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## Chapter 7

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# Australia Reconstructed

Andrew Scott

*Australia Reconstructed* was a major publication of the Australian trade union movement in 1987. Its contents have been widely discussed.<sup>162</sup> This chapter summarises the results of interviews with crucial participants, and of international archival research, to pinpoint how and why the Amalgamated Metal Workers Union (referred to in this chapter as the AMWU) developed and led the interest in Sweden, and other northern European nations, which came to be expressed in that prominent report.<sup>163</sup>

The AMWU developed close links with the Swedish Metal Workers' Union from the 1970s. This interest in Sweden intensified during the 1980s, as the union's leaders sought new ways forward from the tradition of organising under non-Labor governments during a long period of prosperity that had ended in the 1970s.

Leading AMWU official, Laurie Carmichael, made his first visit to Sweden in 1971, to attend the Stockholm Conference on the Vietnam War. The AMWU had actively opposed US involvement in Vietnam from the beginning of Australia's involvement in 1964. Sweden's Social Democratic Party government under Olof Palme was also opposed to the Vietnam War. Palme was more critical of US involvement in Vietnam than any other government in the Western world. Carmichael was a dynamic, militant and effective national union leader who had represented workers in

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<sup>162</sup> See, for example, 'Australia Reconstructed: 10 Years On', *Journal of Australian Political Economy*, no. 39, 1997.

<sup>163</sup> Further details can be found in my two earlier articles: 'Looking to Sweden in Order to Reconstruct Australia', *Scandinavian Journal of History*, vol. 34, no. 3, September 2009, pp. 330–352 (see <http://www.tandfonline.com/doi/abs/10.1080/03468750903134756>); and 'Social Democracy in Northern Europe: Its Relevance for Australia', *Australian Review of Public Affairs journal*, vol. 7, no. 1, October 2006, pp. 1–17, which is available online at: <http://www.australianreview.net/journal/v7/n1/scott.html>).

the car industry for many years. This led him to explore issues about work organisation in a Marxist framework. Laurie had a longstanding passion to create more opportunities for workers to advance their skills. He also had a strong interest in the implications of new technology.

Carmichael's growing disaffection with official communism, especially after the Soviet suppression of the Prague Spring in 1968, led him to look towards alternative political approaches from that time, which led gradually to an interest in industrial democracy. His search became more urgent in the early 1980s following his own ambivalence about the success of the recent campaign that he and the Victorian AMWU State Secretary, John Halfpenny, had spearheaded for higher wages and shorter working hours in the Australian manufacturing industry. Carmichael later considered that this campaign may have been better directed at gaining paid study leave, as the Scandinavian metal unions had done.

Laurie Carmichael had extensive international contacts, including those with Italian communist unions, and he was familiar with the political debates around 'Eurocommunism', as was another AMWU officer with whom he worked: Max Ogden. In 1983 Carmichael continued to support the political analysis of the British left's Stuart Holland. However, following the devastating electoral defeat of British Labour in the 1983 election and Thatcher's dominance there, all elements of the Australian labour movement turned away from Britain as a model. Sweden would then, for a time, replace various earlier international influences on the Australian left.

This occurred largely because of the fact that by 1985 Laurie Carmichael, after a further visit to Sweden, became so enthused by trade union achievements there that he acted on the basis of them to shape the direction of Australian industrial relations differently than otherwise would have been the case. Carmichael and many colleagues found inspiration in the achievements of Swedish trade unions and social democracy, as they tried to transform and transcend a defensive local labourism and push for alternative, more ambitious political strategies than the dominant neo-liberalised Labor Right in Australia would consider.

That shift was part of an international trend of increased left interest in Sweden from the late 1970s, prompted by the Swedish unions' radical wage-earner funds campaign. Carmichael, as a result of his international visits, was well aware of the strong employer opposition in Sweden to the wage-earner funds, and this contributed towards his increased political interest in Sweden by the mid 1980s. The Palme government's introduction in 1983 of wage-earner funds was less radical than the original concept developed by

the Swedish trade union movement in the 1970s, but it was still impressive to overseas visitors.

Carmichael nominally 'retired' in late 1984 when he stood down from the elected position of AMWU Assistant National Secretary for health reasons, and moved to a position as a national research officer of the union. This gave him greater 'critical distance' to read and reflect. He held the AMWU research officer role until he was elected Assistant Secretary of the ACTU in July 1987. In the period 1984–1987 Carmichael helped maintain the left unions' support for the Accord while at the same time lobbying inside the ACTU for policy change. He also made occasional, strong public criticism of the Labor government's failure to honour central commitments of the Accord.

Ted Wilshire was a former metalworker who studied political economy at Sydney University where he undertook research on rank-and-file metalworkers' attitudes to union activities. He was then appointed in 1976 at Laurie Carmichael's initiative as an AMWU researcher. The AMWU had links with the Sydney-based political economy movement in its phase of exposing and criticising the growing power of transnational corporations. Wilshire's energetic education campaigns in the AMWU were positively reported in one of that movement's publications.<sup>164</sup>

Winton Higgins was a Communist Party member fluent in the Swedish language and knowledgeable about the achievements of the Swedish trade union movement, whose ideas concerning Sweden, from his position as an academic at Sydney's Macquarie University, came to have a marked influence on Carmichael by the mid 1980s.

In 1981 Wilshire took leave from the AMWU to work for Lionel Bowen, deputy ALP leader. When the Hawke Labor government was elected in 1983, Wilshire became executive director of a unit later named the Trade Development Council, inside the Department of Trade for which Bowen was the new minister, thus creating a research vacancy in the union.

Nixon Apple then went to the AMWU in 1984, filling the research officer vacancy created by Wilshire's secondment to the Labor government, and he began to work closely with Laurie Carmichael. His transfer in 1984 from postgraduate academic study at Macquarie University with Winton Higgins, into working in the AMWU's national research centre with Laurie Carmichael, directly connected Winton Higgins' scholarly analysis of the Swedish labour movement's achievements with Carmichael's quest for a new political vision.

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<sup>164</sup> Crough, G and Wheelwright, T 1982, *Australia: A Client State*, Penguin, Melbourne, p. 210.

Winton Higgins published an academic journal article in August 1985<sup>165</sup> that was reprinted in a way which increased its circulation and impact. This article emphasised how ‘the Swedish labour-market reforms of the 1970s ... substantially increased the powers ... of union workplace organizations’, and identified ‘recessions ... [and] longer term investment behaviour that winds down industrial activity’ as ‘attacks on working and living conditions ... which ... cannot be turned back by the strike weapon’. He argued strongly against elements in the left, the ‘corporatist’ theorists, who simplistically dismissed Accord-type arrangements, and who ‘interpret ... any union concern for antirecessionary politics ... as class collaboration’. Higgins contended that ‘a developing political unionism ... must develop central ... co-ordinating ... leaderships, which in turn must arm themselves with an ever-expanding body of knowledge ... to match the resources and discipline of their adversaries’.

Higgins went on, as ‘the union movement ... projects itself into more and more policy areas, its social monitoring and constant policy initiatives necessitate permanent in-house research establishments’. He also outlined the great political achievements that Swedish unions (led by the Metal Workers) had made through their industry-wide bargaining, including that for the lowest paid; and the Swedish labour movement’s longstanding recognition that ‘wage levels ... depend ultimately on industrial performance, which now must become a union concern’.

He contended therefore that ‘the movement’s ‘production policy’’, though ‘often ... cited as evidence of Swedish unionism’s deep commitment to class collaboration ... [actually] had its immediate theoretical antecedents in the party theoretician Ernst Wigforss’ critique from 1919 of capitalism’s ... chronic disorganisation... as inseparably linked to its perverse distribution of income and mass unemployment’. Higgins also emphasised that Sweden’s ‘Rehn-Meidner model ... gives the union movement a central role in policy formation’. Whereas earlier Australian observers had interpreted scarcity of strikes in Sweden as a sign of enlightened management, Higgins argued that they were actually the *product* of the unions’ strategic *strength*.<sup>166</sup>

In July 1985 Winton Higgins visited the Trade Union Training Authority’s Clyde Cameron College at Wodonga as part of the AMWU’s national education program. This program had just been reinvigorated by Carmichael

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<sup>165</sup> Higgins, W 1985, ‘Political Unionism and the Corporatist Thesis’, *Economic and Industrial Democracy*, vol. 6, no. 3, pp. 349–381.

<sup>166</sup> Higgins, W 1985, ‘Political Unionism and the Corporatist Thesis’, pp. 355, 356–357, 354, 359, 360–361, 367, 369, 363.

following the low priority given to it after 1979. It had taken a backseat to the priority that the union leadership had placed on its campaign for higher wages and shorter working hours. Carmichael wrote a cover note to the course materials, explaining the need for the program, and stated that: ‘major changes ... are occurring in the economic, industrial, social and political arenas and it is essential to deepen an understanding of the issues and underlying processes involved and to try to calculate future developments in the short and medium term’.<sup>167</sup>

Winton Higgins spoke on the first day of a week-long event on ‘broad strategy options’ and ‘interventionist, Accord solutions’.<sup>168</sup> Carmichael also spoke that day along with Nixon Apple on ‘the rise and fall of full employment capitalism 1947–72’. Ted Wilshire spoke the following day on trade trends, wealth creation, balance of payments and currency exchange values; Carmichael then spoke about elements of a program to change the direction of industry development. Carmichael returned on later days to talk about responding to new technology and associated new work organisation. On the last day he gave an overall summary of discussions.

Then, from 13 to 25 October 1985, a high-level five-person delegation from the Swedish Metal Workers’ Union led by Union President Leif Blomberg visited Australia at the AMWU’s invitation.<sup>169</sup> In preparation for this visit the Australian union arranged for its officials to attend a one-day seminar on the role of unions in management and economic planning.<sup>170</sup> More than 30 pages of briefing notes were compiled in the AMWU for this delegation’s visit, drawing on materials sent by their Swedish counterparts, including information about Sweden’s export-orientated growth, provision of paid leave for unionists when on union business, the fact that at the just-held elections of 15 September 1985 the Swedish Social Democratic Party and allied parties had been returned to government for a further three years, and renewal funds (see below).<sup>171</sup>

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<sup>167</sup> Letter formally signed by Greg Harrison Assistant National Secretary, to state secretaries, 7 June 1985: AMWU records in the Australian National University’s Noel Butlin Archives Centre (hereafter NBAC), Deposit Z102, Box 650 (‘Education Committee 1984–1986’).

<sup>168</sup> Document titled ‘AMWU National Education Programme’, NBAC, Box 650.

<sup>169</sup> Telex of 28 March 1985 from Leif Blomberg, President, Swedish Metal Workers’ Union to RT (Dick) Scott, AMWU National President: NBAC, Box 562 (‘International ... Sweden 1975–1986’).

<sup>170</sup> Letter of 30 May 1985 from RT Scott to L Blomberg, in NBAC, Box 562 (‘International ... Sweden 1975–1986’).

<sup>171</sup> NBAC, Box 562 (‘International ... Sweden 1975–1986’). This file also includes pamphlets on ‘The Swedish Act on Co-Determination at Work’ issued by the Ministry of Labour

The seminar coincided with an AMWU National Council meeting. The AMWU newspaper later featured the visiting Swedish delegation, and reported on cooperation between unions and government in Sweden, declaring that ‘Sweden’s strong economic recovery and low unemployment rate ... was largely due to the accord the unions had with the social democratic (Labour) government’. Particular emphasis was placed on the role of informal channels of contact with the government.

Direct comparisons were made in the newspaper article with Australia; especially between the Australian Prices and Incomes Accord and successful Swedish attempts ‘to improve economic growth while reining in inflation and unemployment, and consolidating its welfare system and public sector – the reverse of the policies implemented by the right-wing Reagan administration in the US and Thatcher government in Britain’. The article also mentioned the role of the unions in introducing new technology, and the adoption of legislation requiring companies with certain levels of profits to devote resources to ‘renewal funds’ for this purpose. The article concluded that ‘joint government–union cooperation on formulating long-term industry policy was a major aspect of the Swedish accord’.<sup>172</sup>

Immediately after this seminar Carmichael prepared to go to Sweden himself. He represented the ACTU at an ILO conference held at Örenas in south-west Sweden, and then made an intensive visit to Stockholm from 28 to 30 October 1985. Leif Blomberg had telexed his union from Australia on 15 October 1985, indicating that ‘Brother ... Carmichael ... desires discussions [on] current laws and position re pensions ... laws and operation of special funds, such as employment, training and industry development ... degree of regulation and deregulation of capital and currency markets ... latest developments re industrial democracy ... union education ... [H]e is representing ACTU ... [so] should also talk to LO and with National Bank representative on capital and currency regulations’.<sup>173</sup>

The visit clearly made a major impact upon Carmichael. He expressed his profound gratitude to his Swedish hosts and commented that the Australian labour movement was:

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in January 1985, and English-language brochures on the LO and the Swedish Metal Workers’ Union.

<sup>172</sup> ‘Accord is Essential’, *The Metal Worker*, November 1985.

<sup>173</sup> 1985 correspondence file for Australia in the records of the Swedish Metal Workers’ Union (IF Metall), in that union’s offices, Stockholm.

heading in the direction of policies and strategies that your organisation has already established and largely implemented. Of course they have to be applied in the concrete Australian circumstances. Nevertheless, we have very much to learn from you, which we must explore fully in as short a space of time as possible.<sup>174</sup>

Carmichael's 14-page private 'Report to ACTU Officers' uniquely expresses the image of Sweden he formed then. He found that the Swedish unions were 'socialist oriented', and that this conditioned their attitude to wages, profits and inflation. Their 'wages solidarity policy' was 'the foundation stone of their policy development'. He commended their efforts for study leave, which 'raises productivity' and 'challenges and changes power relations on the job'. Moreover,

They constantly stress the importance of the political dimension of their work and the use of legislative power to magnify their industrial organisation. They have highly developed ... connections into ... political processes starting from their remarkable community discussion groups apparatus up to fortnightly government-trade union consultations.

He warned that, '[t]his does not mean that the ... unions ... achieve all they set out to achieve at any given time. Sometimes the results are less ... than they believe they should be ... but it is clearly apparent that their position is always continuously developing with perspective about it'. Carmichael also reported on the co-determination legislation and its provisions for union representatives on company boards, supported by appropriate education, and on the establishment of wage-earner and renewal funds, the use of which was to be determined by negotiations between unions and management. 'The significance to me of these renewal funds', he wrote, 'is that they ... promot[e] ... industrial democracy ... education, skill, responsibility and cultural capacity in industry'. But, this did

not mean that there is no contest or that unions simply join the industry relationship without working-class purpose. On the contrary, each step in legislation or negotiation has had to be intensively argued against employer opposition and in some cases with industrial action.

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<sup>174</sup> Letter from Laurie Carmichael, AMWU National Research Officer, to Håkan Arnelid, 9 December 1985, in *ibid.*

... [T]he industrial democracy movement starting along with other democratic explosions of development from the mid-[19]60s [occurred] to challenge the denial of working people from having a say in decision-making and in particular the most vicious form of this denial in the work process itself.

Carmichael suggested that current industrial trends ‘create ... a big ... opportunity to negotiate better working conditions and work practices’, and that the Swedish unions, in their attitude to this opportunity, had placed themselves ‘in the forefront of the world’s working class movements’. Volvo provided a ‘dramatic example’ for Carmichael, in particular the new plant under way at Uddevalla to replace the former shipyards, in which ‘groups of up to thirty workers with ... high ... levels of skills, with thirty minute planned work cycles and not more than 50 per cent of anybody’s time on routine assembly, will be involved’. To sum up, he stated that:

I believe there is so much to learn from their experience. Particularly in relation to Labor being in government and what expectations the ... unions should have ... Of all the countries I have had the chance to visit, Sweden emerges as being the most valuable to learn from in relation to a Labor government being in office ... it leads me to *express a view as strongly as I can that a small representative ... delegation from the ACTU ... should seek to visit Sweden* to undertake a more detailed study of the matters I have only had the opportunity to explore in general terms and to study matters about which I did not have the time to examine.<sup>175</sup>

Thus in this short visit in 1985, Carmichael became very enthusiastic about the political possibilities that Sweden showed. His enthusiasm increased in the following year when he was a member of the delegation for which he lobbied, which would produce the publication *Australia Reconstructed*. This influenced him into renewed support for and perseverance with the Accord, despite its shortcomings, in an attempt to achieve the kind of things that the Swedish unions had through their ‘political unionism’.

Public disputes between left unions and the government over its failure to implement important elements of the Accord continued in Australia, and Carmichael continued to participate in them, up to a point. However, in the end he emphasised that: ‘it is ... up to the labour movement to revive

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<sup>175</sup> Carmichael, L (National Research Officer, AMWU) nd c late 1985/early 1986, ‘Report to ACTU Officers’, NBAC, Box 555 (‘Industrial Democracy 1985–1986’). Emphasis in original.

the Accord to save the government ... the union movement cannot simply be critical. There must be effective campaigning to change [the] course of the government's self-destructive policies'.<sup>176</sup> The *Australia Reconstructed* mission became a central part of the campaigning effort that Carmichael and colleagues would make.

The influence of Sweden had become important enough by August 1986 that a leading academic in the political economy movement, Frank Stilwell, began to raise concern about 'Carmichael's ... view which builds on notions of "political unionism" developed particularly in Sweden and discussed in the Australian context in various writings by Winton Higgins ... [whereby] the Accord could have ... the potential not only for generating absolute and relative gains in the material living standards of the working class but also for opening up hitherto unprecedented access to political power'.

Stilwell reiterated earlier left scepticism about social democratic 'collaboration', stating that, 'the 'Swedish road to socialism' remained a hotly contested issue' and that the Carmichael 'perspective of the Accord is simply optimism ... that, because an agreement such as the Accord opens up avenues for unions to be involved in the formulation of government policy, this can lead to benefits for the working class, broadly defined, in the short term and/or conditions more conducive to a socialist transition in the longer term'.<sup>177</sup>

The point, however, is the picture that Carmichael had formed of Sweden gave him reasons for optimism. In 1986, as a result of the AMWU's initiatives, the ACTU sent a delegation to Sweden, Norway, West Germany, Austria and Britain to seek new policy options for Australia. The delegation's report, *Australia Reconstructed*, was published in 1987. The report particularly praised and sought to emulate Sweden because of the overriding priority which that country placed on full employment and wage solidarity, while maintaining a strong economic performance.<sup>178</sup>

The commitment, enthusiasm and resources of the unions' partner in this mission, the Trade Development Council, helped to make *Australia Reconstructed* a major publication. It emerged as an A4-sized official-looking volume 235 pages thick. In those pre-PowerPoint days, the report featured more than 100 colour charts to illustrate statistical trends, policy concepts and organisational arrangements; it made 72 substantial policy recommendations; and it had a bibliography with more than 300 references.

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<sup>176</sup> *The Metal Worker*, vol. 7, no. 4, May 1986.

<sup>177</sup> Stilwell, F 1986, *The Accord – and Beyond*, Pluto Press Australia, Sydney, p. 28.

<sup>178</sup> ACTU & TDC 1987.

*Australia Reconstructed* remains the most comprehensive policy manifesto ever published by the mainstream left in Australia. It continued the concern about Australia's excessive economic reliance on extracting and shipping out resources rather than adding value to products, which had been expressed in a series of pamphlets published from the second half of the 1970s by the AMWU. Following those publications, which had criticised Australia's policy direction in the Fraser government years (1975–1983), the union delegation put forward positive policy solutions in *Australia Reconstructed* for the Hawke Labor government, elected in 1983, to pursue.

Although the 1986 mission to Europe was partly sponsored by – and its report published with the official imprimatur of – the Labor government, it contained much criticism of that government's policies. The authors emphasised the achievements of Sweden's model of pursuing full employment by reducing market wage differentials, ensuring an adequate social wage, and improving the mobility and skills of the labour force through comprehensive, active labour-market programs. They argued that this approach had succeeded in Sweden from the 1950s because unions had rejected 'the notion that wage restraint was the only solution, and instead [had] urged the Social Democratic government to adopt an alternative strategy involving the whole policy mix'.<sup>179</sup>

*Australia Reconstructed* represented the most ambitious attempt towards economic interventionism in the Hawke–Keating years (1983–1996). It sought to develop the original logic, new institutions and progressive aspects of the Prices and Incomes Accord signed by the ALP and the ACTU in February 1983, which had envisaged a regulated economy and a high priority for industry development. In particular, *Australia Reconstructed* sought to counter the federal government's contrary moves to financial deregulation and away from industry policy in the years following the signing of the Accord. Among its policy proposals was a call for restraint of prices and executive salaries instead of just wages, which were still subject to strict control under the auspices of the Australian Industrial Relations Commission. It advocated the development of manufacturing by using new superannuation funds to promote productive investment, among other measures. It called for better formation of vocational skills. It also endorsed the reorganisation of work along more democratic lines.

The year in which the report appeared, 1987, preceded the waves of privatisations, further tariff reductions, and the shifts away from centralised

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<sup>179</sup> ACTU & TDC 1987, p. 5.

wage fixing that came later in the Hawke–Keating years. As such, *Australia Reconstructed* remains an important reference point for an alternative and more interventionist Labor political and economic approach than came to dominate the period 1983–1996. The relevance to Australia that the delegation then saw in the policy achievements of trade unionist and social democrats in northern Europe remains valid now.

*Australia Reconstructed* was, of course, criticised at the time by employers. The Business Council of Australia sent its own mission to Sweden, the month after the union delegates returned, to paint a contrary picture. Leading ‘Dries’ suggested that the ACTU was engaging in Nordic hero worship; and one suggested that proposals to involve trade unions more broadly in national policymaking would inevitably make Australia akin to Fascist Italy under Mussolini.<sup>180</sup> The person who made this second accusation apparently failed to appreciate the distinction between the capricious actions of an Italian dictator before the Second World War, and *social democratic* corporatism as it had gradually and successfully evolved in northern European nations in the decades after the war.

Another repeated complaint about *Australia Reconstructed*, made by the leader of the largest employer organisation of the time, was that it was too hard to read.<sup>181</sup>

Not all criticism came from the employer side, however. Community welfare activists criticised the report for not placing nearly enough emphasis on the role that public sector provision had played in Sweden’s success, and also for viewing the social wage too narrowly.<sup>182</sup> The report outlined in detail the laws and programs that Sweden introduced to combat labour-market segmentation and to promote equal wages and conditions for women. It also strongly recommended similar moves in Australia. However, its focus on manufacturing meant that it did not adequately analyse the services sector where most women were actually employed; nor did its recommendations

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<sup>180</sup> See Hyde, J 1987, ‘ACTU Corporatism was a Failure in Mussolini’s Italy’, *The Australian*, 28 August.

<sup>181</sup> Williams, P 1987, ‘ACTU Report Branded as Dangerous by CAI Head’, *Financial Review*, 17 September, quoting Bryan Noakes, then Director General of the Confederation of Australian Industry; Confederation of Australian Industry 1987, *Employer Perspectives on the ACTU/TDC Report ‘Australia Reconstructed’*, Confederation of Australian Industry, Melbourne, 1987.

<sup>182</sup> Council of Social Service of New South Wales 1988, *Australia Reconstructed: What’s in It for the Community Services Industry?*, Council of Social Service of New South Wales, Sydney.

reflect women's need for childcare.<sup>183</sup> The document was also criticised by conservationists for purporting to 'encompass the major debates of our time' while essentially ignoring environmental questions.<sup>184</sup>

Nevertheless, *Australia Reconstructed* was generally acknowledged as a sophisticated and somewhat surprising challenge to conventional economic policy thinking in Australia. Debate over the report was prominent in the national media from the time of its launch on 29 July 1987. A series of visiting government ministers and other officials from Sweden and Norway helped to keep Scandinavian nations' alternative economic and industrial policy approach before the Australian public for some months.

On 19 October 1987 the stock market crash shifted attention away from *Australia Reconstructed* – although the collapse of the overvalued speculative activity was one of the very things the union delegation had been foreshadowing. The report had expressed concern at 'the impact ... the recent wave of takeovers ... is having on the level and composition of investment undertaken by the real production and value-adding sectors of the economy', and recommended that the Australian government follow the lead of the Scandinavian governments, which were acting to remedy this problem by 'supplementing private sector activities through collective capital formation ... [for] investment in ... infrastructure, education ... training and capital works'.<sup>185</sup>

*Australia Reconstructed* had observed that:

people threatened by adjustments which may force them to accept unemployment, job transfers or lower wages, will obviously oppose change. People with financial security are far better able to see changes as positive opportunities. The Swedes ... see a need to protect workers forced out of declining industries. In consequence, they have developed ... generous unemployment insurance, social welfare, early warning of retrenchments and incentives to retrain, enhance skills and relocate. Rapid structural change can then become an avenue to increased career opportunities rather than a threat.<sup>186</sup>

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<sup>183</sup> Ranald, P 1988, 'Unions Unreconstructed?', *Australian Left Review*, no. 105, pp. 10–11.

<sup>184</sup> Toyne, P 1991, 'Trade Unions and the Environment', in *Labour Movement Strategies for the 21st Century*, Evatt Foundation, Sydney, p. 27.

<sup>185</sup> ACTU & TDC 1987, pp. 14, 19–20.

<sup>186</sup> ACTU & TDC 1987, p. 105.

An initial overview report of the Mission was issued soon after the delegation's return, in October 1986. When Carmichael arrived back, in a detailed oral report to the AMWU National Council, he emphasised that Sweden's 'unions had not been "absorbed" into the system. A Swedish strike in the early [19]80s resulted in a lockout of 750,000 workers'.<sup>187</sup> Days after his return from Stockholm, and eight months before the publication of *Australia Reconstructed*, Carmichael was publicly spelling out his enthusiasm about the Swedish unions, the level of resources they enjoyed and their emphasis on education. His attendance of the Swedish LO congress had demonstrated to him 'the degree of commitment that the ... union movement has to a sophisticated view of the economy'. He reported that:

one-third of the congress was given over to discussing problems of production. Now in our ... union movement, the amount of discussion of production would be lucky if it was two or three per cent of the period of congress. You would have a discussion about the economy, but it would be largely about what we would expect the government to do about it and very little about what we expect the ... union movement to do.<sup>188</sup>

At an AMWU National School held from 6 to 10 October 1986 at Clyde Cameron College, the entire afternoon of the first day was allocated to Carmichael's report on the ACTU overseas mission.<sup>189</sup> He related how in Sweden:

Labour market policy ... is a major cornerstone of the ... unions' work ... unions are told of intended plant closures and their main effort is directed not at redundancy deals, but at retraining workers and restructuring industry ... [and] there is expanded power of the shop stewards to intervene in production and investment.<sup>190</sup>

In the nine-month interval before the publication of the full *Australia Reconstructed* report in July 1987, the delegation's researchers followed up their findings.<sup>191</sup>

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<sup>187</sup> 'European Example is Path to Follow, says Carmichael', *The Metal Worker*, November 1986.

<sup>188</sup> 'Carmichael's Swedish Message to Unions', *Australian Financial Review*, 6 October 1986.

<sup>189</sup> NBAC, Box 669 ('AMWU Education Committee Minutes 1986-1987').

<sup>190</sup> 'European Example is Path to Follow'.

<sup>191</sup> 'European Example is Path to Follow'.

Ted Wilshire and other members of a team of researchers worked intensively through these nine months in a suite of the Department of Trade offices in central Sydney to write up the many features of Sweden that the unions had come to admire as the main theme of the 235 pages of words and charts that made up *Australia Reconstructed*.

As the publication was being edited, Wilshire enlisted Winton Higgins to help. *Australia Reconstructed* was printed prior to, but not released until after, Australia's 1987 national election, at which the Labor government was re-elected for a third term.

There was a major public debate in Australia about the document from July to October 1987. Laurie Carmichael led the case for its policy recommendations. He had regularly to rebut accusations that it was seeking the 'Swedenisation' of Australia.

Carmichael held the position of ACTU assistant secretary until September 1991, during and after which he continued his campaign for the skills training components of the *Australia Reconstructed* manifesto. The favourable impression of Sweden he had formed in 1985 and 1986 sustained him throughout these efforts.

Swedish arrangements in some modest ways came to influence Australia's agenda for training reform, known as 'award restructuring'. Several further, smaller scale visits by Australian unionists and researchers in the late 1980s contributed to detailed debate on issues including skills reclassification – but their policy ambition was nowhere near as great as that manifested in *Australia Reconstructed*. They were like sequels to a blockbuster.

However, during the same period employers (and a few trade union representatives) were developing an interest in Japanese management approaches. These developments attracted criticism from a group of AMWU researchers who had been supportive of the first Accord in 1983 (because of its potential for left interventions). They saw the political achievements of Scandinavian unions and of the goal of 'humanising' the workplace through enhanced training opportunities as positive. By the early 1990s they broke away from the AMWU, feeling that the ACTU and the Labor government were no longer pursuing these goals because of an overwhelming, and contrary, employer-driven agenda for enterprise-level bargaining.<sup>192</sup>

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<sup>192</sup> Ewer, P, Hampson, I, Lloyd, C, Rainford, J, Rix, S & Smith, M 1991, *Politics and the Accord*, Pluto Press Australia, Sydney, pp. 111–117 and passim.

Winton Higgins shared these critics' concerns.<sup>193</sup> He considers that the 'Swedish model' 'lost a lot in translation' to Australia in the late 1980s, although for this he does not criticise Laurie Carmichael. Rather, he sees Carmichael as trying to achieve what was possible in a political context that rapidly became very adverse and dominated by neoliberal economics.

Australia was not reconstructed in accordance with the image of Sweden formed by the Australian unionists who went there in 1986. It was unfortunate timing that in the very period that the characteristics of the Swedish policy approach most admired by the unionists were highlighted to the Australian public, these were changing somewhat within Sweden. The unionists paid insufficient attention to this but some critics from the right strongly emphasised it in their reaction to *Australia Reconstructed*.

The prominent discussion of the 'Swedish model' receded in Australia, especially following the economic setbacks of the early 1990s amid an inaccurate perception that 'the Swedish model' had collapsed. There has remained, however, a careful but consistent argument for the continuing important differences between national industrial relations approaches even in the age of 'globalisation'<sup>194</sup> and a still hopeful outlook on the possibilities for, and benefits of, industrial democracy;<sup>195</sup> with the Nordic nations in each case still being seen as leading exemplars.

The AMWU's interest during the 1980s in Sweden and northern European policy approaches was forward-looking and visionary. It continues to help the prospects for interest today by a wide range of progressive and egalitarian Australians in lessons that we can continue to learn from Nordic countries, in many vital policy areas. And in April 2013, 25 years after the last delegation of manufacturing unions visited the UK and northern Europe, the AMWU will again be part of a delegation visiting those countries.

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<sup>193</sup> See, for example, Higgins, W 1991, 'Missing the Boat: Labor and Industry in the Eighties', in Galligan, B and Singleton, G (eds), *Business and Government Under Labor*, Longman Cheshire, Melbourne, pp. 102–117.

<sup>194</sup> See Bamber, GJ, Lansbury, RD and Wailes, N (eds) 2004, *International and Comparative Employment Relations: Globalisation and the Developed Market Economies*, Allen & Unwin, Sydney, 4th revised edition.

<sup>195</sup> See Lansbury, RD and Wailes, N 2003, 'The Meaning of Industrial Democracy in an Era of Neo-Liberalism', in Paul J Gollan and Glenn Patmore (eds), *Partnership at Work: The Challenge of Employee Democracy*, Pluto Press Australia, Sydney, pp. 37–46.