

SYMPOSIUM

Industrial Relations and Trade Unions in the South Pacific: Introduction

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While recently on the island of Pohnpei in the South Pacific, I made enquires about labour relations there and was repeatedly informed that there are none! The same answer might be given for several of the island states within the South Pacific but this would overlook that even if formal industrial relations channels are weakly established, employment and labour relations issues are by no means absent from the Pacific Islands. This special issue developed from a perceived lack of analysis and information about the background of and current trends in labour relations in the South Pacific. The countries represented here are selective. This reflects the selectivity of research in the Pacific, particularly in the field of industrial relations. The nations chosen are of special relevance to New Zealand and Australia and those with the most developed industrial relations structures (Fiji, Papua New Guinea and the Solomon Islands) are included. Papua New Guinea and Fiji also have the biggest workforces in the region. In contrast, industrial relations in a small micro-state, Kiribati, are also analysed. It is regrettable that only one Polynesian country, Western Samoa, is discussed but this reflects the restricted role or absence (e.g., in Tonga) of formal industrial relations in much of Polynesia. The papers also have not generally tackled their subjects from an employers' perspective, again an area of research which has been virtually ignored in the South Pacific.

Although there is much diversity between the island states with regard to environmental, economic, political, social and cultural patterns,¹ there are common processes which have had an impact upon industrial relations within the region. Since the 19th century most Pacific countries have a history of colonialism, and in the case of the countries surveyed here, this was cast in the British mould (or through its off-shoots, New Zealand and Australia). The paternalistic approach to labour issues, fostered under colonialism, left a marked legacy. British policy encouraged the development of compliant trade unions and labour legislation with the emphasis on control by the state (and in practice, by the employer). The state also took on the role of protecting those workers susceptible to the extremes of exploitation. The implementation of legislation to carry out these aims varied in content and timing throughout Pacific colonies, while in many cases the impetus for improved conditions

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¹See Fairburn, Morrison, Baker and Groves, 1991 for a recent summary.

and trade unions came first from workers².

Colonialism brought racial divisions in employer-employee relations and was frequently used to justify different wage scales, employment and housing conditions for local and expatriate staff, a practice noted in Michael Hess's paper, by no means absent after independence. As I found with Fiji's tax-free factories, some expatriate employers justify the payment of vastly different wage rates for workers in the Pacific Islands and the Pacific rim countries on the basis of lower living costs and lower productivity by Pacific Islanders. This overlooks the reality of living costs within many Pacific Islands, particularly for urban workers. The Fiji case-studies show how industrial relations can become volatile once workers have perceived that their rewards bear little relation to their output.

Rick Snell's case study of the 1981 strike in Western Samoa shows how an industrial crisis developed from selective "institutional transfer" of labour legislation and structures from New Zealand to Western Samoa's public service. The selective application of external models, along with the colonial inheritance, resulted in common features and problems in the development of industrial relations among several newly independent Pacific nations. In all instances, the state continued to play a dominant role in the control of trade unions and industrial unrest. The 1973 Trade Disputes Act in Fiji was an important legislative control in a newly independent nation and as Ian Frazer notes, this restrictive legislation was adopted in the Solomon Islands in 1981. He also argues that unions there played a powerful role in shaking off the colonial inheritance in industrial relations, as workers attempted to do with varying degrees of success in the other countries covered in this volume.

A strong feature of industrial relations within the Pacific has been, and still is, a lack of consultation between employers and employees. Hess's observation that management, even in large enterprises in Papua New Guinea, fails to take industrial relations seriously, could be applied to most of the Pacific Islands (with the exception of some employers in Fiji). As this collection shows, often the state sets a poor record for consulting its employees. Related to this, but equally applicable to the private sector, has been the lack of effective dispute resolution mechanisms, which as these papers indicate, has often led to costly, and possibly avoidable, industrial disputes. During the late 1970s and early 1980s, Fiji adopted a tripartite model of wage fixation, dispute resolution and consultation on labour issues. This broke down by the early 1980s as tensions grew in Fiji's economic and political structure.

All post-colonial industrial relations structures came under increasing pressure during the 1980s with the slowing of economic growth, increasing deficits in overseas balance of payments, rising inflation and unemployment and reliance upon increasingly expensive imports. With the exception of Fiji, the manufacturing base was minimal. Papua New Guinea had much greater potential for self-sufficiency and economic growth with its rich mineral resources, but by the 1990s this industry was regarded by the World Bank as "risky and transitory" (Callick, 1990, p.6). The majority of workers in the countries in this survey fell within the subsistence or 'informal' sectors, which also became increasingly monetised. In many cases the public sector was the largest employer and as governments faced economic pressures, demands for salary increases by public sector workers could escalate (as in the case of Western Samoa) into prolonged industrial action. Foreign revenue in most Pacific economies was based upon the sale of export commodities, the demand or prices for which either fell (e.g., copra), or was subject to international commodity swings (e.g., sugar). Crop export production has also been subject to the vagaries of the environment, especially when

²See Moore, Leckie and Munro, 1990 for a historical overview of labour in the region.

cyclones or droughts hit. Tourism can be an important source of overseas revenue for many Pacific nations but this industry is fickle and subject to internal and external upheavals. During the early 1990s tourism to the Pacific has been hit by the recession in Australia and New Zealand. Rising population levels, combined with limited resources, are a further strain on Pacific economies. Growing unemployment, continued rural-urban migration and proletarianisation reinforces a 'free market' ideology towards the labour market. A further adjustment Pacific nations may have to make in the 1990s in the global setting will be to increased competition for multilateral aid (Callick, 1991, p. 1). Aid from traditional bilateral donors may not be so easily guaranteed in the 1990s, while remittances from New Zealand are under strain, with the high rates of unemployment Pacific Islanders face there. Economic pressures such as this may further force governments into adopting painful economic restructuring.

Again it is Fiji which appears to be setting a model for economic development and industrial relations within the region for the 1990s, with an emphasis on manufacturing for export, the lifting of import tariffs, adopting a consumption tax, ensuring industrial relations are conducive to foreign investment and privatising government services. The apparent deregulation of the the labour market has in practice led to tough controls on the operation and functioning of trade unions. A major reason for this is the prominent political role trade unions have played there, where unions have been a focus of opposition to the state. Frazer also highlights the political stand being taken by trade unions in the Solomon Islands, and suggests that if their political opposition intensifies that the Solomon Islands may follow the Fiji model of industrial relations. Unions in Fiji and Papua New Guinea have also strongly challenged their governments' following of current World Bank economic orthodoxy (Callick 1990).

In contrast, strikes in 1980-81 appear to have left a legacy in which a confrontational style of industrial relations was avoided in Kiribati and Western Samoa. As Kevin Hince and Snell note, kinship connections and a culture which seeks to contain conflict reinforce this. Their papers also highlight the necessity of industrial relations practitioners taking into account local cultural practices, although as noted in my paper, culturalist arguments have also been used in Pacific nations to impose authority, avoid consultation and to reject trade unions as being foreign to Pacific cultures. Hince ends his paper on an optimistic note, suggesting that the 1990s may bring consultative and grievance solving machinery in Kiribati.

Despite state controls and moves, as in Fiji, which reinforce the employer's power in labour relations, trade union membership and effectiveness is growing throughout the Islands.³ International assistance has been important in this but also much energy has come from local labour leaders. Part of this strategy has involved strengthening national trade union centres and organising workers in the private sector, as for example in Western Samoa, and with the garment workers in Fiji. With International Labour Organisation assistance, some countries (such as Tonga) are preparing draft labour legislation for consideration, while the ILO also began a project in 1991 to work towards strengthening the administrative capacity of labour departments in the Pacific (Callick, 1991, p.7). However, such developments have come at a time when Pacific nations are said to be under greater integration into an increasingly competitive global economy and when the model of labour

³ Report of International Confederation of Free Trade Unions/Asia Pacific Regional Office - South Pacific Oceanic Council of Trade Unions, Pacific Education Evaluation and Planning Workshop, Brisbane, 25 September 1991.

deregulation is being pushed by governments, employers and agencies such as the World Bank.

As this special issue indicates, labour relations in the Pacific Islands have had a chequered history. The doctrine of economic liberalisation and deregulation may have growing popularity among certain quarters in the Pacific but most Pacific nations are likely to face strong difficulties in successfully competing in an international market. In the attempt to do so, labour may be a crucial factor and it is likely that competition (between employers and between workers and employers) over the cost and control of labour could see a fractious industrial relations climate for the Pacific in the 1990s. On the other hand, employers, workers and governments do not usually seek constant industrial instability, so moves to contain confrontation through introducing amendments or new legislation and the management of human resources might be pursued. Whether this will result in greater productivity, efficiency or satisfy the parties concerned is highly questionable, not only because of the economic factors outlined above, but also because for several Pacific Island nations, fundamental issues in industrial relations and the operation of trade unions are becoming increasingly central to the control and distribution of political power in these nations.

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