Peter Ewer argues that the dangers of the shift to enterprise level need to be warded off with a dose of principle.

The current debate over enterprise bargaining contains within it a powerful irony. After all, it is not so long ago that smashing (or at least marginalising) the award-based arbitration system was an article of Left faith, a sentiment exemplified by a succession of plant-level over-award campaigns.

Yet nowadays strategic employer organisations and the Liberal Party are offering just that, while the energies of the Left are absorbed in award restructuring.

The conversion of the Left to the defence of a socially regulated labour market is no doubt heavily informed by the debacle over financial deregulation. On that occasion, outright opposition to deregulation avoided coming to grips with the more fundamental capital market. Largely bereft of ideas along these lines, it was no wonder the Left was reduced to the role of spectator as the deregulatory juggernaut rolled on.

Fortunately, the Left’s response to the challenge of either modernising regulation of the labour market, or seeing that regulation swept aside, has been more energetic (and, thus far, successful). And who seriously could question that modernisation was not necessary? The infinite division of labour contained within the country’s largest federal award - the Metal Industry Award - was truly a triumph of scientific management. Classification 216 might hopefully serve as a tombstone of Australian Taylorism, defined as it was thus - “Fitter, making, repairing, assembling, reassembling setting, installing or testing cooking stoves, ovens, gas or electric stoves over 900mm in width and up to 1500mm in width”. (P.S. No thinking allowed.)

In struggling to remove such dead wood from the regulatory regime, the metal unions have sought to establish a nation-wide career path of fourteen celebrated levels, based on portable skills and accredited training. In reply, the employers have emphasised ‘flexibility provisions’, to be negotiated at the plant level, an agenda undoubtedly motivated by the desire of the Metal Trades Industry Association (MTIA) not to isolate itself from the Business Council of Australia (BCA) line. The subsequent inclusion of both these positions in the restructured Metal Industry Award opens up some testing issues about how they might be reconciled.

The inclusion of enterprise bargaining within awards began with agreements negotiated by the National Union of Workers and the Clerks Union, which opened up for negotiation at the plant level any matter, provided the outcome was agreed by a majority of workers involved and the union, and it received the sanction of the Industrial Relations Commission. With these precedents established, other awards have followed suit.

To a very large extent, then, ‘enterprise bargaining’ is already with us and, indeed, in the form of over-award payments, has been for a very long time. The question is whether negotiations over ‘flexibility’ are pushed to the point where the integrity of the national or industry award - and particularly the new career paths and accredited training - are undermined.

Politically and industrially the preservation of this national framework is fundamental to organised labour. For example, without the portability of skills provided by a national training system, not only will the career prospects of workers be undermined, but the organising capacity of the union movement will be prejudiced. Tied to particular plants by skills and training not recognised elsewhere, workers will have fewer grounds of interest with their colleagues in the rest of the workforce. While such an outcome will not get capital back to the glorious age of an atomistic labour market, the logical corollary of this form of enterprise bargaining is the individual contract.

For this reason, the resolution passed by the ACTU Special Unions Conference in March assumes particular importance. This conference was called to endorse the agreement negotiated with Keating over the 1990-91 wages deal, an agreement which includes provision for bargaining over a flexibility component of 1.5-2.0% based on increases in productivity and profitability. While access to this element of the package remains unclear - will it be determined at the industry or enterprise level, and will it be a repeat of the trade-offs of the second tier? - the Left successfully amended the resolution to include the fourth item thus:

Any claims in respect of productivity and profitability shall be subject to the maintenance of the integrity and strength of the national in-
dustries award, the classification and training standards of the award, and the fundamental conditions of employment contained therein. Current award standards must be maintained in the future.

Without strong adherence to this position, the painstaking work over the last few years to modernise regulation of the labour market could easily unravel into de facto deregulation. This prospect is very apparent in the willingness of rightwing unions to abandon the national approach to career paths and training in the scramble to market their services to managements anxious to rationalise union membership. In such marketing it is invariably the national standards of training and classifications which are jettisoned in the name of ‘flexibility’ at the enterprise.

If this sort of unionism gathers even greater pace, the opportunity to defeat Taylorism will be lost. It is already apparent that employers who are willing to concede sole coverage to a (usually rightwing) union, will demand in return a free hand in the area of work organisation. With such freedom, it is not surprising that employers are turning to neo-Fordist schemes of work organisation and training where new technology is used not to make work more interesting, autonomous and skilled, but to divide the workforce into a highly skilled elite and a mass of poorly trained workers with few prospects of advancement. In the brouhaha surrounding the recent single union deal at Southern Aluminium in Tasmania, it is just this point which has escaped attention. Important though the membership issue is, of equal importance is the plant-specific classification structure which provides no portability of skills, and very uncertain prospects for career advancement within a plant where the key skills are confined to technicians.

While many can see the dangers for union movement cohesion of intertwining union restructuring and ‘enterprise bargaining’, the adage about the weather holds good - everybody complains about it, but nobody seems to do anything. It’s to be hoped that enough principle can be found to allow union rationalisation to proceed without the vital infrastructure of national and industry awards being trampled into irrelevance.

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A MISTAKEN Enterprise

Meredith Burgmann contends that neither the approach of the ACTU nor that of the employers offers much to women.

Internationally, the struggle for equal pay has had varied results. One of the major factors inhibiting success in the industrialised countries has been the presence of enterprise bargaining structures. Those countries with the greatest reliance on decentralised wage fixing have the worst wages gender gaps (Japan and the United States) and those with the most centralised wage fixing systems have the smallest wages gender gaps (Australia and New Zealand).

The wages gender gap is defined as the difference between male and female hourly rates for the job. In Australia, women earn 81.7% of the male wage for every hour worked, therefore the wages gender gap is 18.3%. Although this is not acceptable it is the best rate in the world. In Japan, that much vaunted utopia of enterprise unionism and magical productivity, women earn an astonishing 44.3% less than men.

Japan, of course, is crucial in the enterprise bargaining debate. The Business Council of Australia (BCA), the rightwing think-tanks, and now the NSW government have looked at the Japanese economic ‘miracle’ and mistakenly equated productivity with enterprise bargaining. Far from being a rational system, enterprise unions in Japan grew up haphazardly in the chaotic post-war years, in many cases carrying on from the patriotic employee organisations which had been devised by the militarists. This process resulted in the formation of over 75,000 unions. For answers to the Japanese economic success we need to look elsewhere.

The other major factor in the wages gender gap is the existence of a strong trade union movement. To some extent, these two factors go hand-in-hand. It is the strong trade union movement that has been able to deliver centralised wage fixing.