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.
A strong trade union movement is crucial because wages discrimination is essentially an industrial problem. Those countries which have sought to solve wages discrepancies by legal or bureaucratic means have failed. Many Canadian provinces and American states have tough equal pay legislation backed up by well-resourced and pro-active Pay Equity Bureaux yet they have failed to dent their wages gender gap (Canada 34.5%; US 29.7%) by more than a few percent. Complaints-based legislation cannot solve an industrial problem at the macro level. Individual women can achieve redress of grievance but the class of low paid work remains.

Why does enterprise bargaining operate against women workers? Women are historically located in the weakest, least unionised, least strategically important, most geographically diverse and lowest value-added manufacturing areas. Australia, in fact, has the most sex-segregated workforce in the OECD countries. So women’s capacity to bargain is restricted by their location in the economy as well as by other factors such as socialisation, low status and a lack of English.

It is precisely these groups in the industrial relations system which are protected by centralised wage fixing. The wage rises won by the strong unions are shared with the weaker areas of the economy. However, under enterprise bargaining outside a centralised framework, a market-driven free-for-all develops, most aptly summed up by the adage “the rich get richer and the poor get poorer”.

Under these conditions, women suffer in two ways. First, they can be coerced into trading off wages and conditions. An all-too-familiar scenario would be “listen dears, either you all take a $10 cut or we have to close the biscuit factory/child care centre/boutique tomorrow”. The NSW government’s new Industrial Relations Bill specifically allows for this scenario. Enterprise associations set up under the Act can negotiate sub-award wages and conditions. As long as a minimum standard (at present set at a ridiculous $294) is adhered to, other hard-won conditions can be abolished. The employers (especially the BCA) are particularly interested in hours of work as a ‘flexible’ working condition, and attacks on maternity leave are also common.

The second way in which women’s wages will suffer is that some areas of industry will achieve massive wage blow-outs under enterprise bargaining. Militant sites in the building, metal, oil and other boom industries will achieve substantial wages agreements. This will have the effect of lifting all wages in the industry so that the less industrially competent shops will be left to fend for themselves. The traditional metalworkers’ strategy of using their ‘hot shops’ to apply pressure for an industry-wide agreement will no longer be possible. Under this scenario, not only will some male wages rise dramatically but weaker male areas and female wages will gradually deteriorate.

A good example of the way decentralised wage fixing can affect women’s wages occurred during the 4% second tier negotiations in the second half of 1987. These negotiations took place on an industry by industry basis. In the August quarter, male wages rose 1.9% and women’s wages were 1.5% while, in the November quarter, men’s rose 1.6% and women’s only 0.8%. (ABS figures.)

The ACTU has recognised the effect that decentralised wage fixing has on women. In its Women’s Pay Strategy Statement adopted at the 1989 ACTU Congress it declared that “a centralised wage system should apply since industry and enterprise bargaining disadvantages less well organised and less industrially powerful groups”. The statement also declared that wage fixing systems should not be based on productivity bargaining as this “disproportionately affects women workers who are clustered in service industries, the public sector and low value added manufacturing areas”.

The debate within the unions and the Left over the past year has been confused. There has been some support for ‘enterprise bargaining’ from union officials who believe that it has been taking place in their industry for many years. Even Bill Kelty has been guilty of this misapprehension. What has occurred has been over-award enterprise agreements arrived at by negotiations at the union level. Rarely has true ‘enterprise bargaining’ taken place. The workers on the shop floor are generally the weakest bargaining unit for a variety of reasons - personal loyalty, inequality, intimidation and the possibility of victimisation, among others. It is not an accident that the BCA, Nick Greiner, and John Howard all espouse enterprise bargaining. They want a quiescent and ineffectual workforce. With enterprise bargaining they will get it.

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FOOTNOTES
1. Because of the different data on which these figures are calculated, they cannot be treated as strictly comparable. However they are a good indication of the magnitude of the difference and are the most accurate figures available. Department of Employment, Education and Training: Women’s Bureau, Pay Equity: A Survey of Seven OECD Countries, AGPS, Canberra, 1988.

2. For further discussion of this point see National Pay Equity Coalition, Enterprise Based Bargaining Units: No Equity, No Unions, May 1990.