D. and Roberts, D., "Workers' Participation in Management in Great Britain", International Institute for Labour Studies, Bulletin No. 9, 1972, and Ramsay, H., "Cycles of Control: Worker Participation in Sociological and Historical Perspective", in Boreham, P. and Dow, G. (eds.) Worker and Inequality, Vol. 2, Macmillan, Melbourne, 1980, pp. 104-129.
43. Report of the Royal Commission on Trade Unions and Employers' Associations, 1965-68, (The Donovan Commission) H.M.S.O. London, June, 1968.
44. ibid., p. 257.
45. See discussion in Chapter One.
46. Report of a Special Task Force to the Secretary of Health, Education and Welfare, Work in America, M.I.T., Mass., 1973.
47. The Trilateral Commission, op.cit., p. 62.
48. See Emery F., and Thorsrud, E., Form and Content in Industrial Democracy, Tavistock, London, 1969 and Emery F., and Thorsrud, E., Democracy at Work: Report of the Norwegian Industrial Democracy Program, C.C.E., A.N.U., Canberra, undated.

49. For a contemporary commentary, see "Employees Redesign Their Jobs in Norway", International Management, August 1971, pp. 38-44.
50. For a union perspective of the experiments at I.C.I. at the Botany plant in N.S.W. see O'Leary, D., et.al. Worker Participation: Fact or Fallacy, Centre for Urban Research and Action, Melbourne, 1977.
51. Geijer, A., Industrial Democracy in the Seventies, Swedish Trade Union Confederation - L.O., Stockholm, 1971.
52. Industrial Democracy: Programme adopted by the 1971 Congress of Swedish Trade Union Confederation, Swedish Trade Union Confederation, Stockholm, 1972.
53. ibid., pp. 64-65.
54. "Industrial Democracy in Sweden", Proceedings of the International Conference on Industrial Democracy, C.C.H., Adelaide, 1978. The remarks of S. Gustafsson; "The employers federation was not interested in making new regulations in collective agreements, so the unions asked for legislation." p.61.
55. Industrial Democracy: Programme, ibid., pp. 6-13.
56. Posner, C., (ed.) Reflections on the Revolution in France: 1968, Pelican, 1968, p. 146. C.F.D.T. French Democratic Federation of Labour.
57. The features of this debate between cyclical and evolutionary interpretations have been referred to in Chapter One and will be discussed further in Chapter Seven.
58. This militancy and the consequent growth in overaward wages and "wages drift" from the mid 1960's resulted in an attempt by the Conciliation and Arbitration Commission's to regain control over wage determination by way of Metal Trades Work Value Case of 1967. The high level of disputes over penal sanctions arose from a situation in which employers tried to avoid overaward bargaining by the use of court injunctions. See Plowman, D.H., Wage Fixation, Allen & Unwin, Sydney, 1981, pp. 14-16.
59. For instance the Sydney Workers' Control Conference, August 1969 and the debate conducted in the Australian Left Review during 1969. Also the National Workers Control Conference held in Newcastle, April 1973, and publications arising from it; Caldwell, L. and Tubbs, M., "The HARCO Work-In", and Moss, J., "Industrial Relations - or Workers Control - South Australian Experiences".
60. See Derber's often quoted assessment of Australian progress in Derber, M., "Cross Currents in Worker Participation", Industrial Relations, February, 1970. p. 129. "The concept of workers participation in management is less developed in Australia than in any other westernized country of my knowledge."
61. For an account of one type of militancy of the period in the building industry in N.S.W. see Munday, J., Green Bans and Beyond, Angus and Robertson, Australia, 1981.
62. Derber, M., "Changing Union-Management Relations at the Plant Level in Australian Metal Working", Journal of Industrial Relations, 19, 1, March 1977, pp. 1-23.

63. For example various speeches given by senior management of C.S.R. details of which are referred to in Chapter Four.
64. A subsequent survey of the application of these techniques is Andreatta, H. and Rumbold, B., O.D. in Action, Department of Labour, Melbourne, 1974.
65. The trend in decentralisation of power within unions to the shop floor was recognised by the adoption by the 1975 A.C.T.U. Congress of a charter for Shop Committees and a Charter for Shop Stewards.
66. The file note in the policy secretariat of the Premier's Department reads: "I see no point in continuing with proposals designed to increase trade union representation in management".
67. I.D.A.C. advised the Minister of Industrial Development. The Premier's brief to the policy secretariat indicated that the private sector committee should be based on I.D.A.C. membership. For more detail on I.D.A.C. see MacIntosh, op.cit.
68. Policy secretariat briefing document.
69. Report of the Committee on Worker Participation in Management Public Sector, Government Printer, Adelaide, April 1973. Paragraph 1.3. The Report of the Committee of Worker Participation in Management Private Sector, Government Printer, Adelaide, April 1973. Referred to as the Badger Report. This also qualified its recommendations "because of the confidential nature of our enquiry it has been difficult to gauge, with any degree of certainty, the attitudes of boards, management, trade unions and workers in this State." Preface to the Report.
70. The Badger report, op.cit., p.1.
71. Robbins, J.R., "Workers Participation and I.D. - Variations on a Theme", Journal of Industrial Relations, Vol. 14, No.4, December 1972, pp. 427-38.
72. The Badger Report, op.cit., p.3.
73. ibid., P.4.
74. For these specific criticisms see Pateman, C., "A Comment on Robbins on I.D.", Journal of Industrial Relations, Vol, 15, No. 3, September 1973.
75. "Symposium: Participation in Management", Industrial Relations, 9, 2 February, 1970, especially Strauss, G., and Rosenstein, E., "Worker Participation: A Critical View". Secretary to the Badger and Inns Committees, interview, 1980.
76. ibid., p. 198.
77. ibid., p. 200.
78. Robbins, J.R., "I.D. - A Rejoinder", Journal of Industrial Relations, 16, 2 June 1974. pp. 188-9.
79. Pateman, op.cit.

80. The Badger Report, contained in Chapter 6, pp. 41-45. Accounts of these recommendations have been given in Bowes, L.B., "Worker Participation in Management; the South Australian Developments", Journal of Industrial Relations, 17, 2, June 1975. pp. 119-120. (Mr. Bowes was Secretary for Labour and Industry and a member of the Badger Committee), and more critically by Anderson, G., "The South Australian Initiative", in Pritchard, R.L., (ed.) Industrial Democracy in Australia, CCH, Australia, 1976, pp. 157-178. (Mr. Anderson was a Project Officer in the original government advisory unit).
81. ibid., p. 41.
82. Personal interview. Secretary of the Committee, October 1981.
83. See reasons given for recommending joint consultation quoted in the discussion below.
84. The Badger Report, op.cit. pp. 53-84.
85. ibid., P. 71.
86. ibid., p. 75. Emphasis given.
87. ibid. Emphasis given.
88. ibid., p. 76. The alternatives referred to were shop steward participation in joint consultative committees or limitation of subject matter of committees to trivial matters.
89. ibid., p. 72.
90. Pateman, C., Participation and Democratic Theory, Cambridge University Press, 1970, p.77.
91. The Badger Report, op.cit., pp. 22-23.
92. ibid., p.39.
93. Depending on ideological view points some union officials saw participation as incorporationist and to be resisted for that reason, others saw little problem with joint consultation for the reasons given in the Report.
94. ibid., p. 13 and p. 15.
95. Some schemes had been briefly documented in the Personnel Practices Bulletin in the 1950's. This Bulletin was the predecessor of Work and People, a publication of the Human Relations Branch of the federal Department of Productivity. An explanatory note to the Index 1945-78 describes the purpose of the periodical:

"Work and People" provides a high standard of practical information, new ideas and informed opinion on a wide range of issues in the fields of personnel management and organisation behaviour, emphasising issues affecting the quality of working life.

A substantial portion of the writing was and is done by Departmental employees, although a considerable number of employers and sometimes other people have contributed articles. Interestingly, the indexing of the articles by subject shows the terminology acceptable to most readers of the Bulletin; industrial democracy is only cross referenced, and by 1978 "worker participation" had become "employee participation" and "profit sharing" had been replaced by "financial participation". See Work and People: Index 1955-78, Department of Productivity, Australian Government Publishing Service, 1978.

96. The Badger Report, op.cit, p. 19. Presumably the success rating was determined by the respondents to the questionnaire.
97. ibid., pp. 29-30. Emphasis given. There is no guarantee of success however.
98. ibid., p. 43.
99. For example, Dr. Emery worked for the managements of I.C.I., C.S.R., Alcan, Luv Pet Foods. Based at the Centre for Continuing Education at the Australian National University, Emery and a small number of researchers became increasingly influential during the early 1970's. See Robson, P., "Worker Participation in Australia", Current Affairs Bulletin, 1.3.78, p. 26.
100. The Badger Report, op.cit, p.1. Quoted on p.22.
101. Pateman, C., "A Comment on Robbins on I.D." op.cit.
102. Anderson, op.cit.
103. The Inns Report, paragraph 1.1.
104. ibid., Chapter 7.
105. ibid., Paragraph 6.4.
106. ibid., Appendices 1 and 2.
107. ibid., Paragraph 7.8.

CHAPTER THREESTATE AND PARTY: THE DEVELOPMENT AND ADMINISTRATION OF POLICY, 1973-1979

This Chapter examines the development and implementation of A.L.P. government policy on industrial democracy from the policy of voluntary joint consultation and job enrichment of 1973, to the extension of workers' rights through union channels and a legislative programme of 1975, to a policy of flexible voluntarism built around the concept of increasing workers' share in the decision making processes at the workplace, in 1979. It also examines the attempts by the government to implement these policies principally through a state agency that is, initially the Unit for the Quality of Work Life and after 1975 the Unit for Industrial Democracy. The analysis of the administration and operation of the Unit for Industrial Democracy within the public service bureaucracy shows the development of a new defacto policy, which took place independently of the formal Labor Party structure, and its eventual endorsement by the Party Convention in 1979. It also demonstrates the tension and conflict between various sections of the state apparatus chiefly the Public Service Board with its statutory responsibilities and managerial approach, and the Unit. In addition, the analysis shows the conflicts between the Party and the unions concerning the objectives of industrial democracy and the correct course for its implementation.

This examination thus focusses on the interaction between the state (broadly defined) and the party in respect of this particular element of the social democratic reform programme, industrial democracy. This is not to ignore the role of capital over this period. Rather, since most of these events took place within the public sector, it must be acknowledged at the outset that capital provided the features of the extremely important economic and political backdrop to the state-party relationships.

A PARTY POLICY: 1973-1979

(1) Government Committee of Inquiry Recommendations:

Union and Party Reactions. 1973-1975

The government accepted the recommendations of both the Badger and Inns Reports and as a result established a Unit for Quality of Work Life within the Department of Labour and Industry (DLI) in the latter part of 1973. The officers of the Unit then set out to encourage schemes of job enrichment and joint consultation in accordance with the Reports' recommendations. The major emphasis of the Unit's work within the private sector was on job enrichment. In the public sector the orientation was towards joint consultation. The representative form was already accepted in the public sector and job enrichment was a form with which the new Director of the Unit had experience in the private sector.

The Unit was publicly launched in September 1973 at a job enrichment seminar opened by the Premier.¹ During the next twelve months the Unit sponsored a number of job design workshops using the Emery participative design techniques.² Critical comment on these seminars was made by private employers, public service management, and not least, by union officials. The transcript of the first seminar³ provides a most interesting insight into the particular style of presentation. It also contains a vivid description of the "good experiment" at Luv Pet Foods.

"It wasn't very complicated; we just changed the definition of the blokes' jobs for them and with the turnover of people there was no built in resistance to this".⁴

This rather glib approach appears somewhat inconsistent with the philosophy of participatory democracy, and with Emery's own design techniques. The reported results of the programme at Luv Pet Foods appear to have all been of benefit to the company: lower absenteeism, increased productivity and flexibility, group supervision and better

discipline. Certainly for the workers it was all rather short lived; an American company took over Luv Pet Foods and re-established the traditional management structure, and "within six months of that the plant was shut down because it was uneconomical and they shifted it to Melbourne - but it was predictable that it would have to shut down".⁵

One of the first formal criticisms of the Unit came from an employers' organisation, the Printing Industries Employers Association, in May 1974 when one of its officers wrote to the government objecting to the seminar held a month or two earlier.⁶ A later workshop for public sector employees was the subject of a highly critical report by an officer of the Public Service Board.⁷ The Board had a particular interest in the work of the Unit since the Chairman of the Board at this time, Mr. G. Inns, was a former Commissioner who, as chairman of the public sector industry inquiry into worker participation, had played a major role in shaping the Committee's recommendations. It is reasonable to suggest that these criticisms were partly the result of reaction by private sector employers to the intrusion of the government into areas which they regarded as their managerial prerogatives, and underlying that, a reaction against the Labor government generally. Similarly public service management had some difficulties in accepting the legitimacy of a Labor government.⁸ The highly individual styles of both Emery and the Executive Officer (styles which appeared to some people as eccentric) together with the unconventional methodology of the seminars provided the basis for criticisms which may have well simply veiled the fundamental objection which managers, private and public sector alike, had to the government's policy.

Given the minimal involvement the union movement had in the formulation of the government policy, many union officials may well have criticised the Unit for intruding into industrial areas traditionally guarded by unions. After a number of employer and management seminars,

the Unit invited union officials with members in the various employing organisations represented at previous seminars to attend workshops themselves.⁹ It was at these workshops that considerable friction was created between the union movement and the Unit, principally because of what was perceived to be an anti-union approach taken by the Executive Officer of the Unit.¹⁰

This union disquiet was expressed in the two motions concerning the Unit at the 1974 Convention of the South Australian Branch of the Labor Party in June.¹¹ A number of officials of unions within the left of the labour movement had begun to inform themselves of developments internationally and had sought to redirect the government's policy away from the job enrichment/joint consultation framework towards union based industrial democracy programmes such as those developing in the United Kingdom and some countries of Western Europe. The amended motions of the 1974 Convention called for an investigation of the work of the Unit and the establishment of a Labor Party committee to recommend legislation for industrial democracy.

The government's response to this censure from within the Party, focussed as it was principally on the job enrichment approach and to the declining interest shown by the private sector employers in the workshop programme, was to virtually abandon it and concentrate on promoting joint consultation in the public sector. It is significant that towards the end of 1974 rising unemployment had started to alter some of the factors associated with employers' interest in participation programmes, that is, high rates of labour turnover, absenteeism and so on.¹²

Further, within the Unit, by the latter part of 1974, substantial differences of view arose between the Executive Officer and two project officers. These arose from a Report of an overseas study tour undertaken by one project officer in July-September 1974 which suggested some lessons for Australia in the European experience.¹³ Chief, and most

significant amongst these were the desirability of a positive union role, the necessity for legislation to protect participation structures and thirdly, the need for complementary developments of participation at all levels of enterprises (workplace, plant, corporate). These recommendations were at odds with the views of the Executive Officer. Despite the existing government policy based on the 1973 inquiries, the Executive Officer was also at odds with the Premier over the matter of legislation, for at this time, Dunstan foreshadowed legislation should voluntarism fail.¹⁴ An internal policy document prepared by the project officers early in 1975 proposed the Unit undertake project work with a limited number of public service departments, the use of action research techniques in project work, plans for an international conference in 1975 and seek trade union involvement in projects. Most of these proposals too were in conflict with the views of the Executive Officer.

This division within the Unit became more pronounced just prior to the Labor Party Convention in June 1975 to which the Working Environment Committee, established by the 1974 Convention, reported. A draft policy document prepared by the project officers in the early months of 1975¹⁵ centred on issues such as sharing of decision making power (rather than consultation), essential preconditions for participation schemes (access to information, union rights, job security, training), and the need for legislative provisions to establish these preconditions. This draft policy document, which was not accepted by the Executive Officer or other senior officers of the Department, has a great deal in common with the Working Environment Committee (W.E.C.) Report recommendations. A comparison of the major points of the two documents illustrates this commonality. (See Table One) There appears not to have been any attempt by the project officers to influence this A.L.P. Committee in favour of this approach. The staff of the Unit had at this time little contact with either members of the Labor Party or union officials.¹⁶ The most

TABLE ONE: COMPARISON OF ALP POLICY AND
PUBLIC SERVICE DRAFT POLICY DOCUMENTS - 1975

S.A.A.L.P Working Environment
Committee Report. Adopted
June 1975

Unit for the Quality of
Draft Policy Document
May 1975

CENTRAL PRINCIPLE:

Single channel of representation
through trade unions.

KEY FEATURES:

- (i) Preconditions for industrial
democracy:
job security
redundancy provisions
trade union rights
shop steward facilities
access to information

(ii) Legislate for all preconditions:

- (iii) Structural Changes:
Legislation within 3 years
for representation at two
levels:
(i) corporate - one third each
for workers, investors and
public officers.

(ii) Plant level - joint
management committees
employee councils and joint
management councils.

CENTRAL PRINCIPLE:

Redistribution of power between
the parties in conflict.

KEY FEATURES:

- (i) Preconditions for industrial
democracy:
access to information
shop stewards rights
dismissal and retrenchment
protections
training
sharing economic gains

(ii) Legislate where necessary
for preconditions.
Guarantees only for access to
information and shop stewards
rights.
Sharing of economic gains to
be encouraged.

- (iii) Structural Changes:
Legislation - no time
requirement.
Three levels:
(i) corporate - one third for
workers, remaining two thirds
mixed in public sector,
investors in private sector.

(ii) Plant level - joint
management committee works
councils.

(iii) Workplace -
encouragement of job
redesign.

Note: Phrases underlined are direct quotations from the documents.

likely explanation for the marked similarity in the substance of the two documents is that apart from both documents drawing on largely the same overseas experience, the government, having distanced itself from the approach of the Executive Officer, was seeking to dovetail public service policy advice with that which was being developed within the W.E.C. The key influence in this process would have been the Minister of Labour and Industry who was a principal member of the W.E.C. If this was the case then the non-acceptance of the project officers' draft policy by the senior officers of the Unit represented a significant difference between the Minister and the Department Head.

The responses from the affiliates of the United Trades and Labour Council (UTLC) to the Working Environment Committee appears to have been poor, but a number of sub-committees prepared papers on specific issues such as working conditions, workers' rights, job security and access to information. From the limited number of papers available it appears that considerable research and drafting was carried out by the members of these sub-committees. By March 1975 a draft of the Report of the W.E.C. had been viewed by the federal Minister for Labor, Clyde Cameron. Mr. Cameron was the member for Hindmarsh and a highly influential member of the South Australian Branch of the A.L.P. and formerly the State Secretary of the Australian Workers Union (A.W.U.) Much of the drafting of the final Report however, appears to have been completed in the last months before the Convention.¹⁷ Nevertheless its direction was clear before the draft policy document was completed by officers of the Unit.

It is important to see the development of the Labor Party policy of 1975 not only in the context of the relations between the unions and the parliamentary party and the state apparatus, but also to see it occurring within a broadening debate about worker participation in Australia. Some of the elements of this debate are as follows. Firstly, the federal Labor government through the Minister of Labor had raised the issue in a

general way,¹⁸ and was also implementing some policies designed to strengthen trade union organisation.¹⁹ Secondly, the New South Wales Branch of the A.L.P. had formulated a policy on industrial democracy which relied substantially on the West German model of co-determination.²⁰ Thirdly, separately from influencing A.L.P. policy some unions had enunciated policy guide lines on industrial democracy. One such union was the Amalgamated Metal Workers' Union (A.M.W.U.) which, consistent with its shop stewards charter of May 1973 approved a policy on industrial democracy in 1974 which advocated a union based, collective bargaining approach. Thirdly, many and various politicians, union officials, employers from the private sector and public servants travelled to overseas conferences (for example, an International Labour Office conference on Worker Participation in 1974). As well, by 1974 developments in Western Europe and Britain were very clearly in the direction of legislative action and the recognition of the role of unions in industrial democracy. The DLI's internal report demonstrated this. The WEC Report relied on it. Fourthly, a number of employers in Australia, mainly New South Wales, undertook worker participation schemes and these provided some of the first hand experience for unions and employers in judging and developing their response to government proposals.²¹ Finally, conservative political parties started to include worker participation in their policy material as early as 1973.²²

During the period of the W.E.C.'s deliberations the Premier started to redirect the activities of the officers of the Unit. Such matters as action priorities, the change in emphasis from job enrichment to consultation, the avoidance of the term "worker participation", and the liaison with union officials were the subject of specific direction from the Premier.²³ Further, although the fate of the Unit was to have been a decision of the 1975 Convention, the Premier announced to Cabinet two

days before it took place that the Unit would be transferred from the DLI to the Premier's Department. This gave the Unit a high policy formulating function, and the Premier's personal support.²⁴

In summary, the recommendations of the Badger and Inns Reports were not able to be implemented by the government agency established for that purpose. The government alienated a large section of the union movement and private and public sector managers through its unfortunate choice of an executive officer of the Unit, and further, underestimated the potential for the emergence of a union oriented programme for industrial democracy from the Labor Party. In addition, the economic factors which had encouraged private capital interest in participation schemes were rapidly becoming less relevant as the long post war boom came to an end in South Australia in 1974.

A detailed assessment of some of the project work of the Unit in this early period will be made from some specific case studies in Chapter Four. At this point we turn to the new policy for the government which emerged from the 1975 Convention of the Labor Party, and to the new approach to implementation taken by the Government from 1976 to 1979 when the A.L.P. lost government.

(2) New Policy - New Practice 1975-1979

The period from 1975 was marked by an increasingly more difficult economic and political environment, especially with the dismissal of the federal labour government, and the new approach to the question of industrial democracy, forced on the government by the union movement through the Party, came at a time when the government was more often on the retreat than on the offensive.²⁵

Considerable public debate followed the A.L.P. Convention in June 1975 when the W.E.C. Report was, with only minor amendments, adopted as

Party policy on industrial democracy. Employers' representatives and the parliamentary opposition vehemently and immediately opposed the recommendations of the Report.²⁶

As well the government's advisory council on industrial development provided the forum for some of the more detailed criticism of the Report.²⁷ The Council's comment to the Premier concerning the new 1975 policy showed the members to be concerned that union power (particularly that of union officials) would not be enhanced by participation schemes, and that there would not be any legislation to give effect to the recommendations.²⁸ The Premier's discussions with IDAC had been prompted by concern shown by the Council following the Premier's address to the Institute of Directors a few days before in which he foreshadowed a legislative programme.²⁹

In parliament the opposition subjected the Premier to extensive criticism concerning the new policy, in particular, the aspects of trade union involvement, legislative requirements and employee representation on company boards.³⁰ It is important to note however, that it was in the period prior to the W.E.C. Report adopted by the Convention that the Premier had been most forthright on the need for legislation.³¹ Quite probably though, these statements represent a testing of local opinion and international posturing, rather than a definite government undertaking. What is indisputable is that employer reaction and objection to the policy adopted by the Government in 1975, led to what Anderson explains as a "modification and reappraisal" of policy via "consensus politics". He describes that process:³²

Such modifications should not really be viewed as a 'backdown' or as a repudiation of previous statements but as part of a process of seeking out the consensus view and aligning the policy to it, with the eventual aim of moving the consensus forward. Essential to such a process is a degree of public debate and, in fact, such debate also has the function of exposing reactionary elements and isolating them from the 'consensus'.

It was under particularly heavy criticism from one such "reactionary element", a local employer and member of the Adelaide Establishment - Sir Arthur Rymill,³³ that the acting Premier, in December 1975, disassociated the government for the time being from the legislative commitments of the ALP policy. A "reactionary element" may well have been exposed on this occasion, but it would appear that this "element" affected the nature of the "consensus" rather than being isolated from it. A few months later, in a letter to the editor, replying to reports of likely government legislative intentions, the Premier strongly rebutted these reports. For this he was subjected to criticism from both the opposition (for engaging in "gymnastic policy flips") and from within his own Party for his inconsistency.³⁴

As a consequence of the Premier's actions before the convention in 1975, the responsibility for the implementation of the recommendations of the WEC Report was divided between his own department and the DLI. The separation of the organisational structure functions³⁵ from the five "preconditions" areas, the responsibility for which remained with the DLI, was the outcome of advice by a senior officer of the DLI to the Premier.³⁶ This very brief advice was that there were few opportunities for a State government to take action in respect of the five preconditions, that is, job security, redundancy, trade union rights, shop steward facilities, and access to information rights. Accepting this, the Premier, rather than abandon the entire issue, salvaged the Unit for policy development. Thus the Unit was divorced from possible basic industrial relations reform, and not surprisingly, very little interest in the proposals was maintained in the DLI.

With the relocation of the Unit in the Premier's Department, and its renaming as the Unit for Industrial Democracy, further changes took place. The first Executive Officer was replaced by Philip Bentley, a person of quite different background and style,³⁷ and the Premier

presented the new government policy to the public, in a series of press statements stressing the importance of public service demonstration of successful industrial democracy initiatives. As well, two advisory committees were established; one a high level advisory committee to the Premier, the other a co-ordinating committee for projects in the public sector. The process of "consensus making", already a feature of the Dunstan government, was formalised for the further development of industrial democracy policy from this time (late 1975-early 1976). The Unit became midwife and parent to the tripartism which dominated governmental policy development for two years.

In the years between the adoption of the first policy on industrial democracy in 1975 and the revision of that policy in 1979, the formal ALP policy of 1975 was made largely irrelevant by the fostering of a tripartite form of government policy making. The operation of this tripartism is discussed in detail below. It is significant that this activity outside the formal structure of the A.L.P. gave rise firstly, to an operational policy during the years 1976-78 and secondly, to a radically altered formal A.L.P. policy in 1979. For the purposes of subject continuity, before examining the period 1976-78, a discussion of the 1979 A.L.P. policy follows.

In the intervening period between the conventions of 1975 and 1979, government policy on industry democracy resembled less and less the Party's policy. The reconstituted W.E.C. in its recommendations to the 1979 Convention formally reviewed Party policy (1975) in the light of government practice. There were a number of reasons for this. The members of WEC were identified as strong supporters of the previous policy. The Chairman was the Minister for Labour and Industry whose Department provided the draft which became a formal report to the Branch concerning the introduction of industrial democracy to South Australia and the performance of the Unit for Industry Democracy. Dunstan resigned

earlier in the year and the new leader of the Party and Premier, Des Corcoran, was acknowledged as having little empathy with the ideas of industrial democracy. During the previous eighteen months the Executive Officer of the Unit had been able to legitimise, to a large extent, the government's approach to industrial democracy by showing its similarity with federal Liberal government policy³⁸ and had been highly influential in determining some of the features of implementation used by both the federal Liberal government and the New South Wales Labor government, for instance the use of tripartite committees - such as the New South Wales Standing Committee on Industrial Democracy established subsequently, and National Employee Participation Steering Committee established June 1978.

A small groups of party activists who were mainly union officials, prepared an alternative report which reaffirmed the 1975 Report (apart from Paragraph 6 concerning industrial democracy structures specifically), endorsed Australian Council of Trade Unions (A.C.T.U.) policy, recommended that the government act to facilitate negotiated agreements in line with A.C.T.U. policy, and recommended the disbanding of the project oriented Unit and the establishment of a Worker Environment Research Unit.³⁹ Prior to the Convention in discussions with the W.E.C. this group was specifically concerned to have Branch policy as consistent as possible with the policy adopted in 1977 by the ACTU. Table 2 compares the draft wording of the WEC Committee with the alterations made after discussion with the union group. Comment on the significance of these changes is included in the Table.

There were three significant aspects on which the Party policy finally adopted, was at variance with A.C.T.U. policy. Firstly the A.C.T.U. refers to equalising of power and responsibility in the workplace rather than the sharing of it. Secondly, the Party policy omits any reference to a single channel of representation, a phrase not

TABLE TWO: Comparison of Draft Policy of the ALP WEC,
1979 with amendments to the draft negotiated by Union Group.

DRAFT POLICY FROM W.E.C.	ALTERATIONS MADE AFTER DISCUSSION WITH UNION GROUP	COMMENT
A. Labour recognises that the building block of all forms of industrial democracy is information.	Labour recognises that any and all forms of industrial democracy must include adequate information being made available to the workers.	The phrase "adequate information being made available" leaves begging the question of statutory rights to information.
B. ...the need to allow the variations in the forms of industrial democracy which must be flexible so they are able to suit the individual needs of different organisations and group of workers	the phrase "and group of workers" was omitted.	"Groups of workers" suggests worker organisation apart from unions.
C. If these techniques are developed on the basis of an agreement being reached between employers, employees and unions and their members;...	the phrase "employees and" was omitted.	"Employees" suggests agreement involving non-unionists as an unorganised group.
D. the Heading <u>Industrial Relations Environment</u>	<u>Industrial Democracy Preconditions</u>	A clearer statement of purpose
E. 1. the need to ensure greater job security for workers...	"greater" omitted.	"greater" implied degrees of security are acceptable.
F. 4. provision for sharing of information regarding work organisation.	provision for <u>rights to</u> sharing of information...	Makes access a right rather than a privilege.

G. 6. Provision of appropriate protective procedures in order to ensure that workers who seek or obtain representative positions are not discriminated against by both management or fellow workers.

the phrase "both by management or fellow workers" omitted.

A nonsensical phrase

H. More specific detailed proposals to take account of a number of these relevant factors are contained within the Industrial Relations Section of the State Platform of the S.A. Branch A.L.P.

Replaced by "the whole of the industrial relations section of the State Platform shall be used as the minimum requirement in achieving the implementation of the industrial democracy policy."

Links industrial democracy policy in a positive way to the use of industrial relations policy.

I. Education

Labour endorses the necessity for the State Unit for Industrial Democracy to design and conduct courses in consultation with all the parties concerned and in particular with the trade unions..."

Whole section omitted.

This has been a point of conflict since the disastrous days of the first Unit. Unions strongly resist the involvement of government agencies of the Unit type in education.

J. Legislation

Because of the nature of the Aust. Industrial Relations system, however, joint action by Federal and State governments will effectively facilitate the introduction of industrial democracy.

Reworded as "the nature of the Aust. Industrial Relations system requires joint action by federal and state governments to effectively facilitate..."

More positive, direct approach

K. Labour calls upon the Federal and State governments to review legislation with a view to facilitating the development...

Labor calls upon the Federal and State governments to review and enact legislation with a view..."

definite commitment to a legislative programme.

actually used in the A.C.T.U. policy either, but effected by the phrase "...representative forms of industrial democracy shall mean worker representatives being elected by unionists involved..." and by the guidelines for negotiated agreements. Thirdly, A.C.T.U. policy refers to prescriptive as well as to facilitative legislation. It also calls on government to introduce new legislation rather than merely review existing statutes.

Thus in 1979 the Labor Party in South Australia adopted a general, flexible policy which provided considerable latitude for interpretation based on the pragmatic consideration of a future Labor government.

B. TRIPARTISM IN INDUSTRIAL DEMOCRACY POLICY MAKING

As discussed in Chapter Two, there is a long history of tripartite advisory councils to governments in South Australia, particularly in the field of industrial development, but also in the area of industrial relations.⁴⁰ One such council, IDAC, provided three of the seven members of the Badger Committee of Inquiry into worker participation in 1973, as well as one of the three employers on the Tripartite Advisory Committee on industrial democracy. Composed of twenty three members (mostly local employers and senior public servants with token representation from the union movement and parliament) IDAC met bi-monthly and was well placed to "review as appropriate, proposed government initiatives and legislation with application to industry and commerce,"⁴¹ as well as to influence government action as it had late in 1975 concerning legislation for industrial democracy.

The origins of tripartite advisory committees on industrial democracy lie with the establishment within the public service, of an interdepartmental committee in August 1975 to advise the Premier on the implementation of the WEC Report recommendations.⁴² This Advisory Committee on Industrial Democracy (A.C.I.D.) operated for nearly a year and during that period undertook a number of projects (for example, research on the legality of public officers on boards of management, joint consultation procedures for health and safety in public employment), and proposed an important extension to the government's approach. This was the establishment of a tripartite advisory committee to oversee both public and private sector developments. This proposal was put to the Committee by the Unit's Executive Officer along with recommendations for an interdepartmental committee to investigate a legislative programme, a tripartite programme of job enrichment to involve six companies, an international conference in Adelaide, and the

commissioning of a film on industrial democracy.⁴³ The establishment of the advisory committee and the hosting of an international conference were the recommendations which were carried through.

Since the W.E.C. Report was directed entirely towards the private sector and since private sector employers locally were hostile to the Report's recommendations, two important features of the Advisory Committee's works were the adaption of the WEC recommendations to the public sector, and the restatement of the government's attitude (distinct from the Party Convention's resolution) towards the introduction of industrial democracy into the private sector.⁴⁴

These public sector policies which emerged were significant for their endorsement of a legitimate trade union interest and role in industrial democracy programmes (although less forthrightly than the Party policy), the placing of job enrichment in the context of broader participatory programmes which could take place at levels other than the immediate workplace, and the definition of the role of the Unit in association with the Public Service Board in relation to public service departments. The most adventurous and directive statement however, was that concerned with implementation in statutory authorities, where specific references were made in respect of a requirement for senior management commitment to programmes, educational needs for management and shop stewards, and the establishment of joint steering committees.

The private sector statement on the other hand reassured employers that the government would not impose requirements for any type of industrial democracy in the private sector, but that the services of the Unit would not be available to any employer unless that programme was undertaken on the dual basis of consensus management and "employee representatives", and as long as it did not represent a threat to the "traditional role of unions".⁴⁵

Of fundamental importance for the implementation of the policy in the public sector was the divergence in approach between the Unit and the Public Service Board which emerged within the operation of A.C.I.D. Whilst there may have been some substantial degree of consensus amongst the members of the Committee concerning the need for reform of the administrative structure of the public sector and the major direction of such reform,⁴⁶ it is clear that the Public Service Board and the Unit had quite different ideas about how that reform could be implemented. Prior to 1975 the Board was able to ensure the Unit's work was contained within its own reform programme because it was within the DLI. From 1975 however, the location of the Unit in the Premier's Department enhanced its status and independence substantially. Within A.C.I.D. and later within the advisory committee for the public service various accommodations were achieved between the Unit and the Board concerning their respective functions in industrial democracy programmes.⁴⁷ These accommodations and the independent role of the Board are discussed further below.

Two committees replaced ACID and these are discussed below.

(1) The Tripartite Advisory Committee (T.A.C.)

The Committee members, appointed by the Premier in August 1976, were representative of four interest groups: private employers, public sector management, trade unions and government. These latter were also public sector management but in government policy development areas.⁴⁸ It was, nonetheless, tripartite with the shifting relevance of public and private sector employer interests.

A little over a year after its formation T.A.C. produced a consensus document Industrial Democracy, Philosophy, Nature and Scope in November 1977 which was adopted by the government as policy in 1978. The document is significant for several reasons. The definition of industrial

democracy, widely used thereafter, limited employee rights to influencing decisions within their work organisation. As well, the statement to a large extent neutralised the claims of the W.E.C. Report in relation to preconditions, job security, access to information and soon, by placing them in a pluralistic framework. Thus, whilst trade union interests and roles were acknowledged, they were placed in the context of other competing, and "legitimate" interests. For example, the claim for access to information (particularly related to the need for unions to act for their members for job security and or redundancy in the W.E.C. Report), becomes a general "greater sharing of information between directors, the shareholders, the management, the employees and the relevant trade union officials."⁴⁹

While pluralism made its contribution to some parts of the statements, it is clear that the unitary approach was not neglected. For instance the last of the seven background factors, which in part corresponded to the five preconditions of the W.E.C. Report, was "the need to develop a positive attitude among directors, shareholders, management employees and trade union officials about the aims and objectives of their (work) organisation".⁵⁰

Lastly, the Committee took what it defined to be "the middle road" in establishing a lower priority for the satisfaction of claims for job security, access to information and so on which were made preconditions for entry into participation schemes by the W.E.C. The Tripartite Committee's view was that while it was out of the question to ignore issues such as job security and trade union rights it was impractical to attempt to solve them all before introducing industrial democracy schemes; so "they should be tackled in a positive manner concurrently with the introduction of any industrial democracy programme".⁵¹ Further discussion of this division between the extension of employee rights and industrial democracy schemes appears below (Chapter Five).

T.A.C. did participate, towards the end of 1977, in an approach to a small number of companies believed to be interested in or responsive to the ideas of industrial democracy. This followed the recommendation made by the Executive Officer of the Unit to A.C.I.D. the year before. Unlike earlier projects however, the Unit's officers were careful to test out union and local management opinion as well as to approach top management for an indication of interest.

The Committee had a number of other subjects besides philosophy listed for the preparation of papers. During the early part of 1978 considerable drafting work was done by a sub-committee of T.A.C. on "Education and for Industrial Democracy". The initial draft was presented by the State Secretary of the Amalgamated Metal Workers and Shipwright's Union (A.M.W.S.U.) and considered by a tripartite sub-committee. The final agreed draft was presented to the full committee in July 1978 by the sub-committee. It was then unexpectedly subjected to harsh criticism by a senior public servant who was one of the government representatives on the Committee. It was claimed that it was merely an argument for the involvement of trade unions in industrial democracy; that there should not be any attempt by the committee to "sell trade union membership"; that it was undesirable for such a paper to become government policy.⁵² The Committee then divided over the issue as the union members of the sub-committee refused to accept any further redrafting, or "watering down" of the principles involved - especially since it was a consensus paper from the sub-committee.⁵³ These events warrant a close examination of the draft paper.

The sections in the paper which did in fact, encourage union membership and which did underwrite the concept of a single channel of representation for employees through their union organisation, were those which dealt with the negotiated introduction of industrial democracy schemes. Three different possible situations were outlined: full

membership, part membership and non-unionised work places. The third case suggests the recruitment of union members before negotiations. The paper obliquely suggested this:⁵⁴

In those situations where there is no union membership, neither management nor employees should discourage in any way, appropriate trade unions from forming the basis for negotiation and implementation of industrial democracy programmes. Such programmes must not be allowed to circumvent the legitimate function of trade unions.

In addition the paper argued that for union job representatives to function effectively they needed an educated and informed membership; thus, "all new members should be given basic union education. All new employees should be given a course of education sponsored by their union (in paid working hours)"⁵⁵ The paper did encourage trade union membership and involvement with industrial democracy in a manner which was consistent with the Committee's Philosophy paper. To that extent the observation of the senior public servant who was a government representative was correct.

The important question which arises from this cameo is the appropriateness of the assumption of authority by the government representative to interpret and evaluate government and more specifically, Labor Party policy on industrial democracy. What is even more significant is the acceptance of this authority by the majority of the members on the Committee. These matters will be further discussed in Chapter Five.

The function which T.A.C. performed in modifying what might have been the government's approach to industrial democracy was significant. TAC operated, as do most tripartite committees do, in a manner which maximises the opportunities for conservative views to modify reformist strategies. At one level, disputes about the wording of philosophy or policy statements such as the education and training document demonstrate alliance between state capital sector managers and private capital

management (and ownership) in containing growth of union membership by denying the conditions which would encourage such membership.

At a second level, representatives of capital would use the forum of a tripartite committee such as T.A.C. to criticise the government's approach in their attempts to significantly modify it. In respect of T.A.C. and industrial democracy, the following illustration is highly instructive.

For reasons most probably associated with the forthcoming International Conference earlier in 1978, the Premier, in a speech at the Mt. Eliza Staff College, made specific reference to private sector legislation in the 1980's, facilitation of minor legislative changes in 1978 in relation to employee access to information and provisions for greater job security in the private sector, a review of the Public Service Act especially concerning delegation of powers, and facilitation of employee representation on Boards of Statutory Authorities as well as access to information, statutory minimum rights for shop stewards and extension of facilities for shop stewards.⁵⁶

In general his address emphasised the Government's commitment to remove legislative obstacles to, and provide facilitative or enabling legislation for, industrial democracy. Through T.A.C. there was sufficient critical comment from employers about this speech for the Premier to clarify the Government's industrial democracy policy in April 1978 and to publicly adopt the T.A.C philosophy paper as government policy. He was to comment later that "The role of legislation in industrial democracy developments has generated a great deal of misinformed hysteria and politically motivated scaremongering in South Australia."⁵⁷

Subsequent public statements and speeches by the Premier either avoided altogether, or made only minor references to legislation and the emphasis shifted to international comparisons and the common ground with

the federal government policy, in an effort to regain acceptance for the concept.⁵⁸

After the International Conference in Adelaide in May 1978 T.A.C. was not involved in any other major activity.

(ii) Public Service Advisory Committee (P.S.A.C.)⁵⁹

Established after the winding up of A.C.I.D. in July 1976, P.S.A.C. was initially an interdepartmental committee (Premier's, DLI, Department of Further Education (DFE) and Public Service Board representatives). It was not until March 1977 that the inclusion of two union representatives, Secretary, U.T.L.C. and the Public Service Association (PSA) Industrial Democracy officer, established its tripartite form. It was advisory to the Premier.

One of the most important issues to arise in the committee was the question of methodology and conceptual approach to management training carried out by the Training and Development Centre of the DFE. This Centre had been established in 1973 to provide a training and staff development service to departments on behalf of the Public Service Board, and had developed a programme of organisation development training from 1975. The staff had increased almost fourfold in the period 1974-77. A major confrontation took place between the Unit and the DFE during 1976-77 over the use of Departmental staff for training on organisational change techniques. The Unit view prevailed for two reasons: the logic of its arguments, and the higher status of the Unit personnel with the public service. Thus, the Premier, on advice from P.S.A.C., directed the Centre to withdraw from all organisation development training. Principal amongst the Unit's arguments were that the DFE was a consultant to management and worked within a managerial, rather than a joint union-management framework, and that the organisation development courses neglected aspects of authority relations in the workplace and the

possibilities of structural change. Since unions were not consulted these courses were seen by public sector management as a "soft" option to industrial democracy.

During 1977, after the two union representatives had joined the Committee, the Unit opposed the Public Service Board on the source of accountability of specialist industrial democracy development staff. The Unit argued that the Board (clearly indentified as management), should not be the provider of expertise for development of industrial democracy programmes, rather the Unit, identified only with the government policy and outside the ongoing industrial relations and management context, should provide independent expertise for joint steering committees in specific departments. The Unit's arguments prevailed primarily because of its status within the Premier's Department and similar pressure from the P.S.A. As a result, various secondments of Unit personnel during 1977-78 were made to specific projects, thus ensuring Unit direction of the programme. The question of resources for project work and training associated with industrial democracy developments was an important one and is discussed in Chapter Six.

The important point that needs to be made here in the context of P.S.A.C. is that the position adopted by the Unit on the source of expertise was prompted by the P.S.A. and that the issue was only one in a general strategy developed by the P.S.A. sub-committee on industrial democracy in February 1977. The P.S.A. strategy had two aspects: to seek from the government, through P.S.A.C., information on the Unit's activities in the public sector, and representation on P.S.A.C. for the P.S.A. and the U.T.L.C.; to seek to influence the appointment of industrial democracy officers and their accountability.

In April 1977 the Committee established its priorities for development of industrial democracy projects in public service departments. On the basis of four criteria (likelihood of successful

implementation, usefulness of demonstration, range of options available and existing level of interest), the Committee nominated four areas for development: Government Printer, Public Buildings Department, Royal Adelaide Hospital and Public Service Board. There were also three other departments which, because of special circumstances of promised support and the significance of the department for demonstration purposes, were included that is, the Premier's Department, the Department of Community Welfare and the Engineering and Water Supply Department .

A year later (April 1978) P.S.A.C. had its last meeting. In that time significant changes occurred. The A.C.T.U. and more explicitly, the P.S.A., policies had been developed around a single channel of representation concept. The P.S.A. policy included the concept of preconditions and the Association was actively involved in developing and extending job representatives functions and rights. Additionally, the influence of the Unit over the Board's policy had been somewhat enhanced by the secondment of a Unit officer to the Board. The formulation of P.S.A. policy, which was often forcefully argued within P.S.A.C., and the new activity in various authorities and departments meant that the P.S.A. often overshadowed the Unit in P.S.A.C. Finally, largely as a consequence of these developments the focus of many projects shifted from general education type considerations to "traditional" industrial relations matters, the preconditions, the background factors and award conditions.

The Public Service Board

Having referred to the Public Service Board above in the context of the changed role and status of the Unit and the development of tripartite advisory committees it is appropriate at this point to examine more closely the Board's role in Public Service administration and its own

policy on industrial democracy, especially in the period 1975-79.

In 1973 the government appointed a Committee of Inquiry into the Public Service to advise it on measures necessary to modernise the administration of the public service.⁶⁰ In addition, the composition of the Board by 1974 reflected the government's intention to foster a programme of managerial modernization; for example, the appointment of Commissioner Inns as Chairman and the first woman Commissioner in 1977. The Board placed the worker participation policy within a broader framework of proposals for extensive staff relations reforms, and defined the Unit's function as strictly subordinate to its own.

As a result of the radically altered government policy brought about by the W.E.C. Report, the Board undertook development of a major policy statement on industrial democracy which was released in August 1976. The slow and initially negative response by the Board to the policy change has been accounted for in terms of its desire to retain control over any administrative changes emerging from the implementation of the policy and from its reluctance to accept literal application of the W.E.C. Report recommendations. It appears the assurance from the government that the literal application was not expected greatly assisted the Board in furthering its policy development.⁶¹

The key elements in the Board's policy were: joint decision making by managers and employees "wherever possible" - that is, within the existing statutory framework; encouragement of both direct and representative sharing of decision making; acknowledgement of a role for union representatives in joint steering committees established for the purpose of implementation of industrial democracy programmes.

The first and third of these elements require comment. The basis of the limitation on joint decision making was not only an acknowledgement of the reality that statutory duties were, under the Public Service Act, vested in one position, but also of the view widely held at that time,

that since public service departments are subject to Ministerial direction, it is undemocratic for such direction to be modified by staff participation. This view, that the public service is a neutral administrator of government policy is one which was widely held at the time. In relation to the third aspect of the policy, the union role was clearly identified as one which would be supplementary to the participation of employees. The absence of any reference to job representatives, their rights, protections and facilities was one of the major divergences by the Board from the government policy. The other is the omission of other preconditions, even in terms of general encouragement.

Three events; a major change in the personnel on the Board in 1977 which was part of the government's continuing strategy to have the public service more responsive to the requirements of reformist government,⁶² the secondment of a Unit officer to the Board, and the publication of the T.A.C. philosophy statement on industrial democracy, were significant for the Unit's effort to have the Board develop a new policy framework.

The tripartite statement and the secondment of the Unit officer gave the Unit some advantage in encouraging the Board to revise its policy along the lines of the tripartite statement. The Board however, did not adopt tripartism. Instead, in the context of an organisational and functional integration of industrial democracy and industrial relations within the Board and under pressure from the P.S.A. within P.S.A.C. it reached agreement with the P.S.A. and the U.T.L.C. on two essential matters. One of these was between the P.S.A. and the Board and sought to legitimise the role, authority, status and rights of P.S.A. job representatives.⁶³ The second was between the U.T.L.C. and the Board and the Public Buildings Department. The "agreement of understanding" concerned shop stewards to time-off, travel allowance, maintenance of penalty and overtime rates while participating in industrial democracy

activities.⁶⁴ While it was intended by the unions to be a model for all departments, the Board resisted attempts to apply it beyond one department.

Because of the changing political climate by 1979, the review of the Public Service Act, which could have altered the Board's position in respect of its statutory duties and authority, was not completed. The reform of the Act relating to industrial democracy prepared by the Unit had been submitted to parliamentary counsel a year before. The Unit's officers had experienced some difficulty with both the Board and counsel in negotiating these changes.

A month after gaining office in September 1979 the Tonkin Government published a policy on Employee Participation formulated in July 1979.⁶⁵ After considerable analysis of the implications of this in relation to its own 1976 policy and developments particularly during 1978 (negotiated "Statements of Understanding" with the unions) and a testing out of the attitude of the responsible Minister in respect of current projects, the Board issued a special bulletin in May 1980 giving general direction to departments on employee participation.⁶⁶ It did little more than indicate a "range of possibilities": increased provision of information, job enrichment, joint consultation, and semi autonomous work groups and joint decision making, and commented (perhaps apologetically) "Although the above measures are not now proposals they are proven sound management practices which perhaps have not been given the attention and encouragement they merit."⁶⁷

Early in 1979, the Board had already established a large organisation development programme, contrary to industrial democracy philosophy and practice.⁶⁸ One might speculate whether this was a programme to train managers to handle strict staff ceilings, whether it was a premonition by members of the Board that the political context in which they operated was soon to change, or whether it was merely part of a longer term



objective.

To summarise, in this section on tripartism in industrial democracy policy making the development of tripartite structures have been traced from the interdepartmental public service committee advising the Premier on the application of the 1975 W.E.C. Report to government practice, to the release in 1977 of the Tripartite Advisory Committee's statement of philosophy which was adopted as government policy and subsequently, in the main, as ALP policy. Both the substance of that statement, and the mechanism for achieving it were extremely important in influencing the direction of other movements towards industrial democracy in Australia.

As the pages immediately above demonstrate, the application of tripartism at the policy level in the public service area was much less successful, principally because of the authority and attitude of the Public Service Board which resisted any modification of its statutory role of responsibility for the administration of the public service.

In short tripartite structures were the principle vehicle for the development of government policy on industrial democracy in the period 1976-79. An evaluation of this approach together with an examination of the implications which arise from it take place in Chapter Five.

Whether the nature and substance of this policy development had practical implications or effects for the workers and managers of thousands of workplaces in South Australia is a question which will be considered in Chapters Five and Six in the context of the detailed case studies of Chapter Four.

C. THE ROLE AND ACTIVITIES OF THE UNIT

The activities of the earlier Unit for Quality of Work Life have been documented and to some extent critically examined elsewhere.⁶⁹ The role taken by the Unit (in both its early form, and as the Unit for Industrial Democracy) in relation to specific projects is analysed in the case studies of Chapter Four. The focus of this section is on the development of the Unit in the period 1976-79; the pattern of its activities and the changing strategies it adopted for implementation of the government's policy. A broader analysis of the role of the Unit as part of the apparatus of the state, in the government's reform programme, is undertaken in Chapter Five in the light of both what follows here and the case studies of Chapter Four.

Much of the strategy and operation of the Unit was dominated by the Executive Officer, particularly in earlier period in 1976 before the rapid increase in the staff of the Unit during 1977.⁷⁰ In the years immediately prior to his appointment Phil Bentley had been a co-researcher and consultant for a number of surveys on job satisfaction conducted in S.A.⁷¹ In a paper prepared for the Jackson Committee⁷² entitled "Towards a Worker Participation Strategy for Australia" Bentley, writing in July 1975 identified the interest in worker participation as a consequence of changing social values associated with a full employment economy. In line with the conventional wisdom of the period in Australia, largely shaped by Emery, Bentley opted for changes to work organisation in the form of semi-autonomous work groups as a necessary first step before any development of representative systems such as joint consultative councils or works councils and rejected worker directors and worker control (based on the Yugoslav model) as suitable forms for Australia. He provided a strong cost-benefit argument to support job redesign programmes. Early in 1976, this preference for job redesign was still evident in his strategy, but it was complemented by joint

employee-management councils, and suggestions for "conditions for change" including job security guarantees and joint management-employee control of projects.⁷³ Bentley saw worker participation giving public sector employers a labour market advantage in a period when government budgetary policies restricted the use of money as an incentive. As well, a trade-off of some decision making in exchange for increased efficiency and stability of the labour force was provided as a further rationale for worker participation.

While encouraging education for participation for both management and unionists Bentley assured union officials that a new industrial relations world would emerge if only they would adopt a different attitude:⁷⁴

....it should be accepted that worker participation is not simply a device to lever awards in their own favour and that it is essential in the initial stages, to adopt an open minded and a gradual learning approach towards any changes that affect their members.

In the context of economic and efficiency arguments attractive to management and capital, Bentley clearly expected unions and labour to suspend their arguments for equity and wage justice so worker participation could be tried. If worker participation is a means to greater efficiency and stability, union officials may reasonably have expected it to also be a means to greater equity and justice for labour. It is clear that unions were meant to suspend their struggle towards better wages in the name of their members' interests and in the name of managerially defined ends of economy, efficiency and stability.

The operation of the Unit under the direction of its new executive officer have been identified as falling into four categories. These were used concurrently during the period 1976-78, and were largely the consequence of the types of demands placed on the staff of the Unit by the government, especially the Premier, politicians, unions, employers and the general public. The strategies for handling the demands were characterised as servicing, soft selling, public relations and structural

change proposals.⁷⁵ These strategies are evident in the detailed description of the work of the Unit which follows, and in the case studies in Chapter Four. In general however, the Unit's work was divided between "macro" type activities (policy and publicity) and a "micro" approach to specific detailed project work. It is clear that the staff were involved in an extensive amount of project work, largely because of the pressure from the government to provide successful examples of industrial democracy with the result that the resources of the Unit were more than fully extended for much of the time.⁷⁶ In addition to these categories, the extent and nature of the Unit's activity in the period 1976-79 can be divided into the six categories which are described below.

1. Consensus Building

This is reflected in the establishment of the two tripartite committees discussed above; T.A.C., oriented towards private industry employers and P.S.A.C., concerned with public service departments, provided the forums for the development of consensus policies. The major statement developed in T.A.C. in 1977 was adopted by the government as its policy. This was regarded by the Unit and the government as a major achievement. The Unit had provided the resources for the drafting of the document and one officer canvassed opinion on its wording not only from members of the committee but also other influential people.⁷⁷

P.S.A.C. was established primarily to enable the Unit to influence the Public Service Board towards a policy and practice compatible not only with the government's ideas on industrial democracy but also (and often this was closely related) with the government's moves to modernise the public service generally to create a more flexible, responsive and forward looking public administration.⁷⁸ Although P.S.A.C. became involved in various investigations into projects in individual

departments and played a coordinating role in relation to development generally as described above, the Unit was not able to build a consensus in the same way in P.S.A.C. as it had on T.A.C. A Unit officer had been involved in drafting the Board's policy (August 1976) but this has been while the interdepartmental committee (A.C.I.D.) was in operation. The Unit failed to influence the Board in further formal policy direction and in fact the major initiative in the service came from the P.S.A.-Board negotiated statements in relation to the role of job representatives. Subsequently, the Unit approached the task of influencing Board policy from another direction, by arranging a secondment of a Unit officer to the Board.

The other element in the Unit's consensus building activities - and one advanced by the Executive Officer after his overseas study tour in mid 1976 - was contained in the formal implementation strategies communicated by the Board in respect to the public service,⁷⁹ the Premier in relation to statutory authorities⁸⁰, and in the governmental advice given to private sector employers⁸¹. The establishment of joint steering committees of management, union representatives and employees to oversight industrial democracy projects in individual workplaces, was the basis of the Unit's strategy from 1976. Frequently Unit staff would also participate in these steering committees and thus they took on a tripartite character.

2. Individual Project Work

From 1976 the Unit's focus narrowed to the public sector and its activities and individual case work was very largely concerned with public service departments and statutory authorities. In a report prepared by the Unit for the W.E.C. of the A.L.P.⁸² the Unit provides some detail of the extent of industrial democracy in the period 1976-79. The Report lists these activities in the public and private sector as follows.

(a) Public Service Departments

Of the 31 departments in the public service 14 of them had some industrial democracy project in operation, four were in the early stages of development, and four were examining options. Only 2 of the remaining 10 were of any size. The Unit's Report acknowledges that "there have been, and are difficulties in implementing this policy (of joint decision making) throughout the Public Service, and this is shown by the advisory nature still existing, of the J.C.C.'s in departments," and that "progress in this area has been slow", despite the expressed wishes of the employees involved in industrial democracy activities.⁸³ There is no doubt that in three years few substantial changes had been made. Documents prepared for P.S.A.C. late in 1976 list activity in some 10 departments, at least half of them being those listed in the Report in 1979.⁸⁴ The major union involved in most of the projects, the P.S.A., confirms the assessment given in the Report regarding slow, difficult progress of industrial democracy in public service departments and it is further suggested that of all the activities, only those in four departments showed real movement toward joint decision making, (Engineering and Water Supply Department, Law, Lands, Department of Community Welfare). The Unit had not been involved in two of these (Law, Lands).⁸⁵ Two of these are the subject of case studies in Chapter Four.

(b) Statutory Authorities

Of the fourteen statutory authorities with workforces of significant size, eight had been involved in industrial democracy activity, and again it is stated in the Unit's Report that these activities had centred on joint consultation with no movement to joint decision making. There were employee directors in some authorities. Some of these predated the Unit. Developments in at least six authorities had been initiated by 1976, four of them the same ones as mentioned in the Report. A detailed

examination of the industrial democracy developments in two of these authorities (the S.A. Meat Corporation and the Housing Trust) is undertaken in Chapter 4.

(c) Private Companies

While the Report quotes the results of a survey, conducted by the Unit, which indicates some 100 manufacturing industry organisations had some form of industry democracy, most often joint consultation on safety, the Unit appears to have been little involved in most of these developments. There are some exceptions: Fricker Brothers, Tasman U.B.E., Peter Huckle and Company, Laubman and Pank, Arnotts Biscuits, Horwood Bagshaw. A feature of the developments in the private sector was the secrecy which surrounded information concerning them at the time of the developments. Lists provided for the T.A.C. meetings did not identify companies or worksites.⁸⁶

Various national and multi-national companies with worksites in South Australia had been involved in work reorganisation and participation programmes (see Chapter Four). Whilst there appears to have been no public role for the Unit in these projects, the Unit was less formally consulted and involved with some of them. It is difficult however to determine the exact nature and scope of that involvement.⁸⁷

In a reassessment paper of the development of industrial democracy in the public sector two Unit officers provide a significant insight into the project work undertaken by the Unit.⁸⁸ The authors argue that a concept approach, in which

"the introduction of industrial democracy as a principle took precedence over considerations of what issues it should direct its attention to and to what degree employees should possess influence over decisions made within the organisations,"⁸⁹

had dominated practice in the public sector in South Australia. "New" issue based initiative however would constitute a radical response. In

an issue based initiative "the identification of issues and the democratic means of handling those issues are given priority attention."⁹⁰ It is argued that at the time of the adoption by the government of the 1973 Report on Worker Participation, there was little "demand" for participation - managers were reluctant, employees uninformed. Significantly the authors do not refer to the actions of the major union affected by, and concerned with, the Committee and its recommendations - the PSA. The Association, apart from seeking (and failing to gain) representation on the Committee, sought in its submission to the Committee, participation by employees through their Association representatives on the Public Service Board and on classification Committees and category review teams. Other unions (Australian Government Workers Association, Police Association) made similar submissions. That the position adopted by the PSA was a reliable reflection of the members' interests is clearly shown by subsequent events in the Premier's Department (to which Bentley and Wang refer) concerning the appointment of the Deputy Director General in 1976.⁹¹ Additionally the claim served on the Housing Trust by the PSA staff committee for participation in decision making on staffing matters (appointment, promotion, classification, appeal, investigation) was quite clearly an issue based initiative which took the J.C.C. as a vehicle for such participation.⁹² To suggest that issue based initiatives for participation were new is to be highly selective about developments in South Australia. The authors observe that the "evolution of industrial democracy to date has been a concept based movement" and that as a result there has been a preoccupation with forms - "issues such as membership, composition, how they should be elected, the role of the union, job representation, and the number of managers in committees were, and are common subjects of heated debate."⁹³ They then link this "preoccupation" to the claim that the concept approach "led a great

majority of these schemes into an awkward trap of producing committees away from the main stream of decision making activities."⁹⁴

A concern with forms in the development of industrial democracy is not surprising, nor inappropriate, in a representative democracy such as Australia. People at work quite properly reflect and debate the procedural issues as it might be applied in their workplace of such a democratic form, - nature, form, function and structure. Union representatives, being rather better acquainted with the practice if not the ideals of organisational democracy than management generally, might have been expected to be more aware of the implications of various forms in practice.

It may be suggested however, that at times the purpose of the representative structure was obscured by the debate about its form, but this hardly justifies the argument Bentley and Wang extend. There was one that the undoubted, long term and continuing interest amongst at least some unions in worker rights' issues.

3. Policy Advice Regarding Facilitative Legislation

After 1976 the Unit was involved with the drafting of legislation affecting industrial democracy developments. This was assisted by the appointment of a legal research officer during 1977. The matters covered in draft legislation were:

(a) Employee elected directors

The Public Authorities (Industrial Democracy) Bill of 1976 removed any barriers to the elections of employee directors to the governing bodies of statutory authorities. It lapsed after substantial amendments in the Legislative Council.

The Associations Incorporation Act was to be amended to allow employees to be elected to governing bodies of associations (such as Minda Home Inc.) registered under the Act. The Bill for the amendments

was referred to a select committee of the parliament and was not passed during the Labor government's term of office.

(b) Public Administration

In submissions to a Public Service Board working party reviewing the Public Service Act, the Unit proposed amendments concerning employee opportunity to be involved in decision making, employee social and psychological needs, consultation between heads of departments and unions, powers and functions of permanent heads, employee representation on selection panels, and a requirement for a social balance sheet as part of the Board's annual report. Little progress was made on the terms of this submission while the Unit was located in the Premier's Department. By 1979 however, substantial progress had been made not only on legislative amendments but also on changes to the regulations and administrative procedures and orders.

(c) Industrial Relations

A bill to amend the Industrial Conciliation and Arbitration Act was introduced into parliament early in February 1979. It included amendments designed to strengthen union officials rights of entry, give the Commission power to grant preference to union members on the same terms of the Commonwealth tribunal, prevent dismissal on the grounds of taking part in industrial action, and stipulate a minimum period of notice to be given for dismissal. The Bill was withdrawn by the government later in February for further discussion with interested parties. It lapsed when the Corcoran government lost office later in 1979. The Bill had also provided for the repeal of the Public Service Act.

(d) Financial

An Act to enable the government to guarantee loans to employee

superannuation funds so that the funds could buy up capital in private companies was introduced and passed in 1977. This Employee Share Ownership Trust (E.S.O.T.), scheme was proposed to the government in 1976 by a consultant acting for a local agricultural implement manufacturer, Horwood Bagshaw, which was still in financial difficulties despite the over \$1.5m in assistance from the S.A. government in the period 1965-72. During 1976 company representatives had sought further assistance from the government in the form of subsidies. Having failed in this, the proposal for financial worker participation emerged and government assistance in facilitation was sought on the basis, amongst other arguments, that "It would be a Government 'first' to achieve a significant social initiative without cost to itself or capital contribution from public revenue".⁹⁵

The E.S.O.T. scheme put to the government was derivative of the American plan devised by Kelso, called the Employee Stock Ownership Plan (ESOP) - the ownership trusts forming one part of the plan. The Kelso Plan, widely marketed in the United Kingdom and the United States was promoted in Australia by the Company Director's Association of Australia during 1976.

Having failed to secure further financial assistance from the state this ailing local company sought and obtained the services of the state to facilitate the securing of alternative sources of finance.

4. Policy Development

As well as providing assistance and direction for the consensus policy that emerged from T.A.C., staff of the Unit were influential variously in the policy formulation process of the Public Service Board, the P.S.A. and the A.C.T.U. The secondment of a Unit officer to the Board has been previously discussed. All of the staff of the Unit were members of the P.S.A. and some of them as members were involved in the

Industrial Democracy Sub-Committee of the Association. The visit of the A.C.T.U. Sub-Committee on Industrial Democracy to Adelaide in October 1976 was virtually hosted by the Unit, (rather than the UTLC) and staff of the Unit had discussions subsequently with A.C.T.U. officials in Melbourne concerning the policy. More formally, the Unit's Report (through the Minister) to the W.E.C. of the A.L.P. in 1979 was an important factor in shifting the South Australian Branch policy away from the 1975 position. The Executive Officer was highly influential in redirecting the emphasis of State government policy and federal Liberal government policy to make them more similar.

5. Research

Chiefly in the period 1977-78 the Unit undertook research and documentation covering case studies, sociological survey and analysis and specific topics. The case studies included Fricker Brothers and the Department of Correctional Services. The surveys included one on J.C.C.'s in the public service, one on developments and attitudes in the public sector and another on manufacturing industry. After the transfer of the Unit to the DLI late in 1977 its research section became more involved with specific topics relating to industrial democracy, that is preconditions, such as disclosure of information. In addition a series of prepared papers provided information on overseas developments.

The empirical research papers prepared by the Unit were of two types. An earlier set of surveys and analyses were intended to document the shortcomings of joint consultation as a means of employer participation, and they achieved that purpose.⁹⁶ The second set of surveys were designed to provide an information base for forward planning of Unit resources.⁹⁷

Other research papers (published as personal views of Unit staff) and overseas material were more oriented towards specific issues (like health

and safety, technological change, women workers and sometimes the preconditions area, for example, disclosure of information.)

A number of the more comprehensive papers commissioned from researchers in the United Kingdom were published only just before or after the Labor Party lost office in 1979.⁹⁸ Some others written locally are of limited scope and value.⁹⁹

6. Public Relations and Publications

During 1977 the Unit acquired both a public relations specialist and a publications officer. The former was substantially occupied with the Conference of May 1978 for some months prior to it and wrote most of the government's press releases. Industrial democracy was almost always a contentious issue in the media, particularly the local press. By September 1979 the Unit had published some thirty papers which included various position papers by the Executive Officer as well as the proceedings of the International Conference.¹⁰⁰ These papers were often very widely distributed and were an integral part of the Unit's function as a source of information, particularly of the type which would not be readily available to most people.

Most of the Unit's publications fall into four categories: policy papers, individual staff members papers, case study and research papers relating to South Australia and studies of overseas developments. A number of these are discussed in some detail elsewhere.¹⁰¹ The purpose of the policy papers is obvious, and to some extent the Executive Officer's papers functioned as de facto policy documents. Other personal view papers appear to have been published as contribution to the debate on industrial democracy on an ad hoc basis and to some extent dependent on particular interests.

There was and is a need for documented case studies on industrial democracy schemes which go beyond the brief descriptions. Few

substantial case studies exist which are publicly available.¹⁰² The Unit in South Australia did little to meet this need. To a large extent this was because the projects were continuing to develop and publication of material may have been premature. Unfortunately two of the private sector case studies published, Fricker Borthers and Caltex illustrate little beyond a management technique approach.¹⁰³ The remaining two are studies in employee shareholding and are important contributions to the literature on that aspect of industrial democracy.¹⁰⁴

In the public sector a substantial case study of a section of the Department of Community Welfare, and a major study of decision making patterns in schools were published and are valuable documents.¹⁰⁵ But the experiences of the Housing Trust, an early and controversial case, and a large operational department of the public service, Public Buildings Department, were never documented. The Department of Public and Consumer Affairs development formed the material for a case study of the public sector at the 1978 Conference.¹⁰⁶

The account of the activities of the Unit given above demonstrates the fragmentation of its efforts as its staff attempted to satisfy the wide ranging and sometimes conflicting demands placed upon it. The complexities of its role within the public service and the wider apparatus of the state - and most particularly the political complexities - can be drawn from the following account of the varying organisational contexts within which the Unit operated, and the limited success its staff enjoyed in effecting greater participation for themselves and their co-workers during the six years to September 1979.

Prior to the location of the Unit in the Premier's Department in 1975 the question of the formation of a J.C.C. gained general support amongst management and some staff representatives. Many of the matters which were subsequently considered by the J.C.C. were ones which could well have been represented by the P.S.A. - flexitime, allowances and

accommodation. The reorganisation of the Development Division of the Department and the appointment of a new Director-General in 1975 was not considered by the J.C.C.

During 1976, however, staff involvement in the selection of senior personnel became a major issue in the Department when a new position of Deputy Director General was created without consultation with the J.C.C. Using the J.C.C., staff forced the acceptance by management of staff participation in the selection committee (a representative of Branch Heads and a staff representative from the J.C.C.). Management representatives on the selection committee, however, made their decision separately from the staff representatives after their later preferences were known.¹⁰⁷

After this specific and highly contentious issue in 1977 the Department embarked on a general appraisal of industrial democracy. A staff seminar was followed by a working party report, the major recommendations of which were the reorganisation of the structure for participation. The J.C.C. was to be replaced by a two-tiered alternative, a joint employee management committee and an elected employee council.¹⁰⁸

Union representatives were to be a minority on the employee council. The Director General was prepared to support the employee council but not the joint committee since it could impinge on the statutory responsibility of the Departmental Head.¹⁰⁹ The Public Service Act defined this responsibility as follows:¹¹⁰

....the Permanent Head of a department shall be responsible for its general working and for all the business thereof and shall advise the Minister on all matters relating to that department and shall in addition to those duties perform such other duties in his capacity as Permanent Head as the Governor or the Minister directs.

Substantial divisions existed between staff concerning the desirability of the two tiered structure, of shared decision making and of the

inclusion of union representatives on the employee council. The J.C.C. finally resolved to support the formation of an employee council and a joint management advisory committee.¹¹¹ With the transfer of the Unit out of the Premier's Department at the end of 1977 much of the impetus for the industrial democracy programme was lost. This was most probably the combination of factors such as the particular nature of the Premier's Department (small, specialised, inclined to elitism), and the consequential low level of union involvement by staff apart from those in the Unit.

There are two aspects to the examination of the organisational context of the D.L.I., within which the Unit was located between 1973-75 and 1978-79. The first concerns the establishment of the J.C.C. within the Department during the earlier period and its reappraisal during the later years, largely as the result of activities of the staff of the Unit, firstly as a specialist group, and secondly as staff of the Department. The second aspect is concerned with the reasons for the relocation of the Unit in the DLI at the end of 1977 and the consequences of that relocation for the work of the Unit and its effect on the staff.

During its first few years of operation (1974-77) the J.C.C. reflected all the limitations and problems of this form of participatory framework.¹¹² In spite of the fact that it excluded trade union representatives, and purported to exclude industrial matters, the amended constitution for J.C.C.'s for the public service based on the D.L.I. model, was endorsed by the Report of the Committee of Enquiry into the Public Service.¹¹³ The inconsistency between the government's policy of a single channel of representation through unions and the exclusion of PSA representation on the J.C.C. (reaffirmed by the Department Head and Chairman of the J.C.C.) appeared to concern few people outside the P.S.A. and certainly not the Department Head.¹¹⁴ Yet other inconsistencies did concern him. Through the J.C.C. he expressed his dissatisfaction with

the lack of consultation by the Premier with DLI management concerning the transfer of the Unit to the Premier's Department. The following comment is recorded in the J.C.C. minutes:¹¹⁵

He (the Chairman) agreed that if joint consultation is to be practiced then it should apply at all levels. Council expressed the view (by consensus according to the Constitution) that if consultation was part of the present government's platform then it should practice what it preaches.

The P.S.A. failed to press the issue of union representation on J.C.C.'s and by April 1976 a P.S.A. organiser identified potentially serious problems for the Association for organising members because of the involvement of staff in the J.C.C. and the representation of many concerns of staff through the J.C.C.¹¹⁶ The failure of the P.S.A. to pursue the question of representation was the result of a generally underdeveloped workplace representatives structure and a major intra-union dispute which severely restricted the operation of the union for months.

By August, however, the joint consultative system was acknowledged by the Council to be "failing to maintain the interest of those it represented". The various reasons advanced for this included lack of real decision making power (for example, the flexitime scheme was vetoed by the Public Service Board), and consequent absence of substantial matters for discussion.¹¹⁷ As a result of this disillusionment the Council established a Working Party to liaise with the Unit to arrange seminars for staff discussion of the Council and its activities. The Working Party carried out an exhaustive survey of 200 officers in 25 work groups during 1977, and summarised their views on the J.C.C. in a Report in November 1977.¹¹⁸ Almost all comments on the J.C.C. were unfavourable.¹¹⁹ Even though it would not meet further, the Minister and the Director exercised their prerogatives to retain the J.C.C.¹²⁰

During the next two years a small group of staff (some from the Unit) were active in attempts to democratise the management of the Department.

Even with the support and involvement of the P.S.A. their progress was slow.¹²¹ At the end of the decade staff perceptions of management attitudes to participation by staff in decision making was such that "...the vast majority of participants (in a seminar programme for staff) did not believe that Departmental management had a strong commitment to participative work practices."¹²²

There were a number of factors which influenced the decision by the Premier to relocate the Unit in the D.L.I. at the end of 1977. The government had frequently been criticised for its lack of action on the preconditions areas and it was argued that this was a consequence of the artificial administrative division between issues such as access to information and the form of industrial democracy structures and the process it might take.¹²³ The Executive Officer recognised such criticisms in his recommendation to the Premier that the six sections of the W.E.C. Report recommendations be handled by one department.¹²⁴ As well, the Unit had recruited staff with a wide-range of expertise, legal and research, which enabled it to confront some of the conservative arguments provided by officers of other sections of the public service in relation to more contentious parts of the government's industrial democracy policy.¹²⁵ Some members of the Premier's staff however, were seen by Unit personnel to be advising the Premier to distance himself from Industrial Democracy because it could be an electoral liability.¹²⁶ Related to this, the Unit's officers had built up some contacts with the union movement during the 1976-77 period and partly because of these were able to gain credibility and some support from the Minister of Labour. Finally, there was a vacancy created in the D.L.I. by the election to parliament of an Assistant Director.

It is not entirely clear which of these factors was most influential in the decision to transfer the Unit back to the DLI. On the one hand a major crisis in the fairly close working relationship between the Premier

and the Unit staff occurred during 1977 concerning the constitution of hospital boards and the interpretation of A.L.P. policy in respect of representation of workers, investors and public officers on governing boards.¹²⁷ On the other hand the integration of the preconditions matters with the structural reforms and a greater priority to the preconditions which could most reasonably come from the Unit within the DLI was a matter of great importance for the union movement. Additionally, after the relocation of the Unit the Premier talked in quite a bold way about legislative reforms on some of the preconditions which suggests a continuing major commitment to the policy.¹²⁸

Nonetheless, the vacancy at senior level in the D.L.I. created an opportunity for a higher level position for the Executive Officer of the Unit to offset its effective downgrading. In the relocation the Minister for Labour became Minister assisting the Premier on industrial democracy as well, but the Assistant Director retained the right to report to the Premier on industrial democracy matters.¹²⁹

It is from this reorganisation of the administration of the Unit that the second example of immediate problems of participation for Unit staff arises. Since the chief officer (the Assistant Director) was handling only high level functions of policy this left the Unit, in terms of its day to day operation, unsupervised. The agreed arrangement between Ministers and the Executive Officer had been to create a position of deputy at that level to which the new Assistant Director could delegate all but policy functions. The staff of the Unit (excluding the Executive Officer) however, put forward an alternative proposal for a self managing group to be responsible to the Premier. It was a radical proposal in any circumstances, but understandable in view of the fact that the staff sought to actually do something they so often proposed for other workers. The proposal was well argued in terms of the consistency of the scheme with government and Public Service Board policy; the publicity or

demonstration value of such a project both generally and for individual projects; benefit to the staff in terms of increased job satisfaction; the cost benefit to the public service of a reduction of a supervisory position; the difficulties which would probably be created by an appointment of one of the staff to a supervisory position. It included detailed arrangements for the group responsibilities and accountability to related committees and the Premier. The proposal was presented to the Minister who rejected it outright and who, from one account, was totally outraged by the suggestion.¹³⁰ The rejection of the proposal was based on the argument that it would be a dangerous precedent for the Unit to experiment with something ahead of other sections of the service. Thus the Unit returned to the DLI with two chief project officer positions and with special access to the Premier, via the Assistant Director.

In terms of the organisational and managerial context of the Department, as discussed above, the proposal can either be seen as naive or a deliberate response to the relocation of the Unit. It might indeed have been a mixture of both.

These two examples of the organisational context within which the Unit itself operated over a period of six years demonstrates the precarious position which other than token participatory schemes have in a less than receptive managerial and ministerial environment. On the one hand, in the Premiers' Department, participation fell prey to the assertion of managerial prerogatives, legal impediments and the lack of staff support and interest.

In the D.L.I. the Unit's self management proposal was thwarted, at least nominally by the absence of a public service precedent. In reality it was rejected because the Unit was no longer the favoured group of the Premier. The broader proposals for the whole Department only developed significantly with the joint activity of a small group and the continued involvement of the P.S.A.

Undoubtedly the most significant achievement of the Unit for Industrial Democracy was the influence it had in directing the nature and form of the debate and practice on industrial democracy in Australia during the latter half of the decade. The Unit's strategy for the public sector developed after 1976. Much has been drawn on by the federal Labor government in the 1980's. The key features of the common elements of this strategy are consensus making through tripartism structures, and consequentially an acceptance of a legitimate union role, primary focus on the public sector and the use of legislative support to ensure reforms, but policy of voluntarism for the private sector, and an attempt to interest workers by taking up real issues, that is, an acceptance of industrial democracy as an extension of industrial relations, and therefore involving power sharing and an extension of workers' rights. Further discussion on the similarities and differences between the 1970's in South Australia and the 1980's nationally takes place in Chapter Seven.

The extreme diversity of the activities of the Unit's staff created considerable problems for the implementation of the government's policies. The combination of the six categories of activity outlined above together with the diversity of backgrounds of the staff who were, in the main, very rapidly recruited between 1976 and 1978, meant that there were at times considerable conflicts and confusions within the Unit about both strategy and tactics, quite apart from objectives. In addition, they were operating within organisational structures and managerial philosophies which, from the point of view of their own day to day experience of work, were often incompatible and sometimes hostile to the ideas and ideals of industrial democracy. Further, within the fairly small social community of Adelaide and South Australia, the intersection of professional and political relationships with social and personal ones is frequently quite extensive, and this applied more particularly to the Unit staff in some ways because of its very high operational and public profile.

The section above has established the features of the Unit's role and activities in respect of policy formulation and advice. The following chapter illustrates the activities of the Unit in the implementation of such policy as it provided advice and services in the process of specific project development. Several of these case studies cover the period when the predecessor of the Unit for Industrial Democracy was involved (the Quality of Work Life Unit). Quite obviously the methodology and philosophy between the two Units was markedly different; but one may speculate in some instances about whether the outcomes, particularly for the labour force were similarly different.

Summary and Conclusion

This Chapter has traced the consecutive government policies on industrial democracy during the period of the 1970's. The first was developed by local private sector employers and senior public sector managers in the absence of other than the most nominal union or Labor Party participation. The second, was articulated in response by a group of union and party officials but was not accepted in anything other than the most general terms by the government. The third policy, endorsed by the tripartite advisory committee and devised by the Unit for Industrial Democracy was adopted as government policy two years before it was finally accepted as Labor Party policy.

This account raises a number of issues concerning the process of policy making within the Party when it is in government. These issues revolve around the role of the public service in providing policy advice which is consistent with Party policy. Associated with this is the problem for unions and the Party generally of being able to formulate policies on an annual basis in such a way as to make them meaningful and viable in changing circumstances. Both of these issues will be taken up in the discussion chapters, Five and Six.

The period after 1976 is distinguished by the application of tripartite structures for policy formulation and implementation. It is also significant for the concentration by the government on development in the public sector and within that, the independent approach taken by the Public Service Board. The major demands that the implementation made on the major white collar union in the public sector and the way it responded are examined in both the case studies in Chapter Four and in Chapter Six. The wider implications of this type of policy development and implementation, and the primary attention given to the public sector are discussed further in Chapter Seven in the light of the federal Labor government's policy on industrial democracy in 1984.

FOOTNOTES

1. See Anderson, G. "The South Australian Initiative", in Pritchard, R.L. (ed.) Industrial Democracy in Australia, C.C.H., Sydney, 1976, pp. 162-166, for a more detailed first hand account of this type of seminar.
2. Emery, F.E. and Emery, M. Participative Design, Work and Community Life, C.C.E., Canberra, 1974.
3. "Job Enrichment Schemes," Seminar conducted by Dr. F. Emery, Adelaide, 25-26 September 1973. Department of Labor and Industry transcript.
4. ibid., p.4. (Day 2.)
5. ibid., p.7.
6. Correspondence, Unit Files.
7. The criticisms of this report are understandable in terms of the higher priority in the public service for joint consultation and attention given job enrichment by the Unit.
8. Various studies have demonstrated this reluctance, which is particularly evident after long periods of non-labour government such as occurred in South Australia prior to 1965.

The case study of the South Australian Housing Trust in Chapter Four illustrates this in a particular context.
9. Some thirty private sector employers and representatives of a dozen public sector managements were in contact with the Unit by 1975. All sections of private capital were represented: local, national and multinational.
10. Anderson, op.cit pp. 166-7. Also, the comments of an organiser from the Vehicle Builders' Union after such a seminar. The Advertiser, 18.6.74. See also Yap, J.C. "Employee Participation in South Australia: A Critical Historical Analysis", MBA thesis, University of Adelaide, 1981, p. 48 and pp. 185-187.
11. The original motion at the 1974 Convention called on delegates to disband the Unit. Covention paper, "Support Agenda Item No. 40 and Disband the Worker Participation Unit". The resolutions read:
 - (a) that the State Government investigate the method and manning and aims of the Quality of Work Life Unit to achieve real industrial democracy.
 - (b) that a committee be set up, consisting of members of the ALP, the majority of the committee to be from the trade unions, with a view to recommending legislation to achieve for workers a real sharing of the control of their working environment and this committee report back to the 1975 convention with its recommendations and these recommendations be voted on at the next convention. The Report to be Resolutions of the Annual State Convention of the ALP South Australian Branch, 15-17 June 1974.

12. See discussion in Chapter Two and also case studies of private capital in Chapter Four.
13. Connelly, C.F. A Report of an Overseas Tour to Study Activities and Trends in Worker Participation: July-September 1974, Department of Labour and Industry, October, 1974.
14. See address by the Premier to the Institute of Directors, Adelaide, 25 September 1974, reported in The Advertiser, 2.9.74. See also the public differences in opinion between the Premier and the Executive Officer concerning legislation, The Advertiser, 17.10.74. The Premier foreshadowed legislation as a last resort in a speech to the International Institute of Labour Studies on 28 October 1974. "I am hopeful, though the lack of enthusiasm thus far in the private sector has weakened my optimism, that it can be achieved through voluntary co-operation. If not, the Government must look to the obvious alternative."
15. "Policy on Industrial Democracy: A Proposal by Unit for Quality of Work Life", Department of Labour and Industry, May 1975.
16. Interview with former project Officer, May 1980. Apart from this project officer who was a recent graduate at the time of his appointment, the other two project officers recruited in 1974 were from managerial positions in private enterprise.
17. Personal files of one of the Committee members.
18. Cameron, C. "Managerial Control and Industrial Democracy". A speech at the Australian Institute of Management, 20.8.73. Department of Labour. The federal ALP had adopted a generally worded policy on worker participation in February 1975.
19. See Cameron, C. "Trade Union Training and the Role of the Shop Steward", 23.7.74, Department of Labour, concerning the establishment of the Trade Union Training Authority which was established by a federal statute in 1975. In addition, both the S.A. and federal Public Service Boards incorporated paid study leave provisions into the employment conditions for public servants during this period.
20. Apart from the radical element of parity control of the top supervisory Board (drawn from the co-determination model) The N.S.W. policy in fact duplicated the recommendations of the S.A. government Committee of Inquiry Reports (discussed in detail Chapter Two): that is, joint consultation, job enrichment and the establishment of a government bureau.
21. Well documented case study of one of these early schemes appears in O'Leary, D. et.al, Worker Participation Fact or Fallacy, Centre for Urban Research and Action, Melbourne, February 1977. It concerns the I.C.I. chemical plant at Botany in Sydney and the response of the Federated Artificial Fertilizers and Chemical Workers Union to the management proposal for worker participation.
22. Extract of N.S.W. Premier Askin's election policy speech, 1.11.73 reproduced in Pritchard, op.cit, p.187. Profit sharing, and involvement in work environment and job enrichment schemes are proposed.

23. There were various lists of organisations drawn up by officers of the Unit on the basis of contact, development possibilities etc. Until the lists of private companies was referred to the Director of Development for comment, there appears to have been no policy or rationale guiding the manner in which the Unit identified or approached enterprises. The Director of Development provided a rationale for the Premier based on (a) a cross section of industry, (b) levels of interests in worker participation. Unit file documents.
24. Anderson, op.cit, p.171.
25. See Parkin, A., "The Dunstan Government: A Political Synopsis" in Parkin, A. and Patience, A. (eds.), The Dunstan Decade, Longman Cheshire, 1981, pp. 12-16.
26. S.A.P.D., 26-8-75, 11-8-75. See The News, 17-6-75 interviews with the General Manager, South Australian Chamber of Commerce and Director, Employers Federation, and report of the opposition leader's speech to the Metal Industries Association of S.A., The Advertiser, 21 June 1975. Dr Eastlick used phrases like "sadistic pleasure" and "guinea pig state" and "socialist doctrines".
27. Industrial Development Advisory Council. Discussion of its role appears in Chapter Two.
28. Letter to the Premier from the Chairman of I.D.A.C. following the Premier's address to them on 29-9-75. Also extracts published in Unit for Industrial Democracy Newsletter of April 1976. It is clear that members saw very little connection between worker participation and job security, since retrenchments were said to be caused by external factors (worker participation may humanise these arrangements). The Council appeared not to address itself to the recommendation for statutory minima outlined in paragraph 1.10 of the W.E.C. Report.
29. Address to the Institute of Directors, 25-9-75.
30. See S.A.P.D. 10-9-75, pp. 668-670 and 11-9-75, pp. 720-725. Also, in relation to the Public Authorities (Industrial Democracy) Bill (amendments to facilitate the appointment of employee representatives to governing bodies of authorities) 3-2-76, p. 2022; 10-2-76, 2208-2216.
31. For example, 26-9-74, address to Institute Directors. Address to International Institute for Labour Studies, 28-10-74 see footnote 14.
32. Anderson, G., op.cit, p. 173.
33. The Advertiser, "Joint Impetus on Industrial Policy needed", 6-12-75. Sir Arthur was quoted as saying industrial democracy was another move for "shareholder extermination".
34. Australian Financial Review, Letters to the Editor, 6-4-76, Premier. 13-4-76, Shadow Minister, Labour and Industry. 13-4-76, Industrial Officer, Australian Workers Union.
35. See Table 1, Column 1, paragraph (iii).

36. Two page memo to the Premier from the Assistant Director, DLI (John Bannon) the consequences of this are taken up at various points in subsequent chapters.
37. Phil Bentley was an academic labour economist who was at the time of his recruitment to the Unit, employed at the Flinders University of S.A. and a major figure in the activities of the Institute of Labour Studies there. Through the Institute he was associated with early empirical study of job satisfaction and worker participation. (See Working Paper series and the Bulletin published by the Institute). His knowledge of Australian trade unionism and industrial relations was extensive. He was likeable and approachable and unlike Linden Prowse, the first Executive Officer, sympathetic to the needs and aspirations of workers.
38. Premier Corcoran drew attention to these similarities in the May 1979 edition of Employee Participation News, Working Environment Branch, Department of Employment and Industrial Relations.
39. A document prepared by members of the Policy Research Group.
40. Industrial Development Advisory Council (I.D.A.C.) and Industrial Relations Advisory Council (I.R.A.C.).
41. Public Service file document.
42. The details of the operation of this committee emanate from minutes and papers of the Committee. It was chaired by the Assistant Director, Policy Division, Premiers Draft, and had three other members; Assistant Director DLI, Executive Officer, Unit, Senior Project Officer, Public Service Board.
43. Entitled "The Wizard of Industrial Democracy" it was not a success and not released.
44. Early in 1976 two new policy statements were accepted by Cabinet as government policy. This was received by the local press as "Government Worker Plan Diluted", the explanation given being that the Unit staff considered the WEC report as "unsuitable" for government policy. The Advertiser, 2.2.76.
45. See Policy Statements on Industrial Democracy, Unit for Industrial Democracy. Paper No. R-1 specifically "Industrial Democracy in South Australia", 2-2-76. "Industrial Democracy - Government Policy in the Private Sector" March 1976. "Industrial Democracy in Statutory Authorities - Implementation Strategy", 17-3-76.
46. MacIntosh, M.L. "The South Australian Public Service Board and Industrial Democracy Policy and the South Australian Policies: 1973-1979", Australian Journal of Public Administration, Vol. XLI, No. 41, December 1982.
47. For example in November 1975, before the new Executive Officer of the Unit had been appointed, the Committee had prepared two papers for the Premier's approval, one of which was a clarification of the role of the Unit for Industrial Democracy which kept it firmly under the direction of the Public Service Board. This was released in 1976, as "The Role of the Unit for Industrial Democracy in Implementing Industrial Democracy within the Public Sector", 2-2-76.

48. Details of membership, terms of reference, guidelines and method of operation are given in Appendix A.
49. "Industrial Democracy, Philosophy and Scope". Tripartite Industrial Democracy Committee, Government Printer, South Australia, November, 1977. Background Factors, Paragraphs 4. [Emphasis given].
50. ibid., Paragraph 7. [Emphasis given].
51. ibid., Conclusion on Background Factors.
52. Committee minutes and papers.
53. Interviews with the Secretary to the Committee and the then Secretary of the AMWSU. 1981.
54. Draft TAC paper, "Education and Industrial Democracy". Paragraph 3.4.
55. ibid., Paragraph 4.7 Emphasis given.
56. Speech by the Premier, Mt. Eliza Staff College, 20 February 1978.
57. Public address, 16-6-78. The speech was widely, and deliberately at times, misunderstood and misinterpreted by the Opposition and local business interests. See The Australian, 22-2-78.
58. Public addresses, 16-6-78 and 4-8-78.
59. This section draws on minutes of PSAC meetings and file documents available in the Unit, and at the P.S.A.
60. Report of the Committee of Inquiry into the Public Service of South Australia, Government Printer, Adelaide, 1974. (The Corbett Committee.)
61. Public Service Board Bulletin, August 1976. The interpretation is from MacIntosh, op.cit. Mr. MacIntosh was a special projects officer in the Board of the time.
62. The appointments of Messrs Corbett, Mercer and Ms Beasley. The administration of the Department of the Board had also been reorganised. Commissioner Corbett commented, "We had obviously been appointed for a purpose". Address given to the Institute of Personnel Administration, S.A. Division, 11-5-78.
63. Contained in the Public Service Board Administrative Instruction 266, Issue No. 1, 16-5-78.
64. Agreement of Understanding between U.T.L.C. and Public Buildings Department 23-7-79. This was in line with the A.C.T.U. policy on industrial democracy.
65. This is discussed in detail later in this Chapter.
66. Public Service Board, S.A. Bulletin, Special Issue, May 1980. "Employee Participation".

67. ibid., p.2.
68. Public Service Board Memo to Permanent Heads. "Organisational Consultant Development Programme", 9-1-79.
69. Anderson, G., op.cit.
70. At the high point staff in the Unit numbered more than twenty.
71. For example, O'Brien, G., Bentley, P. and Sweeney, S. "Job Satisfaction in the Radiology Department of the R.A.H.", mimeo, June 1976. Bentley, P. and O'Brien, G. "Job Satisfaction in the Letting Section of the Housing Trust", mimeo, 1976.
72. Committee to Advise on Policies for Manufacturing Industry (The Jackson Committee) Policies for Development of Manufacturing Industry. A Green Paper, Vol. 3, Commissioned Studies, Australian Government Publishing Service, Canberra, 1976, pp. 253-289.
73. Bentley, P., "Towards Worker Participation in Decision Making", Marketing Urban Transport Seminar, Melbourne, March 1976, Unit for Industrial Democracy, R.6. An edited version of this address was published as "Worker Participation - A Process", Australian Productivity Action. This joint control of projects was not management-union control.
74. ibid., p. 9. Emphasis given.
75. Hammarstrom, R & O., "Reflections on Industrial Democracy in South Australia", unpublished paper, Adelaide, 1978. The four strategies are defined as follows:
The Servicing Strategy. Servicing incoming inquiries "from the market" such as requests for information, speakers, assisting with seminars, projects.
The Soft Selling Strategy. A different approach, depending on the interested party: for management:
 "...not so much a matter of being soft towards the unions but rather "soft" in the approach. It must be shown that the Unit is prepared to work with unions and is prepared to support them in possible controversies that might arise with employers".
The Public Relations Strategy. Informing the public about industrial democracy, its achievements, problems and advantages.
Structural Change Strategy. Changes to laws, regulations, agreements, awards which influence people's attitudes and define the limits of development. pp. 10-14.
76. The Hammarstrom's paper provides an international comparison. A project officer in a similar unit in Sweden would seldom be involved in more than 3 projects per year: in South Australia project officers carried 5-10 projects per year and sometimes more, ibid., p.13.
77. Unit files. A key figure in the debate on industrial democracy and the role of the Unit in the period 1974-78 was Phil Drew, Director, T.U.T.A. Drafts of the T.A.C. statement suggest it was he who, at least in part, put forward the middle way solution in relation to preconditions.

78. This need to reform the service was not felt only by the Dunstan government. The Whitlam government established a Royal Commission to investigate the Federal public service which reported in 1976.
79. "Policy Statement. Industrial Democracy: Public Service Departments", Chairman, Public Service Board, August 1976.
80. "Industrial Democracy in Statutory Authorities - Implementation Strategy", The Premier, 17-3-76.
81. For example Minda Home. See case study in Chapter Four.
82. Report to A.L.P. S.A. Branch W.E. Committee: Introduction of Industrial Democracy in South Australia, Unit for Industrial Democracy, March 1979.
83. ibid., p.6.
84. "Working Paper on Implementation Priorities for Public Service Departments, 30-7-76". Appendix I jointly prepared by officers of Public Service Board and the Unit for Industrial Democracy and "Public Service Departments Discussion Paper", 29-9-76.
85. Interviews with industrial staff of the Public Service Association.
86. T.A.C. meeting documents.
87. Individual members of the Unit developed personal contacts with the staff of various companies and these may have provided the basis for further consultation with the Unit. For example, the local organisation development specialist at G.M.H., Mike Lennard was a well remembered ex-student of Phil Bentley's. (Interview with the former Executive Officer, 1980). Although the Unit was specifically excluded from the programme at C.S.R., Glanville refinery (Interview Shop Steward, F.S. & P.U., 1980), a project officer with the Unit, Geoff Anderson, participated in corporate seminars on industrial democracy as a resource person in Sydney in 1975, and while in U.K. in 1977 provided C.S.R. Head Office with reports on developments there concerning the Bullock Committee Report especially.
88. Bentley, P. and Wang, K., "Bringing About Industrial Democracy within the public service - A Radical S.A. Response", ANZAAS 49th Congress, Auckland, Jan. 1979, Unit for Industrial Democracy, R. 13.
89. ibid., p.9.
90. ibid., p.8.
91. ibid., p.10 and the concluding section of this Chapter for a discussion of this issue.
92. See Chapter Four for detailed analysis of industrial democracy in the Trust.
93. ibid., p.8.

94. ibid., p.9.
95. Correspondence from the consultant to the Premier, 25-8-76.
96. Stevens, L. and Gough, R. "An Analysis of Public Service Joint Consultative Councils' Minutes", Unit for Industrial Democracy, G2, June 1977. Stevens, L., Hammarstrom, R. & O., Gough R. "Joint Consultative Councils: Analysis of Results from Survey", Unit for Industrial Democracy, G4, November 1977.
97. Sheehan, B.H. "Manufacturing Private Industry Survey", Unit for Industrial Democracy, G11, September 1978. Sheehan, B.H. "S.A. Public Service Departments and Statutory Authorities, Industrial Democracy Survey", Unit for Industrial Democracy, G14, conducted April-July 1979 and published after Sept. 1979.
98. For example, see Moore, R. "Disclosure of Company Information to Trade Unions", Unit for Industrial Democracy, Y-20, 1979, and Gregory, D. "Safety Representatives and Safety Committees", Department of Industrial Affairs and Employment, published after the change of government in September 1979 and the subsequent abolition of the Unit for Industrial Democracy.
99. Hull, D.R. "Yugoslavia: The Long Road to Self Management", G9, Unit for Industrial Democracy, Adelaide, 1979. This is impressionable and anecdotal. For example in an attempt to explode the myth (as formulated by Hull) that Yugoslavia is a police state, Hull advances two criteria: freedom to worship and freedom to travel. He does more than state this. An anecdote concerning an exchange between drinkers and police in a restaurant is offered as evidence. p.4. It is also loosely argued and at times badly written. For example, misuse of words "Even under this ambitious goal, Tito is approaching the end of the line", p.48. "There are many common problems and issues between the two countries", p.6. Space here does not permit a detailed analysis of the loose argument which is advanced to show that Yugoslavia self-management is "perhaps one of the most exciting ideas about organisation and human rights ever conceived" and that the Yugoslav experience is relevant to Australian attempts to develop industrial and economic democracy. p.2. One example will be sufficient to demonstrate the point. Referring to the role of the League of Communists (and some kind of Soviet bureaucracy - presumably what is meant is a Soviet type bureaucracy) in relation to economic planning, Hull refutes the argument that central planning has much of a role at all in Yugoslavia. "Economic 'planning' in a market situation is extremely difficult, and Yugoslavia is basically a market economy." p.3. This is considerably at variance with the theoretical definition of "market socialism" or a "market-flowed economy". See for instance the discussion in Holm, G.N., Economic Systems: A Comparative Analysis, Holt International, 1970, Chapter 22, "Yugoslavia: Symbiosis of Plan and Market?" "The remarkable growth of the Yugoslavia's economy rests on this planned division between investment and consumer goods production", p.314. Emphasis given. Hull points to universal problems in relation to transition to self-management/industrial democracy (e.g. continued concentration of decision making power in the hands of professionals/experts, better educated men and activists) and also to shared problems of e.g., unemployment and impact of technology

on workers. But on these latter problems he gives no explanation as to why these difficult problems occur in such otherwise disparate countries. The conclusions give no direction as to the relevance of the paper to Australia so that while there is considerable information contained in the body of the paper, there is a total failure to apply the information to the Australian context.

100. Proceedings of the International Conference on Industrial Democracy, Adelaide, CCH, 1978.
101. The policy statements have been referred to in this Chapter. One published case study of Fricker Brothers, and an early draft of another, The Housing Trust, provide sources for case study material in Chapter Four.
102. One such study of development at the Botany (Sydney) site of I.C.I. previously mentioned, is one of the very few studies written by unionists. See O'Leary, et.al, op.cit. Others are part of research degrees and available in university libraries only, for example, Robson, P., "An Analysis of Emerging Forms of Industrial Democracy in Australia", unpublished M.Com. thesis, University of N.S.W., 1976.
103. Wang, K. "Fricker Brothers Joinery - A Case Study in Job Redesign and Works Councils" Unit for Industrial Democracy, G10. Wang, K. "Issue Based Industrial Democracy: A Case Study", Unit for Industrial Democracy, G12. This was a paper delivered at the 1979 Conference of the Sociological Association of Australia and New Zealand. The author at the time declined to reveal the name of the company "because of the infancy of the programme as well as the delicacy of some of the projects currently being pursued", p.3. Nevertheless within a year the case study was published and the company named. See Wang, K. "Issue Based Industrial Democracy Programms: A Case Study", Work and People, Vol. 15, No. 2, 1980, pp. 11-17. The company was Caltex Oil.
104. Sheehan, B.H. "Huckel Logging Contractors Pty. Ltd.: A Case Study of Employee Shareholding in a Private Company", Unit for Industrial Democracy, G13, June 1979. Sheehan, B.H. and Johnson, C.G. "Modern Maid (Holdings) Pty. Ltd.: A Study of an Employee Shareholding Enterprise", Unit for Industrial Democracy G16.
105. Hunter, J. "S.A. Developments Case Study, Magill Home, D.C.W.", Unit for Industrial Democracy, G3. Quirk, R. "Decision Making in Schools in the Central Northern Region", Unit for Industrial Democracy, G5.
106. Proceedings, op.cit. Chapter 35, "S.A. Public Sector...A Case Study", pp. 604-628.
107. Report of Staff Involvement in the Selection of Deputy Director General of the Premier's Department. Prepared for the J.C.C. 6.10.76.
108. Report of Working Party on Industrial Democracy in Premier's Department. November 1977.
109. Minute to the Chairperson, J.C.C. from Director General, 15-12.77.

110. Section 27.
111. J.C.C. Minutes. Special Meeting, 16-12-77.
112. Management saw no reason to involve trade union representatives in an advisory committee and industrial matters were not to be discussed. Agenda items included, however, flexitime technological change, training, discipline, staff development. "Report of the Department of Labour and Industry J.C.C. May 1974". Matters discussed during 1975 included promotion selection committees, staff appraisal, qualifications." Annual Report of the Department of Labour and Industry J.C.C." 29-9-75. Even in terms of the Inns Report, one of these subjects (promotions selection committees) was already a matter for joint decision making involving union nominated representatives. Report of the Committee on Working Party in Management, Public Sector, Adelaide, April 1973, paragraph 7.16. "the Committee recommends that where formal provisions for independent promotion appeal hearings have not been implemented...be introduced to comprise a chairman (agreed to by management and the industrial organisations concerned), one nominee of management and one person from the employment...nominated by the industrial organisation concerning that particular field of employment...in turn, existing promotion appeal committees should be replaced by Promotion Selection Committees."
113. Report of the Committee, op.cit.
114. Public Service Association correspondence files.
115. J.C.C. Minutes, June 1975.
116. Internal PSA Report, 20-4-76.
117. J.C.C. Minutes, August 1976.
118. Report of the J.C.C. Working Party on Industrial Democracy within the Department, Department of Labour and Industry, November 1977.
119. ibid., pp. 2-3. The criticisms included the following: inadequate system of representation, detailed and confusing constitution, domination of the J.C.C. by management whose sincerity towards consultation was almost universally doubted, consensus method of decision making inappropriate, imposition of the J.C.C. by management, limited capacity to implement decisions on major matters.
120. Internal memo, "Industrial Democracy in the Department of Labour and Industry", Director and Chairman J.C.C., 3-4-78.
121. Memo to staff, "Industrial Democracy", Acting Director and members of Working Party, 14-8-78. The Working Party reached agreement with the Acting Director on the terms of a number of delegations of authority in one section of the Department. This was to form the basis for industrial democracy throughout the Department. The P.S.A. proposed a joint staff, P.S.A. and management committee to promote industrial democracy within the department. After some negotiations terms of reference were agreed and the committee sponsored an education programme for staff.

122. Report on Industrial Democracy Seminars - Department of Industrial Affairs and Employment, submitted to the Industrial Democracy Promotions Committee, 1980.
123. Various union documents.
124. Executive Officer to Premier. This recommendation was made without reference to Unit staff and resulted in considerable dissention between staff and the executive officer.
125. For example a legal research officer who rebutted the Solicitor General's opinion on worker directors. Also the research function was expanded.
126. Interviews with Unit Staff, 1980.
127. The Premier personally "dressed down" the entire staff of the Unit over this issue. The Unit had put a formal submission including this pattern of representation. In the early days of the Unit staff were regarded as an elite corps by Dunstan. Interview with former staff member of the Unit. 1980.
128. At the Mt. Eliza Staff College, 20 February 1978.
129. Unit files.
130. Interview with Unit staff members, 1980.

CHAPTER FOURCASE STUDIES IN PARTICIPATIONIntroduction

It is in the context of the international trend of workplace reform and participation schemes during the late 1960's and early 1970's (described and commented on in detail in Chapter One and Two) that we examine in this Chapter three specific cases of such programmes: a United States multinational company, General Motors Holden, (G.M.H.) an Australian based multinational, Colonial Sugar Refinery, (C.S.R.) and a local South Australian company, Fricker Brothers.

During the early 1970's there were many initiatives taken by managements of companies located in South Australia. Some of these were as the result of specific encouragement by the government agency, the Unit. Others were self initiated and managed. The three cases to be examined here have been chosen on the basis of the differences in the forms of worker participation developed, the nature of the industry and capital involved, and the extent and type of involvement of the state agency in the experiments.

Their significance for the general arguments of this thesis are as follows. The G.M.H. case demonstrates very clearly the triple problems capitalism faced at this time, that is, low employee motivation, the challenge to control from the unions at the shop floor, and organisational dysfunctions. It also demonstrates the strategies the company employed to solve these problems: a quality of work life programme, hard line industrial relations tactics to break up union organisation on the shop floor and, as a result of tackling those two problems some success in improving organisational efficiency.

Although facing much the same problems as G.M.H., C.S.R. presented its case for reform of employee relations with fairly high public profile, principally through its General Manager, Gordon Jackson. While like G.M.H. it preferred to rely on its own internal specialist staff and specifically employed consultants, the connections between this company and some of the staff of the Unit was substantial, if informal. Both these cases demonstrate the marginal importance of the State government's action on worker participation. These schemes took place for reasons similar to those on the government in initiating an inquiry into worker participation, but the companies were either intent on anticipating legislation (C.S.R.) or appeared to be totally indifferent to the possibility (G.M.H.)

The case of Fricker Brothers is significant because it commenced during the early days of the Unit for Quality of Work Life and had its approach determined by the philosophy of the Unit in 1974. It was extensively quoted by the Premier, during 1978 particularly, as an example of a successful industrial democracy programme after its demise due to retrenchments, the introduction of a four day week and the assessment of its failure at the International Conference in May 1978. As well, there was a notable absence of union advice and support for members, not only in relation to the worker participation aspect of the scheme but also on the traditional union issues of retrenchment and short hours. This illustrates the paucity of the resources and lack of training available to the unions concerned as much as what can be seen as their conservative and unimaginative approach to the topic and the issues raised by the experiment.

The case of Minda Home, a non-profit making service organisation, is included in conjunction with the three case studies from the private sector because although it was a substantially publicly funded body its managerial ethos was significantly influenced by private employer

organisations. Additionally, the issue of employee representatives on the board of management raised the question of the fiduciary duty of the Board members and it required an amendment to the relevant legislation to clear the way for employee board members. In some respects the case of Minda Home has parallels with the statutory authority case studies which follow: the extent of public funding, the consequential capacity of the government to insist on changes to boards of management, the opportunity for the union movement to press reforms on the government because of the concept of public accountability, and representation of powerful interest groups in the management and control of the organisations who, together with the operational management were overwhelmingly anti-labour and anti-union in their attitudes.

The second group of four case studies is drawn from the public sector where the emphasis of the government's policy and practice was after 1976. In the first two cases, that of the Housing Trust and the Meat Corporation, initiatives preceeded that movement to the public sector however, and developments in both organisations have their origins in the early period of government policy from 1973. Both the Chairman of the Public Sector Committee of Inquiry and Dr Emery were engaged in introducing joint consultation and job redesign to the Meat Corporation during the early 1970's. In the Housing Trust the P.S.A. attempted to have the recommendations of the Inquiry implemented and provoked a management reaction and a series of muddled events which continued into the late 1970's. Both authorities were claimed by the government to represent successful examples of industrial democracy practice, and at times had a very high profile in the public debate yet neither case has been fully or publicly documented.

Two public service departments provide the material for the final two case studies. The first, the Engineering and Water Supply Department (E.&W.S.) is a large operational department within the public service

which was substantially reorganised early in the 1970's. The Unit was heavily involved in facilitating joint consultation structures, and later instrumental to union based initiatives to establish shop steward committees. The problems in co-ordinating a multi-union workforce are illustrated in this case study, as is the use of the term "self management" in relation to work groups, and the employment of an industrial democracy office within the department.

A smaller organisation than E.&W.S. with a more homogeneous workforce, the Lands Department arose from an amalgamation of several departments within the Public Service in 1976. This case is significant as an example of a union initiative which occurred towards the end of the decade, after the peak of the government's high profile on industrial democracy. It is also unusual for the extensive survey conducted by a joint working party to identify preferred decision making processes. The change of government late in 1979 and the consequential shift in policy which was quickly adopted by the Public Service Board, resulted in the initiative being lost.

In view of the diversity of the industrial democracy developments in the public sector in South Australia during 1970, some of which have been referred to in aggregate in Chapter Three, the case studies here in no way purport to "cover the field" as it were. While there are valid reasons for making this selection of cases to illustrate significant events, there were initiatives and developments which occurred in other departments and authorities which were of especial importance. For example, the agreement between UTLC affiliates and the Public Buildings Department concerning these matters and the general context of public sector employment in S.A. will be the subject of further discussion in Chapter 5 in the examination of the role of the state as employer.

PART ONEGENERAL MOTORS HOLDENIntroduction

This case study examines the events surrounding the introduction of a quality of life programme at G.M.H.'s Elizabeth plant in South Australia. One of the company's major plants in Australia it produces stampings, trim and body hardware and assembles vehicles. In 1975 G.M.H. in Australia was the largest employer in the motor vehicle industry and is 100% owned by General Motors Corporation.

During the 1960's and 1970's the industry was subjected to a number of government attempts to restructure it; the combination of too many manufacturers, declining sales, foreign ownership and mismanagement resulted in it being a heavily government subsidised industry. A press statement by the Prime Minister in 1973 summarised these difficulties thus:¹

The Government intends that the industry must operate at the highest possible level of efficiency and economic management and with high level of safety in construction and use and have effective ante-pollution devices. The industry must be well located for social, employment and environmental purposes. There should be improved labour relations and production techniques, and a substantial Australian participation, including equity, in the industry.

The major union in the industry, the Vehicle Builders Employees Federation (V.B.E.F.)² made a strong claim for formal participation in the restructuring which was recommended in the Industries Assistance Commission Report of 1974. It faced worsening prospects for membership security since that time.³ In the mid 1970's the introduction of two new companies into the market, Toyota and Nissan, as part of a trade arrangement with Japan, further exacerbated the problem.

In South Australia the industry has had a crucial role to play in the industrialisation of the economy. Its continued dominance of the State's economy⁴, and the decline from the early 1970s have had severe employment effects. Particularly prevalent during the late 1960s and early 1970s, was a strategy on the part of various political and religious groups to have members employed in the industry so they could take a leadership role on behalf of workers to improve conditions⁵. It was often the case that since they were seldom skilled trades people, these activists became members of the V.B.E.F. and frequently shop stewards as well. As such they were never welcomed by the leadership of the V.B.E.F. and most often abandoned by the union when they were disciplined or dismissed by the employer.⁶

Thus it is in this context of a recession, industry restructuring, changing governmental regulation and, early in the decade, a restive and more militant workforce (see further below) that the work reorganisation programme at G.M.H. Elizabeth took place.

The Organisational Development/Quality of Work Life Programme

In July 1975 G.M.H. introduced into the Elizabeth plant Phase I of an organisation development programme. Phase I involved local management only and was designed to acquaint them with the need to alter organisational structures for the company's long term effectiveness. Just over a year later (September 1976) the consultants handling the project presented the outline of Phase II, which was to involve wage employees, to the Executive management committee of G.M.H. at Elizabeth.

It is crucial that the initiation of this organisation development project be placed in the context of the industrial relations environment at Elizabeth and the changes that had taken place there during the preceding decade. In that period there were a number of interrelated developments. In 1966 shop floor union organisation began to develop,

initially from a small shop committee of Amalgamated Engineering Union (A.E.U.) shop stewards and an official.⁷ That committee organised campaigns around physical working conditions, working foremen, flow on of 100% of margin increases and superannuation. It used its own newsletter "The Elizabeth Engineer" to publicise its activity. During the period of the late 1960's this committee assumed a significant leadership role in the handling of workplace grievances. Its attempts to broaden its organisation to include other union shop stewards and officials was unsuccessful until 1967. Its support amongst the rank and file members of all unions was developing and this was clearly demonstrated in the process of the major dispute of 1970, a wages campaign in the early 1970's, and a reinstatement case during 1975-76.

The dispute of early 1970 arose from the stand down of some 4000 workers as the result of a stoppage by members of one union, in support of a national campaign.⁸ The resentment caused by the stand downs and loss of pay was aggravated by the speeding up of the line on return to work. In an extraordinary sequence of events production workers, members of the V.B.U., stopped work.⁹ Their officials failed to respond to their shop stewards' request for assistance, so members put a log of six claims to the company via their shop stewards. These claims were typical for assembly line workers and represent basic human needs for minimum levels of freedom; a morning tea break, worker control of the speed of the line, untimed toilet breaks, less close and hostile supervision, and no victimisation.¹⁰ The leadership of their own union was rejected by production workers and the V.B.U. stewards were led in negotiations by an A.E.U. shop steward who was convenor of the shop committee. In spite of threats made by the State Secretary of the V.B.U. against the A.E.U. shop steward he eventually argued the log of claims on behalf of the V.B.U. membership and won agreement on tea break, toilet breaks and supervision and information concerning the line speed. Subsequently both the V.B.U.

Secretary and management stated that the concessions were not officially agreed. Not surprisingly V.B.U. leadership continued to be rejected by the membership and although the A.E.U. stewards handed out application cards to disaffected V.B.U. members the AEU did not accept them.¹¹ The important aspects of this dispute are that the workers' action on the job had forced management to recognise the leadership of the shop floor organisation, and that the claims articulated a real industrial demand for direct participation in work, unassisted by professional change agents and education in worker participation. Of course the fact that the demand was an industrial one made it difficult for management to consider in the same light.

One of the claims of the 1970 dispute which involved members of most unions in the vehicle industry during the early 1970's was the claim for an industry allowance of 30% of the award rate to be paid for all purposes of the awards, free of any penal provisions. In pursuing this claim stewards and workers coordinated a sophisticated strategy of lightening stoppages which resulted at one stage in not one completed vehicle coming off the assembly line for the whole of one working week.¹² The campaign was ultimately successful in 1974.

The third feature of the decade to 1975 was sacking of the convenor of the combined shop committee in November 1974, and his subsequent reinstatement in December 1976. The dismissal was made on the basis that Gnatenko, a AMWSU shop steward, had held an unauthorised union meeting which had been called to consider action over employment security in view of the company's plans to introduce the Gemini to be assembled in Australia.¹³ Less than three months later several V.B.U. shop stewards were dismissed. Most were eventually reinstated. Gnatenko was also reinstated after a long legal battle and considerable industrial action by workers at G.M.H.

Thus the movement towards organisation development and quality of work life projects by management of G.M.H. occurred in the context of an increasingly effective union shop floor organisation at Elizabeth where the major union's members (V.B.U. membership) were being influenced by shop stewards of the A.M.W.U.¹⁴ The company were fighting this democratisation of the workplace by dismissing shop stewards in leadership positions.¹⁵ Quite obviously management was aware of the extent of rank and file support for action taken by the shop committee and the degree of alienation of the members of the V.B.U. from their official leadership.

To some extent this hard line industrial relations was forced on the company by its line supervision. The company relied heavily on its first level supervision to discipline the workforce and given that this was their major role, at times supervisors collectively (although not through their union) put significant pressure on the company to support them in the discipline of shop stewards which they frequently initiated themselves.¹⁶

Another development took place in the vehicle industry as a whole around this time.¹⁷ In the wake of the major work value case in the federal metal industry award in the late 1960's a federal award for technical workers employed in the vehicle industry was established in 1970. The movement in wages was substantial for award employees and at G.M.H. non-award staff were impatient for the flow on increase. The outcome of this situation was that by 1972 the union covering both technical and supervisory staff (A.A.E.S.D.A.) had sought to extend the federal vehicle industry award to cover both classifications. G.M.H. had opposed the extension with every legal weapon available to it. Subsequently when the industry award was replaced by individual company awards in 1974 A.A.E.S.D.A. obtained a preference clause in the awards without a great deal of disputation. Thus two significant groups of

white collar employees were fully unionised by 1975.

As mentioned above, Phase I of the organisation development project was conducted from July 1975 and Phase II from September 1976. It was in December 1976 that the Quality of Work Life project was presented to the V.B.E.F. An extremely sophisticated proposal was put forward, with the rationale that the viability of the organisation relied on the adoption by management of a different style of management to accommodate the changing needs of the work force. It is interesting to note the different emphasis placed in the explanation of this rationale depending on the audience.¹⁸ It has much in common with the C.S.R. rationale, but it relied on the company's experience of worker alienation in the United States and the American ideas of humanisation of work.

The sophistication of the proposal lay partly in the carefully constructed joint management-employee committee structure to administer the programme and the strategy to maximise the possibility of acceptance by the unions. The structure, functions, composition and decision making powers of the committee are outlined in Appendix C. All joint committees were nominally balanced in terms of management and union/employee representation, but that on each committee, management had the weight of expertise and management familiarity with the project through the Phase I.

It is significant that the emphasis for the programme was in areas of the plant where division of labour was the most extreme, that is the assembly division. This was also the area where supervision was most conservative, and partly as a result, where the shop floor certainly had been most militant although militancy certainly was not limited to those areas.

The consultant's proposal included a number of objectives and guarantees, two of which the management Committee rejected. These were the sharing of benefits and joint decision for any termination of the project. A further sophistication lay in the manner and order in which

the parties were approached.

Company management sought union sanction of the proposal at federal official level of the major union in the industry, the V.B.E.F., briefed Commissioner Clarkson (the federal Commissioner handling the vehicle industry) and staff familiarised, before the Company approached State branches of the unions involved. The V.B.E.F. was approached first, followed by A.A.E.S.D.A., and then the three trade unions, including the A.M.W.U., the U.T.L.C. and the Unit for Industrial Democracy.

The A.M.W.U. with the assistance of their own consultants, mounted an interventionist¹⁹ campaign against the proposal, aware that it could do little more than attempt to influence V.B.E.F. rank and file opinion towards a union based alternative. The difference in approach by the two unions to the proposal is illustrated in the following example. The presentation of the scheme to V.B.E.F. stewards was carried out in one hour by their own research officer, instead of the company's consultant, and little time for questions was available. In contrast the A.M.W.U. shop stewards, having been previously briefed on the details of the scheme used the hour of the company presentation to closely question the company consultant. In addition a period of two hours paid union meeting time after the interview was negotiated.²⁰ In addition the A.M.W.U. stewards had held a lunchtime meeting of members to clarify major concerns. These were, job security, improvement of existing conditions, general implications of the scheme for the workforce. The A.M.W.U. research officer's summary of the response to these questions was:²¹

...management representation did not give any meaningful answers to the questions of major importance. They were not of course in any position to do so - this they stated on more than one occasion...so what virtually came out of the discussion was the same high sounding phrases which adorn the 'Quality of Work Life' document.

In a pamphlet designed to influence rank and file membership the A.M.W.U. raised questions not only in relation to job security and

working conditions but more particularly concerning:²²

- (i) The implications of using a pilot test area: the use of a special group to pace other workers. The restriction on unions' use of benefits established there to win benefits for the membership generally, i.e. not to be used as a precedent; other difficulties concerning supervision, discipline.
- (ii) The real commitment of middle level management to the concept.
- (iii) The basis upon which the proposal made claims of successful implementation of such projects elsewhere.
- (iv) The undertaking by the company that it would co-operate with the union in a work value case before the Arbitration Commission.

The attempt by the A.M.W.U. to involve all unions in a union school on the project largely failed. Although the Trade Union Training Authority (T.U.T.A.) sponsored a course in March 1977, none of the small number of V.B.E.F. stewards who attended were from G.M.H.²³ The V.B.E.F. had conducted a two day seminar earlier that month, largely in conjunction with the G.M.H. organisation development consultant. In one of the sessions the consultant used a group involvement game technique to demonstrate the supposedly valid argument that in a situation of interdependence (between workers and G.M.H.) competition between the parties is inappropriate: that the only viable approach is one in which both parties must co-operate to win. The message was clear: conflict is out, co-operation is in.²⁴

During 1977 the company initiated a Quality of Work Life Survey through the Elizabeth plant. A follow up survey was planned for 1979. Results of 16 key categories of questions answered by salaried staff for 1977 and 1979, show that overall there was a slight decline in favourable perceptions of quality of work life over that period, and that in both years attitudes were only marginally favourable towards work life and the company.²⁵

In 1979 the Company was heavily involved in work group based problem solving strategies, sanctioned by the V.B.E.F. and devised by a joint union-management working party. A detailed analysis of this company

document shows the V.B.E.F. to be contravening A.C.T.U. policy on industrial democracy in a variety of ways, from single union involvement, access to all relevant information and the single channel of representation.²⁶

Conclusion

It is clear from the above analysis that G.M.H. management, faced with an increasingly more effective union shop floor organisation approached the problem in two ways. They continued to pursue a hard line industrial relations policy in an attempt to break down union organisation by confrontation.²⁷ The Quality of Work Life proposal represents a "soft line" approach to the problem of motivating and disciplining workers, and has various other advantages if successful, for example increased organisational effectiveness.

For its success this dual strategy relies on the separation of the participatory framework - quality of work life - from the industrial relations framework wherein unions attempt to extend worker rights, conditions and wages. On the surface the two elements of the strategy may appear contradictory. Close analysis however shows them to be complementary; participation might be regarded as but "the second face" of a profoundly anti-worker organisation.

COLONIAL SUGAR REFINERY - GLANVILLE

Introduction

The formation of a joint consultative committee at the Glanville Sugar Refinery in Adelaide in 1974 occurred within the context of a major corporate strategy adopted by the company in the preceeding year, and in the context of developments in workplace reform C.S.R. had undertaken at the Pymont sugar refinery in Sydney. Before examining the detail of the initiative at Glanville therefore, these earlier and broader developments are outlined below.

After the appointment of Mr R.G. Jackson as General Manager in 1972 C.S.R. began a re-examination of its employee relations policy and practices. Various explanations of this reappraisal has been given. In a Report on industrial democracy at Pymont commissioned by C.S.R. from an external consultant, it is argued that C.S.R. traditional management attitudes were increasingly anachronistic in view of changing social and cultural values. The Report quoted a paper prepared by C.S.R. industrial relations staff in March 1973 which was critical of managerial practice within the company and concluded: "We can no longer assume that the community at large shares the basic assumption on which many C.S.R. attitudes and standards are based."

As a result of this paper and discussion at senior management levels, C.S.R. commissioned surveys of employee attitudes at three of its workplaces. (Glanville in Adelaide was one, Pymont was another). Jackson, some years later, explained that: "This was done because we knew we had problems, but we didn't quite understand why."³⁰

Neither Jackson, nor Pritchard elaborate on the nature of these problems which gave rise to the investigation into employee relations. In an address to a group of shop stewards at a union training course in 1976, the then Chief Manager of industrial relations was more specific.³¹ The rationale he advanced had four important aspects. Firstly, in a tight labour market the company wished to obtain and retain employees. Secondly, the diversity of plants within the company, the size, location and capital investment was such that decentralisation of decision making to plant level was necessary for efficiency of management. Thirdly, the company regarded themselves as socially responsible and top management certainly wished the company to be regarded as a "good" employer. Finally, management wished to avoid government action (legislation) in relation to work reorganisation, but should legislation be likely the company wished to be in a position to

influence its form. So whilst, "Like many other organisations, C.S.R. possesses some anachronistic cultural and organisational characteristics but, unlike most, C.S.R. has begun to admit this to itself"³² and, whilst C.S.R. was paying considerably more attention to the "human side of enterprise",³³ it is clear that top management identified the alienation and frustration experienced by the workforce (expressed through unrest; absenteeism; high labour turnover; an indifference to product quality; accidents and injuries) as a consequence of not having, "work which recognises their dignity as individuals and allows scope for personal development and fulfillment."³⁴

The results of the survey carried out by an external consultant for C.S.R., presented in a report to the company in November 1973 "gave C.S.R. a jolt and a message: "adopt, change to adjust to the expectations of the work force and who now don't think much of you as an employer".³⁵

C.S.R. had just appointed its first Employee Relations Manager at the corporate level and it was he who, in conjunction with local management, established the joint consultative committee at the Glanville Sugar Refinery in Adelaide in March 1974. It appears to have been something of a pilot scheme for the development of a wider function for the existing employees' safety committee at Pymont sugar refinery in Sydney.³⁶ The reorganisation of the sugar activities into the Sugar Division,³⁷ the initiation of a corporate policy for improving employee relations thus affected the formation of the J.C.C. at Glanville.

In mid-1974 the Sugar Division management decided to develop employee involvement at work at Pymont as well and commenced, in August 1974, a detailed survey of problems and recommendations for action. The six major recommendations concerned changes which would develop job restructuring, lessen the distinction and increase communication between wage and salary earners, reduce division between wage and salary staff, resolve the production/engineering conflict in management, change

management style from "authoritarian" to "participative" with decentralisation of decision making from Head Office, include personnel and welfare functions in the safety committee, and establish a migrant assistance scheme.

The course of that activity and the response to it, as well as other developments at Pymont are, of course the subject of the Pritchard Report, as well as a case study presented in 1978.³⁸ At a later stage, union activity at Glanville was influenced by what occurred at Pymont, not only by way of company policy, but also through independent liaison by shop stewards at both sites. This will be referred to in this context of developments at the Glanville Refinery and it is to the specific nature of those that we now turn.

Glanville Sugar Refinery - Joint Consultation

The Glanville Factory Committee (G.F.C.) was established by corporate management in March 1974 as a J.C.C. with the following terms of reference³⁹

- (a) enable management and employees to discuss matters of mutual concern at Glanville provided that matters normally negotiated with unions shall not be part of the Committee's functions.
- (b) to receive regular information provided by management about matters of interest to employees both in relation to Glanville Refinery and to C.S.R. as a whole.
- (c) to investigate and if possible arrive at solutions to particular problems which arise from time to time.

Glanville became part of the new sugar Division in April 1974 and at the same time a new factory manager was appointed for Glanville.⁴⁰ The formation of the G.C.F. thus roughly coincided with both these events.

The constitution of the Committee provided employee representation from several functional areas, a total of 10 employee representatives.

Three management nominees, one of whom was to be Chairperson, completed the Committee. Shop stewards of the five main unions were to be invited to a meeting if an industrial matter was on the agenda.

The Committee members were provided with the appropriate leave and facilities. From time to time the Committee invited people outside the company to address its members. After one such visit the Factory Manager elaborated on company philosophy underlying the formation of the Committee,⁴¹

1. In the present community climate it is necessary for Company survival to change to a more consultative style of operation. In due course, it would be difficult to get people to work with the Company if the old authoritarian style was retained.
2. As the Company grows bigger and more complex, it is necessary to spread responsibility and authority more widely for effective management. This includes the need for people at all levels to have a say in the things that concern them.
3. The Company has a corporate conscience and hence realises its responsibility to be a good employer, particularly in the area of maintaining the dignity of the individual.
4. Legislation is tending to take industrial democracy into account and is likely in the future to cover the field more widely. It is then prudent to at least be on the way, if not ahead of possible legislation. This allows for experience and resilience to cope with legal requirements as they arise.

One might suggest that the Company was also interested in defending itself against industrial action aimed at increasing wages, very much a feature of industrial relations in Australia in 1973-74, and no less the case at Glanville.⁴²

Consistent with its constitution, the G.F.C. agenda items concerned a wide range of work environment matters (amenities, safety, general house-keeping) together with regular management reports on production operation and aspects of plant engineering.⁴³

Towards the end of 1976 the topic of industrial democracy appeared on the agenda, partly as the result of attendance by a shop steward at a T.U.T.A. course on the topic. Subsequently a Planning Group for Employee Relations was established. This will be discussed in more detail below.

One other aspect of the Committee's operation is of note: it had allocated to it a budget of \$5,000 for the year 1976. The same allocation in 1977 was not spent.

Two issues arose in 1977 which indicate a shift in emphasis in the development of the G.F.C. The constitution was altered to allow for the election of the chairperson from any of the members and provide for wider involvement by other employees. As well, the shop stewards from the various unions attended the meetings more frequently and appear to have become, de facto, part of the Committee. The latter change shows the Committee to be considering more industrial or fringe industrial issues.

On industrial issues the shop stewards and middle management department heads had instigated fortnightly meetings during 1977. By April 1978 the shop stewards had gained agreement for paid monthly one hour meetings for themselves on the understanding that only safety matters would be discussed. The company however had been notably less progressive in its policy and practice regarding shop stewards than towards strictly employee involvement. For instance in 1975 a claim by the F.S. & P.U. for 10 days per year for trade union training leave for shop stewards was agreed to "in principle" but the company refused to negotiate specific entitlements. After a test case in the South Australian Industrial Commission the union was able to negotiate a specific award entitlement but it was very restrictive, for example not more than one person was entitled at a time from any one site.

By 1978 the G.F.C. was clearly losing direction as far as local management was concerned. The workload was heavy and the budget, finally allocated in July, was greatly reduced to \$2000. Three of the members of the committee attended the international conference on industrial democracy, held in Adelaide in May that year. Their report to the committee, as recorded in the minutes, provides an interesting insight into both the content of the conference and the assessment made of it by

these participants. Their message to the G.F.C. was, in summary: unions are often opposed to industrial democracy, we must develop a uniquely Australian form, there is no pressure for worker directors. To quote from the minutes concerning the unions' position: "A statement made at the conference suggested that if unions didn't go along they would be overtaken by events."⁴⁴

It was only a few months later that the union members enforced a ban on the G.F.C. over the retrenchment of workers. As a former shop steward remarked "the shop committee started to bite". A management report to an Employees Participation Committee established in 1979, made this assessment of the G.F.C.:⁴⁵

After 5 years (1974-78) no new ground was broken and the E.R. programme lost momentum. People become disenchanted. Reductions in Glanville's manning during 1978 was, in the eyes of our employees the 'last straw' and they banned all E.R. meetings at the refinery.

Two other aspects of the period 1977-78 need to be considered here. As mentioned above, the G.F.C. established a Planning Group for Employee Relations (P.G.E.R.). This consisted of Management supervisors and staff representatives and the six shop stewards. With the assistance of an external consultant the group embarked on a programme of identifying employee problems and complaints by way of group discussions. The P.G.E.R. then worked through all the items, referring them appropriately for action. Not surprisingly, along with items such as housekeeping and amenities, there appeared claims for more staff, more training, less overtime and higher wages. Many of the problems concerning efficiency and work environment were resolved, but like the G.F.C., the P.G.E.R. was unable, despite the participation of the shop stewards, to handle clearly identified industrial issues. By August 1977 there was a definite decline in interest by the group members and it faded away by October 1977.

Additionally, some of the shop stewards had, during 1977, obtained sufficient information about the Combined Unions Shop Committee operating at the Pymont Refinery and the problems it had encountered with joint management-employee committees, to make them very conscious of the need for independent union organisation for lasting gains for their members. They were also interested in the detail of the work value case based on increased skill and responsibility which the unions had conducted in the New South Wales Industrial Commission in April 1976. They had won a \$11 per week increase for all their members. Attempts by the F.S.&P.U. and the A.M.W.S.U. to arrange for shop stewards from Glanville to visit Pymont failed and requests for information from C.S.R. were refused.⁴⁶

After the banning of the G.F.C. the shop stewards pressed for a site agreement and in the 1978-79 they did considerable work amongst their own members to encourage at first, job rotation and then multi-skilling. This then became the basis for a work value case in the South Australian Industrial Commission.

In 1979 management reformed the joint consultation committee as the Employee Participation Committee and, in a summary of developments at Glanville since 1973, a senior manager acknowledged three problems as having been associated with the failure of the G.F.C.: insufficient training for employee representatives to properly participate in broad decision making, decisions "given to our workforce under the Employee Relations programme" concerned trivial matters and employees were unable to "make any decision of importance" because of restricted access to information.⁴⁷ While these are typical of the problems of joint consultation they are symptoms only of the conflict which existed between the company and the unions concerning both the right to represent workers and the right to share in meaningful decision making. Of course, decisions concerning job security, rather than retrenchments, were the most immediately meaningful to the the unions and the workers.

FRICKER BROTHERS JOINERY

The Fricker Brother Joinery programme on worker participation has been used as an example of a successful experiment in industrial democracy in the private sector in South Australia.⁴⁸ Developed in conjunction with the Unit, it has also been claimed as a work of success by the Unit, although usually with some qualifications.

It would certainly appear to have been a success, in terms of solving various problems, from the company's point of view. At the start of the programme in 1974 Fricker Brothers Joinery (a subsidiary of the Fricker Carrington Group of companies, the parent being a major building construction firm) was stated to be so poor that there were moves within the Group to abandon it.⁵⁰ High levels of absenteeism and labour turnover, typical of the period, were being experienced. Curiously enough the award under which most employees worked had no provision for sick leave so that workers lost pay through absenteeism.⁵¹ As a result of the worker participation project, management of Frickers made the following gains: decreased absenteeism and labour turnover together with increased morale and job satisfaction which in turn led to increased flexibility, efficiency and productivity. As well, various problems which otherwise may well have been much more difficult for management to identify and deal with were resolved as part of the worker participation project. For instance, the first item listed by management for the agenda of the Workshop Committee, an employee based committee established in June 1975, was retrenchments. The Committee dealt with the matter on that occasion by setting up a ballot system so there would not be any ill feeling!⁵² On a subsequent occasion as the managing director put it,⁵³

...we handled that (the problem of downturn) through the worker participation programme. It was discussed with the committee, there was alternative suggestions put forward, the final decision was that the retrenchment programme should be such that the general leading hands would nominate the names of people they thought were the first to go so there was not any one

person picking on certain people. This worked effectively really because we overcame the traditional problems of last on, first-off. After discussion they came up with the idea that for the betterment of the company and to keep the others functioning effectively we should try and keep the best of the workers, and that is in fact what happened.

Obviously all of this was of benefit to the company. The workers did not see any reason to go to their unions on this matter.⁵⁴

The same Committee, in discussion with management solved demarcation problems in the factory. No indication is given as to how they were solved and it might be suggested that the lines were mostly just removed. The effect was, as is typical in such circumstances, to allow for more flexible work patterns. Another example of the way in which the company benefitted concerned the supervisory structure. Not only was top management able to reduce the hierarchy by two levels in six months, but the Workshop Committee also identified for management a particularly unsuitable supervisor who was subsequently dismissed. The managing director attested to this increased competency of the workforce when he explained the reasons for the expansion of the company: economic boom conditions together with less requirement for supervision by management enabled it to compete and handle work more effectively. In fact a number of middle managers were able to redefine their jobs.⁵⁵

Additionally and essentially, the external change agent provided by the Unit was crucial to the success of the programme from a management viewpoint. His expertise was cost free and until mid-1975 he worked exclusively through management. After June 1975 he liaised both with management and the employee based Workshop Committee.⁵⁶ He appears to have had no independent contact with union officials although they attended, by invitation, various workshops.

Management were able to impose a 32 hour week after the retrenchments of 1976-77. After the hostility of the discussion between the union officials and their members over reduced hours when the proposition was

first suggested in 1975, the members merely notified their unions of what they had agreed to and it was not further discussed.⁵⁷

There were some gains for workers: increases in job satisfaction, greater autonomy on the job, the replacement of a very unpopular foreman with an elected forman and leading hand in one section, multi skilling, a works council which finally had some decision making power and a budget to finance its decisions, a nine day fortnight, some new machinery and improved factory layout. Whether the resolution of demarcation problems was of benefit to workers is not clear.

These gains however, took place in the context of other changes. Many workers were retrenched and since the emphasis was on retaining the "best" workers, presumably some older, longer term employees who would have stayed under the "last on, first off" principle were dismissed. Hours were reduced to 32 per week with consequent reduction in pay. The suggestion by the Workshop Committee of a profit sharing scheme was rejected by management on the grounds that it was unmanageable. Two proposals for a superannuation scheme put forward by employees were also rejected.⁵⁸ Additionally, the wage structure was not altered to take account of multi-skilling and increases in responsibility: the managing director was pleased to announce at the International Conference that there was never any pressure for wage increases, never the "traditional cry for more money".⁵⁹

The Works Council collapsed through lack of interest from both workers and management; few issues of substance were raised by mid 1977, less than a year after its creation. As the Managing Director of the company candidly observed, "As the downturn in the economy had meant that jobs are more difficult to obtain, the employees are not so restless and the programme has lapsed".⁶⁰

MINDA HOME INCORPORATED

Minda Home is a non-profit organisation providing homes and services for the care, maintenance, education and therapeutic treatment and advancement of mentally handicapped people. It is registered under the State Associations Incorporation Act. The policy and management of Minda Home are the responsibility of the management Board, which until 1977 was constituted of members of the Association and one government nominee.

In association with an accommodation change in 1966 the position of Superintendent of Minda (effectively a chief executive position) was supplemented with a newly created position of Assistant Director, administration and finance. A person who had previously been a member of the Board was appointed to the new position. As the report of the enquiry conducted for the Premier in 1976 commented: "This dual administration appears to be the first discernable origin of the current conflict, and in its most destructive form had caused the formation of factions on the Board and amongst the staff".⁶¹

As the conflict worsened over the years from the late 1960's, the Board had eventually sought the advice of management consultants in 1975. The Board adopted the recommendations of the consultants' report, the most relevant one for this discussion being that the Board appoint a new Executive Director to whom both the Administrator and Superintendent would be responsible. Unfortunately, the implementation of this recommendation served only to polarise the situation even further. At this point the Board moved to exclude current and recent former staff from membership of Minda Association by altering the rules in August 1976. The enquiry report comments; "It is felt that this action was provocative and highly discriminatory against the staff..."⁶²

In 1976, following the Board's action to change the rules of the Association, a staff-union based committee organised a petition to the Premier calling for a public enquiry into the composition of the Board of

management, eligibility for membership of the Minda Home Association and the utilisation of public appeal funds. The Cabinet level enquiry which resulted acknowledged that it was the reaction to the Board's attempt to change the rules which led a high proportion of the staff to sign the petition.⁶³

The Report's recommendations included the amendment of the rules of the Association to allow both present and past employees of Minda Home to become members of the Association and for the restructuring of the Board of management. Such a restructuring it suggested, might result in a ten member Board comprising two government nominees, two elected staff representatives, two parent representatives and four other members of the Association.⁶⁴

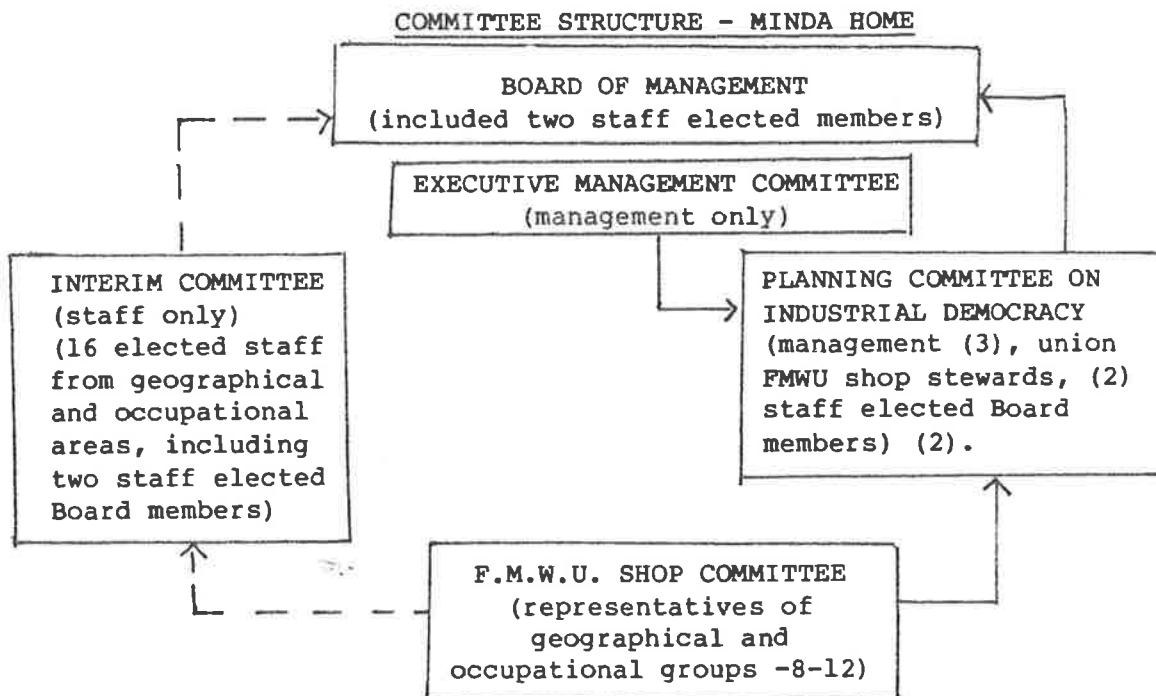
As a result of the staff petition and the government's enquiry early in 1977 the Board and management took part in discussions with the Unit for Industrial Democracy concerning the election of employee representatives to the Board. In May of that year the rules of the Association were changed to conform with the recommendations of the Cabinet report.

After further discussions between management and staff, other staff who were also members of the Federated Miscellaneous Workers' Union (FMWU), which had assisted in the organisation of the petition, and officials of the union and an officer of the Unit, it was agreed that an elected, Special Committee should be formed to determine the procedures for the election of employee representatives to the Board.⁶⁵ The Special Committee was to be representative of the major functional and geographical areas of the worksite at Minda. Once this committee met it became clear to most of its members that the election of board members was but the first of its tasks, and that other aspects of industrial democracy would need their consideration: the relationship of these employees to the electorates, the most appropriate forms and channels of

communication and so on. As well they considered the adequacy of the representatives of the Special Committee itself. By June 1977 the Special Committee had some definite and comprehensive proposals for the future development of industrial democracy. It is worth noting at this point that there were some substantial management problems evident at Minda which were the subject of very serious concern to the Union and its representatives. Apart from poor communication in general, serious health and safety problems were indicated by the high incidence of workers compensation claims.⁶⁶

Management opposed the widening of the function of the Special Committee, but as a result of pressure from the staff, a joint staff-management Planning Committee was established to co-ordinate and direct industrial democracy developments at Minda. The structure of representation subsequently evolved as:

FIGURE 1



A number of important features and implications arise from this structure. Firstly, the workplace structure of one union was linked in a formal way to the industrial democracy co-ordinating committee through the membership of the shop stewards. A major problem resided there however, because the F.M.W.U. did not represent all staff at Minda. The other union with a presence there (the P.S.A.) was in fact antagonistic towards the F.M.W.U. over the representation of office staff. Secondly, although there was a key liaison role for the shop stewards on all three committees (Interim, Planning, and Shop) the representation of employees on the Interim Committee was separate and parallel to the existing shop committee. Additionally, the Shop Committee, while reasonably well developed, had not reached a stage where it had adequate representation of all F.M.W.U. members. Thus the divided and incomplete organisation of union members at Minda militated against the operation of a single channel or representation .⁶⁷

Thirdly, while the "worker directors" were members of the Interim Committee and could and did utilise it in their representative function, this remained a de facto situation. In other words, there was no requirement for them to canvass staff opinion from the Interim Committee, nor to report back to it.

Finally, apart from issues specifically identified as "union" or industrial democracy matters, management decision making remained unshared with staff and within the Executive Committee.

The response by management of Minda Home to the F.M.W.U. initiative to influence both policy and administration of the organisation through employee and union representative channels was extremely negative. For example, during the latter part of 1977 the Union requested trade union training leave for the members of its Shop Committee to attend a special seminar on industrial democracy. The Director, in response, queried the necessity for separate trade union training for union representatives and

attempted to enforce the award provisions concerning notice of such leave and the maximum number to attend at any one time. Similarly, the attempt by the Union to proceed towards a negotiated agreement on the introduction of industrial democracy (based on A.C.T.U. policy) was very negatively responded to by the Director, and the Board.⁶⁸ A major factor in shaping this response appears to have been the advice the Director received from an employers' association, the South Australian Chamber of Commerce. In general management and most members of the Board appear to have interpreted even the initial petition of staff to the Premier as the forerunner of some manifestation of workers' control.⁶⁹ Apart from resisting the further attempts by the Union to extend employee and union participation in the management of the affairs of Minda Home in this way, management representatives were successful in adapting to the changed structure (outlined above) and retaining the essential decision making processes.

The decision by the government to support the reform of the Board, and the inclusion on it of two staff elected members raised an important legal consideration. This was, whether the fiduciary duty of Board members of an Association incorporated under the Associations Incorporations Act 1956-65 was such that employees could be members of such Boards, and if that was the case, whether there was a possible breach of trust involved. The fact that the Crown solicitor, after giving the Attorney-General an opinion that under existing legislation employee Board members were in breach of trust and contravening the Associations Incorporation Act, was "unable to give any opinion whatsoever on how an amendment should be framed" to overcome this problem suggests a conservatism and a degree of unhelpfulness in some sections of the public service towards the reformist programme of the government. The legal officer of the Unit was able to suggest one clause to amend the Act in such a way as to recognise the principle of employee directors,

ensure continuation of their salary and protect the requirement of trust.⁷⁰ The Act was subsequently amended to include a clause to that effect.

In summary then, the poor management of Minda Home coupled with effort by the Board to exclude staff from membership of the Association and thus eligibility for Board membership, led to staff and union attempts to broaden formal participation by employees in the management of the Home. While staff participation at the Board level was achieved and management were forced to accept shop steward participation in determining the oversighting of industrial democracy developments, the underdeveloped shop steward and job representative structure of both unions, and the conflict between the branch offices of the unions concerning the appropriate coverage of some staff, allowed the management to create a widely representative staff committee which was not based on the developing workplace structure of the unions.

PART TWOTHE SOUTH AUSTRALIA HOUSING TRUST

The South Australian Housing Trust (S.A.H.T.) was and is a key component in the state's role in relation to economic development.⁷¹ The recommendation of the Inns Report in 1973 concerning joint consultation in the public sector was promptly taken up by the P.S.A. through its Housing Trust Staff Committee. The basis of the Staff Committee's claim for participation derived from its attempt to make staff conditions in the Trust comparable with those existing in another statutory authority, the Electricity Trust, and the public service proper, specifically in respect of classifications, selection, promotion, appointments and appeal procedures.

The character of personnel management and industrial relations in the S.A.H.T. were very largely a consequence of the managerial style and values of the General Manager, Mr A. Ramsay. Undoubtedly Ramsay was a committed and capable manager, but he had a very distinct view of the manner in which employees should regard the Trust: "They must have conviction to help the Trust and demonstrate conviction by identification with the objectives of the Trust."⁷² In some ways the Trust seems to have been seen as a charitable organisation, with "unpaid oligarchs" doing much of the administrative work.⁷³ The paternalistic attitude which was a feature of the Trust's staff towards their clientele was also a feature of the management's attitude towards the staff.⁷⁴ In addition, the General Manager and many of the staff, regarded any attempt to regularise and codify personnel procedures, whether initiated by Public Service Board or by the P.S.A., as an affront to the autonomy and efficiency of the Trust. Even the move by the government to exert Ministerial authority over the general policy of the Trust (discussed in

Chapter Two) was viewed as inappropriate. Thus proposals for worker participation in the Trust were also seen as intrusive and inappropriate. At the time the P.S.A. Staff Committee started to prepare its proposal, it appears that many senior officers of the Trust were fairly confident that they could withstand any worker participation initiative.

Between the time of the restricted release of the Inns Report in 1973 and the end of that year the Staff Committee had performed a significant amount of work in preparation for the formation of a J.C.C.⁷⁵ It appears that the Staff Committee members had the intention of using the J.C.C. as a vehicle for achieving a full review of the current industrial agreement and they appear also to have overstated the intention of the Inns Report recommendations by suggesting that the J.C.C. procedures "are intended to give the staff full voting rights on an equal basis with the decision making body of management in all matters which affect their interests and working lives".⁷⁶

The Staff Committee was certainly concerned to establish a high level of discussions with Trust management which was more usually afforded full time union officials.⁷⁷ The J.C.C. which the Staff Committee had designed integrated the Staff Committee into it. This intentionally pre-empted the recommendations of the Inns Report which left this task for establishing J.C.C.s to management.⁷⁸

In view of the character of industrial relations in the Trust to this time it is understandable that the Staff Committee were seeking to nominate the staff representatives on the J.C.C. from within their own established organisation. There were significant amendments to the Inns Committee model constitution concerning representation through a "single channel", that is the P.S.A. Staff Committee. The poor nature of the relations between management and the Staff Committee go a long way toward explaining why the proposal was not discussed with management prior to a

petition being forwarded to the Minister. In view of the subsequent difficulties of the J.C.C.'s in the public sector in S.A. the single channel was indeed far sighted.⁷⁹ It was in line with the approach taken by the A.L.P. W.E.C. eighteen months later.

The petition to the Minister was referred to the newly formed Unit in February 1974 and, at the same time, the Trust management appointed an officer to establish a J.C.C. in accordance with the Inns Report recommendations. Although these actions were in accordance with government policy, in the absence of any response to the petition, the Staff Committee, not surprisingly, doubted the motives of management, the Unit and indirectly, the government. A complicating factor here, and one which disadvantaged the Staff Committee initially, particularly in relation to the Trust Board, was that their constitution ignored the three other unions and their members in the Trust.⁸⁰

In an attempt to gain the initiative, the Unit subsequently sponsored a seminar on job enrichment for government departments and invited some seven members of the Trust to attend. An account of the Unit's strategy shows that the Staff Committee had good reason to, "regard our actions as further evidence of delay and concluded that such delay was intended to keep participation from them in any form except one (job enrichment) that would assist management and further disadvantage their organisation".⁸¹

During October 1974 the P.S.A. met with the Australian Workers Union (A.W.U.) and devised an alternative model for worker participation in the Trust. This joint union approach was rapidly widened to include other unions represented in the Trust. This joint union proposal included both separate and joint management-employee councils and three union elected board representatives on a reconstituted Board of seven. The Unit's officers appear to have been unaware of this, or that it had been discussed with the Minister (and generally supported) and circulated to all Labor parliamentarians for comment early in November.

It was in this context that, at a subsequent seminar for mainly middle level managers, staff committee members and union secretaries in late November 1974, the problem of lack of consultation with the Staff Committee about the seminar was compounded by the fact that the participants proposed a constitution for a J.C.C. similar to the model contained in the Inns Report.⁸² In view of the negotiations proceeding between the unions and the Minister, the lack of consultation with the Staff Committee was unfortunate indeed.

These developments, and especially the more radical proposals of the joint union submission, presented a dilemma for the government. The union proposal was for joint decision making and elected staff board representatives whereas the government policy was joint consultation, job enrichment and no board representation. As well, the Trust was a significant feature of the public sector. As a result, a Cabinet sub-committee (Premier, Minister for Housing, Minister of Labour and the Chairman of the Public Service Board) met in January 1975 to consider the implications of the situation.

The influence of the Head of the Department of Labour and Industry in presenting material to this sub-committee is significant here. In commenting to the Minister of Labour on the Unit's report on the Trust, the Head suggested that the joint union proposal was a form of worker control (no such phrase was used in the original report by a project officer of the Unit) and further that "the proposal seeks to prevent any employee other than a financial member of a trade union from voting for the employee representatives on the Board but to permit union officials being eligible for appointment."⁸³ In addition he implied that the Secretary of the Staff Committee was incorrect in his approach and suggested that the Minister get the views of staff irrespective of government response to the unions. These comments are significant for the very negative impression they give of the approach being taken by the

unions and the obvious inference that the Minister would not wish to support the union proposals. Subsequent events show that the presumption was correct.

In January 1975 the Premier had already attended a meeting of the W.E.C. to report on the S.A.H.T. and to present a model structure. In March 1975 the P.S.A. wrote seeking a joint meeting of all interested parties but this was not agreed to by the Premier until June 1975, after the W.E.C. had reported to the A.L.P. Convention. In May the Secretary of the W.E.C. circulated an industrial democracy model for the S.A.H.T. (drawn up by the Unit) to members of the W.E.C. as an example of the model proposed for the public sector and selected areas of the private sector. This model was incorporated into the Committee's Report. The importance given to the Trust by the Premier was again illustrated in a public statement later in the year. "Mr Dunstan said lessons drawn from the Housing Trust experiment would be a guide to similar action planned next year for E.T.S.A., S.T.A., State Bank and S.G.I.C."⁸⁴

A parallel, though minor development at this stage was the initiation by the General Manager of the Trust of a study of job satisfaction in the letting section of the Trust. Two aspects are worthy of comment. The consultation with the P.S.A. over the terms of the study and of any future surveys bear the marks of the tentative nature of the debate concerning worker participation. For example, one of the terms of agreement was "whilst it was acknowledged that the adoption of some form of worker participation strategy might logically follow as a result of findings reached, the focus of the study was not worker participation per se".⁸⁵ As well, this was one of the first surveys conducted in South Australia on job satisfaction, and closely relates to a large body of literature concerning job satisfaction, surveys and the "evidence for industrial democracy".

After the A.L.P. Convention in 1975 and the consequential change in government policy, the relocated Unit was given a brief to develop participation in the Trust and found that Trust management had its own model for worker participation - quite dissimilar to government policy. The circulation of a government model (an amended management model) in September resulted in a petition to the Minister decrying industrial democracy and considerable public comment. This petition had some five hundred signatures and represented about eighty percent of the white collar employees in the Trust. Anderson argues that this and the events of the November 1974 seminar indicates that the Staff Committee was out of step with its constituents.⁸⁶ To the extent that the Staff Committee saw itself representing the common industrial interests of employees in the Trust, that is not correct. It is the case however, that in the context of the paternalism and individual professional interests of many of the middle and senior managers of the Trust, the Staff Committee's commitment to unionism was antithetical to these employees. Thus the issue was about unionism rather than the adequacy of representation of P.S.A. members by the Staff Committee. It is highly probable that the extensive support for the petition was a consequence of its initiation by employees in management positions within the Trust. It is certain that it was not a "rank and file" protest against the action the Staff Committee had taken.

But September 1975 had been a month of considerable activity in the Trust. The Minister's final reply to the joint union proposal of November 1974 had been forwarded to the unions early in September 1975 with just three weeks for comment. Before the unions could formulate a joint response the General Manager of the Trust circulated a proposal to all staff which was said to have the approval of the Minister. The Minister later explained to the unions that this unexpected action had been an attempt to secure agreement of the General Manager's membership

of the joint committee, and an effort to inform employees. It had also been forced on him because of the necessity to reconstitute the Board. In fact the document was unamended in error. This action brought a sharp reaction from the unions. The P.S.A. wrote to the Minister "we consider this move a deliberate attempt to undermine the standing of the Association with its members".⁸⁷ The P.S.A. Staff Committee acted quickly to clarify one of the major points of contention in the model: it resolved that non-unionists were not entitled to vote in worker participation schemes or stand for office.

The A.W.U. Secretary wrote to union representatives in the Trust "I wish to make it clear that the Union has major reservations about the model...and it is suggested that your comments be made through the Union and not to Mr. Ramsay".⁸⁸

The explanation for this reaction given by one union official participating in negotiations at the time was:⁸⁹

since negotiations on an appropriate model had taken place at a union/union rep/government level staff were unprepared for this scheme. Our intention was to get to a point of consensus with the government and then introduce it to the staff for their consideration. The government did not do this but dropped it on the staff cold...The government's handling of this was disastrous and we had to start all over again.

The Premier, in response to the union objections, reaffirmed the government's position in relation to three fundamental issues, that is: union member only voting was not acceptable, although only union members could nominate for office, a 50-50 board was not acceptable, there would be no demarcation line for management.⁹⁰ After conferences with the government the unions proposed: that a revised model be drawn up by the Unit, proposals for preconditions be drafted, a list of non-unionists be supplied by the Trust to facilitate recruitment, the issues of demarcation of management/employee be researched by the Unit, and proposals for training for employee representatives be drawn up.

While the Minister for Housing was prepared to agree to a new model for the Trust and employee representatives training there were two issues upon which the government remained firm: non-unionists were not to be excluded from the scheme, and as far as the government was concerned it had previously made it clear that employment and the rights of unions were quite secure and thus did not see that preconditions needed to be further satisfied.

During 1976 debate and dissension continued in the Trust on three major issues. The appropriateness of the model scheme was again opposed in another petition from staff to the Minister while the Staff Committee continued to affirm its role as the legitimate representative of P.S.A. members in the Trust.

The issues of voting non-unionists remained alive for the first half of the year. Later in 1976 the A.W.U. referred the matter to the U.T.L.C., claiming that A.L.P. policy had been misinterpreted by the Minister. In August 1976 the A.W.U. opposed, together with the other U.T.L.C. affiliated unions in the Trust, the industrial democracy training of unionists with non-unionists. The government and the Unit were able to use the W.E.C. to "resolve" this conflict, and the A.W.U. was committed to co-operate. The government's resolve on this matter was supported by the Board of the Trust which opposed horizontal divisions in the training programme. It was also supported by the P.S.A. members in special meetings. In this situation the three blue collar unions, having been involved in a joint steering committee and faced with pressure from government and the P.S.A. were unable to oppose the programme. They did however, refer the matter of non-unionists' involvement to the U.T.L.C. but nothing resulted from this. The role of the Joint Steering Committee (a device used extensively later) in the Trust was highly ambiguous. Nominally a decision making group in control of the education programme for Trust employees, established after the debacle over the rejected

models, it was made up of representatives from Trust management, the Unit and the unions. The fact that the education programme could not be divorced from the fundamental issues of disagreement between the parties made it inevitable that the Steering Committee would become the forum for those conflicts. This having occurred, the government forced the unions to accept decisions made elsewhere in the A.L.P.

The third issue during 1976 related to the reconstitution of the Trust Board. In March the government extended the tenure of the Board members to January 1977, without consultation with the unions or the Unit, or even its own advisory committee (P.S.A.C.). The Executive Officer of the Unit argued, and was supported by P.S.A.C., that the government could well have prejudiced the Unit in their negotiation with the unions and management.⁹¹ Arising out of this incident, the Unit asked to be informed of the political parameters within which they should operate in future. The government also appointed a new Chairman to the Board without consultation with the unions at the time when the unions were negotiating with the government on industrial democracy.

These issues clearly demonstrate the possibility, and in this case actuality, of wide variance and differences in interpretation and acceptance of A.L.P. policy by the parliamentary party in power. It also shows the dilemma for unions where they are involved in governmental advisory/implementation committees such as the steering committee, which have roles very similar to management consultation committees and thus suffer the same limitations.

What emerges from the foregoing detail is this. The initiative taken by the P.S.A. Staff Committee was resisted by the management of the Trust, senior management of the public service, and to some extent by the government itself. The subsequent joint union model (strongly influenced by the P.S.A. and A.W.U.) shifted the emphasis from consultation to joint decision making. The strong position taken by the blue collar unions in

relation to the involvement of non-unionists in the proposed programme of participation, consistent with the A.L.P. Policy after 1975, was modified, after pressure from the government through the W.E.C. The Premier's view of these events was that the union officials were unrepresentative of their membership and oriented towards worker control.⁹²

The experience of this sequence of events in the Housing Trust demonstrates the difficulties encountered by the Unit while its officers operated independently of management and unions. It also demonstrates the absolute necessity of an education programme for employees and management at all levels of an organisation if there is to be general acceptance of organisational changes.

Finally, it was in part in response to the wrangling over appropriate models and constitutions for the Trust that the model written into the A.L.P. W.E.C. Report derived.

SOUTH AUSTRALIAN MEAT CORPORATION (SAMCOR)

The meat and abattoir by-products industry experienced a period of major growth in Australia in the period 1968-73 as the result of increased demand from the United States, Japan and Canada. During this time the industry underwent a significant modernisation of facilities to meet the increased demand and high hygiene standards required for export.⁹³ The world wide recession which started in 1974 and other local factors including increased wages, led to the retrenchment of thousands of workers during 1974.

The industry is characterised by a low level of plant utilisation and considerable fluctuation of supplies. The private sector of the industry is able to insulate itself from these fluctuations to a large extent by using the service facilities of public abattoirs such as SAMCOR.

During the period 1975-78 a major industrial dispute occurred in the industry concerning the export of live sheep from Australia. An agreement between the major union, the Australian Meat Industry Employees Union (A.M.I.E.U.) and exporting companies concerning the ratio of live sheep to carcasses for export reached in 1975 was broken in 1977. In the four years to 1977 live sheep exports from Australia more than quadrupled. In March 1978 the A.W.I.E.U. imposed a ban on the export of live sheep from Australia in an effort to protect their members' jobs and for a month in South Australia a highly controversial dispute raged.⁹⁴

Public authorities in each State of Australia operate service abattoirs which have as their objectives to provide fresh meat for metropolitan consumers, provide local service facilities for livestock producers and to support local markets. These abattoirs also trade when market conditions are sufficiently bouyant. SAMCOR is one such abattoir. A statutory authority which replaced the Metropolitan and

Export Abattoirs Board (MEAB) in 1972, it had significant problems from its inception.⁹⁵

SAMCOR inherited a problem-ridden organisation, with a complex and largely ineffective management structure, an old and seriously run-down works, and a long standing tradition of labour relations which made high cost operation inevitable and very difficult to overcome.

The new Board of SAMCOR set about correcting these problems by rearranging the management structure, undertaking a major capital works development and by initiating a number of worker participation projects.

During the decade of the 1970's SAMCOR was the subject of three major reports. The first, in 1974 reviewed the investment decision taken a year earlier to build a new works. The second, in 1976 was a review of operations for the government - this was a statutory requirement.⁹⁶

The third investigation was conducted in 1978 by the Unit for Industrial Democracy on a confidential basis for the Minister of Agriculture.⁹⁷

It arose out of a situation of major dissatisfaction over the handling of retrenchments and demotions in June 1978, and had as its focus the use of human resources by the Corporation.

In addition to the industry problems outlined above, SAMCOR faced some specific difficulties during the 1970's. Firstly, the new investment programme to develop a new South Works escalated in cost by more than one hundred percent between 1972 and 1974. In addition, the original completion date was August 1974, but the South Works was not fully operational as late as June 1976. Secondly, the major export market, the United States, specifies higher hygiene standards for slaughtering than the domestic market and as a result SAMCOR operates two distinct standards.⁹⁸ Thirdly, the retrenchments of process workers particularly in 1974, were not accompanied by reduction of supervisory or administrative staff. This resulted in a very high ratio of process to supervision staff (4:1) by 1978.⁹⁹

For the workers in the industry (about 85% men and 25% migrant workers) employment is insecure, arduous and heavily determined by both the production line technology and the close supervision. High levels of absenteeism are typical and the process workers' union (the A.M.I.E.U.) jealously guards tally and incentive agreements as well as seniority rights. Industrial disputes are common. Supervisory and administrative workers are covered by the P.S.A. Relations between the strong, conservative blue collar union and the largely unorganised (until 1979) "bosses" union, the P.S.A. are typically very poor.

It is in the context of these introductory remarks that we now turn to the developments in worker participation schemes which occurred at SAMCOR after 1972, and which were but one facet of the plans by the new Board to reform the organisation.

Under the M.E.A.B. to 1972 the Gepps Cross abattoir was managed by a Board representing various interest groups in the industry. Under these provisions employees had the right to have an employee appointed to the Board, and had done so for many years. When SAMCOR was created in 1972 the Board was reconstituted on an expertise basis and initially no provision existed for employee representation. After objection by employees and their union (the A.M.E.I.U.), white collar workers were never included in this arrangement, the worker director was retained. The worker director is appointed by the Premier.

After 1972 the worker director took on the role of Works Liaison Officer and was clearly identified as a manager. The absence of any organisationally structured group of workers to whom the director could relate together with the illdefined nature of his management role made his position ambiguous and difficult. The Unit report recommended this position be clearly defined as a worker director by making the person accountable to the workforce by way of biennial election, and by identifying the position as representative of the workforce. It also

recommended that the structure of a Joint Committee provide the structural link between the worker director and the workforce.¹⁰⁰

A second form of worker participation and one heavily influenced by one of the new Board members (Mr. G. Inns), was the establishment in December 1972 of a Joint Consultative Council. In its form and function it foreshadowed the recommendations of the Inns Report. Comprised of seven employee and five management representatives its function was "...to establish policies and to discuss any problems and grievances that may arise throughout the plant. More contentious items are referred by agreement to the appropriate Joint Industrial Committee."¹⁰¹ In addition there were two Joint Industrial Committees (J.I.C.'s), one concerned with process (award) workers' conditions the other with supervisory staff matters.

The J.C.C. was subjected to trenchant criticism in the paper prepared for the Jackson Committee Report in 1976.¹⁰²

The J.C.C. has, in fact, been sustained by management during periods when the logic of events should have seen its demise. For example, during a strike, the worker representatives refused to attend meetings and the management representatives sat alone for some weeks. The Council seems to have made little impression on the men; many had no clear idea of what it was. Nobody among those we spoke to were overly enthusiastic about it.

As well, the Unit Report of 1978 spoke of the "collapse" of the J.C.C. during 1977 and makes it quite clear that the J.C.C. was at best a management advisory committee and at worst irrelevant to the major problems of the works.¹⁰³ The existence of the J.I.C.'s, concerned with other aspects of the workplace, for example promotions, selection, safety, which were usually viewed as "industrial" was a primary reason for the ineffectiveness of the J.C.C. These J.I.C.'s had been established late in 1973 after the A.M.I.E.U. had objected to the discussion by the J.C.C. of industrial matters. After that time industrial matters were excluded from the agenda of the J.C.C.

In addition, in circumstances where a number of the other special purpose committees, such as classifications and appeals, were constituted under an industrial agreement with the P.S.A. it is not surprising that the substantive matters of concern to employees were never able to be satisfactorily dealt with by the J.C.C. Indeed, the referral of "more contentious items" to such committees was a function of the J.C.C.

The Unit Report of 1978 attempted in its recommendations to overcome these difficulties caused by the existence of a dual committee structure (in addition to the existing management structure), by proposing the establishment of a Joint Council based on representation from the existing A.M.I.E.U. shop committee and the Staff Committee - potentially a P.S.A. job representatives committee. The Unit's Report recommended that the Joint Council should become the main decision making group for the operation of the works.¹⁰⁴ Even the mentor of the J.C.C. subsequently acknowledged the shortcomings of such a form of worker participation - even in its early period.¹⁰⁵ The third form of worker participation at SAMCOR came about as the result of the involvement of the leading exponent of job redesign in Australia with the Badger and Inns Committees. Emery was a consultant to SAMCOR for the design of the new South Works during 1973-74, and a number of employees and staff of SAMCOR participated in job redesign seminars.¹⁰⁶ Job redesign and job enrichment at SAMCOR has been closely proscribed by nature of the technology and associated with that the requirements of hygiene. Without quite fundamental redesign of the technology the possibility for any but quite minor changes of work routine and content were out of the question.

Of course the evolution of the work pattern associated with the production line technology had led to a highly detailed award for A.M.E.I.U. members. Had any major change in technology been contemplated those award provisions would have needed a complete revision. There is no indication that SAMCOR or its consultant ever contemplated such a

revision; indeed Emery seems to have viewed award provisions as obstructions rather than for the essential protection of workers.

In the early years of these developments - the worker director, joint consultation and job redesign - SAMCOR was given considerable publicity by the government as an example of the success of its worker participation strategy. For example:¹⁰⁷

At a press conference yesterday Mr. Dunstan repeatedly referred to government actions to provide worker involvement in the running of the big Gepps Cross abattoirs in Adelaide which, the Premier claimed, had proved outstandingly successful...insiders are yet to be convinced...reality being somewhat out of step with official propaganda.

Some years later in 1978 the reality was certainly rather different to the early hopes for industrial democracy.

Recommendations concerning industrial democracy were but one section of the Unit's Report to the Minister of Agriculture. The Report made specific recommendations on twelve different problem areas ranging from markets and production, to safety, organisational structure as well as industrial democracy. The terms of reference for the investigation were deliberately widened by the Unit as part of a strategy to broaden its function within the public service.¹⁰⁸ While close consultation had taken place between Board members and the Secretary of the A.M.E.I.U. in establishing the terms of reference, the major party to be affected by the key recommendation in the Report, the P.S.A., was very little involved with the investigation.¹⁰⁹ The key recommendation was for the reduction of levels of supervision by twenty percent; this represented about 60 people.¹¹⁰ This reduction was to take place over eighteen months through early retirements.

After the 1978 demotions morale was low and insecurity high amongst white collar workers who had, as a result of the lack of involvement by the P.S.A. in the issue, little respect for the Association. While the Unit had notified the P.S.A. of the conduct of the review it had not

consulted the Association in the close way it had the A.M.E.I.U. In view of the recommendation for redundancy of white collar workers this was a major problem. Even though the Unit did attempt to discuss the report with the P.S.A. in the early months of 1979, the criticism by the P.S.A. of the Unit's failure to consult was a valid one. The Unit officers had personally discussed not only the terms of reference of the review with the Secretary of the A.M.E.I.U. but the recommendations as well, prior to the report being made available to the Minister.

Nevertheless it is correct that the industrial interests of members of the P.S.A. at SAMCOR were neglected for a period of time immediately prior to the notice of dismissal of 30 supervisors in April 1979.¹¹¹ This notice mobilised both officials and members of the P.S.A. with dramatic effect: the first strike in the history of the Association took place at SAMCOR on this issue. Management's handling of the members was as provocative at the picket lines as it had been in relation to retrenchments.¹¹² The result of the action was that the government agreed to an undertaking of no retrenchments while negotiations took place.

The P.S.A. was able to use this to good effect in the pre-election period in 1979 and when the Liberal Party took office it honoured its pre-election commitment of no retrenchments in the public sector. This set a precedent in relation to job security in the public sector generally. It is suggested that had a Labor government been returned such a concession (paradoxically) would have been more difficult to obtain.¹¹³

The Unit presented itself in this wider consultancy role in terms of it as a more desirable agency, as far as unions are concerned, than the traditional management consultants. The industrial democracy recommendations of the report on SAMCOR show not only the broadening consultancy role of the Unit but they also demonstrate the major shift in

government policy after 1975 and the quite different approach to unions and industrial relations. These recommendations acknowledge and support the role of the unions as the legitimate representative of the employees and provide a single channel of representation through the shop committee and staff committee to the joint Council. At the higher level the worker director is accountable to the workforce at large through the Joint Council. By including five senior management on the Joint Council the Unit's design gives the Joint Council a high probability of being the main decision making group for the operation of the works. As well, the report followed experience elsewhere by recommending worker representative control of safety through an elected safety committee. Along with management on-the-job training, trade union training was recommended.

As far as the P.S.A. was concerned the Unit's new role of specialist management consultant within the public sector was totally undesirable:¹¹⁴

We believe that the Unit should not be involved in developing reorganisation reports and further than the Unit should not develop specific industrial democracy proposals without the involvement of the employees and their union organisation.

The Unit Report was rejected by the Board and management of SAMCOR as well as by the P.S.A., although the P.S.A. did pursue some of its recommendations separately.

The attempt by SAMCOR to retrench supervisors in April 1979 and the consequential dispute strengthened the organisation of the P.S.A. within SAMCOR significantly. Before the dispute the local Staff Committee had included non-union employees and although there was quite a high level of membership of the P.S.A. it included senior management and was conservative. After the dispute the P.S.A. had full membership coverage and a new interest from the rank and file was showing itself in the representatives' committee, and more identification with the P.S.A.'s general campaigns.¹¹⁵

THE ENGINEERING AND WATER SUPPLY DEPARTMENT

The Engineering and Water Supply Department (E.& W.S.) is a major operational department of the South Australian public service. The workforce is divided into two categories: those who are employed as permanent public servants under the Public Service Act, (in the main white collar supervisory and support staff covered by the P.S.A.) and a wide range of trades and manual labourers who are commonly referred to as "daily paid" and who are employed under various State awards. These latter are covered by the blue collar equivalent of the P.S.A., the A.G.W.A. and a variety of trades unions.

In 1975 the Department employed approximately 5600 daily or weekly paid staff and 1700 public servants, and much of the history of the Department during the period of the late 1970's and early 1980's concerns the efforts of the government and the management of the Department to reduce staff and restructure the Department's operation. In 1984 the staff numbers were 3228 and 1590 respectively. During 1974 two major factors combined to force the Department to reconsider both its staffing levels and its organisational structure. The economic slump and the decline in the housing industry turned an expanding construction programme designed to meet the needs of new housing development into a maintenance programme for existing facilities. A report of the Parliamentary Accounts Committee recommended the consolidation of the three existing metropolitan workshops to one at Ottoway.¹¹⁶

This study discusses the types of structures set up to provide some participatory mechanism for employees during the period of substantial change in the Department. One was a joint employee-management council for the metropolitan workshops, another the development of some advisory groups (basic units) at the Ottoway workshop, and more recently, a new form of joint committee structure known as Working Environment Committees.

The Metropolitan Workshops Consultative Committee

The formation of the Metropolitan Workshops Consultative Committee (M.W.C.C.) was the outcome of a decision made by the government and the Department to centralise the workshop operation at Ottoway, and the consequent resistance to this most particularly by those people employed at Kent Town. While strong community identification of workers at Kent Town may have been an influence, the fact that the Kent Town workshop was located in the Premier's electorate certainly made the matter more politically sensitive. Late in 1974 the combined shop steward committee at Kent Town organised a lunchtime meeting of members on the subject of the relocation to Ottoway and the implications of the reorganisation for job security. The range and status of the speakers indicate the importance of the issue for the government and the unions. They were: the Minister, officials from the A.M.W.S.U., A.G.W.A. and P.S.A. and an officer of the Unit. Continuing concern by the workers and unions about the reorganisation resulted in the proposal for the establishment of a consultative Committee. This came from a meeting between representatives of the Department, the unions (officials and shop floor representatives) and the Unit. The M.W.C.C. comprised four management representatives and four employee representatives, one each from the three workshop areas and one from the white collar staff area. Area sub-committees were to be established to link employee representatives to their own areas. The M.W.C.C. met for the first time in April 1975.

A recently published case study of industrial democracy in the Department summarises the difficulties in the operation of the M.W.C.C. over a two year period, April 1975-June 1977 as "shop steward dissatisfaction with the Committee's operations, a perceived lack of commitment by middle management, and a lack of communication."¹¹⁷

A number of matters need to be clarified here. The employee representatives on the Council were not ex-officio shop stewards. At

least two of the four however, were shop stewards. The single union channel of representation which is implied was by no means established even on a de facto basis. Also, a major part of the dissatisfaction of employee representatives with the operation of the Committee and the 'perceived' lack of commitment by management was conflict over at least two fundamental principles, role of employee representatives and the terms of reference of the Committee. Because these conflicts were fundamental they occurred not only between the management and employees of the Department, but became an issue between the Unit, the Public Service Board and other senior public service management.

At the first meeting of the Committee the provision of paid time of one hour per month for members of the area sub-committees to discuss progress of the M.W.C.C. was raised by employee representatives. The Director of operations in the Department twice sought advice from the Public Service Board on the matter, and both times was advised that such leave should not be allowed. The arguments put forward by the Board were that the sub-committees were not "official" committees of the M.W.C.C. in the terms of the 1973 Committee Report recommendations, and the employee representatives were not to take on the role of delegates but were on committees to express their own views.¹¹⁸

Both the Unit officers and the P.S.A. officials were concerned at this narrow interpretation of participation. The Unit argued against it in a memo to the Assistant Director of the Premier's Department¹¹⁹ and the P.S.A. in a formal complaint to the Premier.¹²⁰ In reply the Premier supported the Board's ruling in spite of the fact that this contradicted both the principles of the W.E.C. Report (adopted as government policy) and a few months earlier a previous position the Premier had adopted in relation to recall of delegates in the S.A.H.T.¹²¹ Finally, however, the Unit's recommendations were accepted by the Premier. These were:¹²²

1. whilst delegates are expected to bring their own individual experience and expertise to bear on issues, they must also ensure that they adequately represent the views of the people who elect them.

2. that the number, size and form of any necessary group or committee is a matter of mutual agreement within the Department between its management and staff.

3. that reasonable time be granted for such groups or committees to conduct their business and to communicate with those whom they represent.

4. that the prime remedy for unsatisfactory performance of delegates is through the ballot box at the next election. Granting of rights of recall or impeachment will depend upon the circumstances of the particular Department.

The Board's revised advice to the Department approved paid time for members of M.W.C.C.'s to hold regular meetings at their constituent group but strictly limited discussion to Committee matters.¹²³

This episode illustrates some important aspects of the difficulty of implementing policy. The Premier's letter to the P.S.A. was drafted, not by the Unit officers, who were aware of the principles involved and the sensitivity of the particular issue, but by the Premier's own staff who obviously were not fully informed. The Public Service Board secure in its statutory duty, clearly defined in the Public Service Act was able to interpret policy according to its own perception of its responsibility, and this interpretation at the very least on this occasion was narrow and conservative. Since various Department Heads also tended to be conservative in relation to industrial democracy it was crucial for the Unit to have access to the Premier.¹²⁴ Subsequent to this incident the new Executive Officer had more direct access, alleviating the problem that occurred within the Premier's own department on this occasion. Thus the pre-existing climate of uncertainty and distrust within E. & W.S. was exacerbated further, and by 1976 the terms of reference of the Committee were in dispute.

The minutes of A.C.I.D. recorded an assessment which suggests an objective rather than a perceived lack of managerial commitment.

"Management representatives on the J.C.C. (M.W.C.C.) are abusing a clause in the constitution which excludes industrial matters from J.C.C. territory. Any matter which management does not wish to discuss is labelled an 'industrial matter'".¹²⁵

By the next meeting of A.C.I.D. in July 1976 it was reported that a joint meeting of management, workers and Unit staff, which had been proposed by employee representatives had been rejected by management.¹²⁶ Shortly thereafter the employee representative on the M.W.C.C. made a formal complaint to the A.C.I.D. which included a statement on both the problems mentioned above. More generally the representatives stated:¹²⁷

During its operation, we representatives of the workforce have tried to adopt a co-operative and positive attitude to discussions at all times. After 15 months we are driven to the conclusion that this attitude is not reciprocated by the management representatives on the committee. We believe they view us as interfering in their management role. It is difficult to recall any issue on which an open, informative or co-operative response has been given.

They had in fact met the Unit's officer in their own time prior to making the complaint. It appears that no consideration was given by them to approaching their union[s] for advice.

In response A.C.I.D. approached the Director of the Department for information particularly as "we have been hearing about this problem for months with no solution forthcoming from E. & W.S."¹²⁸

In a subsequent wide-ranging investigation of the M.W.C.C. and in discussion with management, shop stewards, members of M.W.C.C. and union officials, P.S.A.C. (after the discontinuation of A.C.I.D.) identified a number of problems which contributed to the poor operation of M.W.C.C., and made various recommendations for its restructuring and further development.¹²⁹

The problems of the Committee were identified as: the imposition of the M.W.C.C. on employees by an outside group, the consequent lack of

understanding concerning consultation generally and consensus concerning the terms of reference, inadequate access to information by employee representatives, the location of meetings in the management offices, management obstructionism, and employee representatives not adequately representing views of employees.

The recommendations of the Report were that there should be a statement from the Permanent Head to all employees defining joint consultation as an integral part of management, that a seminar be conducted for about 30 people from the Department to redesign the terms of reference and constitution of the M.W.C.C., that an independent facilitator should be seconded to assist the Committee, that information should be made available to employee representatives, and that meetings should be held at a neutral location.

A seminar was jointly conducted in June 1977 by representatives of management, the Board, the Unit and consultants from a tertiary education institution. A carefully selected group of representatives of management and employees together with the Minister and union officials (P.S.A. & U.T.L.C.) were invited to consider themes which had previously been identified by the consultants. The agreement reached at this seminar resulted in the establishment of Basic Units throughout the Department. It is to the detail of this form of participation we now turn.

The Basic Unit System

The most important features of the agreement for the formation of eight Basic Units centred on flexible membership from management and employees with decision making powers providing management representatives at the meeting would normally have such authority. The Committees within the Basic Units would not have agenda items limited by reference to "industrial matters". The participants at the seminar also decided that the M.W.C.C. should be disbanded.¹³⁰

The Shop Stewards Committee, after consideration of the proposal for Basic Units, put forward an outline for a Joint Management-Employee Representative Workshop Advisory Committee to co-ordinate activity of the Basic Units to a meeting of members in July. This was endorsed by members and submitted to management. The proposal was rejected outright and as a result the Shop Steward Committee discontinued all communication with management concerning the proposal for the foreseeable future.

In the time of estrangement between the shop committee and the management of the Department during the latter half of 1977, the A.M.W.S.U. commenced its own education programme on industrial democracy in the E. & W.S. The issue which emerged from that programme was a claim for union representation on promotions appeals committees.¹³¹

By late 1977 the situation within E. & W.S. had deteriorated to the extent that the Public Service Board dispatched a special projects officer to work with management to try to break the dead lock. Subsequently E. & W.S. appointed an industrial democracy officer to service and coordinate the activities of the Basic Units. Significantly he had been convenor of the Shop Stewards Committee. During the early part of 1978 the issue of a formal co-ordinating committee for the Basic Units emerged again and a seminar was held for all Basic Unit representatives in June 1978 to develop a constitution for the Committee.¹³²

What is striking about the developments in E. & W.S. in the period in the three years to the end of 1977 was firstly the minimal involvement of the unions. Although the initial lunch time meeting at Kent Town had been initiated by the shop committee and the establishment of the M.W.C.C. was by agreement with union officials, it appears that the officers of the Unit to a large degree provided employee representatives (including shop stewards) with an avenue for influencing matters, and was seen as independent of management. Secondly, the management of the

Department at first through the M.W.C.C. and later through the Basic Units limited the agenda of these meetings by excluding "industrial matters" from them, and restricted them to an advisory function. Thirdly, the attempt by P.S.A.C. to have the M.W.C.C. revamped at the seminar in 1977, failed and so did the attempt by the shop stewards committee to ensure that there was a joint co-ordinating committee for the Basic Unit structure. It was only after the Board intervened that the matter progressed.

From 1978 the major issues raised and resolved within the Basic Unit structure were equal rights to relieving positions, participation in selection of apprentices, and selection and promotion procedures generally, paid time for representatives for reporting back to constituents (one hour per month), and the formation of a coordinating Basic Unit. Later on the Units became increasingly involved in work related functions, such as quoting, planning, and were subsequently largely replaced by weekly production meetings.¹³³

By early 1978 developments in the Basic Units were somewhat eclipsed by the release by the Minister of an interdepartmental report concerning the reduction of the labour force in E.& W.S.¹³⁴ The Report recommended that surplus employees in the Foundry/Machine Shop areas of the Department be transferred to E.& W.S. Branches. It foreshadowed changes in classification, rates of pay, work location and environment and union coverage as a consequence of these transfers. The unions with members affected¹³⁵ by this particular Report, together with other union members in the Department¹³⁶ held a mass meeting in May 1978 at which they demanded participation in any future decision on employment in the Department. It also resolved that unless this were done it would be the case that¹³⁷

Industrial democracy is not a meaningful concept, and is being used by management to thwart the just and proper aspirations of workers in a labour governed state and workers in E.& W.S. must give serious consideration to their further involvement in industrial democracy schemes.

The meeting also endorsed eight resolutions proposed by the U.T.L.C. which demanded access to information, greater consultation by the government, a moratorium on transfers, and job security. In addition, later in 1978 an internal E.& W.S. evaluation was undertaken of the Central Workshops Foundry workload and manning levels.¹³⁸ As a result of the recommendations of this report, which identified a management objective of a substantial permanent reduction of foundry employees, a complicated dispute arose over a rationalisation scheme which involved both moulders and ironworkers and manning levels generally.

A Project Officer from the Unit undertook an additional investigation for the Minister concerning manning and possible transfers from the Foundry. This general investigatory task fell to him presumably on the basis that he had been Project officer for the industrial democracy programme in 1978, he had first hand experience of union practices on these issues and he was perceived as more independent than others who would usually undertake such tasks, such as a Project officer from the Public Service Board. This is another example of the broadening of the Unit's function within the public service in the period 1978-79. As an alternative to the management services section of the Public Service Board, the Unit was meant to be more acceptable to the unions and the labour movement generally.

Area Committees and Working Environment Committees.¹³⁹

The formation of Area Committees arose from the poor industrial relations amongst field workers on construction maintenance in the far flung operational area of the Department. Poor organisation and management had led to a situation where the grievance procedures at the local level was ineffectual. Unions tended to raise matters centrally and frequently have them resolved over the heads of local management thus contributing to further deterioration of industrial relations.

Responding to the initiative of the A.G.W.A. in 1978 the Department created decentralised joint employee-management Area Committees as a vehicle for handling, particularly, local grievances. Largely local issue based, the Area Committee fell into disuse by the end of 1979 as the result of a combination of circumstances including local management resistance by those who were not included in the Committees, the retirement of the Director of Operations and a change in the leadership of the A.G.W.A.

The lessons from the Area Committees - the involvement of the union, the importance of including all sections of management, the specificity that decentralisation makes possible, the circulation of minutes of meetings and the participation of shop stewards and thus the "feedback" to workers, and the accountability of the co-ordinator to top management - were applied to the formation of a pilot of Working Environment Committees during 1980, and the extension of this Structure to four or five country areas, and to a number of metropolitan areas. Apart from the fact that the membership includes "elected local union representatives" and the union official receives copies of the minutes however, they appear to operate well within the limited framework of a policy of joint consultation on non-industrial matters, reminiscent of the early 1970's. What has been suggested is that in the organisational context, this may well represent a not insignificant advance for individual worker satisfaction.

During 1979 questions of workforce reduction dominated the unions' activities and an internal Departmental report acknowledged the restriction placed on management by the "no retrenchment, no disadvantage" policy of government. This particularly applied to the supervisory staff as supervisor/labour ratios declined as wage labour was reduced. As in the SAMCOR case, the P.S.A. was able to hold its members' jobs much more successfully than the blue collar unions. Between 1975-84

wage labour declined by 42%, permanent positions declined by only 6%.

After two years of casting about, leaning on the staff of the Unit and attempting to change management by pressure from above through P.S.A.C. and the Board, by the end of 1977, a workplace union based participation structure a shop committee was starting to make an impact on the departmental management. The concerted union action however only came when members were totally on the defensive over the workforce reduction programme in 1978 and through into 1979. Even before the election in September 1979, the Departmental management were re-orientating themselves towards a participation scheme based on joint consultation through decentralised Working Environment Committee.

LANDS DEPARTMENT

In 1976 the Departments of the Register-General of Deeds and of the Valuer General amalgamated with the former Department of Lands, to form the Department of Lands. It comprised six divisions Survey, Registrar-Generals, Valuer Generals, Land Resource Management, Management Services, Administration, and Finance. In 1979, 980 people were employed in the Department, more than half of them (531) in two of the divisions: Survey and Registrar-General's Office.¹⁴⁰ During the financial year 1978-79 the staff in these two departments decreased by 14% while in the same period the Administration and Finance Division almost doubled in size (66 to 129). There was a slight overall decrease in the labour force during the period (1011 to 980).

Most of the staff (77%) are either technical officers, office assistants or clerical officers. Unlike E.& W.S., only 47% of the total labour force were daily paid in 1979.¹⁴¹ Thus the majority of staff are employed under the Public Service Act and the P.S.A. has full coverage of these employees.

Joint Consultation 1974-78

As a result of government policy adopted in 1973 (the recommendations of the Inns Report) two J.C.C.'s were established in the Department in 1974. There was one established in the Mapping Branch (123 staff in 1979) of the Survey Division and the other at the Departmental level.

Initially both these J.C.C.'s had the Monarto developments as the major subject for discussion, and both Committees went into decline after a year or so. A Reform Committee of the Departmental J.C.C., after reviewing its performance in 1975 acknowledged that it had contributed little by way of encouraging employees' participation, or in dealing with substantive matters.¹⁴² The Council was shortly thereafter dissolved. The Mapping Branch Committee however, was revived during 1978 by a revision of its constitution and composition and started to deal with substantive matters such as staff appraisal and flexitime, and half a dozen other branches had various informal, although sometimes regular, staff consultation arrangements.

Late in 1977 the P.S.A. had attempted to have the union consulted and involved in a situation concerning the introduction of a new system of processing property transactions in the Registrar-Generals Endorsing Room Section. Management had arranged in conjunction with the Board to introduce a Land Ownership Tenure System (L.O.T.S.) in 1978. The P.S.A. was concerned because the use of work study previously had a bad effect on staff morale and it wished to see employee participation in the introduction of new systems. Management maintained that the introduction of L.O.T.S. had proceeded with active participation of staff and the Board rejected the suggestion of a referral of the matter to the Unit.¹⁴³

Thus developments in industrial democracy in the Departments to 1978 were few, unsubstantial, and involved staff only on a consultative basis.

The P.S.A. Initiative

During 1978 a number of factors contributed to the formal approach the P.S.A. made to the Director General of Lands proposing the establishment of a Working Party of job representatives to investigate industrial democracy development in the Department. Firstly, the P.S.A. had a quite extensive network of job representatives in the Department. As well, a Councillor of the P.S.A. employed in Lands had been influential in the reviving of the J.C.C. in the Mapping Branch and was interested to both widen and deepen industrial democracy throughout the Department but not necessarily in a consultative form. Importantly, the agreement between the P.S.A. and the Public Service Board on job representatives role had been given effect by the Board in Administration Instruction 266.¹⁴⁴ In addition, the Industrial Officer in the P.S.A. with responsibility for the Department had a particular interest and involvement in industrial democracy policy making and, together with the Unit officer on secondment to the Board, had seen an opportunity to develop an industrial democracy programme in Lands. Thus the combination of workplace union organisation, official P.S.A. support and access to the special expertise, of the Unit's officer in the Board, made the initiative a particularly optimistic one.¹⁴⁵

The response of management was fortuitous: support in principle and in practice personnel, work release and so on. The Director General suggested the inclusion of two management representatives on the working party and it appears that this in fact strengthened the working party in terms of expertise, and did not result in divisions within it.¹⁴⁶

The Working Party was also able to utilise the industrial democracy education resources of the Department of Further Education for a programme of thirty sessions conducted for sixty staff throughout the department. The Working Party used a questionnaire during the information sessions to identify preferred decision making process for

various matters. The results of the survey showed that of the 24 decision making areas only three were regarded as appropriate for sole managerial decision making (who supervises, manpower budget, annual budget). Apart from one exclusive employee decision making area (organising own work) the whole of the rest of the matters were judged to be at least subjects for joint consultation, including policy legislation and discipline and almost half of those, to be subjects for joint decision making - training, leave arrangements, office layout, job rotation.¹⁴⁷

The Working Party Report made these observations in its conclusions: industrial democracy can be justified in terms of efficiency, effectiveness, accountability and job satisfaction; joint decision making is a clear preference for the sizeable majority of staff who were surveyed; a consensus approach is essential to success, and success needs to be demonstrated; joint decision making needs to be integrated into existing organisational structures. It further concluded that resources, both internal and external must be committed for a programme to succeed; development must be negotiated with unions, and union workplace representative participation is essential for development; and that separate education programmes are necessary for senior management, middle management, and staff.

The orientation of the Report and the conclusions and recommendations were clearly affected by the change in government which occurred in September 1979 at the time of writing the Report. The "reappraisal of the situation" and the adaption of the Report to the Liberal Party policy takes place in the Preamble to the Report and relies substantially on the previous convergence of federal (Liberal) government and South Australian (Labor) government policies.¹⁴⁸ The Report argued as well that "while the new policy (of the State Government) placed more emphasis on joint consultation the definition contained in it did leave enough scope for

the constructive development of employee and joint decision making."¹⁴⁹

This justification and rationalisation of the programme in these terms enabled the Working Party to retain its initiative for a short period following the presentation of the Report.

The conclusions and recommendations of the Report incorporate, as shown by the observations outlined above, arguments particularly consistent with the Liberal government policy but on the basis of the data from the survey maintained a position favouring joint decision making, rather than joint consultation. Not surprisingly, in view of the fact that the Working Party drew most of its membership from P.S.A. job representatives, the concept of a single channel of representation through P.S.A. workplace representatives, was to be a key element in terms of a single channel. Obviously, P.S.A. policy on industrial democracy informed the Report's recommendations.

The Fate of the Initiative

The Report had not suggested specific future development, but rather set out guidelines necessary for any such development. In discussions during the early part of 1980 the Working Party, in consultation with the P.S.A. organiser, identified half-a-dozen work areas in the Department where the development of pilot, semi-autonomous work groups would be appropriate. Agreement was reached with management on these areas in March 1980. Some one-day information sessions were held in these areas in mid 1980 but the initiative died when there was only limited follow up to the sessions.

Two factors contributed to this situation. Firstly, and undoubtedly, (the rationalisation in the Report notwithstanding), the change of government and the considerably more conservative policy which emphasised joint consultation, together with the low priority given to employee participation by the Liberal government in operational terms (the

Employee Participation Branch was rapidly reduced in size) substantially weakened the initiative. As well, Departmental top management were no longer under pressure from Public Service Board and government to innovate in this direction. Secondly, the recommendation in relation to provision of resources, for example a full time industrial democracy officer within the Department to co-ordinate activity for the Working Party was never acted upon. Additionally the two important external advisors and initiators - the P.S.A. official and the Projects Officer from the Board - were no longer available for various reasons. It would have been quite unfeasible for the pilot group to develop without such full-time co-ordination and support. The provision of resources to develop industrial democracy became an increasingly important issue for unions especially as this was something the Unit had raised in the advisory committee as early as 1976 but it failed to undertake the background work necessary for a full consideration of the education, training and staff needs for industrial democracy programmes which would have committed the government to a comprehensive implementation of industrial democracy.¹⁵⁰

Various aspects of this attempt at development of industrial democracy in Lands warrant comment. Firstly, it was a highly pragmatic union initiative, focussed intently on possible industrial gains for the membership through their own representative organisation. The P.S.A. unlike many unions in South Australia, saw sharing in decision making at all levels as an industrial issue and was attempting to link job representation structures to the development of semi-autonomous work groups. Any success of the program would thus have been thoroughly identified with the Association. Secondly, the utilisation of a Public Service Board Project Officer was, for the P.S.A., a way of excluding Unit personnel (and thus to some extent snubbing the Unit) but at the same time availing themselves of a person with a special expertise and a

close association and involvement with the P.S.A.¹⁵¹ And unlike many projects handled by the Unit Staff, particularly in the early 1970s, the Board Officer was not seen as a change agent, or a focus for the exercise.

Thirdly, as the Report shows, the Lands Department Working Party used a radically different approach and technique for identifying issues and attitudes of staff towards the four alternative decision-making processes. This approach had been developed over a number of years by the Board Project Officer and had been used elsewhere (Department of Labour and Industry). The chief value of the survey technique as it was developed, was that it provided the Working Party with concise, highly relevant data on staff attitudes on decision making in twenty-four different areas at all levels, which could be and was used to urge consideration of employee participation in the direction of joint decision making any away from consultation generally. Management has previously had no such information base and could not refute arguments based upon it. Argument can be made against the orientation of the Report. This brings us to the fourth issue. The role of the P.S.A. job representatives in the industrial democracy process was of particular interest to a Board industrial relations specialist. In commenting on the Report he was especially critical of the involvement of the P.S.A. representatives and in particular noted that the Public Service Board - P.S.A. agreement on representative roles (Administrative Instruction 226) had "nothing to do with industrial democracy", and that negotiated agreements and single channels of trade union representation, in line with A.C.T.U. and P.S.A. policies were "against government policy".¹⁵² While the latter observation is undoubtedly correct, the former is a matter of interpretation and it is obvious that the one here is a narrow one based on the strict definition and distinction between industrial and non-industrial matters. It is clear that some officers of the Board, together with the various Department Heads had very definite opinions

concerning trade union involvement in industrial democracy and without a clearly defined government policy on the matter were able to use their influence to impede trade union role in industrial democracy. Given the Board's responsibility for Departmental efficiency such an approach would be highly likely to confound any departmental innovation. Thus the importance, for any lasting and substantial change, for amendments to the Public Service Act and reorganisation of Board staffing to facilitate the administration of an Act which would have allowed significant decentralisation and sharing of decision making.

SUMMARY AND COMMENT

The events of these case studies took place over most of the decade of the 1970's during a period of substantial economic, social and political change in Australia. While they do not represent a complete account of the many and varied schemes and experiments of participatory forms in work organisations in South Australia, they do illustrate the major differences and similarities in the practice of worker participation and industrial democracy between large private corporations, a service organisation, statutory authorities and public service departments, in the context of changing State government policy and developing policies of non-labour governments, opposition parties, employer organisations and individual unions and peak councils.

The themes and issues which arise from this examination of cases presented here are these. The first is the disjuncture between the industrial relations framework, system and practice where the struggle for workers' rights has historically taken place, and the new ideas and forms of participation, especially joint consultation and job redesign and the like.

A more general and public acceptance by government, employers and some unions of the concept of industrial democracy being an extension of

workers' rights, and thus not an alternative to the class conflict engendered in the industrial relations system, was only evident in the latter part of the decade. Some parties continue to reject this reality in the interests of maintaining their own power and authority and control of the workplace.

An obvious major issue which arises from the case studies is the role of the state apparatus in effecting government policy, in particular the state agency with responsibility for industrial democracy policy and programmes. The expectation of social democratic parties and the labour movement generally that governments can utilise in a fairly straightforward manner the public administrative apparatus to implement policies, completely overlooks the complexities of the apparatus and the propensity of public sector management to pursue, at times, quite contrary objectives.

Associated with this issue is the practice of tripartism for the development and implementation of policy, and the implications this has for the substantive nature of the policies.

The appropriateness and practicality of legislative provision for preconditions or supportive strategies for industrial democracy, and for facilitative legislation is one issue which occurred on a number of occasions in relation to these case studies, reflecting another aspect of the role of the state.

The issues outlined above are discussed in some detail in the following Chapter Five, under the broad heading of issues which relate to the state in capitalist society. Five other issues which are of particular relevance to the labour movement will be addressed in Chapter Six. Most of these arise from the case studies directly: the international trends in participation and the limitations of reformist governments, the problems in developing Party policy which can be implemented in a satisfactory way by the government either

administratively, legislatively or both, the particular problems for unions in effecting a single channel of representation and the question of resources, training and education for industrial democracy.

One issue which arises from the theoretical discussion in Chapter One, but is only implicit in the documentation of the case studies, is the patriarchial character of the policy and practice of industrial democracy. Just as the integration of workers' rights and industrial democracy has to take place, so the concept of women workers' rights needs to be placed in the context of industrial democracy. This too, is pursued in Chapter Six.

FOOTNOTES

1. Press release announcing a new Tariff Board enquiry, Prime Minister, August 1973.
2. During the 1960s it was the Vehicle Builders Union (V.B.U.).
3. As demonstrated in '1979 G.M.H. Award Negotiations: Job Security at G.M.H.' Position paper on fixed term employment, redundancy, early retirement, pension needs and guaranteed employment, Len Townsend, Federal Secretary, V.B.E.F., May 1978.
4. A.D. Carmody, 'Industrialisation in S.A.', M.A. thesis, University of Adelaide, 1974, pp. 2-3. In 1968-9 G.M.H. was the largest single employer in manufacturing industry (9386 compared with 7800 Chrysler, and 7150 B.H.P.)
5. For example, Worker Student Alliance, radical Christian groups.
6. A former V.B.E.F. shop steward won reinstatement under section 5 of the Australian Conciliation and Arbitration Act (an employer shall not dismiss any employee, injure him or alter his position to his prejudice for reasons for being an officer, delegate or member of an organisation) after a two year legal battle with G.M.H. He commented that "I got no backing whatever from the V.B.E.F. The court decision can be seen as a kick in the face for them, as they adopted precisely the same attitude towards me as the company did". Advertiser, 20-11-80. Emphasis given. See also Heidt vs. Chrysler Aust. Ltd., Federal Law Review, 26, 257, 1976 and G. Hill, "Anatomy of a Industrial Struggle", Solidarity Motor Bulletin, No. 9 (1979) concerning VBEF's approach to rank and file groups.
7. The major union which formed by amalgamation with two others, the AMWU in 1972.
8. This is based on an A.E.U. account reproduced in J. Wanna, Defence not Defiance, Adelaide C.A.E., Adelaide, 1981, Appendix 2, pp. 155-159. The standing down was described as a "lay off" and "retrenchment" but the award/agreement provided for stand down of workers where work is not available. p. 156. Part of the guerilla industrial tactic at this time was the selective stoppages on the line for periods of less than a shift. At this time the award did not allow for stand down for periods of less than a shift, thus a few workers would stop work, have their pay made up by the rest of the workers and the company's production would be lost. The union with members on strike was the Federated Engine Drivers and Fireman's Association. For a critical review of the subjective bias by the federal commission in the awarding of stand down clauses and the lack of union challenge to this trend see C.P. Mills, "Bias in the Arbitration Tribunals: A Case Study", in G.W. Ford, J.M. Hearn and R.D. Landbury (eds.), Australian Labour Relations: Readings, (third edition), Macmillan, Melbourne, 1980, pp. 442-461.
9. The situation developed to a point where all workers in the body assembly shop stopped work and took control of that part of the plant. Company management and supervisors were kept out by hammering on the bodies. Similar treatment was given to V.B.U. officials.

10. For a comparison note Emery's principles for job redesign; elbow room, chance to learn, variety, respect, sense of importance, some future.
11. This was a tactical decision to encourage more rank and file activity in the V.B.U. "However, we feel that members of other Unions who are dissatisfied with their own organisation and who look with envy at the A.E.U. and the way it encourages the rank and file to act on their own behalf with full support of the officials should seek to make their own union like the A.E.U." Wanna, op. cit., p.159.
12. For a detailed account of this type of industrial action see Phelan, G. "Shop-floor Organisation: Some Experiences from the Vehicle Industry", Macquarie University, mimeo.
13. A chronology of events and a brief review of reinstatement provisions under federal awards is provided in The Gnatenko Reinstatement Case, a booklet prepared for T.U.T.A. one day seminar, Adelaide, 8-7-77, unpublished. An account of the extended legal battle is given in Plowman, D.H. and Holdsworth, W.J. Introductory Readings in Labour Relations, Ch. 21, "The Gnatenko Dispute 1974-76", pp. 171-77, Techsearch Inc., Adelaide, 1977. See also Phelan, op. cit. An extra important factor at this time was the plan by G.M.H. to change production in Australia to two shifts at one plant (in Victoria) rather than have two plants working one shift (S.A. and Victoria). Because of difficulties in recruiting workers for a second shift in Victoria this never eventuated, but the Company had discussed such plans with large sections of the staff.
14. A union which had adopted a policy of encouraging active participation of shop stewards in the handling of industrial disputes.
15. It is quite probable that there was an economic reason for the company's dismissal of Gantanko as well. By November 1974 G.M.H. had an over production situation and rather than risk the disfavour from a lay off of production workers the company may well have sought to precipitate a strike which would in turn necessitate the laying off of other workers. See Phelan op. cit.
16. Comment by former AAESDA senior representative. Interview, February 1984. There was some disagreement between line and staff management on the handling of these matters too. A foreman involved in the Bowling dismissal reflected that subsequently supervisors kept control of disputes within their own areas and avoided the industrial relations office as much as possible. Discussion, December 1983.
17. Information based on interview with S.A. Secretary, A.A.E.S.D.A. (now A.D.S.T.E.) 1983.
18. See Appendix B for comparison between the presentation to the management executive committee 21-9-76 (company document) and the proposal presented to the unions. The differing emphases are obvious.
19. Consistent with A.M.W.U. policy on industrial democracy, 1976.

20. "Report on G.M.H. Quality of Work Life Project at Elizabeth, S.A." A.M.W.U. internal report by National Research Officer, 1-2-77 and A.M.W.U. minutes of meeting with G.M.H. representatives, 21-7-77.
21. ibid., p.4.
22. "Quality of Work Life Project, Elizabeth Assembly Plant", A.M.W.U. National Research Centre, 1977.
23. Personal observation.
24. Personal observation at the seminar.
25. "How do Elizabeth people feel about working at Elizabeth". Internal company document. More than 3200 staff answered the survey.
26. "GMH Organisational Development Proposals" C. Johnson (formerly a project officer with the Unit for Industrial Democracy). 1979.
27. There are a whole range of tactics traditionally used by employers to victimise militant shop stewards: isolate them, assign them the worst jobs, and so on. These practices were certainly part of the G.M.H. management tactics at the time. Interviews with two former shop stewards of the V.B.E.F.
28. Pritchard, R.L. "Industrial Democracy at Pymont C.S.R." Mimeo.
29. ibid., p.4.
30. "Management and Industrial Democracy", Chapter 15, Proceedings of Internal Industrial Democracy Conference, p. 225. Mr Jackson was one of a panel of three managers.
31. The author's notes from the seminar.
32. Pritchard, op.cit., p.3.
33. Title of one of the standard works of the human relations school of industrial social psychology by D. McGregor. Initially at least C.S.R. managers were acquainted with the work of A.H. Maslow, by one conference session leader (Prof. J.W. Hunt) comment in Pritchard, ibid., p.15.
34. See Mr Jackson's remarks, op.cit., p.225.
35. Pritchard, op.cit., p.4; quoting internal company papers concerning the survey.
36. "C.S.R. Head Office management decided that S.A. presented an atmosphere more conducive to the success of any advanced organisational practice, particularly in the field of worker participation". Work and People, Winter 1976, Vol. 2, No. 2, p.19. Whether this refers to less militant union activity or public government support, or both or some other factor is difficult to determine.
37. To 1974 the various sugar based activities of C.S.R. (e.g. sugar, milling, refining, molasses, raw sugar marketing) operated separately. Because of the rapid diversification of the company

into building and construction materials and minerals and chemicals, the sugar activities all became part of one of the three operating divisions of the company. In 1976 the sugar division employed almost half (5500) the 11,400 staff of C.S.R. and contributed 38% of group profits. See Pritchard op.cit., pp. 2-3.

38. Robson, P., "A Trade Union Shop Steward Experience...Case Study", Proceedings, Chapter 33, op.cit., pp. 561-580.
39. Constitution for Glanville Joint Consultation Committee.
40. The new manager, Mr. R. Walker, attended his first meeting of the G.F.C. (its second meeting) on 1-4-74. In 1976 Glanville employed 100 wages employees and 30 staff.
41. Correspondence, Glanville Factory Manager to State Director, T.U.T.A., 15-7-76. Emphasis given. The Director's visit to Glanville was at least in part an attempt to provide an alternative point of view to the one given by the Executive Officer of the Unit for Industrial Democracy in an address to the Committee on 1-3-76. The Director's talk focussed on the role and function of shop stewards while the Executive Officer's was concerned with semi-autonomous work groups and forms of industrial democracy generally.
42. F.S. & P.U. members were on strike in this period and won a major wage increase. F.S. & P.U. Shop Steward, Interview, 1981.
43. Minutes of the G.F.C. meetings. After a year of operation loss of interest in the committee was revived by the establishment of four sub-committees; personnel, amenities, housekeeping, review. See Work and People, op.cit., p.20.
44. Committee minutes.
45. Internal company document. Emphasis given.
46. F.S. & P.U. Shop Steward, Interview, 1981.
47. Internal company document.
48. See Bowes, L.B., "Worker Participation in Management: The South Australian Developments", Journal of Industrial Relations, Vol. 17, No.2, June 1975, pp. 125-128. and Wang, K., "Fricker Brothers Joinery - A Case Study in Job Redesign and Works Councils", Unit for Industrial Democracy, G. 10, October 1977, pp. 1-2 and 8-9.
49. Speeches by the Premier; "Industrial Democracy", Melbourne Chamber of Commerce, 16-6-78 and Executives Association, Sydney, 4.8.78. Also, Australian Private Sector...A Case Study", Chapter 31, Proceedings, op.cit. In addition a list of achievements and failures of the Workshop Committee was compiled for discussion between the Unit and the A.C.T.U. Industrial Democracy Committee in 1976. These lists are appended to Wang, op.cit.
50. Wang, op.cit., p.7.
51. Proceedings, op.cit., p. 535.

52. Wang, op.cit., p. 47.
53. Proceedings, op.cit., p. 536. Emphasis given.
54. ibid, p. 542.
55. Where supervisors are covered by awards, classifications are structured. The prerogative this company had over these supervisory Positions did not exist in the two major industries in S.A. at that time - metal and vehicle manufacturing.
56. Wang, op.cit.
57. Proceedings, op. cit.
58. ibid.
59. ibid., p. 536.
60. ibid., p.534.
61. Report for Cabinet prepared by two senior administrators of the Health Commission. 18-11-76, p.3.
62. ibid., p.4.
63. ibid.
64. ibid., p.7.
65. Personal files and notes of an F.M.W.U. shop steward. The following outline is based on these documents.
66. Some of these problems (e.g. training) are alluded to in Communique From the Co-Ordinating Group for an enquiry Into Minda Inc., 11-11-76. Problems relating to individual managers and the management structure are documented in Report for Cabinet, op.cit. Details of workers compensation claims in the calendar year 1977 show more than forty claims were made resulting in 403 days absence. The majority of these claims relate to falls and lifting injuries.
67. This was the principle feature of both the S.A. Labor Party policy from 1975, and the A.C.T.U. policy from 1977. It is discussed in detail in Chapter Six.
68. F.M.W.U. correspondence and personal observation.
69. Perceptions of the Union official and the Unit officer.
70. Unit file documents.
71. See Chapter Two.
72. Ramsay, A., "The 21st William Queale Memorial Lecture", Australian Institute of Management, Adelaide, 1974, p.23.
73. Stretton, H., Ideas for Australian Cities, Georgian House, Melbourne, 1975, p.139.

74. There were "sick" rooms in some sections of the Trust - for the tenant clients. Newspaper reports were routinely used to trace and check up on tenants. Much of the background for these remarks was provided by Etuk, J.D., "Statutory Corporations Administration Case Study of S.A. Housing Trust", Ph.D thesis, unpublished and restricted, Flinders University, 1977. The research was conducted before 1975.
75. The Staff Committee had surveyed their members, held elections for P.S.A. representatives on the J.C.C., amended the model constitution provided in the Inns Report, planned the integration of the functions of the Staff Committee and those of the J.C.C., petitioned the Minister for Housing to establish a J.C.C.
76. P.S.A. Staff Committee document.
77. Here they made a direct comparison with the Electricity Trust.
78. "The establishment of the joint consultative councils will be undertaken by an officer designated by the head of the department or authority concerned." The Inns Report Appendix 1,2 (d).
79. Stevens, L., Hammarstrom R. & O., and Gough, R., "Joint Consultative Councils: Analysis of Results From a Survey" Unit for Industrial Democracy, G.4. Adelaide, 1977. Stevens, L. and Gough, R. "An Analysis of Public Service Joint Consultative Councils' Minutes", Unit for Industrial Democracy, Adelaide, 1977. See discussion Chapter Three.
80. The Australian Workers Union, the Timber Workers Union and the Printing and Kindred Industries Union.
81. Anderson, G. Draft case study on the Housing Trust. Unpublished. (n.d.)
82. Inadvertently according to Anderson. ibid.
83. Unit file document.
84. The Advertiser, 20-9-75.
85. Bentley, P. and O'Brien G., "Job Satisfaction in the Letting Section of the Housing Trust", the Institute of Labour Studies, The Flinders University of South Australia, undated, mimeo, p.1.
86. Anderson, op.cit.
87. P.S.A. correspondence.
88. A.W.U. Correspondence 26-9-75.
89. Observation of the A.W.U. Industrial Officer handling the matter at the time. Discussion with the writer, 1981.
90. This refers to the issue raised by unions concerning separate training/education and voting for "management" and "staff".
91. Unit file document.

92. Dunstan, D. Felicia, Macmillan, Melbourne, 1981. "Much of the disussion was with representative officials of trade unions involved in the Trust, and we were able to get agreement with them, since the officials sent along by the unions included some young men who, while members of the Labor Party, were not in agreement with official policy of the Labor Party. What they wanted was worker control of the organisation...." "and the trade unions' demands of Government represented the views of no-one but a tiny coterie of Union officials". p. 264. Interestingly the A.W.U. official involved was the member of the Adelaide Sub Branch of the ALP who had moved the motion for the disbanding of the Unit for the Quality of Work Life, and for the establishment of the W.E.C.
93. This section on the industry and features of SAMCOR draws heavily on the analysis given in "The Meat and Abbatoir By Products Industry", Policies for Development of Manufacturing Industry, (Jackson Committee Report) Vol. IV, April 1976, pp. 99-148.
94. For an account of this dispute, McColl, M., "Media and Industrial Relations", Journal of Industrial Relations, Vol. 22, No. 4, December 1980, pp. 426-7.
95. Report of Investigation of the Structure and Operations of the Corporation, Government Printer, South Australia, 1977 p.12.
96. Ibid. Reference is made in this Report to the 1974 review.
97. Connelly, C., Anderson, G. and Sheehan, B., "Industrial Democracy at SAMCOR", confidential report to the Minister of Agriculture, 14-12-78.
98. Report of Investigation, op.cit.
99. Connelly, et.al. p.13.
100. ibid. Section 13.
101. J.C.C. Constitution.
102. Policies for Development, op.cit. p.53.
103. Connelly, et.al.
104. ibid., p.33
105. Inns, G., "SAMCOR's Small Piece of Industrial Democracy", The SAMCOR Aerial, Vol, 4, No. 2, June 1976, p.2. Also, Unit file papers.
106. An expression subsequently used by Emery ("deep slice" - referring to an verticle sample of positions within the organisation, and with obvious connotations to the abbatoir) was coined during the SAMCOR seminars.
107. Australian Financial Review, 5.2.74.
108. Unit file notes.
109. ibid.

110. Connelly, et.al. Section 10 and Section 14 recommendations. In 1976 the ratio of award: salary staff was 7:1. In 1978 it was 4:1.
111. Under pressure from the government to increase it profitably early in 1979 management of the Corporation decided to dismiss 30 supervisors (members of the P.S.A.). No consultation took place with the J.C.C. The P.S.A. was given only a day's notice of SAMCOR's decision.
112. P.S.A. Brief, SAMCOR, No. 3, 6-8-79.
114. P.S.A. Industrial staff maintain there was a prejudice against white collar workers on the part of some Labor Ministers who come from blue collar backgrounds. The P.S.A. was not an affiliate of the U.T.L.C.
114. Correspondence from the P.S.A. to the Minister of Labour, May 1979.
115. Interview, P.S.A. Industrial Officer, 1981.
116. See Farrow, P., "Engineering and Water Supply Department, South Australia", Industrial Democracy and Employee Participation; Digest of Case Studies, Vol. 1. Department of Employment and Industrial Relations, 1984. p.1.
117. ibid., p.3.
118. Quote in Unit for Industrial Democracy memo to Assitant Director, Premier's Department, 18-8-75.
119. ibid
120. Correspondence, Premier from General Secretary, P.S.A. 9-9-75.
121. This was detailed in a subsequent memo from Unit for Industrial Democracy to Assistant Director, Premiers Department, late October 1975.
123. Letter from Chairman, Public Service Board, to E. & W.S. Director, October 1975.
124. See discussion of Department of Labour and Industry, Chapter Three.
125. A.C.I.D. minutes, meeting 2-7-76.
126. A.C.I.D. minutes, meeting 9-7-76.
127. Memo to Advisory Committee, from Employee Representatives, M.W.C.C., E. & W.S. 6-8-76.
128. A.C.I.D. minutes, meeting 10-8-76.
129. P.S.A.C. Report, Recommendations for Future Development of M.W.C.C. - E. & W.S. Department, December 1976. P.S.A.C. did not include union officials in its membership at this time.
130. Unit for Industrial Democracy and Public Service Board project officers: Preliminary Report: E. & W.S. Operation Services Management Employee Participation Seminar, June 27-28, 1977. The full list appears in the Appendix to the Report. A diagram from the

report demonstrating the arrangement for the Basic Unit Joint Committee is reproduced in Appendix D, the M.W.C.C. was not disbanded however on the decision of P.S.A.C. P.S.A.C. meeting minutes, 3-12-76. The M.W.C.C. "to be maintained in modified form and not disbanded", and the Basic Units "would only ever be supplementary to the M.W.C.C. and not an alternative".

131. Trade union training seminar, 26-9-77.
132. Don Filmer, the Project Officer from the Unit who chaired the Seminar had been recently appointed and unlike most of the Unit staff had extensive experience in Public Service employment (both blue and white collar) and a substantial union background.
133. Farrow, op.cit, pp. 4-6. I am obliged to the Working Environment Branch of the Department of Employment and Industrial Relations for providing me with a copy of the report upon which the case study is based. I am indebted to the author of the report, Don Filmer, for his discussion with me about it.
134. Report of the Investigating Committee into Reduction of Workforce in Low Workload Areas of E. & W.S. and Department of Marine and Harbours, Interdepartmental Committee, 28 March 1978.
135. A.M.W.S.U., A.S.E., F.M.(M)U.A., F.I.A., A.G.W.A.
136. 14 additional U.T.L.C. affiliated unions.
137. A.M.W.S.U. notice of resolutions carried at mass meeting, 11-5-78.
138. The access to the documents upon which this section is based was restricted. In any case the point of interest here is the role of the Unit project officer, rather than the substance of the dispute.
139. This summary is drawn from Farrow, op.cit.
140. See Industrial Democracy in the South Australian Department of Lands, Internal Departmental Report, October 1979, p.8 and Appendix C.
141. ibid., Appendix C.
142. Internal Departmental Report, op.cit., p.9.
143. P.S.A. correspondence.
144. Departmental Report op.cit.
145. Interviews with P.S.A. Industrial Officer, and Special Projects Officer, Public Service Board, 1980.
146. Departmental Report, op.cit., Appendix A, Correspondence between P.S.A. and Director-General, Lands.
147. Taken from Departmental Report, op.cit., Appendix F.
148. See the discussion on this aspect of consensus making in industrial democracy in Australia in Chapter Three.
149. Departmental Report, op.cit., p.1.

150. The T.A.C.'s attempt to reach a consensus on policy for industrial democracy education and training based on a union draft paper was obstructed by the Unit's Departmental Head. See Chapter Three.
151. The Project Officer, at the time he was working on Board policy and implementation was also a member of the industry democracy policy sub-committee of the P.S.A. in his capacity as a rank and file member of the P.S.A.
152. Unit file document.
153. The background to the amendments prepared for the Public Service Act during 1978-9 is given in Chapter Three. Further discussion on legislative changes takes place in Chapter Five.

CHAPTER FIVEISSUES: The StateIntroduction

In the discussion of state theory undertaken in Chapter One various issues were raised concerning the nature, purpose and autonomy of the state apparatus in capitalist society. These are that the state carries out a whole range of functions which have the dual purpose of maintaining the favourable conditions for the accumulation of capital and maintaining social harmony and legitimating the system of capitalism. In carrying out functions which will fulfill these objectives the state exists in a relationship with capital which can best be described as a relative and changing autonomy. Since the state apparatus is complex and capital is differentiated, determination of the relationship requires internal analysis of the state and specification of capital.

Differentiation of the type of capital shows that it was local South Australian capital and state capital, particularly the latter which were affected by the government policies on worker participation and industrial democracy. The direction the government took throughout the decade did not directly affect the national and multinational capital which together dominate the State's economy. Although the policy of the early 1970's was specifically directed towards local capital because of the circumstances surrounding the initial policy implementation period (described in Chapter Three), and in spite of the policy modification and the tripartite statement in the late 1970's, the substantial effect on local capital was limited. Thus it was the representatives of state capital, that is, the managers of the public service and statutory authorities who were most heavily affected by the government's policy.

It is this factor which makes an internal analysis of the state doubly important; on the one hand to clarify the role of various administrators and policy advisors in relation to the development of policy, on the other to chart the progress of the implementation of policy within the public sector. The discussion which follows centres on the state agency principally involved with both the development of industrial democracy policy and its implementation, that is, the Unit for Industrial Democracy. Associated with this is some analysis of the structure of public administration.

Intervention by the state in the form of legislation to establish industrial tribunals and to regulate the relations between labour and capital is an historic and accepted facet of industrial relations in Australia. It is significant therefore that the legislative arm of government was used in South Australia in only a limited way on matters relating to industrial democracy. The reasons for this reluctance are discussed below in the context of the proposal for a legislative programme set out in the 1975 South Australian ALP policy. More generally the possibilities for implementing some forms of industrial democracy through the existing system of conciliation and arbitration is examined. Finally the features of corporatism outlined in Chapter One informs a discussion on the development of tripartism in the policy making and implementation of industrial democracy. In particular, the effect of the consensus process on the union movement, and the implications of the characteristic depoliticisation which occurs are considered.

The Interests of Capital - Local and International

In an earlier discussion the South Australian government initiative on worker participation in 1972 was placed in the context of the

international developments around workplace reform and industrial democracy.¹ Here, the account of the history of industrial democracy in South Australia during the 1970's is relocated in the context of international trends over that decade.

Initially, however, it is important to differentiate between the disparate involvement and interests that sections of capital had in the industrial democracy policy and practice of the government.

The orientation towards local capital which Premier Dunstan had given to the 1972 worker participation inquiry, an orientation which was based on an industrial development strategy, continued through to 1977 with respect to policy development when the Tripartite Advisory Committee statement of philosophy was released.² Representatives of local capital appear to have responded to the policy and attempts to implement it, both in the early period and after 1977, very much according to their owner's predispositions. For example, one of the three of the private employers on the TAC appointed by the Premier in 1976, was from a company which had previously supported its own workplace research in association with the National Institute of Labour Studies at Flinders University. On the other hand, the Chairman and Managing Director of another local company who was a member of TAC has pursued, and continues to pursue to the present time an industrial relations policy which is notable for its anti-union intention.³ The cases of Fricker Brothers and Horwood Bagshaw show specific motivations to utilise the services of the State either for the purpose of managerial consultancy in organisation development and employee relations, or in the latter case for financial guarantees.⁴

As far as interstate and international capital was concerned the case study of G.M.H. at Elizabeth demonstrates the approach taken by a

multinational company towards work reorganisation and industrial conflict, quite independently of government programmes. That approach was determined by the parent company's innovations in relation to work reorganisation, and by conventional industrial relations policy and practice. The C.S.R. case pre-dates the South Australia government initiative in its genesis at the corporate level and reflects the international trend towards participation in acknowledgement of the dual problems of worker motivation and industrial disputation. Both companies employed their own consultants, researchers and "change agents" in a fashion very similar to that of I.C.I. in New South Wales earlier on. Apart from an obvious interest in the possibility of any legislative programme developing, companies such as these pursued their own objectives seldom, if at all, directly affected by the industrial democracy activities of the government.

As far as state capital is concerned, after 1974 the increased attention given by the government to implementing industrial democracy in the public sector, and most particularly after 1976, quite obviously resulted in specific and substantial directives to public sector managers. The differentiation of state capital is important here too for the proper identification of factors affecting policy formulation and implementation. While the Public Service Board was the critical management agency with regard to implementation within public service departments, a statutory independence from the Board within the public sector encouraged substantial differences in organisation structure, industrial relations frameworks and managerial styles.

Within the state apparatus, there were major and often critical differences between the managers of state capital, both at the Board, departmental and authority levels, and between the representatives of the parliamentary system and their policy advisors. In addition, within the

government there were varying degrees of understanding of, and support for, industrial democracy as a relevant reform programme, and this was especially evident in the differences between Ministers and between Ministers and the Premier.

Having identified in a minimal way the major sectors of capital and the variable effect of the government policy and practice, we turn now to some of the major features of the international developments in participation during the decade of the 1970's, and in doing so address more fully the debate concerning the character of these developments; that is, whether they represent an evolutionary movement towards democratisation of the workplace, or a cyclical adaption by capital to challenges by labour for more control over the workplace and the system of capitalism. Whether the trend is cyclical or evolutionary, a crucial factor to consider is the role of the state. The following discussion therefore links the features of this debate to some of the elements of the theory of the capitalist state.

By the end of the decade of the 1970's the combination of economic and political factors which had provided the impetus for much of the innovations on participation and worker democracy and dissipated. The rapid and continuing deterioration of the economic climate and the emergence of conservative governments in many countries throughout Western Europe, North America and in the United Kingdom and Australia might well have been expected to herald the end of an era of extension of workers' rights. As the market position of labour worsened unions were increasingly preoccupied with attempts to retain jobs and cushion the effect of unemployment through redundancy payments and so on. In the major restructuring of international capitalism brought on by the collapse of the post-war economic boom, organised labour was especially hard pressed to do other than modify, in a very minor fashion, the

effects of such restructuring. In this broad context the retention of employment replaces job satisfaction and participatory democracy as a priority for labour. Similarly, maintenance of real wages and economic standards of living becomes the priority rather than improvements in the working environment. Protection of existing industries and jobs becomes an issue, and it is pursued in a public and independent way, rather than through the formal systems of representation of workers in management within the industry.

In this situation it might be concluded that the international cycle of interest in industrial democracy which began in the late 1960's was all but complete by 1980 leaving behind a largely irrelevant institutional and legislative structure.⁵ Others however, argue that while "the shadow of unemployment in Europe, which appeared in the 1970's and became darker through the 80's, is the main explanation for the reduced frequency of visible reforms in the quality of working life area",⁶ the search for employment has resulted in new alliances between capital and labour in some countries which have maintained the formal arrangements for industrial democracy.⁷ The removal of industrial democracy from the political agenda in most countries in Europe, however, is not to be regarded as the end to the cycle. Rather the interest by capital in certain types of participation has been maintained because of its usefulness in assisting in the introduction of technology, and in the continuing flexibility of such technology in the context of the organisational effectiveness and competitiveness.⁸ Again, in the countries where industrial democracy is still on the political agenda (Sweden, Norway and France) the labour movements are concentrating on representative forms, and the employers on direct forms of participation.

There does appear to be a case for arguing that there is a continuing trend, an evolution even, in managerial systems and organisational

structures which tend to democratise work in some respects. What distinguishes the period of the 1960's and early 1970's from the period since is the nature of the motivation of capital for introducing and maintaining participative systems. In the earlier period the motivation was not humanistic, as Qvale suggests, but a necessity for the motivation of workers and to control organised labour. In the latter period the impetus has come not from a challenge by labour, but from the challenge of the economic crisis of capitalism and its restructuring and from the new technological revolution. While the new technology pushes employers in the direction of direct participatory schemes and enterprise level programmes, the restructuring of capital pushes the state in the direction of national and industry level participatory frameworks, within which, it might be argued, the involvement of the union movement can greatly assist in the acceptance by labour of the restructuring process.

As Tabb has convincingly argued, the position of international capital as articulated in the Trilateral Commission Report on participation, bears a striking resemblance to the policies of social democratic parties: there is a sophisticated and pragmatic acceptance of the need to ameliorate the worst employment abuses and to offer shared, negotiated settlements on a wide range of employment matters, in return for cooperation, and a consensus framework for participation which will ensure the flexibility necessary for the survival of capital through the process of technological revolution and economic restructuring.⁸ The old adage that one can only continue wield power by sharing it seems to apply. In the words of the Trilateral Commission Report:⁹

The evidence suggests that well established systems of direct and representative participation, linked to the collective bargaining system, are an importance means of underpinning managerial legitimacy and of winning support for change.

The particular persistence of programmes particularly for direct forms of participation in the face of radically altered economic and

political circumstances, appears to be what has persuaded some observers to argue for an evolutionary scenario.¹⁰ This of course implies a progression to some higher development of participation, but while participation has persisted in this form it appears to mean that the same technique is being utilised for reasons other than for the substantial extension of workers' rights. There have been extensions to workers' rights in respect of safety and health, training and job security but these are certainly compatible with the pragmatism of accommodation, compromise and mutual welfare. This is consistent with the analysis discussed earlier concerning the role of the state in making the economic crisis of the 1970's fruitful for capitalism.¹¹

The imperfections of collective bargaining as a form of worker participation have been identified as; insufficiently legitimising of managerial decisions, conflict based, inflationary, and limited in the range of issues with which it can deal,¹² limited in its coverage of workers, prejudicial to peace and productivity, and limiting of individual worker involvement because of the representative nature of negotiation.¹³ It is not surprising therefore that evolutionaries distinguish between bargaining and non-bargaining forms of participation on the one hand, and between union representation of workers and worker involvement through works councils on the other.

In the 1980's it is quite apparent that the interest in, and practice of, worker participation and industrial democracy is not cyclical in the sense that its prevalence is causally related only to period increasing labour power and thus of class conflict. The reduction of labour power since the mid 1970's has not however, resulted in uniform reversion to authoritarian managerial practices as might have been expected. The continued interest in some forms of participation appears to be the outcome of other pressures on capital which necessitate their perpetuation.

Notwithstanding this longer term trend into the 1980's in participation in the form of job redesign in Western Europe particularly, and the reemergence of some more radical proposals in Sweden for economic democracy, it does appear to be the case that from about 1977 the higher profile of participation was considerably reduced internationally.¹⁴ By the time of the International Conference on industrial democracy in Adelaide in 1978 therefore the prospects for participation internationally were limited.

Internal Analysis of the State

(i) Administration

From the time of the first term of the labour government of the post-war period Dunstan, first as Attorney General and then as Premier, wanted to modernise the public service and to create independent sources of policy advice for the Government. The new Public Service Act of 1967 created a full time Public Service Board to administer the service. In 1970 the Board was reconstituted and the Premier's Department was created. This latter became a vehicle for central control over policy development for the Premier. The commissioning of the Committee of Inquiry into the South Australian Public Service in 1973 furthered the intention to reform the service. It reported in 1975 and its recommendations were very substantially carried out. In addition to this Dunstan appointed key advisors to senior position in the public service from outside the service. Two such appointments were Mr. C.J. Inns as Commissioner, Public Service Board in 1972 who shortly thereafter was appointed Chairman of the public sector participation inquiry, and Mr. P.R. Bentley as Executive officer of the Unit for Industrial Democracy.

Within the public sector in South Australia the terms and conditions of employment very widely depending on the particular status of the employing organisation. Within the departmental structure people employed under the Public Service Act are typically white collar workers and many of these have had a high degree of job security and substantial career structures available to them. The converse applies to wage labour, who are employed under various trade and industry awards within the State jurisdiction. Within the statutory authorities regulation of employment may occur by registered industrial agreement in the State jurisdiction, for example, the S.A.H.T. with P.S.A., or by federal award which relates wages and conditions to the industry interstate - for example, the Electricity Trust and the power industry.

Most frequently discussions on the government's role as employer refer to employees in public service departments which are controlled by the Public Service Board, and where the relationship is closely associated with the functions of policy development, coordination and implementation. Because of the diversity outside this area this will be the case here.

In general terms the Labour governments of the 1960's and 1970's in South Australia took the role of a fair and parity employer rather than a pace setter in relation to terms of employment, either in comparison with the private sector or public services interstate. Apart from the improvement of annual leave and long service leave in 1967 and some amendments to the superannuation scheme in 1973, other terms of employment moved according to general community standards. The more adventurous aspects of the government's employment policy were in the areas of flexible working hours, the provision of permanent part-time work, equal opportunities and, of course, industrial democracy.

The reasons for this approach lie not only with the budgetary consideration but, as importantly, with the commitment to fostering economic development and the maintenance of the traditional lower level of wages within South Australia.¹⁵ It might be suggested also that the government's interest in alternative modes of working, like part time work, flexible hours, and in equal opportunity and industrial democracy may have been as much associated with arguments for efficiency, flexibility, and responsiveness within public administration as with arguments for equity and democracy.

While the government is the employer in the ultimate sense, the Public Service Board is the substantive employer of public servants. Under the Public Service Act the Board has a statutory duty for the efficiency of departments. The Corbett Committee recommended that the Act be revised to allow the Governor in Executive Council to issue written directives on policy to the Board, and to require the Board to adhere to such directives. This was not implemented since the major revision of the Act, drawn up during 1978-79, languished when the Labour Party lost offices in 1979. This attempt by the government to make the Board more responsive to government policy interests carries the implication that the government would, on occasion, determine policy directions which would be in conflict with those of the Board. The issue of accountability of the administration to government is obvious here.

In terms of implementation of policy throughout the departments it is clear that on occasions administrators resisted the application of government policy on industrial democracy or worker participation. Two illustrations of this can be drawn from the case studies and the preceding material.

In the case of the E. & W.S. Department, management were nothing if not consistent in their reluctance to take cognizance of the changing

terms of the government's policy late in 1975.¹⁶ Further, a clear picture emerges of departmental management resisting almost all attempts by virtually all other parties to establish a viable participatory framework. Finally it was only intervention by the Board officers which brought about a workable compromise arrangement for the coordination of the Basic Units. The capacity and inclination for public service administrators to establish their own priorities and to pursue those priorities independently and in conflict with the government policy (and to some extent Board direction) is very clearly illustrated here. Resistance to change and more importantly resistance to sharing of power even in a limited way, are the most obvious interests which such public sector administrators would have in these circumstances. An additional element may well have been anti-labour and anti-union sentiments amongst some of the managers. An interesting and important facet of this example is the absence of any direct Ministerial intervention. The "management" of the issue was left largely to the PSAC group and the parties involved in that committee in their separate capacities. This prompts questions concerning the extent of accountability of the departmental management to the Minister - rather than to the Board.

The second illustration is drawn from the DLI. It is clear that the Head of the Department did not entirely acknowledge the authority of the government in relation to its policy on industrial democracy. In the context of a limited form of participation, joint consultation, he was much less committed to the practice, especially when it involved union representation.¹⁷ He was also fully prepared to argue his own interpretation of ALP policy as a government representative, and to bring to bear on this interpretation the authority of his own position within the bureaucracy.¹⁸ As well, in the case of the Housing trust he did misrepresent union proposals and question the reliability of union

representatives in a manner which aligned his position with that of the Trust management.¹⁹

In a general sense the path which the government took on worker participation and industrial democracy was largely determined by the state of the economy and the type of labour and industrial relations problems being experienced in the private sector. Firstly, the government looked to the local private sector for economic development and, to assist it in its labour relations difficulties introduced a state agency. Later, when the government's attention was concentrated in the public sector - because of the lack of response in the private sector - the state agency did exhibit a degree of relative autonomy both from the representatives of private capital on the advisory committee, and from the Board and departmental managers who represented the interests of state capital. However, the nature of the process of reaching consensus within the tripartite committees was such that the state agency also demonstrated a high degree of autonomy in relation to what might be described as the interests of labour - that is the formal Party policy. This is not surprising, since it did not exercise its autonomy alone, but in concert with the Premier and various of his Ministers.

As an "agent of change" for the government, the Unit for Industrial Democracy played a very significant role in developing and legitimising the government's policy on industrial democracy. This required staff of the Unit to "sell" the anticipated end products of democratisation (broadly efficiency or worker rights, depending on the audience), and to become involved to a considerable degree with power broking between the parties. These features of the Unit's work were evident in high level government advisory committees, where consensus building took place and at the level of individual project work where part of the Unit's function was to set the agenda for discussion between disparate groups within various organisations, again to achieve consensus.

In terms of the earlier theoretical discussion it is clear that this section of the state apparatus did have a degree of autonomy, not only from capital, but also from the rest of the public service. It had its own resources and interests and at times presented options which were contrary to the political considerations of the government.

There are a number of examples of the intervention of the state agency in the purpose of directly assisting capital in regard to its accumulation process. The first concerns the case of Ficker Brothers. Irrespective of any benefits which accrued to the workforce in this exercise, the Unit provided the company with the expertise to mount a worker participation project to solve its labour relations problems. These problems (high levels of absenteeism, turnover, and low morale), were expressions of individual discontent rather than the collective response which typified more fully unionised and better organised workplaces. The easy translation of the worker participation scheme to handle the issue of workforce reduction programme underlines the service the state had provided to capital. Despite the extension of the Unit's liaison responsibilities after 1975 to include an employee committee, there is little doubt that the primary accountability of the Unit's officer was the management of the company.

The second example concerns the legislative provision the government made to facilitate the establishment of an E.S.O.T. to assist another local company, Horwood Bagshaw, to acquire more capital after an extensive period of direct financial assistance by the state to the company. It is obvious that the company and its agents recognised the government's special need and interest in maintaining employment in a country town, and the desire by both the Unit and the government to provide examples of successful initiatives on industrial democracy.

Other case studies, located in the public sector (SAMCOR, E.& W.S.) show the Unit intervening within the state apparatus to assist the government in managing those organisations. The management criteria and rationale adopted were broadly those of private capital - cost reduction, rationalisation, workforce reduction - mingled with participation schemes designed to increase the long term efficiency and flexibility of the organisations. Here the Unit's specific industrial democracy brief was widened to a broader consultative one within the public service in an attempt to ensure its relevancy and organisational and political survival.

In doing this the Unit relied on a certain reputation it had established amongst some sections of the union movement. This was further enhanced by the recruitment to the Unit staff of two former union activists. One came from the meat slaughtering industry, the other from a blue collar union background within the public service. The unfortunate association of a Unit for industrial democracy with reports which recommended, amongst the sections on industrial democratisation, workforce reductions - however "objectively" necessary - provided the obvious material for union based protests and cynicism. Nonetheless the necessity to demonstrate the viability of the Labor government as a competent economic manager, particularly of its own state sector, not to mention the fiscal problems faced by the government, was a strong enough imperative for the Unit to distance itself somewhat from considerations of workers' rights and to undertake this general consultancy role. The terms of its recommendations were said to be more sympathetic to union and worker interest than those of the conventional consultants such as the Public Service Board and private management consultants.

The case of Minda Home is distinctive for the role the government played in intervening quite substantially on labour's behalf. To some extent it was forced into that position by the public pressure exerted by

staff and the union in relation to the composition of the governing Board. In addition, the nature of the organisation (non-profit, service provider) obviously did not involve the government in a confrontation with representatives of powerful capital interests, as was the case at SAMCOR and SAHT through their governing Boards. It was a more straightforward matter to attempt to modify management's attitude. The government also had to keep faith, as it were, with the union movement and to maintain its own legitimacy within that forum. Thus the Unit advised the government concerning amendments to legislation to clarify the position of employee directors on boards of incorporated associations, and the Unit became directly involved in assisting the major union to have some changes made to the management structure to allow for employee representation.

The highly political role which the Unit played within the apparatus of the state is potently obvious for the period during which it was located in the Premier's Department. Bearing the Premier's "standard", staff of the Unit at one time or another challenged the power, authority and prerogatives of public sector management from the level of the Public Service Board to first line supervisors in individual departments. Its success in this challenge was extremely varied. The Board pursued its own policy development independently of the Unit and retained its right to coordinate the drafting of a new Public Service Act in the face of objections from the Unit. The comparison of the developments in E.& W.S. and the Lands Department suggest that managerial predisposition and coordinated union activity were more important to success than Unit involvement. This reflects the major weakness of the Unit. Its capacity for, and after some time its acceptance of, project work was severely limited. Once the parties with substantive interests in the organisations recognised the issues involved and determined to declare

their own stakes, the power broking role of the Unit at this project level was substantially curtailed.

It is highly significant that after the Unit was relocated in the DLI at the end of 1977, it widened its terms of reference for project work to include the general consultancy role discussed above. Since it no longer undertook a political role, notwithstanding its special access to the Premier, it adopted a more conventional "special projects" character within the administrative structure of the DLI.

Until 1979 when it was disbanded, the Unit continued to play a broad power broking role between representatives of unions, management and the government and other elements within the Labor Party. An early example of this is the part the Unit played in finally resolving the farcical events surrounding the attempt to provide a participation "blue print" for the Housing Trust. A later example is the report provided by the Unit for the Minister to represent to the reconstituted WEC of the Labor Party prior to the 1979 Convention. This report set the agenda, and was the framework within which debate took place subsequently within the ALP. Not surprisingly the Minister appeared to be more comfortable with advice from ALP members within the public service than with that from a more critical group of union officials. It is remarkable that with the exception only of the 1975 policy, the parameters, the priorities and the strategies for industrial democracy in South Australia were determined very substantially outside the organisation of the Party. They are formally endorsed, from time to time by the Party, but only to a very limited extent was there discussion concerning them. The implications of this practice will be considered further in Chapter Six.

(ii) Legislation

In the period of the 1970's in South Australia the ongoing debate about the desirability or otherwise of a legislative programme for

industrial democracy was conducted in a largely hostile environment. Part of the reason for this lies with the fact that the prospect of prescriptive legislation was first raised publicly in relation to legislation and extension of workers' rights in the private sector by the ALP Convention in 1975. Another element was the common misconception that the notion of prescriptive legislation was of itself antithetical to the philosophy of industrial democracy.

As far as the private sector was concerned, from the time the government received advice on the impracticality of legislation on the five preconditions contained in the W.E.C. Report of 1975, until the transfer of the Unit into the DLI late in 1977 and the consequential change in focus on to "issues", the government did not pursue the matter of prescriptive legislation. During the 1978 and 1979 it appears that the government was considering the matter as more practical. On the one hand, the Premier referred to a legislative programme early in 1978 but retreated from it publicly after a hostile reaction from the Industrial Development Advisory Council and the parliamentary opposition. On the other hand, the activities of the staff of the Unit were more directed towards these questions of preconditions and job security in particular, to the extent that a joint state Ministers for Labour conference in 1979 had before it a proposal for legislative provision of job security, and draft legislation was before the parliament.

In the public sector the government was obviously in a much better position to consider both facilitative and prescriptive legislation for industrial democracy. Various pieces of facilitative legislation - mainly in the form of amendments - were passed throughout the period and a number of these are discussed in Chapter Three. In the main these were directed at specific barriers to employee participation arising out of existing legislation and thus were designed to remove the barriers.

The major reform in the public sector would have emanated from the redrafting of the Public Service Act. The redrafting project, undertaken by the Public Service Board, with special regard for the submissions from the Unit, was oriented not only towards the types of amendments which would facilitate and prescribe a range of democratic structures and procedures, but also towards the recommendations of the Corbett Inquiry into the public service, and therefore, towards the more general government programme of reform of the public service. On the question of staff participation on matters such as classifications and promotions the Corbett Committee recommendations largely endorsed the recommendations of the Inns Inquiry into worker participation. The types of amendments being put forward by the Unit were much more far reaching than these however, since they addressed not only representative participation in various personnel committees, but also matters such as changes in delegation levels and forms so that participatory working arrangements could and would be made. For example; a formal requirement under the Act for the Public service board and the Permanent Heads to report annually on the measures being taken to delegate matters under their control; a provision for officers within the service to request the delegation of a function; restrictions on the powers of the Board or the Department Head to revoke a delegation without substantive justification.

For a country with such a history of state intervention, the low level of state intervention in the form of legislation in the field of matters associated with industrial democracy, that is information rights for unions, protection of employment, shop steward rights and so on, is in one sense quite remarkable. There were four legislative undertakings contained in the ALP policy on industry democracy in 1975; access to information, job security, shop stewards rights and employee directors. The lack of progress on these to the present day indicates the severely

restricted capacity of a reformist, social democratic government, particularly perhaps at the State level, to undertake any fundamental reform of the industrial relations on behalf of labour. In that sense it is not remarkable that, apart from some limited facilitative legislative changes (regarding employee directors in public and non-profit organisations, and protections against discrimination against shop stewards) and some potential legislation like the Public Service Act redrafting, the government withdrew completely from the legislative field.

In its attempts to rationalise this withdrawal the government advanced various arguments concerning the practicability of such legislation. Some of these were substantial, others not. It is worthwhile examining those arguments in relation to these four issues in retrospect, and placing them in the context of the 1980's debate. Firstly, however, we need to review the conventional arguments concerning the legal context for participation reform.²⁰

In Australia the employment relationship is primarily defined by the common law rights of the employer to command and the worker's responsibility to obey. Since the turn of the century the industrial tribunal systems have institutionalised managerial prerogatives so that the management functions of control, direction and so on can not, of themselves, be the subject matter of an industrial dispute or be subjected to an arbitral decision of the tribunals. Thus management prerogatives are still, to a large extent, sacrosanct. Employer rights over the productive process include the right to hire and fire, promote and demote, control of information. Although the power of unilateral decision making over wages and conditions has obviously been extensively modified in the post war period by union activity, especially in the public sector, the formal legal authority to direct workers has been retained by the employer. Thus any attempt to alter the employment

relationship at the workplace in the direction of sharing decision making, confronts at once the common law rights of the employer, as well as the quasi-legislative framework of industrial awards and agreements which institutionalise not only managerial prerogatives, but traditional union responses as well. For example, dangerous or dirty working conditions are compensated with penalty payments, rather than with claims for improved conditions - and the payment often becomes an integral part of the wage rate.

Equity and company law present another set of difficulties for industrial democrats. The major problem concerns the representation of employees on governing boards of enterprise; worker directors. In general directors are regarded as being responsible for company interests to the exclusion of all else. No public or social duties are prescribed for directors and they have no responsibility to employees. Thus the role of a worker director who represents employees conflicts fundamentally with the idea of directors being independent rather than having a delegate role.

The other aspect most commonly held to a barrier to worker directors is the issue of confidentiality and the rule of equity; that a person in a fiduciary position should not be placed in a position where interest and duty conflict. Employee shareholders also have their access to information restricted. Certainly, company law in Australia presents a barrier to the full participation of both worker directors and employee shareholders in company policy formulation.

The third area of law which impinges on the industrial relations environment, and so many other aspects of Australian society, is constitutional law. Because of the state-federal division of legal power in the constitution whereby specific powers were allocated to the federal government the remainder were retained by the states, the power of the

federal government to legislate on industrial matters is extremely limited. The States have the power to legislate on a range of employment matters, such as workers compensation, health and safety at work, long service leave. There is no legal restriction on the South Australian government's ability to legislate on the matters raised in 1975 by the A.L.P. Convention; that is, employment security, paid education leave, rights of shop stewards, access to information. Yet in a situation where nearly half the workforce work under federal awards and agreements, obviously complementary legislation is desirable at the federal level.

The removal of barriers in these three fields of law, through facilitative legislation, became the conventional wisdom in Australia around late 1976, after Labor governments in South Australia and New South Wales distanced themselves from the prescriptive formulae of those branches of the Labour Party.

Late in 1978 however, the South Australian Minister of Labour and Industry raised the issues of job security and redundancy provision in the meetings of Commonwealth and State Ministers of Labour. In February 1979, after failure to reach any consensus on the matter South Australia presented the draft amendments to the Industrial Conciliation and Arbitration Act to the meeting of Ministers in an attempt to force a pattern of national, uniform legislation. The provision contained in the draft were based on those contained in the legislation in the United Kingdom passed in 1972. The amendments were not enacted and the pattern of extensive provisions through individual awards and agreements both in the federal and State jurisdictions continued to be the major vehicle for employment protection in the private sector throughout Australia until legislation was passed in New South Wales in the 1980's.²¹

There are several reasons why the government maintained its distance from the job security issue until 1978. Firstly, any legislation in the

State would apply to many large companies whose capital was interstate or multinational - in so far as there was no federal industrial provision to the contrary. The smaller, locally based companies would presumably have been alienated from the government's consensual approach to worker participation, while the large multinationals which the government had not sought to influence would be covered by the legislation and the government could anticipate a strong reaction from them - especially since they had not been included in the advisory committees. Secondly, although there was increasing pressure on unions to act for their members in relation to the steadily worsening employment situation, in the main that action took the form of redundancy and retrenchment settlements through negotiation and arbitration, rather than employment protection through redundancy guarantees. In view of the close association of various key union officials with the leaders of the parliamentary party and the process of consensus making within the A.L.P. 'machine' during Dunstan's period as leader²², it is not surprising, given the political and economic reasons for the government's distance from the matter, (suggested above), that the union movement did not press the government for legislation. This is particularly the case when the drafting of such legislation could be difficult and time consuming in view of its implications. In addition the passage of the legislation would be subject to all the delaying tactics of the opposition. The settlements, however minimal, which were being won by unions through negotiations or arbitration eased the pressure on the government, especially since it had given no specific undertaking to legislation.

On the matter of access to information or employee information sharing, a recent survey of international provisions demonstrates just how great the extent to which Australian form and practice trails the United Kingdom and Western Europe as well as the United States.²³ The

framework within which a recent Australian study was conducted is indicative of the problem; internationally the major purpose of the access to information provisions is to enable union representatives to negotiate more equally and adequately, whereas this is totally ignored by the study.²⁴ Rather the emphasis is on the benefits to the employer of employee's understanding and knowledge of the employer's problems and economic position, not on the facilitation of union information for negotiation purposes in protecting worker rates, conditions and jobs.²⁵

Nevertheless, the Unit, during 1977 did propose a programme of facilitative reform including the Associations and Incorporations Act, the Trustee Act, Industries Developments Act and the Public Service Act, the Statutory Authorities Act and the Companies Act. But the government was vulnerable to employer opinion, both as expressed from time to time through the local press, and probably even more so, within the confines of its own advisory committee on industrial development.

While there may be some substantive arguments concerning the intrinsic practicability of the prescription of detailed structures for worker participation in management decision making, as envisaged in the A.L.P. policy, objections to mandatory requirements for job security, information, education and representation rights are based on fear of adverse employer reaction and alleged legal difficulties.

Following on from this discussion of legislation in general, we return to the role of the industrial tribunals in relation to industrial democracy. It is a very significant one. There is little doubt that the legalistic framework of industrial relations which they principally administer provides capital with a conservative and protective mechanism for preserving traditional managerial prerogatives. But it is also apparent that the tribunals can on occasions be innovative, with the corporation of the parties, and with capital usually under a high degree

of pressure from the unions, in introducing mechanisms and procedures which incorporate some elements of shared decision making between the employer and unions.²⁶ On some occasions this eventuates after extensive disputation, on others in the context of managerial innovation with the concurrence of the unions and employees.

In this context these provisions, whether they relate to employee and/or union participation in work allocation regarding and pay rates of workers in consequence of skills enlargement through the operation of semi-autonomous work groups, introduction of technological or organisational changes, the principles for the operation of a work group which include work allocation, performance standards and the role of supervisor, or to procedures for termination, represent an extension of workers' industrial rights.²⁷

In the cases where major disputes bring about the increase in shared decision making, or in the situations where there is a pragmatic acceptance of the need to share some power in order to retain broader authority, control and flexibility, it is obvious that the accommodation between labour and capital occurs on a much wider front than the traditional terms and conditions of employment area. While this process may contain potential elements on incorporation within it, it does, in the immediate sense and in an undeniable fashion, advance the field of workers' rights.

Notwithstanding the nature of these types of settlements and agreements, the capacity of the tribunals to defend traditional managerial prerogatives when required to do so, should not be underestimated. In calling on the arbitration system to perform this task, capital relies substantially on the legal definition of industrial matters, and the facility this gives to have excluded from the jurisdiction of the tribunals a wide range of matters which are of

importance and interest to unions and the workers they represent. One of the major debates of the early and mid-1970's in South Australia in relation to industrial democracy was concerned with the distinction between industrial and non-industrial matters. For a substantial period of time there was very little recognition of the possibility that worker participation was a matter which should involve unions or be regarded as an industrial matters.

At the workplace many employers reinforce this division by refusing as far as practically possible to discuss "non-award" matters with union representatives and officials. This means that unless there is a dispute situation which forces the management into a negotiating position, the employer can, in a day to day fashion protect managerial prerogatives. Most employers do. Since the industrial relations system in Australia is highly centralised and since either party may notify disputes and so engage the tribunals in their resolution, it is only where unions have significantly high levels of power and organisation that they are able to force employers to relinquish what has been regarded as a managerial prerogative and establish some level of negotiation in regard to the matter.

This is the reason for joint consultation being so widely accepted initially in South Australia. It was perceived by employers both public and private as an alternative, non-industrial, non-union, non adversary form of worker participation. This perception was encouraged initially by the government itself. Employers and to a large extent union officials supported it for different reasons. The former because it by-passed the unions; the latter because they sought only to ensure that traditional industrial matters remained under their control, recognising perhaps that substantive matters which were not resolved within J.C.C's would revert to them in any case. Other, less conservative union leaders saw the

dangers in successful joint consultation since conditions which might have been won by the unions would be achieved without the union organisation. More astute employers sought to give joint consultation a legitimacy by including union workplace representatives on such committees thus making it more difficult for unions to oppose them.

In the field of job redesign and work restructuring, by adopting a participatory method with which employers were able to reinforce their prerogative to organise work, only individuals and small groups of employees were involved in this process independently of union officials. Even where union officials were involved, they very frequently saw the reorganisation of work as a non-union matter. They were content to attempt to negotiate the rate for the job after the restructuring was complete. The control issue is just not raised. In these cases the employer is able to offset claims for higher rates, based on, for instance, greater responsibility, multi-skilling and so on with reference to the intrinsic value of the job for the workers. In some cases the claim for a higher rate never eventuates because workers have been convinced of the benefits to them of the intrinsic rewards resulting from the job redesign. Thus the managerial prerogative is maintained.

And there remains still amongst some sections of the union movement, despite the A.C.T.U. policy of 1977, a conception of industrial democracy and participation and a "thing apart" from industrial relations and from unions in particular, something which is an alternative to organisation of workers. Such a view, which remains surprisingly common, contends that workers and unions are not interested in industrial democracy - meaning that they are not interested in participating in higher level management decision making in enterprises.²⁸ Workers and unions may not be interested in a "thing" called industrial democracy, but some are obviously interested in industry planning and job security, in the

introduction of technological change and its effects on workers' jobs, health and future prospects. Given that workers may have certain basic conditions of employment secured, for example, job security and maintenance of real wages, they are likely, based on the history of the 1960's and 1970's, to be interested in participatory democracy as well.²⁹

It was the Unit for Industrial Democracy which achieved a partial unification of industrial relations and industrial democracy when, in the context of the argument for preconditions contained in the 1975 ALP policy, it facilitated the establishment of the Tripartite Advisory Committee and was heavily involved in the drafting of the Statement of Philosophy which was completed and released in 1977. In addition to this, through its application of tripartism at the level of such advisory committees and in the process of project development - the earliest of these being the Housing Trust steering committee on industrial democracy education - the Unit encouraged an acceptance of union participation in programmes. This acceptance on the part of managers of private and public sector capital appears to have been greater where union officials took a policy making or general overseeing role. Closer to the workplace the acceptance of the crucial role of shop stewards in representing workers was much more frequently called in to question. Before turning to a closer examination of the operation of tripartism however, there is a further category of legislation which is infrequently discussed³⁰ and which concerns the establishment of preconditions for industrial democracy.

If it is accepted that industrial democracy is about an extension of workers' rights and that trade unions are the legitimate if not perfect, organisational vehicles for effecting this extension then there is a range of supportive legislative provisions which can profoundly effect

the capacity of unions achieve this. There is a range of supportive legislation which can indirectly affect the bargaining position of unions. Such provisions include those aspects which improve the organisational strength and efficiency of unions - for instance preference for unionists clauses in awards and agreements, protection for workplace representatives, right of entry of officials, and so on. They also include provisions which encourage a broader and more substantial role for workplace representatives and an acknowledgement of the importance of and legitimacy of joint union organisations, such as joint shop committees, in the multi-union environment. Without creating new legislation, the improvement of some existing provisions could radically alter the power context within which unions operate. For example, one of the earlier case studies concerns G.M.H. and its quality of work life programme in the context of its industrial relations practices. Under the provisions of the legislation that company was fined only \$300 for victimising a shop steward, although it later reached an out of court settlement of \$20,000 with the shop steward in exchange for his foregoing his right to reinstatement.³¹ Another example concerns the facility under the South Australian Industrial Conciliation and Arbitration Act for small groups of workers to obtain awards from the Industrial Commission independently of existing unions. In many cases the establishment of an award in this manner simply foreshadows the creation of another competing union in the industry.³²

An extremely important example of new legislation of this broadly supportive type is the act of federal parliament which created the Australian Trade Union Training Authority. The Authority of itself however, was of limited value without a complementary strategy on the part of the unions and the government to ensure its utilisation. This involved the establishment of award provisions for paid trade union

training leave. The federal Labor government assisted this in two ways. As an employer it made provision for paid leave for its own employees and to encourage their participation and set a standard for the private sector. Secondly, it made budgetary provision for make up of wages of workers who were able to obtain only unpaid leave. Once established, T.U.T.A. supported unions in the increasing number of claims being made for employer-paid education leave. In South Australia the Labor government made paid leave available to most public sector employees, and the U.T.L.C. mounted a test case in the State Commission in 1976. With the successful completion of that case the provision became, in the usual way, part of many awards and agreements. While this remains, as in the federal jurisdiction, a minimum provision, the cost of trade union training leave has largely shifted from the state to employing capital and it has become an industrial right for workers who carry out a union role at the workplace, albeit variable in quality and quantity, depending on the particular award or agreement, and often on the union as well. The requirement for union endorsement for any participant in T.U.T.A. courses protects and ensures union control over the provision by a state agency of the training service. While this may have some negative consequences in where union leadership may be disinclined to authorise attendance, for whatever reasons (prejudice, political differences,) the positive feature of union participation in the selection of participants is that it prevents overt employer or state influence over internal union matters. Thus, on this question of trade union training, the combination of legislation, administrative support and union action through the tribunal system extended this important provision to a very large number of worker representatives over a period of a few years.

Tripartism in Industrial Democracy

During 1976 tripartite structures started to appear for the implementation of projects and the development of policy on industrial democracy in South Australia. The confusions and uproar surrounding the attempts by the government to develop an organisational structure for worker participation in the management of the Housing Trust at the same time as the P.S.A. was seeking a mechanism for achieving better employment conditions for its members, resulted in the formation of a joint steering committee to oversight an education programme for staff of the Trust. That joint steering committee, comprising management, union and Unit representatives, was the forerunner of many other steering committees with varying terms of reference, throughout the public sector. Non-management joint steering committees also appeared in the private sector as in the G.M.H. proposal. These frequently appeared to be bipartite but consultants with the air of independence created by their ownership of special knowledge, gave them a tripartite-like character.

At the policy, rather than the operational level, the inter-departmental committee within the public service (A.C.I.D.) formed to advise on the implementation of the 1975 A.L.P. policy, was rapidly replaced by a tripartite committee which was almost wholly concerned with policy development (T.A.C.) and another which eventually became tripartite and was more operationally oriented to projects within the public sector (P.S.A.C.)

Beyond the obvious consensus making function of such committees, in both of the above cases the government sought to depoliticise the issues which had been raised by the 1975 W.E.C. Report and the confusion and conflict over a "model" of industrial democracy for the Housing Trust. In this they were entirely successful, although as far as the A.W.U. and

the issue of the status of non-unionists was concerned, mechanisms within the Party organisation - the is, the W.E.C. - were necessary to resolve the matter in the manner preferred by the government.

The nature of representation and the accountability of members of the Tripartite Advisory Committee was quite unspecific. Thus while the tripartite committee statement contained diplomatic wording concerning the unions as legitimate representatives of workers, an individual employer on the committee consistently refused to accord unions basic recognition and opposed all attempts by unions to recruit and organise workers. On the other hand, the involvement of union representatives on the Committee was highly variable with some making little or no contribution at all - ironically these were from A.L.P. affiliated unions - and, as unions officials, were obviously under little pressure to report to either the U.T.L.C. or their own unions for the direction the statement took. Only one of the union officials was identified with the 1975 A.L.P. policy on preconditions and that was the Secretary of the A.M.W.U. The point of view he put on the Committee - and it was one which was very influential - was not a U.T.L.C. policy (for at this stage one did not exist) but the policy of his own union. The Tripartite statement was a political document and the value of it lay in the quoting of it as a authoritative document in representing a case for participation. Other than this educative role however, the document and the policy which derive from the consensus achieved between representatives of capital, labour and the state was a specific acknowledgement of the interests of capital by greatly modifying the undertaking labour had claimed from the state through the A.L.P. in 1975.

The example of tripartism at the State government level in relation to industrial democracy has none of the wider elements of corporatism which arise from the involvement of capital, labour and the state in

relation to, for example, a national prices and incomes policy. While the mechanism of consensus are there within the special extra-parliamentary structure, the problem of maintaining the consensus through the authority of the hierarchies of the parties did not arise. Neither did the possibility of bargaining over wider issues. The final chapter addresses the implications for industrial democracy of the present prices and incomes Accord which has been operating in Australia since 1983.

Summary and Conclusions

This Chapter has explored some of the issues which arise for the operation of the state from the experience of the South Australian government's industrial democracy policies and the attempts by the state agency to implement them. Oriented towards local private and later state capital, the state, operating at the level of a State government, sought to involve local capital in both participatory schemes and the diversification of the economy. The reforms of the administrative apparatus of the state to ensure its flexibility and efficiency also contained the intention to demonstrate to the private sector and benefits of industrial democracy. The complexity of the state apparatus and the resistance of many of its managers towards ideas of staff participation is clearly shown in the earlier chapters. The political difficulties the government anticipated over the matters which would advantage labour and unions, that is job security, access to information and shop stewards rights, were real enough. The real question is, however, not "whether legislation" but "legislation, who for?" It is clear that in the historical context the Dunstan government's willingness to meet the needs of local capital in respect of specific difficulties, was no less than that of Premier Playford before him. In Australia generally, it would

appear that the path for legislation for industrial democracy so typical of the European scene will be followed in the public sector; the redrafting of the South Australian Public Service Act was a clear forerunner of this. While there is a range of technical legislative difficulties for the implementation of industrial democracy in the private sector, it would appear that there is considerable scope for the strengthening of union organisation through the agency of the industrial tribunals in a manner which is quite consistent with their historical birth. Given the "land mark" decision of the federal tribunal in 1984 on job security, and given the network of award and agreement provisions on redundancy which preceeded it, legislation which reforms the federal Commission could progress the collective bargaining type of industrial democracy which has been so thoroughly identified with unions.

FOOTNOTES

1. Chapter Two.
2. See Chapter Three.
3. The factories of Hills Industries are energetically maintained as non-union shops by the company. In 1982 Hills Industries Limited dismissed Mr. D. Sutherland, who subsequently prosecuted the company under S.5 of the Conciliation and Arbitration Act for victimisation of him as a union member and claimed both reinstatement and compensation for lost wages. Mr Sutherland won every aspect of his claim. Keely, J. of the Federal Court of Australia revealed as well that the supervisor responsible for Mr Sutherland had taken a position with Hills Industries because it was a non-union shop. *Sutherland v. Hills Industries Limited*, in the Federal Court of Australia, No.3 of 1982, Keely, J., Reasons for Judgement, 18 August 1982. The fine, \$300, was the same in 1982 as it was in 1975.
4. See Chapter Four for the case study of Fricker Borthers, and Chapter Three for reference to the financial arrangements for ESOT establishment in Horwood Bagshaw.
5. Ramsay, H. "An International Participation Cycle: Variations on a Recurring Theme", Conference on Organisation, Economy and Society. Prospects for the 1980's, Brisbane, July 1981.
6. Qvale, T.U. "Industrial Democracy; Current Overseas Trends and Developments", Industrial Democracy and Employee Participation Seminar, Melbourne, 17th August 1984, p.9.
7. ibid.
8. Tabb, W. "Social Democracy and Authoritarianism: Two Faces of Trilateralism Toward Labour", in Sklar, H. (ed.), Trilateralism: Elite Planning for World Management, South End Press, Boston, 1980, pp. 308-323.
9. Collective Bargaining and Employee Participation in Western Europe, North America and Japan, The Trilateral Commission, the Triangle Papers: 18, New York, 1979, Summary of the Report, p. xvii.
10. For instance, Cordova, E. "Workers' Participation in Decisions Within Enterprises: Recent Trends and Problems", International Labour Review, Vol. 121, No. 2, March-April 1982, pp. 125-140.
11. See Chapter One, pp. 14-15 especially.
12. Collective Bargaining and Employee Participation, The Trilateral Commission, op.cit.
13. Cordova, op.cit., pp. 128-9.
14. Short, T. "Industrial Democracy in the Social Democracies in Europe and Australia", unpublished mimeo, 1978. He quotes the budget cuts of worker participation projects within the OECD in 1977 as being a key indicator.

15. See Chapter Two.
16. See Chapter Four.
17. See Chapter Three,
18. ibid, pp. 20-21.
19. See Chapter Four,
20. These are drawn from Pritchard, R. "Legal Perspectives on Industrial Democracy in Australia", in Pritchard, R.L. (ed.), Industrial Democracy in Australia, CCH, 1976, pp.9 9-134.
21. For an indication of the extent of these provisions by 1984 see "Termination, Change and Redundancy Case: Decision", Australian Conciliation and Arbitration Commission, Print F6230, 2 August, 1984, Appendix A, pp. 61-68. This list includes only provisions in the federal jurisdiction.
22. Stokes, G. "South Australia: Consensus Politics", in Parkin, A. and Warhurst, J. (eds.), Machine Politics in the Australian Labor Party, Allen & Unwin, Sydney, 1983, pp. 137-140.
23. See Taylor, Dennis, W. Employee Information Sharing, Austalian Government Publishing Service, Canberra, 1982, Chapter 4, "Employee Information Sharing in Overseas Countries".
24. ibid., See particularly Taylor's small section on the relationship with unions, within Chapter 3, "Barriers to Employee Information Sharing".
25. Guidelines on Information Sharing, National Labour Consultative Council, Canberra, 1984, not surprisingly are not obviously anti-union, but they are still some distance from the European provisions, and are strictly voluntary.
26. See Isaac, J.E., "Industrial Democracy in the Context of Conciliation and Arbitration", in Proceedings of the International Conference on Industrial Democracy, CCH, Adelaide, 1978, pp. 355-379.
27. ibid., The examples appear at pp. 366-372.
28. See Yap, J. "Employee Participation in South Australia: A Critical Historical Analysis", M.B.A. thesis, University of Adelaide, 1981. He quotes the Research Officer for the U.T.L.C. and the former union liaison officer of the Unit for Industrial Democracy as saying that workers were not interested in industrial democracy. pp. 123-125. Yap perpetuates the conceptual distinction between workers' rights and industrial democracy by interpreting a defence of basic living standards in an economic recession as a retreat from interest in shared decision making. What it does represent is a concentration on the basic (and admittedly limited field) decision making areas, rather than the more wide ranging ones. ibid.
29. See discussion in Chapter Two.

30. One place where these are discussed is by Short, A. in "The Use of Legislation", Chapter 21, Proceedings, op.cit., pp. 332-342.
31. "Job Row Ends in Pay-Out", The Advertiser, 29.1.1981. The VBEF Shop Steward, Les Bowling was sacked on 10.8.1978. the Company, G.M.H., was fined \$300 for the breach of the Act but no reinstatement was ordered. Bowling appealed and won the reinstatement on 19.11.1980. G.M.H. paid out a total of \$131,000 in legal costs and payments to other workers who were sacked after striking over Mr. Bowling's dismissal. Mr Bowling was reinstated twice, once in 1975 and again in 1978. This is a common problem in Australia in relation to penalties in other protective legislation, for example health and safety, where no minimum fines are prescribed and the maximums are totally unrealistic.
32. During 1983 a group of workers at Flinders University applied for such an award and is currently pursuing registration under the Act. In 1984 a group of teachers lodged a similar application for an award.

CHAPTER SIXISSUES: The Labour MovementIntroduction

This chapter deals with five issues of importance for the labour movement in the development of industrial democracy. The first of these concerns the nature and direction and limitations of the reforms carried out by social democratic governments generally, and specifically the degree and purpose of state intervention for workplace reform in the shape of worker participation and industrial democracy. Expectations of Labor Party governments in Australia are often high but usually restricted and narrow in as much as policies tend to adopt the character of 'shopping lists' of claims rather than comprehensive strategies for change. This is particularly the case for industrial relations matters where the union movement has something akin to proprietorial rights over the substance of such claims. Those from within the Party who might seek to influence policy development in a broader fashion are largely rejected or excluded.

These considerations lead to the second issue; the question of how policy might be articulated so that it is broad enough to allow some flexibility in implementation, but sufficiently specific to restrain those pragmatists in the parliamentary party from rewriting the policy under pressure from other interests. This brings into focus the structure and operation of the Labour Party and the nature of its democracy. It also raises a more technical question concerning the method by which the Labor Party people may best understand the operation of the state administrative apparatus particularly so that they may know both its limitations and its possibilities in respect of the implementation of desirable policies, but also that they may provide substantial alternative policies to those defined and refined within the

state administration.

The impact of the growth in participation of women in the workforce in the post-war period and the influence of the women's movement on their economic and sexual emancipation has had considerable effects on the industrial relations environment and will continue to do so. Feminist Politics has a radical potential which is absent from most of the left of the labour movement in Australia. In many ways however, the women's movement has sought to use the state to redress various injustices and inequities in much the same way as have the union movement since the turn of the century - and the more revolutionary reformists amongst them suffer the same disillusionments and frustrations as have many a radical trade unionist before them. Nevertheless feminism introduces to industrial democracy a new dimension and new issues which can be so easily ignored by a patriarchal labour movement. Paradoxically they may well receive more attention from an equally patriarchal, capitalist-state system.

The major issue for a union movement which seeks to introduce industrial democracy, that is an extension of workers' rights through a single channel of union representation, is to effect a method by which this can be achieved. In a country where union membership is not much more than half the workforce and varies markedly across industries, and where centralism of the industrial relations system and multi-unionism present complications and dilemmas in the usual industrial relations environment, it can be expected to present extra challenges for substantial participation programmes. In addition, a single channel of union representation makes a mockery of industrial democracy unless unions are effective democratic organisations of themselves, and adequately reflect the changing and sometimes diverse needs of their members.

A major barrier to the development of industrial democracy in South Australia in the 1970's was inadequate resources. The resources were

inadequate both in terms of functions - for example, education, training and research - and in terms of their uneven distribution between the parties. This is the final major issue to be discussed in this chapter.

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The possibilities of a workers' revolution in Australia is nothing if not remote. The fundamental limitations of trade unions as a revolutionary force even where other economic and political conditions result in extreme exploitation and substantial loss of individual freedoms, is generally acknowledged. Further, trade unions in Australia are not characterised by revolutionary philosophies and strategies. While some adopt rather more radical approaches to bargaining over control issues, most are content with bargaining and advocacy over traditional issues such as wages and conditions, although in the last decade or so, new issues have been placed on the agenda, such as technological change, job security, health and safety. Very few however, seek to challenge the viability of capitalism: most seek to obtain more from it, either in terms of payment and compensation work (the wage-effort bargain) or in terms of less arduous circumstances in which to perform work. Although the current prices and incomes Accord significantly widens the types of trade-offs that are available to unions, in a way which is typical of corporatist systems, the basic philosophy of the Accord is to assist in the recovery of capital in Australia, and through the recovery, to reward workers with better standards of living, and to provide them with some opportunities to participate in the further economic development of Australia - both through the structures of the Accord and the improved channels of communication and consultation and discussion and negotiation at the workplace. All of these are within the control of the union movement and

while there is close agreement and cohesion between the leaders of the union movement and the government concerning the objectives of the Accord, and until the possibility of the benefits not accruing becomes more obvious, it is unlikely that there will be much dissent - either verbally or through industrial action.¹

The particular and fundamental orientation of the Australian Labor Party is a strategy of gradual reform of the capitalist system and not towards the possibilities of socialist transformation, but simply towards a better, more flexible, more efficient, more productive economic system. Those with a socialist vision are very few in the Labor Party and of course, in the Australian population as a whole there are even fewer. In the absence of a vision of other possibilities for economic organisation, articulated by political leaders it is not surprising that there is not mass interest or support for any fundamental reform to the system.

For those with some commitment to a socialist transformation the experience in other countries, where there is a more substantial reformist tradition in the social democratic mould, where eurocommunist leaders use what is known as "salami tactics" in their attempts to effect fundamental anti-capitalist reforms, is instructive. In considering these approaches it is crucial that the cultural, economic and social differences between these countries and Australia are acknowledged. Notwithstanding that, just as it is possible for multi-national capital to operate in a variety of different cultural settings without variance from the essential logic of capitalism, so it is possible to draw out the features of anti-capitalist reform which are universally applicable, in a theoretical sense at least.

What defines anti-capitalist reforms are those which enable workers to challenge the power of the employer to decide and control in a manner which addresses the everyday problems of these workers. In this context

the Swedish experience is of particular value.² Features of this experience which appear to be significant in advancing Swedish workers' and unions' ability and inclination to wrest at least a share of the managerial and capital rights of decision and control are: the duration of social democratic party's period in government, the close relationship between the union movement and the social democratic party, the ability of the government to legislate to direct and facilitate change, the high levels of union membership, the high degree of centralisation and authority of the peak council of unions and the consequential extensive financial and human resources of the union movement; the high levels of participation of women in the workforce made possible and encouraged by special provisions for women in their role as child bearers and for men and women in their roles as parents; the more equitable treatment of women as workers through equal and comparable pay, and anti-discrimination measures.

It can well be argued that the Swedish case does not represent anything but a highly developed and lengthy case of gradualism which is aimed again at a reformation of the worst features of capitalism and its consequential survival, rather than any challenge to the political economy of capitalism. It may also be argued that the high degree of organisation and centralisation of the union movement assists a process of corporatism. It can just as easily be argued however, that the Swedish culture is characterised by its orderliness and the "gradualism" is a result of it, and that the major legislative initiatives of the social democratic government there have resulted from pressure from the unions to introduce changes that they have been unable to negotiate successfully with employers. In addition to these points, it may be further be argued that to the extent that the union movement (represented by LO) provides comprehensive policy advice to the government, gives the social democratic party (the SAF) a source of advice independent of both

the party structure and the public administration, this is far less corporatist than government policy developed on a tripartite consensus basis.

With reference to party-union relationships and interaction, a most interesting contrast can be drawn between the circumstances surrounding the reaching of agreement on the A.L.P.-A.C.T.U. Accord early in 1983 and the adoption in 1981 by the SAF of the Wage Earner proposal developed by the LO during the 1970's.³ The involvement of union officials and rank and file members in the development of each proposal was radically different and reflects the different levels of union resources in the two countries, and also the acceptance of hierarchy and the immediate political circumstances in Australia. In Sweden 1% of LO members participated in a study programme on wage earner funds before the proposal was put to the LO Congress in 1976. In Australia, notwithstanding some discussion during 1982, in the period immediately before the election and just after a change in leadership of the Labor Party the terms of the Accord were agreed to by a handful of Party and A.C.T.U. officials and were endorsed by a rather hurriedly convened meeting of one hundred or so federal union officials.

The experience of the workplace reform programme of the social democratic government in South Australia in the 1970's was characteristic of reformist governments generally. The limitations of such governments have been analysed and commented on for decades.⁴ As Catley and McFarlane so neatly express it:⁵

The role of a social democratic party in office is complex. On the one side, it cannot seriously interfere with the character and direction of the capital accumulation process over which it has little control....On the other side it cannot get elected with mass support unless it offers significant reforms for the general working population.

Conditions in South Australia were such that the Labor Party, despite its decade in government was never very secure politically, and after three decades of being in opposition with its industrial wing substantially embraced by the Playford government as partners - albeit junior - in the economic development of the State, it was under very little pressure from the union movement to do other than provide conventional industrial reforms. The assertion of authority by unions within the Party over the industrial democracy policy in 1974-75 was not long lived. The failure of the unions to press the government on matters such as job security and so on and the extent to which the programme was able to be managed through the state apparatus points up the inexperience of the union movement in making clear what reforms are significant for workers.

In addition, there was a tendency by some people in the Unit for Industrial Democracy and elsewhere in the state administration, during the most eventful time in the attempts to implement industrial democracy policy, to berate union officials for their lack of vision, education, skills and so on, and thus in a sense to "blame the victim" for the undoubted lack of resources which in fact accounts for much of the limitations. For their part, many union officials regarded staff of the Unit as "academic"⁶ and industrially inexperienced, which most of them were. Ironically the Unit and individual departments were able to attract people to positions within the administration, people who might otherwise have provided expertise to unions, and so depleted the limited supply of resources to the unions.

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There were four government policies on worker participation or industrial democracy in South Australia during the decade of the 1970's. All of them presented some difficulties to the union movement and more

generally to the labour movement for a variety of reasons. The first, having been developed by the state principally in consultation with sections of local capital and very substantially influenced by academic researchers and consultants in a climate of semi-secrecy had, notwithstanding the Premier's intentions to the contrary, potential implications for the operation of unions. These had not been considered by the government despite the availability of other research internationally which demonstrated them. In addition, the obvious question arises here concerning the desirability of a Labor government formulating a new and important policy quite independently of the formal structure of the Party. Furthermore, the total absence of any accountability for the representatives of the state and capital (and also of the union representative) to anyone other than the Premier brings into focus the role of advisory committees in depoliticising various issues. Not only that, it highlights what is a continuing problem in the operation of such committees that is, the acceptance of members of those committees as representatives, or delegates and consequentially, of any political context to the activities of the committees. This aspect will be returned to shortly.

The second policy, by contrast, having been formulated within the Party and very largely by some of the unions within the Party, was never totally accepted as suitable for government policy or implementation. The seeming ease with which the government distanced itself from this second policy reflects two things: the "claim" type character of the policy and its orientation towards the private sector and its lack of detail in relation to policy implementation. This in turn reflected the limited resources within the union movement and the Labor Party generally and the consequential limited capacity to produce detailed and well researched policy documents. Often this material is developed by Labor researchers already working within the state. Labor parties in

government do need alternative sources of policy material to that developed within the state, whether identified with the Labor Party or not.

The development of the third policy is, of course, a classic example of the operation of tripartism and demonstrates most adequately the problems for labour in the process of consensus making, and this has been discussed in more detail above. As a consensus document it served two purposes: to obtain public and "in principle" agreement between various sections of capital, labour, and the state in South Australia, and to establish some areas of commonality with the policy of the federal Liberal-Country Party government. Tweedledee and Tweedledum indeed. As far as unions were concerned, the preconditions were transformed into background factors, and the concept of a single channel of representation disappeared to be replaced by a mere recognition of unions' legitimate interest in participation schemes.

By the time of the adoption of the fourth policy in 1979 the issues of participation and industrial democracy, defined since 1977 as "industrial democracy is concerned primarily with providing employees with the opportunity and right to influence decisions within their work organisation"⁷ was not of great interest to the new leader of the Labor Party, Des Corcoran, nor to the great majority of unions outside the State public sector, who could if they wished rely on the A.C.T.U. policy.

The domination of the development of this last policy by people working within the State public service, in one capacity or another or within mainly State public sector unions certainly contributed to it becoming a more generally worded "in principle" document. It would appear therefore, that the "hard edge" of a union based policy such as those from the P.S.A. and the A.C.T.U. had been lost.

It is only infrequently in the literature on industrial democracy and worker participation that any gender distinction is made with reference to workers, and almost none when the discussion is about managers, trade union officials or government personnel. Where gender distinctions are made it is usually in the context of empirical studies of job satisfaction which are phallogentric and explain any differences between the responses of men and women in terms of innate female attributes which result in their being less complete, in one respect or another, than male workers. Some other studies acknowledge the lower participation rates of women especially in representative structures and specify gender as an independent variable in determining propensity to participate.⁸

The gender segmentation of the labour market in Australia which is extreme by international standards in regard to both occupation and industry, means that participation of women in industrial democracy schemes will be extremely uneven.

Women workers, and more especially those who have dependent children, have a rather different orientation to and expectation of, and commitment to their employment, not because they are women, but because they have dual roles, as paid and unpaid workers, and, in the existing organisation of working lives - maternity leave and some child care notwithstanding - they experience continuing conflict and tension in these two roles.

By its very nature, industrial democracy of the type which seeks to democratise work organisations in terms of decision making at all levels, places a demand on workers for a greater commitment to their work lives. Beyond the direct participatory schemes, for those who undertake a representative role, there exists a whole new dimension to their work life. When this representative role is a union one, there is a tendency for that role to be undertaken primarily on a voluntary basis, and thus the greater commitment to work intrudes into non-working life. For some people this is acceptable and welcome, for others like "working mothers"

in particular, it is a totally unrealistic proposition. It might well become more realistic when the representative role can be undertaken in paid working time, but even then, when that role is a union one, further expectations and pressures will arise for further involvement in the formal decision making structure of the union which is typically and of necessity divorced from the immediate workplace.

This marked tendency in the industrial democracy literature flows from the patriarchal control of paid work and the rights which follow from it⁹ as a result of its central place in the modern industrial society. Clinging to this wreckage trades union representatives talk nostalgically of the disappearance of the practice of crafts which women have very seldom taken part in. All the kings men however, can seldom put the divided and sub-divided work of Humpty Dumpty back together again. Caught in the trap of dependency of income security, work remains the central life pursuit, illusive as it is to an increasing number of people.

There is another view of industrial democracy which takes as its starting point not the overwhelming need to involve workers in their work organisations, but an extension of their rights to carry out work under the best possible conditions (which include intrinsically satisfying work wherever possible) for the shortest time necessary to acquire income sufficient for a reasonable standard of living. In other words, and paradoxically, an emancipatory abolition of work. Since it is predominantly women who are employed in the lowest paid, least satisfying jobs, and since it is they, not men, who experience the contradictions of both patriarchy and capitalism, it is women who have most to gain and men the most to lose from such an abolition of work.

This however, is not the direction of social change in Australia today. Over the last ten years women have utilised the state, and to some extent the union movement, in their attempts to achieve greater

equality of access to the workforce, and more equal treatment as workers within it. Some of the means for achieving this equality have been anti-discrimination legislation especially in relation to sexual harassment, women's studies programmes throughout the tertiary education sector, special education programmes for women to assist them into male dominated occupations, and the union campaigns and test cases centering on equal pay, maternity leave, child care, and part time work. Significant pressure has been placed on governments to ensure that women are not discriminated against in the administration and allocation of Community Employment Programmes.¹⁰

During the 1970's in South Australia major initiatives were taken by the government through the formation of a position of women's advisor to the Premier. No feminist perspective informed the activities of the Unit for Industrial Democracy, nor that of any of the other major parties involved in or affected by, the immense range of activity during that period. The various advisory committees on industrial democracy (A.C.I.D., P.A.S.C., T.A.C.) were drawn from the hierarchies of the state, private capital and unions. The W.E.C. of the A.L.P. was drawn from the hierarchy of the unions and the Party. Of the unions affected in a major way by the government's policy, the P.S.A. was the most involved - through P.S.A.C. and through negotiations with the Public Service Board in respect of rights for its job representatives in the industrial democracy initiatives after 1976. Apart from a minority of women members on its Industrial Democracy Sub-Committee the major players in the P.S.A. concerned with the issue, like those of the committees already mentioned, were men.¹¹ In 1977 36% of workers in South Australia were women. Less than half these women workers were unionised, whereas about two thirds of male workers belonged to unions.

At the level of individual workplaces where participatory schemes were operating, on the basis of the eight case studies presented earlier,

with the exception of Minda Home, the representation of workers was overwhelmingly carried out by men. To some extent this was a reflection of the male domination of the occupational and industry structure. For example, in E. & W.S. the Metropolitan Workshop area was trades based, similarly at Fricker Brothers, while at SAMCOR the industry was male dominated. In addition, however, even where there were more women, for example, in the Housing Trust and the Lands Department, men still tended to predominate in the union leadership roles at the workplace. All this was again reflected in the composition of the participants at the International Conference hosted by the Premier in Adelaide in May 1978. Of the more than five hundred participants only thirty-eight were women.¹²

It follows from this discussion that without substantial measures to ensure women workers a more even and equitable participation in the workforce, in their unions, the hierarchies of the state, capital and organised labour will perpetuate the patriarchy of the economic and social system. It is very clear that sexual inequality and in particular the most unequal sexual division of labour, undercuts the aspirations women have for both political and industrial democracy.

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The most important organisational and political issue for the union movement in relation to industrial democracy is the representation of workers by unions. In the Australian context it was the South Australian ALP policy of 1975 which provided the first unequivocal statement of what was expressed there as "a single channel of representation" and what has become generally accepted in the union movement as the crucial element, in principle at least, of industrial democracy. The reasons for this are two fold: it protects and extends unions organisationally and it links

the field of what might otherwise be regarded as non-industrial matters to the traditional union issues of wages and conditions.

Such a principle is premised on an absolute preference for the collective bargaining form of industrial democracy and carries with it certain implications and problems. Before addressing these, it is acknowledged that it might sound a little out of place to talk of collective bargaining in Australia, but although the formal system of compulsory arbitration provides much of the institutional framework for industrial relations, there is a generally acknowledged hybrid of arbitration and collective bargaining in operation in Australia; a hybrid which alters its composition according to the economic conditions and the extent to which the parties rely on the arbitration system to protect their interests.¹³

A criticism of the arbitration system is that it can not/does not adequately deal with matters which require collaborative and mutually acceptable resolutions of conflict, or matters which provide the basis of agreement for future on going industrial relations. Time and again tribunals make decisions "within the ambit", not just of money claims but claims on a whole range of substantive matters. The middle solution, the compromise between the parties, sometimes quite inadequately perceived by the arbitrators, is frequently unsatisfactory to one or other of the parties, and sometimes to both. On the other hand agreements arrived at through negotiations require the parties to make a series of judgements about their own priorities, and at some stages, however obliquely, acknowledge the force of the other's argument and power rather than, for the purpose of argument before an arbitrator, continue to deny it, however unrealistically.

In some part, the issues in the arbitration versus collective bargaining debate are reproduced in the discussion concerning collective bargaining versus what might be termed co-operative form of

representative participation. While arbitration is criticised because of its adversary nature and process, similarly collective bargaining is criticised for its "conflictual nature", and the prejudicial effect this has on "peace and productivity".¹⁴ The reference here to a unitary type of framework is very clear and it is not too difficult to hear sotto voci, the underlying assumption that if unions were not the interlopers they are, enterprise management would be able to align workers' interests with those of the organisation considerably more effectively.

While this type of partial denial of class conflict must be rejected, there are some substantial and legitimate problems for unions - as well as for employers - in the collective bargaining model of industrial democracy, and they are difficulties, which, if not properly addressed by unions will continue to make them vulnerable to alternative proposals, and result in principles like "the single channel" becoming empty rhetoric.

The first and most contentious of these issues concerns the capacity of unions to adequately and fully represent workers. In discussing this issue the range of organisation and structural problems of unions in Australia must be addressed. The fact is that unions are frequently poorly represented and sometimes totally unrepresented in many workplaces in Australia. In general the occupations and industries where male workers predominate are the better organised areas. Conversely, in the narrow range of industries and occupations where the women workers are segregated in the main, levels of union membership tend to be lower and sometimes the minority of male workers are more fully unionised.¹⁵ Similarly differences exist between non-English speaking migrant workers and Australian and British workers. Union coverage of workers is by international standards reasonably high, but while it is still little more than half the workforce in aggregate and so highly variable across industries, a single channel is impractical.

The second fact is that it is an exceptional workplace in Australia where only one union has coverage. This multi-union character of the workplace representation has a number of commonly recognised features which have particular relevance for this discussion of industrial democracy and the single channel of representation. The widely differing policies and practices which unions have adopted in relation to the role of workplace representatives is one of these features. For some unions, stewards/delegates/representatives have wide and significant responsibilities for workplace organisation and negotiation for example, in the AMFSU.¹⁶ For others, recognition and authority of workplace representatives where they exist at all, are minimal and virtually all negotiation is carried out by full time officials. Consequent on these practices obvious differences also exist in terms of the formation and operation of joint union shop committees and the like. In addition, substantial differences in policy and practices, on substantive industrial issues frequently exist between unions, so that even the joint organisation of unions at the workplace does not guarantee a united approach. What it does greatly assist in is, of course, to provide a mechanism for the resolution of conflicting and contrary positions within a union forum.

A common response by unions and others to this feature of multi-unionism in Australia is to advocate a strategy of amalgamations, most commonly along industry lines. This longer term approach does little to meet the needs of workers - or unions - immediately, and it also underestimates the potential for joint union cooperation, particularly at the workplace.

A factor which discourages decentralisation of power and authority in unions to the workplace representative level is the continued centralisation of the industrial relations system around the State and federal tribunals, especially in the area of wage fixation. As well,

until there is stronger protection for individual and collectives of delegates, workers will be reluctant to assume this authority. The central role of full time union officials in this system is unlikely to change even where wages are adjusted in a semi-automatic manner, because of the pervasive influence of that centralised system on the resolution of other matters and disputes. Decentralisation of the system had tended to occur around wage issues, when the federal tribunal has lost some of its relevance.¹⁷ A single channel of representation for industrial democracy and the extension of workers' rights implies a very drastic shift not only in power and authority within unions, but also a major increase and redistribution of resources within unions.

As the experience in South Australia and elsewhere (for example in regard to works councils in Europe) indicates there are two possibilities in this situation. The South Australian experience, particularly in the public sector, demonstrated the manner in which a union could change its organisation and structure in such a way as to facilitate this shift. The effect of the State government's policy was to bring about a quite radical restructuring of the major public sector union, that is, the P.S.A. and associated with this was an extensive investment by the union in a training programme for job representatives on a wide range of matters, including industrial democracy.

The other possibility, and this is what has occurred to some extent in Europe in relation to the reemergence of the works councils, is that with incomplete representation of workers through unions - either because the shop steward structure is poorly formed, or the workplace is only partially unionised - alternative structures for worker participation are created. In South Australia there were a number of examples of this occurring; Minda Home with the Staff Committee and in relation to many of the J.C.C.'s within the public service.

Where coverage and representation are complete and effective there exists a further challenge for unions which is particularly relevant to a discussion of industrial democracy. That challenge is in the degree and type of membership participation in unions. Great skill and good intentions are required if the more extensive and complicated matters which might well be the subject of joint decision making under well developed participation are to be negotiated with membership knowledge, understanding and involvement.

Some of the above discussion places a very high value of desirability of participation as well as on the negotiated form of it. While it is highly desirable that unions meet the challenge to have a single channel effected in terms of having unions represent all workers and adequately reflect the diverse and changing interests and needs of their members, it would be quite unremarkable if quite large numbers of workers chose not to participate in other than a minimal fashion. Debates about the desirability or otherwise of high levels of participation in democratic systems are not conclusive about the value of either the process or the outcomes. It may be as Gorz suggests, that the best way to deal with the sort of work which results in highly efficiently produced items but which in the process degrades and devalues the worker as a person, is to share it around to minimise its dehumanising effects; in other words to acknowledge instrumental attitudes to work and find satisfaction by participation in other activities.¹⁸

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There were very few resources available to the government's programme of industrial democracy until after 1976. Education and training programmes in industrial democracy specifically were virtually non-existent until 1976. The problems in the Housing Trust during 1975

highlighted the need for general education programmes on industrial democracy for managers and workers, before choices could be made about appropriate structures for participation, but more importantly so that managers, and some sections of the workforce would have an opportunity to acquaint themselves with issues involved, without the feeling that something was being imposed upon them. This is not to say however, that educational programmes will necessarily produce positive attitudes towards the type of changes in power relationships which participation programmes imply. Power holders in organisations may understand perfectly well, and doing so, choose to retain power and authority.

The availability of resource people for industrial democracy programmes although massively increased during 1977, was extremely limited in terms of the objectives of the government's policy for the entire period of the 1970's. As far as the Unit for Industrial Democracy itself was concerned, the very small staff of five or six in 1974 was increased to seventeen people together with a small support staff in 1977. Even with the diversity of skills, and of backgrounds, within this group the number of staff were by no means sufficient to provide meet all the demands of research, project, policy, legal, publicity, education, and union liaison work required of them.

More generally in the public service special industrial democracy positions were being gradually created to meet the specific needs of particular departments. The Public Service Board itself staffed a number of special project officer positions oriented towards industrial democracy prior to 1977 and at that time, under pressure from the Unit, seconded an officer from the Unit to work in the policy development area. The Board also approved the creation of positions within individual departments to service on-going programmes. One of these, E. & W.S. has been discussed above. Here, one position was made available to co-ordinate the basic unit meetings. In the Public Buildings

Department a substantial budget and the creation of the three full time positions supported the "People Involvement" programme from 1977. In the education field, the expansion of the Training and Development Branch of the Department of Further Education provided a substantial source of management and staff training within the public service organisational development and managerial orientation. The nature of that training, however, was inappropriate in the context of an industrial democracy programme and it was only after the strongest objections from the Unit that the resources were appropriately utilised.

Apart from the staffing of the Unit directly, there was a tendency initially for industrial democracy to become an additional function for staff in personnel or other related areas and, as the issues widened, increasing pressure resulted in specific positions being created. In other words management response was delayed. A second characteristic of this resources issues was that the great majority of resources were either in the Unit and thus identified with the government, or in individual departments where they were either management identified, or under joint steering committee direction. It was only late in 1977 and early 1978 that the Unit arranged for secondment of resources to any union organisations. Then, one project officer was made available on a part time basis to assist the P.S.A. with the development of its policy and implementation, and very belatedly an officer was appointed to provide liaison services between the Unit and the U.T.L.C.

Apart from these areas within the public service there was a minimal number of people available with any specialist interest in industrial democracy. Some individual consultants, developing away from the traditional management consultancy field were entering the industrial democracy area. Union based or oriented educational and training organisations like the Workers Education Association and T.U.T.A. were severely limited by their staffing and funding arrangements from

expanding other than very slowly to meet the rapidly expanding need for union education and training.

Within union themselves, very few unions were in a position such as the P.S.A. where the sheer size of the organisation enabled them to support a specialist function. An additional factor in the P.S.A., which influenced its response to the government's policy, was the recruitment of a number of young, tertiary educated, politically "progressive" people into the research and industrial functions of the union. This significantly hastened the reorganisation of the union around a job representatives structure. A major element in a subsequent factional dispute within the P.S.A. was the diametrically opposed attitudes of the factions towards the job representative structure and the democratisation of the union.

In many other unions the demands the Unit and the government made on officials' traditional views of industrial life and the manner in which the workers' rights issues were bound up and for quite a time obscured by frequently complicated designs for organisational change and redevelopment, together with the overwhelmingly negative impression the Unit for the Quality of Work Life had left with them, resulted in a tendency to reject, veto or deny the attempts, however well meaning, to intervene for labour.

Summary

The discussion of these five issues - the nature of social democratic reforms, the articulation of Labor Party policy, the role of women in the workforce, the representation of workers, and the resources for development - in relation to industrial democracy raises more questions than it answers.

The answers are needed however, since the re-entry of industrial democracy as an item on the political and industrial agenda has occurred

in Australia at the national government level, and some of the questions raised here are relevant to current developments. It is these developments that form the subject of the next and final chapter.

FOOTNOTES

1. Three unions, the Builders Labourers Federation, the Federated Furnishing Trades Society and the Food Preservers Union have resisted the consensus on the terms of the Accord. Most recently the Food Preservers Union members have become part of a challenge to the terms of the Accord by striking over a claim which includes a five percent wage rise. See "Willis Cracks Whip at Defiant Strikers", Australian Financial Review, 31.10.84.
2. See Higgins, W. "Working-Class Mobilization and Socialism in Sweden: Lesson from Afar", in Boreham, P. and Dow, G. (eds.), Work and Inequality, Vol. 1, Macmillan, Melbourne, 1980. pp. 143-161.
3. Albrecht, S.L. and Deutsch, S. "The Challenge of Economic Democracy: The Case of Sweden", Economic and Industrial Democracy, Vol. 4, 1983, pp. 287-320.
4. In the Australian context from Childe, V.G. How Labour Governs, Melbourne University Press, Parkville, 1964, to Catley, R. and McFarlane, B. Tweedledum to Tweedledee: The New Labor Government in Australia, A. & N.Z. Book Company, Sydney, 1974.
5. Catley, R. and McFarlane, B. Australian Capitalism in Boom and Depression, Alternative Publishing Cooperative, Chippendale, 1981, p. 9.
6. Inevitably a perjorative term in union circles, reflecting an anti-intellectual tradition.
7. Industrial Democracy, Philosophy, Nature and Scope, Tripartite Industrial Democracy Committee, Unit for Industrial Democracy, Government Printer, South Australia, Nov. 1977, second page.
8. Stevens, L. et.al, "Joint Consultative Councils: Analysis of Results from Survey", Unit for Industrial Democracy, G-4, November, 1977. Blumberg, P. Industrial Democracy: The Sociology of Participation, Constable, London, 1968.
9. See Game, A. and Pringle, R. "Production and Consumption: Public versus Private", in Broom, D.H. (ed.), Unfinished Business, Allen and Unwin, Sydney, 1984.
10. Issues in Women's Employment and Unemployment in South Australia, A Report from the Task Force on Women's Employment and Unemployment to the Minister of Labour, South Australia, November 1983. This report identified the availability of quality child care as the primary barrier to women's equal participation in employment.
11. With the exception of the P.S.A. none of the unions represented on T.A.C. had more than a minority of women members, in fact the membership of AAESDA was and is almost entirely male. See Appendix A for the list of members of T.A.C.
12. Proceedings of the International Conference on Industrial Democracy, C.C.H. Adelaide, 1978, p. 507. At a shorter national conference in Melbourne in August 1984 sponsored by the federal government of the proportion was almost exactly the same.

13. See Isaac, J.E. and Ford, G.W. Australian Labour Relations: Readings, second edition, Sun Books, Melbourne, 1971, articles in Part IV, and Niland, J. Collective Bargaining and Compulsory Arbitration in Australia, New South Wales University Press, Kensington, 1978.
14. Cordova, E. "Worker's Participation in Decision Making Within Enterprises: Recent Trends and Problems", International Labour Review, Vol. 121, No. 2, March-April, 1982.
15. Dabscheck, B. and Niland, J. Industrial Relations in Australia, Allen & Unwin, Sydney, 1981. Appendix 5.2, p. 135.
16. Wanna, J. "The Politics of Organised Labour: An Analysis of South Australian Trade Unionism in the Metal and Vehicle Industries", Ph.D thesis, University of Adelaide, to be submitted 1984.
17. Plowman, D.H. Wage Fixation, Allen & Unwin, Sydney, 1981.
18. Gorz, A. Farewell to the Working Class, Pluto Press, London, 1982.

CHAPTER SEVENProspects for Industrial Democracy inAustralia in the 1980's.

At the end of the decade industrial democracy was all but obscured as a specific issue in Australia, as it was internationally, by the continuing recession. In Australia, it was no longer a major item on the political agenda as governments, particularly at the federal level, pursued anti-labour industrial relations policies.

A contemporary description of the developments in Australia at that time reflects this and suggests that developments of employee participation was somewhat arrested at the stage between policy and strategy development and implementation.¹ Gunzburg attributes the break in development to the existence of some of the generally acknowledged barriers to participation, like the legal system, inappropriate education and a paucity of resources, rather than over-riding political and economic factors. Notwithstanding the pause in developments however, Gunzburg assesses the widest developments of employee participation on a voluntary basis as being in direct participation at the shop floor, and thus at the enterprise level, and within the public sector in respect of representative systems.

A rather different assessment of progress towards industrial democracy, undertaken in a quite changed political climate where most governments in Australia were labour ones, and one which is somewhat more analytically and forcefully argued, is that presented by Crombie in a discussion paper for the National Labour Consultative Council.² The most striking aspect of this assessment of the Australian experience of industrial democracy is that it eloquently argues the case of the 1975 South Australian A.L.P. W.E.C. Report with respect to the role of unions as a single channel of representation, and the preconditions of job

security access to information, and shop stewards rights, including education. While this represents a significant shift in the position of some of the researchers since the mid-1970's, the extent of its likely influence outside the union movement (where the lessons were learned long before that) is not likely to be substantial. The relevance of this type of approach is rapidly being overtaken by developments at the national level especially where the A.L.P. and A.C.T.U. Accord has provided the basis for a framework of tripartite national economic and industry investment planning within the context of wage restraint. There appears to be a consensus at the national consultative council level about the desirability of union involvement in participation programmes, but that consensus is increasingly more fragile the closer the issue gets to the workplace. As well there appears to be a concomitant acknowledgement of industrial democracy as an industrial issue and an extension of workers' rights. Outside this tripartite structure, and the state sponsored participation, the basis of labour-capital conflict remains, and is expressed in the strength of opposition by capital to the state supported intrusion by organised labour into the area of managerial prerogatives on job security.³ The strongest resistance to this significant victory for the union movement tends to come from smaller, locally based capital. This is because the decision of the tribunal on job security and its implementation establishes a legal minimum for the first time. Large sections of multinational capital have met conditions frequently in excess of these for some time. The resistance of local capital in South Australia to the introduction of a legal minimum redundancy payment in 1984 is marked similarly to the resistance it displayed to the possibility of job security legislation and the broader implications of an extension of workers' rights contained in the 1975 A.L.P. policy.⁴

In the field of occupational health and safety, where there are very specific commitments within the Accord, and where reforms in a number of

States are anticipated, the likely form of representation of unions within the tripartite structure has been the subject of substantial criticism.⁵ As well, in at least one State, Victoria, the attempt by the government there to introduce legislative reforms has been temporarily defeated in the upper house of parliament, and unions are attempting to win those provisions for health and safety industrially.⁶

On the question of access to information, or the sharing of information, the recently released National Labour Consultative Council Guidelines on Information Sharing attempt to encourage such practices, but it is not clear to what extent, if at all, the government would legislate on these matters should the voluntarism which has been relied on so heavily, fail to produce any change in the generally accessible information base.⁷ What is most likely is that more enlightened, forward looking employers will utilise the guidelines, where they have not already, and workplaces most in need of the benefit of such practices will not experience them. This was the experience of government assistance and encouragement in South Australia in the 1970's. The least attractive employers tended to resist any innovations. An important function for legislation is the establishment of certain minimum provisions and the opportunity then for unions to seek compliance with the minimum standard.

There are some marked similarities in the approach being taken by the federal Labour government with that adopted by the South Australian government in the latter part of the 1970's. The continuity of this approach has been assured by both the content of the federal A.L.P. policy on industrial democracy and the use of the tripartite consultative structure by the former government, in the midst of anti-labour legislation, to promote a policy on employee participation which occupied some middle ground. The deliberate movement of the South Australian government policy on industrial democracy during 1977-78 to share that

middle ground also assisted this continuity.

The features of this convergence in policy and implementation concern the definition of industrial democracy, or employee participation, and are in the acceptance of a legitimate role for unions in the process, the overwhelmingly voluntaristic approach, and in the commitment to demonstrate the viability of industrial democracy in the public sector. The utilisation of tripartite structures for achieving consensus has been further developed in the context of the Accord, but it is significant that the long history of tripartism in South Australia and its further development during the 1970's in respect of consenses making over industrial democracy has supported the trend in the federal arena.

There are other features of the federal government's approach in 1984 which indicate a further development of some elements of the South Australian experience of the late 1970's. Within the context of the Accord this approach, not surprisingly, draws on the A.C.T.U. policy on industrial democracy and this stresses workers' rights and issues-based types of developments in a negotiated framework which brings with it a greater acknowledgement of the single channel of representation concept than has appeared previously. In addition the ALP policy commitment to fostering development of industrial democracy in the public sector and the alacrity with which the union movement has taken up, both in the federal and particularly Victorian state public sectors, has resulted in more activity in the public than the private sector.

It appears that the major developments in the private sector are occurring in two ways, both of which increase the participation of unions. Most significantly, however, this participation takes place from a centralised position and relies on the heirarchical control of the union structure which is at odds with the philosophy of participation. One of these is participation in industrial planning. It is significant that the Prime Minister's address and the title of the seminar sponsored

by the federal government in Melbourne in August 1984 for the purpose of launching information sharing guidelines, was "Industrial Democracy within the Context of National Economic and Social Planning". In this he identified the Accord, the Economic Summit and what flowed from them, principally implementation of the wages policy and the formation of the Economic Planning Advisory Council, as a successful example of industrial democracy being implemented at the national level.⁸

So I believe that if you look at the analysis of what's happened in this great Australian business - the running of the Australian economy - it has shown that the application of those principles of industrial democracy in the biggest business in the land had worked well.

Similarly, the Secretary of the A.C.T.U. presented the Accord as a statement about industrial democracy, and one of the elements in that statement concerns "the process of establishing industrial policies". Notwithstanding his statement that "it is about getting workers involved - workers understanding the processes and planning in a co-operative way with industry",⁹ the level of knowledge, understanding and involvement of workers in this process is minimal. While the operation of planning mechanisms over a longer period of time might well contribute to a high level of involvement of workers, this aspect of the Accord relies on a relatively small number of union officials who have both an understanding of the integrated nature of the package and a commitment to it which comes from their involvement with its creation.

The participation of much of the political left of the union movement, principally the AMFSU, in the drafting of the Accord, and in its continued support for its implementation, has the appearance of incorporation of the entire labour movement in what could become a further deterioration of living standards of many workers in Australia. The reality, however, is that the Accord, and its probable renegotiation in 1985, is seen by most of these unions as being a form of protection during a period of substantially reduced bargaining strength. The major

debate is not the continued existence of the Accord so much as the interpretation of it and the likely content of any new terms within it. Continued support by unions on the left, which strengthens the federal government's position, obviously has some price associated with it, and what that price has been will be more clearly seen in 1985.

It might be expected that other aspects of the Accord which are more easily identified as conventional industrial issues, such as occupational health and safety and technological change and job security, would be more extensively identified with workplace activity and involvement. On the health and safety issues however, their handling in the context of the Accord appears to be going to result in a rather bureaucratic and centralised tripartite structure which has little in common with the pursuit of specific agreements and safety representatives rights through the industrial campaign around these issues in some sections of industry in Victoria for instance.

In relation to job security, the A.C.T.U. test case in the Australian Conciliation and Arbitration Commission begun more than a year before the Labor Party won the March 1983 election, was conducted in isolation from the great bulk of unions and workers throughout the country. The prospect of its delayed implementation while employer bodies seek to modify its impact does not appear to be a matter upon which an industrial campaign might be waged, and certainly not until after the December 1984 federal election.

Women, Equal Opportunities and Affirmative Action and Industrial Democracy

The federal government policy has as its objective to encourage employers to adopt Affirmative Action (AA) programmes to ensure equal employment opportunities for women and men. Affirmative Action is a way of systematically dismantling barriers which have directly or indirectly discriminated against women. It is a means of ensuring equal employment

opportunities for women and men. It is justified in terms of equality and justice, freedom of choice and economic efficiency, and involves both removal of systematic discrimination against women and men and special programmes to encourage women to apply for a wider range of jobs within organisations. It goes one step further than the remedy by legislation of discrimination in employment which was introduced in a number of States and in the federal area over the last few years, because it suggests that employers take action to identify and remedy present practices that discriminate against women and to take specific steps to encourage qualified women to apply for jobs, promotions, training and so on.¹⁰ At first glance therefore, it appears to represent a correcting mechanism for discrimination and gender segmentation in the workforce, and makes no further claim than for more than equal opportunity for women in participation in an employment structure and forms of jobs which have been already determined by employers.

On closer examination however, the process of an AA programme may very well challenge some of the accepted patterns of job design, classification, conditions of employment, managerial styles and practices and perhaps authority and control within the workplace.

By contrast, existing policies of the federal Labor Party and the union movement on industrial democracy are more explicit about the purpose of industrial democracy: a generally accepted definition in Australia now is - the opportunity to influence decisions which affect workers. Both programmes are therefore about the provision of equal opportunities - by right and by choice - but one is about opportunities for equal access to the existing structure, the other to participation in decision making on a collective basis as well as an individual one, and therefore an opportunity to alter the power and authority relations within organisations, and more particularly between labour and capital at the enterprise, industry and national levels.

Whilst it may be expected that an outcome of the AA programmes will be to have women better represented both horizontally and vertically in the industries, occupations and organisations and thus result in greater decision making power for individual women workers and managers, such an outcome is contingent not only on the remedying of discriminatory practices and encouragement of women into non-traditional jobs, but most importantly, on the supportive programmes created to allow this greater participation by women to take place.

These supportive programmes are absolutely essential for the equal participation by women in the workforce. They do not, however, involve only accommodation of work requirements to the dual role of particularly the married and mother-worker - these accommodations have typically been provisions for part-time and casual work, restricted maternity leave, and so on - for these largely perpetuate the dual worker role carried out by so many women. Even provision of child care is not a sufficient condition, though it is, of course, necessary for the equal participation of women in paid work. While women continue to take the major part of unpaid and unacknowledged domestic labour and to contribute to the social attitudes which arise from these practices, the barriers to full and equitable participation in paid work will continue regardless of the elimination of discriminatory practices.

The parallel with industrial democracy programmes lies in the concept of the meeting of preconditions for participation. Preconditions for industrial democracy have been identified as job security, rights to organise, right to access to information. Preconditions for equal opportunity are rights to compete equally for existing jobs, and participate in the workforce.

What affirmative action seeks to do is to alter the system of patriarchy - at least in as much as it involves the workplaces - by way of either a voluntary programme or a legislative one. To the extent that

the labour movement has failed to do more than humanise the face of capitalism in some respects, it might be expected that AA will succeed to the extent that it assists the efficiency and flexibility and adaptability of the labour force to the advantage of capital certainly, and perhaps also to the benefit of some sections of the labour force, that is women.

It might be argued however that the women's movement, which is responsible for the AA programme, has rather more of a chance of success because it does not rely on the union movement, and therefore, does not suffer from the inherent limitations of trade unions as instigators of social change. It must be remembered however, that the union movement too has traditionally looked to the capacity of the state to institute and carry out reforms of the workplace. Social democratic and labourist governments in Australia, as much as the trade unions, have however, failed to do more than correct the most inequitable, inhuman and inefficient aspects of the capitalist system. Thus the prospects for major transformation as a result of AA likely to be are extremely limited. If, as democratic theorists argue, sexual inequality undercuts economic and political equality, then providing women with equal opportunity in the labour market will not result in equal participation any more than enfranchisement of women led to equal participation in the political system.

On the other hand, industrial democracy has the potential to provide the basis for a redirection of the economic system if the labour movement is informed by a socialist, or anti-capitalist analysis. Industrial democracy programmes can also be the vehicle not merely for the perpetuation of existing elites in trade unions which a single channel of representation may imply, but for the broad democratisation of unions and a wider, less defensive role in the process of social change. It is at this point that affirmative action programmes and their equal opportunity

outcomes must come together with the possibilities of democratisation of the workforce. Because, although AA does not have as an objective the re-ordering of the priorities of a capitalist economic system, the processes of providing equal opportunities could result in quite revolutionary reforms to the workplace in a somewhat unintentional fashion. For example, by revaluing the so called female attributes - such as sensitivity, cooperativeness, sharing - in a positive way, and acknowledging the specific nature of the contribution made by women in especially bearing and rearing children, by removing all discrimination which relates to absence from the workforce for these reasons, by outlawing sexual harassment and by thus placing women in an equal position with men, the system of patriarchy might well be significantly challenged. If at the same time women insist that unpaid domestic labour is shared with the men with whom they share their private lives, and not given over completely to an ever growing army of poorly paid domestic and child care workers, (who are mainly women) then there may well be a significant alteration to the whole range of requirements and conditions of working life. Rigid patterns of working life spans, working weeks, working hours might change. Rigid systems of apprenticeships (trade and academic) based as they are on male systems of patronage and subservience might be altered. Rigid systems of qualification criteria and inflexible career structures which are based on investments of time and effort by the worker which only a full time and domestically supported person can maintain, might be abandoned. These possibilities are contingent on supportive programmes which ensure an equal basis for participation in the workforce. The programmes which may be regarded as preconditions for equitable participation comprise not only the elimination of discriminatory practices and sexual harassment in particular, but the provision of child care (pre school and before and after school) and the elimination of the types of job requirements which make performance of

the job and more particularly promotion, dependent on extra work contributions in an unrealistic fashion.

* * * * *

In this brief discussion two key issues have been highlighted. The development of industrial democracy in Australia in the 1980's is now occurring within the context of the wages and prices accord and that has very important implications for the labour movement, particularly in what is being acknowledged as being a corporatist tendency in the philosophy and practice of the Hawke Labor government. As far as women are concerned, the prospects of a significant extension of their participation in industrial democracy programmes is somewhat limited, in spite of the anti-discriminatory legislation and affirmative action programmes. The location of women workers at the intersection of the systems capitalism and patriarchy is unlikely to be altered except by radical reforms which labour government's, not surprisingly, show no signs of pursuing.

FOOTNOTES

1. Gunzberg, D. Employee Participation in Australia: Progress Report, Department of Science and Technology, Australian Government Publishing Service, Canberra, 1980, p. 25. The publication is a revised version given to the International Labour Office in 1979.
2. Crombie, A. "Industrial Democracy in Australia 1972-1992: Profiting From our Experience", a paper delivered to the seminar on Industrial Democracy and Employee Participation, Melbourne, 17 August, 1984.
3. See "Employers Delay Implementation of Job Protection Decision", Australian Financial Review, 1.11.1984.
4. One of the amendments the Confederation of Australian Industry is seeking to the draft order is an exemption for all companies with less than 15 employees. In discussion over the federal government's programme for industrial democracy at a subsequent meeting of participants of the seminar in Melbourne on 17 August 1984, the senior industrial officer for the South Australian Employers' Federation (which represents many small employers) referred to the 1975 ALP policy concerning job security and the A.C.T.U. test case outcome.
5. Submissions by the Coalition for Workers' Health Action to the federal government.
6. See "Vic. shelves model safety law but unions pursue own deals", Australian Financial Review, 17.10.1984.
7. In speeches to the seminar on Industrial Democracy and Employee Participation in Melbourne in August 1984, at which the information guidelines were released the Prime Minister talked only in terms of voluntarism, whereas the Minister for Employment and Industrial Relations referred, in a minor way to possible legislation.
8. Transcript. p.5.
9. Transcript of address by Mr. W.J. Kelty, Secretary, A.C.T.U. "Industrial Democracy Within the Concept of the Social Wages", Industrial Democracy and Employee Participation Seminar, Melbourne, 17.8.1984, p.9.
10. See Affirmative Action for Women, Vol. 1, Department of the Prime Minister and Cabinet, Australian Government Publishing Service, Canberra, May 1984. A policy discussion paper.

LIST OF APPENDICES

- Appendix A Terms of Reference and Membership of the Tripartite Industrial Democracy Committee.
- Appendix B G.M.H. Quality of Work Life Proposal Presentation to Executive Committee, Presentation to Union Officials.
- Appendix C G.M.H. Quality of Work Life Proposal Summary of Proposal for Structure and Control of Experiment.
- Appendix D Engineering and Water Supply Department: Basic Unit Joint Committee Structure, 1977.

APPENDIX A

The Terms of Reference and Membership of the Tripartite Industrial Democracy Committee are as follows:

1. Terms of Reference

To advise the Minister responsible for Industrial Democracy on significant matters relating to industrial democracy and to establish liaison between industry and commerce, the public sector, trade unions, members of the work force, the Unit and the Minister.

2. Guidelines

It is expected that under the direction of its Chairman, the Committee will, as occasion demands:

- (a) examine and report on matters referred to it by the Minister,
- (b) keep the Government informed on matters raised by industry and commerce, trade unions and the public sector and in turn, advise them of Government initiatives,
- (c) consult with the Executive Officer of the Unit for Industrial Democracy on matters referred to it by the Unit,
- (d) advise the Government on initiating and sponsoring industrial democracy programmes in the private and public sectors and overview the progress of such programmes.

3. Method of Operation

The Chairman of the Committee will have access to the Minister responsible for industrial democracy, as appropriate.

It is envisaged that in its early stages, the committee will meet approximately every six weeks. The committee will, as it sees fit, appoint sub-committees to examine and report on selected topics.

4. Membership

(a) Private Employers

- | | |
|---------------|---|
| W. J. Menz | Deputy General Manager, Arnott's Motteram, Menz Pty. Ltd. |
| D. L. Pank | Managing Director, Laubman & Pank Pty. Ltd. |
| R. D. H. Ling | Chairman and Managing Director, Hills Industries Ltd. |

(b) Public Sector

- | | |
|--------------|--------------------------------|
| D. J. Mercer | Chairman, Public Service Board |
| K. L. Milne | Chairman, S.G.I.C. |

(c) Trade Unions

- | | |
|------------------|---|
| J. L. Scott | Secretary, Amalgamated Metal Workers' and Shipwrights' Union |
| D. L. J. Foreman | Secretary Vehicle Builders' Employees Federation |
| C. L. Meikle | Secretary, Association of Architects, Engineers, Surveyors & Draughtsmen of Australia |
| A. S. Begg | Secretary, Australian Workers' Union |
| P. M. Lennox | Secretary, Public Service Association |

(d) Government

- | | |
|--------------|---|
| G. J. Inns | Director-General, Premier's Department (Chairman) |
| J. C. Bannon | Assistant Director, Department of Labour and Industry |

The Executive Officer of the Unit for Industrial Democracy will attend all meetings and assist the committee in its deliberations.

APPENDIX B

G.M.H. Quality of Work Life Proposal

Presentation to Executive Committee of G.M.H.

As most of you are aware, O.D. in the Elizabeth assembly plant started in July, 1975. At that time a group of 20 of our middle and senior management people from all production and service departments spent a weekend undertaking a comprehensive diagnosis of our operating problems and developing a strategy to overcome these problems.

We believe that both society and the nature of our workforce has changed dramatically over the past 25 years and will change even more dramatically during the next 25 years. Our workforce today is better educated, questions authority more readily and is looking for more challenge and satisfaction in its work than our employees of 1950.

Unfortunately, our way of managing people - the type of work we give them and the way we make them do it - has changed very little since 1950. Today our current mode of operating is not as effective as we would like. We are experiencing critical problems, particularly in the employee relations area. We believe that if Elizabeth and G.M.H. are to remain viable concerns, it is essential that we adopt a style of management that is more consistent with the needs of the workforce today. We believe we need to be imaginative and prepared to take calculated risks to develop this management style.

There exists a potential threat to private organisations that this movement (towards working environment) may develop to the stage where governments will demand certain minimum standards in a similar fashion to the safety, health and welfare and the sex discrimination acts which are now in force in South Australia. In many European countries this has already happened. If organisations are to avoid the limitations of legislation and remain free to determine their own future they must demonstrate that they are making serious attempts to rectify their people problems and improve quality of work life. We would prefer to shape our destiny than have it shaped for us.

Presentation to Union Officials

In July 1973, 20 of our middle and senior management people from all production and service departments spent a weekend undertaking a detailed review of the Elizabeth assembly plant's problems. During the workshop the group recognised that we operate in an era of tremendous change and instability. Fierce foreign competition, increased government intervention and consumerism, are just some of the pressures that greatly affect our activities today. In the people area we are feeling the impact of major social changes of recent years. People today are better educated, more affluent, question authority more readily and are seeking more challenge and satisfaction in their work. Unfortunately, our way of managing people, the type of work we give them and the way we make them do it has changed very little.

The group realised that if Elizabeth and G.M.H. are to remain viable concerns, it is essential that we adopt a style of operating that is more consistent with the needs and aspirations of people today.

Note: The presentations were given by a company consultant from the United States. Emphasis given.

APPENDIX C

G.M.H. Quality of Work Life Proposal

SUMMARY OF PROPOSAL FOR STRUCTURE AND CONTROL OF AN EXPERIMENTA. OD STEERING COMMITTEE. (Already exists)

Composition	Line Management	- 4)	
	IR Management	- 1)	
	Specialists	- 2)	LOCAL MANAGEMENT
	Consultants	- 2)	

Operation sanctioned by: Head Office I.R. Aust.
Aus. Div. Management

B. JOINT UNION - MANAGEMENT CONTROL(1) Quality of Work Life Committee

Function :	Policy
Composition:	Senior Line Management Senior I.R. Management Senior Union Officials

Decisions :	Review Pilot Design Group
:	Evaluate
:	Provide resources
:	Provide protection
:	<u>Consider</u> diffusion

(2) Pilot Design Committee

Function :	Design, Operation, Coordination
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Composition:	Line Management	- 3)	
	IR Management	- 1)	5
	OD Consultant	- 1)	
	Employee Reps	- 2)	
	Shop Steward	- 1)	4
	Organiser	- 1)	

Decisions	Resources Training Monitor Adminstration
-----------	---

(3) Pilot Selection Committee

Function	- Start the process
Composition	- Line Management - 6)
	- Control Management - 2)
	- Specialist - 1)
	- IR Management - 1)
	- Consultant - 1)

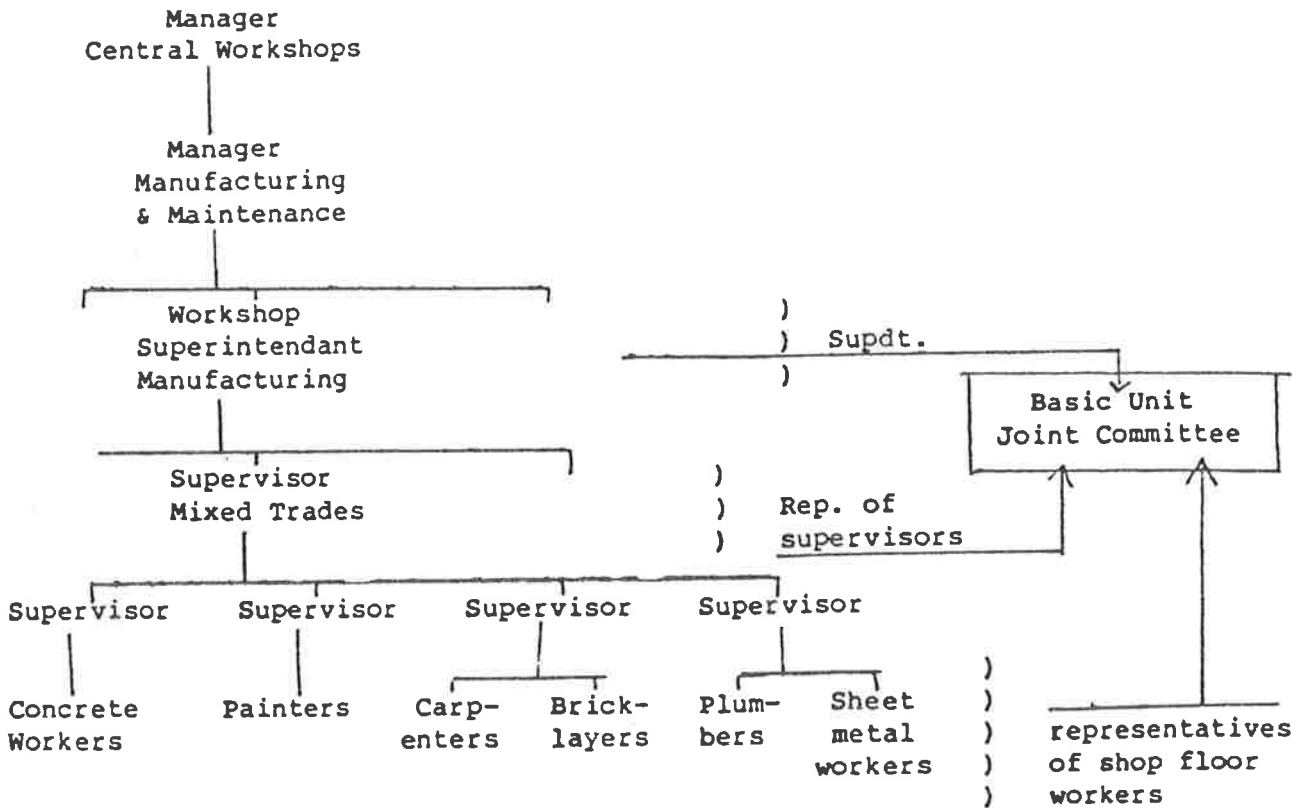
(Organiser - 1 (VBEF)
(Shop Stewards - 6 (VBEF)
and 1 each from
(AMWU, ASE, ETU, AAESDA.

Decisions:	Select pilot site from short list nominated by OD Steering Committee Select membership of
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APPENDIX D

Engineering and Water Supply Department
Basic Unit Joint Committee Structure, 1977

To explain more clearly what is meant, the diagram below shows what might be the arrangements for one particular section, as an example the Mixed Trades area:



Extract: Preliminary Report: E. & W.S. Operation Services Management
Employee Participation Seminar, June 27-28, 1977. p.5.

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