

IMF praises Australian labour reforms

the world - except unions'

Now unions will be travelling, too. The property services section of Union Network International, a Geneva-based amalgam of unions not involved in manufacturing, announced the creation of a new alliance, with a fund that will initially help organising efforts in South Africa, India, Poland, the Netherlands, Germany and the US. The SEIU will provide money and its expertise in organising workers, shareholders and lenders to employers such as Group 4. The Swedish Transport Workers have already been working to convince their fellow European unions that without global organising, the embattled paradise of Western European workers could quickly become a memory at best.

These far-flung unions envision a day when unions from every continent can sit across the table from a global employer and negotiate a common code of conduct and worker rights. Absent that kind of union pressure, a model employer in Europe that abuses its workers in the US is more likely to bring its European standards down than its US standards up. 'It's much easier to change the behaviour of a company that's unionised at an 80% level globally than it is when it's unionised at 10%', says SEIU President Andy Stern.

Corporations have been going global for several decades, and global intellectual-property rights have been a chief focus of trade agreements for the past 15 years or so. But not until this development have we seen workers effectively lay claim to their place in the global economy.

This is an edited version of an article written by Meyerson which appeared in 'The Washington Post' on 27 August 2005 entitled 'Workers Of the World Uniting'.

The International Monetary Fund (IMF) has come out in support of labour market reforms in Australia. The Australian Congress of Trade Unions (ACTU) has challenged the IMF's 'thoughtless' approval of the proposed changes and what it considers as a direct intervention in a domestic debate.



The proposed government labour reforms include removing unfair dismissal protection from workers in workplaces of less than 100 staff. This makes up half the Australian workforce and 99% of employers. There is also a move to encourage individual contracts in place of collective bargaining agreements, to lower minimum wages, and to shift responsibility for industrial relations from the national to the federal government. These proposals are highly controversial in Australia as they would radically change its industrial relations system.

ACTU President Sharan Burrow: 'It appears that not only is the Howard (prime minister) government misleading the Australian people over the impact of its industrial relations reforms but also the IMF. The IMF is wrong on the key facts of the Australian industrial relations system... Two years ago the IMF said Australia's

unemployment would not go significantly below the then current rate of 6% without "further simplifications of the award and wage bargaining system." Since then Australia's unemployment rate has dropped to 5% despite no change to labour market regulation in the intervening period save the annual rise in minimum wages won by unions.'

She further protests that, '...there is not a shred of evidence for the IMF's contention that Australia's award and minimum wages system costs jobs. ...Such reckless and partisan intervention in domestic policy debates outside the Fund's areas of core expertise can only damage the IMF.'

The above is based on an ACTU media statement and articles by Tim Colebatch Economics Editor, Canberra and Peter Bakvis, Director ICFTU/Global Unions, Washington Office.