The aspirations of *Industrial Relations Reform: Looking to the Future* are considerable, aiming for an impact on the future theory and practice of industrial relations in Australia. To telegraph the conclusion of this review essay, the book indeed lives up to this aspiration. This relatively slender volume offers rich historical data, useful theory frameworks, and thoughtful attention to substantive policy challenges. Over the decades, Australia has been a model for the world, illustrating industry-level accords, a national system of interest arbitration, and, more recently, an overarching commitment to fairness. At the same time, the partisan twists and turns in labour and employment policy over recent decades have also been a model of what not to do.

The chapters addressing the varied aspects of this system are each distinct and, as a result, each is given separate attention here. The book is invaluable in understanding labour and employment policy in Australia and it offers insights relevant in many other settings around the world. The only limitation, which I develop further at the end of this essay, are in assumptions about the rates of change in the years to come for technology, markets, and society.

The introductory tribute to Joe Isaac reviews the professional career of an individual who has observed and shaped over a half century of Australian industrial relations policy and practice. As the first economist to serve in the leadership of the national tribunal, the article documents how Professor Isaac brought economic rigor to the policy making process. The article also conveys a problems-solving approach to working with the parties that anticipates today’s policy focus on cooperative and productive relations. Finally, it introduces the person behind the accomplishments (or should I say persons, since Joe and Zelda are an inseparable pair and a combined force of nature) -- the motivation for all of the contributions to this volume.

The history of employment relations policy in Australia extends over more than a century, making it one of the longest running employment policy experiments among modern
economies. During this time, the 1980s and 1990s stand out as dramatic swings of the pendulum – from national accords, organized by industry and fashioned by arbitrators, to an elevated focus on enterprise bargaining to a venture into individual agreements and then back to enterprise bargaining. Keith Hancock looks back to these two decades of pivotal change and documents the partisan twists and turns. In this historical analysis, he carefully separates what thought leaders had to say after the changes from their statements beforehand, revealing the degree to which self-perceived interests can shift over time. He also notes how different and even contradictory forces can add up to major change. In this case, the confluence of ‘New Right’ efforts to undermine unions, ‘managerialist’ desires for increased workplace control, union desires for increased independence from arbitral decisions (where unions are powerful), and reduced Labour government support for arbitrators represents a conflicting set of bedfellows. Yet these forces indeed came together in ways that undermined the established order in Australia. In different ways, Hancock’s essay reveals how the law of unintended consequences rules for all parties during this period in Australian history.

The 2005 Work Choices legislation and the 2009 Fair Work legislation represent the two most recent and highly contrasting pivots in labour and employment policy in Australia. Andrew Stewart’s essay on this period begins with a core assumption anchored in Joe Isaac’s scholarship, which is that the impact of the tribunal (under its various labels) depends in large measure on acceptance by the parties. In other words, if the policy prescriptions are not economically and socially viable, they will not endure. Stewart documents how a right-wing majority of Senators and a similarly conservative Prime Minister, John Howard, used their power advantage in an unrestrained way. He further documents how the eventual successor to Howard, Tony Abbot, describes this as a ‘catastrophic political blunder’. The shift to individual workplace agreements did not deliver on the promised productivity gains and left the vast majority of employees feeling at risk in the face of unilateral employer actions. As a US scholar, I cannot help but hope that the lesson here is not lost on the current political majorities in my country. Stewart points out the various elements of the emergent system that now cohere, even if the system was not designed as a whole. Some were aspects of the pre-2005 system (such as a floor for workplace bargaining or protections against unfair dismissal); some were surviving aspects of the Work Choices regime (such a national (rather than state-centric) system, minimum safety-net working conditions, modernized awards, and an independent ombudsman role); and some are a product of the Fair Work era (such as ‘good faith’ bargaining, conciliation of enterprise bargaining, a robust ombudsman function for individual rights, and other developments). It is only through such nuanced historical analysis that we can appreciate the multiple, intertwined roots of policy.

The chapters by Hancock and Stewart document crucial historical twists and turns in ways that are largely descriptive. Rae Cooper’s chapter places the more recent historical
developments in the ‘Efficiency, Equity, and Voice’ framework codified by theorist John Budd (based on the work of Albert Hirschman, Richard Freeman, Joel Rogers, and others). Underlying her analysis (and motivated by an opening quote from Jennifer Westacott, head of Australia’s Business Council), is the role of consensus along all three dimensions as essential for sustainable employment relations policy. Cooper’s analysis indicates, however, that there has not been consensus on efficiency (that is, mechanisms for productivity growth), equity (that is, work and family policy), or voice (that is, the role of unions in the workplace). As a result, the theory suggests the risks of more twists and turns in the future for labour and employment policy in Australia.

Labour and employment policy with respect to women is conflicted, as Marian Baird notes, with women sometimes treated as genderless workforce participants and sometimes as having special needs, such as for child care. Cutting through the conflict is current data, assembled by Baird, documenting major increases in female workforce participation and important challenges around discrimination in the workplace, occupational segregation, gaps in superannuation earnings, and other factors. Paid parental leave is an issue that ties together the many factors and, as of 2010, stands as a globally significant policy development in Australia. Underneath the development, which has had its own twists and turns under different governments, is a core question – is this a government welfare payment or a mandated condition of employment? (Note to industrial relations and political science instructors – this would make for a great in-class debate question.) Though termed ‘parental’ leave, the impact has been primarily with respect to women in the workplace and Baird’s essay suggests that the way parental leave is viewed by unions, employers and policy makers is still not clearly resolved.

For many decades after World War II, collective bargaining in Australia covered large portions of the workforce and operated in conjunction with (some would say, under the shadow of) industry or sector awards by arbitrators. As Mark Bray and Johanna Macneil remind us, Joe Isaac has been a leading scholar throughout this history, documenting the complex relationships between awards and collective bargaining during this earlier era. It is also a model of collective bargaining that is very different from that which pertains today. In reviewing current data on the collective bargaining process in Australia, Bray and Macneil demonstrate that the Fair Work approach has neither dramatically increased the frequency and coverage of collective bargaining agreements (both of which have held relatively constant) or the membership in unions (which has declined). The result falls short of the fears expressed by opponents of the policies and the hopes expressed by supporters. Moreover, the unique model, which includes ‘collective agreements’ that might be established without necessarily involving collective bargaining, is complex to untangle. What is clear, however, is that it is a relative minority of enterprises have pursued cooperative approaches. The 2013 amendment to the Fair Work Act, supporting ‘cooperative and
productive relations’ provides policy support for a new approach, but Bray and Macneil point to the need for much stronger mechanisms if this is to spread broadly across the Australian economy.

The wealth of a nation depends, in large part, on growth in productivity and the distribution of those gains. As Sue Richardson notes, however, these factors are inaccurately measured and do not operate in a fixed relationship to one another. The measurement issues lead to what may be considerable over estimates of GDP growth and under estimates of factor inputs. More problematic, however, is the higher than expected growth of real wages relative to productivity (as measured by GPD per hour) up through 1990 and then the decreasing growth of real wages relative to productivity in the years since. Richardson notes parallel to the United States, although the separation in the US happened earlier, in the 1970s. In both cases, the increasing presence of women in the workforce helped to mitigate the impact on households with two wage earners, but increasing inequality poses deeper policy challenges for both nations looking ahead.

Training and skills development in Australia is still a public good in some respects, but Damian Oliver and Chris Wright document a trajectory away from tri-partite decision making and toward increasing reliance on employer decisions at the enterprise level. The result has been declining public investment in transferable vocational skills, reduced training expertise within the labour movement, an increased burden on individual workers for their own training and development, and a tendency to view immigrants more as a security threat than as a source of needed skills and talent. Given projections of increased skill and education requirements in the coming years, this chapter points to a training ecosystem in need of considerable change.

The concluding chapter, by Peter Harris, provides the perspective on behalf of the most recent Productivity Commission – an initiative that surfaces in various chapters throughout the book. It is rare to be afforded an inside look behind the scenes on this sort of commission. We learn of the difficulty of tracing cause and effect between the policies and practices, on the one hand, and productivity, on the other. Although Harris is critical of what he sees as contradictory calls for increases in the minimum wage, but no reform of penalty rates, the chapter is not a call for fundamental transformation or change. Possible reforms around ‘enterprise contracts’ as a middle ground between enterprise awards and employment contracts are offered for small and medium-sized enterprises, but this proposal is tempered by a ‘no disadvantage’ test. The signal is largely one of Australia staying the course for labour and employment policy and practice.
In Industrial Relations Reform: Looking to the Future, the breadth of inquiry is substantial and the analysis of historical and contemporary labour and employment relations policy is extensive – all testimony to the depth and breadth of Joe Isaac’s scholarship. Most chapters conclude by identifying continuing challenges for policy and practice. Implicit in all chapters, however, is a view of the future as largely an extension of the past. Given that the rates of change in technology, markets, and society are increasingly proceeding at exponential rather than linear rates, is it unlikely that the next ten or twenty years will be comparable to the last ten or twenty years. More likely, the amount of change in the last two decades will be characteristic of the next five to ten years, with further acceleration after that. Combine the many challenges identified by the contributors to this volume with the pattern of partisan twists and turns in labour and employment policy in Australia, the prospect of accelerating rates of change in this landscape is a bit frightening. The challenge – for unions, employers, policy makers, administrators, adjudicators, and scholars – is to continue shaping the institutions and the associated practices to be agile, as well as anchoring and fair. This is a tall order, but Australia has been a model in the past. Given the increasing interest in new approaches, an appropriate legacy for this volume would be for Australia to be a beacon again in the future.

Greg J Bamber, Russell D Lansbury, Nick Wailes and Chris F Wright (Eds),

International and Comparative Employment Relations: National Regulation, Global Changes, 6th edition, Crows