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This article is available in Journal of Economic and Social Policy: http://epubs.scu.edu.au/jesp/vol9/iss2/4
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Abstract

The White Paper on employment and growth (Working Nation) was introduced to Parliament on May 4, 1994 while the Keating Labor Government's Industrial Relations Reform Act became operative just a little over a month before this on March 30, 1994. The connection between these policy symbols was more than temporal. The White Paper is replete with references to the need for complementary industrial relations reform to support its employment objectives. Yet as this paper suggests, these references are largely rhetorical and fail to articulate the precise conceptual basis for the claimed relationship between employment and industrial relations reform. This raises the question of whether these policies were indeed complementary or contradictory. Drawing on the extent literature and agreement data, this paper asserts that, in the short term at least, industrial relations reform was largely antithetical to the aims of Working Nation. As this paper asserts, the motivation for the Keating Government's rhetoric must then be viewed in the context of broader political contests.

Introduction

Our success will also depend on the capacity and willingness of Australians to strike productivity bargains in the nation's workplaces. The *Industrial Relations Reform Act* introduced last year provides the framework for this process to rapidly proceed. Much now depends on the willingness of employers and employees to strike the kinds of bargains which will be mutually rewarding to them, and rewarding also to Australia's economic future. (Hon P Keating - Ministerial Statement on the White Paper on Employment and Growth [Working Nation] 4 May 1994, House of Representatives Hansard, p. 220)

The above quotation from then Prime Minister Keating is indicative of the reoccurring idea that appears in *Working Nation* - that the effort to reduce the ranks of the unemployed (especially the long term unemployed) requires a multiple policy approach not the least of which includes the reform of industrial relations. In particular, the White Paper (consistent with then Prime Minister's remarks) points to the growth of enterprise bargaining as assisting in lowering unemployment (Australia 1994, p. 8; see also Probert 1994, p. 104). The claimed nexus between growing employment and decentralized wage bargaining was never fully explicaded either in the White Paper or in the Prime Minister's statement on *Working Nation* to Parliament, and it's imprecision and general vagueness has been identified in earlier analyses of *Working Nation* (see especially McGrath-Champ 1994; Probert 1994). In her review of the industrial relations themes within the White Paper, McGrath-Champ describes this proposed relationship as 'inadequately developed' while Probert (1994,
p. 104) describes the White Paper's assertion that enterprise bargaining 'will make a significant contribution to lowering unemployment' as being made 'without evidence'.

At first glance, the strong advocacy of enterprise bargaining may seem consistent with neo-liberal arguments in favour of wage reductions to support employment growth – particularly for lower skilled and long term unemployed (see Dawkins and Freebairn 1997 for instance). However, as we shall see, the industrial relations reforms that became operative in 1994 provided few opportunities for employers to reduce labour costs by directly reducing wages.

Insights into this supposed nexus must therefore be gleaned from answers provided to Parliament both prior to and after the introduction of the Working Nation green and white papers. An analysis of Hansard between 1993 and May 1994 reveals that the Keating Labor Government believed that industrial relations reform would increase business confidence, increase workplace cooperation, improve productivity, improve international competitiveness and lead to enhanced growth prospects. A typical example of this reasoning is provided by the then Treasurer, Ralph Willis who stated:

> Australia has the lowest level of industrial relations disputes in twenty years, there's a willingness of people to embrace change in the workplace, to increase productivity, embark on exporting and to see the rest of the world as an opportunity. (1 February, 1994, House of Representatives Hansard, p. 4)

The White paper is slightly more specific in drawing attention to the importance of industrial relations reform in contributing to a 'better environment for economic growth'. Although large on rhetoric and short on precise explanation, chapter two of the White paper contains the most discussion of industrial relations reforms but it is within the context of describing how a suite of macro and micro economic policies will add-up to a better business environment. For instance, the introduction to the chapter contends that industrial relations reforms will:

> provide a new flexibility for firms and employees to respond to international and domestic competition through enterprise specific arrangements for the organization of work and simpler awards (1994, p. 17)

This logic should be differentiated from that of the opposition at the time of the tabling of the Green Paper, who called for a closer coupling of employment initiatives and more extreme industrial relations reform. For instance, when the Green Paper was tabled in Parliament on 15 December, 1993, the Opposition Leader, Hon John Howard asked whether its proposed measures were the price Australia has to pay for the government's 'gutless refusal to reform the industrial relations system'. Indeed, the Opposition Leader went on to propose a matter of public importance be discussed which was described as 'the failure of the employment green paper to address the industrial relations causes of unemployment' (Hansard, 15 December, 1993, p. 4070). This view was consistent with that of the conservative British Government during the same period. As Towers (1994, p. 389) claimed, the British Government's opting out of the social chapter of the Maastricht treaty at this time reflected its view that increased labour market flexibility was the 'path to full employment'.
Any analysis of industrial relations and the *Working Nation* initiatives must then be constructed within this broader political contest. A contest where regulating industrial relations in favour of capital was pitted against extensive labour market programs (LMPs) and more temperate industrial relations reform. Where reducing union power and promoting wage flexibility was juxtaposed with wage subsidies, job guarantees and extending enterprise bargaining. This latter policy position of improved labour market flexibility coupled with supply-side LMPs was remarkably similar to the remarks of Robert Reich, labor secretary in the Clinton administration who commented during the March 1993 conference of the Group of Seven industrialized economies on unemployment:

I think there is a third choice…to combine the kind of investments in education and training and apprenticeship that we find in Europe with the dynamic labour mobility and flexibility that find in the US, all encased within macroeconomic policies which encourage growth and jobs. (cited in Towers 1994, p. 391)

In re-examining the claims and counter-claims, rhetorics and realities of this contest, this paper is advantaged by the passage of time. Ten years on, the contours and consequences of the industrial relations reforms that the federal government introduced in 1994, and whose themes were largely continued by successive governments, are more visible.

The next section of this paper describes and explains the political economy of the late 1980's and early 1990's where a confluence of events and coalitions of interests resulted in the formal recognition and growth of decentralized wage bargaining. The following section draws on empirical evidence to argue that, at least in the short term, the Keating Governments' industrial relations reforms were unlikely to have assisted the employment goals of *Working Nation*. The final and concluding section examines what it believes to be the motivations underlying the rather vague juxtaposition of industrial relations rhetoric within *Working Nation*. In particular, it analyses the broader political contests of this period as an important explanation for the coupling of industrial relations reform with labour market programs.

**Industrial Relations Reform in the Era of *Working Nation***

The reform of the Australian exchange rate system from a crawling peg system (see Quiggin 1996, p. 90) to a freely floating system in May 1983 is often regarded as the catalyst for a variety of micro-economic reforms which collectively 'internationalised' the Australian economy. This 'internationalisation' is frequently, observed by both political participants and academic observers as creating substantial pressure for the shift towards a decentralised bargaining system although the underlying causal relationships have rarely been clearly articulated (see for instance Hilmer 1993).

The most sustained calls for a market based exchange rate system came from the mining sector. The mining sector is the most export orientated of the Australian economy and most mining contracts are written in US dollar terms. Hence, prior to 1983, the mining sector strongly advocated for a reduction in the value of the Australian dollar. Their calls for a lower Australian dollar made an impression on the then Labor shadow minister for Energy and Mineral Resources, Paul Keating, who would later become Treasurer in the Hawke Labor government when it came to power.
in 1983. In a biography of Keating by Edwards (1996), Keating reflected that his time as shadow minister for the mining portfolio led him to believe that the exchange rate system required reform. He is reported as stating that:

I can remember well how I formed my view about the exchange rate. I was visiting Mount Isa mines. A wonderful mine…’ ‘I knew the mine was well run, the US dollar prices for metals were okay, labour costs were not too bad but the mine did not earn well. Why? I realised it had to be that the exchange rate was overvalued, making us substantially uncompetitive. From then on, I was on the trail.’ (cited in Edwards 1996, p. 146).

The decision to float the Australian dollar together with the deregulation of financial markets permitted ease of capital flows while tariff levels were steadily reduced. The combined effect of these developments was to substantially open the Australian economy and its markets to increased levels of international competition (see Pierson 2002).

The general acceptance and implementation of this essentially neo-liberalist reform agenda has been explained as the capturing of Canberra, by rationalists working in treasury (see Pusey 1991). For their part, the main political players during the reform period of the 1980s, Hawke and Keating, in different accounts of the era, compete for credit for the economic restructuring (see Hawke 1994; Edwards 1996).

The opening of the Australian economy produced significant pressure on the centralized wage determination system and there were calls from industry, especially from the internationally traded goods and services sector of the economy, to alter industrial relations institutions and arrangements to enable businesses to respond to competitive pressures. Perhaps the most vociferous advocacy emanated from the Business Council of Australia which conducted study missions to New Zealand and published their findings and perspective in influential publications in 1989 and 1991. It is worth noting here the mining industry's strong influence of BCA industrial relations policy at this time. Between 1986 and 1988, CRA and later Rio Tinto Chief Executive, Sir Roderick Carnegie held the position of President of the BCA while Michael Angwin who was part of the BCA study missions and helped author its industrial relations publications later became Chief Employee Relations Advisor to Rio Tinto. While the research assumptions, methodology and conclusions reached in the BCA's *Enterprise-based Bargaining Units: A Better Way of Working* report were roundly criticized by academics in the industrial relations field (see Peetz & Frenkel 1990; Dabscheck 1995; O'Brien 1994), there is little denying the success of the BCA in shifting the debate away from what O'Brien (1994, p. 469) has described as the 'macro-accommodation' and 'incremental adjustment' models of industrial relations reform. The former involving continuation of corporatist arrangements between the union movement (see Chapman 1998; Hampson 1996) and the Government to restrain real wage growth in return for a social wage commitment (see Bray & Walsh 1995) while the incremental adjustment model included some tweaking of the industrial relations system of which the Hancock report and the resulting *Industrial Relations Act 1988 (cth)* are offered as examples. In sharp contrast to these macro-accommodation and incremental adjustment models, O'Brien (1994) claims were the competing models of reform dominated by the BCA's approach but which also included the New Right's radical agenda perhaps best symbolized in their 1986 publication *Arbitration in Contempt.*
Set apart from these models was the Australian Industrial Relations Commission's own approach to facilitating greater flexibility in the award system and overseeing bargaining to improve workplace productivity which was labeled 'managed decentralism' (see McDonald & Rimmer 1989). Much of this reform process concentrated on promoting functional flexibility (Burgess & Macdonald 1990) but Curtain and Mathews (1990) in reviewing the evidence of award restructuring indicated that two models of reform had emerged: the cost minimisation model and the productivity enhancement model. The former model focused on numerical and temporal flexibility whilst the latter focused on functional flexibility by increased investments in the development of human capital.

Briggs (2001) has argued that although the policy alternative offered by the BCA was important in providing a contrasting and widely publicised decentralization option to that advocated by the far right, there was otherwise, little evidence that Australian employers were urging decentralized wage bargaining. For instance, Briggs cites data from the first Australian Workplace Industrial Relations Survey (AWIRS90) which indicated that only seven percent of all managers agreed with the proposition that awards were a 'major constraint' (Briggs 2001, p. 29).

Briggs (2001) contends that, unlike other nations where decentralized wage bargaining had been introduced, that the trade union movement led by the ACTU actively advocated for a shift to a decentralized wage bargaining system after support for centralized bargaining eroded as a result of falling real wages under the various accords. As he explains, the trade union movement became impatient with managed decentralism as pent-up wages pressures (especially inside strong left unions such as the AMWU) led to a reappraisal of the merits of a more formal shift to decentralized bargaining. Hence in the April 1991 National Wage Case (NWC), the ACTU forcefully and unsuccessfully argued for the industrial tribunal to create a wage principle permitting the parties to engage in enterprise bargaining (Dabscheck 1995). In a decision that the then secretary of the ACTU, Bill Kelty labeled as 'vomit', the Commission fearing a wages outbreak, argued inter alia, that the parties were not mature enough to move to decentralized wage bargaining. The accord partners rejected the decision after a discussion on the 18th of April in which the abolishment of the Commission was openly touted (Edwards 1996, p. 420). With this historic rejection, the Commission had little choice but to accept enterprise bargaining. Hence in October of the same year, the Commission moved to adopt its 'enterprise bargaining principle' which required the industrial parties to meet the structural efficiency principles outlined in the earlier April, 1991 decision and ensure that wage increases were based on actual implementation of efficiency measures. Moreover, the Commission would only certify enterprise bargains (certified agreements) that met the public interest test. As Waring and Lewer (2001) note, this public interest test served to frustrate the accord partners' ambitions to spread enterprise bargaining and was perhaps symbolic of the Commission's (under President Justice Maddern) antipathy towards decentralised wage bargaining.

This frustration prompted the then Minister for Industrial Relations, Senator Cook, in July 1992 to introduce the *Industrial Relations Amendment Act, 1992* (IRAA) which established, inter alia a different legislative test for the certification of enterprise agreements. This benchmark, described as the 'no disadvantage test', required the
Commission to certify agreements provided none of the terms and conditions of the proposed agreement proved to be less advantageous than any of the conditions contained in the relevant award or law. Additionally, the 1992 amendments gave the Commission an important discretionary power to approve agreements that did contain disadvantage as defined by the Act provided the agreement was not contrary to the public interest.

Meanwhile, as Briggs (2001) has explained a 'low cost flexibility coalition' formed at time when Australian unions were pre-occupied with union amalgamations and internal politics, which was successful in implementing, at the state level in Australia (Employee Relations Act 1992 [Vic] and Workplace Agreements Act 1993 [Western Australia]), and in New Zealand (Employment Contracts Act 1991), a contractualist and individualistic approach to industrial relations in which awards were abolished (in the case of New Zealand and Victoria), trade unions weakened or simply not recognized (as in the case of New Zealand's Employment Contracts Act) and individual employment contracts privileged over collective bargaining (see Waring 1999).

In 1992, an invigorated Coalition opposition led by a former merchant banker and academic economist, Dr John Hewson, released their FightBack! economic policy, the centerpiece of which was a proposed goods and services tax that would take the place of wholesales and other taxes and also permit income tax cuts. An additional key policy proposal came in the form of the Coalition's JobsBack! policy which proposed inter alia, the abolishment of compulsory arbitration and hence awards and the introduction of individual employment contracts. In short, JobsBack! mirrored many of the industrial relations reforms that already had been introduced in New Zealand and Victoria under the Kennet government.

The introduction of these plans established the terms for an historic industrial relations contest – a battle between the hybrid enterprise bargaining and award system of the accord partners versus the radical contractualist approach of the coalition opposition. The deep recession of the early 1990's provided the backdrop to these industrial and political developments. At its peak in December 1992, unemployment stood at more than eleven percent and the ranks of the long term unemployed increased significantly (Finn 1997) providing what was widely predicted to be the conditions for a Coalition victory in the March 1993 election (see Edwards 1996).

Contrary to these predictions, Labor won office in 1993 after mounting a strident attack on the goods and services tax proposal and the Coalition's industrial relations agenda which was summed up by Prime Minister Keating as 'take the contract or take the sack' (Edwards 1996, p. 497). According to Edwards (1996, p. 510) in the immediate weeks that followed the election, the Labor government moved quickly to establish the terms of new industrial relations legislation which they hoped would intensify the shift to enterprise bargaining. In a now famous speech to the Institute of Corporate Directors on 21 April 1993, Keating outlined the key planks of what would become the Industrial Relations Reform Act 1993 – awards would remain the safety net but would be simplified; the Commission's power to arbitrate would be restricted and most controversially, enterprise bargaining would be extended to non-union workplaces (or as Keating would put it to Kelty 'small shops without a union' – see Edwards 1996).
At the passage of the *Industrial Relations Reform bill*, the then Minister for Industrial Relations Laurie Brereton stated that:

> Mr Speaker, let me tell you this: if ever there were proof positive of who came second last March, it is the passage of this piece of legislation, and we are rightfully proud of it. (House of Representatives Hansard, 16 December, 1993, p4217)

His remarks are reflective of the political contest that had emerged over competing models of industrial relations reform. The first round of this contest had clearly been won by Labor, but with unemployment still at unsatisfactory levels, the coalition opposition did their best to link Labor's industrial relations reforms to higher unemployment. As Hon John Howard argued in Parliament in December 1993:

> a bill is being passed that is going to increase unemployment in Australia. The minister's industrial relations bill will put thousands more Australians out of work. The minister's industrial relations bill will make the Australian labour market even more inflexible. His industrial relations bill will add to the cost of employing people. His industrial relations bill, in particular, will make it more expensive and more complicated for small business to employ people. (Hansard 15 December,1993, p. 4070)

The intense contests which marked the political economy of this period go some way to explaining why discussion of industrial relations reforms featured in the *Working Nation* proposals. A confluence of factors including pressures within the trade union movement, the influential advocacy of the BCA; the threat of the contractualist reform model of the coalition opposition along with the orthodox economic advice of, *inter alia* treasury officials, had resulted in a package of reforms that shifted the level of bargaining to the enterprise. With the coalition opposition continuing to attack Labor on the issue of unemployment, it is perhaps unsurprisingly that the *Working Nation* white paper listed industrial relations reform as one of a suite of measures designed to complement the novel LMPs and assist in reducing unemployment. This paper now turns to consider these specific industrial relations reforms listed in the white paper and the extent to which they could be seen to complement the LMP initiatives.

**Bargaining Structures and Working Nation**

> It's like a rubber band" said Keating. "It stretches and stretches and then it snaps back. That's what happens with employment. You get productivity up first, and then suddenly you get jobs. Employment suddenly catches up. (in Edwards1996, p. 485)

In April 1993 when Prime Minister Keating delivered his Institute of Corporate Directors speech, there were just 800 certified agreements registered in the federal jurisdiction but by the end of 1995 there were some 3277 agreements covering 649,000 employees or around 61 percent of employees in the federal jurisdiction (DIR 1996, p. 11). In part, the quickening pace of enterprise bargaining was stimulated by the steady weakening of certified agreement approval tests (see Waring and Lewer 2001) along with the encouragement of government and the ACTU for unions and employers to engage in bargaining.
The white paper begins its discussion of the importance of the government's industrial relations reforms by suggesting that the reforms are necessary for improving 'labour market flexibility, productivity growth and wage restraint' necessary to underpin economic growth (Australia 1994, p. 25). The imputation here, consistent with Keating's remarks above, is that improving productivity through enterprise bargaining assists in creating the conditions necessary for improving employment growth. The precise conceptual basis for this relationship is not articulated in the white paper despite the fairly lengthy description of the governments' enterprise bargaining initiatives. However, the above remarks suggest a belief in the orthodox view that higher levels of productivity over the longer run will result in increased employment growth. There are two key assumptions underpinning this hypothesis. First, that changes in bargaining structures will lead to productivity growth - an assumption challenged by Burgess (1991) who has argued that 'there is no simple causality between industrial relations variables and productivity'. Second, the approach assumes that productivity growth will always lead to employment growth. In fact, labour productivity increases where the same output or greater output can be produced with a smaller workforce – the spectre of jobless growth (Pardarillo and Vivarelli, 1997).

Putting to one side heterodox arguments regarding the distinct possibility of jobless growth arising from productivity growth's 'delaborisation' effects (see Stilwell 1994), the approach seems to contradict or undermine short run efforts to bring down unemployment. Productivity bargaining and the 'flexible' deployment of labour permits firms to utilise existing human resources more intensively – perhaps by increasing working hours or by handing managers more prerogative to intensify work effort. Campbell (2002, p. 92) has described longer working hours as a type of 'work hoarding' which inhibits employment growth. It may also permit firms to shed labour more easily or reduce costs by changing the composition of the workforce to include more contingent workers by bargaining away award or other constraints on these activities and intensifying the work effort of remaining employees. Using existing labour stocks more intensively reduces net unit labour costs but without increasing demand, it also reduces the impetus for firms to hire in the short term. There is in fact, considerable evidence that the introduction of formalised enterprise bargaining resulted in more intense forms of labour utilisation.

Evidence of increased labour utilisation as a result of the introduction of enterprise bargaining is presented in the Department of Industrial Relations annual reports on agreement making in the federal jurisdiction. The reports for 1994 and 1995 suggest that increases in labour flexibility – particularly temporal and numerical forms of flexibility were most often incorporated into certified agreements negotiated in these early years of decentralised bargaining. Further, the Australian Workplace Industrial Relations Survey (AWIRS95) indicates that a quarter of employees surveyed reported that total weekly hours worked had increased in the year prior to the survey (Morehead et al. 1997, p. 18). This is consistent with Campbell's (2002, p. 101) observations that the workplace reforms of the 1990's simply 'widened the gaps through which very extended hours could emerge' (see also Deery & Mahoney 1994). Similarly, ACIRRT (1999, p. 102 discussed in Deery et al., 2001, p. 71) claim that 'in order to obtain wage increases, workers had to trade away many long held conditions, particularly arrangements related to their hours of work'. Moreover, surveys of workers report increasing work intensification. In their review of the Australian literature, Allen et al. (1999, p. 523) claim that 'there is substantial evidence which
suggests that employers in the 1980s and 1990s have been intensifying work'. Moreover, drawing on survey data from AWIRS, they suggest that work intensification was associated with reported increases in stress levels amongst employees.

At an aggregate level, Parnham (2003, p. 11) in reviewing Australia's impressive productivity growth during the 1990's indicates that improved labour productivity growth came through increased efficiency rather than increased capital deepening. In other words, labour productivity growth came as a result of firms using labour more intensively rather as a result of increased capital investment. This is also consistent with Buchanan's (2004, p. 29), who in a paper on the growth of casualisation in Australian and labour productivity, notes that the reforms of the 1990s led to 'more intensive use of labour in the production process in a climate of chronic understaffing'.

The white paper is, of course silent on these possible short run adjustment costs. There is no acknowledgement that in the short term at least, enterprise bargaining may produce contrary results to that intended by the key initiatives of Working Nation.

One exception to this argument that must be acknowledged is the likelihood that the introduction of enterprise bargaining led to reduced restrictions on the use of part-time and casual labour. Deery et al. (2001, p. 83) for instance describe how enterprise agreements in the banking industry permit greater use of part-time employment. Though it is unclear the extent to which these bargaining outcomes were reproduced across other industries, it can be argued that enterprise bargaining may have assisted employment growth by permitting more precarious employment. Certainly, employment data (see Burgess and Campbell 1998) suggests that part-time and casual employment accounts for most of the growth in employment during the 1990s. Of course the effects of labour substitution (employers substituting part-time and casual employment for full-time employment) must also be noted in this calculus and dilutes the contention that enterprise bargaining has assisted employment generation.

Although enterprise bargaining is the centrepiece of the discussion of industrial relations reforms in the white paper, it also draws attention to the reform of awards through the process of award simplification which it suggests would help to foster enterprise bargaining. Waring, Ostenfeld and Bray (2004) have argued that although the reform and simplification of awards was regularly touted by both Labor and Coalition governments throughout the 1990s as helping to foster enterprise bargaining, there are persuasive reasons as to why this common policy may have had contrary effects. They contend that reduced levels of regulation in awards and slow award wage growth increases the attractiveness of awards and creates a disincentive for employers to bargain.

Two other industrial relations reform measures mentioned in Working Nation include the reform of union structures (cited as assisting the efficacy of bargaining by consolidating union coverage) and the initiative for a training wage – the genesis of which seems to have been a conversation between Kelty and Keating in June of 1992 (Edwards 1996, p. 484).
Webber and Campbell (1994) have argued that the supply-side initiatives of *Working Nation* exhibit a conceptual bias which imputes that the problem of long term unemployment lies in the attributes of the long term unemployed themselves. They contend that the white paper reflects orthodox economic thinking which contends that employers will hire workers when worker's marginal value product exceeds wage costs. However, Webber and Campbell (1994, p. 144) argue that this picture distorts the real dynamics of labour markets which suggest that older workers, women and people from non-English speaking background are more likely to experience longer durations of unemployment. Their view suggests that the white paper may have missed an opportunity to discuss the importance of anti-discrimination law in countering discriminatory employment outcomes.

One of the more striking features of the discussion of industrial relations reforms are the sharp comparisons that are drawn with what are labelled as more 'radical changes'. For instance on page 31 of the white paper (1994), there is a discussion of the importance of maintaining the award system as a safety net which is contrasted with:

the radical changes to the wages system that are sometimes advocated, such as the reduction in minimum conditions, could seriously erode commitment to the system, and over time, result in higher wages growth at the expense of both the economy and the unemployed.

Similarly, in discussing the merits of 'cooperative' enterprise bargaining, the white paper indicates a preference for improving productivity:

through better and more flexible work organisation of the work environment and continuous improvement rather than being aimed at reducing wages and conditions of employment as is sometimes advocated. (Australia 1994, p. 29).

These fairly pointed comments were clearly designed to distinguish the approach of the Labor government from that advocated by the coalition opposition.

**Concluding Thoughts**

Junankar and Kapuscinski (1998) using econometric evidence have persuasively argued that the labour market programs initiated within *Working Nation* were indeed working to reduce the ranks of the unemployed and especially the long term unemployed by the time of the Coalition's electoral victory in March 1996. However, as this paper has argued, there is little evidence that the industrial relations reforms measures listed in *Working Nation* were complementary to the LMPs and indeed, plenty of evidence that, in the short term at least, enterprise bargaining produced contrary effects to those intended by the balance of the *Working Nation* policy. The data points to increased levels of labour utilization that probably began in the in late 1980s under award restructuring but intensified with the formal introduction of decentralized bargaining. Increasing temporal flexibility in particular and the absence of higher levels of capital deepening point to intensified use of existing labour. One exception to this proposition is the possibility that enterprise bargaining reduced restrictions on enhanced forms of numerical flexibility which permitted employers to increase levels of part-time and casual employment, however substitution effects must
also be incorporated into this analysis. The question we are left with then asks why industrial relations reforms were mentioned at all within *Working Nation*?

This paper has argued that the rhetorical references to industrial relations reform within *Working Nation* must be viewed in the context of the broader political contests being played out in the late 1980s and early 1990s. The internal struggles and pressures within the union movement in response to union amalgamations and pent-up wages pressures resulted in a contest between it and the Australian Industrial Relations Commission, while its support for decentralised wage bargaining assisted the political wing of Labor in its contest with a Coalition Opposition which was forcefully articulating the need for radical labour market deregulation. The neo-liberal position was emboldened by the perceived success of conservative governments in Victoria, Western Australia and New Zealand in implementing far-reaching free-market and contractualist approaches to industrial relations. In the context of a sharp recession resulting from, in part, the excessive use of monetary policy, the shift to a hybrid form of decentralised bargaining satisfied internal contests and pressures within its accord partner which placated, to some degree, appeals from the BCA for enterprise bargaining while also establishing a contrasting agenda to that of the new right.

Arguably, this approached at least succeeded in muting the industrial relations reform agenda away from radical contractualist approaches advanced by the Coalition under Hewson to a less contentious reform agenda that represented more continuation than change from Labor's policies. As Williams (1997) noted, the Coalition's workplace relations platform of the 1996 federal election was decidedly less radical and hence less contentious then the failed *Jobsback!* policies of 1993. Whether Labor's industrial relations reforms and their arguable continuation in the form of the *Workplace Relations Act 1996* has forever destroyed the political acceptability and impetus for more radical industrial relations reform is a question only the future can answer.

### References


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