



Catholic Welfare Australia
A COMMISSION OF THE AUSTRALIAN CATHOLIC BISHOPS

ADDRESS to the Brotherhood of St Laurence's Forum:

IR REFORM, social and economic dimensions

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by

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Thankyou and welcome....

In order to comment on the future, it is necessary to understand the past. When considering the future of industrial relations, it is necessary to understand its origins.

It is no exaggeration to say that "industrial relations" as a movement had its origins not as an economic lever – tweaked to achieve better economic outcomes, it was a means of social protection and control. The objectives of "industrial relations" were explicitly related to the protection of workers and their families against exploitation by employers.

Church and Industrial Relations

So what competence would a representative of the Church have to speak with any authority on industrial relations issues?

Church organisations and charities, and particularly the Catholic Church, have long been active in developing an understanding of the rights and responsibilities of workers, and the relationship between employers and employees. The Church has a

long history of articulating principles that can be used to understand industrial relations and to guide assessment of public policy decisions that are rightly made by legislators and others. This history stretches well back to the Church's origins, even beyond explicit statements such as *Rerum Novarum* in 1891. Indeed the length of that history sometimes means the Church's approach is criticised for being anachronistic, and based on social and historic circumstances that are very different from those faced by modern western democracies today. However, this criticism ignores a developing body of social thought, or "social teaching", which persists to the modern era. In recent years, for instance, modern conferences of Bishops have made important statements reaffirming fundamental principles and reiterating concerns that the Catholic Church has shared with other churches, charities and community groups over generations.

These statements convey some of the key principles that might be used to assess the merits of "industrial relations" policies and practices.

"Work is a principal means by which human kind seek their personal fulfilment and make their contribution to the common good. Thus, there is a natural priority of labour over capital. Simply expressed, work exists for the person, not the person for the work. It follows that human work cannot be treated as a resource or as a commodity to be traded in like any other commodity. Every family has the right to sufficient income through work. Workers have the right to just minimum wages and to just and safe working conditions."

Industrial Relations - The Guiding Principles, 1993, p.2, Australian Catholic Bishops Conference

Or again more recently...

"Workers have rights which Catholic teaching has consistently maintained are superior to the rights of capital. These include the right to decent work, to just wages, to security of employment, to adequate rest and holidays, to limitation of hours of work, to health and safety protection, to non-discrimination, to form and join trade unions, and, as a last resort, to go on strike. The Catholic Church has always deplored the treatment

of employment as nothing more than a form of commercial contract. This leads to a sense of alienation between a worker and his or her labour. Instead, forms of employment should stress the integration of work and worker, and encourage the application of creative skills.”

The Common Good and the Catholic Church's Social Teaching, 1996, Catholic Bishops' Conference of England and Wales

Impacts of work

There can be no disagreement that employment, and the industrial relations that go with it, has direct and important impacts upon the employee themselves. The history of industrial relations, however, suggests that the impacts of work and industrial relations are felt by, and must be assessed in the context of, its impacts upon the worker, the workers family, the economy, and society more broadly.

On the worker

The most obvious impact for employees is that employment ought to provide adequate income. This income provides access to essentials such as health, housing, education. In addition to such essentials, income provides for a range of activities that might broadly be called “social participation”. These activities include recreation and leisure, personal development, philanthropy of various kinds and a range of other activities. Participation in these activities comprises what might reasonably be defined as “participation in society”.

In addition this income provides employees with a level of “security” by providing for secure housing when it is required, the possibility of independence from government – and the where-with-all to support a family.

Arising from all of this, and from the nature of the relationships that employment yields, employees can achieve elements of self-satisfaction and also acquire recognition in the workplace, in their family unit, and in society generally. Both concepts: self-satisfaction and recognition from others, contribute to what might be called a sense of “dignity”. Dignity is a fundamental concept and underpins the notion of “the superiority of labour over capital” that I spoke of earlier.

On the worker's family

For the employee's family, many benefits of employment are proxies of those of the worker themselves: income, security and dignity. But in the family, and as we see later in society, the benefits of work are intergenerational. These intergenerational aspects of employment are most evident in the care of children, retirees and the infirmed or aged. These benefits are also entirely dependent upon the concept of a family wage – the notion that an adult worker might reasonably expect to earn enough from their employment to support not just themselves, but to contribute to the support of families and broader social relationships.

On the economy

Today's forum has already heard presentations from those who are far more expert than I on the impacts of employment rates and participation rates on the economy. I do not intend to attempt to detail them further. Suffice to say, however, that the impacts of employment and work on the economy are only part of a framework that would allow a thorough assessment of any approach to Industrial Relations.

It is often argued that the economy has primacy. Part of the rationale for removing various encumbrances from employers is in order to allow them the freedom to “grow the economy”. The same “grow the economy” mantra is used to suggest that the rights and privileges of employees, some of them achieved only after years of industrial relations, ought to take second place to more pressing and immediate concerns with direct and readily measurable impacts upon the economy – unemployment, participation rates, productivity.

I would add a qualifier here, however, to say that sometimes what appears to be readily measurable is not important, and what is not measurable is not necessarily unimportant. We have seen most recently, substantial debate amongst economists, as to whether current proposals for industrial reform will have a positive or negative impact upon productivity – it turns out that even such a simple measure is contentious.

At the same time as some economists criticise the “welfare state”, little is done to quantify the relative benefits that are drawn from the “community bank” by business,

industry and even governments, who all benefit from long term investment in various elements of common infrastructure, facilities and social systems in vastly greater proportion to our relatively small population of welfare recipients.

On society

For society as a whole, the impact of Industrial Relations is foundational. Few other social systems have such a direct and lasting impact on the income, the sense of security and the dignity of so many of our citizens.

Australia's industrial relation system has provided fundamental protections for low paid workers – those who have little or no bargaining power on their own. Indeed, it is difficult to see what protection low paid and vulnerable workers could possibly have beyond opportunities for collective bargaining, and the protection of minimum terms and conditions under law.

What is more difficult to measure is the impact industrial relations reform might have on our broader Australian culture. In a culture where the "Aussie battler" has been respected, in rhetoric at least, the dignity of low paid workers has been somewhat protected. If our culture shifts to see the low paid and unemployed, the traditional "Aussie battlers" as an unwanted anchor on our societies economic progress. Or worse, as wholly responsible for their own difficult circumstances and deserving of punishment, then the legacy of social disunity is likely to be lasting.

Implications for Industrial Relations reform

So how can the success of our Industrial Relations future be assessed?

I begin from the standpoint that any Industrial Relations system must embody principles of fairness and equity. While it would seem that this is not at all a common view among business leaders and economists, I remain confident that this will be the view of the Australian population. The notion of the "fair go" is deeply entrenched in the Australian psyche.

Australians might well be "slow to mobilise" around some of these issues. However, as people feel their own income security to be directly effected, or feel indirectly

threatened by the effects of change they see on others, then history would suggest that Industrial Relations is likely to be a powerful political rallying point.

Our own Australian Catholic Commission for Employment Relations has highlighted five major areas that are likely to be of highest concern to employees and their families, and to the community more broadly:

- protection of minimum wages
- protection from unfair dismissal
- preservation of minimum terms and conditions, especially those supporting family life
- balancing workplace bargaining, and
- maintaining an independent umpire

How these key issues are dealt with will remain the key focus of concern for all those who will remain at the lower end of the wages scale. Importantly, these issues will also remain a focus of key concern for those churches, charities and community groups tasked with supporting those who do not have access to all the benefits that a growing and buoyant economy has to offer.

It could not be clearer from history that without adequate protections, low paid workers have frequently been treated unfairly and exploited. The simple logic of this history, understood clearly by those most affected, is that low paid and unskilled employees have less power than their employers.

Churches, charities and community groups have a legitimate voice on these issues because they are compelled by both their mission and by social expectation, to provide support and assistance to those who are left behind as profitability booms.

The manner in which society protects those with the lowest incomes, and those with the least economic and industrial power, is a far more potent and lasting measure of successful public policy than simplistic economic metrics – particularly for public policy as fundamental as Industrial Relations. This is not because the low paid and

the powerless are deserving of charity and welfare support. It is because their plight is a more complete indicator of the health of our whole community.

In the words of the US Bishops

“The prime purpose of this special commitment to the poor is to enable them to become active participants in the life of society. It is to enable all persons to share in and contribute to the common good. The 'option for the poor', therefore, is not an adversarial slogan that pits one group or class against another. Rather it states that the deprivation and powerlessness of the poor wounds the whole community. The extent of their suffering is a measure of how far we are from being a true community of persons.”

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