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Week 2 - Work and Industrial Relations policy today: What are the problems / policy problems

LO:

- Globalisation and changes in work that are attracting a lot of media attention
- Four fundamental changes we are already living through that have reshaped work and society
- Befort and Budds efficiency, equity and voice model

Overall question: How does the state shape the regulation of work?

- To answer this question, start by asking -> What is happening at work - what are the problems to which IR policy might be the answer?

Pressure suddenly increasing for change

- The Australian Financial Review today 'Backbench push unfair dismissal' -> Scott morrison is facing pressure from his backbench to overhaul unfair dismissal laws amid warnings that another term of policy inaction would be unacceptable'

Globalisation and changes at work

- Raises important questions for/about national governments and states:
 - How important are national institutions as national economies become more integrated?
 - How are smaller states affected by what others do and what transnational firms do
 - On the other hand, is there more variety within nations because of the effects of globalisation and because of IR policy itself - enterprise bargaining and individual agreements - have fragmented the regulation of work
- *Globalisation has put different kinds of pressures on employers + employees + one of the policy responses to that has fragmented the nature of work across the country*

The future of work

- This commonly cited work claims that 40% of jobs have a high probability of being **automated** in the next 10-15 years -> labour market will be hollowed out -> OECD estimates that job losses are likely to be less than 10%
- This would mean an increased demand for high-skilled and lower-skilled jobs
- But the erosion of intermediate skilled occupations is likely to produce a 'hollowing-out' of the labour market
- Jobs that rely uppn deep social intelligence (emotional labour) and the original or creation application of technology will grow

- While predictable or routine tasks/analysis jobs will shrink

Thinking about organisational change

- Is work changing such that we do not know who the employer is or if, at law, there is one? -> not much evidence if automation is actually decreasing jobs
- What if there does not seem to be an employment relationship at all
- Could the platform economy and the supertemp become the norm

Underpayment - 'wage theft'

- Federal government considering criminalising wage theft
- Policy change in 2017 - laws increase fines
- How does this happen? Unions used to organise wage / fair work ombudsman is responsible for setting minimum wages / role of consumers/workers themselves

Four fundamental changes reshaping work and policy

1. **Changing female participation rates**
 - a. Increase of women in full time work
 - b. Long time decline of male participation rate
2. **Aging and immigration**
 - a. Significant increases in immigrant population
 - b. Student temporary visas increased/other forms of temporary visas
 - c. Change from wanting to live here to now wanting to work
3. **Earning**
 - a. Away from wages share to profit share increasing
 - a. Real wages stable/falling -> productivity increasing =
4. **Union membership**
 - a. Declining trade union membership -> *state regulated work* through union recognition and union bargaining -> 90% wages determined by unions / 60% members of a union
 - b. Now -> 13.2% members of a union

Readings - Wright summing up IR in 2017

- **Wages, gender gaps, immigration**
 1. Low growth in wages - the RBA says workers should demand more (2017)... is this about the economy or equity- or both?
 2. Uneven wage growth between sectors and by type of regulatory coverage
 3. Meantime, fair work commission reduces Sunday and public holiday penalty rates in retail and hospitality, 2017
 4. Pay gap between men and women workers persists
 5. Increasing tensions about employment of temporary migrant workers
- **Stability?**
 - Some were happy that policy had been broadly stable - a former president of Fair Work Australia, Geoffrey Giudice, argued for continuity: a stable system would be good for business and the economy
 - Similarly, the productivity commissions inquiry into IR: repair, not replacement should be the policy imperative
 - Policy debates in 2018 were shaped by the forthcoming election - and the likelihood of a labour government
- **Or change?**
 - Wages growth still slow, 2% despite strong employment growth and low unemployment
 - Awards now = actual - not minimum - pay rates

- Undervaluation of feminised work - persistent; attempts to address this floundered
- Employer associations critical of the system: 'Overregulated', 'overly complex' and 'rigid'
- Compared with Bornstein: declining employee bargaining power and growing inequality are major problems
- Unions; change the rules campaign in the lead up to the election

Befort and Budd: Understanding policy

- Public policy must be analysed within a framework of:
 - Explicit objectives of the employment relationship
 - Explicit models of how the employment relationship works
- And not understanding policy
 - They argue there is too much attention to processes and policies without thinking about objectives or indeed the employment relationship itself
 - E.g law students are trained in the letter of the law and HRM students are trained in its application
- Should these be policy objectives?
 - Efficiency -> employers
 - Effective use of scarce resources (competitiveness, productivity, quality, economic prosperity)
 - Equity -> unions and workers
 - Fair employment standards for outcomes and treatment (justice, security and non discrimination)
 - Voice
 - Input into decisions (collective bargaining and representation, autonomy, free speech, industrial democracy)

Readings

Australian Industrial relations in 2016

- The 2016 federal election and its aftermath
 - Greater female participation
 - Trade union 'your rights at work campaign' = 2007 election result = gave the labor party a mandate to repeal workchoices
 - First time since 1987 = 1987 election was a double dissolution in which the house of rep and senate went to the polls
 - The Australian building and construction industry bill re-established the regulatory agency tasked with policing the construction industry, including the role of trade unions
 - The fair work amendment bill sought to strengthen the governance and accountability of trade unions and employer associations
 - Turnbull government passed FWAmendment in 2016 -> abolished the road safety remuneration tribunal
- The challenges of growing inequality and institutional decline
 - 1980s-2000s = improve the efficiency of organisations in an Australian economy more exposed to international trade was the main premise for the gradual decentralisation of the industrial relations system
 - Downgrade of equity objective = decline in the national minimum wage = below 45% in 2016
 - Unpaid work experience and internships are widespread -> uber and airtasker have emerged as new sources of work = however lack of protections and entitlements
 - Declining effectiveness of industrial relations actors = rising inequality and continued disadvantage among certain demographic groups in aus

- Past 5 years -> fall in collective agreements by 40%
- Employer associations shifted away from negotiating collective agreements -> political functions (lobbying)
- Declining collective bargaining = weakened union presence HOWEVER reorienting their strategies to organise on the basis of occupational identity may help unions to arrest this trend
- Young Workers Centre/the ride share drivers association/retail and fast food workers union = provide more protection for workers on the margin of the labour market
- Nationalism, protectionism and Australian industrial relations
 - Brexit and Trump = mass dissatisfaction with globalist and liberal economic policies and a growing appetite for nationalistic and protectionist policies
 - Won't experience this -> award system provides a greater degree of security for workers / public support for labour immigration has been much stronger

Australian industrial relations in 2018: inequality, policy stagnation and a brewing storm

- Political instability - uncertainty to change
- Last year there was little to no change in industrial relations - wage growth
- Decreased Bargaining power for employees
- Australia's bargaining framework hasn't kept pace with the changes in the labour market -> results to inequality of the classes
- Temporary skilled visas - stuck with bar jobs/cafes -> prefer permanent employment
- Introduced paid parental leave

Week 3 - Governments

1. The state and the policy process

- a. Policy is best thought of as a *process*: in specific contexts, with goals, stated purposes through government actions, laws, court decisions - are with real world outcomes -> we can't understand how policy affects people without thinking of it as a process that occurs over a long period of time

2. The employment relationship

- a. Those theories are logically related to how we understand the role of the state
 - i. E.g. if the unitarist view is right, that workplaces are essentially harmonious, then what does that mean the state should do to regulate the employment relationship?
 - ii. But if the pluralists are right and there are diverging but legitimate interests, then, again, what does that mean the state should do to regulate the employment relationship?

3. Defining the state

- a. *Institutions that implement and operationalise government policy*
- b. **Three key points**
 - i. The breadth of the state. In Australia, many agencies and structures make up the state; it is fragmented
 - ii. States are embedded into particular kinds of society -> those societies are embedded in the global economy in different ways e.g. if you're a small population (relies heavily on trade) relationship with that economy is going to be different than a large population -> employment relationships are different
 - iii. There are various arguments about whose interests the state serves and can serve ->

4. The traditional theories

- a. **Unitarist**
 - i. The state = autonomous party

- ii. It can rationally find and carry out the public interest
- iii. But are there problems with this analysis?
 - 1. The looseness of terms like the 'public interest' -> Is not straight forward -> who decides what public interest is?

b. Pluralism

- i. Assumes that society is democratic -> different interests = inevitable
- ii. Neutral state
- iii. The fragmented state -> shouldn't talk about it as 'one thing'
- iv. Are there problems?
 - 1. Ideas often used to explaining what it describes... the explanations can be circular
 - 2. Its very specific to time and place
 - 3. Do organisational elites play a greater role than this theory allows?

c. Class analysis

- i. The economy, not politics, is the starting point for the analytics -> the market system pitches employers against employees = not a relationship -> conflict & power
- ii. The 'biased state' - necessarily so b/c chiefly influenced by economic power
- iii. Are there problems?
 - 1. Other lines of division in society, besides, or instead of, class
 - 2. Does class matter at all any more?

d. Feminist theories and the state

- i. Gender divisions of labour remain in work and society
- ii. The state itself is 'gendered'
- iii. The state is nonetheless the object of political conflict over gender order
- iv. Are there problems?
 - 1. Is this too general a level of analysis; is everything about gender?
 - 2. How do we mesh these considerations with other class or pluralist analyses?

5. Another analysis: Richard Hyman - REQUIRED READING

a. Hyman's criticisms of pluralist analyses:

- i. They make 'universal' claims but they are historically-specific
- ii. They are merely empirical rather than explanatory -> these models don't go beyond describing the institutions

b. His own argument - marxist perspective

- i. State perform three functions: accumulation (firms have to keep making profits), pacification (states controlling citizens/institutions), legitimation (people have to think state is legitimate/obey the rules)
- ii. There are three kinds of states: laissez faire (free market economy= aus); social (governments intervene much more in the economy to work with institutions and the people=china); developmental (state drives economic change=china)
- iii. States perform these roles^ in different ways and are embedded in particular national societies and in global capitalism (these countries relate to the world in different times)

c. Evaluating Hyman's argument

- i. He criticises traditional pluralist assumptions. His own assumptions about power and the state are clear enough in the introduction to his chapter
- ii. His starting point is to say that some level of abstraction in defining the state is necessary. What level do you think is useful for us? -> it does make sense that we talk about the state but we do need to know what we mean when we're saying it
- iii. Check the title of the chapter closely: that tells you something itself. The state is necessarily important says Hyman. Do you agree? 'The state IN industrial relations'

-> the state is necessarily involved in industrial relations -not should it be involved
but in what way is the state involved in industrial relations?