

## THE SOURCES OF UNION POWER

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Ten days ago Perth's *Daily News*, began its lead story: "Millionaire businessman Kevin Parry has baled out militant union leader John O'Connor from a disastrous share deal." How is Mr O'Connor different from other shareholders? Why was the story news-worthy? The story is interesting primarily because Mr O'Connor is not an ordinary citizen but Secretary of the Transport Workers Union. By virtue of his office he has power, but power that is held in trust for TWU members.

The questions raised are not merely those of propriety. Workers and bosses, though they argue over division of the spoils, both benefit by giving customers less for more and most people find the symbiosis of unions and businesses (and unions and governments) profoundly disquieting. Actually they suspect costly rorts---but we mustn't use language that is provocative, must we? When discussing those whose power we fear---the Soviet Union, trade unions or the play-ground bully---it is our custom to substitute weasel words for words that distinguish clearly between right and wrong. In this context 'disquieting' is the weasel word.

Opinion polls consistently show that 70 to 80 per cent of people believe that unions have too much power. According to a National Times opinion poll, twice as many people think that unions are the most influential group in Australian society as think the Federal Government is the most powerful. What is more, the power is held by organisations in which the public has little confidence. Ogilvy & Mather's research shows that only 25% of the public have confidence in unions---compared with the press: 28%, Government: 56% and the police: 81%.

Union power is more often deplored (another weasel word) than analysed. One reason for the lack of analysis is a myth that all one need do to reduce union power is to stand up to it. Of course politicians and employers each ask the other to do the standing up. Coalition politicians alternate between promising a world they cannot deliver and deploring employer gutlessness. And employers are too busy grizzling about Fraser's wasted mandate to give serious thought to why Fraser, who would have liked to reduce union power, had so little success.

Mrs Thatcher alone among politicians has succeeded. Opinion has it that she won because she alone had courage.

While she is courageous, I think better understanding is gained from realising that she is smart. She had seen Ted Heath lose a head-on confrontation with the miner's when the National Union of Mineworkers (NUM) made plain that it was prepared to inflict more carnage than he, on behalf of the British public, could accept. Thatcher's approach was different: instead of confronting the NUM she undermined their power. She had coal in stockpiles and foreign and British sources of coal which limited the damage of a prolonged strike. By sticking to principle she held the support of the public and the support of other key unions in electricity generation and transport. She did her best to protect the legal rights of everybody---including the non-striking miners. Her approach was so successful she broke even NUM solidarity--the union split. Other unionists broke the strike.

If trade union power is to be limited, it must first be understood. The Australian Institute for Public Policy (AIPP) monograph, *Sources of Union Power*, explores the "how" of union power. It is written by West Australian academics, Norm Dufty and Charles Mulvey.

Union power may be divided between "political" and "industrial" but, in fact, much of the political power is a product of industrial muscle. Many unions are part of the Australian Labor Party and have a big say in the nominally binding platform but, as Dufty and Mulvey make plain by examples, when the political price is high the platform does not bind the party. Union power mostly works in other ways. An aside that surprised me is that only 49% of members of ALP affiliated unions vote ALP.

More recently the ACTU has adopted a different tack. In the words of Professor Blandy, "What unions have done is trade off the capacity to inflict irreparable damage on the economy for a direct say at federal level." Mulvey and Dufty say, "This is a manifestation of corporatism---elite theory---which views society as a pyramid with groups of social elites at the pinnacle.... access to political power is restricted by and to the elites." However, unions' real power rests on their ability to inflict irreparable damage on somebody.

The authors have no time for the picture of reluctant unionists dragooned into strikes by union bosses. They concede there are sometimes violent picket lines and other thuggery, but point out that most union members think their own union, as opposed to all unions, does not strike often enough, and UK and US experience is that secret union ballots support strikes. Why wouldn't they? With few exceptions the benefits of industrial action go to the strikers while the costs are born by other people. Unionised workers are paid about 8% more than non-unionised workers. And, although the whole community loses and its weakest members lose most, those workers who do not use industrial muscle merely pay for those who do.

Workers, like farmers, doctors and manufacturers want to avoid competition. Their ideal is the closed shop. A closed shop, like any monopoly, may be used to transfer wealth or easy living from outsiders to those on the inside. Unionised

rank and file workers may be selfish but they are not often dupes.

Some union bosses, like some company directors, behave badly, but most work for their members. Those who break trust should be exposed in plain language. However, the economic problems mostly come from use of monopoly power in ways which the rank and file workers of the particular unions support.

But a monopoly is only as effective as the barrier which holds out other suppliers. When, as in the case of the British coalminers and the SEDEB dispute, an alternative source of labour offers itself union power disappears. "Solidarity", write Dufty and Mulvey, "is the *sine qua non* of union power". Their message is that there are many ways to make it easier for those outside the monopoly to replace those on the inside.

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