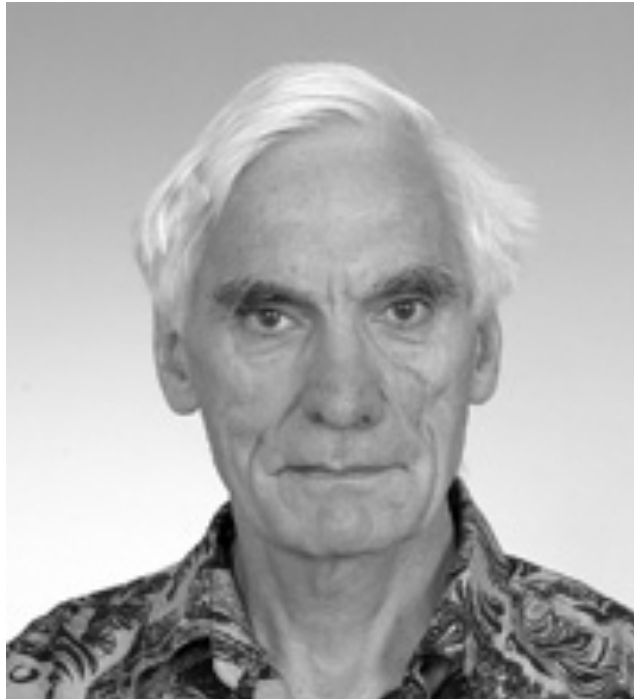


Tribute to Keith Hancock

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The Editors



Professor Keith Hancock

Keith Jackson Hancock was born in Murtoa, a small country town in the west of Victoria, on 4 January 1935. His parents moved to Melbourne in 1941 where he lived until his departure for London in 1957. Following his primary schooling, he passed the entrance examination to Melbourne High

School, graduating as dux of the school. As he was below the minimum admission age of 17 required by the University of Melbourne, he stayed at school for another year. Having developed an interest in economics and history at school, he enrolled for a joint-honours Arts degree in economics and history which he completed with first class honours in 1955. Influenced by his mother's interest in Law, he had contemplated doing a combined degree in Arts and Law but he was daunted by the prospect of spending another three years as an undergraduate.

University life provided the opportunity and stimulus for the development of his political and social philosophy. He was active in the University's Australian Labor Party (ALP) Club and was successively its Treasurer, Secretary and President. He was also Secretary of the Camberwell ALP branch. Following his graduation, he was appointed to a tutorship in Economic History and Public Finance. By chance he was asked by the Australian Council of Trade Unions (ACTU) to assist Dick Eggleston, its Counsel, in the basic wage cases of 1956 and 1957, in the latter together with Bob Hawke. The experience stimulated his interest in Labour Economics and influenced his decision to do his post-graduate work in this area.

And so in 1957, supported by a travelling scholarship, Keith sailed for London to do a PhD at the London School of Economics (LSE). He had the good fortune to have Henry Phelps Brown, Professor of Labour Economics, as his supervisor; a man he greatly admired and with whom he maintained a close friendship until Phelps Brown's death in 1994. He chose British unemployment in the 1920s as his thesis topic and completed it in minimum time. Thus began his sustained interest in labour economics in which he would become its leading and influential Australian exponent.

He would have returned to Melbourne University but a timely offer of lectureship in Economics took him to Adelaide University in 1959. Barely four years later, he was appointed to the Chair of Economics at the newly established Flinders University of South Australia. He was then only 28. Meanwhile, with Commissioner John Portus, he helped to establish the Industrial Relations Society of South Australia. There followed study leave at Princeton where he taught a graduate course in labour economics, commuting to Swarthmore College to give a similar course to undergraduate students. His time at Flinders involved him in university administration – Vice-Chairman and later Chairman of the School of Social Sciences, Acting Vice-Chancellor, Pro-Vice-Chancellor – which were grist to the mill for his appointment in 1980 as Vice-Chancellor at the age of 45. Later his reputation as university administrator led the LSE to offer him its directorship but for personal reasons he refused this tempting offer.

He was also in demand for important work outside the University. He was commissioned by the South Australian government to chair an inquiry into the racing (gallops, trotting and dogs) industry. Racing was completely foreign territory, but you don't have to be a horse to judge a horses' show. His keen analytical and searching mind was all that was

necessary to understand and report on the issues. Nearly all his Committee's recommendations were accepted. Another committee of inquiry followed, this time for the Whitlam government to chair an inquiry into a national superannuation scheme for Australia. Two reports resulted: one proposing a pay-as-you-go contributory scheme, the second an occupational scheme. However, a change of government caused the reports to be shelved, although most of the recommendations on the occupational scheme were implemented in the course of time without acknowledgement. In 1978, he was appointed to the Board of the State Bank of South Australia and, following amalgamation with the Savings Bank of South Australia, he became Chairman of the Board in 1983.

In that year, the Hawke government appointed him to chair the Committee of Review of Australian Industrial Relations Law and Systems with George Polites and Charlie Fitzgibbon from the side of employers and unions respectively. The Report appeared in 1985. It was a masterly review of various aspects of the Australian system, rich in history and a style reflecting Keith's pen. It made an excellent text for those teaching Australian labour economics and relations. Against the background of the Accord that was in operation and the submissions that had flowed in, the Committee found widespread support for the existing system, and its recommendations sought to make it work more effectively. The general acceptability of institutional arrangements in the labour market is, of course, a necessary condition for its viability. However, within a few years, a philosophy based on greater freedom from tribunal intervention in the labour market came to dominate public policy. Keith was to say, somewhat ruefully, that 'those who were vehemently critical of our general support for the then existing order had been silent beforehand'. Various contributions in this book have more to say about the changes which have come about since 1985.

In 1987, he resigned his Vice-Chancellorship to take up appointment as Deputy President of the Australian Conciliation and Arbitration Commission, soon to be renamed the Australian Industrial Relations Commission on the recommendation of his Report and to which he was later reclassified as Senior Deputy President. During the 10 years with the Commission, he participated in a number of important national wage cases and, in the aftermath of the airline pilots' dispute of 1989, he had to decide on the difficult issue of the representation right of the Australian Federation of Airline Pilots. The carefully argued decision in that case stands out as one of his outstanding contributions. Although he found the work at the Commission interesting and fulfilling, he decided to retire at the age of 62 when the Coalition government made early retirement offers.

Keith had a distinguished academic career before his appointment to the Commission. He was elected Fellow of the Academy of Social Sciences in Australia in 1968 and was its President during 1981-84. He was made Honorary Fellow of the LSE in 1982, and Emeritus Professor in Economics at Flinders University in 1987. On his retirement from the Commission, he

returned to academia on an honorary basis, accepting appointment as Honorary Fellow in Economics at the University of Adelaide and Professorial Fellow at the National Institute of Labour Studies at Flinders University, of which he was for a short time the Chairman of the Board. Since 2000, he has been Chairman of the Energy Industry Ombudsman (SA) Ltd. He was made an Officer of the Order of Australia in 1987 for his contribution to education.

On his return to academic life he continued to write about the history and contemporary issues of the Australian labour market. The list of his publications, appended to this tribute, is testimony to his productivity and his wide-ranging interests. They display his meticulous sifting of factual and statistical material, his analytical rigour, the fairness with which he presents the arguments of his critics, and the clarity and elegance of his prose. In 2004, the *Australian Journal of Labour Economics* initiated the practice of inviting annually a contribution from a distinguished labour economist. Keith was chosen to write the first essay in the series in 2004.¹

In more recent years, he has questioned the critics of the Australian Industrial Relations Commission (AIRC) and the proponents of its dismantling with controlled indignation because of the shallowness of the case advanced for such a course, and the implicit assumption sometimes made that the labour market would be transformed thereby into a neo-classical model. His sensibility was offended not only by their misconceptions about the operation of the AIRC, but also by their case for its demise in the name of 'deregulation' and 'flexibility' without clearly defining these terms or providing hard evidence to support their case.² However, it was a losing battle. The ideological lines had been drawn hard, and he saw the outcome of the diminished role of the Commission in the following terms:³

The scenario that now looks the most probable is that workers in a range of industries where unions retain a capacity to negotiate with the aid of credible threats of industrial action, will fare well; that some, whose skills are scarce, will prosper through employer competition to secure and retain their services; and that many others will have a hard time or depend increasingly on the protections of social security. Those protections, however generous, cannot replace the tribunals' historic role of enforcing a fair day's pay for a fair day's work.

Later, commenting on Prime Minister Howard's statement on the need for the proposed workplace reforms to be implemented after July 2005 – 'Australia must take this step if we are to sustain our prosperity, remain

1 'Economists and Wage Policy before World War II', *Australian Journal of Labour Economics*, 2004: 7.

2 See especially his 'Regulation and Deregulation in the Australian Labour Market', *Australian Bulletin of Labour*, 1987: 13.

3 With Sue Richardson, 'Economic and Social Effects' in Isaac, J and Macintyre, S, 2004, *The New Province for Law and Order: 100 Years of Australian Industrial Conciliation and Arbitration*, Cambridge University Press.

competitive in the global economy and meet future challenges such as the ageing society' – Keith wrote:⁴

Traditionally, economists saw the bases of economic growth and rising standards of living as capital accumulation and technical progress – the latter a catch-all term that included improvements of management. These were, in the main, self-sustaining or 'endogenous' forces. But they could be prodded by 'exogenous' shocks such as changes in trade and competition policies and, perhaps, in industrial relations institutions and processes. Determining the effects of the prods is always difficult.

What we are now being told, however, is that the prods are the *primary* growth-generators. We shall only move forward if governments keep administering them. As any given prod is absorbed, the growth that it induces peters out and another becomes necessary. The recurring-prod model of growth strains credence. If accurate, it has dismal implications for the underlying dynamism of the Australian economy. The likely reality, fortunately, is that prods such as the present 'reform' package have only minor effects (positive or negative) on long-run economic growth.

And he concluded:

The twentieth century was the period in which the notion of workers as industrial citizens gradually gained ground. Australia's regulatory framework accorded with that trend. The trend is now reversed. The question whether the lives of people will be better or worse for that needs much fuller debate than it has yet received.

Keith's learned contributions have been outstanding but his potential is far from exhausted. Apart from a keen interest in contemporary issues, he continues to work on the history of arbitration in Australia. Long may he do so. The many tributes to his scholarship and personal qualities are evident in various chapters of this book and echo Bob Gregory's assessment of Keith 'as the brightest star among labour economists'. When he began his university studies, Keith had contemplated a political career. It is the good fortune of scholarship that he changed his mind. His intellectual integrity and the strength of his conviction may not have sustained such a career. He had shown these qualities early in life when he was expelled from Hartwell Primary School at the age of eight for refusing to salute the flag. The child is father to the man.

This book, incorporating the proceedings of the Workshop sponsored by the Academy of Social Sciences of Australia and covering issues of special interest to Keith, is published in his honour and as a token of admiration, respect and affection from its contributors to a distinguished Fellow of the Academy.

4 'Obsequies for industrial equity', *New Matilda*, 2005.

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