

## AUSTRALIA'S COMMITMENT TO WORKERS' RIGHTS

Address by Senator the Hon Gareth Evans QC, Minister for Foreign Affairs, to the International Conference on Trade Union Rights, Sydney, 29 October 1993

---

In March this year, we celebrated ten years of Labor Government in this country in the best possible way: we won our fifth election in a row. On 2 September this year, I celebrated five years as Australia's Minister for Foreign Affairs. It is natural enough on such occasions to look back, and to think forward.

In looking back, what strikes me about March 1983 was how the main features of the world scene at that time were so apparently unchanging. Ronald Reagan had been in the White House for just two years, but the themes preoccupying us all were the same as they had been for over thirty Cold War years: the US-Soviet military stand-off; the nuclear danger growing ever more oppressive; regional conflicts being subordinate to the bigger game of the East-West conflict; constant tensions in the Middle East; apartheid rampant in South Africa.

Yet within a few short years, with steadily gathering pace from the mid-1980s, all the old verities simply evaporated before us. While massive numbers of nuclear weapons remain, the threat of imminent catastrophe has receded below the horizon. Seventy years of ideological confrontation is over. The Soviet Union is no more, and its component parts, now independent states, along with the countries of East Europe, march today to a different drum. We see remarkable successes - in Cambodia, in the Middle East, and in South Africa. But we also see new dangers ranging from militant ethno-nationalism, proliferation of weapons of mass destruction, and unprecedented strain on the capabilities of the United Nations and other international institutions.

There have been other forces at work which, while less spectacular, are no less important, and indeed were arguably the main cause of the dramatic

political and security changes we have seen. These forces are essentially scientific and technological - forces which have made possible the globalisation of markets, of capital, of information and knowledge, at a speed and on a scale inconceivable even a decade ago.

The dramatic political and security changes they have driven have, in their turn, led virtually all countries to move towards various versions of free market economies. And above all, they have brought billions of new workers into the mainstream of the world market economy to compete with us, and to offer us new markets.

Where do workers fit into this? What does it mean for them and the trade union movement which represents so many of them? It was after all the issue of workers, and their place in the scheme of things, which was at the heart of the battle of ideas for most of this century between communists and capitalists, social democrats and democratic socialists, Keynes and Hayek - and a good many of the countless schisms, heresies, and various other "isms" that so dominated intellectual and political discourse. There is in many countries a powerful school of thought which adopts a fatalistic attitude to all this, and sees it as inevitable that workers should be simply the flotsam and jetsam of world markets, drifting or surviving as the tides and currents of great global forces dictate.

### **Australian Government Attitudes to Workers' Rights**

The Australian Labor Government does not see things like that. We remain totally committed, as an objective in and of itself, to the dignity of workers, to their inherent right to fair treatment, and to those basic rights defined and won through long and arduous struggle over the century past. We demonstrate this commitment to workers at home and internationally, both globally and regionally. Let me tell you how.

I began by referring to our election in March 1983. One of the remarkable things about that election and its aftermath was the Accord between the Labor Party and the trade union movement - that is, the Accord with a capital "A". The fundamental idea of the Accord was that a Labor Government and the workers of Australia needed to operate as partners in a way which recognised

that the well-being of workers was influenced as much by government decisions on the social wage (such as taxes, social welfare, and medical and superannuation policies) as it was by wages and conditions won in the workplace - and which also recognised there could be trade-offs between the social wage and wage rises in the workplace. The Accord in its first few years was vital in addressing the problems of the late 1970s and early 1980s. In return for major government action on the social wage, unions exercised a wage restraint in the market place that substantially reduced inflation, real unit labour costs, and restored factor shares between labour and profits to reasonable proportions, thus encouraging investment, and leading Australia to achieve the fastest employment growth of any developed country in the 1980s.

The union movement showed considerable policy courage and initiative in dealing with those problems of the past. What was even more remarkable - and remains too little acknowledged - was the strategic vision shown by the union movement about the future. By the mid 1980s it had become clear that Australia could no longer sustain the highly protected economy it had run for decades. We had been able, courtesy of extremely strong terms of trade for agricultural, mineral, and energy commodities, to guard with modest success a substantially inefficient economy against the intrusion of the outside world. With the inexorable decline in the terms of trade for such commodities this was no longer possible. The Government therefore made an historic decision to embrace the world before it crushed us - a decision to change our economy and our society so that we could survive and prosper in the world rather than wait for it to overwhelm us. We decided, in other words, to take charge of our future and seek to shape it, rather than be a pawn in someone else's game plan.

This required deregulation of large sections of our economy. It required the reduction of tariffs and other forms of protection to very low levels. All this exposed Australia and Australian workers to international competition, and put great pressure on inefficient work practices.

That the trade union movement embraced this change, and indeed helped lead it, reflects the confidence and belief of the union leadership in the ability of Australian workers to deal with this new challenge. Since the mid 1980s, successive versions of the Government-Union Accord have reflected the willingness of workers to be part of this great change. But the Accords have

also reflected, through the Government's constant reinforcement of the social wage, that this Government is committed to workers rights.

It is a great pity that substantial sections of Australian business failed to show the same strategic vision as the union movement through this period. The orgy of conspicuous consumption, profligacy and unconfined financial and property speculation by a high proportion of Australian businesses in the late 1980s wasted many of the great benefits of the wage restraint of those years, and have made recovery from recession and unemployment substantially slower and more difficult. There were many honourable exceptions to all this, and it is true that it was a world-wide phenomenon: that makes the Australian experience more understandable, but it does not make it any less of a lost opportunity.

We now have two more commitments to work through together with Australian workers. First, we are experiencing a phenomenon that has become steadily more pronounced at the end of each recession since the 1970s: our economy is growing again steadily, and in fact at one of the highest rates in the OECD - yet unemployment remains stuck at a high level. We are committed to trying to find a solution to this problem of "jobless growth", which many other countries are experiencing as well as Australia. We will not accept that high unemployment, or large numbers of long-term unemployed, are an inescapable part of a modern advanced economy. The Prime Minister has commissioned a major study of this problem and possible solutions, and we expect to debate the outcome of that study during the first part of next year. The Prime Minister has asked for, and expects, new thinking and brave ideas, and I have no doubt he will get what he wants - he usually does.

The second challenge, and obviously related to that of unemployment, is to continue down the path of creating a legislative framework for a more educated, sophisticated, and flexible work-force in a more flexible labour market. Let me describe, at a little more length, how we are responding to that challenge.

### **Australian Industrial Relations Law**

It has to be acknowledged that, for many of its advocates, the term "a more

flexible labour market" really means weakening the relative powers of workers and unions vis a vis employers so that wages can be cut. We are utterly opposed to this. It is, above all, bad economics. To cut wages by a sufficient amount to make a major difference to the problem of long term unemployment we are, according to current thinking among the academic experts, looking at orders of magnitude of up to 30 per cent - or about \$9-10,000 a year wage cut on average. Such a cut would reverse all our strivings for an advanced economy which is capital, technology and skills intensive, and focus instead on seeking a comparative advantage through cheap labour. The "cut wages" school is in fact advocating a less advanced economy for Australia. Such people are looking to the past, because they cannot imagine the future.

So we will not countenance such ideas of wages slash and burn. But if we are to look to a more advanced economy as the way to maintain and improve workers' wages and conditions, we will need to improve constantly the way we work. We have worked closely with the union leadership since the late 1980s to do this, both in the Australian Industrial Relations Commission (AIRC) and through a series of legislative reforms in the direction of enterprise bargaining. My colleague, Laurie Brereton, the Minister for Industrial Relations, has trodden a steady path, since the election in March this year, towards a major new legislative reform of our industrial system. There have been a few potholes and corrugations along the way, but the labour movement is now united in support of the far-reaching set of changes embodied in the legislation introduced into the Australian Parliament yesterday.

I will not traverse the detail of the changes here. But there are some things I should say about them: first, because they demonstrate again the Government's commitment to workers, and secondly, because of the very interesting international dimension to the legislation, relating to the ILO.

The changes will not in any way reduce workers' entitlements under the award system which has existed in this country since early this century. Under our enterprise bargaining system, the parties to a bargain can agree to any package of wages and conditions they like. Such an enterprise bargain package can be entirely different to the relevant award but - and this is the important bit - the

enterprise bargain as a package cannot be less in overall terms than the award package. It can be quite different but it must be at least equal. This is what we call the "no disadvantage" test, which ensures that our enterprise bargaining system cannot be a device to cut peoples' overall package of wages and conditions. Thus our bargaining will focus not on knock-down drag-out fights to cut overall wages and conditions (because this will not be legally possible), but rather on innovative and creative approaches to building successful enterprises .

Now all this is good for the 32 per cent of workers covered by the national (Federal) award system. But what of the 47 per cent of workers covered by the award system of the States of our Commonwealth? In the past, the Commonwealth Government has felt unable or unwilling under our constitutional arrangements to provide for national minimum standards. A number of State Governments have, however, in the name of labour market flexibility, sought to engage in a policy of wages slash and burn. With the advent of these new State Government approaches, we have decided to provide a national safety net of standards which will apply in those cases where State Government protection does not measure up. To do this for all - I emphasise all - Australian workers, we cannot rely just on the "conciliation and arbitration" power, or a combination of other heads of Commonwealth constitutional power, such as the corporations and banking powers. We are therefore relying on the "external affairs" power of the Constitution.

We are able to rely on the "external affairs" power because the national safety net legislation will be designed to ensure our national compliance with our external obligations under these ILO Conventions to which we are party -

- No. 100 : Equal Remuneration Convention
- No. 131 : Minimum Wage Fixing Convention
- No. 158 : Termination of Employment
- No. 156 : Workers with Family Responsibilities.

In a number of these cases, we will also be relying on the cumulative

additional effect of other international instruments such as the human rights Covenants, on customary international law, and on various ILO recommendations.

Moreover, we will, in accordance with the recommendation of the ILO's Committee on Freedom of Association, reduce the minimum number of members for a nationally registered union from 10,000 to 100.

Finally, we will act to ensure we are in compliance with ILO instruments and recommendations, and other international instruments, by legislating to ensure that the legitimate rights of workers to take industrial action are properly protected - something not previously embodied in statute law.

All this activity, when complete, will mean Australia has devised its own labour market system to ensure that we both have a modern flexible labour market, suited to the demands of a competitive international environment, and that we achieve this while at the same time fully protecting workers rights.

### **Support for ILO in the Asia Pacific**

The ILO is not only important to us because its instruments, along with our other international obligations, can form the basis on which we can legislate for workers' protection based on the "external affairs" head of Commonwealth power in our Constitution. Our interest in the ILO goes well beyond that. We were a founder member of the ILO in 1919. We have become party to an increasing number of its instruments, and are looking to becoming party to more. We are one of its most active members.

We are very supportive of the ILO's standards on workers rights. We support their universal application, and play a very active part in the Asia Pacific region on such issues.

**South Pacific.** We have a particular interest in workers in the South Pacific. The trade union movement, broadly defined, has a longer history in the South Pacific than is sometimes imagined. In colonies such as Fiji and New Caledonia, during the 1920s and 1930s, important movements sprang up (e.g. among the sugar workers in Fiji) which had a direct bearing on the

independence movements of those countries. Disputes were sometimes bloody and protracted and were the testing ground for a number of future political leaders.

There has, nonetheless, been a tendency for us to think of trade unionism in the South Pacific as a flower of recent growth, and in a number of important respects it is. The independence generation of leaders in the South Pacific was, by and large, conservative and traditionalist, especially in the Polynesian states and Fiji. They tended to regard popular movements such as trade unionism as cutting across the combination of traditional and Westminster practice which they saw as optimal for the governance of their countries.

Economic and social change has, not surprisingly, worked against this essentially conservative vision. Towns have got larger, public sectors have grown, the fundamentals of life have become harder to come for those alienated from village life, and urban proletariats have developed. Modern South Pacific trade unionism has been important as one means of managing the tensions set up by these changes and of advancing the rights and conditions of those many people whose connections with traditional patterns of life have been weakened.

Its critics have seen it as an unwanted import from Australia and New Zealand. It is true that international trade union bodies have from time to time competed for influence in the South Pacific (as with the ICFTU-WFTU issue in the 1970s-early 1980s). But the reality is that younger, educated local leaders have come forward who have moulded local indigenous bodies into more effective forces. The Australian and New Zealand trade union movements have played an important training and advisory role in this process.

In particular, my Department has established links with the South Pacific and Oceanic Council of Trade Unions (SPOCTU), which is an affiliate of the ICFTU and which was established in 1989. SPOCTU is essentially an educative body, based in Brisbane, which has as its key objective the strengthening of union skills in the South Pacific. The Australian International Development Assistance Bureau (AIDAB) has allocated a total of \$1.1 million in funding during 1993-95, to support South Pacific training programs

conducted by SPOCTU as well as by the Commonwealth Trade Union Council (CTUC - the London based NGO).

We have other programs in the region as well. Under the joint ILO/UNDP/AIDAB South Pacific Project to strengthen Employment Promotion and Labour Administration (EMPLA), Australian expertise has played a significant role in advising several countries in the Pacific concerning ways in which to strengthen their capabilities to administer industrial relations so as to both enhance social, economic and political development and to work towards the achievement of international labour standards. The program has covered activities in a large number of countries, including Vanuatu, Kiribati, the Cook Islands, Western Samoa, Tonga, Fiji and the Solomon Islands.

And we do not hesitate to take up quietly labour issues, even with our friends, when we think that would be effective. For example, during visits to Fiji, I have always discussed the Fiji Government's labour relations policies and encouraged it to seek the ILO's assistance (as we have ourselves) in defining and implementing internationally accepted standards.

**Asia.** We support ILO objectives in Asia through the Australian Support for International Labour Objectives project which covers Indonesia, as well as Vietnam, China, Thailand and Malaysia. The project is funded by AIDAB and is managed by the ILO in consultation with the Department of Industrial Relations. The project aims to promote the wider regional observance of international standards and full respect for human rights which fall within the ILO's mandate; to promote sound systems of labour relations, appropriate legal frameworks for labour matters, enhanced tripartism and improved effectiveness of labour administration in member states. The project draws largely on Australian expertise to meet its objectives. The program has a tripartite basis and involves support for employer and employee organisations in selected countries. Resources are drawn from the Australian Council of Trade Unions (ACTU) and the Australian Chamber of Commerce and Industry (ACCI) in implementation.

In Indonesia, rapid industrialisation and a 500 per cent increase in labour intensive exports over the past six years have created jobs for many people. But this has also led to greater concern about working conditions and worker's

rights. As recently as yesterday I was discussing some of those concerns in Canberra with the Indonesian Minister for Manpower, Abdul Latief.

Australia has established a bilateral framework on industrial relations matters with Indonesia in the form of a tripartite dialogue with the Indonesian Government, trade union and employer representatives. This provides a forum for constructive and frank exchanges. The visit by an Indonesian tripartite mission to Australia in August 1992 provided a valuable opportunity for an open and frank discussion on a range of industrial relations matters. The Indonesian delegation were impressed with what they saw in Australia and said that they regard Australia's approach to industrial relations as an appropriate model for Indonesia. A return Australian tripartite mission to Indonesia led by Laurie Brereton in the first week of December will enable us to continue the dialogue, to raise Australia's concerns and to encourage reform of Indonesia's labour relations system.

We conduct a quiet bilateral dialogue on industrial relations issues at senior levels of government. I raised with President Soeharto in August the possibility of Indonesia reviewing its Single Organisational Law to allow other trade unions to operate and to be officially registered. And in my talks with Mr Latief yesterday, I followed up that and a number of other issues, emphasising the importance of labour relations reform for social and economic development, and discussed how we can take forward our dialogue and co-operation on these issues. These are, of course, all matters being actively pursued by Mr Brereton.

Elsewhere in Asia, we have for example raised our concern with the Chinese authorities regarding the deportation from China of Han Dongfang, the leader of the Federation of Free Trade Unions, a key force in the 1989 democracy movement. We have backed up our promotion of workers' rights in China with practical measures of technical assistance through the ILO under the collaborative project I have already mentioned. We have also advised the Chinese Ministry of Labour on the development of a modern industrial relations system as China moves further down the road to a market-based economy.

### **Support for Workers' Rights in Africa**

As you will all know, the Labor Government maintained a strong stand against race-based labour practices in South Africa, including through our support of the ILO Declaration against Apartheid. The Government and the Australian trade union movement were both strongly committed to developing and implementing economic sanctions against South Africa as part of the international community's pressure for fundamental political change. The dramatic changes in the political landscape in South Africa since 1990 would simply not have occurred without that international pressure.

The Australian Government is committed to helping South Africans through the transition to democracy, and an important part of that help is being provided in co-operation with the Australian trade union movement. During 1989-93, the Government has assisted both the ACTU and its overseas development arm, the Australian People for Health, Education and Development (APHEDA) in keeping the South Africa Trade Union movement meet the common objectives of reversing the apartheid legacy of neglect and exploitation of black workers. This has included job training for COSATU members, technical and vocational training for former exiles outside South Africa, training in co-operative management, and in occupational health and safety. Apart from direct assistance to worker, much of the \$23 million provided over the past triennium has been dedicated to the rehabilitation of the victims of apartheid, of which an important part has been directed to youth and worker objectives.

Australian assistance to South Africans over the transition period will focus on the development of democratic institutions, including help with the electoral process - an objective also being pursued separately by the ACTU - and in the development of an independent media through management and professional training. Through the University of the Western Cape, we are also contributing to economic institution building by funding the Macro-Economic Research Group, which is playing an important part in developing capacity in macroeconomic planning and job creation.

Elsewhere in Africa, the Australian Government has condemned the repression of the free trade union movement in Kenya when the Kenyan authorities removed the democratically elected leadership of the Central Organisation of Trade Unions and installed an unelected pro-government

faction. Police supported this violation of the right to organise. We will continue to monitor the situation in Kenya and will remind the authorities of the strong and adverse international criticism that will be generated if proper procedural controls on administrative and police actions are not implemented.

## Conclusion

So there it is - our commitment to workers, expressed globally through the ILO, expressed regionally through assistance and training programs and bilateral representations, and expressed at home by our commitment to the maintenance of the award system and the planned introduction of a national standards safety net on minimum wages, equal pay, paternity leave, and against unfair dismissal.

But while we remain committed to basic principles of fairness and justice to workers, we do so fully aware of the changes in the social and economic context in which we seek to observe these principles. In our foreign policy over the last five years, we have maintained a clear eye as to our enduring national political, security, and economic interests. But we would have failed in our duty if we had not sensed early the massive changes in the global and regional environment in which we had to operate to pursue these interests. We have had to be quick and creative to take the initiative to help build brand-new and powerful security and economic institutions, and to play an important part in revitalising the major multilateral rules of the economic and political game in the GATT and the UN respectively. We have taken many risks, but they have paid off.

Government and workers have to be equally audacious and risk-taking in reading the changing pattern within which they must operate to achieve their goals. It is for this reason we are driving towards a new enterprise bargaining system. It seems to me that while government and workers will always have their differences, we will eventually succeed if we both are prepared not just to preserve the best of the old ways, but to strive to win the best of the new. That has been the Labor way over the past ten years, and the Australian Government is committed making it work for the next ten.

\* \* \* \*