

Voice, Exit and Loyalty

– submission to Productivity Commission public inquiry into Workplace Relations Framework¹

Dear Commission,

1 Worker voice and egalitarian outcomes

Further to my submission of 31 January 2015, where I suggested the Commission assess workplace productivity within Albert Hirshman's framework on exit, voice and loyalty, I attach the following papers by Professor Richard Freeman that may be of interest:

- What Workers Say. Employee Voice in the Anglo-American Workplace
- Do Workers still want Unions? *More than Ever*
- New roles for unions and collective bargaining post the implosion of Wall Street capitalism
- Why do we work more than Keynes expected?

As I read Professor Freeman's papers, he concludes that, following a survey of Anglo-American countries including Australia:

- There is unfilled demand for unions.
- Worker need for representation varies. No single mode of employee voice (such as unionism) can fit the needs of all workers.
- Workers endorse management-driven forms of involvement and prefer expanding more cooperative styles of voice.
- Public policy should ensure that workers can choose the voice options they want.
- Workers

Professor Freeman also calls for giving workers greater voice in economic matters outside the labour market.

2 Labour productivity and work hours

I also suggest the Commission compare workplace institutions in Australia with alternative models in Scandinavia and Europe, and not limit the Commission's attention to the Anglo-American model. I understand that Germans and French work less than Australians, but Germany and France has higher GDP per hour worked than Australia². Might this outcome be due to the greater participation that Germans and French have in the workplace?

Suppose Australian workers would prefer to work less hours (but still on a full time basis), how can this preference be given effect under existing workplace institutions in Australia?

Kien Choong
1 March 2015

¹ This submission does not contain confidential information

² Per http://stats.oecd.org/Index.aspx?DataSetCode=PDB_LV