Comparative Trade Union Democracy in Australia and the United States

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The absence of democracy within trade unions can discourage potential members from joining and enable businesses and governments to justify anti-union attacks.¹ Even more importantly, as scholars from elite theorists to Marxists have recognised, only a democratic union will operate to its members’ full advantage. The interests of union leaders and members are often opposed and leaders of undemocratic unions will work to benefit themselves and further entrench their own authority.² There have been many studies of trade union democracy internationally, but only a handful in Australia, some historical, and some contemporary.³ The theoretical work in the field has generally come from overseas, particularly the United States (US).⁴ In this paper I use an Australian case study to assess the strength of these US accounts of trade union democracy, testing the robustness of the US theory by applying it to Australian conditions.

Trade union democracy entails control by the ordinary members and, where necessary, their accountable representatives. At the opposite end of the spectrum from democracy is trade union oligarchy which is organisational domination by a small group of leaders. The field of trade union governance has centred on arguments for and against Robert Michels’ ‘iron law of oligarchy’. In 1911 he argued that all supposedly democratic trade unions will inevitably become oligarchies. Key theoretical works in the field have focussed on one atypical union that is a democratic exception to the oligarchic norm in order to explain how that union has resisted the tendency towards oligarchy and thereby extrapolate the conditions required in all unions to enhance democracy. One study typically states that “while the claims are based on a detailed case study, the theoretical model and its insights hold for labor unions and organizations more broadly”.  

Most notably, Seymour Martin Lipset, Martin Trow and James Coleman studied the International Typographical Union (ITU) in the 1950s and more recently Margaret Levi, David Olson, Jon Agnone and Devin Kelly examined the International Longshore and Warehouse Union (ILWU) from its formation in 1902 to the 2000s. While different scholars stress different factors, there is a consensus in the literature around five key requirements for union democracy in addition to a formally democratic constitution. Trade union democracy needs organised opposition (internal factions or parties), decentralisation (local autonomy and rank-and-file decision-making), a close-knit ‘occupational community’, equality of salary, status, skill and education between members and officials and free communication.

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6 Levi et al., "Union Democracy Reexamined " 203.
7 Lipset, Trow, and Coleman, Union Democracy: The Internal Politics of the International Typographical Union; Levi et al., "Union Democracy Reexamined ".
This article is comparative in that it is “research dealing with the same question in two or more countries”. Analytical’ use of comparison seeks variables that explain similarities and differences between nation states while ‘illustrative’ use of comparison examines various nation states in terms of a theory that is relevant to all of them. My approach is closer to the latter. I will be using an Australian case study to assess the strength of the US theory on trade union democracy and its applicability to Australian conditions. To further test the theory I will also invert the approach. Rather than study an atypical democratic union like the ITU or ILWU, I consider an archetypal oligarchic union and judge how well the existing literature explains the existence and persistence of that oligarchy. My oligarchic union is the Australian Workers Union (AWU) from its formation in 1886 to 1950.

The AWU did not possess any of the five key requirements for union democracy that the literature emphasises. These absences provide a convincing but incomplete account of oligarchy within the union. While Lipset and others argue that organised opposition is the most important requirement for union democracy and Levi and others privilege decentralisation, in the AWU it was lack of free communication that most strongly entrenched oligarchy. The absence of another of the five key requirements accounts for this difference. Unlike the ITU and ILWU, the AWU did not possess a cohesive occupational community with strong informal communication channels. This made members dependent on the tightly controlled formal union communication.

The inadequacy of the US theory to comprehensively explain oligarchy within the AWU also stems in part from important contextual differences between the two nations. Both the US and Australia were former British colonies with a federal system of government and the early

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10 Ibid., 3.
11 Lipset, Trow, and Coleman, Union Democracy: The Internal Politics of the International Typographical Union; Levi et al., "Union Democracy Reexamined ".

introduction of suffrage for all white males. But the nations also differed in important respects. In relation to trade union democracy, the three most crucial differences were the greater prevalence in Australia of ‘new unions’ of low-fee paying unskilled workers, Australia’s successful political labour party and its compulsory industrial arbitration system. The AWU is the prime example of a union that embraced each of these three key features of Australian unionism.

These differences weakened democracy within Australian unions compared with their US counterparts. New unions were less likely to possess a strong occupational community as their unskilled members were often itinerant and dispersed amongst various industries and regions. The effects of the Australian Labor Party (ALP) on union democracy were more mixed. Power within affiliated unions translated into power within the Labor Party which made officials more desperate to keep their union positions by undemocratic means. But affiliation also brought factional party disputes into the unions which could provide the stimulus for membership participation and leadership renewal.

The compulsory arbitration system greatly hindered democracy within Australian trade unions. Arbitration entailed an industrial court settling disputes through legally binding industrial awards stipulating working wages and conditions for a set period. For unions, the advantages of arbitration included forced recognition by employers and pay rises without risky strikes. Crucially, preference for unionists and compulsory unionism within industrial awards reduced or eliminated the members’ ability to abandon the union and, thereby, removed the need for union leaders to maintain or enhance democracy in order to retain members. Arbitration also encouraged unions to federate and centralise which caused a

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decrease in local autonomy and condensed power into the hands of a small group of top officials. The arbitration system’s courtroom operations did not involve ordinary members, thus discouraging membership interest and participation. Arbitration judges deliberately strengthened conservative unions and weakened militant ones while the threat of fines and deregistration for strikes encouraged union officials to suppress rank and file militancy. Based on my assessment of the negative effects of arbitration on union democracy I argue that workers’ choice over whether or not they are union members and a union’s primary form of employment bargaining should be recognised as two additional key predictors of trade union democracy.

The following section investigates the international literature on trade union democracy and oligarchy. I then provide a history of the AWU from 1886 to 1950 before assessing the existing historiographical explanations of AWU oligarchy. The fifth section analyses the AWU in relation to the scholarship’s five key requirements of union democracy. Prior to the conclusion, I examine the effects of the contextual differences between Australian and US unionism on union democracy within the AWU and within the two nations more broadly.

**The tendency towards oligarchy within trade unions**

Michels reasoned that union leaders will govern not to benefit their members but to advance their own interests and entrench their positions. This in turn stems from the members’ inability to control their officials. Few have the desire or skills to participate meaningfully and their social conditioning to obey instructions causes an ‘immense need for direction and guidance’ and ‘a genuine cult for the leaders, who are regarded as heroes’. The officials have
superior organisation, knowledge and political skills, and control of the official union apparatus including the devices of reward and punishment and formal communication.\textsuperscript{14}

Opponents of Michels have acknowledged the propensity towards oligarchy that he identified but have argued that it can be overcome. Richard Hyman, for example, argues from a Marxist perspective that ‘countervailing tendencies’ can offset the tendency towards oligarchy. These countervailing tendencies include membership pressure on the leaders ‘from below’ and ideological support for democracy amongst the leaders themselves.\textsuperscript{15} Alvin Gouldner argues that the iron law of oligarchy only describes one half of an ongoing struggle between democracy and oligarchy. He observes that if “oligarchical waves repeatedly wash away the bridges of democracy, this eternal recurrence can happen only because men doggedly rebuild them after each inundation” and labels this the ‘iron law of democracy’.\textsuperscript{16}

The consensus in the field is that there is a strong inclination towards oligarchy within trade unions but that it can be overcome in rare circumstances. From these studies we can identify three levels of union democracy (figure 1).\textsuperscript{17} The first is constitutional democracy in which members have basic democratic rights such as freedom of speech, the right to vote and nominate in elections, and access to an appeals system. The second level recognises that unions in which members have formal democratic rights are often still oligarchical in practice. Instead it focuses on behavioural democracy demonstrated by indicators such as the presence of institutional opposition groups\textsuperscript{18} or the closeness of union elections.\textsuperscript{19} Many

\textsuperscript{14}Michels, \textit{Political Parties: A Sociological Study of the Oligarchical Tendencies of Modern Democracy}, 38, 42.
\textsuperscript{15}Hyman, \textit{Marxism and the Sociology of Trade Unionism}, 29-32.
\textsuperscript{17}Voss, "Democratic Dilemmas: Union Democracy and Union Renewal," 372.
\textsuperscript{18}Lipset, Trow, and Coleman, \textit{Union Democracy: The Internal Politics of the International Typographical Union}.
\textsuperscript{19}Edelstein and Warner, \textit{Comparative Union Democracy: Organisation and Opposition in British and American Unions}. 
scholars such as Lipset argue that the presence of these indicators demonstrate that a union is
democratic. But others such as Levi maintain that fully-fledged union democracy requires a
further condition. The third level is participatory democracy in which, in addition to electing
officials, ordinary members also exercise significant control over decision-making within the
union (such as direct votes on contracts).^{20}

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<td>2. Behavioural democracy</td>
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**Figure 1**

While different scholars have stressed particular factors, there is a consensus in the literature
around five key requirements for union democracy in addition to formally democratic rules
(figure 2). First, the existence of legitimate and tolerated internal organised opposition
(factions or parties) facilitates electoral competition, keeps members informed and interested,
fosters leadership and political skills outside the leadership group, and makes officials more
accountable.^{21} The key distinction between factions and parties is that opposition is
considered legitimate, normal and permanent in a party system, while it is not in a
factionalised union.^{22} Second, decentralisation through local autonomy and rank-and-file
decision-making allows for the development of local powerbases to provide opposition to the
national leadership and “creates a forum for encouraging and educating members to take

^{20} Levi et al., "Union Democracy Reexamined ".
^{22} Dickenson, Democracy in Trade Unions: Studies in Membership Participation and Control, 29.
advantage of the procedures of democracy”. Third, the members form a close-knit ‘occupational community’ with high levels of interaction and a history of collective action which creates a culture of interest and participation in union affairs. Fourth, equality of salary, status, skill and education between officials and members minimises the gap in political skills and causes leaders to feel less pressure to maintain their positions through undemocratic means. Fifth, the existence of communication channels that are not controlled by the leadership gives members access to information that allows for informed participation, criticism of sitting officials and enables opposition groups to communicate with members.

Lipset and others and Edelstein and Warner argue that internal organised opposition (factions or parties) is the key to union democracy while Levi and others emphasise decentralisation (membership decision-making and local autonomy) as the crucial factor.

Requirements for union democracy:
1. Organised opposition (internal factions or parties)
2. Decentralisation (local autonomy and rank-and-file decision-making)
3. Occupational community
4. Equality of salary, status, skill and education between members and officials
5. Free communication

Figure 2

The AWU from 1886 to 1950

27 "Union Democracy Reexamined " 207, 22.
Union democracy was a topic of sustained controversy within the AWU which was Australia’s largest and most industrially and politically influential trade union.\(^{28}\) Shearers in the state of Victoria in the south east of Australia had founded the union in 1886 and it quickly spread throughout the nation covering various forms of rural and construction labour.\(^{29}\) Mateship between white male bushworkers was the ethos of the union from which Asians and women were excluded.\(^{30}\) The AWU was structured federally with regional branches controlled by the federal Annual Convention and Central Executive which both had unlimited power. In 1910 each branch elected one delegate to Convention for every 2,000 members or part thereof. All members could vote for the President and General Secretary who headed the Executive Council and the members in each state elected a state Executive Council representative as did the members in each branch.\(^{31}\) By 1920 the AWU had over 100,000 members divided into nine branches: New South Wales (NSW) Central, NSW Railway Workers Industry Branch (RWIB), Queensland, Victoria-Riverina, South Australia, Darwin, Tasmania, Western Australia and Western Australia Mining Industry.\(^{32}\)

Ideologically the majority of AWU members and officials were conservative reformists who advocated modifications to the existing political and economic systems through arbitration and political action. The AWU helped to establish Australia’s comprehensive compulsory arbitration system in the early twentieth century. Opposing the conservative reformists within the AWU and the wider labour movement were militant reformists who promoted strikes and radicals who worked to overthrow capitalism.\(^{33}\) The AWU published various labour


\(^{29}\) Ibid., 98.

\(^{30}\) Harry Knowles, “Comparative Labour Biography: An Historical Study of Leadership in the Australian Workers’ Union” (University of Sydney, 2003), 100.

\(^{31}\) AWU Constitution and General Rules, 1909-10, Australian Workers Union (AWU), E154/1-2, Noel Butlin Archives Centre (NBAC), Australian Capital Territory; AWU Annual Convention Report, *Australian Worker*, 12 February 1914, 23.

\(^{32}\) AWU Annual Convention Report, *Worker*, 5 February 1920, 11.

newspapers, most importantly the *Worker* in Queensland, the *Australian Worker* in NSW, Victoria, South Australia and Tasmania and the *Westralian Worker* in Western Australia.

In the early 1890s all important AWU decisions had been made by membership plebiscite. But as the decade progressed drastic membership decline and repeated votes against amalgamations with other unions caused the AWU officials to decide that the members required firm leadership and discipline. They abandoned plebiscites and conducted elections so as to guarantee their own re-election (see below). Branch leaderships remained unchanged for decades and these leaders and their allies engineered their re-election each year as Annual Convention delegates and Central Executive representatives. A majority coalition of these branch leaderships dominated the union at the federal level.

AWU officials also occupied important positions within the Australian Labor Party (ALP) nationwide, particularly in Queensland where the union dominated that state’s Labor Party. In NSW, Australia’s most populous state, the AWU was less politically successful. It had become the state’s largest union in 1916 when the Railway Workers and General Labourers Association amalgamated with the AWU to form the RWIB. Around this time the NSW Central Branch President Jack Bailey and other AWU leaders took control of the NSW Labor Party at the head of a coalition of conservative trade union and local branch delegates. But they were deposed by a more militant faction in 1923 and remained politically ostracised in NSW for the remainder of the period. The head of this militant faction was NSW Labor Parliamentary leader Jack Lang who used his enormous popularity with party members and trade unionists to take increasingly oligarchical control of the party. He was Premier of NSW

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from 1925 to 1927 and 1930 to 1932 but by the late 1930s it had become clear that Labor could not win another election under Lang and a coalition of local party branches and trade unions defeated him and his ‘Inner Group’ of allies in 1939.\footnote{Hagan and Turner, \textit{A History of the Labor Party in N.S.W. 1891-1991}, 78-94.}

The NSW AWU leaders also faced opposition from within the union. Militant members formed internal dissident groups, most notably the Bushworkers Propaganda Group, before breaking away in the 1930s to form a rival Pastoral Workers Industrial Union (PWIU).\footnote{Harry Knowles, “Arthur Rae: A ‘Napoleon’ in Exile,” \textit{Labour History} 87 (2004): 112-15; Andrew Moore, "The Pastoral Workers’ Industrial Union 1930-37,” \textit{ibid.} 49 (1985): 62.} An even greater threat came from Queensland. By the mid-1930s the majority of AWU members lived in the north-eastern state. Its Secretary Clarrie Fallon used this massive membership to govern the union in an unofficial dictatorship. As the NSW Branch was the most likely to challenge Queensland for AWU supremacy, Fallon neutralised this possibility in 1933 by combining the Central Branch and RWIB into one NSW Branch and replacing the existing leaders including Bailey. He then had the Executive Council govern the NSW Branch for most of the period from 1933 until he died in office in 1950.\footnote{Mark Hearn and Harry Knowles, \textit{One Big Union: A History of the Australian Workers' Union 1886-1994} (Melbourne Cambridge University Press, 1996), 179.}

\section*{Oligarchy within the AWU}

was probably at least some outright ballot-rigging within the AWU.\footnote{Stephenson, “Ballot-Faking Crooks and a Tyrannical Executive”: The Australian Workers Union Faction and the 1923 New South Wales Labor Party Annual Conference,” 108-09.} But in general, as we will see, the union’s officials did not need to break the rules to ensure their re-election.

In 1923, Vere Gordon Childe produced the first detailed analysis of internal governance within the AWU.\footnote{Childe, How Labour Governs: A Study of Workers' Representation in Australia.} Historians since have generally followed his analysis.\footnote{Turner, Industrial Labour and Politics, 11, 91; Hearn and Knowles, One Big Union: A History of the Australian Workers' Union 1886-1994, 136.} Childe criticised the AWU as an “undemocratic system… entirely under the thumb of a small junta of high officials in Sydney” which was the “natural outcome of the AWU structure”.\footnote{Childe, How Labour Governs: A Study of Workers' Representation in Australia, 76, 176.} “Owing to the vast area” covered by each branch, the “branch officers and organisers who travel about the branch area, publish reports in the [Worker newspapers], and appear before Arbitration Courts” have “an incalculable advantage over the ordinary working members who can only be known as a rule to their actual workmates in a limited area”.\footnote{Ibid., 176.} Thus “the majority of the delegates to the Annual Convention are organisers or other employees even more directly under the control of the Executive” and “the official junta can control a large bloc vote at that gathering, since they can dictate to organisers and similar employees how to vote”.\footnote{Ibid., 178.}

Top officials in each branch and federally faced elections each year. Childe argued that “as to re-election in the AWU, as in most unions, this is a mere formality”, but did not explain why this was the case.\footnote{Ibid., 176.} I will explore in detail the methods employed by AWU officials to guarantee their own re-election below. Finally, Childe stressed the importance of the leadership’s control of the AWU Worker newspapers, arguing that “all serious criticism of the officials in the Labour Press can be suppressed because of their share in the management

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47 Ibid., 176.  
48 Ibid., 178.  
49 Ibid., 177.
of the *Workers*. Irwin Young’s analysis largely accords with Childe’s, but unlike Childe, Young does not see the officials’ control of the *Worker* newspapers as being a significant component of their power. He points out that the newspapers’ content was far more radical than the policy of the AWU leadership and concludes that “the officials of the AWU were neither academic nor theoretical and paid little attention to the journal’s content”. I disagree with Young’s claim and will support Childe in this debate.

Ray Markey examines the AWU and its forerunners from 1886-1900. He observes that “stability of leadership characterised the union centre and branches” but like Childe he does not explain how the leaders won the annual elections year after year. Markey situates the AWU’s centralism in terms of two broader trends within Australian trade unionism. First, the increasing tendency towards “larger unions spread over a number of localities” meant that “the opportunity for old craft-style participatory democracy based on small localised union membership was receding”. Second, the arbitration system’s “court-room method of operation” discouraged membership interest and participation as it did not require the involvement of ordinary members. Markey says that the history of the AWU between 1880 and 1900 “confirms Michels’ thesis”, and Verity Burgmann observes that the AWU “became a union that seemed to confirm the clearly iron-like nature of the law of oligarchy”. These two brief allusions to Michels’ iron law of oligarchy are the historiography’s only engagement with the extensive international literature on trade union governance. Conversely, my analysis of oligarchy within the AWU is grounded in the international literature, especially from the US.

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50 Ibid., 179.
51 Young, “Changes within the N.S.W. Branch of the Australian Workers' Union 1919-1924 ” 56.
53 Ibid., 89.
54 Ibid.
55 Ibid., 82.
The AWU and the five requirements of union democracy

The theoretical literature’s five key requirements for union democracy are necessary in addition to formally democratic rules. But in important ways the AWU rules were not formally democratic. In practice, for example, many positions within the union were appointed by the sitting officials, thus creating a patronage system. Each branch (except those divided into districts) was governed by a Branch Executive headed by a Secretary, President and two Vice-Presidents and one representative from each of 15 local committees.\(^{57}\) Owing to the AWU’s scattered, itinerant membership, many local committees failed to elect a representative who was instead appointed by the Branch Executive.\(^{58}\) This Executive also appointed replacements for any officials who left office mid-term and employed all non-elected branch staff. The power of office allowed the sitting officials to further manipulate these appointments to their advantage by altering local committee boundaries, changing their own places of residence and packing local committee meetings.\(^{59}\)

Where officials were elected these ballots were undermined by a series of undemocratic rules that made it very difficult for outsiders to defeat the incumbents. An individual needed to be a financial member of the AWU for at least the past two years (three years from 1937) before nominating for any position.\(^{60}\) This debarred many working members from running for office as periodic unemployment often caused a break in membership. It was also common for the sitting officials to refuse rival candidates on technicalities such as failing to renew their membership before a certain date or neglecting to pay a voluntary levy.\(^{61}\) The AWU’s simple first-past-the-post voting system further favoured the incumbents. The candidates with the

\(^{57}\) AWU Annual Convention Report, *Australian Worker*, 12 March 1914, 22.
\(^{59}\) Bailey, Lambert and Co. Ltd. Secrets Exposed, 1922, George Waite Papers, MSS208/1, Mitchell Library (ML), NSW; “Conspiracy against the AWU exposed,” *Australian Worker*, 21 September 1916, 1 (supplement).
highest number of votes were elected with no preferencing and no proportional representation. This meant that the well-known sitting officials did not need majority support but simply more votes than any other individual candidate. The officials further exacerbated this problem by having their allies run as ‘dummy’ candidates, further splitting the opposition vote.\footnote{Bushworkers Propaganda Group, The AWU and Faked Ballots, 1924, T. J. O’Sullivan Papers, A2756, ML.} The rules required the Branch Executive and Executive Council to approve all electoral candidates on their “ability” and “good behaviour”.\footnote{AWU Annual Convention Report, \textit{Australian Worker}, 25 February 1915, 17; AWU Annual Convention Report, \textit{Australian Worker}, 22 March 1917, 19; Rule 55 AWU Constitution and General Rules, 1909-10, AWU, E154/1-2, NBAC.} Pleading fear of libel lawsuits, the Executives did not provide reasons for rejecting a candidate.\footnote{AWU Annual Convention Report, \textit{Australian Worker}, 17 February 1937, 16.} In a mockery of democratic process, the current leaders were able to decide who was allowed to run against them, and bar any who posed a genuine threat, without providing any reasons. Such anti-democratic rules were legal in both Australian and the US unions in this period (see below).

Now we can begin to analyse the extent to which the five key requirements of union democracy identified in the US literature explain oligarchy within the AWU. The first requirement is the toleration of opposition groupings. Such groupings were openly forbidden within the AWU. The clear message from the leadership was that they were detrimental to the union and would not be tolerated. Officials were to be elected as individuals on their individual merit rather than as representatives of “divisive” intra-union groupings.

The AWU repressed opposition groups by banning them and expelling their members from the union.\footnote{“Bushworkers Propaganda Group,” \textit{Worker}, 12 March 1925, 12.}

The leadership misrepresented attacks on specific leaders as attacks on the union as a whole.\footnote{Central Branch Annual Report, 31 May 1923, AWU, E154/41/1, NBAC.} The Bushworkers Propaganda Group complained that “whenever the AWU officials are denounced for their misconduct or neglect, they raise the cry that we are the enemies of
the union and are seeking to destroy it, whereas we are serving the true interests of the union by exposing those who are living on the game”. The officials also falsely and sensationalistically labelled dissidents as Communists, foreigners and traitors. In 1929 Australian Worker Editor Henry Boote said that a rank and file reform movement within the RWIB had “resulted from efforts of an alien body in China to control the Labor movement in this country”. The AWU was “the only body courageous enough and powerful enough to combat the conspiracy”.

Decentralisation through local autonomy and rank and file decision-making is the second requirement of union democracy. From its foundation the AWU was highly centralised with limited branch autonomy. The federal Annual Convention and Executive Council enjoyed plenary power and total control over the branches. Branches were frequently closed, combined and reconstituted by the central authorities. The 1933 fusing of the Central Branch and RWIB in NSW discussed above is one of many examples.

In the early 1890s membership plebiscites regularly decided important issues within the union. By the end of the decade, however, an elitist attitude pervaded the leadership which argued that it was the job of the officials to lead the union and not to listen to the members. The ruling officials always blocked any attempts to make plebiscites a regular feature of union decision-making. Instead, they were only employed when it suited the officials who also decided how the question was put and had significant control over what information the members received about the issue. Plebiscites were primarily used as a delaying tactic or to

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67 Bushworkers Propaganda Group, Knowledge is Power, 1922, George Buckland Papers, MSS4320, ML.
68 AWU Annual Convention, Australian Worker, 6 February 1929, 17.
70 Merritt, The Making of the A.W.U., 266.
71 Ibid., 207.
72 AWU Annual Convention Report, Australian Worker, 26 January 1927, 18.
give the pretence of democratic consultation when the leaders knew how the members would vote.\textsuperscript{74}

The third requirement of union democracy is an ‘occupational community’ which creates a culture of membership interest and involvement in union affairs. The AWU was a massive union of over 100,000 members covering a multitude of jobs across a vast continent and members clearly did not form a single occupational community. They worked in the pastoral industry as shearsers, farm-hands, rabbit-trappers, sugarcane cutters and fruit pickers, in construction, mining, factories, cooking, baking, hotels, clubs, restaurants and more.\textsuperscript{75} Some of these occupations formed strong communities. Mine workers, for example, are renowned for a solidarity based on dangerous work and living together in isolated mining towns. Some professions in the pastoral industry such as shearing also enjoyed a strong occupational culture of mateship, but the seasonal and itinerant nature of the work undermined the formation of a fully-fledged occupational community. The construction industry too was generally short-term, nomadic work.\textsuperscript{76} Members demonstrated significant interest in union affairs with voting participation rates often around 25 per cent, but this was not enough to overcome the union’s anti-democratic rules and management.\textsuperscript{77} As Levi and others observe, “without the institutionalization of democracy, even the most militant of occupational cultures is unlikely to inhibit oligarchy”. They cite the Teamsters, the International Longshoremen’s Association, and the United Mineworkers Association (prior to its reform) as US “unions with militant rank-and-file memberships but top-down and autocratic governance”.\textsuperscript{78}

\textsuperscript{74} AWU Annual Convention Report, \textit{Australian Worker}, 25 January 1933, 17; AWU Annual Convention Report, \textit{Australian Worker}, 7 February 1934, 17.
\textsuperscript{75} Hearn and Knowles, \textit{One Big Union: A History of the Australian Workers’ Union 1886-1994}, 147.
\textsuperscript{76} Ibid., 163.
\textsuperscript{77} AWU Annual Convention Report, \textit{Australian Worker}, 14 February 1918, 17.
\textsuperscript{78} Levi et al., “Union Democracy Reexamined ” 208.
Equality of salary, status, skill and education between members and officials is the fourth requirement of union democracy. There is a historical consensus that that the AWU officials were “exceedingly well-paid”. 79 This is in stark contrast to the opinion of the officials themselves who often complained that they were poorly paid considering their hours and expenses. 80 Many leading officials such as federal and branch presidents were not paid at all. The Secretary was the best paid position in a branch and in 1911 the Central Branch Secretary received £237 per annum or £4/12 per week, which was twice the minimum wage, while a good shearer who sheared 90 sheep per day for 6 days a week received £6/10 during the shearing season. By 1939 the Central Branch Secretary earned £647 or £12/9 per week, three times the minimum wage, and a good shearer earned £9/12. 81 Meanwhile the union’s two highest paid officials, the General Secretary and the Secretary of the giant Queensland Branch, each received £1,000 per annum. 82 The AWU officials received good salaries but they were not as extravagant as the historiography suggests and not as high as they would have been in the private sector or in a present-day Australian trade union. Nevertheless there was a significant pay gap between members and officials and the fact that the gap increased as oligarchy became further entrenched accords with the expectations of the US literature.

There was also a large gap in status between AWU members and officials. Dissident Ernest Lane referred disparagingly to the leadership group as “the AWU high priests”. 83 The officials built a pseudo-religious cult of leadership. They made pilgrimages to the graves of

83 Ernest Henry Lane, Dawn to Dusk: Reminiscences of a Rebel (Brisbane: William Brooks, 1939), 305.
former leaders and the hotel in Ballarat where the union was founded.\textsuperscript{84} When a leading official died it was common to call for donations to build a memorial monument in his honour. AWU buildings were also named after late former leaders. For example, General Secretary Donald Macdonell died in 1911 and the union subsequently erected a ten tonne granite memorial in his honour in Stuart Mill, Victoria, and named its Sydney headquarters Macdonell House. This cult of leadership was on full display in the 1936 golden jubilee edition of the \textit{Australian Worker} which included a full-page heraldic shield featuring the portraits of the current Executive Council members.\textsuperscript{85}

While both officials and members had minimal formal education, the officials developed skills and informal education on the job that created a significant skill and education gap between themselves and the ordinary members. This was especially the case in relation to the arbitration system. Queensland Northern District Secretary and future AWU dictator Tom Doherty argued that it took three years for an ordinary member to become a “competent organiser” because of the “many and varied awards and matters affecting members”.\textsuperscript{86} This was especially the case for Secretaries “who had to prepare and present cases to the [arbitration] court” and developed skills similar to those of a lawyer.\textsuperscript{87}

The final requirement of union democracy is free communication. Communication within the AWU was tightly controlled by the sitting officials. Unlike Young, I agree with Childe that the three \textit{Worker} newspapers were of prime importance to the officials. These newspapers were the main avenue for union communication and the leadership controlled them closely. The \textit{Australian Worker} Board of Control had complete power over “the Manager and Editor in regard to management, policy of the paper, and all other matters” and consisted of the

\textsuperscript{84} Knowles, "Comparative Labour Biography: An Historical Study of Leadership in the Australian Workers’ Union,” 116.
\textsuperscript{85} \textit{Australian Worker} (Golden Jubilee supplement), January 29, 1936, 3.
\textsuperscript{86} AWU Annual Convention Report, \textit{Australian Worker}, 23 March 1938, 17.
\textsuperscript{87} AWU Annual Convention Report, \textit{Australian Worker}, 16 March 1938, 18.
Secretaries of the southern branches (Central, RWIB, Victoria-Riverina, Adelaide and Tasmania) who had votes on the Board in proportion to their branch’s membership. There was no culture of debate or free speech within the AWU and the Workers did not print anything that contradicted union policy. Rebel Convention delegate Archie McNaught complained, for example, that “because it was a matter of policy, anyone attempting to write an article against arbitration was not allowed space”. Member letters critical of the union or officials were rarely printed. Boote pleaded lack of space and argued that the Australian Worker should be “a propagandist instrument in the Labor Movement” rather than a “mere trade chronicle” which it would become “if more space had to be given to members”.

Historians have been too kind to Boote. Harry Knowles, in a representative example, argues that Boote “was a thorn in the side of a succession of AWU leaders as he followed his strong socialist beliefs and pursued causes to which his masters were often vehemently opposed”. Boote certainly wrote many great socialist articles but in practice he was not opposed to the AWU’s oligarchic ruling group, he was part of it. Boote attended Annual Convention and often served as returning officer in AWU elections. He was a hysterical anti-Communist and faction fighter for the AWU against their more militant opponents within the ALP. A confidant of officials including AWU dictator Fallon, Boote knew very well how undemocratic the union was but supported it unwaveringly. Perhaps he thought he could steer the AWU in better directions from within, but all he did was give undeserved credibility to the oligarchy.

88 Rule 161 AWU Constitution and General Rules, 1919-20, AWU, E154/25, NBAC; Rule 166 AWU Constitution and General Rules, 1929-30, AWU, E154/25, NBAC.
90 Bushworkers Propaganda Group, Knowledge is Power, 1922, George Buckland Papers, MSS4320, ML.
91 AWU Annual Convention Report, Australian Worker, 14 February 1918, 19.
93 “Why the AWU is Attacked and Vilified,” Australian Worker, 23 February 1927, 18-19.
AWU organisers were the other vital component of official union communication. The Branch Secretary, supervised by the Branch Executive, had tight control over the organisers who were union employees who travelled their region enrolling and assisting members. In theory, branch members elected the organisers in the annual ballot. But in practice the organisers were mostly allies of the Secretary as he (they were all male) could sack organisers at any time and could also appoint as many additional organisers as he chose.\textsuperscript{94}

From 1933 the Annual Convention barred organisers from sitting on the Branch Executive to prevent the Secretary from being “controlled by the people he was supposed to control”.\textsuperscript{95}

The top officials used the organisers as travelling campaigners, promoting the sitting officials and union policy.\textsuperscript{96}

A small minority of isolated AWU members only received information about the union through official channels. But most members had access to rival labour and commercial newspapers and other sources of information that were often highly critical of the AWU oligarchs. The AWU officials limited the opportunity for this criticism to be translated into their electoral defeat by outlawing campaigning in AWU elections. The union rules stated that members “who canvass for office for themselves or for or against any candidate for office” would be expelled.\textsuperscript{97} Electoral candidates therefore had no way of making themselves known.\textsuperscript{98} This gave the sitting officials a huge advantage as they were well-known to the membership and used their positions to gain publicity in the \textit{Workers} and other union communications.\textsuperscript{99} Furthermore, the bar on canvassing “against any candidate” in effect banned criticism of the sitting officials around election time. If any electoral rival had used

\textsuperscript{94} Knowles, “Comparative Labour Biography: An Historical Study of Leadership in the Australian Workers’ Union,” 224.
\textsuperscript{95} AWU Annual Convention Report, \textit{Australian Worker}, 1 March 1933, 17.
\textsuperscript{96} Lane, \textit{Dawn to Dusk: Reminiscences of a Rebel} 305.
\textsuperscript{97} Rule 66 AWU Constitution and General Rules, 1919-20, AWU, E154/25, NBAC.
\textsuperscript{98} AWU Annual Convention Report, \textit{Australian Worker}, 2 March 1916, 18.
\textsuperscript{99} AWU Annual Convention Report, \textit{Australian Worker}, 12 April 1917, 7; AWU Annual Convention Report, \textit{Australian Worker}, 14 June 1917, 15.
unofficial communication to promote himself or criticise sitting officials the incumbents would have declared the rival’s candidacy void.

The AWU did not possess any of the five requirements of union democracy, but was the absence of any of the five particularly crucial to maintaining the oligarchy? Lipset and others argue that legitimate organised opposition is the crucial prerequisite to union democracy while Levi and others reason that decentralisation through membership decision-making and local autonomy is key to a democratic union. Of course, these scholars stress that their vital condition cannot exist in isolation and is interdependent with the other four key requirements and more. Yet as they recognise, it is still valuable to our understanding of union democracy (and oligarchy) to identify a paramount requirement around which the others are based. This is the linchpin on which union democracy or oligarchy depends. In the AWU this key factor was lack of free communication.

Organised opposition or decentralisation would have been of limited value within the AWU in the absence of free communication. Organised opposition would not have been able to make itself known to members or explain to members why it should be preferred to the incumbents. The institution of local autonomy alone, while the multitude of other anti-democratic conditions remained, would simply have altered the power structure from one centralised oligarchy to a federation of smaller, autonomous oligarchies. In the absence of free communication, discussion and debate, membership decision-making would have been more the decisions of members as individuals, heavily influenced by the sitting officials, and less the collective expression of the membership as a body capable of controlling their leaders.

Free communication alone would have been enough to seriously undermine oligarchy within the AWU. The key elements of free communication would have been independent AWU
newspapers which encouraged debate over union policy and gave equal space to officials and their critics, and unrestricted campaigning in union elections. As discussed above, AWU members showed a significant amount of interest in union affairs, especially considering their lack of power within the union. Furthermore, there was often sufficient electoral antagonism towards the sitting officials to unseat them. But most members did not know who any of the rival candidates were, so many did not vote and those who did split their votes amongst the challengers. For example, in the 1923 election for the NSW representative on the Executive Council, Tom Holloway of the ruling clique won with only 22 per cent of the vote (1504 out of 6849 votes) because the opposition vote was split evenly between six other candidates.100

Election campaigns would have allowed rivals to become known to members and enabled these rivals to publicise the sitting officials’ oligarchic and often incompetent management. As in government elections, in times of voter dissatisfaction with the incumbents the most prominent rival candidate would be elected. Furthermore, open debate and campaigning may well have begun a process of wider democratic reform throughout the union. Critics could have identified the many conditions within the AWU which promoted oligarchy and members could then have voted for individual candidates who promised reform. This opposition would have operated more effectively if expressed by organised opposition groupings, but such organisation was not essential. The incumbents could have used the union’s more blunt anti-democratic rules to maintain their positions by, for example, disallowing all rivals the right to run in elections. But it is unlikely that they could have maintained such naked abuse of power indefinitely, especially in the presence of free communication and open criticism.

Absence of free communication was the key to oligarchy within the AWU while the presence of free communication was not the crucial component of democracy within the ITU or

100 AWU Annual Convention Report, Australian Worker, 20 February 1924, 19.
ILWU. This is because the AWU lacked the strong ‘occupational community’ of the two US unions. The AWU’s membership was spread across a multitude of vocations, many short-term, seasonal and itinerant, throughout Australia (see above). Conversely, the printers of the ITU had a strong occupational community because of the status and common interest they shared in their craft and their high levels of social interaction facilitated by the union’s substitute system of casual employment and shift work.\textsuperscript{101} Levi and others primarily study the longshore division of the ILWU which possessed a “culture of solidarity engendered historically through gang work on the ships and docks, as well as through the hiring hall”.\textsuperscript{102} Participation rates were much lower in the other ILWU divisions as “the variation in their work environments and their category-specific struggles reduce the probability of strong solidaristic ties among the diverse non-Longshore members”.\textsuperscript{103} The strong occupational communities of the ITU and ILWU made free formal communication less important to union democracy as information spread easily throughout informal social and workplace networks.

**Contextual differences between Australian and US unionism**

In the late nineteenth century in both Australia and the US unionists moved to organise unskilled workers into ‘new unions’, distinct from conventional ‘craft unions’ that each organised one skilled profession. The AWU was the prime example of new unionism in Australia. While Australian craft union leaders supported new unionism their US counterparts opposed such inclusive organisation.\textsuperscript{104} As a result, by the 1890s new unions represented over 60 per cent of Australian unionists while accounting for less than 20 per cent of those in the US.\textsuperscript{105} As we have seen with the AWU, the diverse variety of unskilled, scattered and often itinerant workers common among new unions usually prevented the formation of the

\textsuperscript{102} Levi et al., "Union Democracy Reexamined " 215.
\textsuperscript{103} Ibid., 214.
\textsuperscript{104} Archer, *Why Is There No Labor Party in the United States?*, 34.
\textsuperscript{105} Ibid., 36, 237.
occupational communities essential for union democracy. New unions also found it far more
difficult than craft unions to strike successfully because employers could easily replace
unskilled workers. This further dampened militancy and solidarity within these unions and
made new unions more likely to pursue alternative tactics such as political action and
compulsory arbitration.\textsuperscript{106}

Australian trade unionists successfully created a political Labor Party in the 1890s while their
counterparts in the US did not. Control of the AWU brought power within the ALP in the
form of delegates and representatives on the party’s governing bodies. This made union
officials more desperate to keep their positions even if it meant resorting to undemocratic
means. Careerist involvement in the Labor Party also meant that AWU officialdom was a
means to an end rather than an end in itself. Many officials were less concerned with winning
improved wages and conditions for their members and more concerned with maintaining their
dominance of a stable union with a large membership as their powerbase within the ALP.
More members meant more authority within the party. The officials sought to maintain and
increase membership by seeking preference for unionists through the arbitration system
rather than by appealing to the ordinary members.\textsuperscript{107}

Yet affiliation to the Labor Party also had some positive effects for union democracy within
the AWU. Involvement in Labor Party factional conflicts caused the AWU leaders to have
factional enemies within the labour movement who benefited from exposing their oligarchy.
The more militant \textit{Labor Daily} in Sydney, for example, regularly attacked the AWU
oligarchs and described the union as “an organisation whose rank and file consists of some of
the best unionists in Australia, but which has had the misfortune to suffer from the blight of

\textsuperscript{106} Ibid., 37, 39.
political bossism”. Affiliation also brought Labor Party disputes into the AWU. For example, the AWU’s conflict with Lang caused many pro-Lang AWU members to join opposition groupings within the union and eventually the PWIU. But this was never enough to break the officials’ oligarchic control.

The more easily a member can leave an organisation and obtain the benefits of membership elsewhere, the more the membership is able to influence the leaders by abandoning the organisation or threatening to do so. In the US collective employment agreements ranging from local to national have been the norm, with voluntary arbitration as a less popular alternative. A degree of compulsory unionism has existed in various US states at various times. Unions have sometimes had ‘exclusive representation’, meaning that once a group of workers has elected a union as their bargaining agent the union can force all employees in that group to become union members for the duration of the employment contract. As we will see, this is a weaker form of compulsory unionism than existed in Australia. Perhaps because compulsory unionism in the US has been limited, the US scholarship does not recognise membership choice as a key requirement of union democracy. But the captive membership created by preference to unionists was a key cause of oligarchy within Australian unions such as the AWU.

Arbitration greatly limited members’ ability to leave the AWU even if they were unhappy with its management. If workers in industries covered by the AWU wanted to join a union they usually had to join the AWU. The arbitration courts would only recognise one union in

111 Edelstein and Warner, Comparative Union Democracy: Organisation and Opposition in British and American Unions, 22.
each area of employment which meant that the first union in a field, such as the AWU, was very difficult to displace. In the 1930s the rival, radical PWIU attempted to replace the AWU in the pastoral industry by operating outside the arbitration system, but it was unsuccessful.\textsuperscript{113} Furthermore, preference for unionists, and even compulsory unionism in some jurisdictions such as Queensland, forced workers in relevant industries to join the AWU against their will. Unlike in the US, the members had no choice over which union represented them. The leaders therefore had no incentive to democratise the union in order to retain members and the members had no sanction with which to punish the anti-democratic officials.\textsuperscript{114} This is a crucial consideration that has been undervalued in the US literature. In relation to political parties, Angelo Panebianco argues that the ease with which members can leave the party and obtain the inducements of membership elsewhere is the key determinant of where a party will sit on the continuum between democracy and oligarchy. The more ‘substitutable’ the party’s ‘organisational incentives’, the more democratic an organisation will need to be in order to retain members. This also applies to trade unions and the low to non-existent substitutability of the AWU’s organisational incentives allowed its officials to govern oligarchically without fear of mass resignations.\textsuperscript{115}

Arbitration also encouraged unions to become federalised and centralised. Access to the benefits of the federal arbitration system encouraged unions to federate which usually meant a decrease in local autonomy. Arbitration judges required unions to give their committee of management, the Executive Council in the AWU, extensive powers to alter rules and impose levies.\textsuperscript{116} This allowed unions to quickly and easily adopt the instructions of the courts but it also undermined democracy and local autonomy by centralising extensive power into the

\textsuperscript{113} Moore, "The Pastoral Workers’ Industrial Union 1930-37," 74.
\textsuperscript{114} Merritt, The Making of the A.W.U., xiii.
\textsuperscript{115} Panebianco, Political Parties: Organisation and Power, 32, 41.
\textsuperscript{116} AWU Annual Convention Report, Australian Worker, February 17, 1937, 16; AWU Annual Convention Report, Australian Worker, March 16, 1938, 18.
hands of a small group of federal officials. Furthermore, the arbitration system’s courtroom operations did not involve participation by ordinary members and therefore bred an uninvolved and uninterested membership. Scholars in the US have observed that collective bargaining “tends to have an adverse effect on representative systems, as the professionalization and specialisation needed to negotiate and implement collective bargains is likely to increase the size and power of unions’ full-time staff at the expense of members being directly involved in decision-making”.\footnote{117} The arbitration system in Australia was a more extreme version of this same phenomenon.

Industrial judges deliberately altered jurisdictional boundaries to favour conservative unions. This allowed conservative unions such as the AWU to absorb smaller, militant, internally democratic unions. For example, in NSW Judge Heydon increasingly limited the jurisdiction of the militant Rockchoppers Union “hemming it in on all sides” and weakened it to the point that it was forced to amalgamate with the AWU in 1917.\footnote{118} The threat of fines and deregistration by the arbitration courts for strikes also encouraged union leaderships to suppress militancy amongst the membership.\footnote{119}

As part of the registration process, arbitration courts had the power to disallow rules that were tyrannical or oppressive or contrary to law and to order the union to obey its own rules.\footnote{120} This was very limited legislative protection for democracy within trade unions, as is demonstrated by the failed attempts by many AWU members to have the union’s anti-democratic rules disallowed.\footnote{121} The US had similarly minimal legislative protection of union democracy until the \textit{Landrum Griffin Act} of 1959 which mandated democratic rights such as freedom of speech and periodic election of officials by secret ballot. Equivalent legislation

\begin{footnotes}
\item[119] Greg Patmore, \textit{Australian Labour History} (Longman Cheshire: Melbourne, 1991), 121.
\item[120] s58D, s58E \textit{Commonwealth Conciliation and Arbitration Act} (1904).
\item[121] “Federal Arbitration Court Decision in the O'Sullivan Case,” \textit{Australian Worker}, 8 June 1938, 17.
\end{footnotes}
did not come until the 1970s in Australia. Such laws provide valuable safeguards against the worst undemocratic abuses but flourishing union democracy cannot be legislated and requires commitment from the ordinary members and officials.

**Conclusion**

This article has tested the strength of the US theoretical literature on trade union democracy. It has done so first by assessing how effectively the literature explains the absence of democracy within an archetypal oligarchical union and second by evaluating how well it applies to Australian conditions. The US theory provides a convincing explanation of the AWU’s oligarchy but with several important omissions. Given that Australia is one of the most similar nations to the US, these findings suggest that the US theory cannot currently claim a high degree of universality.

The AWU did not possess any of the five key requirements of union democracy identified in the US literature. Of the five requirements, the most important in maintaining the AWU’s oligarchy was lack of free communication. This was crucial because of the absence of another key requirement; AWU members did not form a cohesive ‘organisational community’ within which information could flow informally which made members dependent on official union communication.

Contextual features present in Australian unionism, and absent from US unionism, further undermined democracy within the AWU. The prevalence of ‘new unionism’ in Australia made strong occupational communities less likely. Australian union officials had power within the ALP which made them more prone to resort to undemocratic means to maintain their positions. Yet political affiliation could also enhance union democracy by bringing ALP factional disputes into unions and thereby generating membership participation and opposition. Most significantly, compulsory arbitration severely undermined union
democracy. It reduced or eliminated the substitutability of members’ organisational incentives, caused union centralisation, discouraged membership participation and encouraged unions to behave conservatively and suppress militants. My inquiry therefore demonstrates that the substitutability of union members’ organisational incentives and a union’s major form of employment bargaining should be recognised as two additional key predictors of trade union democracy.

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