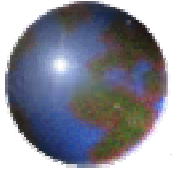


Chp. 2: NZ history of ER

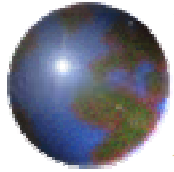
✦ Overview

- ✦ A historical overview of key event & processes in NZ ER until the 1990s
- ✦ Emphasises the significant role of the conciliation & arbitration (IC&A) system
 - Points to key turning points during 1894-1991
- ✦ Sets out the different state sector approach
- ✦ Discusses key legacies of the IC&A system & why it was modified & finally abolished



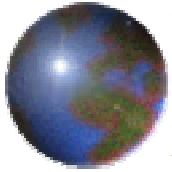
History of New Zealand ER

- ✦ It is characterised by the strong role of the state & legislative processes
- ✦ It is influenced by changing ideologies, historical roots, geographical position
 - Changes are often driven by business cycles & the IC&A system's inability to respond to these
 - While a 'closed system', it was also influenced by overseas ideas, trends & events



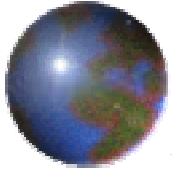
A quick overview: distinct phases

- ✦ It is possible to distinguish four phases:
 - ✦ Pre IC&A Act 1894
 - ✦ IC&A system 1894-1990
 - ✦ Employment Contracts Act 1990-1999
 - ✦ Employment Relations Act, 2000
- ✦ It is possible to use other phases
- ✦ The length of the IC&A system is remarkable, unique to NZ & Australia



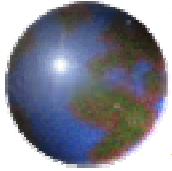
Pre IC&A Act 1894

- ✪ Followed UK legal traditions & was partly influenced by UK employment traditions
 - ❑ Some influence from Australia & the close economic & political ties between the 2 countries
 - ❑ Different context in terms of industrial & city structures, different behaviour of 'actors'
 - Could 'employees' escape market mechanisms?
 - ❑ Impact of business cycles: changes in no. of jobs, employment conditions, union activity



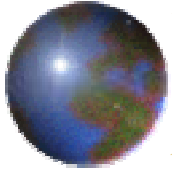
IC&A Act 1894

- ✦ Prompted by political & ER changes
 - ▣ Unemployment & deteriorating employment conditions (Sweating Commission)
 - ▣ Industrial unrest: esp. Maritime Strike 1890
 - ▣ Political shift: Liberal Government 1890
- ✦ Context of more regulation & intervention
 - ▣ Minimum standards through new legislation
 - Factories Act 1891 & 1894
 - Dept. of Labour to secure adherence to legislation



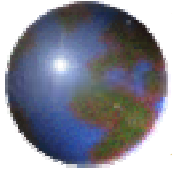
IC&A Act 1894 - II

- ✦ “The Act was designed to facilitate the settlement of industrial disputes by conciliation & arbitration as well as to encourage the formation of industrial unions and employers associations.” (p. 24).
- ✦ Key features of the Act:
 - ▣ Conciliation Boards
 - ▣ Arbitration Court
 - ▣ Registration of trade unions



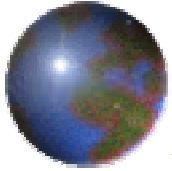
IC&A Act 1894 - III

- ✪ The Act introduced 4 interlinked changes:
 - ✪ Strengthened the unions' role by forcing employers to negotiate with them
 - ✪ Provided procedures to deal with the inherent conflict between capital & labour
 - ✪ Awards abolished to a large degree 'downward' wage competition amongst employers
 - Didn't abolish gender pay differences
 - ✪ Controls were placed on direct industrial action



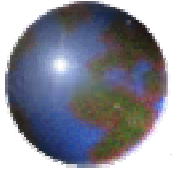
Immediate effects of IC&A Act

- ✦ Introduced a revolutionary new system
 - ▣ Formalised bargaining processes & outcomes
- ✦ Immediate impact on conflict levels
 - ▣ No significant strikes during 1894-1906 period
- ✦ Improved employment conditions
 - ▣ Based on improved economic conditions in NZ
- ✦ Issues emerged re: legalistic 'inflexibility' & a narrow bargaining approach



Challenges to IC&A Act

- ✦ Growing frustrations amongst unions
- ✦ Blackball strike in 1908: de-registration becomes an option for several unions
 - ▣ 'Red Feds' develops an alternative union strategy
 - ▣ Waterfront strike 1912 & General Strike 1913
 - ▣ Deregistration is defeated as an option in 1913
- ✦ Awards influenced by wider factors: World War, prosperity & depression in 1920s



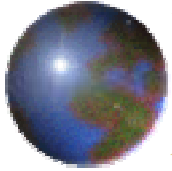
The First Labour Government

✦ Amended IC&A Act

- ✦ Re-introduce compulsory arbitration
- ✦ Compulsory union membership
- ✦ National union registration

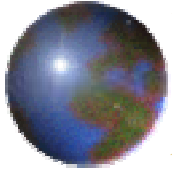
✦ Altered context of IC&A Act

- ✦ Minima introduced (eg. 40-hour week)
- ✦ Social welfare reforms & infrastructure projects
- ✦ Economic planning is extended under WW2



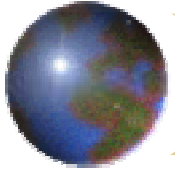
Prosperity pressures, post WW2

- ✦ 1951 Waterfront strike
 - ▣ Major dispute which lasts 151 days
 - ▣ Splits labour movement & participating unions are heavily defeated
- ✦ Tight labour market leads to upward pay pressures & influx of immigrants
 - ▣ 1950s & 1960s provide prosperity & job growth with relatively few industrial disputes



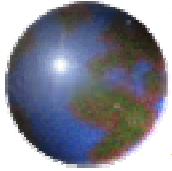
Prosperity pressures - II

- ✪ 1968 'nil wage decision' undermines IC&A
 - ▣ Increase in 'second-tier' bargaining outside IC&A
- ✪ Industrial Relations Act 1973
 - ▣ Registration of voluntary (second-tier) agreements
 - ▣ Distinction between disputes of interest & disputes of rights (when can unions strike lawfully?)
- ✪ Limited success of IR Act: often direct state intervention & relativity-driven wage rises
 - ▣ External pressures on economic foundation



Drift away from IC&A Act

- ❖ Lack of consensus over reforms to IC&A
 - ❖ Rise in 'deregulation' approach
- ❖ Legacies are only modified (see p. 32)
- ❖ Labour Relations Act 1987
 - ❖ 'Two-handed' approach to ER reforms
 - ❖ Context (eco., pol. & soc.) is not conducive
 - ❖ Starts reform of union movement



State sector reforms & ER

- ✦ State sector always had a separate system
 - ▣ Link to private sector pay rises was problematic
 - ▣ Better all round employment conditions
 - Trailblazer in terms of social reforms & EEO
- ✦ State-Owned Enterprise Act 1986
 - ▣ Starts enterprise-based bargaining mode
- ✦ State Sector Act 1987
 - ▣ Crucial changes to job & employment systems