

Different Paths to Neo-Liberalism? Comparing Australia and New Zealand

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Australia and New Zealand are best known for their systems of industrial relations based on compulsory arbitration. However, recent years have seen trends in both countries toward neo-liberalism—trends that represent the end of compulsory arbitration. This paper traces the path taken toward neo-liberalism, the speed of the journey, and the destination reached in both countries. In attempting to explain the differences between them, it is institutional factors—industrial and political—that are given highest priority.

Introduction

For most of the twentieth century, Australia and New Zealand were known internationally for their unique and durable systems of compulsory state arbitration in industrial relations. In both countries, the arbitration system shaped most important aspects of the industrial relations system, including trade union and employer organization; the structure, operation, and outcomes of the bargaining system; and the role of the state. However, long-term similarity yielded to divergence in the 1980s when Labo(u)r governments were elected in both countries. Notwithstanding their common traditions, the two governments behaved very differently. In Australia, the government and unions entered into a corporatist policymaking arrangement known as the *Accord* based on a negotiated incomes policy. The Accord was a gradual program of social and economic restructuring. In contrast, the New Zealand Labour

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government moved with great speed in the opposite direction with the introduction of the most comprehensive set of neo-liberal reforms of any OECD country. This included major industrial relations reform, although Labour stopped short of the complete dismantling of the arbitration system. With the election of a conservative National government in 1990, industrial relations reform went much further with the enactment of the Employment Contracts Act. In turn, the 1990s saw the gradual weakening of the Australian arbitration system, a process accelerated by the election of the conservative Liberal government in 1996. Thus, by the second half of the 1990s, the two systems had begun to converge once more.

This paper will argue that these alternating patterns of convergence and divergence provide excellent material for comparative study. An important theme developed in the exploration of these trends is the role of institutions—both industrial relations and political—and especially the complex interaction between different institutions within each country and the effect they had in mediating economic and ideological forces. The account is presented in five main sections. The first section briefly surveys the major similarities and more minor but still significant differences in the broad context of industrial relations in the two countries. The second outlines the common industrial relations traditions of the two countries that developed over the period from the 1890s until the 1980s. The third describes the divergence between the respective industrial relations systems during the 1980s, whereas the fourth describes the renewed convergence of the 1990s. The final section summarizes the interpretation developed in the paper and offers an institutionally based explanation of the Australian and New Zealand experiences of the last two decades.

Two Countries: Many Similarities, a Few Differences

To most external observers, Australia and New Zealand are almost twin societies. Similar patterns of development began with British colonization in Australia in New South Wales in 1788 and in New Zealand in 1840. European settlement involved the violent expropriation of land and rights from the indigenous peoples in both countries. The white populations of the two “settler societies” (Denoon, 1983) subsequently swelled through immigration, overwhelmingly from Britain. The common British heritage resulted in strong social and cultural similarities. The two economies also were similar. They were dominated by primary industries established to feed the markets of the colonial power. Both economies found it difficult to diversify into “modern” manufacturing, despite the application

through most of the twentieth century of a variety of types of economic protection to encourage import-substituting industrialization. In this way, Australia and New Zealand display features in common with the other great commodity export economies of Latin America, especially Argentina and Uruguay.

Within common political systems based on the British Westminster model, the two party structures developed along similar lines. On the side of capital, divisions between rural and urban manufacturing interests had to be accommodated. In Australia since the 1940s, this has been achieved through a coalition between the urban-based Liberal party and the smaller Country party (now renamed the National party). In New Zealand since 1936, political accommodation between rural and urban business has been reached within the National party. On the labor side, both countries saw the early formation of parties representing workers with direct links with trade unions, in the form of the Australian Labor party and the New Zealand Labour party. The electoral appeal of the two sides of politics, and therefore the party in office, has followed very similar patterns in the two countries (see Table 1).

There are, however, some significant political differences. First, in Australia power is shared between the federal and state parliaments based on a written constitution, not unlike that of the United States. In contrast, New Zealand has a unitary system with a single national government. Second, both state and federal jurisdictions in Australia have bicameral parliaments, with the upper houses elected through different systems to the lower houses, whereas the New Zealand system has been unicameral

TABLE 1
THE POLITICAL COMPLEXION OF
AUSTRALIAN AND NEW ZEALAND NATIONAL GOVERNMENTS SINCE 1972

Australia		New Zealand	
Labor (Whitlam)	Dec. 1972–Nov. 1975	Labour (Kirk)	Dec. 1972–Aug. 1974
Liberal (Fraser)	Nov. 1975–March 1983	Labour (Rowling)	Sep. 1974–Dec. 1975
Labor (Hawke)	Mar. 1983–Dec. 1991	National (Muldoon)	Dec. 1975–Jul. 1984
Labor (Keating)	Dec. 1991–Mar. 1996	Labour (Lange)	July 1984–Aug. 1989
Liberal (Howard)	Mar. 1996–present	Labour (Palmer)	Aug. 1989–Aug. 1990
		Labour (Moore)	Aug.–Oct. 1990
		National (Bolger)	Oct. 1990–1996
		National/New Zealand First Coalition (Bolger)	1996–Dec. 1997
		National/New Zealand First Coalition (Shipley)	Dec. 1997–present

since 1951. These points have produced a series of institutional checks and balances in the Australian political system that are absent in New Zealand, where there is the potential for “elected dictatorships” (Mulgan, 1990). New Zealand governments have had far greater capacity than their Australian counterparts to implement radical policy changes without effective challenge, even policies that repudiate election pledges. This was particularly the case with the Labour and National governments of the 1980s and 1990s and was an important reason why a national referendum in 1996 supported the introduction of a new system of proportional representation very similar to the German model (Boston et al., 1996). The greater likelihood of coalition governments under proportional representation was expected to limit the capacity of future New Zealand governments to introduce radical and rapid change.

The Common Industrial Relations Tradition

The origins and consequences of compulsory arbitration. Until the 1980s, Australia and New Zealand had similar industrial relations institutions and processes whose origins lay in the nineteenth century. Growing union militancy, increasing employer intransigence, and economic recession combined in major disputes of the early 1890s. The unions were heavily defeated, and they turned to new strategies: independent political action so as to achieve protective labor legislation (Holt, 1986; Patmore, 1991). This first bore fruit with the enactment in New Zealand of the 1894 Industrial Conciliation and Arbitration Act. In Australia, federal arbitration legislation was enacted in 1904, whereas compulsory arbitration was introduced at different times in the various states (Macintyre and Mitchell, 1989; Reeves, 1969).

Despite some differences, the Australian and New Zealand systems of arbitration were fundamentally very similar. Unions and employers were required to negotiate with each other. If those negotiations were unsuccessful, the parties were required to refer the dispute to the appropriate state agency for arbitration. In New Zealand, this was the Court of Arbitration, whereas its Australian counterparts were the Commonwealth Court of Conciliation and Arbitration¹ and its state-level tribunals. These processes resulted in an award that prescribed conditions of employment (Macklin et al., 1993; Brosnan et al., 1990). Awards applied automatically to workers regardless of whether or not they were members of the union and bound all

¹The main federal arbitration tribunal subsequently went through several name changes.

employers. This made life much easier for unions and spared them the task of achieving high levels of collective bargaining coverage by dint of their own efforts. As a result, collective regulation of employment conditions far exceeded the level of union membership. For example, as late as 1990, around 80 percent of Australian workers were covered by awards and collective agreements, whereas only 40 percent were union members. The comparable figures in New Zealand were 67 percent award coverage and 45 percent union membership (Traxler, 1994:173).

The arbitration tribunals in both countries pursued many similar policies when determining wages in awards. The most significant feature was the development of procedures to adjust all award wages centrally and simultaneously. These national wage adjustments (called *national wage cases* in Australia and *general wage orders* in New Zealand) were largely based on rises in the cost of living, moderated to varying degrees by national (rather than industry or company) economic considerations. On the one hand, this allowed a degree of equity (albeit a very gender-biased form of equity) to be introduced into wages through the adoption of a "living wage" or "family wage" doctrine, whereby it was accepted that workers' wages should be sufficient to sustain a man, wife, and children. On the other hand, the acknowledgment of economic considerations in national wage determinations gave governments in both countries the capacity to use the arbitration system as a major instrument of economic policy. It also ensured that wage gains were spread evenly and easily across the whole work force (Deeks et al., 1994; Deery and Plowman, 1985).

Trade unions. Trade unions in both countries benefited greatly from the arbitration system. The statutory obligation on employers to negotiate with them, the availability of compulsory arbitration, the automatic application of awards to all employers, enforcement of awards through the tribunals, and the equity aspects of centralized wage determination under arbitration gave unions enormous organizational advantages. In addition, the legislation in both countries gave unions that were registered under the arbitration system exclusive rights to represent workers who fell under the jurisdiction of their membership clause. To cap it off, legislation in both countries allowed various forms of union security arrangements. These favorable conditions facilitated the formation of unions and the growth of union membership to high levels in both countries (see Table 2).

However, in return for these benefits, trade unions in both countries had to accept other legislative constraints that defined their existence narrowly. They could not widen their membership beyond that sanctioned by

TABLE 2
 NUMBER OF UNIONS AND UNION MEMBERSHIP,
 AUSTRALIA AND NEW ZEALAND, SELECTED YEARS 1901–1996

Year	Australia			New Zealand		
	Number of Unions	Total Union Members (000s)	Union Density, %	Number of Unions	Total Union Members (000s)	Union Density, %
1901	198	97.2	6	202	23.8	8
1911	573	364.7	28	307	55.6	19
1921	382	703.0	52	418	97.7	26
1931	361	740.8	45	405	90.5	18
1941	374	1075.6	50	419	231.0	49
1951	359	1690.2	60	415	272.8	47
1961	355	1894.6	57	395	324.7	44
1971	351	2452.2	51	346	386.3	39
1981	324	2994.1	56	258	519.7	48
1986	326	3186.2	(46) 55	227	489.8	54
1991	275	3382.6	(41) 53	80	603.1	42
1996	132	2800.5	(31) 40	83	338.9	20

SOURCES: Australian Bureau of Statistics, *Trade Union Statistics* (catalog no. 6323.0); Australian Bureau of Statistics, *Trade Union Membership* (catalog no. 6325.0); *New Zealand Official Yearbook*; Crawford et al., 1997.

Notes: Union density is calculated as total union membership as a proportion of total employment. After 1976, the Australian Bureau of Statistics presented two estimates of union density: the traditional one based on figures submitted by union officials and the new (presented here in parentheses) based on a survey of the labor force.

the state, their financial resources were controlled by state limitations on membership fees, and they were required to confine themselves to a narrow set of legislatively prescribed activities. Strikes were unlawful, and the state possessed a wide range of sanctions that could be deployed against unions in the event of unlawful strikes. These included monetary fines and the withdrawal of union registration under the arbitration system, the latter dissolving the union.

Unions were divided in their response to the constraints imposed by compulsory arbitration. A minority in both countries—usually the most ideologically radical and/or the industrially powerful—condemned the system (Bassett, 1972; Olssen, 1988; Farrell 1981). However, the majority accepted the package of advantages and constraints; they actually interpreted it positively and were quite content with a docile existence as a creature of the state. Indeed, many of these unions could do little else. Strictly defined membership rules ensured a proliferation of unions and a multiplicity of unions in any workplace. Most unions were small organizations, operating with limited resources and aspirations to match.

Trade union organization was influenced by the protections offered by compulsory arbitration and by the divided response among unions to arbitration. Unions were generally poorly organized at the workplace (Walsh and Fougere, 1987; Rimmer, 1983), but there were exceptions, most notably in a small number of industry sectors where unions were traditionally and internationally strong (the mines, the waterfront, transport, steel, some manufacturing sectors, the meat-processing industry, and some craft unions in those sectors). In these industries, union workplace organization and activity were sufficiently well developed to allow them to veto management decisions and successfully demand that employers provide wages and conditions superior to those in the award. Conflict at the workplace level over such issues grew in the 1960s and 1970s.

The central union organizations in both countries were not strong before the 1980s. The Australian Council of Trade Unions (ACTU) and the New Zealand Federation of Labour (FOL) “presided” uneasily over union movements divided according to political, occupational, regional, and public/private-sector allegiances. Their lack of authority within the union movement and the limited resources allocated by affiliated unions to the central organizations in both cases prevented substantial research or policy development initiatives and, therefore, reduced their capacity to influence governments (Rawson, 1982; Walsh, 1984).

Employers. Employer associations also were encouraged by the design and operation of the compulsory arbitration systems. Despite many attempts, Australian employers failed to unite behind a single national confederation. They remained divided organizationally and on policy matters for most of the century (Plowman, 1989). New Zealand employers experienced similar divisions, although reorganization in the 1970s saw the New Zealand Employers’ Federation assume a more powerful role as the single representative of employers than its Australian counterpart, at least until the emergence of the Business Roundtable in the 1980s (Rudman, 1974).

Employer attitudes toward compulsory arbitration were mixed and varied over time. They were opposed at the outset, fearing—rightly—that the system would allow unions to recover their strength following their huge defeat in the great strike of 1890. However, Australian and New Zealand employers both came gradually to appreciate the capacity of the arbitration system to control militant unions and to limit wage growth, especially at times of economic growth (Plowman, 1989; Plowman and Street, 1993). Indeed, some employers came to use the system to maintain managerial prerogatives and avoid direct negotiations with unions (Quinlan,

1986). In addition, employers in some industries valued the removal of wages from competition through the application of centralized wage determination.

Summary. Until the 1980s, therefore, the compulsory arbitration systems in both Australia and New Zealand developed along similar lines. They survived because they met the major players' needs well enough to ensure that there was no strong impetus to dismantle them. In particular, the long post-WWII boom saw all major players in industrial relations support the traditional system. It allowed governments of all political persuasions to avoid some of the more difficult industrial relations problems while also providing an instrument of economic policy. Most employers saw advantages in the centralization of wage determination and in the role of the tribunals in limiting militant union excesses. Most unions relied on the system to secure organization security and some equity in wage determination. The biggest challenge to the system came from a minority of unions with sufficient industrial strength and ideological motivation to protest the constraints posed by this relatively conservative system.

Divergence in the 1980s

These patterns were disrupted by the end of the long postwar boom. The major recession of the mid-1970s produced some early signs of divergence, but it was not until the second major recession of the early 1980s and the election of what became very different Labour governments that this trend was confirmed.

Early signs of divergence: Bargaining structures and union strategy. Centralized bargaining had come under considerable pressure in both countries in the 1960s and early 1970s. The centralized system had always been accompanied by some degree of decentralized bargaining at industry, company, or workplace level, but in this period these levels of bargaining became far more significant than previously. In these circumstances, the arbitration system lost credibility with unions especially but also with employers. Unions increasingly focused their energies on direct bargaining with employers outside the arbitration system.

This decentralizing trend was reversed in Australia in the mid-1970s, whereas it continued in New Zealand. In 1975, Australia returned to centralized arbitration as the main method of wage determination (Lansbury, 1975; Dabscheck and Niland, 1985). A system of wage indexation administered by the (now renamed) Conciliation and Arbitration Commission

was introduced, which ran until 1981. This was generally supported by unions, employers, and government, albeit for different reasons (Plowman, 1981). The commission's central role had the effect of restoring some measure of confidence in the arbitration system and support for incomes policies as a means of achieving national economic goals. This did not occur in New Zealand, where the decentralization of bargaining continued throughout the 1970s and early 1980s. It was only contained by unilateral intervention by successive governments, which imposed various forms of wage control (Roper, 1982; Walsh, 1984).

The restoration of centralized arbitration in Australia and its continued decline in New Zealand contributed to changes in the structure and strategies of their respective labor movements. From 1975 onward, the ACTU was strengthened by being at the center of the new, more centralized bargaining structure. Mergers with previously competing confederations of white-collar unions and an ideological reconciliation between left- and right-wing forces within the union movement also contributed to the ACTU's growing authority (Griffin, 1994). From this position of strength, the ACTU was able to encourage a more unified and strategic approach by Australian unions toward economic restructuring (Bray, 1994; Gardner, 1995). In contrast, the FOL, was unable to exert any significant authority during this period, not least because the decentralization of bargaining had shifted the focus of activity away from the FOL to individual unions (Walsh, 1984).

These developments within the two union movements made important contributions to the divergence of policy direction in the two countries. Australian unions began to cooperate more effectively with the Labor party in the late 1970s and early 1980s. The party became receptive to the possibility of a corporatist relationship, whereas the unions demonstrated both a similar interest and an organizational capacity to participate in such arrangements (Singleton, 1990; Bray and Walsh, 1995). There was no similar development in New Zealand. The FOL's organizational weakness meant that it was not an attractive candidate to the government for a corporatist relationship (Harvey, 1992). The FOL's hope that Labour's overall policy direction would be favorable was dashed when Labour adopted a radical neo-liberal agenda (Oliver, 1989).

Economic context. The two Labo(u)r governments—elected in 1983 in Australia and in 1984 in New Zealand—came to power during major economic crises. These crises initially were manifest in high unemployment and inflation, but it quickly became apparent that they extended to significant external trade imbalances. Long-term declines in commodity prices

led to declining terms of trade that challenged the viability of the two economies, reliant as they were on commodities for exports and protective as they were of inefficient manufacturing sectors (Castle and Haworth, 1993; Easton and Gerritsen, 1996). Although both countries were in considerable economic difficulties by the early 1980s, the economic situation in New Zealand was worse than that in Australia. As Appendix 1 shows, for the period 1978–1983, Australia performed better on all main economic indicators with the exception of unemployment. Inflation had been extremely high in both countries since the early 1970s, but it was higher in New Zealand despite a complete wage and price freeze in 1982–1983. The rates of increase in GDP, employment, and labor productivity in both countries were sluggish and below historical levels, but they were worse in New Zealand. Although labor productivity growth picked up in New Zealand in 1982–1983, this was largely an artifact of the wage freeze. The current account deficit remained at worrying levels, as it had in both countries since the first oil crisis in 1973.

The Australian experience of corporatism. The Labor party and the unions negotiated the Accord just before Labor was elected in 1983 (Stilwell, 1986; Bray, 1994). The Accord essentially involved a union promise to restrain wage increases and cooperate with the Labor government in return for a general commitment by government to consultation with unions and specific support for an agreed package of economic and social policies. Employers were either unwilling or unable to oppose these developments (Frenkel, 1988; Thornthwaite and Sheldon, 1996). Another important contextual factor was that the Labor party held government in almost all states during the 1980s, ensuring that the Accord did not meet significant opposition within the political system.

The Accord represented a mixture of “corporatism” and “dualism” (Frenkel, 1990). Dualism (i.e., neo-liberalism) was evident in an opening of the economy to international markets through floating of the dollar and financial reform. It also could be seen in reductions in tariff protection for manufacturing industry, although there also were industry-specific corporatist innovations (Bell, 1993). Widespread privatization of the public sector was resisted (Fairbrother et al., 1997), but extensive reform of the public sector was pursued by borrowing ideas and models from the private sector to produce a “new managerialism” (Gardner and Palmer, 1992).

In industrial relations, the Accord initially brought a new incomes policy in which wages were very strictly regulated under a new form of wage indexation administered between 1983 and 1986 by the federal

Conciliation and Arbitration Commission. The novelty in this system lay in its almost total centralization, its effectiveness in controlling wage increases, and the strong support role played by the ACTU (Teicher, 1987). Some decentralization to industry and workplace levels occurred between 1987 and 1990. However, this was closely “managed” within a national framework by the arbitration tribunals (Gardner, 1990). In this way, the arbitration system played a key role in delivering the policies determined by the Accord partners (Bray and Walsh, 1995).

Employer response to the pro-union flavor of these developments was mixed. The most vociferous opposition came from “new right” political groups that emerged in the mid-1980s rather than from mainstream companies or employer associations (Dabscheck, 1989). A more effective challenge came from a new employer group formed in 1983, the Business Council of Australia. The large corporations comprising this group advocated enterprise-based bargaining units and closer relations between managers and their employees, only implicitly supporting union avoidance (O’Brien, 1994; Matthews, 1994). Many other employer associations, whose members often were enjoying the benefits of greater union cooperation, limited their protests to the detail rather than the broad thrust of the Accord program (Thorntwaite and Sheldon, 1996).

Neo-liberalism in New Zealand. In New Zealand, the Labour government, elected in 1984, behaved quite differently. The government was convinced of the need to avoid cooperation with the unions and to embark on a radical program of economic and social reform based largely on neo-liberal ideals (Oliver, 1989; Goldfinch, 1997). Product markets and the finance sector were deregulated, farming supports were eliminated, competition law and international trade policies were liberalized, the dollar was floated, a value-added tax was introduced, and many other key policy changes were done swiftly (Bollard and Buckle, 1987). The public sector was restructured, including an extensive program of commercialization and privatization (Walsh, 1991; Walsh and Wetzel, 1993). Wages were contained not by a corporatist accord, as in Australia, but by tough monetary policy.

Labour did not, however, deregulate the labor market to the same extent as other markets, due to the legacy of traditional union-party links (Walsh, 1989). Labour retained important elements of the traditional arbitration system, including exclusive bargaining rights for registered unions, a provision allowing compulsory union membership provisions in awards, and the blanket coverage of awards. Ultimately, the most important industrial relations change was to abolish compulsory arbitration in 1984. The

Labour government expected that voluntary (rather than compulsory) arbitration would lead to the collapse of the large occupational awards and threaten the viability of the unions that depended on compulsory arbitration for their survival. This would lead to different bargaining structures—industry or enterprise agreements—with pay and conditions of employment tailored to the specific needs of the bargaining parties. These concerns also were decisive in the inclusion in the Labour Relations Act 1987 of a provision for unions to exclude individual companies from award coverage and negotiate separate enterprise agreements with them.

These policy objectives were achieved only partially (Brosnan et al., 1990). Employers gradually realized their new bargaining power in the context of growing unemployment, and they gained concessions in award negotiations. However, the anticipated shift to enterprise bargaining did not occur as unions opted decisively to include their members in awards rather than in enterprise agreements. The number of workers covered by enterprise agreements fell by 60 percent under Labour (Harbridge and McCaw, 1991). Emerging employer militancy provoked a shift in union thinking toward favoring an Australian-style Accord with the government. Efforts to negotiate such an agreement were made between 1988 and 1990 by the newly established central union organization, the New Zealand Council of Trade Unions (NZCTU), but without any lasting success (Harvey, 1992).

Employer organizations had hoped that Labour's policy changes would lead to a more decentralized bargaining structure. They argued that economic deregulation made it vital that similar changes take place in the labor market. New Zealand firms were now exposed fully to the rigors of international competition. They clamored for the ability to negotiate enterprise or workplace agreements—or individual employment contracts—that would accurately reflect their particular circumstances. Powerful employer lobby groups advanced these views. Most notable was the Business Roundtable, an organization of the chief executives of the 50 largest companies, which had had great success in convincing Labour to accept its recommendations in many other policy areas (Wanna, 1989). Employers were alarmed by Labour's attempts in the late 1980s to negotiate a corporatist arrangement with the CTU and by the unintended decline in enterprise bargaining resulting from the Labour Relations Act. Decisions on personal grievances by the Labour Court (which replaced the Arbitration Court), especially those which widened employment security, further angered key business groups. Together these fueled the campaign for radical policy change. By the 1990 election, the opposition National party had committed itself to much of the employers' policy agenda.

Conclusion: Divergence (and the beginnings of convergence?). These developments demonstrate the divergence between Australia and New Zealand that was to reach its most extreme in the early 1990s. The role of the state and its relationships with the major industrial relations players had changed dramatically in New Zealand. Led by an unconventional Labour government that refused to incorporate unions into decision-making processes, the state eschewed traditional forms of state intervention in its response to economic crises and moved toward market-based, neo-liberal solutions. While this trend was less extreme in the regulation of the labor market than in other markets, the role of the compulsory arbitration system was severely circumscribed, and the intention, if not the outcome, of new labor laws was to move toward more decentralized collective bargaining. In contrast, the Australian Labor government embraced the union movement and embarked on corporatist solutions. The compulsory arbitration system was retained largely intact. In fact, it was central to the Australian approach because it provided a valuable mechanism by which incomes policy and many workplace reforms were implemented.

Key industrial relations and economic indicators in the 1980s suggested that the Accord was generally more successful than the policy regime in New Zealand (Chapman and Gruen, 1990; Brosnan and Burgess, 1993; Easton and Gerritsen, 1996; see also Appendix 1). Industrial disputes fell substantially in Australia from 1983 but not in New Zealand until the last years of the decade. Union membership fell in both countries. The decline appeared more substantial in Australia than in New Zealand, although statistical difficulties make this a little unclear (see Table 2; see also Peetz, 1990). Economic growth was especially strong in Australia through the decade, whereas it was far weaker in New Zealand. Wages declined in real terms in both countries, although there were some commentators who argued that the "social wage" in Australia (including tax transfers, health insurance, and other government expenditures) contributed favorably to the living standards of at least some Australian workers (Saunders, 1994). Employment grew more in Australia and unemployment fell steadily for most of the 1980s, in contrast to the steadily deteriorating situation in New Zealand, albeit from a lower unemployment base. Inflation stabilized in Australia at a lower level than in New Zealand.

However, there were limits to Australian corporatism created by the refusal of employers to participate, while several legislative changes demanded by unions were blocked in the senate. Furthermore, Australian unions lost more and more of the policy battles, and the mix of substantive

policy outcomes coming out of the Labor government in the late 1980s swung gradually away from corporatism toward neo-liberalism. The unions, for example, published a detailed strategic plan for addressing the nation's economic problems, entitled *Australia Reconstructed*, that drew on European (especially Swedish) experiences. It encountered fierce opposition from employers and received little support from the Labor government (ACTU/TDC, 1987; Castles, 1988; JAPE, 1997). In industry policy, the government announced major tariff reductions in May of 1988, much to the unions' annoyance (Bell, 1993).

Realignment in the 1990s

The early 1990s saw the Australian and New Zealand systems briefly reach the extreme of their divergence, but in subsequent years first the Labor and then the Liberal governments in Australia embarked on policy changes that moved the Australian system back toward the New Zealand model. By the second half of the 1990s, the two systems were similar in many important respects.

Further neo-liberalism in New Zealand. The pressures in New Zealand for further and radical deregulation of the labor market, which had been building for several years, met with success following the election of the National government in October of 1990 and the enactment of the Employment Contracts Act 1991, probably the most radical industrial relations legislation in the OECD (Harbridge, 1993; Brook-Cowan, 1993). The legislative protections afforded unions for almost a century disappeared. Exclusive bargaining rights, the blanket application of awards, and the right to negotiate compulsory union membership were eliminated. Union membership was separated from representation. A worker's membership in a union no longer meant that the union had the automatic right to represent that worker in negotiations with employers. Workers became free to decide who, if anyone, would negotiate on their behalf, and unions were required to seek individual bargaining authorization from their members.

The focus of the new system moved from the collective to the individual and from multiemployer awards to enterprise bargaining and individual employment contracts. The act provided for two forms of employment contract—collective and individual. When a collective contract expired, employees automatically transferred to individual contracts with the same conditions as the expired collective contract. Alternatively, employers and workers could negotiate individual employment contracts. The act

encouraged single-enterprise rather than multiemployer collective bargaining by prohibiting any industrial action to force an employer to become a party to a multiemployer collective contract. The act permitted strikes and lockouts, but only in support of the negotiation of a new contract or renegotiation of an expired collective contract.

The radical achievement of the Employment Contracts Act was to overturn a system of collective representation and negotiation that had endured for almost a century. However, the state continued to be a key player in industrial relations in two respects. First, the National government's response to concerns about exploitation under the act was to point to a "minimum code of employment"—a range of statutory employment conditions (mostly already existing) available to all employees that no employment contract could breach (Brosnan and Rea, 1991). These included a minimum wage, equal pay for equal work, annual leave and public holiday entitlements, domestic and parental leave entitlements, and the prohibition of employment discrimination.

Second, the state remained decisively involved in the process of contract enforcement, in the mediation and arbitration of disputes, and in personal grievances, most importantly claims of unjustified dismissal. Indeed, the jurisdiction of the newly established specialist state industrial relations agencies, the Employment Tribunal and the Employment Court, was enormously extended to all employment contracts, including individual contracts. All employment contracts had to contain effective procedures to settle personal grievances and disputes, culminating (if necessary) in arbitration by the Employment Tribunal or Employment Court. In this particular area, the distinctive character of the Employment Contracts Act, and one often overlooked, was that even as it withdrew the state from historically important roles in bargaining and representation, it greatly expanded the state's role in the management and interpretation of the individual employment contract.

Australia under Labor, 1990–1996. The enactment of the Employment Contracts Act placed New Zealand at the far end of the ideological and policy spectrum—a position that in many ways contrasted starkly with the corporatist direction of Australia since 1983. However, as discussed in the preceding section, the policy program of the Australian federal government was beginning to swing toward neo-liberalism. Under a new Prime Minister, Paul Keating, Labor accelerated the trend to neo-liberalism. Economic policy increasingly focused on market forces, and privatization of government-owned enterprises was vigorously pursued despite electoral promises to the contrary (Fairbrother et al., 1997), while decisions

on industry policy reflected an almost complete reliance on reductions in tariff protection and market forces to restructure export- and import-competing industries (Easton and Gerritsen, 1996; Bell, 1993).

In industrial relations, decentralization of bargaining toward the enterprise level became the dominant theme. Curiously, “enterprise bargaining” had been adopted by the Accord partners as their wages policy in 1990. The federal Industrial Relations Commission’s national wage case decision in October of 1991 focused almost exclusively on wage increases being negotiated at an enterprise or workplace level. Subsequent national wage systems and then legislative change continued this emphasis on enterprise bargaining in Australia, with the support of almost all the major industrial relations players (Dabscheck, 1995).

In many ways, the growing importance of enterprise bargaining paralleled events in New Zealand—an impression that was reinforced by two features of Australia’s enterprise bargaining system. First, the role of the arbitration tribunals changed, along with the concomitant relationship between awards and enterprise agreements. In several steps over the 1992–1996 period, the Industrial Relations Commission lost any real power to affect the content of enterprise agreements beyond ensuring that employees were not seriously disadvantaged. Awards continued to operate, but their role was reduced to that of a “safety net” (MacDermott, 1995). Employees covered by awards received some modest wage increases through national wage cases (Dabscheck, 1997) but lagged significantly behind increases available through enterprise bargaining (Buchanan et al., 1997).

Second, the role of unions in Australia also changed in the direction of the New Zealand model. The government introduced provisions, through the Industrial Relations Reform Act 1993, that for the first time since the establishment of compulsory arbitration allowed employers to negotiate collective agreements (enterprise agreements) directly with employees and have them certified without unions being involved (Ronfeldt and McCallum, 1995; Bennett, 1995). In other words, Australian unions lost their monopoly bargaining rights, just as their counterparts in New Zealand had under the Employment Contracts Act.

These developments at the federal level were encouraged by neo-liberal reforms introduced by state governments. Reversing the climate of the 1980s, conservative coalitions won office in almost all states in the early 1990s, and radical industrial relations agendas were implemented in New South Wales in 1990, Victoria in 1992, South Australia and Tasmania in 1993, and Western Australian in 1994. Antiunion measures, collective bargaining at the enterprise level, and individual employment

contracts were dominant provisions in these new labor laws (Ronfeldt and McCallum, 1995).

Another factor was the growing unity and increasingly radical stance of employers and the bureaucracy. The Business Council of Australia's strong support for enterprise bargaining and for a weakened role for arbitration tribunals gradually became the mainstream position among Australian employers, even among those who had previously supported centralized bargaining (Matthews, 1994; Thornthwaite and Sheldon, 1996). At the same time, it was increasingly clear that the most influential sections of the federal bureaucracy were strong adherents to "economic rationalist" (i.e., neo-liberalist) philosophies (Pusey, 1991). These forces mirrored the influence of the Business Roundtable and the strongly neo-liberal outlook of the bureaucracy in New Zealand (Kelsey, 1995; Dannin, 1997).

However, some significant differences persisted between the two countries. Awards remained more important in Australia than multiemployer agreements in New Zealand. The latter were unceremoniously dumped under the Employment Contracts Act, and both unions and employers had to voluntarily recreate them if they were to survive. In Australia, awards continued until unions and employers voluntarily created an enterprise agreement that took them out of the award. Even then, most enterprise agreements were only supplements to awards, not replacements; they only changed some award provisions, leaving the awards to continue regulating the remaining issues. Awards thus covered a far higher proportion of employees in Australia than multiemployer agreements in New Zealand. Furthermore, there was no parallel in New Zealand to the Australian national wage cases. In Australia, the commission's awards provided a safety net for vulnerable workers, whereas in New Zealand a similar but more limited role was played by the state itself through the statutory minimum code of employment.

Another difference between the two systems lay in the attitudes of the two central union organizations. The NZCTU opposed the shift to enterprise bargaining and continued to argue strongly—and in vain—for industry bargaining. However, while the Labor party remained in office in Australia and the Accord continued, the ACTU broadly supported enterprise bargaining, although there was some disagreement among unions and between unions and employers over its particular legal and institutional form. Unions fought for and won legislative concessions, including the introduction of federal unfair dismissal provisions and other employment rights. Unions were strongly opposed, however, to nonunion bargaining, and they mounted political pressure on the Labor government.

The fact that the nonunion provisions were raised in the first place and became law is testimony to the unions' declining power within the Accord. But, on the other hand, union pressure ultimately produced legal procedures for certification of nonunion enterprise agreements that were very complicated, thus blunting their practical effect (Coulthard, 1997). New Zealand unions had no such luck with the National government and had to rely on industrial pressure to resist nonunion bargaining parties. They succeeded in this, and as in Australia, unions almost always represented workers when collective bargaining occurred.

Australia under the liberals, 1996–1997. In Australia, the policy agenda of the Howard Coalition government elected in 1996 was necessarily modest in its first term. In contrast to its New Zealand counterpart, which operated free of parliamentary constraints, but like its Labor predecessor, the government had to deal with an obstructive senate. Its main industrial relations initiative came in the form of a major rewriting of federal labor laws through the Workplace Relations Act 1996. Negotiations between the government and the small Australian Democrats party, which held the balance of power in the senate, produced many amendments to the government's initial proposals. These watered down some of its more radical provisions, and many commentators interpreted the new law as a continuation of the trend begun by the previous Labor government rather than a radical break from the past (e.g., Rimmer, 1997; Dawkins, 1997).

In substantive terms, the new law further reduced the role of the Industrial Relations Commission and gave employers a wider choice of bargaining relationships. Where unions were unavoidable, single-enterprise collective bargaining was favored. The award safety net continued, but the proportion of the work force covered by awards was reduced, and the new legislation prescribed a narrower scope for awards; awards were to include only 20 issues, with many other provisions previously included in awards (such as redundancy provisions and procedural guarantees for unions) to be embodied only by mutual consent in enterprise agreements (Pittard, 1997). The act made it easier for employers to avoid unions and negotiate enterprise agreements with groups of nonunion employees, but a development even more akin to the New Zealand model was the introduction of Australian workplace agreements (AWAs). AWAs provided employers for the first time with a mechanism to negotiate individual employment contracts, exempting these employees from award provisions (McCallum, 1997). This opened up the possibility of a pronounced shift away from collective bargaining to individual contracts. However, a significant difference remained. While the expiry of awards and collective

agreements in New Zealand automatically led to employees moving to individual contracts, AWAs required employers and employees to “opt out” of awards and create a new individual relationship. This was likely to limit the popularity of AWAs. Finally, and perhaps most significant of all, the Workplace Relations Act brought harsh penalties against unions engaged in prohibited industrial action and eliminated a number of supports for unions (such as ready access to employees at the workplace and preference for union members) that operated for many decades under previous legislation.

Some consequences of neo-liberalism. The neo-liberal trends described above meant that the practice of industrial relations in Australia and New Zealand in the second half of the 1990s was very different from that of earlier decades. Compulsory arbitration had disappeared in New Zealand as a form of collective bargaining and collective dispute resolution, while it was severely hamstrung in Australia. In its place, individual contracts and enterprise-level collective bargaining dominated the New Zealand system. A survey published in 1997, for example, found that 49 percent of all employees worked under some kind of individual employment contract, 34 percent worked under a single-employer collective employment contract, and only 11 percent worked under a multiemployer employment contract (Department of Labour, 1997). Individual contracts in Australia, however, were far less common. The second Australian Workplace Industrial Relations Survey found that in 1995, 46 percent of Australian employees in workplaces of more than 20 employees worked under awards (including those enjoying overaward benefits and those under both state and federal awards), 44 percent worked under collective agreements, and only 9 percent worked under individual contracts (Morehead et al., 1997). These data came before the availability of AWAs in 1996, but the available evidence suggests that their diffusion has been slow.

In line with the changing patterns of labor market regulation, the number of unions and total union membership in both countries collapsed dramatically during the 1990s. As Table 2 shows, the number of unions in New Zealand dropped from 227 in 1986 to 83 in 1996, whereas in Australia this drop was from 326 to 132. The decline in the number of unions in New Zealand occurred in the 1980s. The Labour Relations Act of 1987 encouraged this, and the NZCTU developed and coordinated a program of amalgamation. The total number of unions has remained steady since the enactment of the ECA, although some changes have occurred. A small number have been dissolved, and an equally small number of new unions

have emerged, some of which have challenged existing unions, especially in the public sector. In Australia, the decline in the number of unions also reflected a large number of amalgamations resulting from a restructuring plan developed by the ACTU, the aim of which was to concentrate union membership in just 20 unions (Ellem, 1991). As Table 2 also shows, total union membership in New Zealand fell to just 20 percent of the work force in 1996, whereas the equivalent figure in Australia was 31 percent. The decline in New Zealand was concentrated in sectors such as agriculture, mining, construction, and the retail and wholesale trades (Crawford et al., 1997), whereas it was more evenly spread across sectors in Australia. Irrespective of the distribution, both union movements were deeply hurt by membership losses, and internal debates continue over the most appropriate response, especially over the relative effectiveness of the “organizing” and “servicing” models of union activity (Boxall and Haynes, 1997; Macdonald et al., 1997).

Employers in Australia and New Zealand in the 1990s were generally more assertive than they were in earlier decades. In part, this flowed from the more difficult product markets and weaker labor markets in which they operated, but it also reflected the impact of the new neo-liberal regimes on employers’ industrial relations strategies. Neo-liberal governments in New Zealand and Australia encouraged employers to resist unions and to embrace new forms of regulation, while new labor laws provided employers who sought to accept the challenge with many new weapons. In this context, it is perhaps surprising that most employers in both countries have worked within the new environment without actively seeking to confront unions.

A small number of employers, however, chose to embark on highly publicized industrial crusades. In Australia, this began in the 1980s with the emergence of the “new right” and disputes such as Robe River, Mudginberri, and Dollar Sweets (Dabscheck, 1989). It continued in the 1990s with companies such as mining giant CRA/Rio Tinto (Waring and Lynch, 1998) and a brash attempt by the National Farmers’ Federation to introduce nonunion labor onto the wharves in Melbourne. In New Zealand there have been some lengthy and bitter disputes, but there have been no major industrial confrontations similar to those in the past. One notable development has been the rise in industrial unrest in the public sector, reflecting the pace and scope of public-sector restructuring. Teachers, nurses, doctors, air traffic controllers, prison officers, and many others have undertaken industrial action, many for the first time.

Despite these conspicuous examples of overt industrial conflict, the 1990s generally saw a major outbreak of industrial peace. Industrial activity, one

barometer of union vitality, declined steadily in Australia. A sharper decline in New Zealand was in fact a continuation of a trend that began in the second half of the 1980s (see Appendix 1). Industrial stoppages reached a peak in 1985–1986 and then declined steadily until 1992, when they began to rise again. This pattern seems to be more closely related to economic downturn and recovery than to any specific effects of the Employment Contracts Act, although the collapse in union membership immediately following the act would have discouraged industrial action (Henning, 1995).

A revival in New Zealand's economic performance in the mid-1990s led many conservative commentators to praise its neo-liberal labor market reforms and advocate it as a model for Australia and the world (see Kelsey, 1995). This approach not only ignored the highly problematic relationship between industrial relations institutions and economic performance but also overstated the strengths of economic trends in New Zealand. As Appendix 1 shows, unemployment improved more rapidly in New Zealand after the recession of the early 1990s, and its external position, measured by current account as a proportion of gross domestic product (GDP), was significantly better. However, gross national product (GNP) did not grow significantly more than in Australia, while inflation was only marginally (and not consistently) lower. Australian labor productivity was mostly higher than New Zealand's in 1990s.

Explaining the Australian and New Zealand Experiences

The trend toward neo-liberal policy regimes has been strong in Australia and New Zealand since the mid-1980s. It was driven by serious economic imperatives and encouraged by ideological forces common to many developed economies. It was manifest in substantial declines in the membership and organizational capacity of unions, the decentralization of collective bargaining, the growth of individual employment contracts as a substitute for collective bargaining (and often for any genuine bargaining at all), the withdrawal of the state from its historical role in the determination of wages and working conditions, and an increased reliance on market forces to determine wages and working conditions. This is a story familiar across developed economies in this period, especially in those of Anglo-Saxon origin (Bamber and Lansbury, 1993). Amid similarity, however, difference persists. These differences are notable, first, in the path traveled toward neo-liberalism, second, in the speed of the journey, and finally, in the particular destination arrived at. It is these differences, and the reasons for them, that provide the more valuable lessons in comparative analysis.

There is some argument that the differences between the Australian and New Zealand experiences can be explained by their different economic situations. As noted earlier, New Zealand's economic performance in the late 1970s and early 1980s was weaker than Australia's. The rest of the 1980s did not improve New Zealand's relative position. Indeed, economic outcomes in Australia were consistently better than in New Zealand. These may have provided greater economic incentive for New Zealand to embark on radical solutions to their greater problems.

However, these economic differences can be easily exaggerated. The Australian economy in the early 1980s was in deep trouble. It was experiencing the worst recession since the 1930s and its unemployment rate was significantly higher than New Zealand's. Furthermore, the Australian economy suffered from very similar structural problems to those of New Zealand, namely, an export sector excessively reliant on primary products at a time of declining international commodity prices and an inefficient manufacturing sector too long protected from international competition. In 1986, these led to the treasurer declaring that Australia was in danger of becoming a "banana republic." No, the economic differences were more differences of degree than of kind.

This paper prefers to emphasize the distinctive institutional configuration of each country and the unpredictability of historical contingency as the main factors explaining the differences between Australia and New Zealand. Political and industrial relations institutions mediated the broadly similar economic and ideological forces at work, and these institutional differences produced the particular pattern of events peculiar to each country.

The path taken in New Zealand in the 1980s was that of a Labour government riding to power on a wave of discontent with the previous strongly interventionist government of the right. That the journey to neo-liberalism was undertaken by a party ostensibly of the left grew out of the institutional structure of a two-party electoral system. In such a system, opponents of the prevailing orthodoxy can only hope to win power by taking over the established rival. The advocates of neo-liberalism had nowhere else to go but to Labour if they were to succeed. The New Zealand journey to neo-liberalism became more orthodox once the National government was elected in 1990. Although it followed the logic of the two-party system by pledging its opposition to what Labour had done, it asserted its own ideological roots and proceeded swiftly down the same path.

The Australian journey to neo-liberalism was much more hesitant. At a time when international economic orthodoxy proclaimed the virtues of

neo-liberalism, a Labor government, tied closely to the unions and led by a union man, could not entirely resist the trend. This was particularly so when the advice it received from its officials was decisively, if not overwhelmingly, compatible with prevailing orthodoxy. The path taken in Australia was therefore less consistent as Labor balanced historical tradition and contemporary loyalty against what seemed to be the weight of economic evidence. As a result, the Australian journey was slower than that in New Zealand, even after the election of a conservative government.

Constitutional arrangements and political structures also help explain the different pace of each journey. In New Zealand, the absence of constitutional restraint enabled governments to pursue rapid and radical change. Tight party discipline in parliament ensured that the dominant view among key cabinet ministers translated easily and completely into government policy. This configuration enabled Labour to introduce radical policy change at a breathtaking pace—it was a policy “blitzkrieg” that carried all before it. Similarly, National, elected in mid-October 1990, introduced the Employment Contracts Bill into parliament in December and brought it into effect in May. In contrast, both Labor and Coalition governments in Australia were forced to make compromises because they shared power with state governments, and new federal legislation had to pass an upper house of review, in which the government did not necessarily have a majority. Change was consequently incremental, making Australian corporatism weaker, but also slowing the march to neo-liberalism.

The relationships between the respective national union movements and their Labo(u)r parties also were important. New Zealand unions had not been close to Labour for decades, and this meant that the unions had no guarantee of significant policy influence over the Labour government. Only in the core of the union domain—the industrial relations system itself—did Labour concede anything of importance to the unions. Elsewhere, it implemented a radical policy agenda over and above union opposition with considerable autonomy. A much closer historical and contemporary relationship in Australia resulted in the Hawke government—and to a lesser extent, the later government led by Keating—basing its political and economic strategy on cooperation with the union movement. This bound the government to consultation in policy formation, which affected policy outcomes in a major way early in the period of Labour government but less strongly in later years.

As this already suggests, the structure of union and employer organization and their respective political and industrial relations strategies were similarly important. Australian unions were more centrally organized than their New Zealand counterparts, more strategic in their outlook, and

more supportive of incomes policies. This both encouraged and was reinforced by their relationship with the Labor party. As a more united and effective force, the ACTU was a viable corporatist partner, which encouraged the Labor party to pursue the Accord. As the Accord developed, the authority of the ACTU grew further. In New Zealand, the FOL was weaker, and its affiliates generally advocated decentralized bargaining rather than centralized incomes policies. As decentralized bargaining became more firmly entrenched, the FOL lost influence further. Its successor, the NZCTU, switched to advocacy of central incomes policies too late.

In both countries, organizations representing big business, the Business Roundtable in New Zealand and the Business Council in Australia, were highly influential advocates of neo-liberal policies. However, notwithstanding early divisions, employers in New Zealand united more quickly and more completely behind the ideas of the Business Roundtable, greatly increasing their influence on government and industrial relations practices. Employer unity there reflected (and contributed to) the greater policy cohesion of the government's policy program than in Australia. They achieved great policy success under Labour, and under National they gained the one policy objective that had previously eluded them—labor market deregulation. Australian employers were divided during the 1980s, partly continuing historical precedence and partly reflecting different experiences with the Accord. These organizational and policy divisions allowed unions a greater opportunity to influence the Labor government, although they hardly guaranteed union success. Australian employers only discovered common ground in the early 1990s, broadly behind the Business Council agenda, and their effectiveness increased correspondingly, both in influencing government policy and in achieving industrial outcomes.

The final institutional piece in the explanatory puzzle was the role of the respective arbitration systems. In Australia, compulsory arbitration was important in both creating the conditions necessary for corporatism and in implementing the outcomes of the Accord during the periods of centralized incomes policy (1983–1986) and more decentralized bargaining regimes (1986–1991). Even the eventual groundswell toward enterprise bargaining under later Labor governments (1991–1996) and the Coalition government (after 1996) did not completely destroy the role of compulsory arbitration in maintaining a safety net for low-paid workers. In contrast, the New Zealand system of compulsory arbitration was almost irrelevant to the bargaining system in the 1980s and 1990s. In the absence of a return to centralized wage determination, its role was

diminished during the 1970s, and compulsion was then abolished in 1984. The Employment Contracts Act ended the century of arbitration in New Zealand.

If the path taken and the speed traveled differed, so too did the eventual destination. Although the striking contrast between the two systems during the early 1990s has been moderated, differences continue. The most important difference is in bargaining structure. Collective bargaining (defined broadly as awards plus enterprise agreements) covers a much higher proportion of the work force in Australia than in New Zealand, where individual employment contracts have established a significant presence among previously collectivized workers. Where there is collective bargaining in New Zealand, it is dominated by enterprise bargaining, whereas multiemployer/award bargaining remains a major factor in Australia. The arbitral tribunal, the Industrial Relations Commission, retains a key role in adjusting wages for low-paid workers on an industry basis. This has not been done in New Zealand for two decades. Any capacity to do this lies with the government, which may adjust the minimum wage. Although union membership and organizational capacity have declined markedly in both countries, the collective character of the industrial relations system has been much more fully preserved in Australia than in New Zealand.

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APPENDIX 1

Year	GDP Growth, %		Unemployment, %		Inflation, %		Current Balance, as % GDP		Number of Industrial Disputes		Total Working Days Lost (000s)		Labor Productivity Growth, %	
	Aust	NZ	Aust	NZ	Aust	NZ	Aust	NZ	Aust	NZ	Aust	NZ	Aust	NZ
1973	na ^a	4.4	2.3	0.2	9.5	5.7	0.6	2.0	2538	394	2633	272	na	4.5
1974	na	7.2	2.7	0.1	15.1	10.8	-3.4	-0.9	2809	380	6233	184	na	3.8
1975	na	4.0	4.9	0.3	15.1	13.2	-1.1	-14.0	2432	428	3510	215	na	-0.5
1976	na	1.7	4.7	0.4	13.5	17.2	-2.0	-9.0	2055	487	3399	488	na	-0.2
1977	na	0.1	5.6	0.6	12.3	13.6	-3.1	-5.8	2090	562	1655	430	na	-1.2
1978	na	-2.7	6.3	1.7	7.9	14.3	-4.0	-4.6	2277	411	2131	381	na	-2.3
1979	3.9	0.2	6.2	1.9	9.1	10.5	-2.1	-2.8	2042	516	3964	379	2.7	-0.2
1980	2.5	2.5	6.0	2.7	10.1	18.2	-2.9	-4.2	2429	352	3320	360	-0.4	0.4
1981	3.3	1.1	5.7	3.5	9.7	15.4	-5.0	-3.6	2915	289	4192	245	1.2	0.1
1982	-0.2	4.9	7.1	3.7	11.1	15.8	-5.1	-5.8	2060	326	2158	314	-0.2	4.9
1983	0.3	0.7	9.9	5.4	10.1	12.7	-3.7	-6.1	1787	333	1689	372	2.1	3.4
1984	7.4	8.6	8.9	4.6	4.0	13.3	-4.9	-5.5	1965	364	1254	425	4.3	5.7
1985	4.8	1.2	8.8	3.6	11.0	13.1	-5.6	-8.5	1895	384	1304	759	1.7	-2
1986	2.3	0.6	8.0	4.0	9.0	8.2	-5.6	-8.8	1754	215	1381	1329	-1.7	0.7
1987	4.4	-2.2	8.0	4.1	8.6	9.0	-4.1	-5.1	1517	193	1210	366	2.1	-2.8
1988	3.5	3.0	7.1	5.6	7.2	4.0	-4.2	-3.8	1508	172	1714	382	0	6.5
1989	4.4	-0.7	0.1	7.1	7.6	7.0	-6.3	-0.8	1388	171	1202	193	0	2.4
1990	1.7	0.5	6.9	7.8	7.3	4.5	-5.1	-3.9	1193	137	1377	331	0	-0.5
1991	-1.6	-3.7	9.5	10.3	3.2	4.5	na	-2.7	1058	71	1611	99	0.6	-2.3
1992	2.9	0.3	10.7	10.3	1.0	0.8	na	-2.8	728	54	942	114	3.6	-0.1
1993	4.0	5.5	10.9	9.5	1.8	0.9	-3.6	-1.8	610	58	636	24	3.6	3.5
1994	4.9	4.1	9.7	8.2	1.8	1.3	-5.1	-1.6	560	69	502	38	1.7	-0.1
1995	3.2	2.2	8.6	6.3	4.4	4.0	-5.3	-3.0	642	69	547	53	-0.9	-2.3
1996	na	na	na	na	na	na	na	na	518	74	908	73	na	na

SOURCES: OECD, *Economic Surveys*, various; Perkins, 1987; Dalziel and Lattimore, 1996.

^ana = not available