

CHURCHES SET TO CLASH WITH GOVERNMENT OVER INDUSTRIAL CHANGES

By Bruce Duncan

Recent comments by Prime Minister Howard that there was no Christian or Catholic view on industrial relations have raised many hackles, for the churches have a long and robust history of involvement in industrial debates, articulating the values and moral principles involved. They see the defence of these as part of their core mission.

Catholic Church leaders generally have been reluctant publicly to oppose the proposed changes, preferring quiet diplomacy, and especially relying on the advocacy of Mr John Ryan at the Australian Catholic Commission for Employment Relations (ACCER) sited in Melbourne.

Yet despite the number of high-profile Catholics in the government, ACCER has met with little success. Just as it ignored Church opposition to the invasion of Iraq, the Howard government is dismissing Church objections to its industrial changes by asserting that it is all simply a matter of personal opinion.

Yet the churches have long insisted that systems of industrial relations must be fair for all parties and not bear heavily on the most vulnerable. In his landmark 1891 document, *On the Condition of the Working Class*, Pope Leo XIII committed the Church to support working people in their struggle to improve living standards.

Leo opposed extreme versions of socialism, especially communism, but also injustices under capitalism and particularly the belief that the unregulated market would of itself produce the most desirable outcomes. The popes have long rejected this virulent free market ideology as their principal opponent in the reform of capitalism. Church leaders repeatedly urged that markets be regulated to ensure outcomes were just and benefited the entire community, not just those better-off.

Pope Leo also insisted that workers were entitled to some share in ownership. He argued that the State had to ensure that workers were paid a wage sufficient to support their families and provide against sickness and old age. He not only wanted property and income more equitably distributed, but he supported the right to form trade unions to defend basic rights through strong collective institutions.

Sydney's Cardinal Moran immediately interpreted Leo's document as supporting social reforms, including home ownership for workers, improved working conditions, an eight-hour day, the formation of trade unions, and the right to strike in extreme circumstances. Moran also called for boards of conciliation and arbitration.

Moran criticised 'freedom of contract' if there were no comparative equality in the bargaining relationship between workers and employers: "no other form of words has been so misused, perhaps... till in the hands of designing men it has been turned into an engine of robbery, and the very name of liberty had become a mockery, a delusion and a snare". He continued that if a contract were not free or in accord with natural rights, "it ceases to be binding". Too often freedom of contract came to mean "liberty to plunder, to defraud, to oppress". Moran would be astonished that today "freedom of contract" is again a contentious and loaded phrase.

Pope John Paul II in his 1991 letter, *The Centenary*, reiterated Leo's critique of extreme forms of capitalism that chanted the mantra of "the free market" while leaving many people impoverished. John Paul insisted that states had to make sure that workers were adequately paid to sustain and educate their families. In wage bargaining, the State had to ensure "a certain equality between the parties", so that the weaker party was not practically reduced "to subservience". "The role of trade unions in negotiating minimum salaries and working conditions is decisive in this area," John Paul wrote.

For Pope John Paul, distributive and social justice were not terms of abuse but badges of honour for all people concerned to improve the human condition. He repeatedly insisted that the moral health of societies can be judged by how well they treat their most vulnerable members.

He certainly did not see such principled views as merely arbitrary matters of personal opinion, but as fundamental planks in the Church's social teaching.

Church leaders and activists are looking urgently at the evaluations of John Ryan and his colleagues at ACCER. Drawing on papal statements, in September ACCER published a 64-page 'Briefing Paper' which deplored treating employment "as nothing more than a form of commercial contract". ACCER argued that it was not morally acceptable to reduce the wages of some below a just level to try to create more jobs.

The paper quoted Pope John Paul II: "a just wage is the concrete means of verifying the justice of the whole socio-economic system", though the Pope recognised other social measures might augment remuneration. John Paul also stressed the need to protect workers against "arbitrary and unwarranted dismissals". In extreme circumstances, John Paul insisted on the right to strike "without being subjected to personal penal sanctions".

In its submission on 9 November 2005 to the Senate Inquiry into the Workplace Relations Amendment (Work Choices) Bill 2005, ACCER argued that simply cutting wages will hit poorer groups very hard, and suggested instead that greater flexibility in the labour market can better be brought about by changes in the relationship between wages, taxation and government transfer payments.

ACCER opposed fixing a minimum wage by reference to the single adult employee, instead of to the needs of a family. It also opposed the abolition of the "no-disadvantage" test as well as of rights against unfair dismissal for employees in corporations of 100 or less employees. Workers need job security to take out housing loans and for financial planning. "Families need to be able to plan and to have confidence that the breadwinner will not lose his or her job by an unwarranted dismissal." The proposed legislation does not even provide for "fairness" as a criterion in wage-determination, despite the title of the Australian Fair Pay Commission.

ACCER denied that award only employees "have the capacity to bargain above the safety net". The changes, it said, will "expose many low paid and industrially weak employees to inequitable bargaining", undermining their ability to support themselves and their families. Currently about 20 per cent of the workforce is employed on minimum award rates.

ACCER criticised the loss of award-making powers of the Australian Industrial Relations Commission for remuneration of work, and the fact that it will henceforth be subject to unprecedented Ministerial direction, conferring "substantial powers on the government of the day".

Moreover, under the proposals, there is "no need to take into account overtime rates, shift penalties, limitations on the spread of hours of work, weekend and public holiday penalties and other allowances fixed in awards". And there will be practically no scrutiny of workplace agreements to guard against coercion or unconscionable behaviour.

Many commentators are astonished that the federal government is pushing through such severe, complex and massive legislation with scarcely any time to debate or even read the details. Because it has control of the Senate, the government seems determined to break the back of the labour movement once and for all, in the process destroying much of the institutional base for the Labor Party.

Why is this legislation being forced through at such speed, as if Australia was in the middle of an industrial crisis, when we all know this has been a time of unprecedented industrial harmony, after years of steady economic expansion, high company profits and in relation to wages, historic proportions of profits?

As economic commentators have pointed out, the panicky claims and over-heated rhetoric of the government that Australia must reduce wages or be unable to compete in the global economy are at best simplistic and misleading. Other OECD countries with high productivity have higher wages than prevail in Australia.

It would be a national tragedy if the government's proposed changes forced us down the US road to lower wages. What is so attractive about US economic policies that so that many people in full-time jobs are earning incomes below the poverty line?

There is always room for productive changes and adjustments in industrial relations, but in ACCER's view key elements in the proposed legislation amount to an unprecedented assault on the values and institutions sustaining Australian living standards. These should be matters of grave concern to the churches if they are to defend the fundamental principles of their social teaching.

Fr Bruce Duncan is a member of the Redemptorist order and lectures in history and social ethics at Yarra Theological Union in Melbourne. His publications include The Church's social teaching: from Rerum Novarum to 1931 (Melbourne: CollinsDove, 1991).