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WORKPLACE DEMOCRACY AND TRAINING REFORM: SOME EMERGING INSIGHTS FROM AUSTRALIA AND NEW ZEALAND

Introduction and purpose

This paper builds on a series of published articles and chapters that date back to the ESREA seminar on *Adult education and the labour market* held in Slovenia in 1993 (Law, 1994, 1995, 1996, 1997, 1998a, 1998b). The overarching purpose of that work has been to track and analyse, from a labour studies perspective, trade union strategies to education and training reform in Australia and New Zealand since the mid-1980s.

There has been considerable interest in the New Zealand neo-liberal experiment (Kelsey, 1993; Jesson, 1989). In education, economic and social restructuring resulted in radical changes to both schooling and 'post-compulsory' education. This ideologically driven push for a consumer oriented, market approach to lifelong learning has challenged fundamentally the democratic assumptions that have characterised the welfare state educational settlement that most working people and their unions took for granted (Olssen and Morris Mathews, 1997). Much the same has happened in Australia. Over the past two years, Simon Marginson's (1997) scholarly analysis of patterns in that country have provided invaluable new insights into 'markets and education' that have helped us better understand developments in New Zealand.

One neglected but intrinsically fascinating line of inquiry is the influence of the Australian union movement's ideological and strategic thinking on New Zealand unions' approach to education and training reform and the related areas of industrial democracy and award (wage agreement) restructuring. Previous papers presented to ESREA seminars (Law, 1994, 1995) and others cited above offer some

analysis of the influence on New Zealand thinking of union contributions to the labour process and skills formation debates in Australia. But while obvious links could be made between documents published and strategies adopted in Australia and imitated in New Zealand, the analysis suffered for want of field based investigations that got underneath the documents.

The purpose of this article is to make more visible the Australian influence on New Zealand unions' strategic thinking. Specifically, it examines the links between the industrial democracy debates of the late 1980s and early 1990s and the two union movement's educational and training reform strategies. In particular, it focuses on the Australian Amalgamated Metal Workers' Union (AMWU) and its influence on New Zealand, especially through its relationship with the Engineer's Union (NZEU).

Our main data sources have been relevant primary documents, academic literature, and an extensive series of transcribed interviews with prominent unionists and selected educationists in Australia and New Zealand. Australian lines of inquiry and interviews were generated by asking key New Zealand unionists to identify influential documents, organisations, and people. Most of the interviews were conducted in late 1998 by Gemma Piercy as part of her Masters thesis research. One interview, that with Laurie Carmichael, was conducted by Michael Law in October 1998. Earlier work by Law and insights from unrecorded discussions between him and key unionists in both countries from 1985 through to 1998, in particular Carmichael and Max Ogden (AMWU and ACTU), have also been incorporated into the analysis.

The remainder of this article is organised into four major sections. The first draws on a mix of adult education and labour studies' perspectives in order to sketch the New Zealand background. The second discusses the ideological and strategic thinking that underpinned Australian unions' approach to industrial democracy and education and training reform. The third section examines more directly the Australian influence on New Zealand. The fourth section looks at the impact of more full-blown neo-liberal policies in New Zealand from late-1990. The article ends with a brief conclusion.

New Zealand background

Unions and the welfare state compromise

In New Zealand, as in Australia, tripartism was a cornerstone of the welfare state compromise. Governments worked with employers and unions, as *social partners*, in formulating and implementing economic and social policies designed to achieve the central goals of welfare capitalism: economic growth, full employment, a steady rise in the standard of living, and the moderate reformation of work in order to humanise, within limits, production. In education, these goals implied policies that:

- integrated working people as citizens in the modern state;
- satisfied their educational expectations for themselves and their children; and
- accommodated employers' desire to have the state bear the cost of training and retraining the workforce.

Unions in New Zealand were generally comfortable with these arrangements. In education and training, they were represented on the appropriate industry craft, trade, and professional bodies that oversaw training and on national policy bodies, such as the Vocational Training Council. The provision of formal vocational education was delivered by publicly owned and funded bodies, principally polytechnics, with unions represented, in small numbers, on their governing bodies. In addition, from 1974 unions had modest access to state funding for trade union education through a Trade Union Training Board and, from 1986 to 1992, a more expanded Trade Union Education Authority (Law, 1996, 1997).

In return for their recognition as social partners, unions had to accept a measure of control over their constitutions and over the nature and scope of their activities. In brief, they operated within the framework of a regulated industrial relations system that looked to conciliation and compulsory arbitration as the means of reconciling conflict. Workers themselves were seldom active participants in all of this. By and large they occupied prescribed, fixed roles in their workplace and in their union. Industrial rights mirrored social rights: unions 'looked after' workers in their employment and the state 'looked after' them in society more generally. All of this 'worked' not only because of the undeniable achievements of reformism but also because unions had learned, sometimes quite painfully, that the state, even when Labour held office, was prepared, if necessary, to curb forcefully union militancy.

As discussed in a paper to a previous ESREA seminar (Law, 1996), in the 1970s, the deepening crisis of welfare capitalism eroded the foundations of the welfare

state compromise in most industrial countries. Often those tensions were compounded by workers' militant attempts to break out of the 'Tayloristic' model of workplace organisation. In New Zealand, with its much smaller industrial sector, such protests were generally fairly muted. However in Australia, such militancy was quite widespread, especially in the metal industries (Carmichael interview).

Unions and industrial democracy

Historically, there has not been a strong tradition in New Zealand of workplace democracy in the European sense. In the main, the principle of 'managerial prerogative' went largely unchallenged, especially at the macro level. In part this can be attributed to the constraints placed on the scope of bargaining within the industrial conciliation and compulsory arbitration framework. Ogden (1990) makes similar points with respect to Australia. At the more micro level workers sometimes exercised a more assertive influence over the organisation of work. This was usually in industries where there was a strong union presence and active workplace representatives (shop stewards or job delegates). From time to time, employers showed an interest in 'employee involvement.' This was prompted by a mix of overseas influences and a desire, not always explicitly expressed, to contain union militancy by fostering greater employee-enterprise identification. In 1977 the New Zealand Employers' Federation published an introductory booklet which led to the publication of a more substantive volume of case studies (Meldrum, 1980). In his report Meldrum stressed the importance of involving union officials and delegates in the consultative process. He found that most of the companies operating employee involvement schemes had "excellent relationships with unions, achieved and maintained by regular consultation" (p. 16). Later in the 1980s, a more formal employee involvement at the Nissan motor assembly plant attracted considerable attention and, from some sections of the union movement, considerable criticism.

In a sense, the 'Nissan Way' debate put employee involvement on the union agenda. By European standards, the experiment at Nissan was quite modest. However, it differed from earlier schemes in that it was actively endorsed by key unions, particularly the NZEU, and formalised in a negotiated agreement. The Nissan experiment comprised three levels of involvement: the individual, work groups or teams, and a consultative committee. The consultative committee met quarterly. It comprised senior management and union officials as well as local company and union representatives (Owen, 1989; Williams, Owen, and Emerson, 1991). Without dwelling in depth on the details, it is important to note here that one of the attractions of the 'Nissan Way' for the Engineers Union was its training-career path dimension. Another was the breaking down of traditional,

Taylorist hierarchies. The NZEU saw the Nissan experiment as providing opportunities for workers who had not had trade training to move beyond 'non-trades' positions. These opportunities were seen to be especially enriching for women and Maori and Pacific Island workers, who traditionally had not had access to metal industries' trade training.

Australian unions, industrial democracy, and education and training reform

The AMWU and the political economy debate

In the 1970s, the AMWU was a "vital actor" in a radical political economy movement (Beilharz, 1994, p. 112) that resulted in the 1983 'Prices and Incomes Accord' between the Australian Council of Trade Unions and the Australian Labour Party (ALP). With the publication of its *The people's budget* in 1976, the AMWU, in Beilharz's words:

began to produce something which the Australian labour movement had arguably never had before--a think-tank and a source of modernising intellectuals who also could advocate a new historic compromise between labour and manufacturing (p. 115).

Three important AMWU publications had preceded the 'Accord': *Australia uprooted* (1977), *Australia ripped-off* (1979) and *Australia on the rocks* (1982).

At the centre of the AMWU think tank was veteran senior official and eventually national secretary, Laurie Carmichael, a longstanding member of the Australian Communist Party. Beilharz (1994, p. 201) suggests that "the development of Laurie Carmichael's own policies from communism to modernising labourism" was a "striking indicator" of a process of transformation that saw "the fixed sense of the labourist-communist utopia where individuals would have fixed identities - a metalworker, say, for life in the Keynesian scenario - became replaced by the multi-skilled image of the 1990s." Over the course of the 1980s, Carmichael became first a leading official in the Australian Council of Trade Unions (ACTU) and, later, a full-time, Ministerial appointee to various key positions in the education and training reform process.

Carmichael carried into his various leadership positions a vision of the worker as a lifelong learner. Carmichael believes that education, in the richest sense, is deeply ingrained within the tradition of metalwork unions. His "hero" is the turn-

of-the-century British socialist, Tom Mann, whom he sees as a worker who grew and developed throughout life: a kid who started off pulling a sledge of coal in a mine, who then went on and completed an apprenticeship, and who, around age 27, “just flowered and changed.”(interview). For Carmichael, people like Mann represent the potential of all worker-learners. Thus his critique of education is grounded in a belief that traditional vocational education in combination with Taylorism fixed identities and locked workers in general and specific types of workers in particular, especially women, immigrants, and the unskilled, into intellectual as well as employment cul-de-sacs.

In his interview with Law, Carmichael dates his interest in education and training reform from his involvement in campaigns against Taylorism in Ford factories in Australia and from his involvement in international union conferences in the 1970s on workers’ response.

... all those ideas about what power in the workplace meant ... were not new to me. I mean I'd been evolving with it for twenty years when the Accord came along. So the question that arose in my mind during the mid-seventies was: Well what's this dichotomy between vocational education and general education? What was its purpose? The more I looked at it and studied it -historically, you came to the conclusion that one was related to power and the other was related to subject. And so the overcoming of this dichotomy seemed to me to be a crucial historical phenomenon (It) became related to the industry policy. What sort of industry did we want? Did we want low value added stuff or did we want high value, high tech, high pay...that was associated with high levels of training and education? So these three things were quite fundamental to me in relation to the Accord.

Carmichael makes no apologies for the Accord, which many on the left now criticise as an unsuccessful corporatist experiment (for a fuller discussion see Beilharz, 1994). He believes it offered the union movement three, interrelated opportunities:

- an industry development policy;
- a social wage strategy alongside of an industrial wage strategy; and
- a chance to “broaden the whole perspective of vocational education so that the convergence of general vocational education could emerge and draw the whole of the working class in for learning” (interview) .

Australia Reconstructed was a cornerstone document for unions on both sides of the Tasman. Described as “the ACTU’s blueprint for modernising the Australian

economy” (Brown, 1997, p. 76), it reported on a union mission, organised through the Australian Trade and Development Council (TDC), to several European countries. The report “advocated policies on investment, industry, and education and training modelled on the north European economies’ ‘consensual approach’” (Brown, 1997, p. 76). Beilharz (1994) dwells on the report’s left credentials. He notes that while it drew primarily on Swedish ideas, it also reflected the influence of an ex-communist thinker, Winton Higgins. The mission deliberately comprised representatives from both the right and the left of the union movement because Carmichael (interview) believed that “the fight” to win support for a new strategy “was inside the labour movement.”

The TDC mission had been approved by John Dawkins, the then Minister of Trade. Later in 1987, following its re-election, the Australian Labour Government released *Skills for Australia*, popularly known as the *Dawkins’ report*. Several writers (eg Beilharz, 1994; Welch, 1996) note how the *Dawkins’ report* reiterated arguments presented in *Australia reconstructed* with respect to international competitiveness, dependence on skills and innovation, the importance of quality, and the need for a highly trained, flexible workforce. Dawkins’ appointment as Minister gave Carmichael the opportunity “to have an impact inside the education arena.”(interview) He acquired a pivotal role in the reform process, initially as ACTU Assistant Secretary and, later, as a full time political appointee chairing key bodies.

Fleshing out the details

According to Chris Lloyd (interview) around 1987/88 Carmichael began to pull together “the idea of benchmarking wage levels to skill, broadbanding existing grades into those wage skill areas and arguing that that should lead to an increase in the training time or the training investment.” Carmichael recalls that he saw that “the classification structure of awards” that was developing as part of the award restructuring process provided unions with a basis to tackle the broader agenda of training reform and to encourage the convergence of general and vocational education. He took this idea into various government committee and reports, including the ‘Carmichael Report’ (Employment and Skills Formation Council, 1992) and from there into the implementation of that report’s recommendations. A central goal of the ‘Carmichael Report’ was the establishment of a training system and certification that ensured every youth under the age of 19 would achieve qualifications that gave them a passport to any post-compulsory training they wished to pursue (Goozee, 1993).

With respect to industrial democracy more specifically, the signing of the Accord and the subsequent election of the Labour Government quickly moved Australian unions beyond a 1970s, internal, 'right' versus 'left' debate about the merits of 'employee participation' and 'worker control' (Campbell, 1988). Under the Accord, the union movement entered into something of a partnership relationship with the government and was afforded more direct representation on existing and new macro-economic policy bodies. Within the Accord framework, the Federal Labour Government set in train a series of developments that gave the push for industrial democracy considerable momentum:

- In 1983 it established an Employee Participation Committee under the National Labour Consultation Council (NLCC).
- In August 1984, it and the NLCC convened a national seminar on Industrial Democracy and Employee Participation.
- In 1986 it released a Policy Discussion Paper on Industrial Democracy and Employee Participation.

The Australian union movement, especially the AMWU, moved quickly to integrate the industrial democracy, award restructuring, and education and training agendas. In April 1988, the ACTU and the Confederation of Australian Industry (CAI) issued a joint statement of participative principles. Particularly significant in 1988 was the adoption of a 'Structural Efficiency Principle' (SEP) which was established by that year's national wage case. Through the SEP the state effectively recognised that the industrial democracy, award restructuring, and skills development agendas were all interrelated. Between 1985 and 1988, the AMWU had negotiated a number of industrial democracy agreements with employers. In 1988 it drew on that experience and published an 'Industrial Democracy Kit' which quickly crossed the Tasman. In *Restructuring your workplace*, a booklet in the kit, the AMWU emphasised the central importance of training rights in a model industrial agreement. In the union's model, education and training was placed at the centre of skills development, new technology, work organization, industrial relations, and meeting the market's needs for quality, fast delivery, reliability, variety, and cost (1988, p. 13).

By the early 1990s, the meshing of industrial democracy, workplace change, and education and training reform was widely accepted by most unions and many employers, especially large employers, in Australia. Thus by 1991 there was considerable interest in what came to be known as the 'workplace reform' movement. The first major conference, *Workplace Australia*, was convened in February 1991 after a well developed series of pre-conference meetings. By this stage, the central line of argument was well polished: to survive in the new

competitive environment industry had to move beyond the Taylorist model of workplace organization; this required the upskilling of an intelligent workforce; this in turn required a wage and salary system that provided career paths by linking more directly skills and wages.

The influence of Australian unions on New Zealand unions

The metal unions' relationship with each other

The AMWU and the NZEU share a common heritage. Both grew out of colonial branches of the British Amalgamated Society of Engineers that were established throughout Australia and New Zealand in the latter half of the nineteenth century. But the two unions came to occupy quite different places within the labour movement. By the 1970s, the AMWU was well established as one of Australia's 'left' unions with several members of the Australian Communist Party prominent in its leadership (Beilharz, 1994). In New Zealand, the NZEU was viewed as being quite right-wing: a strong advocate of the arbitration system and a powerful and conservative affiliate of the Labour Party. However, the unions maintained cordial relationships. A change of NZEU National Secretary in 1983 provided the basis for a closer relationship. Rex Jones' election coincided with a general political realignment among unions affiliated to the New Zealand Labour Party (NZLP). Mike Smith (interview), the NZLP's Trade Union Liaison Officer between 1984 and 1987 and who has worked for the NZEU as an education and research officer since the end of 1987, recalls how the composition of the Party's affiliates' council shifted from the 'Catholic right' to 'the moderate left' in the 1980s. In 1986 Carmichael addressed a meeting of the council at which closer trans-Tasman union co-operation was advocated because of the Closer Economic Relations (CER) free trade agreement.

The impact of the Australian political economy debate

Up until the publication of *Australia reconstructed*, the AMWU-inspired political economy debate had limited influence in New Zealand. Chris Eichbaum (interview), who was employed by the Engineer's Union as an education officer and then as assistant national secretary from 1980 until 1989, recalls that there was some awareness of the work of the AMWU 'think tank' member, Ted Wilshire (also see Beilharz, 1994). But he also observes that in the early 1980s, much of the debate within the New Zealand union movement was on "the big ticket items": wage fixing structures, the removal of the wage-prize freeze, and the case for a negotiated economy. Eichbaum recalls that prior to Labour's election in 1984, some people "were trying to promote within the broader New Zealand

labour movement some positive consideration of an incomes-prices agreement not dissimilar to the ALP-ACTU Accord” but in the end these initiatives faltered. A core problem, which was anticipated by then union economists, Rob Campbell and Alf Kirk (1983), in their discussion of the Accord in *After the freeze*, was the general lack of acceptance in New Zealand that wages policy had to be seen as “part of economic policy, including social policy” (p. 41).

With respect to education and training, Eichbaum suggests that in the early 1980s “the link hadn’t been made between issues of macro economic policy, central policy at Ministry level, and what was happening in terms of particular enterprises and skills training (and) productivity.” The NZEU, he observes, had long participated actively in the structures that governed craft training, but this had not been seen within the union as part of “the cutting edge.” Paul Tolich (interview), a union official who worked for some time with TUEA on workplace reform and who is now with the NZEU, suggests that technological change and deregulation gave some impetus to thinking about education and training. Further, he makes specific links between the development of this line of thinking and New Zealand unions positive response to the Australian workplace reform initiatives.

Labour market reform and job losses as the impetus for change

In 1986, the Labour Government Green and White papers on industrial legislation signalled the approach of a new era. The 1987 Labour Relations Act introduced labour market policies that began to challenge very directly the sustainability and viability of national awards. The NZEU recognised quite early the “merits of strategic unionism in terms of its macro level importance” and that this represented a “continuation of the kinds of argument that had been run pre-1984” about the possibility of a “New Zealand type accord.” (Eichbaum, interview). But it was not until unions had to address the sustainability of national awards that “the enterprise level issues, including vocational education and training, became squarely on the agenda.” As industrial relations reform debate took shape, Eichbaum recalls “increasingly we came to the view that if we were going to be able to retain award structures, then those awards had to be far more responsive to the needs of employers and our members than they were.”

Another significant factor that prompted the NZEU to think outside the square was job loss in the manufacturing sector. By the mid-1980s, this was generating very serious membership concerns which were picked up when Eichbaum undertook the first of a series of membership surveys which helped focus the NZEU on skills development. The survey revealed that “the top concern of our members was job security.” (Smith, interview). Peter Chrisp (interview), another NZEU

educator at the time, echoes this point: (the survey was) “one of those watershed points for the union, at least when the agenda got switched over ... the number one concern for our workers was job security and we had to look ourselves in the eye and say what we were doing about job security.”

The influence of *Australia Reconstructed*

Memories are unreliable. But it is evident that around the time key NZEU officials encountered *Australia Reconstructed*, they were actively thinking about the need to free up awards, embrace workplace re-organisation, and introduce more comprehensive training regimes (Jones, interview). For those familiar with the Australian political economy debate, *Australia Reconstructed* pulled together a number of issues with which the NZEU was already wrestling. Eichbaum (interview) notes that once the concept of strategic unionism “started to filter through here, there was actually a strong organic connection established between training, industrial democracy, award restructuring, industry policy and the whole kind of macro economic strategy.”

Eichbaum recalls that other New Zealand unions were “sceptical of what was coming out of Australia” with some “very influential forces ... opposed to anything that smacked of corporatism.” However in 1988, the NZEU sponsored its own mission to Australia. It included representatives from other significant unions, such as the distribution union and the service workers. Significantly, former AMWU think tank member, Ted Wilshire, then with the TDC, organised the itinerary. Eichbaum notes that the New Zealand mission was “an attempt on the part of the engineers’ union essentially to try and encourage a much wider sense of ownership with that agenda both within the ranks of employers (and) within the ranks of other unions.”

The NZEU mission appears to have led to a succession of individual unions sending mini-study tours to Australia. And while the general pattern seems to be one of like-to-like union links, the AMWU was on most trans-Tasman visitors’ calling list. A number of interviewees recall participating in Australian Trade Union Training Authority (TUTA) seminars on award restructuring, training reform, and workplace reform and spending numerous seminars and workshops with people like Lloyd and Ogden. Lloyd himself recollects a succession of delegations from New Zealand visiting the AMWU from around 1988. According to Stephanie Doyle (interview), at the time an education official with TUEA, the trans-Tasman traffic increased after the National Government was elected at the end of 1990.

In summary, while people like Eichbaum saw *Australia Reconstructed* as the end of a project or phase of a project, for others in the New Zealand union movement it was a point of entry into the increasingly fashionable world of award restructuring, training, and, in the early 1990s, workplace reform. Chrisp claims that he “photocopied 178 copies ... and bound them in cardboard and sent round the place with ‘must read’ written on it. I actually went to Lake Waikaremoana and read it with a highlighter.” Chrisp says that from his viewpoint the earlier AMWU documents were “hardly influential at all compared to *Australia Reconstructed*.” A little later he adds:

once ... that document came out, all of a sudden ... (there were) real ways in which you could start selling the ideas. And the ideas were sort of sucked in New Zealand because they filled such an important vacuum, because we were desperately finding a new agenda with the employers to talk on...

Perhaps Paul Tolich (interview) sums it up best with his observation that for New Zealanders: “*Australia Reconstructed* ... is probably the seminal work ... (which) got us all involved in it.”

The industrial democracy debate in New Zealand

The interviews undertaken as part of our overarching research project have helped us understand better how the industrial democracy debate in New Zealand was linked to the union movement’s education and training reform strategy. The NZEU’s 1988 mission to Australia has already been discussed. In August of that year, TUEA convened a national seminar on industrial democracy. Papers from this seminar indicate how developments in Australia were already influencing New Zealand. In a keynote address, the Minister of Labour, Stan Rodger, a former Public Service Association president, announced his intention to set up an inquiry into industrial democracy. Seminar speakers also included a Swedish union official, Hans Norgren, British left and Greater London Council activist, Hilary Wainwright, and AMWU National Secretary, George Campbell.

Campbell’s (1988) paper sets out in some detail both the recent history of developments in Australia and the AMWU’s strategic approach. Specifically, he advocated the need for unions to work with governments and employers in order to maximise production, in an internationally competitive environment and to increase wealth distribution. With respect to production he underscored the AMWU argument that skills, job design, supervision, planning, technology, and worker morale were all inextricably linked and that unions had to intervene actively in these areas for the good of the enterprise and the economy as well as for the benefit of members. Campbell presents the AMWU’s vision of restruc-

tured companies which comprised “strategic top management, very few or no middle management, and very highly skilled work groups making all day to day decisions” (p. 47). Making a direct link between skills development and industrial democracy he observes:

At present we are trying to increase workers' skill so as to create the environment where they will start to penetrate existing horizontal divisions so that management structures will be broken down, and the workers themselves start to exercise greater control over the work environment. What we have is a challenge to destroy the Taylorist concept of work organisation, to destroy the concept of driving productivity by alienation, and an attempt to develop a process of work organisation which is dependent upon collectivism, joint activity by organised work groups (p. 47)

A little later in his paper, Campbell discusses the restructuring industrial awards (wage agreements) with 9 levels that corresponded to early thinking in Australia about the structure of a new national training framework. The area in which, by that time, Carmichael was actively engaged.

Peter Chrisp's (1988) speech notes to the same seminar reveal the extent to which the NZEU was already moving down the path charted by its Australian counterpart. The union had committed itself to an award restructuring agenda that was clearly influenced by the AMWU. Its principal claims for that year (1988) included a push for training that would provide “skill upgrading for workers to improve their inherent power in the workplace” (p. 16).

While there is also evidence elsewhere in the TUEA seminar report of other unionists' scepticism about industrial democracy, it was clear that with a ministerial inquiry imminent, the idea had some momentum. In an address a year later to an industrial relations seminar on the topic, attended by academics, employers and unionists, the New Zealand Council of Trade Unions (NZCTU) president, Ken Douglas (1989), presented a New Zealand packaged version of the Australian line of argument:

- a critique of Taylorism as an outmoded approach to work organisation that left New Zealand unable to compete on world markets;
- an advocacy of work groups;
- the related need for a highly skilled, adaptable workforce; and
- changes in workplace organisation that enabled workers to have control over production, better paid jobs, and skill training that provided access to career paths.

It is not possible given word limits, nor really necessary, to detail how, from 1988 through to the mid-1990s, the New Zealand union movement, with some notable exceptions, followed the Australian lead. At the national level, both the NZCTU and the NZEU adopted policies on education and training reform that pivoted around the notions of upskilling and career paths. This enthusiasm for the 'Australian way' culminated with an imitative workplace reform conference in 1992. However by then, as discussed further below, the political and industrial environment had been changed dramatically by the defeat of the New Zealand Labour Government in late-1990.

The equity dimension

Another aspect of the Australian influence that needs to be recorded was its equity dimension. Through the 1980s and the 1990s, New Zealand has had to rethink very radically issues of social equity, including the economic and social marginalisation of indigenous Maori, Pacific Island immigrants, and women. The NZEU found helpful thinking within the AMWU about similar issues, in particular the needs of migrants, women, and unskilled (non-trades) workers. Both Eichbaum and Chrisp refer to Carmichael's influence. Eichbaum said that Carmichael was "absolutely driven" by equity issues and that

a number of us here increasingly over time also saw that process workers tended to be low paid, tend to be more women, more Maori, Pacific Island process workers and without exception they were systematically excluded from the benefits that accrued from the credential training that tradesmen in main had been able to access. So there was a view increasingly that the trade or an apprenticeship was the province of the young white male.

In his interview, Chrisp echoes Eichbaum's sentiment:

...once again it comes back to Laurie Carmichael. It was Laurie Carmichael that was really sort of pointing out some of the radical inequalities in those (traditional educational) structures

Unions and education and training reform

While New Zealand unions were represented at various level during the reform process, especially in the last years of the Labour Government, they had no equivalent to Carmichael at the centre of policy making. Eichbaum cannot recall any significant NZEU input into the formative documents of the late 1980s. He observes:

One of the problem that we faced around that time was the enormity of the changes, the programme of market liberalisation, deregulation was such that you were doing very well just to keep up to pace with what was happening within your own area probably that meant that significant policy initiatives ... tended to be at the margins of our frame of reference.

Smith recalls being told by a senior official in the Department of Education that there would be “strong resistance ... to any external influence on policy development.” Chrisp’s recollection is that the union did not enter the debate until the early 1990s: “... we were hardly even on the paddock.”

However once the embryonic New Zealand Qualification Authority (NZQA) began to initiate debate around education and training reform, it found a receptive audience in the NZEU. Chrisp recalls:

I remember reading the first consultation document that was put out by NZQA at the same time as I was reading the work that was coming out from Australia and was stunned by the similarity of the ideas.

He adds that when the NZEU joined the debate “a lot of the NZQA agenda was already there, that made good sense to us and we sort of climbed in.” By the early 1990s, the NZCTU and the NZEU were strong supporters of the education and training reforms with Chrisp, Eichbaum, and Smith all playing significant roles on various governmental and industry bodies. Chrisp also was influential in marketing the training strategy in the early 1990s.

The triumph of neo-liberalism

The Committee of Inquiry report

The Committee of Inquiry (1989) reported quite promptly. But the strength of its possible impact was weakened by a dissenting statement from an employer representative. In itself, the report was a sensible, pragmatic document that recognised the quite different positions held by employers on one hand and unions on the other; the former favoured employee participation; the latter favoured more worker control. The Committee also found that deep divisions remained between employers and unions on forms of involvement favoured by employers with many unions seeing work teams and quality circles, for example, “as means of exploiting workers and weakening trade unionism” (p. 5). The NZCTU (1990) responded strategically. It welcomed the report and made a number of observa-

tions on points where the report could be expanded. But the NZCTU was also well aware that the Committee had detected an important shift in sentiment with respect to industrial relations and the role of unions. First, the committee found that many employers were opposed to union involvement in any employee participation scheme. Second, the Committee picked up on what, by the late 1980s was beginning to be something of a clamour, for a move from national to enterprise bargaining.

The Committee attempted to bolster its findings by way of reference to positive Australian developments. The report's appendices included a lengthy segment from the 1985 Australian Government report and reprinted in full the CAI-ACTU (1988) *Joint statement on participative practices*. But as the debate over the report's findings unfolded it became clear that while some employers and some unions had worked hard to learn from the Australian experience, the core ideas had not penetrated very deeply the New Zealand industrial relations mindset. By late 1989 the tide was ebbing on both the Labour Government and on the whole system of industrial relations which had fostered and sustained the New Zealand union movement over the course of a century. Employer opinion was now dominated by neo-liberal hardliners, marshalled by the New Zealand Business Roundtable (1989), who smelled a change of government.

The impact of National's election

For New Zealand unions the world soured almost overnight with the election of a National (Conservative) Government in late 1990. National moved very quickly to restructure radically the labour market. In early 1991 it enacted an Employment Contracts Act (ECA). The principal thrust of this legislation was to promote enterprise/individual bargaining as opposed to the national/collective approach fostered by the old industrial conciliation and arbitration system. As a result of the ECA's emphasis on the individual, unions have become 'third parties' which enjoy none of the statutory rights traditionally associated with welfare state type industrial relations systems.

In this new environment, the industrial democracy/award restructuring/education and training reform agenda became even more urgent. Again, the NZEU played a leading role in trying to chart new directions for the union movement. In 1991 it sent a delegation to the Workplace Australia conference and took initiatives for an imitative one in New Zealand. A *Workplace Reform* conference was held in 1992 and a *Workplace New Zealand* organisation established. It lasted about five years.

For a few short years, the workplace reform banner enabled the New Zealand union movement to continue to advance its industrial democracy and education and training reform agendas. The NZCTU produced a union guide to workplace reform that highlighted the centrality of skills development. On another linked front it also developed a series of policy documents around the theme of 'building better skills.' Similarly, the NZEU pursued its award restructuring programme and, in some industries, managed to make considerable headway.

The core problem, however, was that while National adopted Labour's qualifications and training regime, it also began to redefine that regime along lines that were much more consistent with neo-liberal ideology. National's approach had much in common with trends in Margaret Thatcher's Britain: (1) the undermining apprenticeships, (2) individuals and labour market disincentives, (3) enhancing the market and the employers, and (4) minimising government interventions (King 1993). As in Britain, this approach represented "a decisive rejection of legislative backing for training, and for any notions of social partnership and tripartite control of training design and delivery" (Keep & Rainbird, 1995: 537). Instead, "the main thrust of policy has been to pursue sweeping institutional reform in the belief that the creation of a market-based, employer-led training system can, of itself, deliver a fundamental change in the quantity and quality of training" (p. 538).

This faith in the private sector became the cornerstone of training policies in New Zealand. The 1992 Industry Training Act (ITA) adopts a permissive approach that is consistent with the ECA and with other labour market legislation. Its underlying premise is the view that training must be 'industry-led' through narrow, self-defined Industry Training Organisations (ITOs) that set skills standards, organise the delivery of training, and arrange for the monitoring of training and the assessment of trainees (New Zealand Government, 1991). The legislation effectively abandons the tripartite approach to training. Membership of ITOs is not prescribed, although there is a vague requirement for the Education and Training Support Agency (ETSA) to ensure employee involvement.

New Right logic also applies to funding. The ITA provides for some government assistance, but the system assumes that "industry as the owner of its ITO and the programmes it develops will be the major funder" (Education and Training Support Agency, 1992: 7). Initially the Government contemplated making provision for training levies but under pressure from employers it retreated to a voluntary approach whereby members of an industry "would contribute to the cost of the

training only if they saw the value in doing so" (New Zealand Government 1991: 24).

Union visions in a hostile environment

From the perspective inherited loosely from the Australians, the NZCTU (1995) has developed a well thought through, integrated education and training strategy that supports workplace reform, advocates a 'quality future' through a co-operative growth strategy, stresses the need for a quality public education system from early childhood through to tertiary, and promotes an industry training plan that emphasises the development of skills. However, National's labour market policies has reduced organised labour's capacity to influence the direction of education and training. Its removal of compulsory union membership and access to collective bargaining structures quickly undermined unions' membership base. Union density has dropped from around 60% of the labour force in the 1980s to under 20%. In addition, unions' staff are spread very thinly as they attempt to deal with enterprise bargaining and to service members employed on individual contracts. The abolition of TUEA and the removal of paid educational leave provisions for union representatives with effect from August 1992 also undermined unions' organisational capacity to participate fully in the implementation of education and training reforms.

From the outset, both the Australian and New Zealand union movements' positions on education and training reform was premised on a qualified acceptance of much of the human capital thesis. Certainly that is how the reforms were often sold to employers. But as we have attempted to show, the Carmichael vision incorporated a powerful democratic imperative that resonates with the some of richest strains in the adult education tradition. The equity dimension certainly crossed the Tasman but we have not found any evidence that New Zealand unionists articulated his full vision. In part that can be attributed to circumstances: they were constantly on the back foot, trying to sell an implicitly radical social democratic set of ideas in a very hostile environment.

Finally, there is an emerging sense in which the logic of union support for a 'demand-led' approach to education and training tugs at threads of the welfare state educational settlement. An address by NZCTU Secretary, Angela Foulkes (1993) at the end of the period we consider here highlights some of the union movement's dilemmas in a new environment. On the one hand, Foulkes remains committed to fundamental principles; she calls for a national educational strategy; she firmly supports the notion that education and training is a right of citizenship, a public good; she rejects individualisation and she rejects voluntarism. But on the

other hand, she wants to navigate some middle ground with respect to market provision in that she does not believe that public institutions, including universities, should be unresponsive to student choice and labour market needs. Although we are sneaking outside our timeframe with this next observation, it is significant that in a very recent paper outlining the NZCTU at an ILO seminar on private sector training, Stephanie Doyle (1999) expresses concern at the quality of a great deal of private provision, but accepts that they are now an integral part of the reformed field. Thus what seems to be emerging is a revised union position that regroups around a defence of public funding of education and training, but not public provision.

Conclusion

There is now considerable debate in Australia about the wisdom of the Accord strategy. Left critiques range from the view that 'it was rotten from the word go' through to 'it had potential but somehow went wrong.' With respect to the education and training reforms, Brown (1997) reports that whereas unions initially conceived and presented modernisation as a 'strategic advance' they later came to see the reform agenda as more of a 'defensive reaction.'

We have shown that in New Zealand, the adoption of Australian ideas was, from the outset, part of a defensive reaction. Confronted with labour market deregulation, most unions and unionists came to *Australia Reconstructed* on the rebound. The NZEU was, of course, well ahead of the pack. But its attempts to influence other unions were hampered by the lack of a strong intellectual tradition on the left and its failure, apart from scattered individuals, to engage actively the Australian alternative political economy debate of the 1970s and early 1980s.

Yet for a time there was a glimmer of hope that the education and training reforms could offer a small window of opportunity for unions to salvage something of their broader industrial democracy vision. Between late 1989 and the enactment of the ITA in 1992, unions saw the possibility that they might be key players in a workers' education and training regime that promised positive economic, industrial, and social outcomes. Had Labour been re-elected (against all odds) in 1990 and had the union movement managed to fashion some sort of 'compact' or 'accord' with that government, then some of those dreams may have been realised. But in the end, the combination of labour market deregulation and the move towards a more British inspired, neo-liberal, voluntarist approach to education and training reform undermined fundamentally any chance of rework-

ing, from a social democratic perspective, the educational and industrial relations settlements that had been features of the welfare state compromise.

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