





The role of unions in building an innovative and productive society

By Ross Wilson



If New Zealand is to achieve growth and innovation, we need to invest in people and ensure that everyone can participate, in a meaningful way, in our country's development.

For many years, the New Zealand Council of Trade Unions has advocated a “high-wage, high-skill, high-trust, quality-export economy”. The CTU has been an active participant in numerous leading-edge events such as the Knowledge Wave Conference and the Innovate NZ Conference. We support the Growing an Innovative New Zealand Framework and we have much in common with business representatives and other stakeholders who want to see New Zealand lift its sustainable growth rate.





New Zealanders have been through tremendous change during the past decade and a level of cynicism exists in the community about new ways to prosperity

A key to any growth strategy is getting “buy-in” from all New Zealanders. At the Knowledge Wave Conference, Fonterra CEO Craig Norgate made the point that change leaders “must take everybody along”. New Zealanders have been through tremendous change during the past decade and a level of cynicism exists in the community about new ways to prosperity. Those who have read Paul Dalziel’s comparative study of New Zealand and Australia¹ will know he thinks the overall effect of New Zealand’s 1990s policies was negative. Although both countries’ economies tracked along the same trend path before 1984, they diverged markedly after that. If the New Zealand economy had grown at its previous trend rate, or matched Australia’s over the same period, output would now be one-third higher than it is. The amounts of personal and public income associated with this are staggering. At current tax rates, the extra income would have generated another \$11 billion of tax revenue annually – enough to significantly reduce net government debt or almost double spending on health and education.

So there is a feeling, and considerable evidence, that the New Zealand experiment failed. Having said that, it is not true to suggest that unions don’t support economic growth.

WHAT THE CTU SAID 10 YEARS AGO

In 1992, the CTU published *A Quality Future: Working Together for Growth in New Zealand*. This publication promoted a policy framework for long-term sustainable growth with a priority on job growth. The report identified the following common-

alities in successful nations and enterprises:

- An emphasis on co-operation and consensus.
- Recognising competition and change as a challenge.
- Changing technology.
- Quality at all levels.
- Less hierarchical management.
- Flexibility in the face of a constantly changing world.
- An educated and engaged workforce.
- Innovation and creativity at all levels.

In the report, the CTU said it wanted to “work with others in the community to build an economy which is environmentally sustainable and in which respect for people, their cultures and their rights can be guaranteed”. The CTU argued for better monetary policy, positive measures to stimulate economic growth such as research and development, more industry training, improved work practices and setting new quality standards. It advocated, at that time, social policies based on fairness and personal security and an industry policy similar to the economic development programme that has subsequently been implemented since 2000. The CTU argued that economic growth would be led by industries with highly skilled workers making high-quality products. It said there needed to be a change in direction for New Zealand and that the economy needed to be based on “skills and quality, not cheap labour; the strategic development of sectors and industries, not short-term cost cutting; and co-operation and engagement in the development of policy at all levels, not adversarial confrontation”.

We knew that if these policies were not followed, New Zealand would lose high-skilled workers to other countries, particularly

¹Dalziel, P., 2000. *New Zealand's Economic Reform Programme Was A Failure*, Department of Economics and Marketing, Canterbury, New Zealand. Dalzielp@lincoln.ac.nz

Australia, and our economic performance would suffer. The net loss of people to Australia grew every year from 1990, peaked at more than 30,000 and started to trend down from 2001.

NEED FOR UNION PERSPECTIVE

The CTU has a distinctly union perspective. We do not support policies that will reduce the ability of the state to fulfil the range of social and economic requirements of a modern society. We believe that any economic strategy aimed at improving economic growth must be inclusive and not simply imposed on workers. We argue strongly that “industry” is not just “business”. Workers in their industries have experience, knowledge, insights and innovative ideas on how to improve productivity and workplace relations, and how to create investment opportunities. And we do not want an economic growth strategy that increases income disparities, allows profits to flow offshore and leads to an increase in social tensions. We support a social development approach.

With almost 300,000 affiliated members, the CTU is the largest democratic organisation in New Zealand. On behalf of its members, the CTU engages with central and local government, business and non-governmental organisations. But we also practice “social movement” unionism and we reach out to work with other community organisations on key social and community issues.

A MORE BALANCED APPROACH

The CTU has been heartened by the increasing emergence of a more balanced approach

both at the national policy level from government and from many businesses.

At the government level, we have seen a Treasury paper on the “inclusive economy”, a document on social indicators, a focus on economic transformation through investment, science and innovation, economic development with industry and regional dimensions, and greater consideration of the component parts of a sustainable development strategy. At the company level, we observe increasing interest in triple-bottom-line accounting principles.

The new Employment Relations Act provides an excellent framework for the innovative workplace because it encourages co-operation, mediation and good-faith relationships. Employment security and wage levels will be improved and sustained by investment in relevant skills.

Involving workers is crucial in any innovation strategy. Innovation, design and investment are fundamental to creating jobs. That is why unions have such a strong interest in innovation. But there is more to it than that. In numerous publications, the Organisation for Economic Co-operation and Development has noted that the relationship between skill development, investment in technology and workplace organisation is vital to improving productivity.

And key to the whole issue of workplace organisation is the connection between workplace relationships and productivity. As unions, we are focusing on the three limbs of productivity: technology/innovation, skill development and workplace organisation. ▶

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Productivity lifts will flow from maximising the potential of each of these limbs and, in particular, focusing on where they all come together, be it at the level of the workplace, enterprise or industry.

Unions have a deep and continuing interest in these factors and, through our various levels of engagement with employers and government, we are looking to strengthen the country’s performance in a way that reflects the reality of workplaces, enterprises and industries along with the rights of those who work there.

While the Employment Contracts Act focused on narrow contractual issues, the Employment Relations Act is more about the nature of employment relationships. A key aspect of that relationship is the worker’s desire to receive training and the employer’s desire to see productive application of knowledge and skills. As the knowledge component of workplace activity increases, so will workplaces have to change. Employers will have to ask themselves, “How do I get the best from my staff when I cannot really supervise the creative application of knowledge?” Employers can purchase labour, but the willingness of workers to go the extra mile is a form of social capital. As the Director-General of the International Labour Organisation, Juan Somavia, has said²: “You can’t build a knowledge economy while ignoring workers’ rights.”

SKILL DEVELOPMENT

The CTU supports a much greater industry focus on skill development. Far too many workers in the labour market either have no formal qualifications or their “trade” training

occurred many years ago. One of the key points of the reforms to tertiary education is to ensure that more and more workers complete qualifications and are regularly retrained. As the CTU has said on numerous occasions, 80 per cent of the 2010 workforce is in the workforce of today. We can’t build an economy that is based more and more around “knowledge” if we ignore the vast number of workers already in the workplace.

Many employers from the late 1980s were able to source skilled labour from those displaced through state sector restructuring, the privatisation process and the closure of the so-called protected manufacturing sectors. But that is no longer possible. Now there is an acute awareness of not only skill shortages, but also the fact that the age profile of formally trained workers has risen. In the past, many government-owned operations provided a high level of staff and trade training with positive spill-over effects throughout the economy. Privatisation has drastically affected this process, particularly when parcels of work have been contracted out to smaller and smaller firms with no inclination or budget for training.

Put simply, workers need to be seen as an investment, not solely as a cost. So we have to get a higher level of investment into training to ensure that quality lifelong learning is a reality for New Zealand workers.

We are starting to detect a change in attitude. A training culture is emerging.

But we must also foster appreciation of the intrinsic value of education for a knowledge society and as a means of promoting individual well-being. Vocational training is essential, but it does not replace the fundamental democratic requirement for decent education for all.

²Speech by Juan Somavia, Director-General of the International Labour Organisation, to the 1999 TUC Congress, Brighton, September 14, 1999.

A SOCIAL DEVELOPMENT APPROACH

From 1984 to 1999, we often heard about the need to create the conditions for private firms to be profitable and then everything would “trickle down” to workers, communities and small business. In fact, the profits didn’t trickle down. They flowed out of the country. Massive social disparities were created. Poverty and infectious diseases emerged. This approach was not only divisive, it wasn’t good for the economy.

Terms such as economic transformation, inclusive economy, innovation economy, knowledge economy, knowledge society, social development, sustainable economic development, triple-bottom-line represent a critique of the view that least-cost competitive conditions would create private profits and investment which would trickle down to and through society as a whole.

A social development approach acknowledges that the future of this country depends on improving the well-being of people and making sure that we all have a fair chance to achieve our potential. It is about improving the quality of life for people and their communities. It is a vision of an inclusive society where people have the skills and resources needed both to participate in and benefit from sustainable development. So a social development approach is one that says we need to invest in people, in their communities and in quality public services, and include all people of diverse cultures and circumstances if we are

to build a strong society that can underpin a modern and equitable economy.

The CTU supports a high-wage, high-skill, high-trust, quality-export economy. Higher wages will come from more investment in skill and moving the economy up the value chain. This is a constant process. Investment in skill development is crucial. It means building greater foundation skills such as literacy, numeracy and familiarity with information, communication and technology. It means greater recognition of prior learning. But it also means ensuring that more and more workers achieve formal industry-based qualifications.

Talent must be attracted to New Zealand by the same policies and work environment that keep people here. That means better pay, better conditions, an attractive lifestyle. Immigration can be only a small part of the answer and needs to be balanced against investment in training, assistance for the unemployed to be part of the paid workforce and other measures to resolve skill shortages.

High wages do not necessarily mean higher costs. And unionisation can be seen as a beneficial part of this process. Some (for example, Freeman and Medoff, at Harvard University) argue that unions are a source of collective voice³. They found that unionisation raises private-sector productivity by 15 per cent and wages by around 25 per cent.

High trust is also of crucial importance. Application of knowledge and full use of skills will not happen in a negative work environment.

³Freeman, R., & Medoff, J. 1984. *What do unions do?* New York, Basic Books.



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The best way of ensuring a high-performance workplace is to not only pay good wages and adopt good workplace practices, but to create an atmosphere of trust.

It is this social capital that will become more and more necessary to ensure that workers feel valued as people, not units of labour and, therefore, give their best on the basis of that relationship in addition to the more customary factors of pay and conditions.

The ILO⁴ has noted that “education and training improve individuals’ productivity and income-earning opportunities”. An OECD report⁵ on technology, productivity and job creation noted that: “High-performance workplaces are strongly associated with higher labour productivity, better wage performance (due to the premium placed on skilled workers) and satisfactory unit cost performance due to enhanced productivity and improved quality of outputs, particularly when a range of organisational innovations are adopted (based on high skills, high levels of training, distributed responsibilities, innovative pay systems and, often, quality-based practices.” The same report (OECD 1998: 2727) argues that the high-performance workplace is based not only on “high skill”, but also “high trust”. Research by Sandra Black, of the Federal Reserve Bank of New York, and Lisa Lynch, of Tufts University, also examined the impact of high-performance workplace practices on business outcomes. They found that simply introducing high-performance practices was not enough to increase productivity. The key was effective employee participation. The most productive workplaces were unionised

workplaces with modern work practices.

The CTU also supports an export focus. This does not diminish the importance of the domestic sector or of import substitution. But as a small trading nation, it is important that New Zealand develops its export potential. Exports will grow through a combination of greater volume, premium prices, a wider diversity of exports and destinations, greater access for New Zealand-based services and tourism.

But the CTU does not support trade at any price. We have been critical of some trade proposals (for example, some closer economic partnerships) because of a failure to apply rigorous cost-benefit analysis, inadequate recognition of labour standards and concerns about public services being undermined. The CTU has been an advocate for many years of a policy mix based on achieving that high-wage, high-skill, high-trust, quality-export economy. We are seeing the beginnings of such a policy mix and we hope the momentum for such policies will continue to grow.

KNOWLEDGE AND THE MODERN WORKPLACE

Much discussion has occurred recently about the role of knowledge in adding value in the production of goods and services. Knowledge is infinitely renewable provided we invest in it. This means lifelong learning. It means training opportunities in the home, the workplace and the community, in addition to educational institutions. And it also means that the modern workplace has to make the best use of this knowledge. For workers to apply their knowledge day after day in the workplace, they need to be involved in key decisions, they need to be treated with respect and they need working conditions that take account of the other pressures they face – for instance, as

⁴ILO (2002). *Learning and training for work in the knowledge society*. Report IV(1). Geneva.

⁵See OECD Jobs Strategy, 1998 Edition note (OECD, 1998: 271) in the chapter on High Performance Workplaces and Intangible Investment.

parents. Of course, they also need decent pay.

No one is suggesting that an employer can create this sort of workplace overnight. But if an employer is willing and ready to embrace the concept of triple-bottom-line accounting, then social accountability includes the creation of a work environment that takes account of employees' social needs. Unions have a role in this. Unions are keen to discuss not just obvious issues such as remuneration, sick leave, domestic leave and holidays, but also what sort of training is provided. Plus what involvement is available for employees in decisions on the workplace, superannuation and saving schemes, and how to strengthen the organisation to ensure it is sustainable.

If New Zealand is to develop new market opportunities based on design and innovation, then investment in people is vital. Increasing recognition globally of the social and environmental costs of many aspects of trade and commerce is opening up new opportunities for design of sustainable products and services. As a country, we cannot be at the forefront of these opportunities if we do not invest in people, their knowledge and skills, their workplace environment and their quality of life.

We also need a more co-operative approach at central organisation level. This is developing, particularly in relation to skill development and workplace training. The CTU and Business New Zealand, with Skill New Zealand, were partners in the major Work in Progress: An International Vocational and Training Conference, held in Wellington

in May. In addition, the CTU and Business New Zealand are discussing a number of projects aimed at improving literacy and numeracy, increasing the level of formal industry training in small and medium enterprises and supporting stronger links between senior secondary education and workplace and lifelong learning.

It is also important that we do not ignore the tremendous gains that can be made by strengthening our medium-sized and larger businesses. Firms of all sizes will benefit from a strategic industry approach.

Any model of innovation and growth that ignores the existing workforce and the vital contribution to employment and exports of larger firms is a deficient model. It will not just be small start-up firms with young people working unsociable hours in the new economy that will produce economic growth. It will be firms of all sizes investing in skill development and decent pay and conditions that ensure workers make an enthusiastic contribution to productivity on an ongoing basis.

The CTU is concerned that some policy discussion assumes that New Zealand will build a quality-export economy based mainly on small firms. Perhaps all New Zealand firms are considered small in an international context, but there is often a degree of misrepresentation of the figures on firm size.

The Department of Labour briefing papers to the incoming government in 1999⁶ showed that

⁶Department of Labour, briefing to Ministers of Accident Insurance, Immigration, Labour, and Social Services and Employment, December 1999.



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The CTU believes that a sustainable development framework is useful in providing a more balanced set of objectives than the preoccupation with solely economic goals

although New Zealand has many small firms, we have a significant proportion of the workforce in larger firms. At that time, New Zealand had a total of about 260,000 businesses. But if we combine subsidiaries and divisions rather than use geographic units, the number of businesses falls to 160,000. Of the 260,000 business units, 225,000 (or more than 85 per cent) employed a combined 332,000 workers at an average of fewer than five people. However, 1264 businesses employed a combined 542,000 full-time-equivalent employees at an average of more than 430 per enterprise. So, in fact, many more (about 210,000 more) employees work for larger firms that average 430 employees than those who work for small firms that average fewer than five employees.

It should also be noted that small business size is not peculiar to New Zealand. Some critics of improved regulation try to distinguish New Zealand from Europe. In fact, of the 15 million businesses in the European Union, 92 per cent have fewer than 10 employees and 99 per cent fewer than 500.

UNIONS, THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT

International pressures are also ensuring that New Zealand increasingly focuses on sustainable development. There is increasing recognition of the interface between economic, environmental and social factors (for example, our emphasis of “just transition” processes in relation to any policies arising from ratification of the Kyoto Protocol on climate change). At the level of the enterprise, interest in triple-bottom-line reporting is growing. At industry level, a need is being seen to reconcile social issues and environmental factors (such as certification of products or services so they meet environmental or triple-bottom-line standards) with economic

aspects. In addition, policies are being developed including work on an inclusive economy and establishing a set of social indicators.

At the international level, the recent World Summit on Sustainable Development provided a focus for debate at a global level on the need for balanced policies that combine economic, social, environmental and institutional factors. The CTU is part of an international movement that raised a number of key issues for debate at this Johannesburg summit. The CTU believes a sustainable development framework is useful in providing a more balanced set of objectives than the preoccupation with solely economic goals. It also means that workers and unions need to engage with employers, environmental groups and communities on a range of sustainable development issues. For instance, unions are seeking active involvement in the negotiated greenhouse gas process for at-risk enterprises and industries arising from climate change policies linked to the Kyoto Protocol.

Unions are promoting the OECD Guidelines for Multinational Enterprises that include issues of environmental responsiveness as well as recognition of basic labour rights. Many citizens, non-governmental organisations and governments want to ensure greater accountability by multi-national enterprises. In this context, it is heartening to see the development of a range of approaches by firms that address a broader constituency than their owners and shareholders. This includes sustainable development analysis; values audits; social audits; SA 8000 accreditation; ethical investment portfolios; and environmental audits.

Public interest groups such as the Coalition for Environmentally Responsible Economies (CERES), a grouping of 50 international

investor, environmental, religious, labour and social justice groups, launched the Global Reporting Initiative (GRI) to set environmental benchmarks for corporate reports. SA 8000 is an international standard for labour and human rights established by the Social Accountability International organisation. Its advisory board consists mainly of representatives from corporations and NGOs, but also includes trade union representatives.

We have seen a local example of this approach when the world's fourth-largest dairy company, New Zealand's Fonterra Co-operative Group Ltd, signed an agreement with the International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations and the New Zealand Dairy Workers' Union Incorporated to ensure minimum labour standards for all employees of Fonterra and its subsidiaries and to require consultation with employees' unions when Fonterra contemplates major changes in business activities likely to result in job losses. The agreement commits Fonterra to respecting the principles in various key ILO conventions.

These examples indicate that many employers are ready to look beyond simple compliance-cost issues. The CTU is not naive enough to believe this means that costs do not matter. Cost will always matter, all other things being equal. But as we know, all other things are not equal. Therefore, there needs to be more focus on revenue generation, new ideas, investment in people, research and development and social inclusion.

TIME FOR LIFE

We can't build a sustainable economy on unsustainable lifestyles. Growth and innovation cannot come from imposing even more intensive work processes and even more extensive work hours. People need balance in their lives. They need to renew their skills and keep up their energy and enthusiasm for many, many years if they are to be productive members of the workforce.

Over the past decade and more, we have witnessed not only the intensification of work, but increased participation by the paid workforce. One of the results of these trends is that many sections of the workforce have less and less time for anything apart from work. Meeting family responsibilities, spending time with friends, pursuing hobbies, playing sport and participating in community activities are all being squeezed by more and more time at work. Modern technology means some workers are more accessible and "stay in touch" with work when at home, on holiday or out in the community. Low-income workers sometimes have two, three or more jobs.

The CTU advocates a range of measures including family-friendly policies to address this problem.

The union movement has historically led campaigns to achieve workplace rights, for instance, sick leave and protection against sexual harassment. At the time these campaigns were controversial, but now such rights are accepted by all reasonable employers.

The CTU believes that there needs to be a set 

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of reasonable minimum standards that apply to all workplaces. This includes minimum wages, holidays, health and safety, sick leave, bereavement leave, paid parental leave, employee protection when a business is sold or work is contracted out, and other areas. The employment relations framework is an important component of balanced policies to ensure that the benefits of growth and innovation are shared. The CTU advocates a framework in this period that includes:

- A reasonable set of minimum standards for all employers.
- A fair employment relations law that recognises worker and union rights and promotes collective bargaining.
- A recognition of the importance of union involvement in skill development and workplace and industry training.
- Further measures on labour market issues such as casualisation, work/life balance, contracting and sub-contracting.

We cannot turn back the clock, but many have forgotten just how far we have slipped in terms of pay and conditions for many workers. Our economic growth rate has slipped at the same time. An example is the minimum wage. Although regularly increased since 1999, it is currently only 44 per cent of the average wage. In 1947, the minimum wage was 83 per cent of the average wage. In 1973, another year of almost zero unemployment, the minimum wage was set at two-thirds of the average wage. By 1984, it had declined to a mere 30 per cent of the average wage, but a strong national award system provided minimum wages and conditions for about 880,000 workers depending on their occupation or industry.

Setting a minimum wage addresses a question

of social justice. It addresses the question: “what is the minimum people should work for and below which employers should not be allowed to pay?” The CTU accepts that we cannot legislate for high wages. But we can set minimum standards that should apply to all firms. This is the case with other minimum standards. They simply set a safety net at the bottom of the labour market.

So there needs to be recognition that minimum standards are required to ensure labour market quality and equity. What is equally important, however, is the need for policies and workplace entitlements that exhibit best practice by employers at the leading edge of the innovation economy.

STATE SECTOR CAPACITY

The CTU supports the rebuilding of the public service including the additional 900 (full-time-equivalent) employed since 1999. The CTU supports a well-resourced state sector that can ensure quality service to citizens. State sector workers and their unions play a vital role in a quality public service.

A strong public sector can support not only quality services, but also important social programmes. The CTU supports policies such as income-related rents, lower costs for student loans, higher superannuation payments and greater access to elective surgery because they are all policies that directly benefit workers. We also support the broad thrust of policies that will build stronger communities. Apart from the social and human considerations that motivate these policies, we know that a strong economy is built on well-functioning communities. Poor educational achievement, overcrowding, infectious diseases and crime all result from higher levels of poverty. We cannot advance as a country without facing up to those problems.

The role of government was diminished in the post-1984 period. The capacity of government to provide quality services was eroded through the sale of government assets, tax cuts instead of investment in services, a corporate ethic with individual budgets, and individual accountabilities rather than “public service”.

The CTU supports policies that gradually improve state capacity. This need not be a return to the past. The government may operate in partnership with other agencies. The CTU believes that the limits on government involvement are not now ideological, but practical and financial. The role of government in initiatives such as venture capital formation, facilitation of economic development and funding for broadband internet access can combine with public investment in modern transport, hospitals and the infrastructure of education, research and science as well as core public services. This increases private sector capacity and productivity.

More needs to be done, especially to meet the adequate recruitment and retention of workers into state-provided services. But a start has been made on rebuilding a modern, relevant and well-resourced public sector. Just as unions have a vital role on innovation and workplace organisation issues in the private sector, it is no different in the public sector and there are numerous examples of such co-operation in the public service. The CTU wants to see such co-operation expand.

DEVELOPING A CONSENSUS

So how do we get that buy-in to a growth strategy? How do we, to use Craig

Norgate’s words, “take everybody along with us”? There must be:

Leadership

From government, business and from unions. We have a job convincing union members that there will not be a re-run of the 1990s sometime in the future. Workers and their unions did get burnt in the 1990s. They believe the attack on unions was an attack on their social and employment conditions. But we have to move on and as the largest democratic organisation in New Zealand, the CTU does have the capacity to influence many people in our communities. In fact, communicating at that level is our business.

Whether we can commit to a particular growth strategy raises the second principle:

Integrity

There must be a mutual trust and commitment; a genuinely inclusive approach. I think we need a social partnership under which the CTU and Business New Zealand, and perhaps other organisations, actively engage with each other and with government to devise innovative and sustainable solutions. Successful models such as Ireland, Finland and Singapore show that the systematic involvement of the social partners at national, industry and enterprise level can yield the best results in terms of long-term economic and social reforms, balancing flexibility with security, enhancing competitiveness and the quality of employment and promoting economic and social security.

In its most successful forms, social partnership implies the replacement of an adversarial relationship and expands beyond



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the workplace into broader economic and social policy-making bodies and labour market institutions. It promotes a more co-operative relationship based on mutual trust and respect and the appreciation of each other's concerns and objectives.

An ILO study⁷ published in 2000 documented the remarkable economic and labour market recovery made by four small European countries: Austria, the Netherlands, Denmark and Ireland. The study shows that social partnership and the efforts of social partners and governments to arrive at new solutions played a critical role in their economic and labour market success.

Process and commitment

Process is important, too. If there is to be a social partnership approach, we have to put it up

⁷ILO, 2000. *Employment revival in Europe: Labour market success in Austria, Denmark, Ireland and the Netherlands*, by Peter Auer.

there in black and white. What are we committing to and what are the expected mutual obligations and returns? In countries such as Ireland, the partnership objectives and commitments are formalised into quite detailed national agreements that are then debated and ratified by workers in votes at workplace level. But there is no “best model” and we would have to develop our own.

The essential question is whether there is a will for government, business or the union movement to commit to such a model with integrity. For the CTU's part, I would have to acknowledge that we would have lively debate within unions if we proposed a social partnership with Business New Zealand and the government. People are bruised by the experience of the 1990s. But the more inclusive government policies of the past few years are building confidence again. The real question for unions is whether business is ready to break from the policies of the 1990s and make the watershed change.



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