

# Finding a third way



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How can we reshape what we have created, without destroying it? This is the great dilemma of change — whether to our home gardens, our personal relationships or our business organisations. It certainly confronts those presently responsible for labour market policy in Australia.

In this decade, the world of work has changed remarkably for most Australians. The various aspects of that change and its effect on library and information workers have been the basis for almost everything discussed in this column in recent years. Regular readers will be familiar with the issues: decentralisation of wage bargaining, the casualisation of work, commercialisation and contracting out of service delivery, development of the competency movement, and so on.

The upheaval in labour law and industrial relations practice has often seemed no less than a fight to the death between a group of self-identified movers and shakers, hell bent on total destruction of Australia's traditional way of doing things, and those implacably opposed to any change at all. Perhaps this apparent dichotomy is itself the greatest achievement of those pursuing radical change. They have managed to create a feeling that the particular future which they advocate is inevitable; that in Margaret Thatcher's famous phrase, 'there is no alternative'.

But is it so? Are the obvious negative consequences of current policy unavoidable? Are they essential but transitory inconveniences along a road to guaranteed ultimate benefits? Or are these effects, in fact, the proof of unsustainability? Can a labour force which works longer and longer hours in increasingly insecure jobs really be the engine for sustainable efficiency improvement? Are efficiency and equity mutually exclusive concepts in the labour market?

For anyone interested in these questions, their 1999 reading list should start with *Australia at work: just managing?*, Australian Centre for Industrial Relations Research and Training, Prentice Hall 1999, ISBN 0 7248 0289 4. The book draws on a decade of ACIRRT's research to paint a detailed, dramatic and disturbing portrait of what has happened to Australian workers since strong winds of change first blew across Australian organisations in the mid 1980s. It is not always a pretty picture. But the proposals which ACIRRT develops from it are optimistic and positive. They inspire confidence that new approaches can be blended effectively with the best of traditional styles, to produce a worthwhile third way.

ACIRRT begins by chronicling the nature

of workplace change since 1983. Both winners and losers are identified. But they find many more losers than winners. For workers, the two measures of labour market success are a reasonably secure job and a reasonable wage. Big changes have occurred on both counts, to the extent that ACIRRT believes a 'two nations' workforce is emerging. For the losers, low wages and the threat of unemployment are fast becoming a fact of life. Faced with this reality and all the insecurity it breeds, prevailing ideological orthodoxy simply calls for an intensification of effort and for more of the same. ACIRRT argues, convincingly, that Australia can do better than that.

The book continues with a comprehensive history of the post-war social settlement in which Australia, along with most other western nations, put in place a series of compromises between business and labour which operated for forty years, for the most part successfully. An integral element for Australia was its unique system of industrial conciliation and arbitration. This provided strong safeguards for workers against exploitation. But, perhaps even more importantly, it gave rise to certain collective social values as far as the regulation of working life was concerned. It is that consensus which is now under attack. The resulting fragmentation has spawned the current inequality of outcomes and much of the insecurity that goes with it. In its wake has come the war on 'dead time', whereby casual staff and contractors replace full-timers, so that they can be brought in only at the peak of the work process. ACIRRT's interviews with workers reveal that they believe this has greatly reduced the social opportunities and interaction traditionally provided at the workplace. Not surprisingly, they see the quest for productivity improvement as almost synonymous with a more stressful life. Must we really choose between socially satisfying workplaces and economic efficiency?

Another stark result of dismantling traditional employment regulation is 'the age of insecurity' as it has been described. To paraphrase the authors of that term, the labour market of the 1990s is centred on 'rotating' workers: forever in fear of being revolved out of jobs to be replaced by cheaper labour from outside. A labour market, in which employees live in constant competition with each other and external contractors, is, they say, the final stage in transformation of work from 'a sort of quasi tenancy into ... a fleeting, transitory experience infused with terror at the prospect of its ending — akin to a teenage love affair'. Can we realistically expect these anxious employees to become the bold risk-takers we are told we will need to

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drive continuing productivity improvements and efficiency gains in the years to come?

At the same time Australians are working longer and harder. The long weekend has been replaced by the lost weekend. ACIRRT tracks developments in working time since 1983 to show that the standard working week is all but dead. 'Workplace flexibility' has been a mantra chanted by employers and legislators throughout the past ten years as they have gone about destroying the regulatory environment which previously controlled working time in this country. But flexibility is frequently no more than a euphemism for intensification of work. How can we relate this to the professed commitment to 'family friendly' policy? The experience of workers interviewed by ACIRRT confirms the balance between work and family life is certainly changing — but in ways that make it harder, not easier, for them to carry out their parenting and other family roles. What social costs are likely to result from this? Must it be this way?

ACIRRT says change *is* inevitable. But its form is not. It says time has proven wrong the 'no alternative', market supremacy argument that globalisation would produce valuable benefits for everyone, so long as governments simply surrendered to it. In fact, the primary result of these policies has been insecurity and instability, for both workers and businesses. Similarly, enterprise bargaining has not proved to be the vehicle for positive change its advocates claimed it would be. Instead of the anticipated increase in consultation, co-operation and mutually satisfactory work systems, its major effect has been fragmentation of working conditions, more wage inequality, increasing working hours and the replacement of full-time jobs with insecure part-time and casual work. Its effects on less powerful groups in the workforce are proving indisputably negative. Most members of ALIA will identify with this analysis.

But a 'turn the clock back' solution is even worse. It is impossible to simply go back to what we used to do and rely on protection, especially as a trading nation which exports twenty per cent of its gross domestic product. The challenge for employment policy, says ACIRRT, should not involve choosing between accepting or rejecting globalisation. Rather, policy should focus on how to work with market forces, not how to liberate or reject them. In this regard, ACIRRT describes as a key idea the notion that the market is a good servant but a bad master for social and economic development.

The book concludes with an innovative suite of policy proposals which map out a

more co-ordinated and consistent labour market framework. Central to them are changes in perceptions, based on the shifts which have already occurred. The growth in casual and contract employment, for example, should see us scrap distinctions between employees and contractors and standardise rights, for 'workers' of all kinds. We should cater for the frequent change of jobs with far greater portability of entitlements like leave and superannuation, with pooling arrangements between employers to provide for it. Industrial, social security and educational policy should be much more closely integrated to manage the various transitions which people will go through in the course of a working life. Governments should be far more innovative in encouraging retention of workers during downturns, through, for example, subsidies to allow businesses to keep them employed at reduced hours for a time, rather than automatically sacking them. Older workers should be able to revert to part-time work and draw on their superannuation and pension entitlements to boost their income before reaching retirement age. As for wages policy, ACIRRT argues for a total rethink on basic wage levels. This should include defining new mechanisms for calculating a living wage, giving serious attention to the link between the wages and social security systems and adoption of a basis for measuring what a living standard for a decent society should be. Their central tenet in proposing a new way for Australian employment policy is the belief that '*the treatment of people at work is one of the leading indicators of a civilised society*'. Who would seriously dispute it?

*Australia at work* is, in this writer's view, the most impressive analysis of Australian workers, their jobs and their futures that we have seen for many years. It challenges the assumptions of both proponents and opponents of labour market change. ALIA members will find reading it fascinating and encouraging. As they do so they may find themselves asking with famous management guru Charles Handy [in *Beyond certainty: the changing worlds of organisations*, Hutchinson London 1995, ISBN 0 09 179153 7] 'What are we doing to ourselves? It is all part of the new competitiveness, what we have to do in order to survive, both as individuals in the firm and as the firm in the market? Or are we creating a new myth for ourselves, a new ideal, the consumed executive as modern hero?' They may also conclude with him that 'Either way it bodes ill for our society if the best and brightest end up having no time for anything or anyone but themselves or their work, and if the price of success has to be total immersion in that work'. ■

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