

THE OPPOSITION INDUSTRIAL RELATIONS POLICY

That the Federal Opposition Parties' prolonged dispute over an industrial relations policy has ended in what has become known as "consensus" is a matter of great disappointment to my Labor Party supporting friends who had rather hoped for a little public blood letting. In this case their hope was faint because Howard and McPhee, whatever may be thought of their reasoning, do know how to disagree without rancour.

Consensus is the latest political word to be reduced to mush. If consensus still meant identity of opinion then I would be very surprised, and indeed disappointed, to learn that that was the outcome of a debate which I don't believe has yet run its full course. The Howard/McPhee accord was no more than agreement to support a compromise document which would strongly influence, but not bind, a coalition government, in its first term, after an election it won't win. Its importance is the contribution it makes to public debate.

No government could impose industrial relations procedures against the vehement opposition of the trade unions and industrial relations apparatchiks. Although poor behaviour and wrongheadedness have been loudly deplored by every government, none has really confronted the system since the Bruce-Page government was defeated by it in 1929.

Since the O'Shea case in 1969, governments and employers have rarely confronted the unions in the courts even when on the face of the evidence unions are acting illegally. The various consequences of engaging unions at law are such that for all practical purposes unions are above the law. Those who believe that democratic governments can force the obedience of any substantial defiant minority delude themselves. So long as enough union members see themselves as martyrs to a just cause, unions will remain well nigh invincible. As yet very (few unionists understand the harm they do - that they, and not the government, are the prime cause of unemployment.)

If the Arbitration Commission has not actually been the first cause of unemployment it has acquiesced in misery and substituted fetish for understanding. Unlike the rank and file unionist the Commission and other members of the Industrial Relations Club do not have the moral defence of ignorance.

The Howard/McPhee accord retains centralised wage fixing, but only after it has catalogued such sweeping flaws in the present system as to force the reader to question what it nowhere defends. The perceived failings of the present system are: excessive complexity, inflexibility, unions whose members are employed in unrelated industries, inability to enforce authority, limited Constitutional authority, absurd Constitutional requirements, multiplicity of competing jurisdictions, encouragement of flow-on pay increases, and encouragement to employers and employees to avoid their industrial relations responsibilities. The last mentioned would be sufficient to condemn it, and indeed this is recognised. "Each of the parties involved in the industrial relations process must become more accountable for their actions."

It is in terms of making the parties accountable for their own actions that the policy is a considerable improvement on what we suffer at present.

Although the policy retains the mumbo-jumbo of judicial wage fixing, it confines the witch doctors to fixing minimum award wages, taking over award settlements from their jurisdiction. More individual employers and employees than now, without necessarily involving their respective associations and unions, could and would negotiate - horse trade - strike bargains. This would increase the number of people on both sides of the employment bargain who would be forced to take realities into account; it would increase the number of employees who have an incentive to improve their personal productivity; it would increase the occasions when employers must, on pain of losing them, evaluate the worth of their most valuable employees; it would break down the nonsense presumption that all employees with the same formal skills are equally valuable to an enterprise. It would be a small step in the direction of individual accountability.

The policy talks of fixing minimum award wages and conditions according to the capacity of the economy to pay; whatever that means. The only minimum wage without cost is one set below the productivity of the least productive worker so that it causes no unemployment and has no effect on wages whatsoever. To make that provision meaningful, the Liberals should have specified a level of unemployment for which the Commission should aim. Their best practical approach would have been to require the Commission to put down an employment impact statement with each minimum wage determination - an idea which I believe was considered but rejected by the "wets". Such statements would so educate the public as to make the Commission look ridiculous.

(A much more important step in the direction of accountability is the opportunity offered to employers and employees, who unanimously wish it, to opt out of an award.) Since unanimous agreement in big organisations is unlikely without the sort of stand over tactics that unions all too often employ, the provision is primarily for small businesses. It offers the employees in small enterprises the opportunity to do what, in the United States, Chrysler's workers did in their own self interest - forgo some wages in order to keep their jobs. Most employees work in enterprises which employ less than one hundred and the sensible co-operation of some would cause most to question the advantages of "compulsory unemployment".

Because the affected parties would be given an alternative when faced with lay-offs and plant closures, they would have become accountable for what was about to occur. Neither should the evidence be lost on those who set the minimum awards, so that a gap opens between minimum and average wages and unemployment falls.

The most easily effected ^a guarantee of labour market accountability would be accountable product markets. Employers who are protected from competition too readily agree to wage settlements which buy industrial peace. Why wouldn't they when the cost is passed on in higher prices to other industries? Why wouldn't employees make extravagant demands if the resultant unemployment is visited upon other unions? It is no coincidence that wage hikes have started in the public sector and in the protected metal trades. I believe the coalition's previously announced undertaking to reduce tariffs and sell government enterprises would do more, more quickly, to reduce excessive wages and unemployment than any changes realistically made to labour relations law.