NEW ZEALAND JOURNAL OF INDUSTRIAL RELATIONS

ISSN 0110 0637

Published three times a year (April, August and December) by the Foundation for Industrial Relations Research and Education (NZ).

Subscriptions run for the calendar year.

Business correspondence to: The Business Manager
Editorial correspondence to: The Editor
New Zealand Journal of Industrial Relations
PO Box 6088
Dunedin North

Rates (post paid in NZ) for 1993	*Companies and Institutions*	*Personal*	*Full-time Student*	*Single Copies and Back-Issues*
	$75	$45	$35	$25

All prices are inclusive of GST.

Cheques should be made payable to FIRRE (NZ).

The *Journal* gratefully acknowledges the generous assistance of its supporting subscriber **Air New Zealand.**

This Journal is indexed in the PAIS BULLETIN

SYMPOSIUM

The Labour Party's Proposed Reforms: Introduction

Alan Geare

By the time this issue is published, the Employment Contracts Act 1991 will have been in force for a little over two years. Should Labour win the 1993 General Election, the ECA may be repealed in little over six months as Labour have promised to replace it with an Employment Relations Act.

The lead paper in this symposium, "Employment Relations - the New Direction under Labour", is by the Rt. Hon. Helen Clark, Deputy Leader of the Labour Party and current spokesperson on Industrial Relations. In her paper she outlines the objections the Labour Party has to the Employment Contracts Act 1991 and her party's proposed new legislation.

Five papers follow the lead paper - three by academics, one by the Secretary of the New Zealand Council of Trade Unions and one by the New Zealand Employers Federation. The papers are published in alphabetical order of the authors, which was deemed as rational a way of making an arbitrary decision as any other. The papers were all written independently, with the authors unaware of the others' positions. There was thus a risk that two or more papers would largely repeat one another. In fact, while there is some agreement between papers, there is also disagreement, and the approaches taken in each case are very different.

Gordon Anderson and Pat Walsh consider that, "Any system of labour law in a democratic society should, to the greatest extent possible, protect three fundamental rights of workers - the right to organise collectively, the right to bargain and the right to strike" and analyse the reforms against that background. They conclude that, "The proposed Employment Relations Act should make a number of important and needed practical changes to the industrial relations environment but the form of the legislation may look little different from the Employment Contracts Act".

Peter Boxall assesses Labour's policy against three criteria: interest group accommodation, conceptualisation of the employment relationship and policy, and macroeconomic problems. He feels that the policy "stands up quite well on all three criteria".

Angela Foulkes, writing on behalf of the Council of Trade Unions, feels that "Because it is unlike the past, it is easy to see it as being not too different from the present." However, Foulkes considers that, with regard to the purpose of the legislation, "This is one area where the Labour Party industrial relations policy is *fundamentally* different from the ECA, and

where differences will result in *radical* not marginal or piecemeal differences in the results of organisation, and bargaining." Further, Foulkes feels that, "In the last three years, the industrial relations system has moved from one dominated by national occupational awards to one based on employer driven enterprise contracting. The Labour Party system will be decisively different from either of these models." Overall however, for the CTU, "Final judgement is reserved".

My contribution analyses the proposed reforms by first considering the significant features of New Zealand industrial relations, how these have been affected by the Employment Contracts Act, and the impact of the proposed reforms. I conclude that, "the proposed Labour reforms as indicated by Clark's paper tend to be superficial rather than substantial, and are cosmetic rather than creative".

The New Zealand Employers Federation, not surprisingly, is very supportive of the Employment Contracts Act. The Federation sees the Labour Policy as contemplating a return to union involvement in industrial relations ". . . just at a time when the Employment Contracts Act has seen more employers than ever before talking directly to their employees, to the benefit of all parties". The NZEF feels that to read Clark's paper ". . . is to be overcome by an extraordinary sense of deja vu." The NZEF is largely critical of the proposed reforms and concludes, "To accept now what Labour is offering would, indeed, be to walk forward to the past".

The range of views presented in this symposium illustrates how, in industrial relations, events, issues and policies are viewed differently depending on one's perspective. Hopefully, readers will find these different perspectives helpful in enabling them to understand and judge the current legislation and the proposed Labour reforms.

New Zealand Journal of Industrial Relations, **18(2)**: 153-162

Employment Relations - the New Direction under Labour

Rt. Hon. Helen Clark*

Central to Labour's overall approach to economic management is the belief that New Zealand needs to organise itself better and work together if we are to realise the opportunities open to us as a nation. We need to rebuild after the painful economic restructuring of the past decade. We know that the present limited economic recovery cannot deliver either the jobs or the increased living standards New Zealanders need and want. On present policies, New Zealand will continue to trail the more dynamic economies as it has for years.

One of the problems we have identified is that New Zealanders feel they have very little control over their lives. The New Zealand approach to decision-making has been top down - from government to people, from employer to worker. That needs to change. We have common interests and a common future. Government needs to involve more people in its decisions. More industries and enterprises need to move down the path of those which have already pioneered worker involvement in decision-making. The chances are that through partnerships and common effort we will achieve the growth rates which have proved so elusive under the present style of economic and industrial management.

Put bluntly, the Employment Contracts Act is not compatible with the economic environment Labour wants to foster. The negotiated economy needs input from organised labour as well as from industry. Organised labour in turn needs a fair set of industrial rules within which to operate if it is to fulfil a role of social and economic partnership. The Employment Contracts Act is destructive of collective action to such an extent that it risks recreating the defensive and inward-looking unionism of the past which focused narrowly on pay and conditions and lacked a broader vision for its members within their industry and the economy.

The lesson to be learnt from the world's more successful economies is that high levels of unionisation have often been part and parcel of their success. The modern, progressive, and well resourced unions of Germany, for example, have played their part in building German prosperity. While German unification has imposed enormous strain on the German economy in recent years, it is much more likely that that will be able to be worked through by the partnership of state, industry, and labour. The lack of such a partnership in New Zealand has impeded us working together as a nation to overcome our economic problems.

The principles of workplace reform have been widely endorsed by those familiar with them in New Zealand, although they have not yet been widely adopted and implemented. Where they have been adopted here and abroad, the role of forward-looking unions has been critical to the success of the programme.

* Deputy Leader and Spokesperson on Industrial Relations, New Zealand Labour Party