

Learning from Down Under: Where Labor Policy is Center Stage  
August 28, 2009

Those of us from the U.S. who attended the just concluded World Congress of the International Industrial Relations Association in Sydney, Australia experienced a rare treat and learned firsthand how out of synch are America's efforts to modernize labor and employment policies with what is happening here and around the world. We visited a country in which the last federal election turned on labor policy, where work and employment issues are viewed as a central part of economic policy, and where the newly elected government enacted a major reform and modernization of labor and employment policy within a year of taking office.

Just imagine the following scene from the opening session of the World Congress. Depute Prime Minister Julia Gillard (the number two official in the government) not only came to give a warm welcome to the 900 delegates. She gave a highly substantive speech reviewing the new legislation that she personally had help shape and negotiate through Parliament.

The new law called the "Fair Work Act" is impressive for its comprehensiveness and for its focus. While the centerpiece provisions establish procedures supporting collective bargaining (including new procedures governing union recognition and good faith bargaining), it also covers minimum employment standards, work and family leave, the right to request flexibility to care for young children, and provides options for negotiating and enforcing individual employment contracts that exceed the standards negotiated in collective agreements. As the name of the bill implies, the focus is on restoring *fairness* in employment relations after the previous government had undone essentially all labor standards and used individual employment agreements to undermine provisions negotiated collectively. The new policy also supports the flexibility needed in modern employment practice and seeks to reestablish the historic connection between increasing productivity and increasing standards of living.

But Ms. Gillard did more than just review the contents of the new policy. She delivered a clear message to the business and labor leaders attending the Congress and others who would read about her speech: the legislation is only the first step. Now its time for business, labor, and government leaders to get to work on building the workplace culture and relationships needed to make this legislative framework pay off for workers, employers, and the economy by finding "new ways to train, reward, consult and work cooperatively together."

So what lessons do we take away for the U.S.?

First, rather than treat labor policy as simply "special interest" politics best kept separate from economic policy making, integrate it with other policy initiatives aimed at forging a sustainable economic recovery. Rather than leave labor law reform to closed door back room horse trading among Senators to get the votes needed to pass a new law, lead a public debate over how to restore fairness in workplace and employment relations.

This is the mandate of Vice President Biden's Middle Class Task Force. Put it to this task.

Second, rather than separate reforms over labor law from other efforts to strengthen and modernize employment standards, treat these as they are in the modern workplace, namely part of an integrated system. While the U.S. policy process tends to take up issues one at a time, positioning the current labor law debate as one part of a broader updating of wage and hour, safety and health, work and family, and labor market policies would signal that the Administration understands the close interconnections across these issues and would give business, labor, women's and community groups a broader shared agenda to work on together.

Third, recognize that to make any new workplace legislation realize its objectives, business and labor do need to work together with government leaders to rebuild a culture of mutual respect and engagement of front-line employees and managers. The evidence is clear – front-line, knowledge-driven workplaces are both more productive and better places to work. So make mutual respect and workforce engagement a central part of the objectives of any piece of labor and employment legislation. Give the Secretary of Labor the responsibility and resources needed to get labor and management working together for the common good.

Finally, it did not go unnoticed that the Deputy Prime Minister, the president of the major labor union federation, and the chief executive of the most influential business group in Australia are all women. Maybe that has something to do with the level of civility, substantive dialogue, and mutual respect that was apparent when leaders from these different groups discussed their interests and views on policy and practice in the sessions and informal gatherings.

Our friends down under have set a benchmark for the US to meet. We don't usually look beyond our borders for lessons on domestic policy, but Australia has recognized and addressed employment relations as central to economic vitality. Other nations as diverse as France, Brazil, Denmark, and Korea are following Australia's lead in modernizing key aspects of their employment relations systems through debates that build widespread public awareness of the connection between employment relations and economic vitality. We can and must adapt this central lesson to the U.S. if we are to achieve a sustainable economic recovery and build an employment relations system attuned to the needs of the 21<sup>st</sup> century workforce and economy.

### **The American Delegation**

Henry and Sue Bass, Merrimack Films  
Janice Bellace, University of Pennsylvania  
Peter Berg, Michigan State University  
Richard Block, Michigan State University  
John Budd, University of Minnesota  
Bonnie and Robert Castrey, Arbitrators

Paul Clark, Penn State University  
Alex Colvin, Cornell University  
Joel Cutcher Gershenfeld, University of Illinois  
Matthew Finkin, University of Illinois  
Lonnie Golden, Penn State University  
Raphael Gomez, University of Toronto  
Harry Katz, Cornell University  
Bruce Kaufman, Georgia State University  
Thomas Kochan, Massachusetts Institute of Technology  
Anil Verma, University of Toronto  
Hoyt Wheeler, University of South Carolina