



WAGES IN CRISIS

National Wage decision rejected

The Australian trade union movement is fully justified in rejecting the recent National Wage Case decision. This decision is a further attack on the living standards of workers.

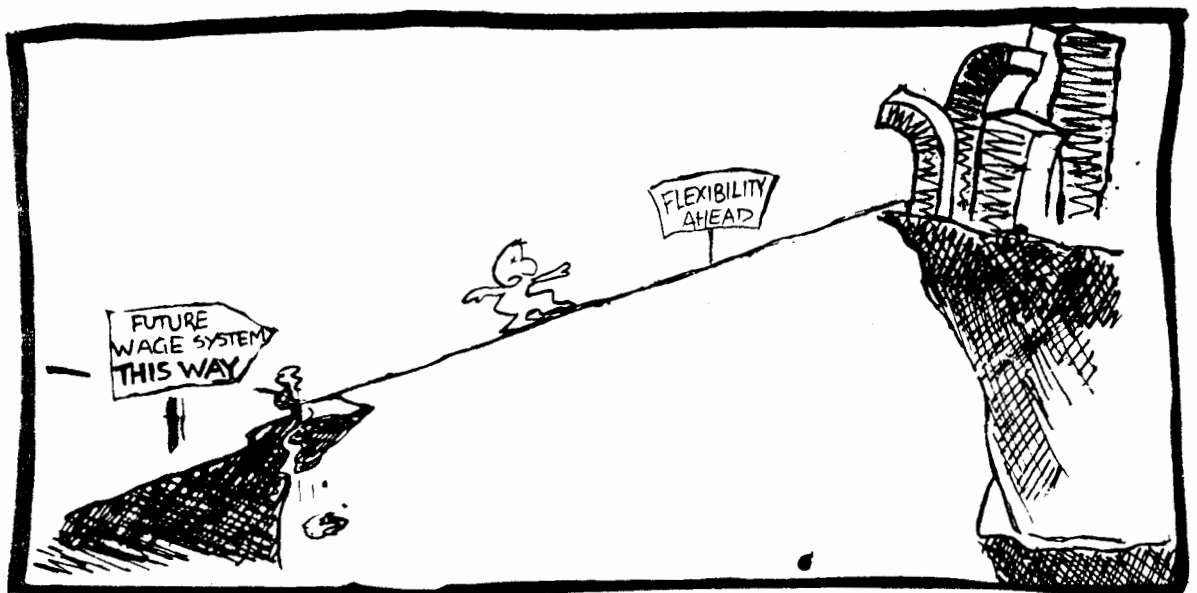
The responsibility for this outrageous decision lies not just with the Industrial Relations Commission which handed it down. The Commission has simply used the recession to cut wages. But the major responsibility for the recession rests squarely with the Federal Government and its disastrous economic strategies. As a result the union movement faces the challenge of developing a feasible alternative to the wages system proposed by the Commission.

Many in the labour movement wish to by-pass the decision by pursuing enterprise bargaining.

The New Left Party opposes the concept that wages should be tied only to enterprise bargaining over productivity and profitability.

The union movement certainly does need to strengthen its organisation through increased bargaining at the workplace.

But in a recession there are real dangers in tying wages solely to productivity bargaining: it poses a major threat to the award system, and will greatly disadvantage the low paid. It will also lead to trade-offs in conditions that have been fought for and won over many years. This must not be allowed to happen.



How then, do we meet the challenge ?

ENTERPRISING POLITICS

Between Ideology and a hard place....

Once upon a time, workers used to work in factories, shops, offices and warehouses. They would work on the waterfront, or crew ships and trains, or drive trucks and buses.

Now they work in 'enterprises'.

The change in name is meant to hide the agenda of the Business Council of Australia, and the New Right. To them, 'enterprise bargaining' and developing an 'enterprise focus' are a means of masking the class differences between workers and employers. Their real agenda becomes more obvious as they attempt to do away with trade unions, and conduct bargaining with individual workers.

This is also the strategy of Hewson, Howard and other Liberal politicians. Their call for the demolition of the award system, and wish to replace it with enterprise level or individual fixed contracts, enforced by anti-union legislation.

Others have a different definition of enterprise bargaining. Some union forces, the Federal Government and a number of employers argue for the dismantling of 'cross industry' awards like the Metal Industry Award, and their replacement by awards and agreements for individual workplaces, with conditions and wages unique to that site. Within this system, wage increases will be based on demonstrated improvements to productivity.

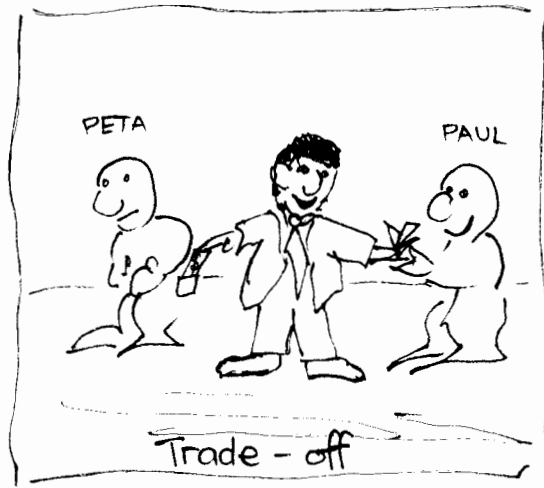
To some extent unions have always conducted workplace bargaining. And there are, of course, good reasons for this. Workers do

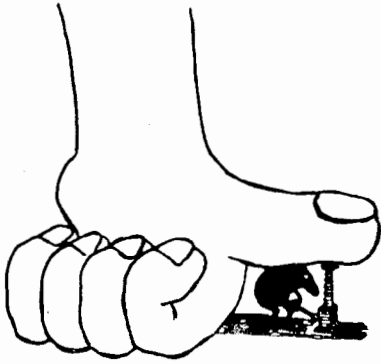
wish to be involved in making the decisions about things which effect them, like the arrangement of working hours. It is true however that under the centralised wage system, this bargaining has been limited.

The union movement must now meet the challenge of empowering ordinary workers in a way which does not destroy the award system and the community standards it defends.

However wage bargaining at the enterprise without other elements to our wages strategy is not the simple answer. Employers and government talk a lot about labour-productivity but productivity is affected by many things, most of them not even within the control of workers.

The low paid will suffer under a system based only on enterprise bargaining. Overseas studies show women workers suffer greater inequality under decentralised wage systems. And for many workers - like teachers - establishing a sensible definition of productivity is virtually impossible.





For these reasons, we need to keep across-the-board wage increases. These national wage adjustments, based on equity and the cost of living, are not 'unproductive'. Why should inefficient employers escape paying for general wage increases? If they do, the labour movement will only be subsidising the poor management practices of which every worker is aware.

The first step is the rejection of 'enterprise bargaining' and the employer agenda which goes with it. We need to set our own agenda: workplace bargaining within an award framework.

DEFENDING OUR AWARDS

Workplace Bargaining and the Award System

The union movement has good reasons for defending the system of national and industry awards. These awards defend the working and living standards which have been built up over many years.

They also provide the union movement with one of its great strengths. They allow all workers to enjoy basic minimum conditions. Without these awards, it would be much more difficult to maintain and build up a common sense of purpose and solidarity between workers.

Therefore a system made up of enterprise agreements and awards, or worse, the complete deregulation of the labour market, will fundamentally damage organised labour.

But workplace bargaining can and should take place within the award system.

This approach would involve the following :

- **maintaining and strengthening the system of national and major sectoral awards.** These should continue to have

common or linked conditions, skill-based classification levels and wage rates, supported by portable and accredited training. There must be no opting out of this framework.

- **no trade-off in conditions through workplace bargaining.** Flexibility negotiated through this bargaining should be on the basis of preserving national standards; involvement of the unions; genuine agreement of the majority of workers effected by the change; no loss of income
- **emphasis on equitable outcomes; long term efficiency and productivity, not short term trade-offs in conditions ; and, union involvement in work changes.**
- **industry and award level agreements** between union and employers, providing a framework for workplace bargaining, ensuring greater equity, and prevent trade-offs.

The Future of Wages

What a progressive wages strategy for the future must involve

- an element to improve the position of the low paid (such as minimum rate adjustments)
- regular across-the-board increases, tied to living standards
- a component of workplace bargaining, within an award framework.

This package needs to be complemented by further work on the social wage and reforms to the tax system. The social wage cannot be improved in the long term if the government's revenue base is eroded by further wage/tax trade-offs that go beyond full tax indexation.

Tax cuts that index tax rates to inflation are fair enough. They prevent workers moving up into higher tax brackets as a result of cost of living based wage increases. Anything further will mean there is less money available for the social wage: that is education, training, health care, community services, public transport etc. What we gain from tax cuts will be lost in cuts to public services.

BROADENING THE AGENDA

It is time too for unionists to consider how to broaden the agenda of workplace bargaining. Quality of life and environmental issues are of increasing concern to many people. If workers deliver productivity improvements through restructuring, they should be entitled to improvements in their quality of life as well as their pay packets?

Unions could use workplace bargaining to pursue collective benefits for workers, in addition to the individual benefit of increased wages and salaries. These collective benefits might include workplace childcare, paid training leave, paid parental leave and local environmental projects.



The New Left Party - In the latter half of the eighties many socialists and left activists discussed the need for a new party to help renew the purpose, vision, and effectiveness of the left and socialist movements. The NLP was formed in June 1990 to respond creatively to the challenge of a change and changing world.

On April 23 and 24, the NLP sponsored a national meeting of active trade unionists to consider the future of the wages system and strategies for building union strength. Wide-ranging debate ensued. This pamphlet arises out of material generated by that meeting.