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Workforce magazine's year-ender survey: The big issues 2018, and what lies ahead

Workforce (a labour relations bulletin published by Thomson-Reuters) recently surveyed major IR figures in Australia on what they saw as the big issues in 2018, and what they expect will be the major talking points for 2019. Jim Stanford, economist and Centre for Future Work director, was one of those surveyed, and here are his remarks:

What was the most important issue or event in industrial relations this year?

I would choose the union movement's "Change the Rules" campaign, which really gathered focus and momentum as the year went on. Of course, unions have been dissatisfied with the state of labour laws, and the erosion of labour rights, for years. But this year, together with other community advocates, they have built a very effective and focused advocacy campaign that I think will have a major impact on labour policy in Australia. Examples of its potential include the big rallies held in Melbourne and other cities in October; the important role that the union movement's independent door-knocking and phone-banking campaign played in the expanded majority won by the Daniel Andrews govt in Victoria; and the generally high profile of news and debates around the issues of wages and workplace fairness in the media and public commentary.

The current atmosphere is very reminiscent of the "Your Rights at Work" initiative that the ACTU and its affiliates organised in 2006-07 – and that ended up making a significant difference in the 2007 election (when John Howard lost his seat).

There is a qualitative difference in this incarnation of the union movement's organising, however: while union activists obviously are hoping to influence the results of the next election, they are self-consciously and explicitly planning on a longer-run effort to shift public opinion regarding core issues of work and fairness.

Their agenda of proposed reforms would take several years to implement: including lifting the minimum wage to a "living wage" level, modernising labour laws (so Uber drivers and other gig workers would be protected), changing the structure of enterprise bargaining to allow multi-firm and industry-wide bargaining, and more.

And they are advancing that agenda as an independent campaign, not as an arm of the Labor party. That positions them well to continue to advance the debate after the election ... whoever wins.

More equality = stronger economy

By carefully focusing its energies, building a strong "boots on the ground" infrastructure in communities (including crucial marginal electorates), and building strong public support for the core values underpinning the campaign (tapping into continuing Australian faith in fairness), I think this movement will reshape both public opinion about work and wages, as well as Australia's labour policy framework.

What are you most/least looking forward to in 2019?

There will be a Commonwealth election sometime during the first half of 2019 (perhaps sooner rather than later, if the current disarray in Canberra is any indication).

I look forward to seeing labour issues – and in particular, the stagnation of wages in Australia, and the growing gap between Australia's egalitarian tradition and the grim economic reality that most workers presently face – feature as one of the top three issues in the campaign. Most workers have had no increase in real wages over the past five years; millions have fallen behind (especially given escalating prices for housing and other essentials). The present govt knows that this festering economic frustration issue could be very damaging.

There's an opportunity in Australia right now to move the needle: imagine a modernised approach to labour policy: including labour standards that adapt to ongoing change in the economy (like gig jobs), a more ambitious crack-down on wage theft and other illegal practices, and a revitalisation of Australia's commitment to a 'fair go.'

'Tired warnings' not welcome in 2019

I am not looking forward to the rolling out of some pretty tired warnings and threats about how modernising labour laws and addressing inequality will somehow threaten Australia's economic viability.

We can expect many dire threats about how the proposals for reform will drag Australia back to the "bad old 1970s" – a time, interestingly, when GDP growth, job-creation, productivity growth, and real wage growth were all significantly superior to the current era.

This rhetoric ignores the growing consensus among economists that more equality actually strengthens economic performance – by supporting consumer spending and aggregate demand, avoiding the economic, fiscal and social costs of exclusion and inequality, and boosting govt revenues.

The doomsday prophecies we can expect to hear from the usual suspects should be understood as the last gasps of a vision of trickle-down economic policy that has lost its credibility, in Australia and around the world.