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STRATEGY AND VISION: THE INFLUENCE OF
THE AMWU ON THE NZEU FROM 1987-1992
WITH RESPECT TO EDUCATION AND
TRAINING REFORMS.

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ABSTRACT

It has been established that in the late 1980s, early 1990s the AMWU and the NZEU developed a close relationship through which the NZEU altered its traditional bargaining strategies. This study set out to discover the specific details of this relationship and its implications, with respect to education and training reforms, from around 1987-1992. The thesis began the investigation with a literature review, followed by an extensive series of interviews in Australia and New Zealand. The interviews were conducted with officials and former officials of the AMWU and the NZEU. Key players from the education and training reform process in both countries. The conclusion of this thesis is that, the pressure from the rise of neo-liberalism and the changes to production drove the NZEU to find alternative bargaining strategy. The strength of the unions in Australia and historical ties drew the NZEU to the AMWU, who under similar constraints, had formulated new bargaining strategies. These new strategies embraced 'partnership unionism' which used co-operative practices and training as a means of maintaining leverage under hostile conditions. This thesis asserts that the NZEU took on board the AMWU's 'partnership unionism', through their relationship, as they saw them as a means of maintaining leverage in a neo-liberal environment. Training is the linchpin of this approach highlighting the strategic importance of education and training to unions. This thesis concludes that the NZEU has been able to maintain its leverage in a neo-liberal environment because, in line with Wolfgang Streeck's analysis, it has recognised that education and training provide a degree of leverage in a hostile environment.

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ACRONYMS

ABS	Australian Bureau of Statistics
ACAC	Australian Conciliation and Arbitration Commission
ACCI	Australian Council of Commerce and Industry
ACTU	Australian Council of Trade Unions
AEU	Amalgamated Engineers Union
AIRAANZ	Association of Industrial Relations Academics of Australia and New Zealand
ALP	Australian Labor Party
AMC	Australian Manufacturing Council
AMT	Advanced Manufacturing Technology
AMWU	Australian Metal Workers Union
ANZAC	Australia/New Zealand Army Corps
AR	Australia Reconstructed
ATS	Australian Training System
AVCTS	Australian Vocational Certificate Training System
BEETS	Basic Mechanical Engineering Training System
BRT	New Zealand Business Roundtable
CAD	Computer Aided Design
CAM	Computer Aided Manufacturing
CAP	Computer Aided Planning
CBT	Competency Based Training
CER	Closer Economic Relations
COSTAC	Commonwealth and State Training Advisory Committee
CPA	Communist Party of Australia
ECA	Employment Contracts Act 1991
EDI	Electronic Data Interchange
EEC	European Economic Community
EFT	Electronic Transfer of Funds
EITO	Engineering Industry Training Organisation
ETSA	Education Training Support Agency
HCT	Human Capital Theory

IMF	International Monetary Fund
ITAB	Industry Training Advisory Board
ITO	Industry Training Organisation
JIT	Just in Time
LRA	Labour Relations Act 1987
N/C	Numerical control
NTB	National Training Board
NTRA	National Training Reform Agenda
NZCTU	New Zealand Council of Trade Unions
NZEF	New Zealand Employers' Federation
NZEU	New Zealand Engineers Union
NZLP	New Zealand Labour Party
NZQA	New Zealand Qualifications Authority
OECD	Organisation of Economic and Commercial Development
PCET	Post-Compulsory Tertiary Education
POS	Point of Sale Devices
SEP	Structural Efficiency Principle
SCOTVEC	The Scottish Vocational Education Council
TAFE	Technical and Further Education
TCRC	Training Costs review Committee
TDC	Trade Development Council
TDU	Trade Development Council
TQC	Total Quality Control
TUEA	Trade Union Education Authority
TUTA	Trade Union Training Authority
VAM	Value Added Management
VEETAC	Vocational Educational Employment Advisory Committee
VTC	Vocational Training Council

CHAPTER ONE: INTRODUCTION

INTRODUCTION

This study examines the influence of the Australian union movement on the New Zealand union movement's approach to education and training reforms. The period under examination in this study ranges from around 1987 through to the end of 1992.

Since the late 1980s, the argument that education and training is the key to improving a country's economic performance has been popularised throughout the member countries of the Organisation for Economic Co-operation and Development¹ (OECD) (Tuijnman & Schomann, 1996). This view has been advanced not just by governments and business, but also by unions and educationalists. To some extent, all of this can be seen as a resurgence of the Human Capital Theory associated with Becker (1964) and Schultz (1961) (Marginson, 1993). But the story is more complex. First, the 1980s education and training debate took much greater account of and placed much more emphasis on a complexity of cultural, economic, political and social pressures. Second, but not unrelated to the first, the debates were underpinned by a quite different understanding or philosophy in regard to the role of the state in the economy in general and in education and training more particularly.

Neo-liberal or 'New Right' thinking had a profound impact on the way most governments in the OECD countries approached the issues of education and training reform in the mid-1980s

¹These member countries are: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany (FTFR), Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom, and the United States (OECD, 1999).

(Marginson, 1993; 1997). This approach pivoted around such critical notions as ‘individual choice’, ‘public’ and ‘private good’, ‘industry-led training’, and ‘contestable provision’ within a market framework that pitted private providers against historically public institutions. Thus, when Marginson observes how education and training systems in the OECD countries have come under close scrutiny in recent years, he is referring to a far-reaching process. This process is directly connected to the whole neo-liberal inspired rethinking of the role of government that has been a feature of the late twentieth century (King, 1987).

Australia and New Zealand have been caught up in this process, both in the macro economic sense and with respect to education and training. In the 1980s, under Labour Governments, both countries embarked on a process of education and training reform that, in the 1990s, was inherited by a more conservative Liberal-National Government in Australia and National-led Governments in New Zealand. Under their respective Labour Governments, this thesis argues, both Australia and New Zealand attempted to reconcile the aims and detail of education and training reform with a commitment to social democratic principles and aspirations. This approach afforded trade unions an opportunity to play a role in the reform process. However in both countries, this thesis argues, the social democratic dimension to the reforms was overtaken by neo-liberal influences. In New Zealand this was accelerated by the change in government in late 1990. However, even in Australia, where Labour remained in office until 1996, the market model was taking root by the early 1990s.

PURPOSE OF THIS STUDY

This study had two closely related purposes. First, as indicated above, it sought to examine the influence of the Australia union movement on New Zealand unions' approach to education and training reforms from around 1987 through to the end of 1992. In particular, it set out to identify and explore the nature of the influence of the Amalgamated Metal Workers' Union (AMWU). The AMWU was a key player in formulating education and training policy in Australia and had an influence on the education and training policies and practices of its counterpart, the New Zealand Engineers' Union (NZEU). The influence of the AMWU is also important in New Zealand, given that the NZEU is a significant player in New Zealand industrial relations. Second, the study aimed to begin to develop a better understanding of evolving trans-Tasman union relationships. This was at a time when both global and regional economic and trading pressures were driving the two countries closer together.

CENTRAL ARGUMENTS

This thesis is built around a series of formative arguments that emerge out of a combination of the review of relevant literature in Chapter Two, Government education and training documents in Chapters Three and Four, the analysis of union strategies in Chapters Five and Six, and the interviews reported in Chapters Seven and Eight. These arguments can be summarised in five clusters.

First, this thesis argues that a semi-sequential, interrelated set of domestic and international considerations shaped the ways in which the two countries' union movements approached education and training reform in the late 1980s. These included: the economic crises of the

1970s and early 1980s; the rise of unemployment; a decline in manufacturing; the changing nature of work, including the introduction of new technologies; an intensification of pressures to be internationally competitive; and the re-emergence of Human Capital Theory. Together with the ascent of neo-liberal thinking and policies throughout the OECD countries, these international constraints pressured the Labour Governments on both sides of the Tasman, as well as their trade union allies, to embrace a reform agenda that incorporated a market-oriented approach.

Second, this thesis argues that notwithstanding the neo-liberal tide, the Australian union movement, in particular the AMWU adopted and drove a pro-active strategy for change. It began in 1976 with the AMWU's Peoples Economic Program and the publication of Australia uprooted in 1977 (Bramble, 1997). The signing of a pre-election 'Accord' between the Australian Labor Party (ALP) and the Australian Council of Trade Unions (ACTU) in 1982 provided the union movement with the opportunity to influence Labour and, after the 1983 election, Government policies. Particularly important for the purposes of this study was the emphasis that unions, such as to the AMWU, placed on the centrality of education and training. This reflected, as interviews reported later show, both an historic interest in worker education and skills development and a sharper recognition of the urgency of education and training reform in the light of technological change and intensified international competition.

Third, with respect to New Zealand, this thesis argues that while, in a loose sense, the union movement's strategy moved in the same direction over the same period as its Australian counterpart, its strategy was much less developed. In part this can be attributed to the relative

size, economic base, and intellectual capacity of the two movements as well as to differences in the size and the nature of the two countries' respective manufacturing sectors. But it also reflects the relative weakness of the New Zealand union movement in the face of antagonistic government policies, including labour market deregulation. In addition, for a variety of domestic reasons, in the mid-1980s the New Zealand union movement was still divided into public and private sector national bodies. Finally, the union movement's relationship with the New Zealand Labour Party (NZLP) was much weaker than that of the ACTU and the ALP. The absence of an 'Accord', it is argued, counted against the New Zealand union movement having the same influence as its Australian counterpart.

Fourth, this thesis holds that the New Zealand union movement's education and training reform strategy was heavily reliant on Australian ideas and influences. In particular the NZEU built on its relationship with its Australian counterpart the AMWU, and from that influenced the broader union movement. Following a change in leadership in 1984, the NZEU was increasingly attracted to the Australian award restructuring programme and, through that, to the AMWU's education and training strategy. The study argues that the closer relationship between the NZEU and the AMWU had two important consequences. First, the NZEU became a conduit for ideas to cross the Tasman. Second, it gave the NZEU a leadership role within the New Zealand union movement and within industry with respect to the education and training reforms.

The fifth, much less developed theme, concerns trans-Tasman, inter-union networking. Both the Australian and New Zealand interviews explicitly and implicitly point to a degree of convergence of the two union movements, at least up until the early 1990s. That development

slowed from 1992, as the impact of the National Government's Employment Contracts Act (ECA) began to bite into union membership. Strictly speaking, the ongoing relationship is outside the scope of the study. Nevertheless, here it is sufficient to note that there are many suggestions in the interviews from both sides of the Tasman that some momentum had been maintained.

BACKGROUND

Economic Crises

In the 1970s a series of economic crises had an impact on the political and ideological basis of many OECD nations (Hirsch, 1991). Internationally, these factors were: the oil crises of 1973 and 1979; world market integration accompanied by internationalisation of capital; a decline in growth rates; rising concerns about the environment; and the division of labour and bureaucracy (Hirsch, 1991). Wages began to grow faster than productivity creating a balance of payments crisis. 'Stagflation' occurred, where both inflation and unemployment increased (Mishra, 1990). All these factors combined to create an international economic downturn, not experienced since the 1930s, which threatened the sustainability of Keynesian economic strategy (Jessop, 1991; Marginson, 1997; Mishra, 1990).

In Australia, the Whitlam Labour Government, elected in 1972, was unable to cope with these economic conditions. It was deposed in 1975 and replaced by a conservative, Liberal-National Coalition (Singleton, 1990). This Government moved away from some of the social democratic foundations of the 'Welfare State' (Beilharz, 1994). However, measures to cut state spending did not reverse the economic downturn. In response to blue collar unions' militancy and drives

to increase wages, the Fraser Government implemented a wage/prize freeze (Bramble, 1997). This lowered the standards of living for Australians for the first time in decades.

New Zealand too suffered the effects of the economic crises of the 1970s. An OECD (1993) report retrospectively argues that New Zealand never experienced the post-war boom to the same extent as other member countries and that this placed New Zealand in a position where it was extremely difficult to recover from the crises of the 1970s. This problem was compounded by the loss of markets when Britain entered the European Economic Community (EEC) (Lythe, 1998; Smithers, 1997; Vocational Training Council², 1986). A response to the massive economic crises of this period was for the conservative National Government led by Robert Muldoon, (which held office from 1975 until mid-1984) to impose wage/price freezes and cuts in the 'Welfare State' (Campbell & Kirk, 1983).

Unemployment and the decline in manufacturing

Unemployment grew substantively in OECD nations during the 1970s and early 1980s. This was attributed to the economic crises of the 1970s. Keynesianism, the dominant economic strategy, was not designed to cope with stagflation, and monetarist alternatives were proposed (King, 1987; Marginson, 1997; Mishra, 1991). Under the Keynesian economic strategy, controlling inflation and full employment have been the main goals. However with stagflation, the alternative economic arguments eschewed the traditional twin goals of controlling inflation and sustaining full employment gained ground. Instead, controlling inflation became the most important priority (King, 1987).

Australia was no exception to the trend of increasing unemployment. “In the three year period leading to February 1984, employment overall declined by 24,700 persons (-1%)” (Morgan, 1984, p.15). While the employment of women grew, as the industries employing predominantly women expanded, men became unemployed at increasingly higher historical levels. Manufacturing in the metal and wood industries suffered the greatest job losses (Morgan, 1984).

In New Zealand too, unemployment increased sharply. The economic restructuring implemented by the Fourth Labour Government occurred so swiftly that workers who lost their jobs could not be effectively absorbed into the labour market. Thus, Deeks, Parker and Ryan, (1994, p.397) report: “Between September 1986 and March 1992, the unemployment rate rose from 3.8 per cent to a peak of 11.1 per cent.” Significantly, they also add: “...manufacturing contributed approximately two-thirds of the total decline in employment between 1985 and 1989, despite employing less than one-quarter of the labour force” (p.397).

Meanwhile, the technological revolution saw manufacturing firms in some OECD member countries begin to produce value-added products; that is, a processed product of high quality ready for the market. OECD member countries that had a highly developed manufacturing sector, such as Germany and Japan, were able to take advantage of this technological revolution. This enabled them to remain reasonably economically buoyant through the financial crises of the 1970s and early 1980s (Institute of Manpower Studies, 1984; Jurgens, Malsch, & Dohse, 1993). In general, Australia and New Zealand were left behind as other economies moved to value-added manufacturing (Carmichael, 1988; Vocational Training Council, 1986). By the 1980s, policy makers in both countries were beginning to identify a poor skill base, work organisation,

² Henceforth referred to as VTC

and rigid award structures and classifications as impediments to the development of a more value-added economy.

Changing Nature of Work

An extensive and increasingly complex 'labour process' debate gathered pace in the 1980s (Law, 1996; Littler, 1991). Theoretical aspects of that debate are covered in the next chapter, here it is sufficient to note very basically just three elements: new technology; international competitiveness; and Human Capital Theory (HCT).

The advent of the microprocessor chip in 1972 accelerated technological development in the form of robotics and numerical control (N/C) machines (Carmichael, 1988). Computer-Aided Manufacture (CAM), Computer-Aided Design (CAD) and Computer-Aided Planning (CAP) took the revolution even further. These new forms of technology increased the range and quality of products. They also created the need for new and increased training as CAM, CAD and CAP all required new knowledge and forms of work organisation (Mathews, 1989). Workers had to become more productive to match the investment in fixed assets and more flexible to cope with varied production.

By the late 1970s, the increasing internationalisation of capital and the integration of world markets was resulting in greater international competition. As developing nations began to export manufactured goods and developed countries eased their tariff regimes, previously protected industries began to lose their domestic market share and their platform for exports. The 'need to be internationally competitive' was redefined with the implicit addendum 'in a free

trade environment'. Thus, attention turned to perceived economic successes, such as Germany and Japan, as examples to follow (Jurgens et al, 1993). As shown later in this thesis, these 'successful' overseas models influenced significantly Australian policies and, a little more vicariously, the New Zealand reforms.

Changes in technology and the market policies of Margaret Thatcher in the United Kingdom and Ronald Reagan in the United States helped fuel the resurgence of HCT. Their policies also called for a rethinking of the role of the state and the responsibility of families and individuals. Funding debates quickly revolved around an assessment of the public and private benefits of training and of research and development (Marginson, 1993). The idea grew that the state's role should diminish and that individuals should assume responsibility for taking initiatives and taking risks. The neo-liberal theory behind this argument is elaborated in the next chapter. It held that the creation of a 'market' for education and training would encourage the greater flexibility that was needed to cope with the changes in technology and to increase economic competitiveness (Marginson, 1993; 1997). As indicated above, Australia and New Zealand were already receptive to much of the international competitiveness argument by the early 1980s and thus attracted to arguments that looked to HCT as a recipe for success. With the rise of neo-liberalism, the adoption of the 'education market' approach was, this thesis suggests, a logical next step.

The Australian Union Movement

The economic crises caused the political 'left' to question Keynesian economic strategy. In the 1970s, this led the Communist Party of Australia (CPA) and the Amalgamated Metal Workers

Union (AMWU) to establish an alternative ‘left’ think tank that began to explore non-traditional options (Beilharz, 1994). Meanwhile, the rise in unemployment in manufacturing industry, traditionally the backbone of the union movement, was lowering unions’ ability to organise due to large membership losses. More than most other unions, the AMWU felt the pressures of poor economic performance and increasing unemployment as firms closed. Thus in 1977 it initiated a metal industry conference that included both employers and unions. There, the unions sounded-out some of the ideas that came to form the backbone of the metal industry’s strategy for survival (Ogden, 1990).

After that conference, the AMWU published a series of booklets advocating union strategies for the future. One of them contained the blueprint for the ‘Accord’ agreement. These led eventually to Australia reconstructed (1987), a report which is referred to extensively in this thesis. That document brought together ideas about industrial democracy, award restructuring, and education and training reform, unified by a concept of strategic unionism. This called for unions to restructure themselves in order to offer more to members and to enable them to encourage members to change work styles in order to be more productive. In effect, as Australian unions recognised the need to be internationally competitive they began to buy into human capital theory (ACTU/TDC³, 1987).

The New Zealand Union Movement

In one sense, the Muldoon Government’s economic policies insulated New Zealand workers from aspects of the economic crises. But those policies were accompanied by a series of attacks on ‘union power’ (Deeks, et al, 1994; Roth, 1987). This was compounded by rising

unemployment and, from 1983, the imposition of voluntary unionism. The wage and price freeze prompted unions to look for alternative economic strategies (Campbell & Kirk, 1983). However, there is little evidence that unionists, apart from scattered individuals, looked across the Tasman.

This began to shift in 1984 with a change in the leadership of the NZEU. Faced with radical economic restructuring and looming labour market deregulation, the Union started to pay more attention to Australian developments and to survey its members. Its publication Strategies for change (1987) illustrates how, by the mid-1980s, the union and its officers were moving away from a traditional union strategy and adopting a model based on a consensus strategy. Increasingly, the NZEU took on board the AMWU's ideas about flexible work practices and other policies perceived to enhance a firm's capacity to be internationally competitive. The NZEU accepted that workers needed to upgrade skills in order to implement these new work practices. Thus the Union was receptive to education and training reform initiatives, originating in the public service, that were proposed as a way of meeting better the needs of the economy.

There were, of course, good historical reasons why New Zealand unions might look across the Tasman. Australia and New Zealand both had a long history of compulsory conciliation and arbitration, which, although it was legislated first in New Zealand, was first proposed in Australia (Omojo Omali, 1997; Sinclair, 1991). Further, the NZEU and the AMWU had an historical relationship that, although strained for a period, always had the potential to improve. Both unions shared metal workers' historic interest in skills development and both felt the crisis

³ Also referred to as Trade Development Council.

facing manufacturing. Together, these further provided a solid base for the closer relationship that is tracked in this thesis.

RESEARCH APPROACH

Research Design

The research design involved a mix of policy analysis that drew on documents and qualitative empirical research that was based on interviews. The research was organised into three overlapping elements:

- an analysis of the development of the education and training reforms in both countries;
- an analysis of union strategies, in particular those of the AMWU and the NZEU; and
- an analysis of key players' recollections of the patterns of development, the role played by unions in each country, and the influence of Australian union strategies (and personalities) on the New Zealand union movement's approach.

Data Collection

The principal sources of data were: policy documents, internal union documents, relevant secondary literature and commentaries, and twenty-three formal interviews. Because of the limitations of the study and the wealth of interview material gathered, not all the interviews are referred to explicitly in the text.

Literature Search and Policy Documents

Very little has been published about the role of unions in education and training reform, especially in New Zealand. Nor has a great deal been published on Australian-New Zealand

union links, outside the union movements themselves. The NZEU, for example, has published a number of documents for education seminars that focuses on Australia, the ‘Accord’, and award restructuring. However, there is quite an extensive body of literature, especially in Australia, that deals with the political-economic pressures that shaped education and training reforms and the union movements’ responses. This literature is used to provide a greater understanding of the reform process and of the policies of the two union movements. Policy documents were readily accessible with the main reports from each country forming the basis of the analysis presented in Chapters Three and Four respectively. The research slowly unearthed a wealth of ‘fugitive’ literature - union reports, internal policy documents, speech notes and so forth - that complemented both published literature and the interviews. These have been used to inform the analysis provided in Chapters Five and Six.

Interviews

The selection of interviewees began with informed advice from the researcher’s supervisor and other academics, and with documents that identified key New Zealand unionists who were involved in the education and training reform. A series of phone calls to those people resulted in a rolling snowball process that identified both Australians and New Zealanders ‘who should be interviewed’. A matrix of nominations was constructed. From these, interviewees were selected on the basis of the number of nominations or the importance of the position held. This process resulted in a schedule that was, not unexpectedly, pruned by practical considerations such as availability, cost, and willingness to be interviewed. Because of cost factors, it was only possible to interview Australians who were available in the three cities visited (Sydney, Canberra and Melbourne). The schedule of New Zealand interviews was based on the original ‘must interview

matrix' complemented by further nominations by Australians. In effect, another rolling snowball approach.

Australian interviews were conducted during the last two weeks of August and the first week of September 1998. New Zealand interviews were held during the two middle weeks of November. All the interviews were conducted by the researcher, except that with Laurie Carmichael. A tape fault prevented the researcher's interview from being recorded. The interview used here was conducted by Michael Law in late October 1998 and made available to the researcher. The large number of interviews ensured that a wide range of opinion was canvassed. Nevertheless, readers should note an important limitation. From the outset, the process employed, given the recognised leadership role played by the AMWU in Australia and the NZEU in New Zealand, was biased heavily towards the two metal workers' unions. This means that other important trans-Tasman links that the researcher is aware of, for example dairy workers, public servants, fire-fighters, teachers, finance sector workers, and service workers, are not explored.

STRUCTURE

The first two chapters introduce the study with Chapter Two providing the historical and theoretical framework. The next six chapters contain the 'findings' in a broad sense. These chapters are organised into three sets of parallel 'mini-findings'. Chapters Three and Four draw on documents, complemented by secondary literature, in order to describe and analyse the education and training reforms in Australia and New Zealand respectively. Chapters Five and Six draw primarily on internal and unpublished union documents that help piece together the

evolving union strategies in Australia (Chapter Five) and New Zealand (Chapter Six). Chapters Seven and Eight report the findings from the interviews. Quite deliberately, these two chapters are vehicles to allow the interviewees' voices to be heard. Thus, organising and analytical comments have been kept to a minimum. Chapter Nine contains a discussion of the study's findings and Chapter Ten presents a conclusion.

Consideration was given to arranging the findings into two discrete parts with all the Australian material together and all the New Zealand material together. In the end, an editorial decision had to be made and it was decided that the sets of parallel 'mini-studies' worked better.

CHAPTER TWO: HISTORICAL AND THEORETICAL FRAMEWORK

INTRODUCTION

Australian and New Zealand unions' interest in education and training reform can be understood best by having regard to four loose sets of historical and theoretical considerations:

- the demise of the welfare state;
- the changing nature of work;
- the rise of neo-liberalism; and
- the resurgence of Human Capital Theory.

This chapter provides an overview of how these four overlapping clusters of considerations framed the education and training reform in New Zealand in the 1980s and early 1990s. The chapter is divided into three parts. The first part briefly explains generically each set of historical and theoretical considerations. The chapter begins by discussing the demise of the welfare state in the late 1970s early 1980s. It then describes the changing nature of work. Next, it outlines the rise of neo-liberalism and summarises some underpinning ideas. The first part of the chapter concludes with an examination of the resurgence of HCT.

The second part narrows the focus of the chapter to Australia and New Zealand. Its purpose is to background the findings by drawing on the clusters of historical and theoretical considerations in order to sketch the context within which the reforms in each country occurred. The key intention here is to show the differences and the similarities between the two countries, both of which had Labour Governments for much of the study's time frame. Thus in the case of Australia the

emphasis is on the 'Accord' framework. In the case of New Zealand, the emphasis is more on 'Rogernomics' and, following the change of government in 1990, National's neo-liberal approach.

The third part draws on Wolfgang Streeck's ideas, both through Boxall and Haynes (1997) and directly, in order to provide theoretical insights that help explain unions' scope for action in a neo-liberal environment. The chapter contains two interim summaries and a final summary that brings together some common themes.

THE DEMISE OF THE WELFARE STATE

The welfare state was a compromise that emerged out of particular strands of late Nineteenth Century Socialism: Fabianism and Social Democracy (Beilharz, 1992). The advent of specific welfare states occurred over the course of the first half of the Twentieth Century. However, it was not until after World War II that the welfare state, in some form, could be said to have been established in the Western, industrialised countries. The nature of the compromise at the heart of the welfare state is captured by Przeworski and Wallerstein (1986):

The combination of democracy and capitalism constituted a compromise: those who do not own instruments of production consent to the institution of the private ownership of capital stock while those who own productive instruments consent to political institutions that permit other groups to effectively press their claims to the allocation of resources and the distribution of output (p.207).

Law (1996) holds that 'tripartism' was at the core of the Keynesian welfare state compromise.

He describes it as a form of economic and social management:

... whereby the Government worked with employers and unions as *social partners*, in the formulating and implementing of economic and social policies designed to achieve the central goals of welfare capitalism: economic growth, full

employment, a steady rise in the standards of living and the moderate reformation of work in order to humanise, within limits, production (p.161).

The specifics of how this approach was applied varied from country to country as did the role and influence of the social partners. The demise of the welfare state continues to be much debated. Jessop (1991) identifies globalisation and the internationalisation of capital as important factors. He holds that it undermined the basis for state policy, both economic and social, continuing to be conducted within national boundaries. Hirsch (1991) suggests that another contributing factor was that “the effects of unlimited exploitation of nature and destruction of the environment became” increasingly problematic. He further claims that “there was also growing criticism of bureaucratic despotism and controls” (p.70). Plant (1988) argues that this was compounded by the welfare state’s need to reconcile “two contradictory imperatives’: the provision of welfare expenditure and the securing of ‘the conditions of capital accumulation necessary for capitalist development” (cited in Law, 1996, p.163). Both Hirsch and Jessop note that growth rates began to decline in the late 1960s and early 1970s. Jessop holds that when “the post-war boom slackened, wages grew faster than productivity” (1991, p.87). This, together with the expansion of the welfare state, increases in taxation, and restrictions and controls, such as wage or price freezes, created a situation that made it very difficult to reconcile the ‘two contradictory imperatives’. Jessop (1991) argues that this caused capital itself to try and “restructure the labour process and restrain labour costs” (p.89).

There is quite widespread agreement that once rising oil prices in the 1970s sent shock waves through the industrialised countries, the economic policies of the welfare state were not able to stem the rise in unemployment and inflation – stagflation (Ewer, Hampson, Lloyd, Rainford, Rix

& Smith, 1991; Hirsch, 1991; Jessop, 1991; Mishra, 1990). Theorists also hold that the welfare state was not able to accommodate the demands of specific interest groups - environmentalists, women, ethnic minorities, and so forth. Further, its failure to deliver on social democracy's promise to reform society in the interests of workers increasingly led to a 'left' critique that helped undermine its legitimacy (Hirsch, 1991; Jessop, 1991; Law 1996).

Meanwhile, Jessop (1991) argues, the welfare state's inability to maintain conditions for capital accumulation in times of economic downturn led to a 'right' critique that attacked its Keynesian foundations. Barry (1986), arguing from a 'new right' perspective, states that the censure from the right contained reformulated arguments offering an alternative to the welfare state that encapsulated the ideas of neo-liberalism. Law, (1996) concludes that under the weight of this criticism from both the 'left' and 'right' the very idea of the welfare state began to disintegrate.

THE CHANGING NATURE OF WORK

Some characteristics of the changing nature of work were introduced in Chapter One. Many of the same factors that undermined the welfare state also contributed to changes in the nature of work. Hirsch (1991) argues that the increased internationalisation of capital in the 1970s also served to integrate world markets on an unprecedented scale. This increased the level of competition between nation states with some countries, such as Britain, the United States, Australia and New Zealand, beginning to lose their market share (Jurgens, et al, 1993). In the case of Australia and New Zealand, this began in the late 1960s, when Britain entered the European Economic Community (EEC) (Carmichael, 1988; VTC, 1986).

Jurgens et al (1993) suggest that this loss of market share created a sense of desperation in the firms that were losing their mainstay markets. Much of the market share was being lost to Japan. Jurgens et al (1993) hold that this caused a flurry of activity surrounding the reason why Japan was so successful. Many firms and governments sent delegations to Japan in order to discover the secret of its success. Littler (1991), cited in Law (1996, p.164), holds that there was an “acceptance internationally that significant changes were occurring in workplace relations and work organisation”. According to Piore and Sable (1984), also cited in Law (1996, p.164), new ideas about work “centred on new production concepts and a qualitative shift from ‘Fordism’ to ‘flexible specialisation’”. Mathews (1989) holds that these changes in production were also influenced by changes in technology while Carmichael (1988) claims that the development of the micro-processor chip increased the pace that computers could work and made them much smaller with a portable memory. Both hold that this development gave capital the flexibility needed to place computer operated machinery in a multitude of workplaces.

In Tools of change, a book that had a major impact on union and ‘left’ thinking in Australia and New Zealand⁴, Mathews (1989) outlines how technology has changed the nature of work in the manufacturing sector and in the service sector. As discussed in Chapter One, the changes to technology in the manufacturing sector consisted of Advanced Manufacturing Technology (AMT), involving: Computer-Aided Manufacture (CAM); Computer-Aided Design (CAD); and Computer-Aided Planning (CAP). Mathews claims that the new technology impacted directly on the assembly line allowing firms to alter what they manufactured and how they manufactured. This in turn lead to ‘flexible specialisation’, where production is geared to accommodate

⁴ Evidence of this book’s influence in New Zealand can be found in prescribed readings for the NZCTU-TUEA supported Certificate in Labour and Trade Union Studies at the University of Waikato.

ceaseless change by implementing a strategy of permanent innovation, involving flexible equipment, skilled workers, and an industrial community that favours innovation (Piore and Sabel 1984, cited in Mathews, 1989). Mathews also holds that advances in software had an impact in the service sector by allowing communication between clients to be enhanced and that the programmability of machinery has allowed an increase in automation and productivity in the service or white-collar sectors. Examples of this type of technology include Electronic Transfer of Funds (EFT), Point of Sale Devices (POS) and Electronic Data Interchange (EDI).

Synthesising many contributions to the labour process debate, Mathews (1989) holds that the new management techniques popularised in response to technological change in the 1980s came from the socio-technical school of thought that desires a humanisation of work. Along with Jurgens et al (1993), he observes that much of it was inspired by the Japanese, German and Swedish examples of management efficiency. Mathews states this is where success is attributed to a complex, “systematic and co-operative thinking-through of all production techniques and their interaction” (p.70). Examples include management techniques such as ‘Just In Time’ (JIT), ‘Total Quality Control’ (TQC) and ‘Value Added Management’ (VAM). Mathews notes, however, that a dichotomy emerged regarding the arguments surrounding the new management practices. On the one hand, he argues, are those who want to use the management practices to introduce industrial democracy and remove Taylorism from the workplace. They want the flexibility produced by post-Fordism “to be based on collective, democratic structures” (p. 109). On the other hand, are those who are influenced by neo-liberalism and who wish the flexibility to be based on atomised individualistic practices. This thesis’ findings suggest at how this dichotomy became built into the education and training reform agendas.

Mathews (1989) claims that during the introduction of these new management practices and technology, jobs were both lost and created as those with computer skills were required and unskilled assembly jobs made redundant. Along the same lines, Littler (1991) holds that a regular upgrading of skills would be required for the implementation of 'flexible specialisation'. Mathews (1989) claims that this is because the altered management techniques all need a workforce that is skilled, innovative and able to implement these changes work organisation practices. He adds that the constant changes resulting from the alterations to technology and the need to improve quality requires workers to be able to learn continually for their working lifetimes. This leads to what Law (1994), in a gentle critique, refers to as a 'new optimistic orthodoxy', in which the changing nature of work opens up opportunities for unions to advance an education and training agenda that meets employers' needs while also providing industrial democracy and career paths.

THE RISE OF NEO-LIBERALISM

Neo-Liberalism

King (1987) holds that neo-liberalism draws on neo-classical economics and laissez faire capitalism popularised in the Eighteenth Century by theorists, such as Adam Smith in the Wealth of nations (1779). Various commentators hold that there have been many promoters of the resurgence of these ideas, including libertarian writers, such as Robert Nozick, Murray Rothbard and Ayn Rand (King, 1987; Sawyer, 1982; Snook, 1987), and classic liberals such as the 'Chicago School' economist, Milton Friedman, and the 'Austrian School' economist, Frederick von Hayek (King, 1987; Gamble, 1996; Marginson, 1997). Gamble (1996) and Marginson (1997) argue that

the Mont Pelerin⁵ Society, created by Hayek, was an arena where these ideas could be heard. They hold that the society wished to move the social order from being regulated by the state to regulation via market competition.

King (1987) holds that: “into the turbulent conditions of the 1970s came conservative New Right ideas promoted by determined interest groups who won the support of leading politicians” (p.2). He claims that the Thatcher and Reagan administrations then began to popularise these ideas, along with the OECD, the IMF and the World Bank. He adds that politicians utilised the failure of the welfare state to manage employment and inflation to argue that Keynesian economic policy “is no longer an appropriate base for national economic policy” (p.4-5). Instead, they advocated a return to the liberal, laissez-faire economic principles favoured before the establishment of the welfare state. Marginson (1997) also argues that support for this goal steadily gathered pace in both the corporate and public sectors during a thirty-year campaign, which involved seminars, books, bulletins and newspaper articles.

Individual Freedom

King (1987) holds that the cornerstone of the neo-liberal argument is its concept of ‘freedom’: “For liberals, freedom, both political and economic, has a unique status: it is the single most important value which a social and economic order can provide and maximise” (p.28). He adds, that Hayek’s idea of freedom is narrowly defined and is only “manifested by other individuals, not an impersonal force such as the market” (p.29). Thus, King states, Hayek feels that liberty is achieved, when one does not suffer from coercion from others. In this view, King argues,

⁵ Interestingly, it was to a Mont Pelerin Society Conference that New Zealand MP and future Cabinet Minister Simon Upton, presented his influential, award winning paper [The withering of the State](#) (1987).

freedom, does not give us increased opportunities, instead it simply leaves it up to us to decide what we wish to make use of in our own set of circumstances.

The Free Market

Hayek (1961), building on Smith (1779), argues that the market system distributes wealth and income, whether inherited or earned, in a equitable manner. Neo-liberal theorists claim that the process of allocating wealth and property through the market is not predicated on intended or designed results, rather it is based on a random set of circumstances, of which no one can know all (King, 1987; Smith, 1779; Upton, 1987). Thus, neo-liberals fail to realise, King suggests, that: “there are systematic and consistent disadvantages and inequalities built into the market order” (p.33). In contrast, Upton (1987) argues that for the promoters of the free market, this inequity is necessary in order to provide a vehicle for knowledge about the market to be disseminated, as it is only through market failure and success that individuals can make sound judgements about risks. Upton evidences King’s claim that neo-liberals hold that it is the unregulated nature of the market system that allows for the unforeseen and unpredictable to occur thereby providing the impetus for innovation and the progress of civilisation.

The Role of the State

King (1987) argues that neo-liberals see most activities of the modern state as coercive. Thus, they believe that the role of the state should be limited to:

the protection of property rights and the upholding of the legal system necessary for the market system to operate.... It is necessary for the state to guarantee the right of property ownership but not of a guaranteed job or health care. The former is a necessary element for the market to operate; the latter can be obtained through the market (p.33).

King claims this is because neo-liberals believe that the level of freedom in a society is a function of the market and capitalism. Therefore, he adds, they see the state, when limiting individual choice through the external decision making, moving against the interests of freedom and the market. King holds that neo-liberals wish the state to reduce itself and its services and to foster instead a climate of individual responsibility. He adds that this promotion of self-reliance matches their other concepts of individual freedom and the unregulated nature of the free market.

Conservatism

Critics argue that when neo-liberalism emerged in the 1970s, the ideas were popularised through conservative political parties (King, 1987; Mishra, 1990). King (1987) argues, however, that this amalgamation of the liberal and conservative ideas was full of contradictions and tensions. He argues that the tension between the two stems from the neo-liberal desire to roll back the state and the conservative desire to utilise the state to extend social and political control. However, he adds conservatives agreed with the neo-liberal sentiment for responsibility to adhere to the individual or individual family unit. This was due, King holds, to the conservative desire to re-impose the traditional female role as the primary caregiver in the family unit.

Public Choice Theory

King (1987) argues that public choice theory is a group of ideas that add to the neo-liberal arguments to reduce the role of the state and social and political rights. He says that neo-liberals believe that as utility maximisers, politicians and public servants will manipulate the bureaucratic controls of the state for their own self-interest. This makes it inevitable that government

expenditure increases as voters, who do not bear the full cost of the policies they vote for, press for increased state services.

According to King, another argument forwarded by public choice theorists advocating the marginalisation of the welfare state relates to its underpinning compromise, where the state permits groups, other than capital, to press their claims on the resources and allocation of funds. He adds that public choice theorists hold that this creates a coercive environment where specific groups improve their position at the expense of the consumer, taxpayer and capital. King suggests that this branch of public choice theory is used to advocate the removal of specialist groups, such as unionists, from any form of ‘privileged’ position in regard to the state, such as that established by specialist labour law – the type abhorred by Penelope Brook (1990) – and the status implicit in tripartism.

THE RESURGENCE OF HUMAN CAPITAL THEORY

Human capital theory (HCT), according to Marginson (1993; 1997) has a long history dating back to the works of Adam Smith and John Locke among others. In the context of this study however, it is the contemporary version of HCT that is of interest.

Historical Note

Marginson (1993; 1997) argues that in the 1960s, HCT was added to the collection of neo-classical economics by the studies of Becker (1964) and other economic theorists. He adds that the core premise of HCT, as advanced by Becker, is that individuals make economically rational decisions regarding their education based on the calculated return on investment. Thus, Marginson claims that HCT proposes that the higher the education obtained, the higher the

income or return on investment. Marginson holds that Schultz (1961), another promoter of HCT, took this proposal further and theorised that the more educated a population, the better the economy would perform.

Marginson (1993; 1997) notes that in the 1960s the theories surrounding HCT became exceptionally popular in Government decision making circles. He claims that as HCT was adopted at the height of the welfare state, it was assumed that the state would provide the money and the infrastructure. This evidences Law's (1994) claim that in its 1960s form, HCT was not necessarily inconsistent with social democracy. However, Marginson holds that Milton Friedman, a leading neo classical economist, still attempted to argue for an education system that was consistent with market-led theories at this time.

Neo-liberal Resurgence of HCT

Marginson (1993; 1997) states that the popularity of HCT faded with the arrival of the economic problems of the 1970s. It was not until the 1980s and 1990s that it once again became part of the policy-makers' armoury. However, he argues that in its resurgence in the mid-1980s, HCT was more consistent with Friedman's ideas with respect to a market approach. Marginson suggests that with changes in technology, and the popularity of Thatcherism, Reaganomics and OECD-led thinking, HCT took on a new form. The state was no longer expected to finance and provide education. Instead, as Friedman had originally argued, its role would be limited with the individual or family taking a larger proportion of the risk and the responsibility. The state would determine what to fund by calculating who benefits from the investment.

Marginson (1993; 1997) holds that placing greater responsibility for initiative and risk on the individual created the conditions to enable a market to grow between education and industry. He adds that these measures were seen to allow the greater flexibility needed to cope with the changes in technology and increased economic competition. In its new form, Marginson argues, HCT could do all things expected of it before but it would now include an additional premise: the more highly educated the individual the better the innovation and adaptation to new technologies.

Thus, the resurgence of HCT can be linked quite clearly to the rising tide of neo-liberalism. Measures introduced by the British education and training model illustrate how the ideas of HCT fit with the those associated with neo-liberalism. King (1993) cited in Law (1996), observes that the British system incorporates four objectives that relate to the rise of neo-liberalism:

- the undermining of apprenticeships;
- individual and labour market disincentives;
- enhancing the market and employers; and
- minimising government interventions (Law, 1996, p.168).

SUMMARY OF THE FIRST PART

The purpose of this first part of the chapter was to examine four interrelated clusters of historical and theoretical considerations that assist an understanding of the subject of this thesis. The purpose of the second part is to outline the specifics of the Australian and New Zealand contexts. It focuses more on the political-economic factors that caused unions to reconsider the position of education and training in their overall strategies.

THE CASE OF AUSTRALIA: THE ‘ACCORD’

The Australian ‘Accord’ has attracted intense interest (e.g. Dabscheck, 1989; Ewer, Higgins & Stevens, 1987; McPhillips, 1985; Singleton, 1990; Stilwell, 1986). This section provides a brief historical and theoretical introduction to this pre-election agreement between the ACTU and the ALP in 1982 and revised regularly through the life of the Hawke-Keating Australian Labour Government (1983-1996).

The Fraser Government 1975-1982

In 1975 the Whitlam Labour Government was replaced with the Fraser Liberal National Coalition (Beilharz, 1994; Sawyer, 1982). Sawyer (1982) claims that the Fraser Government was both conservative and influenced by neo-liberalism. However, she adds that because of the Federal system it was not free to pass legislation without the Senate’s consent. This tempered somewhat its neo-liberal drive. Nevertheless, she claims it extensively restructured the public sector in an attempt to reduce the role of the state. It did this, Mishra (1990) states, by removing the comprehensive medical scheme introduced by Whitlam and by reducing the state’s role in social policy.

Beilharz (1994) argues that these moves alerted the Australian political ‘left’ to the dangers of neo-liberalism, and in combination with economic pressures, drove the search for alternatives. He identifies as one of the most important ‘left’ think tanks that established by the Communist Party of Australia (CPA) and the Union in which it had most influence, the Amalgamated Metal Workers Union (AMWU). This ‘left’ think tank expressed itself through a variety of AMWU

publications (Beilharz, 1994; Bramble 1997).⁶ These publications were immensely popular and widely read within the Australian union movement.⁷ Particularly significant, Ogden (1990) claims, was Australia on the rack (1982), as it was in this publication that the idea of an ‘Accord’ was first proposed. The ‘Accord’ was ratified at the 1982 ACTU congress and was signed by the Labour Party before the 1983 election (Alexander & Lewer, 1998; Ogden, 1990).

The ‘Accord’

According to Mishra (1990), the “Accord” was a social contract:

based on the principle of wage restraint on the part of the trade unions in order to contain inflation and a corresponding expansionary monetary and fiscal policy to be followed by the government so as to revive growth, reduce unemployment and improve the social wage (p.80).

He adds that economic decisions were to be reached by consensus and reconciliation by the partners in a tripartite relationship consisting of trade unions, employer and the state embracing the idea of social-corporatism. While these ideas in themselves were not new, Beilharz (1994) argues that the codification of the partnership within a formal written contract was. At first the ‘Accord’ manifested itself as a wage prices deal, later he adds, it progressed to also “address trade off issues like reforms in taxation and health and safety, and a maximum programme ... the abolition of poverty” (p.129).

⁶ For further details on these publications see Chapter Five.

⁷ Interview, Carmichael, 1998.

Mishra (1990) claims that the 'Accord' made possible a sustainable incomes policy and a stabilised industrial relations policy. He adds that this allowed the union movement to move beyond only representing their members to a position where they could lobby on behalf of all the non-propertied masses on social as well as economic issues. Although, the 'Accord' exemplified a social-corporatist partnership, Beilharz (1994) argues that it nevertheless indicated a shift away from the traditional positions held by the Labour Party and the unions.

Tensions under the 'Accord'

Beilharz (1994) holds that there was a tension between Labour's social and economic goals that created space for neo-liberalism. Fairbrother, Svensen and Teicher, (1998) add:

The ACTU was arguing for policies based on consensus and co-operation at precisely the same time when key section of the Party leadership had embraced a view of the world in which problems were seen to be 'economic' and international (p.2).

This tension resulted, Beilharz (1994) argues, in "a profusion of competing and conflicting purposes" as each group had its own commitments to different constituencies (p.122). Ewer et al (1991) hold that this created continuous policy tensions under the Accord Beilharz adds that those pushing economic reform could only rarely reconcile with those wanting social reforms. Bramble (1997) claims that the exclusion of unions from key Government economic committees prevented them from realising their original goals concerning the improvement of the social wage.

The ‘triumph’ of neo-liberalism

Beilharz (1994) holds that: by “... the 1990s the Labour Party has both modernised and globalised, and the ‘left’ seems largely to have evaporated” (p.179). He adds that the ‘new right’ ideology that dominated the Labour Government’s economic strategies over the first decade of the Accord took its toll. The perception that Labour was locked into the project of industrial development and globalisation, Beilharz argues, created a type of politics that was driven by economics.

Ewer et al (1991) claim that the Accord not only betrayed its earlier promises, it also served to cover a departure from a union strategy that encouraged solidarity. Beilharz (1994) adds that this and the process of deregulation firmly squashed many plans for union driven industry policies, such as those advocated by the AMWUs. Fairbrother et al (1998), argue that the role, needs and participation that had originally been of great importance were increasingly subordinated to the requirements of a more ‘managerialist’ paradigm. They add that while there were still social policy survivors from the earlier periods of the Accord, the passing of the years and the continued commitment to the neo-liberalism in economic policy meant that when the 1996 election ushered in a Liberal regime, there was a continuity of the core economic agenda.

It is now very fashionable on the Australian ‘left’ to critique severely or even dismiss completely the ‘Accord’. Nevertheless, for the purposes of this thesis it is very important to keep in mind that the ‘Accord’ framed the Australian union strategies explained in later chapters.

THE CASE OF NEW ZEALAND: ROGERNOMICS

New Zealand's Fourth Labour Government

Keith Sinclair (1991) claims that with the 1984 election, “The consensus that had kept National in power for twenty-nine of the last thirty-five years had broken down” (p.320). But the David Lange led, Fourth Labour Government that defeated National differed markedly from its three predecessors. Much has been written about Labour’s political reformism, much of it very critical (e.g. Boston, 1987; Deeks et al, 1994; Castles, Gerritsen & Vowles, 1996; Easton, 1989; Kelsey, 1992; Pallot & Walsh, 1991). Sinclair (1991) argues that the shift taken by the Lange Government was by far sharper and unambiguous when compared to Australia. Most critics describe its response to the forces leading to the demise of the welfare state as neo-liberalism. This view implies that ‘Rogernomics’ (named after the Minister of Finance Roger Douglas) was the same path as that followed by Reagan in the United States and Thatcher in the United Kingdom (King, 1987; Mishra, 1990; Sinclair, 1991). However commentators closer to the union movement, such as Law (1994; 1996), argue that Labour’s was an ‘ambiguous restructuring’ in that the Lange Government attempted to reconcile its policies with some of the interests of its traditional constituencies.

Deeks et al (1994) identify the main features of ‘Rogernomics’ as:

- a reduction in tariffs;
- deregulation of the market through the removal of exchange and interest rate controls;
- reconstruction of the public sector, privatisation and sale of the state assets;
- the transport and banking industry deregulation;
- loss of export incentive and producer subsidises; and

- the discontinuation of import licensing and state trading monopoly rights.

They add that this took New Zealand from being “one of the most highly regulated economies in the western world to one of the least regulated” (p.66).

Law (1996) holds that notwithstanding conciliatory gestures, ‘Rogernomics’ alienated the Labour Government from its traditional constituents such as unions. He adds that this created an internal conflict within the Labour Party, as its membership was divided between those who subscribed to traditional values and those who supported ‘Rogernomics’. A major source of this type of analysis is Hugh Oliver’s (1989) chapter in The making of Rogernomics.

Tensions within the Fourth Labour Government

Oliver holds that the factional conflict within the Labour Party was created by its commitment on the one hand to Rogernomics, and its commitment on the other hand to its constituencies, the unions, and the voters who supported ‘left’-wing policies. Mishra (1990) suggest that in this type of situation, a Labour Party cannot abandon its social democratic heritage and yet, in order to survive electorally, it needs to be able to deal with the rapidly globalising market economies.

According to Snook (1989) this conflict within the Labour Party was mirrored by personality clashes between the Minister of Education, Russell Marshall, and the Prime Minister, David Lange (Snook, 1989). Oliver (1989) describes another example of this conflict as the split on issues like social corporatism between Anne Hercus and Peter Neilson on the one hand and ‘Rogernomics’ followers on the other.

Law (1996; 1997) argues that this conflict was reflected in labour market legislation. On the one hand, the establishment of the Trade Union Education Authority (TUEA) and the introduction to paid educational leave for unionists illustrated the Government's ties to its traditional constituents. So too did aspects of its labour market policies. But on the other hand, he (1996) argues, there were ambiguities. For example, Law claims that the Lange Government's "new industrial legislation, the Labour Relations Act, 1987 (LRA), made concession to the New Right ideology and confirmed the earlier (late 1984) removal of compulsory arbitration." But goes on to add that "Again though, the LRA retained the essence of the tripartite, welfare state industrial relations framework" (p.165).

Law holds that this ambiguity in its legislation earned the Labour Government condemnation from 'new right' interest groups, such as the New Zealand Employers' Federation (NZEF) and the New Zealand Business Roundtable (BRT). Eventually, the economic power of these groups ensured that Labour was defeated in 1990, by National, who was seen as a better bet to carry Roger Douglas' restructuring through to the labour market and the welfare system.

The ‘triumph’ of neo-liberalism

Law (1996) argues that National did not suffer from Labour’s need to reconcile competing commitments. He believes that this meant that National was free to implement a much more ideologically pure agenda. Its first act in parliament was to repeal the Pay Equity legislation passed by Labour only a few months before. National then implemented a series of administrative and legislative changes that took New Zealand further down the neo-liberalism road than any other country, except for Chile under the generals.

With respect to the labour market, the Employment Contracts Act (1991) almost completely dismantled the industrial relations system that had been in place for nearly one hundred years. This legislation fundamentally transformed the labour market, the role of the state, and the place and functions of unions. Under the ECA the collective idea was effectively eclipsed and replaced by the primacy of the individual. In the same vein, both the Health and Safety in Employment Act (1992) and the Industry Training Act (1992) were premised on individual responsibility in a voluntarist environment. Unions and their influence in education were also set back severely by the repeal of the legislation that established TUEA and which provided paid educational leave (Law, 1997).

SUMMARY OF SECOND PART

This second part of the chapter has sketched very briefly, the political-economic context within which Australia and New Zealand unions attempted to work with their respective Labour Governments. Some commentators present a sharp contrast between the two: corporatism in Australia: neo-liberalism in New Zealand. Others, however, imply that in both countries the

Labour Governments were ambiguous. That latter interpretation is loosely subscribed to in the analysis presented in later chapters. It is also an interpretation that is consistent with the Streeck derived theoretical insights presented in this third part of this chapter.

UNION STRATEGIES IN A NEO-LIBERAL ENVIRONMENT

The advent of neo-liberalism in the 1980s created hostile conditions that marginalised unions' traditional role in the welfare state. This section presents two sets of theories that provide some rationale for the Australian and New Zealand union movements' strategic decisions in the face of advancing neo-liberalism. The first is Boxall and Haynes' (1997) categorisation of four different approaches that unions have taken in response to a neo-liberal environment. The second is Streeck's (1989; 1992) argument that in the new environment training offers unions one of their few points of leverage.

Unions response to neo-liberalism

Part of the response of Governments embracing the tenets of neo-liberalism was, in line with public choice theory, to dismantle systems of state sponsorship of specific groups, such as unions. This led to the removal of the core of the welfare state compromise, tripartism. Unions that previously enjoyed a position of legislated power had to reconsider their strategies in order to retain their role and influence. Boxall and Haynes (1997) advance a line of argument that holds that there are four different strategies taken by unions in order to remain effective in the workplace.

The first is classic unionism. This is where the union retains the traditional aspects of their bargaining strategies. This strategy involves maintaining an adversarial position to employers and gaining their strength from workplace solidarity. The union bargains solely on the basis of wages and functions as more a society than a service organisation. It retains traditional strategies, such as strikes, and relies on workplace organising and solidarity in order to maintain leverage.

The second is paper tiger unionism. This, Boxall and Haynes argue, is a union strategy peculiar to those created under the system of compulsory arbitration and conciliation. This formalised system of state sponsorship created unions that adopted only formalistic adversarialism and treated their members solely as consumers of services. Thus, workplace solidarity was not a core element of this type of unionism. This strategy, Boxall and Haynes argues, falls apart under neo-liberalism as the union is entirely dependent on state sponsorship for its bargaining effectiveness.

The third is consultancy unionism. This is where the union employs some strategies to organise at workplace level and thus develops further than a paper tiger its relationship with employers. However, Boxall and Haynes argue, this type of union typically represents the white collar worker, thus it is only when the employer is tolerant that the union is still able to ensure its strategies are effective, due to the limited nature of its organising capabilities. This type of union also exists mainly to provide services to its membership.

The fourth is partnership unionism. This is where the union employs strategies that build worker solidarity through a high level of organising but also provides a wide range of services for its members. The union's relationship with the employer retains its adversarial approach; however

in an attempt to remain effective, 'partnership unions' also engage in co-operative strategies. This type of unionism blends the traditional and the new servicing and co-operative strategies in order to remain effective in the face of neo-liberalism.

Significantly, Boxall and Haynes (1997) argue that the New Zealand Engineers' Union serves as an example of partnership unionism. They hold that part of the extensive co-operative strategies embraced by the NZEU in its attempts to remain effective in a neo-liberal environment dovetail with a set of arguments popularised by Streeck in the late 1980s early 1990s.

Training as a union strategy

Streeck (1989; 1992) argues that in the face of growing neo-liberalism, unions cannot maintain their classic wage bargaining strategies. Instead, unions need to formulate new approaches to bargain with employers. He claims that unions are able to take advantage of the change in technology and the increase in international competition, by offering the employer ways to improve productivity. Streeck holds that the most efficient strategy to employ in this fashion is bargaining on the basis of training, not the traditional wage based approach.

Streeck (1992) offers unions a seven point strategy to implement this new approach:

- unions must bargain on the basis on maintaining high wages and a flat wage structure;
- unions must insist on "obligatory, standardised workplace training curricula" that is broadly based (p.264);
- unions must have some sort of structure of worker representation at the workplace to ensure that the training is carried out effectively;

- unions must create a strategy that incorporates some kind of defence, legal or otherwise that protects “employment continuity and stability”;
- unions must encourage a “flat wage regime” with few job classifications that “rewards knowledge rather than activities performed”;
- unions must actively pursue “as an objective in its own right, an anti-Taylorist policy on the organisation of work” (p.265);
- unions must negotiate “training and retraining plans” that ensure workers have the entitlement to learn at work (p.266).

SUMMARY

This chapter has attempted to construct an historical and theoretical framework for the series of analyses that follow. First, it identified four interrelated clusters of considerations that, in a generic sense, capture the broad context within which unions in Western countries attempted to operate during the 1980s and early 1990s. Quite appropriately, the emphasis was on factors that shaped the education and training reform environment. These included the changing nature of work -the labour process debate– out of which some analysts, such as Mathews (1989), developed an ‘optimistic paradigm’ which implies that employers needed unions, or at least, worker, endorsement in order to undertake high skills based production.

Next some attention was attached to specific Australian and New Zealand political-economic contexts. Sifting through a range of commentators, this thesis opts for the ‘ambiguous’ interpretation of the two Labour governments: ‘ambiguous corporatism’ in Australia and ‘ambiguous neo-liberalism’ in New Zealand. Both the first and second parts of the chapter led

neatly into the third. Putting together Mathews' 'optimistic paradigm', the Law-derived 'ambiguous reform' interpretation, and Boxall and Haynes' Streeck-derived 'partnership unionism' model, it is possible to suggest a loose theoretical framework that Law (1999) summarises thus:

In the 1980s and 1990s, unions in Australia and New Zealand were faced with a series of challenges to their traditional roles and methods of working. Changes to the nature of work, coupled with economic crises, required them to consider adopting a pragmatic-nationalist approach. In both countries, their respective governments' commitment or (in the case of New Zealand) residual commitment to social partnership provided space for unions to transform themselves before the full blast of neo-liberalism removed their historic, legislative-based status and leverage. In this environment, education and training offered a concrete opportunity for unions to move towards a 'partnership unionism' model.

CHAPTER THREE: EDUCATION AND TRAINING REFORMS IN AUSTRALIA

INTRODUCTION

The purpose of this chapter and the next is to background briefly the education and training reforms in Australia and New Zealand since the mid-1980s. This chapter focuses on Australia; while Chapter Four focuses on New Zealand. Together, the two chapters sketch how the interplay between global and domestic pressures led to the education and training reforms on both sides of the Tasman. The two chapters also illustrate similar, although not quite parallel forms of development on both sides of the Tasman. In this sense, they prepare the reader for the analysis of union strategies presented in Chapters Five and Six and the findings from the interviews that are presented in Chapters Seven and Eight.

This story of the education and training reforms on both sides of the Tasman has been teased out of the maze of relevant reports, policy statements and other documents published in the 1980s and early 1990s. The full story of the Australian reforms is beyond the scope of a single chapter. However, there is a general agreement in the literature and amongst the Australian interviewees as to which initiatives (and documents) constitute the principal milestones. This Chapter draws particularly on the work of Gillian Goozee (1993) and on an unpublished paper by Richard Pickersgill and Mike Walsh that was presented to the 1998 Association of Industrial Relations Academics Australia and New Zealand (AIRAANZ) Conference.

The chapter opens with a very brief historical note that recounts the reasons given for the reforms of education and training. This discussion is drawn essentially from secondary sources. It then examines the pattern of Australian reforms from 1987 through to the early 1990s. This is achieved by analysing the main features of seven key reports:

- Australia reconstructed (1987);
- Skills for Australia (1987);
- Skills in Australian manufacturing industry: Future directions (1988);
- Improving Australia's training system (1989);
- Training costs of award restructuring (1990) (The Deveson report);
- Young people's participation in post-compulsory education and training (1991) (The Finn report); and
- The Australian Vocational Certificate System (1992) (The Carmichael report)

The chapter concludes with a summary.

THE CASE FOR REFORM

Pickersgill and Walsh (1998) argue that concern over skill levels in Australia date back to the turn of the century. However, this debate took on a renewed intensity from the changes to the nature of work in the late 1970s and early 1980s.⁸ According to Junor (1993), skill shortages began to place pressure on the old education and training system, thus highlighting the need for change. It was believed that economic change was starting to expose the weaknesses in Australia's vocational system (Junor, 1993; Welch, 1996). It was also claimed that

⁸ See Chapter two for a discussion of this issue.

apprenticeships, with their rigid and narrow male focus, were inequitable, especially for minorities and women. Apprenticeships were argued to be: slow to adapt to change; stifling of creativity; and subject to the cycles of economic growth (Ewer et al, 1991; Welch, 1996). When these views were combined with overseas research pointing to lack of investment in training as a contributing factor to economic vulnerability, a flurry of activity to search out solutions began (Welch, 1996).

The first report to signal a renewed interest in education reform was the Kangan report published in 1974. Although the Kangan report dealt solely with Technical and Further Education (TAFE) funding, Goozee (1993; 1994) argues that it was the first step towards the contemporary education and training reforms. The report resulted in TAFE receiving federal recognition and funding. Goozee (1993) argues that this was the last major initiative in education for sometime as the Fraser Coalition Government, elected in 1975, consigned education and training to a form of 'benign neglect'.

This altered with the election of the Labour Government in 1983. Beginning with the Kirby report, published in 1985, the issue of education and training reform once again occupied policy makers' attention. That report dealt with the problems involved in the transition from school to work. It specifically focused on labour market programmes to facilitate this transition and the need to have an over-all strategy to co-ordinate them (Shearer, 1985; Youth Minister's Council, 1985). Although a decade apart, the Kangan report and the Kirby report reflected a rising level of concern within the education sector that was recognised by Labour Government ministers. This was a hint of the changes to come.

This renewed concern occurred against the background of the ‘Accord’, the pre-election agreement between the ACTU and the ALP.⁹ This agreement provided for the inclusion of unions in the policy formation process with respect to education and training reform. Union involvement really began with Australia reconstructed (1987). This report is acknowledged in literature as having a lasting impact on the direction of the Australian education and training reforms (Anderson, 1997; Butterworth, 1995; Goozee, 1993; 1994; Pickersgill & Walsh, 1998; Welch, 1996)

AUSTRALIA RECONSTRUCTED (1987)

Australia reconstructed was the report of a fact-finding mission to Europe led by the ACTU and organised through the Trade Development Council (TDC). The mission had the blessing of the (then) trade minister, John Dawkins (Beilharz, 1994; Goozee, 1993). Dawkins’ support was significant as he went on to become Minister of Education after the 1987 election. The ACTU-led mission consisted of leaders from all the major unions in Australia; the aim was to build a broad constituency within the union movement for its recommendations (ACTU/TDC, 1987).

The purpose of the mission was to visit (European) developed nations that had grappled with problems similar to those that currently beset Australia. These problems were identified as:

- the economic crises from the oil shocks and stagflation;
- the shift in political ideology; and
- the increasing pace of technological change and the subsequent changes in production systems.

⁹ See Chapter Two for an introduction to the ‘Accord’.

Goozee (1993) argues that the purpose of the mission was to concentrate research on the countries that had solved these problems whilst maintaining low unemployment, low inflation, and more evenly distributed economic growth.

Australia reconstructed reported on a number of issues:

- macro-economic policies;
- prices and incomes;
- trade and industrial policy;
- the labour market;
- industrial democracy; and
- strategic unionism (Beilharz, 1994; Goozee, 1993).

Overall, it recommended Australia move to a more ‘social democratic’ model, similar to that of Sweden and West Germany (ACTU/TDC, 1987; Junor, 1993). Much of the material presented in the Australia reconstructed report appears not to have made a lasting impression on the policy implemented during the later stages of the ‘Accord’ (Ewer, 1997). However, this was not true of Chapter Six of Australia reconstructed (discussed below), which is entitled ‘Labour Market and Training Policies’.

Butterworth (1995) argues that the key ideas behind the ‘National Training Reform Agenda’ (NTRA) were first articulated in Australia reconstructed, which established the framework and underlying principles for government policy in education and training for the next six years (Goozee, 1993; Welch, 1996). The “document floated the idea of Australia becoming a high-

wage high-skill economy, subjected to international forces, and... founded upon a dynamic, co-ordinated and nationally based system of skills formation” (Butterworth, 1995, p.16).

Australia reconstructed argued that Australia’s over-riding concern was its deficient skills base (ACTU/TDC, 1987). The recommendations favoured the highly structured, European models of training and an increased role for industry. In this sense, it articulated the idea that training should be ‘industry driven’ (Brown, 1997; Butterworth, 1995). The report advocated “integration of labour market policy with industry policy” and the promotion of “a responsive and adaptable labour market: tripartite formulation, implementation and delivery of policy and programmes” (ACTU/TDC, 1987, p.122). It also advocated the move away from a time-served system of training to one that was based on competency attainment recognised at a national level (Butterworth, 1995). This shift was recommended in order to achieve the needed “promotion of skill formation” and to combat “labour market segmentation” (ACTU/TDC, 1987, p.122).

SKILLS FOR AUSTRALIA (1987)

This report was commissioned by John Dawkins after he became Minister of Education in 1987. Skills for Australia enhanced the desire for a more unified approach to skill formation expressed in Australia reconstructed (Goozee, 1993; Welch, 1996). It was in this publication that the first specifics of the National Training Reform Agenda (NTRA) had their genesis (Anderson, 1997). The report’s purpose was to outline the changes that were needed in the administration and the culture of the education sector in order for Australia to be internationally competitive (Dawkins & Holding, 1987; Welch, 1996). This goal illustrated the Government’s endorsement of the issues highlighted in the fourth chapter of Australia reconstructed (Beilharz, 1994; Welch, 1996).

Skills for Australia also linked the economy with education unequivocally (Brown, 1997; Goozee, 1993; McKavanagh & Stevenson, 1992). This was captured in the opening statement: “the Government is determined that our education and training systems should play an active role in responding to the major economic challenges now facing Australia” (Dawkins & Holding, 1987, p.6).

The findings of the report discussed the need for a highly trained and flexible workforce in order to enable adaptation to the economy and increase productivity. It also outlined how skill formation would underpin the changes required by the structural adjustment of the economy (Dawkins & Holding, 1987). The last goal of the report: the need to create efficiency and effectiveness in education and training, had a major impact on the NTRA. This was translated into departmental restructuring and the fiscal restraint that were a characteristic of Dawkins’ market approach to educational reform (Ewer, 1997).

SKILLS FOR MANUFACTURING INDUSTRY: FUTURE DIRECTIONS (1988)

Skills for manufacturing industry: Future directions, commissioned by the Australian Manufacturing Council (AMC), was one of many reports that built on the findings of Australia reconstructed and Skills for Australia and the overseas missions that followed them¹⁰ (AMC, 1988). However, it is important to note that these overseas tripartite missions did not bring back the German and Swedish models. Rather, as Ewer (1997) argues, they brought back the British version of competency standards. Thus, the British conception of competency, developed under

¹⁰ The Department of Industrial Relations sponsored tripartite missions in the metal and engineering, forestry and automotive industries (AMC, 1988).

Margaret Thatcher's Government, came to be placed over the social democratic ideas in Australia reconstructed.

Some members of the committee that produced Skills for manufacturing industry: Future directions were also involved with Australia reconstructed, highlighting a continuity of ideas. Significantly, Laurie Carmichael who largely organised the mission that produced Australia reconstructed, was the Deputy Chair of the committee that produced Skills for manufacturing industry: Future directions (AMC, 1988).

The purpose of Skills for manufacturing industry: Future directions was to clarify industry's involvement and responsibilities concerning award restructuring and education and training (AMC, 1988). It considered three issues. The first issue was education and training; this covered schooling, technical education and training, and higher education. The second issue was work skills. The third issue was work organisation (AMC, 1988). The impact of this report on industry and the NTRA can be seen by the particular focus of its recommendations regarding education and training. Concepts such as commonality of standards, the broadening of skill categories, and the standardisation of assessment were all aspects it identified as required by an education and training system that embraced competency based training (CBT). While the issue of training based on competency was hinted at in Australia reconstructed and other reports, it was the AMC report that began to tease out the specifics of such a system and its needs. The report also clearly articulated the responsibilities of the industrial parties (employers and unions) with regard to creating the infrastructure within the workplace to facilitate skills acquisition (AMC, 1988).

Another significant report published in 1988 was Skilling the Australian community: futures for public education. Pickersgill and Walsh (1998) argue that this report makes significant recommendations regarding the direction of the reforms to education and training. Two other important government reports were A changing workforce and Industry training in Australia (Goozee, 1993). Space constraints prevent consideration of these reports' details.

IMPROVING AUSTRALIA'S TRAINING SYSTEM (1989)

This report, published in 1989, was again commissioned by John Dawkins. Its purpose was to build on earlier reports: Skills for Australia; A changing workforce; and Industry training in Australia (Dawkins, 1989). The five main priorities presented in the report were:

- to “increase substantially the level of national investment in training, especially by the private sector” (p.3);
- “to improve the quality and flexibility of our national training arrangements, and thereby the quality, breadth and flexibility of skills acquired” (p.3);
- “to improve the national consistency of training arrangements, and the co-ordination of our national training effort” (p.4);
- “to improve the training opportunities available to disadvantaged groups” (p.4); and
- to commit “to a major reform of current arrangements for the recognition of overseas qualifications” (p.5).

The impact of this report on the industry training reform agenda was substantial. Pickersgill and Walsh (1998) argue that the priorities mentioned above set the Government's agenda for

education and training reform and, to a great extent, still do. Another significant aspect of the report was that it identified the link and interdependence of the NTRA and award restructuring (Goozee, 1993; Junor, Barlow, Benjamin, & Spark, 1993). It stated that “unions in particular, must play a vital role in the process of reform” (Dawkins, 1989, p.6). It also echoed the ideas expressed in Skills in Manufacturing Industry: Future directions regarding the responsibility of industry to alter work organisation to facilitate skill acquisition.

The incorporation of the award restructuring agenda was due to the very significant ‘Structural Efficiency Principle’ (SEP). The SEP was established by the 1988 National Wage Case which established the “development of skill-based career paths, the elimination of impediments to multi-skilling, and the promotion of new and more flexible working patterns and arrangements” (Dawkins, 1989, p.14). This was to be achieved through the development of links:

- between education and industry;
- between qualifications and skill obtained; and
- between job classifications and pay.

Award restructuring was to be the main vehicle to achieve the national training arrangements highlighted as a priority in Improving Australia’s training system. This was because award restructuring was deemed by the report to be consistent with the Government’s objectives of increasing labour market flexibility and creating a more co-operative and efficient industrial environment (Dawkins, 1989).

The Improving Australia’s training system report also clearly endorsed the call for competency based training (CBT). It recommended financial incentives and suggested that links be

“established between curriculum development processes, the setting of standards, the assessment of competence and accreditation of training courses and providers (Dawkins, 1989, p.11).

A tripartite body called the ‘National Training Board’ (NTB) was established in 1989 to facilitate the establishment of national standards and skill competencies. With these considerations in mind, the first priorities of the NTB with regard to award restructuring were to remove demarcations, review and reform job classifications, and eliminate restrictive training provisions from awards (Goozee, 1993). Following the publication of Improving Australia’s training system, the drive to include industry in education and training began to be more clearly articulated. Further, CBT was adopted by the government as the tool to achieve the reforms necessary if Australia was to become internationally competitive high skill/high wage society. In summary, Improving Australia’s training system can be seen as a watershed document on three important, *interconnected* counts. First, it linked the structure and process of wage bargaining with education and training reform. Second, it endorsed the call for CBT. Third, it packaged these with a very clearly articulated economic agenda.

TRAINING COSTS OF AWARD RESTRUCTURING (1990)

This report, otherwise known as the Deveson report, was the result of a conference held in May 1990. At that conference, the Commonwealth and State Ministers received reports from the Commonwealth and State Training Advisory Committee (COSTAC) which held that additional government funding was needed for the NTRA. Based on this recommendation, the ministers decided to establish the Training Costs Review Committee (TCRC) (Goozee, 1993). Its task was to estimate the approximate future costs of training (Deveson, 1990; Goozee, 1993).

The report's key finding was that the award restructuring process would last longer than first envisaged and that it required funding for a five-year rather than a two-year period. The committee also observed that the award restructuring process would favour training provision with a higher level of internally co-ordinated industry funding. The report highlighted TAFE's inability to meet the current demand for training and noted that this would further deteriorate within the timeframe extension. Thus it recommended an increase in industry provided training and further clarified the needs of a national training system.

The recommendations of the Deveson report were the first of many that pushed for the creation of a 'more-market' oriented NTRA. Marginson (1997) argues that these reports placed the NTRA in an increasingly competitive commercial market. His argument is consistent with Goozee's (1993) assessment that the Deveson report "advocated the development of an effectively functioning training market which would allow individual consumers to make informed judgements about the worth of training activity and to bring about fairer and more equitably access to training" (1994, p. 9).

The recommendations to create a more market model were designed to require TAFE to alter its activities to those that were fully cost-recoverable and competitive. The aim was to move TAFE from a supply-side to a demand-side, market based, entrepreneurial organisation. It was recommended that TAFEs (polytechnics) supply low cost loans to students to enable them to cope with the increase in fees. Commentators claim that this recommendation was made because the report considered that employers and unions had now accepted that enterprise based training,

resulting from award restructuring, would be funded by the employer (Clare & Johnson, 1993; Goozee, 1993). Marginson (1997) argues that this created an expectation that TAFE would balance the loss of its monopoly market with increased non-Government income. He also argues that it was at this time that Organisation for Economic Co-operation and Development (OECD) arguments supporting Chicago School economist, such as Milton Friedman, started to be very influential at the policy level (Marginson, 1997). This is significant as it again implies that by 1990 the social democratic vision of Australia reconstructed was being overlaid with the neo-liberal ideas of the OECD.

Goozee (1993) notes as a result of the Deveson report:

...the ministers agreed to implement competency-based training; develop integrated curricula for on- and off-the-job training (Based on competency standards endorsed by the NTB); establish a national framework for recognition of training; develop a national market for delivery of vocational education and training and establish an integrated entry level training system (p.148).

The ‘Vocational Education, Employment and Training Advisory Committee (VEETAC) was created to replace COSTAC. This organisation came to play an important role in facilitating the needs of the market model articulated in the Deveson report. Another significant report published in 1990 was The global challenge: Australian manufacturing in the 1990s. Commissioned by the AMC it was undertaken by consultants Pappas Carter Evans & Koop/Telesis. This report is considered by commentators to be important as it endorsed industry involvement in training, advocated a union presence, and supported the need for a training system that was internationally competitive (Beilharz, 1994).

YOUNG PEOPLE'S PARTICIPATION IN POST COMPULSORY EDUCATION AND TRAINING (1991)

This report, commonly referred to as the Finn report, was commissioned by Australian Education Council review committee, which was established after the examination of the links between school and TAFE were found to be wanting. Again, Laurie Carmichael was a member of the committee.

The Finn report's purpose was to take the investigation of the links between school and TAFE further and to review the future development of post-compulsory training in Australia. The committee's terms of reference were to:

- outline and set participation targets for post-compulsory education and training;
- create national curriculum principles allowing the development of key competencies;
- consider the means by which links could be made between various training pathways and sectors;
- achieve national consistency in regard to entry and exit points from education to the labour market; and
- review the responsibilities and the role of school, TAFE and higher education in regard to young people (Goozee, 1993).

The Finn report highlighted the problems of youth and training. It specifically mentioned the low proportion of teenagers engaged in post-secondary education. The report discussed the large numbers of unemployed youth who, because of this status, would be denied access to the skills training available only through work or costly post-secondary education. It also identified as

problem areas: the school to work transition; re-entry into the labour force; and low retention rates in secondary education. As a result of these issues, the report highlighted the need to introduce skill components into university courses and courses for labour market entry. Most of these issues had also been previously identified in the fourth section of Australia reconstructed. Goozee (1993) holds that this illustrates the report's legacy and vision. The interviews reported in Chapter Seven imply that it also recognises Carmichael's strategic influence.

The Finn report made recommendations that set participation targets for post-compulsory education. This implied changes to both the school and the TAFE systems. It also identified outlined 'Key Competencies' in:

- language and communication;
- mathematics; scientific and technological understanding;
- cultural understanding;
- problem solving; and
- personal and interpersonal competencies.

It recommended that these 'Key Competencies' be included in all 15-19 age cohort groups' post-compulsory education (Goozee, 1993, p.152).

In conjunction with these points, the Finn report indicated that a convergence between general and vocational education was needed. This convergence, as will be shown in Chapter Seven, was one of Carmichael's central goals. Finally, it argued that the school system had to become more concerned with vocational aspects of education and TAFE had to become more aware of

and include general aspects in its curriculum. Goozee (1993) argues that this moved TAFE away from its narrow conception of craft-based apprenticeships.

In 1992, another report was published. Entitled Key competencies (also known as the Mayer report), this report extended the work done in the Finn report and confirmed the Government's endorsement of the ideas in that report. (Clare & Johnson, 1993). Welch (1996) argues that 'Key Competencies' "were integral to satisfactory performance at work, and ... were consistent with the overall goals of the Australian schooling system" (1996, p.69). The Mayer report outlined how the 'Key Competencies' should operate and the changes needed to ensure that competencies would be able to fulfil the goal of improving articulation between general and vocational education. To do this, the report proposed that both general and vocational education be part of the Australian Vocational Certificate Training System (Clare & Johnson, 1993).

THE AUSTRALIAN VOCATIONAL CERTIFICATE SYSTEM (1992)

This report, from the Education and Skills Formation Council, was commissioned by John Dawkins (Goozee, 1993). Laurie Carmichael was the committee chair, thus the report is commonly known as the Carmichael report. This report represents the culmination of Carmichael's long association with the significant reports that influenced the direction of education and training reforms in Australia.

The report's terms of reference were to look at:

...new entry level training system for Australia, the TAFE system in the 1990s, Commonwealth subsidies for employers under the CRAFT (apprenticeship) and Australian Traineeship system (ATS), and allowances for education and training,

including the possible extension of AUSTUDY to part-time students and people being trained by private providers of education (Carmichael, 1992, p.13).

The impact of the report on the industry training reform agenda can be illustrated by two key, inter-linked recommendations. The first was the recommendation to establish a training system that would incorporate a National Vocational Certificate. The bulk of the related recommendations went into the details of this system entitled by the report: 'The Australian Vocational Certificate Training System' (AVCTS). The AVCTS was proposed to "provide a flexible range of fully-articulated substantially work-based training programs" (Goozee, 1994, p.9). The second key recommendation was an aspect that the committee had built on from the Finn report. That report had set participation targets, which the Carmichael report extended to link with the AVCTS. The report recommended that every youth under 19 years of age should achieve the National Vocational Certificate qualification which would give them a 'passport' to any post-compulsory training they chose (Goozee, 1993).

SUMMARY

From the end of 1987 to 1992, the Australian education system was transformed almost beyond recognition. The earlier reports, Kangan (1974) and Kirby (1985) had signalled an increased level of interest in the education sector and in the need for policy change. However, it was the subsequent high level of interest from industry and unions, arising from the changing nature of work and the need to be internationally competitive, that gave the reforms coherence and direction. The union report, Australia reconstructed was a landmark document. It covered a broad variety of issues relating to work practices; however, it was its chapter on training that had a lasting legacy. The education reforms proposed in this report were heavily influenced by social

democratic models. The crossover from a union document to a government document came with Skills for Australia, which retained Australia reconstructed's social democratic flavour.

The reform process transformed apprenticeships into an integrated system of skill based standards where learning was not confined by time or location. This was achieved through competency-based learning and the removal of trade-based apprenticeships. These changes were initially intended to make education and training more responsive to industry needs. The reports Skills for manufacturing industry: future directions (1988) and Improving Australia's training system (1989) illustrate the influence of industry on the directions of the reforms. This is especially true of Improving Australia's training system, as it was within this report that the link between award restructuring and the education and training reforms was articulated at the policy level.

The later reports refine the detail and the future directions of the education and training reforms. But they also reveal that other strands of influence, from a variety of new sources outside those that originally inspired Australia reconstructed and the initial direction of the reforms, were now shaping the reform agenda. These strands included neo-liberalism, the Scottish and British reforms to education and training, and the debates within the education sector itself. On the one hand, they extended the agenda by including the concept of 'key competencies' and advocating blanket coverage. This was achieved in the Carmichael report that combined general and vocational education and set targets. On the other hand, however, much of Australia reconstructed's social democratic flavour was slowly diluted along the way.

With these changes, the education and training system moved from only involving youth completing craft based apprenticeships to one that began within high schools, moved through into the workplace, and incorporated all workers - process and craft - of any age. This allowed the NTRA to achieve the lifelong education that key players, such as Laurie Carmichael, saw as necessary in a post-Taylorist work environment.

CHAPTER FOUR: EDUCATION AND TRAINING REFORMS IN NEW ZEALAND

INTRODUCTION

This chapter complements Chapter Three. Its purpose is to background briefly the education and training reforms in New Zealand since the mid-1980s. This chapter outlines the global and domestic pressures that led New Zealand's education and training reforms to follow a similar but not quite parallel path to that taken in Australia.

This chapter provides a brief, chronologically organised pathway, from a Labour Studies' perspective, through the maze of reports, policy statements and other documents from the 1980s and early 1990s that deal with education and training reforms in New Zealand. While the full story of those reforms is, like the Australian story, obviously beyond the scope of a single chapter, there is again a general agreement in the literature and among the New Zealand respondents as to which documents and initiatives constitute the principal milestones. This selection was supported by informal discussions with Professor Ian McLaren, an Education Historian at the University of Waikato, who was a member of the New Zealand Qualifications Authority (NZQA) board in 1997 and 1998 and who has prepared a comprehensive extensive paper tracing the reform process. An unpublished NZQA paper, provided to the researcher by David Lythe, also identifies the same key documents as Professor McLaren.

The chapter opens with an historical note, drawn essentially from secondary sources that recount the call for reform. It then outlines how the direction of the New Zealand reforms took shape

from the mid-1980s through to the early 1990s. This is achieved by examining and discussing the main features of eight key reports:

- Learning and Achieving: Second report of the committee of inquiry into curriculum, assessment and qualifications in forms 5 to 7 (1986) (known as Learning and achieving);
- (Draft) Green Paper on the New Zealand vocational education and training system and institutional arrangements in the labour market (1986);
- The Report of a Ministerial working party: The Management, funding and organisation of continuing education and training (1987) (known as the Probine/Fargher report);
- Report of the working group on post compulsory education and training (1988) (known as the Hawke report);
- Learning for Life II (1989);
- Towards a National Qualifications Framework: General principles and directions (1990);
- Designing the Framework: a discussion document about restructuring national qualifications (1991); and
- Industry skills strategy (1992).

The chapter concludes with a summary.

THE CASE FOR REFORM

In New Zealand from the early 1980s, policy makers took a renewed interest in education and training. According to the Vocational Training Council (VTC) (1986), reports from the

Organisation for Economic Co-operation and Development (OECD) that emphasised the link between education and the economy fuelled this increased interest as well as domestic, structural reasons.

Throughout the 1970s and early 1980s, the New Zealand economy had suffered a series of economic crises.¹¹ These crises resulted in cutbacks in government expenditure and retrenchment in the private sector. The VTC (1986) argues that as a result of these retrenchments, there was a reduced interest in training. The growth in youth unemployment also created concern, as did the need for increasingly diversified skills in the workplace (OECD, 1983; VTC, 1986). Apprenticeships were seen as harming the ability of workers to obtain these diversified skills or to change those already obtained (VTC, 1986). An OECD (1983) review stated that the education and training system did not permit the flexibility needed to respond to occupation and social change, the pace of which seemed to be ever increasing. The OECD shared the view that there were problems with apprenticeships:

- obtaining a consistent level of quality with on-the-job training;
- failing to ascertain accurately the broad generic skills needed for an industry; and
- a general lack of administrative monitoring (1983).

According to the VTC (1986), the economic restructuring instituted by the Fourth Labour Government in 1984 heightened many of these concerns.

The secondary school system was also considered at this time to need curriculum changes (VTC, 1986). Low numbers of students were passing exams based on the old, largely academic model.

¹¹ See Chapter Two for more details of these economic crises and their impact on the New Zealand economy.

CERTECH (1986) argued that curriculum changes were needed to incorporate technological innovation. As a later OECD (1993) survey observed, in New Zealand in the late-1980s at least a third of those in the workforce did not have any form of qualifications. All of these concerns provided the impetus for a series of policy driven research initiatives that resulted in the reports discussed below.

LEARNING AND ACHIEVING: SECOND REPORT OF THE COMMITTEE OF INQUIRY INTO CURRICULUM, ASSESSMENT AND QUALIFICATIONS IN FORMS 5 TO 7

The Department of Education commissioned this report. It was the Learning and achieving: the second report of the committee of inquiry into curriculum, assessment and qualifications in forms five to seven. The report is commonly referred to by its short title Learning and achieving. Its purpose was to consider the submissions made to the first report on the removal of the University Entrance exam. The intention was to produce a discussion document that built on previous research. The committee consulted with the Department of Education and interest group representatives (Committee of inquiry into curriculum, assessment and qualifications in forms five to seven, 1986).

The report concluded that there was a consistency between the first report's recommendations and the submissions received. According to the report, this confirmed that the direction of the research was on target (Methven, Goddard & Thompson, 1994 *circa*). The report also echoed the growing concern illustrated by the earlier CERTECH report that almost a third of students left their institutions with no qualifications (CERTECH, 1986; Committee of inquiry into

curriculum, assessment and qualifications in forms five to seven, 1996). That report indicated concern too over the increasing incidence of students remaining in school without the intention of advancing to higher education. In effect, students were returning to school because of unemployment (Smithers, 1997; Committee of inquiry into curriculum, assessment and qualifications in forms five to seven, 1986).

Learning and achieving was the first document to discuss and recommend implementing a more flexible curriculum, in order to remove the barriers the Committee believed caused the high early dropout rate. The report stated that the examination system was the primary culprit for the high dropout rate. The Committee felt that the system had a built in failure rate (Committee of inquiry into curriculum, assessment and qualifications in forms five to seven, 1986). To combat this problem, it recommended the introduction of a flexible internal assessment procedure to replace examinations. All students would receive a National Leaving Certificate, which would address the problem of students staying on at school without the intention of attending university. An internal assessment process would allow the adoption of a national curriculum incorporating achievement-based assessment. This would offer an extended choice of options for forms five to seven (Committee of inquiry into curriculum, assessment and qualifications in forms five to seven, 1986; Smithers, 1997).

This shift in focus from the traditional norm referenced assessment of exams designed to filter students for higher education to an achievement-based internal assessment was important. Smithers (1997) argues that this change in direction foreshadowed the introduction of Competency Based Training (CBT) and the criterion-based assessment that eventually became a

significant element in the later reforms. In many ways, Learning and achieving is seen as the beginning of the reform process that dramatically altered the education and training system in New Zealand (Methven et al, 1994 *circa*).

GREEN PAPER ON THE NEW ZEALAND VOCATIONAL EDUCATION AND TRAINING SYSTEM AND INSTITUTIONAL ARRANGEMENTS IN THE LABOUR MARKET

This report was commissioned by the Department of Education and the Department of Labour in 1986, but was never formally published. However, as the draft is known in education circles as the Green paper, that abbreviated title will be used here. This policy document's draft format did not minimise its importance. Its ideas were significant and remained an important part of the internal, departmental research on the reforms to education and training (Methven et al, 1994 *circa*). In this sense, it seems to have survived as a reference or working document. David Lythe, a senior official currently working for the NZQA, co-authored the report and subsequently carried its ideas into other reports².

The Green paper's purpose was to review tertiary education (Lange, 1986). As both the Departments of Education and Labour were involved in the research, it concentrated on the apprenticeship system. However, the report also commented on the entire post-compulsory education and training (PCET) sector (Departments of Education and Labour, 1986).

Three key recommendations point to the report's impact on the reform agenda. First, it endorsed the move to criterion-based assessment. Second, it recommended the establishment of

procedures to facilitate credit transfer and co-ordination between the secondary and tertiary sectors through vocational and training paths. Third, it stated that training needed to become more flexible and responsive to markets (Departments of Education and Labour, 1986; Smithers, 1997). These recommendations reflected an earlier market-oriented focus in New Zealand than in Australia.

The recommendations also validated ideas in Learning and achieving and set in concrete the desire for a new form of assessment by giving support to the idea of “a national certificate system based on criterion referenced assessment” (Smithers, 1997, p.4). The notions of flexibility, ‘path-ways’ and market responsiveness were also very important early signals of the type of reforms favoured by policy analysis (Methven et al, 1994 *circa*).

THE MANAGEMENT, FUNDING AND ORGANISATION OF POST-COMPULSORY EDUCATION

This report, commissioned by Russell Marshall, the Minister of Education, is more commonly known as the Probine/Fargher report. Once again, its purpose was to build on previously completed research. The international debates regarding education were an important part of the Green paper and this theme was continued in the Probine/Fargher report. It also echoed Learning and achieving with its suggestion of the need for radical changes.

Probine and Fargher’s task was to examine proposed options for giving the technical institutes greater operational autonomy. Their task included a requirement to weigh up the advantages and disadvantages of greater autonomy and the relative costs involved (Probine & Fargher, 1987).

² Interview, November, 1998

However, such was their concern at the state of post-compulsory education, they extended their original terms of reference in order to look beyond technical institutes to the wider continuing education sector (Probine & Fargher, 1987; Smithers, 1997).

A key recommendation that was to have a major impact on the industry training reform agenda was the endorsement of the Green paper's call for more flexible systems of credit transfer. Taking this a step further, Probine/Fargher suggested that all parts of PCET needed to be linked in order to facilitate a comprehensive recognition of adult learning (Probine & Fargher, 1987).

Significantly, the report was the first to suggest the concept of the need for an overarching authority to facilitate and maintain this linkage. The Committee felt that PCET lacked co-ordination and integration and that the solution to this problem would be the establishment of a National Validation Authority, which would examine and moderate all national qualifications and courses. However, Probine/Fargher exempted universities as they believed that universities lay outside of the post-compulsory sector under consideration (Probine & Fargher; 1987; Smithers, 1997).

REPORT OF THE WORKING GROUP ON POST-COMPULSORY EDUCATION AND TRAINING

This report, commissioned by the Department of Education in 1988, is commonly known as the Hawke report, after the committee chairperson Gary Hawke. Lythe was one of the departmental

staff members involved in the writing up of the report.³ Its purpose was to bring together previous research and recommendations in order to evaluate the present situation and to recommend the steps needed to implement Government policy in PCET (Hawke, 1988; Smithers, 1997). The committee examined the Probine/Fargher report (1987), the Shallcrass report (1987) on non-formal education, the Treasury briefing paper (1987) on education, the Watts report (1987) on universities, the Tertiary review (1988), the Royal Commission on Social Policy (1988), and the Picot report (1988) on the primary school sector (Hawke, 1988).

While the Green paper and Learning and achieving are not mentioned on the above list, Lythe says that he carried their ideas into the report. This report confirmed and continued key ideas expressed in other reports and formed them into a coherent agenda (Hawke, 1988). The Hawke report also included some new material. One of its recommendations was that the distinction between education and training be removed. Again, the universities were excluded from this recommendation (Hawke, 1988).

The Hawke report recommended the creation of a Ministry of Education instead of a department. It also recommended that once that change had been made, the Labour Department's responsibility for training programmes be shifted to the new Ministry (Hawke, 1988). This would end the division between the two sectors and allow the linkages discussed in earlier reports, such as the Probine/Fargher report to be achieved. However, the Hawke report's most significant recommendation was the establishment of a National Education Qualifications Authority (NEQA). This picked up the idea of a national validation authority first suggested in the Probine/Fargher report.

³ Interview, November 1998.

LEARNING FOR LIFE II

This report was commissioned by the then Minister for Education, David Lange, in August 1989. Like Learning and achieving it was the second of a two-report process. The first report, Learning for life: education and training beyond the age of fifteen (February 1989) assessed the submissions made on the Hawke report and attempted to define the important issues. The second report's purpose was to build on the issues identified in the first report and to collate previous research. This was to enable the Government to present its final decisions on the direction of the education and training reform. In this sense, Learning for life II provided a unified vision.

Learning for life II endorsed the Hawke report's recommendations concerning NEQA (Smithers, 1997). It recommended the unification of all nationally recognised qualifications, including secondary school, vocational and advanced academic awards. The report also endorsed the desire to remove the distinctions within the education sector. It reiterated the need for a system of career/vocational paths facilitated by the unification of qualifications. The report held that this unification would enable the establishment and maintenance of the links and pathways between the different educational providers. These measures would also facilitate the desire to achieve more efficient credit-transfer and recognition of prior learning. The report also recommended that NEQA should take part in developing a new modular based curriculum system that embraced CBT (Methven et al, 1994 *circa*).

A visit to New Zealand by Tom McCool of the Scottish Vocational Education Council (SCOTVEC) was also influential.⁴ Several authors cite SCOTVEC as the inspiration of the reforms to education and training in New Zealand (Methven et al, 1994 *circa*; Morris Mathews & Olssen, 1997; Smithers, 1997).⁵

The Phase I working party was established to implement the reforms proposed in Learning for life II. It was created to establish NEQA. Its membership included representatives from student organisations, employer bodies, trade unions, teachers' associations, runanga matua and government departments. Based on submissions and previous research, the working party made recommendations on the structure and composition of NEQA. The composition of the board was to reflect the links desired with industry, and the need for gender and Maori representation. Five standing committees were established to oversee each sector: secondary; vocational; academic; Maori; and non-formal education. In early 1990, an interim board was set up to ease the transition to the reformed system (Methven et al, 1994 *circa*). This draft report encapsulated all the research, analysis and recommendations of the previous reports on the post-compulsory education sector (Methven et al, 1994 *circa*). It also provided the Labour Government with a clear vision of where the education and training systems of New Zealand needed to go.

TOWARDS A NATIONAL QUALIFICATIONS FRAMEWORK

This was a discussion document published by the newly named New Zealand Qualifications Authority (NZQA). The Education Amendment Act, 1990 required some of the

⁴ David Hood (interview) and David Lythe (interview) reported that McCool's visits were very important.

⁵ See the discussion document entitled Designing the Framework (NZQA, 1991a) for evidence of the strong influence from SCOTVEC and the British NVQ system; many of the options offered in that document were based on those models.

recommendations in Learning for life II regarding NEQA to be altered. The Act changed NEQA's name to the NZQA (Methven et al, 1994 *circa*); more importantly it required the NZQA to establish

...a framework for qualifications in secondary and post-school education and training in which: i. all qualifications (including pre-vocational courses provided under the Access Training Scheme) have a purpose and a relationship to each other that students and the public can understand; ii. there is a flexible system for the gaining of qualifications, with recognition of competency already achieved (Section 253 (c) Education Amendment Act 1990).

Towards a national qualifications framework's purpose was to draw together the loose terms of reference and concepts from Learning for life II that referred to a need to create an overarching device to unite qualifications, specifically those relating to modules, credits and assessment. This was done to enable the involvement of appropriate stakeholders in the policy making process (Methven et al, 1994 *circa*). The discussion document presented two policy options, drawing on the models in Australia and Britain (NZQA, 1990). It requested submissions from stakeholders on two questions:

- what is the basis of the framework? and
- what are the implications? (NZQA, 1990; Smithers, 1997).

DESIGNING THE FRAMEWORK

This document was a response to the large numbers of replies to Towards a qualification framework, published by the NZQA. In the meantime, however, there had been a change of

Government with National elected in late 1990. The submissions indicated to the new Government that there was widespread support for:

- developing a reformed qualifications framework;
- building qualifications around modular units of learning which would carry credits;
- assessing learners against published national standards; and
- rewarding excellence (NZQA, 1991a; Smithers, 1997).

Designing the framework's purpose, was to create a second round of consultation. It did this by presenting options, which incorporated the earlier submissions to Towards a qualifications framework. The document contained:

- statements of Government policy;
- recommendations from the NZQA developed from Towards a national qualifications framework; and
- additional options to be considered.

These options incorporated features from SCOTVEC, the British National Vocational Qualifications (NVQs) and Australia's national skills strategy (NZQA, 1991a).

At the same time as calling for submissions, the NZQA held a nation-wide programme of public meetings and seminars. Many key decisions from these meetings⁶ were eventually combined with the submissions to form the basis of the NZQA policy and direction. The NZQA published a number of documents that dealt with how each stakeholder group would interact with the new system. They also promoted specific aspects of the changes such as assessment moderation

⁶ Peter Crisp in the findings reported in Chapter Eight alludes to the importance of this process.

methods. Thus, by the end of 1991, most of the policy formulation was complete; the NZQA had decided on its new direction and began to implement the reforms suggested in the policy debate (Methven et al, 1994 *circa*).

THE INDUSTRY SKILL STRATEGY

Previous government and other research by industry stakeholders had indicated the need to address industry training and the need to involve industry at all levels of education (Callister, 1990; NZCTU, 1990; NZEF, 1990). Overseas arguments were also influential. These included books such as John Mathew's Tools of change (1989), America's choice (1990) and Tom Peters' involvement in Tomorrow's skills (1990). Whether the ideas came from post-Fordists or educationalists, such as Sir Christopher Ball who visited New Zealand, the clear message was a need for the education sector to form a working partnership with industry and work (Ball, 1991).

The National Government, acknowledged the level of interest in this area, and included an 'Industry skills strategy' in its 1991 budget. This led to another discussion document: The industry skills training strategy. Its purpose was to outline National's policy proposals for involving industry in the reformed education and training sectors (NZQA, 1991b). This document proposed:

- giving industry control over training, including that of apprenticeships;
- making available government funding for training to industry organisations;
- providing opportunities to extend systematic training to a wider range of industries than had been covered by apprenticeships;
- making training more accessible to people than the previous system; and

- linking government funded industry training to national standards developed jointly between industry and the NZQA (NZQA, 1991b).

Most of the options presented found favour with the stakeholder submissions and were incorporated into the 1992 Industry Training Act (ITA). The union movement, specifically the New Zealand Council of Trade Unions and the New Zealand Engineers' Union were, however, opposed to the voluntary funding system (NZEU, 1991, NZCTU, 1991). In keeping with the Government's neo-liberal ideology, the principal thrust of the Act was to provide a facilitative framework that would form the legislative base for the reforms to industry training and the apprenticeship system. This reconciled industry training with the facilitative, voluntarist approach at the core of the Employment Contracts Act (ECA) 1991 (Law, 1996). The ITA empowered the Education and Training Support Agency (ETSA)⁷ to recognise Industry Training Organisations (ITOs) and give them seed funding from a contestable fund (Industry Training Act, 1992). Recognised ITOs, would allow industry to "control the development, implementation and management of industry training" (Lythe, 1998, p.3).

SUMMARY

By 1992, the education and training system in New Zealand had been radically transformed. It had been taken from a system that was normative, with a built in failure rate, to a system based on CBT and modular learning. Apprenticeships had been shifted from a system that was rigid and reserved for school leavers to one that was flexible with skill-based modules that could be linked into a framework that could be accessed by anyone. The new system was industry-led as

⁷ ETSA was created under the Education Act, 1989 to administer labour market programmes; its functions were amended under the Education Amendment Act, 1990 and once more by the Industry Training Act, 1992.

opposed to the former system that was dominated by the Departments of Education and Labour. Moreover, following National's election, the new system's philosophical basis was reworked in order to incorporate more neo-liberal ideology. Having said that, however, it is important to keep in mind that well before its defeat, the Labour Government had already opted for a market-oriented approach to the delivery of education and training.

CHAPTER FIVE: AUSTRALIAN UNION STRATEGIES

INTRODUCTION

The purpose of this chapter and the next is to background briefly the way in which unions in Australia and New Zealand altered their bargaining and long term strategies in the mid-1980s. This chapter focuses on Australia, Chapter Six focuses on New Zealand. Together, the two chapters introduce the reader to the interplay between the global and domestic pressures that led to similar changes in to union strategies on both sides of the Tasman. The similar lines of development in both countries led quite naturally, this thesis argues, to closer trans-Tasman union relationships over the course of the 1980s.

This chapter charts a brief, chronologically organised pathway, from a Labour Studies perspective, through the conferences, reports and policy documents produced from the late 1970s that deal with the union strategy in Australia. Again, the aim is to identify principal milestones. Australian union respondents and union-connected respondents helped unearth particular documents and initiatives that constitute these milestones.

The chapter begins with an historical note that outlines traditional union strategies. It then sketches how those traditional strategies were transformed in Australia. It does this by discussing the economic crises of the 1970s and early 1980s. The next section begins with the identification of the key union initiative of a conference. Then the 'Accord' is examined, followed by a discussion on award restructuring and the National Training Reform Agenda (NTRA). The chapter concludes with a summary.

THE COMPULSORY CONCILIATION AND ARBITRATION LEGACY

Australia adopted compulsory arbitration and conciliation because of the impact of workers of:

- economic depression;
- the influence of socialist thinking;
- a desire to curb militant trade union agitation; and
- the attitude of the growing middle class immigrants who had left their home countries for a chance of a better life (Beilharz, 1994; Reeves, 1969).

The new Commonwealth of Australia included arbitration and conciliation into its constitution, by 1904, it had been adopted in all six states. An effect of compulsory arbitration and conciliation was that in order for unions to grow, they had to become creatures of the legislation (Omojo Omaji, 1993). The system afforded unions' legal protection and encouraged union formation but restricted their scope and militancy (Berry & Kitchener, 1989; Ogden, 1990). Of course there were industrial disputes, but in the post-World War II period unions grew in strength as the Arbitration Commission made favourable rulings (Beilharz, 1994).

Unions' role and the scope of bargaining were framed by the Australian Conciliation and Arbitration Commission (ACAC). Their focus was primarily on centralised wage fixing and policing awards. Unions had limited opportunity or inclination, to involve themselves in management decision making (Ogden, 1990). The legacy of the British craft unions also resulted in strong occupational divisions and demarcations between trades (Berry & Kitchener, 1989; Ogden, 1990). These factors meant that few unions concerned themselves with long term

industrial and political strategies. Instead, Ogden (1990) claims that more pragmatic issues relating to trade demarcations and wages occupied the time and resources of the union movement. Beilharz (1994) adds that even though many unions continually chafed at the restrictions the legislation imposed, they were on the whole content to receive the benefits and thus did not ever wholly oppose the system. However the economic crises of the late 1960s and 1970s forced some to re-think their strategies (Ogden, 1990).

ECONOMIC CRISES

The oil crises of the 1970s, in combination with the other economic factors outlined in Chapter Two, shocked the union movement into action. Ogden (1990) argues that the strategies of the Fraser Government expanded the primary sector at the expense of the manufacturing or secondary sector. This led, he holds, to a substantial decline in the manufacturing sector that was compounded by the extended economic crises. The results were massive job losses, which in turn led to a decline in union membership. Even when unemployment stabilised, the manufacturing industries continued to suffer from extraordinarily high unemployment as firms after firms faced closure. From February 1981- February 1984 manufacturing employment fell by -14% (Morgan, 1985). Morgan (1985) that the Metals industry borne the brunt of this recession in manufacturing.

As discussed in Chapter One, Ogden (1990) argues that the economic conditions of the 1970s also led to a drop in the social wage; the demise of the National health scheme; curbs in education funding; and increased taxation prompted some unionists to reconsider the benefits of the compulsory arbitration and conciliation system (Ogden, 1990).

THE 1977 METAL INDUSTRY CONFERENCE

The AMWU convened in the metal industry conference in Sydney in 1977 was, Ogden (1990) argues, the first step to a restructured union strategy. The union expected 200 people to attend, however the number was closer to 2000. Ogden holds that this highlighted the intense concern at the decline in manufacturing. The Union launched an education and training campaign around the state of the industry. Thus “from 1977, the AMWU published a series of booklets popularly presenting economic and industry issues for a wide audience amongst its membership, the public, and politicians. These had quite an impact on thinking at many levels (Ogden, 1990, p.5)”.

Bramble (1997) holds that while the line of argument presented in those booklets addressed broad issues such as foreign ownership, they also hinted at a wider union agenda. Bramble argues that the publications began in 1976 with the Peoples’ economic program, this was followed by Australia uprooted (1977), Australia on the brink (1979), and then Australia on the rack (1982). Both Beilharz (1994) and Bramble (1997) present these publications as the work of the CPA - AMWU intellectual ‘left’ think tank. Ogden (1990) claims that the publications were highly influential. He also argues that they prompted other unions to accept that they needed to shift their focus in order to become more concerned with the need to increase industry productivity instead of simply demanding higher wages. Ogden also holds that key players within the union movement believed that a greater democratisation – post-Taylorism – was necessary to enable workers and unions to contribute to increased productivity. Thus, he argues,

it was the need to intervene into management prerogative that gave impetus to the restructuring strategy.

According to Ogden (1990), another factor leading to a changed union strategy was the divisions and public brawling between the union movement and the Whitlam government. Also the grim economic conditions gave rise to the realisation that long-term strategies could only be put in place by Government and unions negotiating with each other. These ideas were first promoted by the AMWU in Australia on the rack published in 1982 by the AMWU. It outlined how unions must move from a concentration on wage campaigns to a focus on social wage intervention. Significantly it also prefigured the 'Accord' between the Labour Government and unions (Ogden, 1990).

THE ACCORD

The 'Accord' was signed four weeks before the 1983 election. The unions agreed to work within the centralised wage fixing system supported by the Government and to make a commitment to not seek wage rises outside of that system. The Government in turn committed itself to increase employment and to improve the social wage. This was to be achieved by maintaining real wages, controlling income other than wages, implementing a fairer taxation system, removing anti-worker legislation and, most significantly for the union movement, increasing the rights of workers with respect to the introduction of technology, redundancy and retrenchment, the formulation of industrial development policy, and health and safety at work (Ogden, 1990).

The Accord allowed the union movement to link its short-term goals, such as maintaining living standards, with long-term concerns, such as industrial democracy, technological change, and skill formation. This linkage meant that the unions were able to move from short term, reactive pragmatism, to pro-active short and long term strategic planning. The ‘Accord’ also meant that the union movement was seen to be implementing a rational overall strategy (Ogden, 1990). In this sense, it facilitated the movement from an adversarial to a more co-operative stance, such as that in the metals industry (MITA/MTFU, 1989; Ogden, 1990)

The overall strategy was implemented by the ACTU (Ogden, 1990). The drive of key players, such as Laurie Carmichael and Bill Kelty¹², was needed as not all sections of the union movement were reconciled to this strategy. Regardless, Ogden argues, it was widely conceded that, with the exception of the metal industry employers, under the ‘Accord’ the union movement led the way in industry restructuring (1990). He adds that unions’ desire to formulate strategy allowed them to negotiate and work with management to improve efficiency in order to solve the problems identified in the earlier metal workers publications (Ogden, 1990, 1993). In the metal industry, both employers and unions argued that this strategy, if pursued, would led to greater job security for workers and increased profits for the employers (MITA/MTFU, 1989). It was a short step from this concern with productivity to a rethinking of the award system (ACTU, 1988). The bridge was Australia reconstructed.

¹² Secretary of the ACTU.

AUSTRALIA RECONSTRUCTED

In spite of the unanimous adoption of the 'Accord' and the forward thinking of the AMWU and other unions, the new strategies were not adopted wholeheartedly by the union movement. This led to the proposal for the ACTU-TDC overseas mission to convince unionists that the new strategies were the way to save Australia from economic ruin. The mission's report Australia reconstructed had a huge impact.¹³

The 1986 mission to Western Europe visited Sweden, Norway, Germany, Austria and Britain (ACTU/TDC, 1987; Ogden, 1990). Max Ogden, a former AMWU and now ACTU senior officer, argues that the most important lessons were learned from Sweden, Germany and Austria. This was because these countries embraced a radical form of social democracy that allowed the union movement to intervene into what in Australia was considered to be management prerogative. The trip also served to illustrate to the Australian union movement the importance of:

- clear long term strategic goal for social change;
- an emphasis on skill formation;
- work organisation and industrial democracy;
- a wage system that drives change other than improving living standards;
- integration of key ministries to prevent policy fragmentation and contradiction; and
- government taking a pro-active role in industry and labour market policy (Ogden, 1990).

¹³ For an elaboration of these statements, see the extracts from Carmichael and Mansfield's interviews reported in Chapter Seven.

Australia reconstructed was adopted by the ACTU congress in September 1987 and was further strengthened at its September 1989 congress (Ogden, 1990, 1993). Ogden (1990) argues that this strategy represented the consolidation of ideas that had grown from concerns about production as well as wealth distribution. This mission allowed the union movement, for the first time, to adopt a comprehensive and integrated range of sophisticated policies (Ogden, 1990, 1993). He compares this to previous approaches that suffered from being fragmented, sometimes contradictory and rarely acted on (Ogden, 1990).

Australia reconstructed served as the basis for negotiations between the union movement and the Federal Government. Ogden (1990) argues that it influenced the restructuring of Government departments, the reformation of the vocation training system and wages policy. After Australia reconstructed, wage policy became the key tool for modernising industry with high skill levels. Thus wages policy moved beyond maintaining living standards to driving industrial reform (Ogden, 1990).

AWARD RESTRUCTURING AND THE NATIONAL TRAINING REFORM AGENDA

While award restructuring was a part of the 1987 'Accord' Mark III (Alexander and Lewer, 1998), it was not until the publication of Australia reconstructed in 1987 that the idea really began to make ground. Butterworth (1995) and Goozee (1993) claim that the National Training Reform Agenda (NTRA) had its origins in Australia Reconstructed (Butterworth, 1995; Goozee, 1993). However it was not until the 1988 'Accord' Mark IV that the link between the award restructuring agenda and the training agenda was formally recognised at a Federal level

(Dawkins, 1989). This was through the Structural Efficiency Principal (SEP) discussed in Chapter Three (Goozee, 1993).

The 'Australia reconstructed' strategy allowed unions to operate at the macro level of policy formation and the micro level of the workplace (Ogden, 1990, 1993). At the micro level of the workplace, union strategy was to pursue workplace change in a comprehensive fashion with the long-term aim of altering the workplace culture and work organisation (Carmichael, 1988; Ogden, 1990). A key part of this strategy was the reversal of the traditional Taylorist division of labour (Byrne, 1989; Carmichael, 1988; Ogden, 1990, 1993). Ogden (1990) argues that the unions were determined to unite the execution and conception of manual work. To achieve this, workplace organisation had to provide for some planing, design and responsibility to be added to the execution of work. It also required the reduction of supervision, new job design and group rather than individual work.

Unions favoured the dismantling of Taylorism in order to enable them to break the control mechanisms that are a part of the hierarchical systems present in bureaucratic organisations. Unions wished to do this in order to open the way for the concept of career paths to be pursued. They wanted workers to have a career path based on skills, responsibility, status and high pay without having to resort to the traditional promotion hierarchy (Ogden, 1990). The removal of demarcations was conceived as a means of ensuring that career paths could be achieved in a variety of ways (Ogden, 1990; MITA/MTFU, 1989). The removal of demarcations was also seen as a way of resolving inter-union disputes regarding issues such as poaching members

(Berry & Kitchener, 1989). It was felt that such disputes fragmented the union movement just when it needed to operate more as a united front (Ogden, 1990).

At a macro, level unions kept in mind factors that could impede their progress. These included:

- the political divisions within unions;
- parochialism and confusion in the workforce, as well as in management;
- conservative thinking and the divisions within employer organisations; and
- the confusion and equivocation of Labour ministers (Ogden, 1990).

Thus, union amalgamation was seen as another part of the strategy to build strong, united unions. The ACTU's 'Future Strategies' campaign proposed an ideal model of twenty key groups of unions (Berry & Kitchener, 1989; Ogden, 1990, 1993).

Unions also revisited their recruitment strategies. This was prompted by the loss of membership, combined with the difficulty in attracting new recruits, and the changing nature of workers who were unionised (Berry & Kitchener, 1989). Tactics included publicity campaigns to improve the union movement's image in the media and attempts to show that through union intervention workers would achieve greater dignity and job satisfaction (Ogden, 1993).

The departure from Taylorism and the formation of career paths required the formulation of policies regarding training (Lloyd, 1989). The NTRA involved a series of radical reforms to the education system designed to link skills with pay coupled with skills career paths (Ogden, 1990). Recognition of prior learning was also seen as a means of opening increased training of shop stewards as a necessary element of the training reform strategy.

Ogden (1990) argues that for unions to be strong they need a presence in the workplace as well as at government level committees. The shop steward structure was the means of keeping employers from avoiding or eliminating union presence (Ogden, 1993). However, the shop steward structure was weak and needed modifying. Increased training and responsibility was required to enable them to negotiate with the management on a day-to-day basis. Such training would also ensure that shop stewards were involved in developing strategies and solutions so that they were tailored to the workplace (Ogden, 1990). This delegation of authority meant that the union official's role would change from a prescriptive to a facilitative, support one as shop stewards assumed increased responsibility. Ogden argues that this emphasis on pro-active shop stewards would increase the democratic process in the union movement and, in turn, in the workplace (Ogden, 1990, 1993).

Two principles were at the heart of the union movement's attempts to implement industrial democracy by linking it with award restructuring and education and training reform. The first was a problem-centred approach at the workplace. The second was that if the unions were to promote the democratisation of the workplace, then all the procedures to implement change must themselves be consistently democratic (Ogden, 1990, 1993).

Unions therefore approached companies in a very different fashion from the past. They did not rush in to negotiate. Rather, the union would respond to a problem using a holistic approach that required the systematic examination of the workplace from top to bottom. Training was conditional on receiving union help and on incorporating the new approach (Ogden, 1990). In

Victoria, a Trades Hall Council of Skills Training was established in 1989 to facilitate the extra training needed by shop stewards and officials to implement all the aspects of award restructuring. Such moves increased the unions' own knowledge, which in turn allowed them to influence the training reform agenda at the policy level (Wragg, 1989).

SUMMARY

Beginning in 1976, the AMWU campaigned for changes in the Australian union movement. It subsequently metamorphosised from a regulated one, moved and shaped by compulsory arbitration and conciliation to one that, through the 'Accord', was able to drive policy and shape the relationship between capital and labour. The landmark document, Australia reconstructed, persuaded recalcitrant unionists to alter their attitudes and structures in order to facilitate union amalgamation and award restructuring and thus influence governmental employer policies.

In this sense, Australia reconstructed represented a new phase. It pushed award restructuring to the centre of the unions' agenda and with it renewed interest in industry training. The resulting NTRA initiated increased education for union advocates and organisers who had to respond to the changing methods of the union movement as well as the changing needs of shop stewards. The combination of award restructuring and the reformed training system aspired to advance post-Taylorist work practices. All of this was linked to the demand to make Australian industry more internationally competitive through a reform of education and training.

CHAPTER SIX: NEW ZEALAND UNION STRATEGIES

INTRODUCTION

As previously stated, the purpose of this chapter is to background briefly the reforms to union bargaining and long term strategies in New Zealand since the late 1980s. This chapter focuses on New Zealand.

This chapter provides a brief, chronologically organised pathway, from a Labour Studies perspective, through the conferences, reports and policy documents produced from the late 1970s that deal with the union strategy in New Zealand. As in the last chapter, while the full story of these reforms is obviously beyond the scope of a single chapter, the principal milestones are identified. And as with Australia, union respondents and union-connected respondents helped identify particular documents and initiatives that constitute the New Zealand milestones.

Like the previous chapter, this one begins with an historical note that sketches traditional union strategies in New Zealand. It then outlines how those traditional strategies were transformed in New Zealand. It does this by discussing the impact of the economic crises in the 1970s early 1980s. It then looks at the impact of the Fourth Labour Government and discusses the role of the Labour Relations Act 1987. An examination of award restructuring follows. The New Zealand education and training reforms are considered next. The chapter concludes with a summary.

COMPULSORY ARBITRATION AND CONCILIATION

In 1894 New Zealand was the first country to legislate industrial compulsory arbitration and conciliation (Reeves, 1960; Sinclair, 1991). There are three reasons why New Zealand adopted the industrial compulsory arbitration and conciliation. The economic depression, which created financial instability and lowered the working conditions in New Zealand (Sinclair, 1991). The second, was a reaction to exposes of poor employment practices that affected marginal and unorganised workers, especially women (Reeves, 1960; Sinclair, 1991). The third was the strike activity of the late 1880s, in particular 'The Maritime Strike' 1890. According to Reeves (1960), it showed that employers, workers, and the economy all suffered when industrial disputes became prolonged. Thus as Minister of Labour, he sold industrial conciliation and arbitration to all parties as a peaceful way to settle inevitable conflict.

The legislation created unions that were largely legislation-dependent and certainly legislation contained. Union activities centred on annual rounds of wage bargaining and conditions and little else (Deeks, et al, 1994). Jones (1992) argues that, in retrospect this produced unions that left productivity concerns to the employer.

At different times more militant unions tried to break out of the compulsory arbitration and conciliation system. However, each time the state came down very hard on them which inevitably weakened them to the point where they could no longer resist (Law, 1994). This created a division in the union movement; on one side were unions that considered the system's benefits to far outweigh the costs; on the other side were those who believed that the loss of their right to strike and other constraints compromised workplace solidarity and, beyond that, they

opportunity to bring about radical social change. In addition, the division of New Zealand unions into public and private sector central bodies compounded other divisions and this weakened the union movement's claim to represent coherently workers as a whole.

THE ECONOMIC CRISES

In the 1970s, economic crises and the idiosyncrasies of the Muldoon era resulted in a series of wage-price freezes and the loss of compulsory union membership (Campbell & Kirk, 1983). The award system also trapped unions in their own history, as most of their activities centred on annual award rounds. They were locked into a position where they could only react to the situation around them (Jones, 1992). They had little scope to engage employers pro-actively.

In retrospect Jones (1992) argues that the fall out from the international oil crises, falling commodity prices, and an unstable banking sector all served to illustrate that New Zealand was becoming increasingly vulnerable economically. In 1987, the NZEU argued that alterations in manufacturing, the existence of low wage economies, and the increasing internationalisation of capital meant that union strategies needed to be reconsidered. Thus, in spite of some unions' inactivity and unwillingness to adapt, within the union movement thinking began to change. As shown in the next two chapters, at least with respect to the NZEU, the 'Accord' and the prospect of labour market reform were persuasive factors.

As discussed in Chapter Two, the Fourth Labour Government presented the union movement with considerable difficulties. On the one hand, it was dismayed at many of the policies Labour pursued. But on the other hand, the alternatives promised by a National Government looked

even worse. Thus, just as, in Chapter Two, the Labour Government's approach could be described as 'ambiguous' so too could the unions' reactions. Meanwhile, however, union membership was fading, and not just in manufacturing (Deeks et al, 1994)¹⁴.

THE LABOUR RELATIONS ACT OF 1987

Aside from the membership drop due to downsizing, the Labour movement also had to contend with the Government's desire to reform labour market legislation. The compromise reached was the 1987 Labour Relations Act (LRA). The major changes under the Act were:

- the requirement for unions to have at least 1000 members;
- the negotiation of compulsory unionism in awards;
- unions given the responsibility to enforce awards;
- workers could formulate agreements separate from the award;
- issues other than 'industrial matters' could be incorporated into the award rounds;
- the definition covering personal grievances was extended; and
- constestability amongst unions for members was allowed (NZEU, 1987).

This was, in fact, a mixed bag. Much in the LRA was consistent with the newly formed NZCTU's strategic thinking. But the Act still created many changes for the union movement.

¹⁴ See Chapter Two for more details on the impact of the Fourth Labour Government on employment and manufacturing.

This prompted unions, in particular the NZEU¹⁵ to begin to create a strategy in response (NZEU, 1987). In hindsight, Jones (1992) argues that this was necessary as unions found themselves in a new environment without the resources to cope. The NZEU's search for new strategies to allow them to remain effective in an environment where they had partially lost their state sponsorship prompted them to look more closely at developments over the Tasman.

AWARD RESTRUCTURING

As the interviews reported in Chapter Eight show, the growing Australian influence in the New Zealand union movement dates from the mid-1980s. Harvey (1988) argues that the publication of Australia reconstructed was appealing and influential as it presented the policies of countries like Sweden as a viable alternative to the current market-led, neo-liberal paradigm facing unions in New Zealand. Perry, Davidson and Hill (1995) also claim that this link to Australia was one aspect that led to the award restructuring exercises that occupied union activity from the late 1980s. In 1988 the NZEU even sponsored its own mission to Australia.¹⁶

Influenced by the Australians the NZEU developed a strategy whereby it worked with companies in order to achieve workplace change. The union did this, Jones says (1992), because workers' best interests are served if all parties involved contribute to production. He adds that the NZEU implemented this strategy because it did not envisage a return to wage militancy. It had to develop new ways of getting around employers' desire for control and capture of workers' rights. This strategy also, Jones holds, allowed the NZEU to take the pro-active approach required for award restructuring.

¹⁵ Through the amalgamation process the acronym for the New Zealand Engineers' Union has changed several times, however, for the purposes of continuity the thesis refers to the union throughout as the NZEU.

These new strategies were applied with particular success at selected workplaces: for example, BHP Steel, Toyota, and at Fisher and Paykel (Perry, Davidson & Hill, 1995). The NZEU became involved in the decision-making processes of these firms. Obviously, the successful implementation of this strategy was dependent on co-operation between the industry stakeholders (NZEU, 1991) but it also was buttressed by the residual authority unions retained under the LRA. This was jeopardised when National was elected in 1990 as it swiftly introduced a neo-liberal environment. The ECA as such was not hostile to co-operative practices, but it did shift dramatically the balance of power. However, the NZEU continued to pursue its policies and after National and the ECA enacted. One card it still had to play was its acknowledged expertise in the area of training. It also was able to take advantage of industry's need to harness union endorsement in order to convince employees to buy into the 'smart' workplace strategy.

THE NATIONAL QUALIFICATIONS FRAMEWORK AND THE INDUSTRY SKILLS STRATEGY

The linchpin of the NZEU's post 1990 strategic vision was education and training (Jones 1992; NZEU, 1991). This was because increased training fulfilled two purposes within its the reformed strategy. First, increasing the skill levels of workers allows an increase in productivity that is beneficial across industry: the union as partner. Second, increasing the training of the union representatives who needed to be able to improve their skills and resources in order to carry out effective workplace change implicitly meant enhancing union on-the-job organisation (Jones, 1992).

¹⁶ Eichbaum, interview, 1998.

The NZEU had little to do with the formation of the initial education and training reform policy. But its officials lost little time in becoming involved in them.¹⁷ The new policy matched in many ways what the NZEU had already been attempting to implement in more progressive workplaces. This was, of course, because the policy had been derived from British and Australian models¹⁸ that were in line with the Australian influenced strategies the NZEU had been attempting to imitate.

An early example of active NZEU involvement was the ‘New Directions’ conference held in Rotorua in 1990, before Labour was defeated. The conference was the result of a forum held by the interim ETSA board where a great deal of interest and consensus was reached between the NZCTU and the NZEF. The conference’s purpose was to identify directions for change, to reach agreement on how to widen the training base and to explore strategies for increasing the skill base across industry. The NZEU used the conference to popularise AMWU ideas and strategies. The union, with the NZCTU, brought over the Australian academic, Professor Bill Ford, who was associated with the AMWU and the union reform process to address the participants. Mike Smith, the NZEU Education officer, also presented a paper. Once National had been elected, the NZEU continued to support education and training reform. The Union saw an opportunity to marry its workplace change strategies to the National Qualifications Framework (NQF) and other reforms promoted through the ‘Industry Skills Strategy’ (Jones, 1992). It did this even though National had removed much of the industry focus present in Labour’s earlier initiatives, as it saw education and training reform, along with workplace reform, as a way of maintaining its strategic vision.

¹⁷ See Chapter Eight for collaborative evidence.

¹⁸ See Chapter Four for further details of this influence.

In line with this strategy, both the NZEU and the NZCTU supported the National Governments Industry Training Bill, although both were very critical of key aspects of the final Act. In truth, unions had little option but to salvage what they could. The NZEU also joined the Engineering Industry Training Organisation once the legislation was passed. The EITO provided other opportunities to link to Australia. The Union encouraged the affiliated employers' representatives to visit Australia to look at its Skills Standards as a model for their own (1994).

SUMMARY

The Industrial Conciliation and Arbitration Act's heritage shaped the New Zealand union movement for more than a century. As a state sponsored movement, unions enjoyed benefits but also lived with restrictions. The movement's special status was undermined during the Muldoon era and compounded further under Labour. In addition, the changing nature of work, new technology, and the urge to be competitive internationally all forced the union movement to reconsider its policies and practices. Unlike the Australian unions, it lacked the intellectual depth to develop its own proactive approach nor did it enjoy a pre-election 'Accord' with the Labour Party. Thus, it is no surprise that unions like the NZEU appropriated both Australian thinking and strategies, especially after the election of National. Despite National's introduction of the ECA, the NZEU continued to implement its strategic vision, including its education and training reform agenda. It invested considerable resources into the EITO where the first chairperson was the Union's education officer, Mike Smith. Meanwhile the NZCTU also focused on the possibilities opened up by education and training reform. This culminated in 1993 with the publication of its 'Building Better Skills' series.

CHAPTER SEVEN: FINDINGS FROM THE AUSTRALIAN INTERVIEWS

INTRODUCTION

This chapter presents the findings from the interviews conducted in Australia. Its purpose is to outline the ideas, policies, and experiences that the New Zealand union movement tapped from the mid-1980s. The findings are arranged in the loose chronological order established in the earlier chapters. The five clusters of themes identified in Chapter One run throughout the interviews as do the historical and theoretical insights presented in Chapter Two. The Australian interviews also assume some awareness of the reform history presented in Chapter Three and the analysis of union strategies presented in Chapter Two.

Chapter Three established Laurie Carmichael's critical role on key committees. Thus, this chapter begins with his longstanding interest in what became known as 'post-Taylorism'. The next section sketches how Carmichael's ideas were woven into the political economy debate on the 'left', which began with the defeat of the Whitlam Labor Government in 1975. It then traces that debate through to the signing of the 'Accord' in 1982. The following, more substantial section, outlines the three phases of developments in Australia that proved to be so influential in New Zealand: award restructuring; the Australia reconstructed strategy; and the emergence of the skills debate.

The final section reports the respondents' recollections of the relationship between the Australian and New Zealand union movements between 1987 and 1992. Although memories have clearly dulled, with dates not always recalled accurately, the Australian interviewees provide valuable

insights into the nature of evolving trans-Tasman networking around the issues of award restructuring and education and training reform. The interviewees also hint at a growing Australian interest in New Zealand's economic reforms.

Together, the interviews reported in this Chapter underscore the central role played by the AMWU. In general, this concurs with the Australian literature, however, readers should be aware that the focus of this particular study and the procedures used to select Australian interviewees did result in a bias towards people with an association to the AMWU.

BEYOND POST TAYLORISM

Although this study focuses on the years 1987 to 1992, several respondents (e.g. Carmichael, Lloyd, Mansfield, Ogden, and Pickersgill) emphasised that in order to understand award restructuring and the education and training reforms it is necessary to examine the political economy debate that led to the signing of the 'Accord'. As Chris Lloyd observes:

I don't think that it's correct in any way to suggest that documents like Australia reconstructed or Skills for Australia are source documents for what became ... award restructuring ... my belief is that those things came out of a much longer history in the trade union movement ... that history goes back through into the seventies

In Transforming Labor, Peter Beilharz (1994) notes at some length that at the heart of the political economy debate were ideas that were primarily generated by the AMWU's strongly CPA linked, intellectual, 'left' think tank. As this investigation progressed, it also became increasingly clear that much of that thinking, especially as it was applied to education and training, pivoted around Laurie Carmichael's vision. Equally important, perhaps, was the strength of his personality. His vision was infectious; as reported in the next chapter, several

New Zealand respondents refer to it directly. Thus, this brief section attempts to capture some of that vision in the context of the pre-‘Accord’ debates.

In his interview, Carmichael outlines the long gestation of the ideas that eventually led to award restructuring and education and training reform.

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. Furthermore, I also came to the conclusion that with the changing technology it was going to happen, and the question was how to facilitate it. ... So that 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 valued, high tech, high pay ... that was associated with high levels of training and education.

Carmichael dates his opposition to Taylorism to the late 1950s:

I had a long history of opposing Taylorism. My first exploits with that were in 1958 when I was first elected secretary of the Engineers in Victoria, and I targeted the task of getting rid of the stopwatch out of the engineering industry in Victoria. It took me three years but we did it, and the stopwatch was the key element of Taylorism.

Carmichael identifies the Lordstown riots in the United States car assembly industry and the oil crises of the 1970s as very influential in persuading union officials like himself that other ways of working with capital had to be found:

We struck a match on wages and blew a volcano on work environment, just as you had a revolt at Lordstown in Ohio in America in the late sixties, and you had the big revolt in Spain at the auto plants, we got it at Ford’s in ’73.... What brought it to a head for us was the oil crisis of ’74. And it suddenly hit us, suddenly hit me, that we were heading into a very dangerous situation nationally, for the national economy, for people, and for employment and so on.

International ideas and debate were also part of the formative mix. Debate about Taylorism in the workplace and the move to what others call a ‘post-Fordist’ environment gathered momentum in

the late 1970s. Carmichael claims that “[T]he ideas about post-Fordism, ... the 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.” For Carmichael, industrial democracy was another important element in the mix. In his interview, he identified several international conferences where he played a leading role in the discussion of post-Taylorism and industrial democracy.

Carmichael’s recollections concur with Lloyd’s observation that these ideas were heavily integrated into the AMWU’s union education programme:

These things were the dominant views in the AMWU. They were taught in the union training schools to shop stewards and officials ... ideas about how workers should have more control over the rate of technological change, the type of technology that was used in order to maintain their skills, to a large extent, and therefore their wage bargaining capacity and so on.

Max Ogden too spoke about the importance of the post-Fordist paradigm:

People like Laurie Carmichael, myself and some others, perhaps not enough of us, were very much influenced by the whole post-Fordist development. We were reading the literature, we were travelling overseas and so on.... We were very much influenced by the whole concept of the post-Fordist world. It really made sense of the new technologies, the new markets and all of that, this was the direction.

Carmichael reconciles his vision, shared by those who also believed in post-Taylorism and post-Fordism, with traditional ‘left’ concerns:

I had longer term visions. I wanted to empower the working class. And three things emerged for me, in my post-socialist approaches to the world.... For me the conquest of power still remains.... The class still remains, but I’ve a different view now about what’s involved in waging [struggle].... But they still remain, and it’s a question of three things: ... ownership of capital, the control issue, and learning.... The ‘left’ has got to have a vision. It’s got to have a vision of where society is going and where it can be. [It has] got to have a theory of how to get there. It’s got to have a strategy, and a strategy involves recognising that you have to know how to conduct campaigns, how to conduct them in such a way that your immediate feeds into the long term vision and the objectives that you’ve got, ... [so] you can sustain a campaign.... This is one of the biggest problems.

People want ... a concept to deliver on a plate instead of recognising that it's a means to action and the action is what delivers.

But by the early 1980s, Carmichael also believed in the need for a strategic alliance with employer groups and the government:

We had ACCI, the Council of Industry and we had the trade unions, we had the people from ACOS, that's the social welfare people. We had the Metal Trades Industry Association. So we had to win ... the argument. You had to show that ... and you had to believe in the relationship between the immediate and the long term. You had to believe in it. And you had to be able to win on the immediate while facilitating the long term You also had to show that you would benefit business, right. In other words business would be better off by adopting certain changes.... So you had to show that, multi-skilling would be a distinct advantage.

In summary, Carmichael appears to have spent much of the 1970s, especially following the defeat of Whitlam's Government, rethinking his strategies but not his 'left' vision. Central to his evolving strategic thinking were themes of Australia nationalism – how to save manufacturing jobs in Australia – and the need to find some accommodation with capital, preferably mediated by a sympathetic (Labour) government. However, as the next section shows, this was not a 'one-man' campaign.

THE POLITICAL ECONOMY DEBATE TOWARDS THE 'ACCORD'

This section provides interviewees' insights into aspects of the AMWU-CPA-led political economy debate of the late 1970s and early 1980s. As Beilharz (1994) provides a detailed academic analysis and assessment of that debate, the focus here is on the interviewees' insights.

According to Bill Mansfield, it was the experience of the Whitlam Labour Government (1972 – 75) that prompted the union movement to reconsider its position in relation to the ALP. This was because:

We... had a situation where ... there had been no real co-operation of a substantial kind between the Labour Government, at the national level, and the trade union movement... The election result in November '75 really showed just how the people had fallen away in terms of their support for Labour... there was a real concern... that unless we were prepared to do something differently it could happen again.

In an internal ACTU publication¹⁹, Ogden (1990) states that the response to the conference held in Sydney in 1977 by the metal industry was an important indicator of the change in the AMWU's approach to capital. Ogden outlines how, within the metals industry itself, awareness was growing, in response to changes in capital and technology, that an entirely different approach needed to be taken. Richard Pickersgill concurs:

My personal view is that all these arguments actually had been on-going since the late 1970s, particularly in the metal workers, and that was part of the left wing discourse. You can trace that to OECD reports and so forth arguing for increased productivity. So... that intellectual paradigm was accepted among the organic intellectuals of the trade union movement. In that, the metal workers played a truly critical role because they are very, very influential at the ACTU.

Other interviewees also recall that in the late 1970s the union movement began to accept that it had to work with capital in order to increase productivity. This meant radically changing union strategies in order to embrace an agenda that moved away from a traditional adversarial role to a consensus model. According to Mansfield:

A number of people in the union movement formed a very clear view that we had to change our way of doing things in Australia if we were one, going to meet the needs of our members ... improved living standards, improved job opportunities and better careers; and secondly, ... make the overall economy in this country more competitive and through that assist in the process of economic recovery.

Lloyd and Pickersgill both claim that the international debate surrounding production systems informed the growing awareness of the need to move to a relationship with capital that increased productivity rather than inhibited it. Pickersgill holds that "the productivist... and training

¹⁹ See Chapter Five for a full discussion of this document entitled Union initiatives to restructure industry in Australia (unpublished draft).

paradigms that were important in Germany, the social democratic countries in Europe, influenced the Australian metal workers.” Lloyd shares this view:

The metal workers’ union ... is heavily influenced by Northern European unions, particularly Swedes, to some extent the German, to a lesser extent the Italians and so on ... [it was] a union that did pay attention to what was developing in capitalist production systems around the world

Lloyd broadens this assessment by stating how there was more than one productionist model that influenced the impetus for the reforms:

Australia had needed to improve the investment it made in human resources since the 1930s.... The dependence on a sheep’s back, commodity exporting economy always meant that we were an under-skilled society. And to think that [this insight] was some sort of product of the sweetness and light of Accord-based labour is complete nonsense. But it became very sexy because at the same time there was another theme going around the world and that was this sort of sudden obsession with why the Japanese were so good at making things.... The usual suspects were paraded ... the myth of low wage labour.... Well you couldn’t really say that by the 1980s, when the Japanese workers were earning more than Australian workers. So what was making them so good? Two schools of thought emerged. One, ... was the one we’d been pursuing as the union, which... potentially had more skill development... industrial democracy, workplace freedom... and more innovation... strongly influenced by the Northern Europeans who did not like the Japanese organised production systems. They saw them as a sort of robotised systems where people were turned into parts of machines rather than having independence in the workplace. The industrial democracy arguments of Germany and Sweden did not emerge from the need for productivity in the economy, they emerged from the need to make the economies more human.... [The other was] the Asian model, driven by productivity and the need to increase productivity in a high wage economy, because Japan... and to some extent Korea were becoming high wage.... They’re driven by having to get more and more productivity to maintain their competitive edge in a world market.

Pickersgill states that the European productivity systems also found favour with employer groups, especially the Metal Industry Trades Association (MITA):

The social democratic model, and all the things that go with that, were very influential for the left in Australia. And expressed through the research department, the intellectuals associated with the metal workers, the industry policy suited [the] MITA as well.

The policy suited the MITA because the social democratic paradigm emphasised productivity as well as aspects of the Japanese model. Mansfield suggests that these ideas were important to unions and employers alike because:

There was a need for us to be a more export-oriented country than we had [been] in the past, because our domestic market was too small to get the economies of scale. For a variety of reasons we were not competitive with the exports of Japan, North America and Europe. We were either off the mark in quality, technology, price or a combination of those things. So we really needed to internationalise our economy and that meant we had to get exports ... lower tariffs barriers because we had to become more competitive. We had to promote value added exports ... that meant lifting your skills base, making your enterprises more competitive, getting rid of inefficiencies that came from labour market practices of the forties and fifties and trying to work constructively with employers who were prepared to work constructively with us to deliver a good outcome.

Mansfield agrees that the Australian union movement was strongly influenced by European ideas:

The experiences of people like Laurie Carmichael and others which came not only from within Australia but also ... what they saw in Western Europe and Scandinavia and other parts of the world, influenced them to view that we did need to do something a bit differently.

These arguments created a powerful impetus for the 'Accord' agreement. Mansfield states that there were three main influences that led to the 'Accord' strategy. The first was "...the disastrous economic environment..." and its "...impact on working people...". He continues:

Prior to '83, I think it's probably fair to say we were essentially a trade union movement that sought to redistribute the benefits of economic growth and national economic circumstances, rather than be there as a partner with government and other parties in trying to make the economy grow faster and through that get the opportunity to secure some benefits for working people. With the difficult economic circumstances we faced, we saw a need for a change.

The second, "...was remembering what had happened with the Whitlam Government '72 - '75 and trying to create the circumstances where that wouldn't happen to a Hawke Government."

The third influence was the leadership of the union - labour movement, including Bob Hawke himself. Mansfield describes Hawke as:

...a person who had a strong belief in tripartism and in bringing people together and he was supportive of the notion that under his government we should have closer and more constructive relationships between government, unions and employers.

Mansfield holds that the union movement realised that it "...needed to try a different approach in terms of promoting a consensus..." which would involve "...unions and employers and governments working more closely together in a tripartite way..."

Carmichael, in his interview, suggests a slightly less pragmatic, more 'left'-politics set of reasons for entering the 'Accord'. These were: post-Taylorism; the decline in manufacturing; new technology; the social wage; the division between general and vocational education; and the opportunity to empower the working class. His own words defy any summary:

I went into the 'Accord' quite deliberately. In 1980/81/82 I was speaking all over the country in support of it, which meant that I was grabbing the 'left' by the scruff of the neck and dragging them into it.... I knew the main opponents were the Trotskyists and they came out against it.... But to me it was a strategy or a particular tactic within a broader strategy... to enable us to go for... industry development policy... because Australia had become far too committed to two resource booms, one in the late sixties and one in the late seventies, and we were running Australia's manufacturing industry down, low value added stuff, low tech stuff from a point of view of employment... not low tech in terms of machinery that was brought from overseas to run it. The second thing was to pursue a social wage strategy alongside of an industrial wage strategy... and the third was in relation to using the immediate situation to broaden the whole perspective of vocational education, so that the convergence of general vocational learning could emerge and draw the whole of the working class into learning.

In summary, by late 1992 the AMWU, and beyond it, the ACTU, had reached a point where a 'left-nationalist' or 'pragmatic-nationalist' co-operative strategy was seen as the only path ahead for the labour movement.

AWARD RESTRUCTURING AND THE INDUSTRY TRAINING REFORM AGENDA

Once the 'Accord' was in place and Hawke's Labor Government was elected, a framework was established to push the union movement's reform agenda. However, it is important to note here that several interviewees stated that award restructuring and industry training reform would have happened even without the 'Accord'. Mansfield, for example, states that the 'Accord': "...made it... more likely that we did it... but I think award restructuring and the training reform agenda could... and probably would have been implemented regardless of the 'Accord'". This is an important observation for (as was shown in Chapter Six, and is shown again in Chapter Eight) in New Zealand, unions played no role in initiating the education and training reform.

Towards Award Restructuring

Meanwhile something was stirring below, as the ideas that drove the 'Accord' began to filter through to employers and workers. Ogden recalls what was for him one of the first instances of the type of change taking place at the workplace level:

We were expecting it [international ideas informing the theoretical debate of post-Fordism] to start to hit the deck here and it did in 1984. I recall... an organiser... came to see me and said: 'Oh look, you'd better come out. This company is talking about all sorts of odd things like skill upgrading ... and having a consultation committee. Never heard anything like it before, you had better come sit down with us'. And, that was the first time that I knew or anyone else for that matter knew anything [about it] and when we sat down with the committee they were actually talking about something different from the past. This was a subsidiary of BHP that had in the past run a very hard line IR.

It was workplace change, like that occurring at the BHP subsidiary that led to the initial stages of award restructuring. Mansfield recalls why awards needed to be restructured:

Our awards... were very much formed in the 30s and the 40s... multiplicity of classifications, small distinctions in terms of the work of one classification as opposed to another. They were prone to promote demarcation problems in the workplace.... All of these things were seen to be impediments to better economic

performance... also impediments to people having better training and better careers.... To a large extent there had not been good training opportunities... excepting for the old traditional trades level, the fitters, the boilermakers, the welders and so forth ... got training through apprenticeships. But other workers in those industries, who were in production lines or doing process jobs, ... got little or no opportunity for training, and there was little or no opportunity for advancement through a career structure.

Unions recognised that they had to update the awards in order to maintain their relevance in the contemporary context. This desire to reshape awards also highlighted the need to change the infrastructure around training. Ogden recalls the first major initiative that the AMWU took in regard to training reform:

The major start was made... in early '86/87, when there were some initial discussions with the employers about some kind of broad agreement... an interesting document which we hadn't seen the like of before.... About March '87 the AMWU took the unusual step of bringing every full-time official together in Sydney for a couple of days to hammer out a strategy. And at that meeting we really hammered out the issues, things like adult apprenticeship... the whole idea that everybody should have access to learning no matter what stage in their career and it shouldn't be just limited to apprenticeship age.... That opened the way to doing a whole lot of other things.... That was quite a watershed.

Ogden adds that one of the AMWU's aims was to wrest control of the training back from the educationalists:

What we set out to do in '86, was to take the agenda away from those people who had dominated it forever and put it back in the hands of industry, the employers and the unions.

Just as the inadequacies of the awards led to a desire to reform them, so did the inadequacies of the education and training system lead to its inclusion in the union reform process. Mansfield, for example, outlines two major limitations of the education and training system of the early 1980s. The first was unequal opportunities:

Certain classifications traditionally had good access to structured vocational training, leading to recognised qualifications which allowed them [workers] to go through a career structure, which allowed them to move throughout the country, and have their qualifications recognised. But most employees did not. If you looked at some of the

emerging employment areas like retail, tourism and hospitality, information technology, clerical administrative work, none of those areas had recognised structured vocational training in place in the early eighties....

The second limitation was the fractured, state-based structure:

We also had a training system in this country which was state focused... six states and two territories, all of which run separate training systems... in the past... you could get a qualification in, say, Western Australia and then move to Queensland to work and you would have to re-qualify in Queensland.... So what the unions in those areas wanted to do was to reduce the number of classifications, to provide for career structures, to introduce structured vocational training in the industry which enabled people to get skills as they progressed through the classification structure and at the same time get higher wages.... That's what they set about doing through award restructuring. There was also a clear view formed at that time that we needed to lift our skills base in this country.

Geoff Hawke, who looked at this process from an educational policy-maker's perspective, adds insights that also hint at dissatisfaction with the education sector:

It seems to me that the problems, looking back now... was there had been very substantial changes that had been occurring in the workplace in terms of technology and information systems [that]... hadn't flowed through very quickly into the vocational education systems.... They hadn't flowed through for a couple of reasons and one was that the money wasn't there to be able to provide a lot of that kind of technology.... The second thing was that at that stage was a fairly stable teaching force in Australian vocational education and because of that stability it was also an ageing workforce. So a lot of those people had been out of the workplace for quite a long time. They had lost track of how the workplace had changed.

Lloyd brings out the links between the union movement's interest in international models and its emerging education and training strategy:

We [the AMWU] had learnt substantially from our Swedish colleagues that the idea of skill played quite a significant role in their ... wage bargaining... we had learnt from the overseas experience, not just from Northern Europe, but also Northern Asia, particularly Japan, that it was skills seemed to be the critical component. That is, the high levels of investment in training seemed to be one of the critical reasons why they weren't suffering as a manufacturing nation.... We were starting to learn that our compatriots in other countries didn't live with this ancient English style training system.

Lloyd holds that this training agenda started to come, "...together with bit of strategy in 1988 ... a clear strategy to do something." He talks about this in terms of a 'thematic trajectory':

In my opinion you can see a bit of a thematic trajectory through the workplace democracy, industrial democracy arguments, the thirty-five hour week arguments, and the beginnings of the AMWU's view of a Labour Government economic policy in the early eighties where award restructuring and skills and training arguments were going to come from

In summary, the examination of the award structures also served to highlight inefficiencies in the education sector. Thus award restructuring led to the recognition among unions that the education and training system also needed reform. This was also acknowledged by some in the education sector.

Australia Reconstructed

Australia reconstructed brought together the ideas and debates of the 1970s and wove them into a practical strategy. According to Geoff Hawke, the reform agenda "...has its roots in... the tripartite mission to Europe that Laurie Carmichael and others had been involved with." Later in his interview, Hawke observes:

Australia reconstructed was an attempt by the ACTU to follow on that initial issue that had arisen for them.... They were extremely concerned ... because the whole world was going into recession, but it seemed to be hitting Australia worse than they would have expected I think. In particular, Australia's manufacturing industry was in serious straits and so they went to Europe with the specific question of what is it about countries like Germany and Scandinavia too that allowed them to do moderately well at this time, when we were really going down the gurgler.

The report itself had a long gestation. Carmichael observes:

Now in 1978 we produced Australia uprooted, the next one we produced Australia ripped-off.... How do you look at a publication almost ten years earlier called Australia uprooted, and disconnect that from Australia reconstructed? The very titles clearly indicate the continuity, and we produced four of those publications together.

Carmichael argues that Australia reconstructed was a marketing exercise that was needed to convince the other members of the union movement that the ideas that the AMWU had been developing since the 1970s were worth adopting. According to Carmichael, the mission deliberately comprised representatives from both the ‘right’ and ‘left’ of the union movement “...because... the ‘left’ was just as big a bloody problem as the ‘right’!” Thus he “...wanted an exclusively trade union [mission] because the fight was inside the Labour movement.”

Carmichael saw the mission as simply a natural extension of the vision that led to the ‘Accord’.

This continuity is also recognised by some outside of the AMWU, such as, Hawke:

I think the thing that Australia reconstructed added more than anything else was... intellectual structure.... Up until then they [unionists] had been overseas; they had seen what was happening there; but they didn’t really have any sort of consistent framework into which they could put it. They knew what they didn’t like, but they really didn’t have a clear direction where they wanted to go, Australia reconstructed was the construction of that. They didn’t have a basis for going out and saying to people in a convincing way ‘look its all different now, and this is why and this is where we want to go, it will be hard but at the end there’s going to be this kind of new world available to you’. And that’s what Australia reconstructed provided.

Mansfield expresses similar views:

Australia reconstructed, really set the seal on the direction that we were travelling in, in terms of building a strong relationship between ourselves and the Government, and also pursuing what could be broadly termed a reform agenda, with the Government ... and between the union movement and employers.

He regards the report as raising critical questions:

To me it probably is the most important report prepared for the trade union movement this century, because it laid out a whole range of things that the union movement needed to address, both within itself, the way it operated, its policy direction and its relationships between unions and governments and unions and employer

Furthermore, he adds, it enjoyed widespread support:

...it also had the acceptance of every senior union official in this country because fifteen or so leaders from the major unions in Australia went on the mission....

Mansfield sums up the value of the mission, both as an educational activity and a marketing exercise:

It was an acceleration of the process of getting people focused on how internationally circumstances were changing ... in the context of the government promoting a more open and internationally competitive Australia, an Australia that was changing to keep up with world trends.... So the Australia reconstructed mission focused the minds of the senior officials that went on it, on those issues, very clearly... it really captured the tension of the union officials and I think convinced most of them of the need for a new approach. So it was as very important mission and important report.

Richard Pickersgill, who worked for TAFE and then on secondment with the AMWU, offers another educationist's perspective on the report:

Australia reconstructed was highly sought after at senior policy levels and senior curriculum levels, and at the time, I think everyone just agreed with everything that was in it. Subsequently I found out that Bill Kelty wrote a bit of it back at Swanson Street (ACTU head office) after everyone got back. It represented a consensus position. In the broad sense ... it was a recognition that there needed to be changes in the industrial and education structures.

Jane Carnegie who worked for the ACTU concurs:

Australia reconstructed, the watershed year in a way, the Government and the union movement working closely to try and achieve outcomes that would ostensibly be to the benefit of both parties. And they were dealing with a range of social issues, in the broader sense in the terms of education, health ... those sort of aspects of the social wage.

Both Carnegie and Pickersgill argue that it was through Australia reconstructed that the education and training reforms come to the forefront of union strategy. This is confirmed by other respondents, such as Lloyd and Percy Worsnop, who state that Australia reconstructed marked the initial phase of the years when the education and training reforms were at their peak.

Worsnop, for example, holds that from 1986 to 1990 was the key period for the Ford Motor

Company's education and training reforms. Carnegie also states that it was between 1987 and 1989 that all the various arms of the debate coalesced together to form a coherent whole.

Skills for Australia

Pickersgill identifies Skills for Australia, (1987), (a government document that Mansfield and Ogden both believe Carmichael wrote with the Minister of Education, John Dawkins) as the point where the Federal Government's strategy effectively adopted and endorsed that driven by the unions. However, it was through the structural efficiency principle established in 1988²⁰ that the arguments about skill based career paths and linking them into productivity arrangements came together.

Carmichael's interview provides a very good insight into his special relationship with Dawkins, who, as Trade Minister, had approved the ACTU/TDC mission that resulted in Australia reconstructed:

Well there was an election here in '87 in which Dawkins became the Minister of Education, and of course I was very close to him by that stage, over trade.... The big issue that was dominating my thinking by that stage [was training reform] and [with] Dawkins going into that portfolio I got a big chance... I was able to begin to have an impact inside the education arena.... Dawkins' agenda and my agenda just fitted like a bloody hand in a glove....

The links between the award restructuring/Australia reconstructed debate and formal

Government reports began to take shape in 1987. Lloyd holds:

It was pulled together as ... one complex ... the idea of benchmarking wage levels to skill, ... and arguing that that should lead to an increase in the training investment ... sort of '87/'88 the union ... particularly Laurie Carmichael ... had got his ideas together ... the idea of skill played quite a significant role in the whole process of wage bargaining

²⁰ For further details see Chapter Five.

This particular recollection is supported by a little known document that, fortuitously, Paul Tolich gave to the researcher. In it is a speech to the Footscray Institute of Technology where Carmichael explicitly makes the award classification – skills benchmarking link.

A little later in this interview, Carmichael without any prompting recalls:

I came to the conclusion that it was the classification structure of the awards that the unions could tackle and bring to the broad agenda. And it was my work in that regard that then fitted in with some of the ideas that Dawkins [had] in relation to having employment, education and training [come together].... He set up a committee of inquiry, called the Finn Committee, and I was a member of that. I went from the ACTU and that's where I waged the argument about the convergence of general and vocational education.

Carmichael indicates that it was a fairly logical step from award restructuring and education and training reform to career pathing, "...and from career pathing to convergence of vocational and general education..." He continues:

If you look at those three you can see the transition, right, and the development that could occur, and the underlying thing from all of that was the changing technology and globalisation of the economy. They were the underlying things but you also had to argue for and get the changing social attitudes.

With his appointment to government committees, Carmichael was well placed to promote his agenda throughout the education and training sector as well as the union movement.

The Role of the AMWU

Both the Australian literature and the interviewees accentuate the role of the AMWU.

Obviously Carmichael was important, but as he himself acknowledges, this interest in education and training forms part of Metal Workers' culture. Lloyd, for example, identifies the AMWU's heritage as a craft union as the key to its leadership role:

A craft union ... particularly a politically active craft union like the AMWU ... had specific interest in defence of skill and therefore award restructuring and things like that... so you've got that kind of view in the union... it is sold to the union... more skill, more job security, more skill better for your labour market portability, more skill better wages and conditions... I still think that is absolutely correct. I think it's the fundamental defence of a trade union's members... the metal workers had said for many years that Australia under-trained

Ogden concurs:

Metal workers have always had a very strong attachment to the importance of vocational training. Now you've got a number of other unions who would also put their hands up and say we also regard training as important. Construction workers would be one and electrical workers and plumbers would be two others, but really by comparison to the metal workers I think their effort and their commitment was no where near as strong and not as broad either.... So in both respects, in terms of award restructuring and training reform the position of the metal workers was absolutely crucial. If the metal workers had come out and said 'look as far as we're concerned we're not going to restructure our award, we're going to stick with what we've got, we're not giving anything away, we're not amalgamating classifications, award restructuring could have died. They were critical in training reform and still are, the union that stands out in the ACTU which gives us the best advice on training reform.... There's virtually no other union I can say the same thing about. So they've been very important.

Carmichael, talking about both the AMWU and the NZEU's leadership, notes that "Engineers or their equivalent" around the world have:

...a long history, a long tradition, over two hundred years of being forward thinking.... You know, the international Metalworkers Federation, the other IMF [International Monetary Fund], which goes back over a hundred years, has always been a forward thinking international body.

Space does not allow more of Carmichael's interview to be used here, but in it he talked at length about Metal Workers' culture. His favourite illustration was the early Twentieth Century political and industrial organiser Tom Mann.

These views from within the Metal Workers were endorsed by Mansfield who also relates the AMWU leadership in education and training to its traditional lead role in bargaining:

The role of the AMWU in the process of award restructuring and training reforms was absolutely critical. The metal workers award in this country has always been regarded as the most important award for setting standards for the workforce as a whole, whether it's wage standards or general employment conditions and in the past if we were running a campaign around shorter hours or increased wages or improved training it would normally be run through the metal workers using their award as a vehicle.

However, as suggested earlier the AMWU's involvement in training reform did create some tension between the Union and Teachers' unions. Ogden recalls that in 1987 or 1988 he:

... was invited to a conference that the tech teachers were having ... they wanted to know what we were doing intervening in the training agenda without consulting them.... We had a very vigorous exchange, and I just said 'you'd better get used to it, we are going to run the agenda, the employers and us will run the agenda. You will deliver what we want. We will certainly seek your assistance on delivery but we will set the agenda.

From outside the unions, Geoff Hawke believes that unions succeeded in setting the pace:

When we were talking about educational issues the intellectual strength of it was always in the hands of the unions.... It was the unions who most often were able to have as it were, intelligent discussions with us. The employers very often deferred to some of the union representatives because they knew that they understood the issues in a way that they didn't. And so it was a really quite interesting shift in the traditional power structures in lots of ways between unions and employers in terms of the way a lot of those negotiations went ahead.

Hawke specifically mentions Carmichael, Carnegie, Lloyd, Mansfield and Julius Roe as constituting that intellectual core. Cathy Bloch, a TUTA employee, concurs, noting that "Carmichael was one of the driving forces of the training reform agenda in the trade union movement". She adds:

He [Carmichael] wanted to get the word out, TUTA was the ideal place.... It was just a huge burst of activity in '92-93, which then impacted on TUTA's own operations.... TUTA played an absolutely crucial role in '92 and '93, I think we were very significant in popularising the Training Reform Agenda as unions' agenda.

In summary, the Carmichael vision and his personality, supported by other key individuals in the AMWU, drove the reforms. Through Australia reconstructed these ‘organic intellectuals’ marketed their ideas in a fashion that made them acceptable to other unionists, employers, and the Federal Government. Furthermore, as is revealed in the next Chapter, Australia reconstructed had an important impact across the Tasman.

THE AUSTRALIAN – NEW ZEALAND UNION MOVEMENT RELATIONSHIP

This section summarises the Australian interviewees’ insights into the growing trans-Tasman relationship. From a New Zealand point of view, these are reported in more detail in Chapter Eight.

Max Ogden believes that he was the first person from the AMWU to visit New Zealand to specifically discuss the changes in Australia. This first quotation is important because it touches on pre-1984 strains in the AMWU/NZEU relationship that are discussed further in the next chapter:

Traditionally there hadn’t been a lot of connections between NZ and Australia surprisingly.... The two AEUs, as they used to be, never got on all that well and I know there was a rather sectarian approach out of the metalworkers... believing that the equivalent union in NZ traditionally meant a right wing union. My view is that those perceptions shouldn’t... get in the way of how you work with those qualities.

He believes this changed following the election of Rex Jones as Secretary. Although his dates are not quite accurate, the comments are again very important as they dovetail with New Zealand observations:

In 1987²¹ I got invited to NZ by the Engineers Union to spend three days. Rex Jones hadn’t long been the Secretary, a year or so at most.... Someone who

²¹ Peter Chrisp mentions this visit by Ogden in the findings reported in Chapter Eight.

worked with TUTA... recommended to Rex that I be invited over to visit and present in a seminar. They hadn't ever done this before. They brought every official from all over NZ to three days of quite intense [seminar]... This was the lead up to the Labour Party's... IR legislation [it covered] things like removing the compulsory element of membership, if you were covered by an award, and that kind of stuff. So I got invited to spend time in explaining to them the whole kind of post-Fordist thinking, what the award restructuring implied, and the whole skills agenda and how it all fitted together... I came back and did a report and indicated how important it was to establish much better connections with NZ and so on. George [Campbell] then... a few months after went over on a proper visit... [since then] it's just been a constant flow backwards and forwards of people coming and going around the skills agenda

Ogden holds that once the relationship between the two unions changed, trans-Tasman co-operation rapidly gathered pace:

...then we developed a very close relationship between the two unions which continues to this day.... They took a lot of notice of the skills agenda and began to really pick up on a whole lot of strategy and I think subsequently it's been much sophisticated in their strategy than we are.... Also from day one, he's [Rex Jones] always had a good team. Chris Eichbaum and the Peter Chrisps and so on, which indicates anyway that he was kind of already breaking out... of the old mould of a union that had been pretty musty and very old fashioned. So I think our relationship helped that along a fair bit and between all the people who went there quite regularly. I know Laurie went quite a bit, George Campbell, Doug Cameron, myself and a handful of others. But they were already looking for that as well, which indicates they were quite open to a whole lot of thinking already.... What's interesting of course, they're able now, I think, to give quite a lead if people [in Australia] want to take notice....

Chris Lloyd played a prominent role in trans-Tasman co-operation by supplying information to those who visited Australia and by going to New Zealand on several visits. In this necessarily lengthy quotation he reveals the range of unionists that started to visit Australia:

...the New Zealanders, in dealing with us during the '80s, were paying quite a bit of attention to what we were doing. They were flaying around a bit to work out how they deal with this Rogernomics, this Prebble bullshit... we had been experimenting with industry policy arguments for some, time and those pre date much of the award restructuring.... The Kiwis were, or the engineers in particular were, watching this sort of stuff and quite interested in what we were doing in terms of industry policy.... What I am suggesting is that New Zealand gradually catches a dose of this infection called award restructuring but filtered entirely through the eyes of the AMWU so therefore metal industry, blue collar, male

views of life, not what might suit teachers or retail workers or whatever else.... We then started receiving fairly consistent delegations, New Zealand unions, not just the Engineers, the Distribution Workers. Quite different groups were coming to the AMWU specifically to talk, largely to me and my colleagues in the research centre about what were the ideas that were coming up here.

A little later Lloyd attempts to quantify the number of unionists who visited:

I think I'd have to go through diaries now to remember but I think '89 to 1991 we would have got a delegation of New Zealanders once every two months come through the office. Not, as I say, always from the Engineers Unions, from a range of unions. And then we started getting the government bureaucrats. Then we started getting the employers from the engineering union industry in particular asking us what the hell we were up to ... I found alarming, but typical of the New Zealand situation where they were so desperate just to find a solution. And in the case of the unions, a solution to shore up membership and look at problems that they were dealing with in the workplace. In the government's case to try and save this Labour government that was clearly on the nose and was going to go out. So to cut a long story short ... I think I made three separate trips of at least a week, sometimes two weeks in length to New Zealand between that period and dealt with maybe 15-20 odd delegations from New Zealand coming this way.

Mansfield again agrees with Lloyd on the AMWU's role:

...in terms of transferring ideas across the Tasman, I think the ideas that were transferred were very much between individual unions and I think the metals and manufacturing union used to work pretty closely together and that's where the ideas would have been transferred by and large, because NZCTU, ACTU, communication and dialogue was pretty ad hoc, and sparse.

Cathy Bloch concurs, but also points to the additional influence of TUTA:

I would think that's to do with close links between the engineers in New Zealand and the metal workers and you know people going backwards and forwards, people like Chris [Lloyd] would have played an absolutely crucial role, Carmichael and I think those people probably would have political connections they've all been on the left... I think that's how Australia influenced New Zealand because there was a fair bit of to-ing and fro-ing basically through the engineers and then through people in left politics.... It was a very, very exciting period and you know we did have people coming over from New Zealand to attend those courses [at TUTA] and there was real dynamism for about two to three years as people seeing that that was going to be the way to high wage, high value added regime for workers and that that was the way in fact workers were going to be able to get real wage increases, post indexation and also to develop a high skill society. That was the mantra and we believed [it] and I'm sure the

people in New Zealand believed [it too].... The dairy workers, Angus²² [for example]. I also think there was that sort of political connection so they were like-minded and they really thought the training reform agenda was going to deliver so they kind of fed each other

Hawke too was aware of the trans-Tasman traffic:

I was certainly aware that there was, particularly in the early times ... quite a lot of movement of Australian and NZ unionists back and forth across the Tasman, talking about these sorts of issues and I was surprised how often, when I was trying to find one of my union contacts, to find that they were over there addressing some kind of meeting or other ... I mean I was aware for example of the people from the textiles and clothing area talking on quite regular kinds of basis, with their colleagues across the Tasman. Subsequently the ITAB I ran was the community services health one and I know that the health employees union was in regular discussions with people in NZ, particularly over what were really, I guess in a sense, demarcation issues between health aids and nurses and things of that kind which was very much all tied up in Australia in training reform

Pickersgill confirms the above impressions and adds yet more players:

...the other contacts with those inter-union, inter-employer peak level, peak unions, the ACTU, New Zealand top stuff, individual unions like the Metalies with the Engineering Union, and Miscs too I think, Miscellaneous workers union, and then the trans-Tasman companies that operate trans-Tasman sites. Because that was how they were going to handle the free trade arrangements between Australia and New Zealand. Going on at the same time of course was that and this is only peripheral was the changes in the classification structure for ABS, Australian Bureau of Statistics stuff, so we were introducing ANZAC, so there was a common Australia/New Zealand industry classification scheme in occupational spending. So that's broad stuff, peak level stuff, direct individual union to individual union and then cross-Tasman companies. They're all influential, so there's all these different routes in which the two moved.

In summary, what emerges from the Australian interviews is a consistent, even if memory dimmed, picture of an intensifying pattern of networking. This began with the warming of the relationship between the AMWU and the NZEU in the mid-1980s and gathered pace over the following decade. It then extended out, beyond the NZEU, to include other New Zealand unionists. Of some significance also, was the Australians' recognition that the different

²² Angus McConnell, a New Zealand Dairy Workers' Union official who was involved in the education and training trans-Tasman link in the late 1980s early 1990s, was interviewed for this study. Unfortunately, the scope of the

approach being taken by New Zealand's Labour Government - 'Rogernomics' - was driving the New Zealand unions to seek some inspiration. Also present in the quotations was a hint that the Australians recognised how an alternative government there would be attracted by the New Zealand experiment.

CHAPTER EIGHT: THE FINDINGS FROM THE NEW ZEALAND INTERVIEWS

INTRODUCTION

The purpose of this chapter is to present the findings from the interviews conducted in New Zealand. As in Chapter Seven, the findings are organised in chronological order. However, the order differs from the previous chapter as different influences and factors contributed to aspects of the New Zealand education and training reforms. For example, both David Hood and David Lythe indicate that British developments had more influence on educationalists' thinking in New Zealand than appears to have been the case in Australia. This dovetails with the timing of the New Zealand unions' involvement in the education and training debate, which was much later than their Australian counterparts. Moreover, by the early 1980s, New Zealand unions had not developed their thinking to anywhere near the same extent as the Australian's with respect to either post-Taylorism or alternative economic and political strategies.

One consequence was that the New Zealand union movement did not have a pre-election 'Accord' with the New Zealand Labour Party (NZLP) before the election of David Lange's Fourth Labour Government in 1984. In this sense, therefore, the interviews reported below trace how a rapidly changing domestic environment forced New Zealand unionists to familiarise themselves with Australian developments in order to exercise some influence on a training debate that was already in progress by the time they engaged it.

With a few exceptions, most of the New Zealand interviewees were involved over a more compressed time frame than many of the Australian interviewees. Hence, they tend to focus

substantially on the education and training reform debate from the mid- to late 1980s. Thus, it has been more difficult to organise the New Zealand interviews in the way employed in the previous chapter. Nevertheless, it has still been possible to draw on some earlier recollections from Chris Eichbaum and, to a lesser extent, Angela Foulkes, Mike Smith, and Paul Tolich, in order to identify some of the early strands of union thinking.

The chapter begins with a section that reports interviewees' earliest recollections. It backgrounds the relationship between the AMWU and NZEU and provides some insights into the absence of an 'Accord' in New Zealand. This is followed by a section that examines the impact of the award restructuring agenda, the Labour Relations Act 1987 and how they led the union movement to focus on education and training reform. The next section examines the emergence of the training debate in New Zealand: This account draws primarily on Hood and Lythe's interviews which, in the main, are consistent with the document analysis presented in Chapter Four. The union movement's growing involvement in the education and training debate is picked up again in the following section. It examines the impact of Australia reconstructed and, from 1986 – 1987 onwards, the growing influence of the AMWU. The NZEU's direct involvement in the training reform is examined in the next section, which is divided into two parts. The first subsection discusses the impact of National's election in 1990, the subsequent shifts in policy, and the attempts by NZEU officials to retain what they could of the original concept. The second subsection presents an assessment of the NZEU's achievements in the neo-liberal environment created by the National Government. The chapter ends with some reflections of the AMWU's vision as it related to New Zealand in the period 1987-1992.

THE AMWU – NZEU RELATIONSHIP

The AMWU and the NZEU are linked through a common heritage. Both were established in the latter half of the 1800s as chartered branches of the British Amalgamated Society of Engineers. However, because of political differences, that relationship was cordial but yet strained up to the early 1980s. According to the interviewees, the AMWU, with its strong Communist Party of Australia (CPA) links was regarded as a ‘left’ union, while the NZEU was regarded as a ‘right’ union. However, there were still quite close personal trans-Tasman relationships, which provided a foundation for the closer association that developed in the 1980s.

Eichbaum, one of the few union interviewees who was involved in the reform debate from initial stages, recalls some of those personal connections:

The relationship with the Engineers’ Union and the metal workers had gone back a significant period ... and there were some key personal kind of linkups based on, to a degree, politics, identification with style and preferences ... Jim Butterworth, [Auckland District Secretary] fairly closely identified with and had a strong relationship with Laurie Carmichael. Moreover people like me and others [who were] interested in advancing a union agenda ... kind of consistent with strategic unionism ... were always interested in what the Australians were doing.

Rex Jones, the NZEU National Secretary, provides additional, little known insights, when he suggests that the AMWU had ‘groomed’ some younger, NZEU officials:

For over twenty years they [AMWU] had a relationship with our Union ... I was involved in the formation in ’72 of the Amalgamated Union ... I knew them a long time ago and they’d spent a bit of time trying to groom some of us and getting us to think about things, more about awards and second tier bargaining and that sort of thing. Practical sorts of things ...

These personal relationships did have some impact in the early 1980s. Eichbaum recalls that some people within the NZEU attempted to follow and apply aspects of the AMWU's contributions to the Australian political economy debate to New Zealand politics:

A number of [us] who were ... involved with the Labour Party were trying to promote within the broader New Zealand Labour movement some positive consideration of an income/prices agreement, not dissimilar to the ALP/ACTU 'Accord'. The '84 Labour Government chose not to go down the path of the 'Accord' ... notwithstanding though, we did attempt on a number of occasions, including through ... award rounds, to try and get some understanding up and running.

Although the unions failed to achieve a compact with the NZLP, their early initiatives hinted at an inclination look across the Tasman at the 'Accord' as a source of a possible path for New Zealand. This inference is supported by Peter Chrisp who holds that: "The 'Accord' Mark I was more informative in terms of ideas coming across the Tasman." However up until the mid-1980s, the NZEU, with its allegedly 'right' stance was not well placed to adopt or push an CPA-AMWU approach.

Eichbaum emphasises the critical importance of the change in leadership in the NZEU in 1984:

[with] the change in leadership to Rex Elliot Jones things started to change. It wasn't overnight ... but there were very quickly some signals about how things would change ... In fact Rex's first conference when he was still the Acting National Secretary, at which he was endorsed as the National Secretary, August/September 1984, the guest from the metal workers was John Halfpenny* who at that stage was the Victorian State Secretary ... The relationship between Halfpenny and Carmichael became increasingly important as did the relationship between Rex and George Campbell and others in the National Office [of the AMWU] ... Over time, as they say about CER, the relationship widened and deepened and certainly Rex's leadership with the national Union has gone some way towards encouraging a more positive relationship

Jones too holds that it was his election that initiated the change in direction that allowed the two unions to begin to strengthen their relationship. He also argues that personal links played an important role in that development:

our role was reinforced with my election ... It was on a personal basis rather than union to union basis ... we had to, with the speed of '84, because we only got elected in '84, we had to get on with the arrival of the Labour Government, the change in the economic environment. And so they [AMWU] saw some opportunities to get some return on ... their 20 years investment with a number of us, hoping we would rise to the occasion. ... I'm thinking in their politics you know, theirs is driven from their political views whereas ours is driven from the practical problem of our environment, having to get on top of it and where our members are at. They've always got a number of competing, contesting agendas that we find interesting but we can't get involved.

Mike Smith has similar views about the impact of the change in leadership:

I think Rex's advent would have shifted the influence in the Engineers' Union ... to what Rex would call the moderate 'left'. ... Paul [Tolich] and I are from the Catholic 'left' as opposed to the Catholic 'right' so there has been a political shift inside the Engineers' Union

Smith also emphasises the importance of personal links in maintaining and improving the relationship between the AMWU and the NZEU:

What has happened is that we've built ever increasing personal and institutional links ... the personal links between officials in the metal workers at the leadership level and the industry training area are quite strong ... We have also shifted to an institutional linkage ... So now the Engineers' Union is an associate member of the Metal Workers Union and through that our strategy is to access linkage to the ACTU because we see, over time, the Australasian economy integrating more ...

In summary, the two unions had a long cordial relationship grounded in their common heritage. However, it was only as the AMWU's leadership moved a little towards the 'centre' and the NZEU's leadership a little to the 'left' that the relationship firmed.

TOWARDS EDUCATION AND TRAINING REFORM

In hindsight, there were some straws in the wind in the early 1980s that were pointing towards the education and training road that the New Zealand union movement followed. For example, NZCTU secretary Angela Foulkes, a former bank officer and Bank Union President, recalls how the changing nature of work in that industry was linked to education and training issues:

Probably my first involvement with education and training policy was in '83/84 when we were concerned that the Bankers' Institute exams were at least 10 years out of date ... It coincided with an increasing unemployment or restructuring in the banks. It went from being a very closed shop where there was a sort of informal agreement among banks that they would not recruit each others staff ... whereas with the sort of deregulation of the economy in the early '80s, it became a different labour market ... people were much more mobile ... jobs were also less secure. The concern partially arose out of the changing structure of the economy, equally though it was sort of equal opportunity issues emerging in the late '70s and '80s ... The 'girls can do anything' campaign and those sort of things. So there were several dynamics but ... basically there was the restructuring of the labour market and of the economy that led to that sort of discussion.

Paul Tolich echoes these observations:

I think that it was very much the changes in technology. The beginnings of the changes to the print award system in the '70s, where you had the increased capital flow and those sorts of things ... those were the driving forces and deregulation came in '84 which started to change the regulated environment.²³

Eichbaum comments in detail on the origins of the award restructuring agenda and on the need to make awards relevant in order to be able to deal with the changing bargaining strategies:

So what was it that led us to award restructuring? Well within the Engineers' Union ... national awards were very important in terms of holding the organisation together ... We decided early on that what we needed to do was retain those awards, essentially for equity reasons, providing a measure of coverage and security for workers who without them be exposed to the vagaries of the marketplace. The strategic issue there was: 'Well how can we retain the awards and at the same time establish a nexus between workers covered by

²³ See Chapter Two for further discussion on these aspects of the changing nature of work.

awards and workers who are covered by house agreements' [which are] informal documents negotiated additional to the award ...?

He also observes that the Union realised that it had to follow the AMWU's example in its attitude to employers and to the aspiration of Union members:

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 ... It was a bi-partisan response ... between unions and employers ... Let's look at the awards that we have got; let's look at their coverage; let's explore whether or not we can actually split the awards into a number of industry specific documents. Let's look at the extent to which we can actually move these awards from being single union awards to being multi-union awards. And let's just revisit the provisions in them to see if in fact they do meet the particular needs of employers and unions ... It [award restructuring] was an attempt to retain the awards and the best way of advancing it ... was to ensure that ... those awards were relevant.

Eichbaum acknowledges that this changed stance was both "a reaction to the Labour Relations Act²⁴ and an acknowledgment of the fact that even the Labour Relations Act was going to be at risk under an alternative government."

International ideas about productivity were also influential in moulding thinking within the NZEU. And, like Australia, the model was Western and Northern European. As Eichbaum observes:

Increasingly ... we realised that we weren't going to get away with simply advancing claims to redistribute. ... we were increasingly of the view that it wasn't simply about carving up the cake and saying how big is our slice going to be. ... In Western European jurisdictions it's referred to as a productivity orientation. ... We needed to be part of the process of increasing productivity. ... There were a number of different paths that you could pursue towards that objective, some of which were far less union/worker friendly than others. So we wanted to get our own agenda for improving and increasing productivity and with

²⁴ See Chapter Six for an explanation of the Labour Relations Act 1987.

some employers there was a common ground because they too were interested in higher productivity as well. ... Also, we [realised] ... that it was no longer appropriate to run a defensive strategy. We weren't going to be able to get away with some kind of Luddite approach to new technology

Chrisp adds how, from the mid-1980s, as the Roger Douglas inspired economic reforms filtered through, job loss was also a major factor. That encouraged the NZEU to look across the Tasman.

An important initial step, however, was a survey of Union membership. According to Chrisp:

It was actually structural reasons why the agenda was started ... in my view. ... From 1987, I think, there were 60,000 jobs lost in New Zealand out of manufacturing. Basically industry was collapsing all round us. ... At that time the Union did a survey. Chris Eichbaum set it up, which to my mind was one of the watershed points for the Union. ... The survey identified that the number one concern for our workers was job security – then we had to look ourselves in the eye and say ‘what were we doing about job security?’. ... Really, the only way you can deal with job security is actually deal with the fundamental issues of international competitiveness. ... Clearly we were not internationally competitive. ... I would say that the reason why we did the survey was the ‘Accord’ process.

Chrisp agrees with Eichbaum that the recognition of the need to change from a traditional ‘antagonistic’ relationship with capital to one that incorporated European productivist orientation drove the need to reform awards. He again links this recognition with the membership survey:

The Swedish and German metal workers, the whole Scandinavian joint process of industry development ... were the sorts of ideas floating around. ... And then ... there was this enormous restructuring going on in industry which we were clearly not dealing with effectively for anybody, because we were losing jobs and employers were collapsing and we were losing our industry base ... Grant Andrews, Chris Eichbaum and Rex Jones had the philosophies in their heads. ... We used the words constructive engagement. ... Our terminology for engaging with the employer on a constructive agenda.²⁵ An agenda which was about building wealth as opposed to simple distributing wealth ... We used the survey as a lever to drive that agenda inside the Union and it sort of spread out from a core of people ... We had to win over the organisers and the delegates.

²⁵ For further details on this altered approach of the NZEU to bargaining see Chapter Six.

Mike Smith too endorses the importance of this early survey. Furthermore, he indicates how the ideas being discussed by key officials were popularised within the Union through a deliberate Union education programme:

The logic of the strategy ... was the membership surveys. ... The top concern of our members was job security. So for us the whole skill development agenda was also linked to job security. ... So our argument - and this is an argument that we took out among our membership ... constantly running seminars with our delegates, presentations and all kinds of forums - was that the way the Union could protect job security best was by promoting skill development and work organisation changes to meet market requirements. And a way into that was a new wage system. And by that we meant skill-based pay.

The impact of the Labour Relations Act on award restructuring, as discussed above by Eichbaum is recognised by Smith:

The thrust of the Labour Relations Act was to shift away ... from award based bargaining to enterprise bargaining. ... The Engineers' Union developed a strategy called 'Strategies for Change'.²⁶ That looked at how they [awards] would transition into some enterprise agreements on major sites and into some industry based agreements around key industries based on the metal trades award. So that process of restructuring the New Zealand awards was really driven by the Labour Relations Act and the Union's response to it.

Both Eichbaum and Chrisp make the point that it was not until the award restructuring process began, that the education and training reforms started to come into focus. According to Eichbaum:

It was only once award restructuring came on the agenda that people suddenly made the connections between vocational education and training, award restructuring, industry policy ... in terms of that Australia reconstructed²⁷ conception of strategic unionism. Once that 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 national strategy. ... I don't think we made the link before ... because ... up until the passage of the Labour Relations Act and the Green and White paper exercises that preceded that, we hadn't been required to seriously address the sustainability of the bargaining structures that we continued to operate. ... Once the unions were

²⁶ Strategies for change is a document produced by the NZEU in 1987 in response to the Labour Relations Act 1987.

²⁷ See Chapter Five for an explanation of Australia reconstructed union strategies.

seriously challenged to address the viability of awards, that's when the enterprise level issues, including vocational education and training, became squarely on the agenda.

Chrisp echoes Eichbaum's emphasis on the macro rather than micro factors:

I think ... the constructive engagement process, say between people like Fisher & Paykel and ourselves didn't really have a lot to do with training ... It was more about joint initiatives with government, like joint presentations to the government about doing things to make the industry more competitive. So they were very much macro level things.

In summary, the selection of quotations reported here, show the stages of the evolution of the NZEU's growing interest in education and training reform. The quotes point ahead to the direct influence of Australia reconstructed. However, before examining that, it is necessary to look briefly at the reform initiatives that were being driven from within the public service at the same time as the NZEU was embracing the AMWU strategy.

THE EMERGENCE OF THE TRAINING REFORMS IN NEW ZEALAND

The union movement appears to have had little or no influence in the early stages of the training reform debate. Rather, the reforms were led from within the Departments of Education and Labour. This section outlines the ideas and imperatives that informed the policy debate within the education and labour bureaucracies. David Lythe, who was involved in the policy debates from the mid-1980s, observes that these began with the:

Green paper²⁸. ... Then there were some discussions internally in '87 in the old Department of Education and then the Hawke report in '88. I don't know that the global competitive element in repositioning the workforce and upskilling ... was a major theme. It was more reforming and modernising the education system. ... That is different from the Australian context. ... The driving force for reform in Australia was ... international competitiveness. ... In New Zealand it was more an educational reform than industrial economic reform for a long time. ... There are elements of it in Hawke²⁹, but it was not really until Bill Birch got going with the 'Industry Skills

²⁸ This is an unpublished Green paper produced by the Departments of Education and Labour, for further details see Chapter Four.

²⁹ Lythe is referring to the Hawke report a policy document published in 1988. For further details see Chapter Four.

Strategy' [post 1990] ... that the notion of industries taking control and setting the requirements.

Lythe basically identifies as significant, the documents discussed in Chapter Four of this thesis:

If you look at the Probine/Fargher report³⁰ and similar, everybody saw that the trades boards and the technicians boards needed an injection of capital. They needed their qualifications updated. There were qualifications that weren't there that should be there, like business studies qualifications. ... At that time the qualifications for the unemployed, there were none. ... It was just generally people saw a tangle and problems and there was a need for reform. So it was driven really by officials and people connected to that through the old Vocational Training Council and the reform then sort of flowed from there.

David Hood, a secondary school principal, was seconded to the Department of Education in 1985 to participate in policy formation. He adds:

There were a whole lot of reports that were beginning to tease out very similar concepts about the need for reform. ... And more emphasis on competency bases or assessment against standards ... industry having greater involvement and ... say, more flexible provision, portability, credit transfer. A lot of those ideas were coming to the surface in the late 1980s so there wasn't a single point but ... they were beginning to emerge in these various reports ... I would say that at the end of the '80s, around '88/89 there was, if you like, the pulling together of some of these ideas. ... It's not something where there was a sudden light bulb that went off.

Unlike Lythe, Hood suggests that global economics also persuaded the policy makers of the need for reform:

I think for quite a long period there was an increasing awareness in New Zealand about the emergence of the global economy ... the idea that in order to be competitive ... New Zealand had to place a high emphasis on education and ... on training in industry. ... There were certain reports ... hinting that New Zealand perhaps wasn't performing as well as other countries. For example, the numbers of people in the workforce with qualifications were relatively low.

Hood also identifies quite clearly the impact of the Labour Government's restructuring on training:

The Vocational Training Council³¹ produced a report on the level of training in industry in the second half of the 1980s that asked questions such as: ‘If you needed trained personnel how would you get them?’, and the answer that came back was ‘poach them’. ... Prior to the reforms of the mid-80s ... some of the big government departments like Railways, the Post Office and so on would have trained a high proportion of the technicians in New Zealand. ... When reformed ... what they first did is they pulled out of training. So all of a sudden there was a great big hole in the training infrastructure ... and people were recognising that as well. ... And there was a questioning about whether the traditional systems of delivery were actually going to meet the needs of the country as we move towards the year 2000.

Hood adds that the British system and the Scottish Vocational Education Council (SCOTVEC)³² were as influential as the Australian developments:

You could see an Australian influence because a number of the major industries had begun to make contact with some of their counterparts overseas. The engineers were one particular group. ... But I think also there were signs in Britain and other countries of similar kinds of thinking. ... We were drawing on a variety of models that were being developed and introduced around the world ... analysing them and identifying difficulties that people might be having and trying to avoid those and so on. ... SCOTVEC had been going for a few years and Tom McCool³³ went on a tour of New Zealand talking to different groups and undoubtedly he had a strong influence.

The Hood and Lythe interviews dovetail quite neatly with NZEU officials’ recollections and with observations, not formally quoted here, by Angela Foulkes in her interview. Unlike Australians, New Zealand unions played little part in the early stages of the reform debate, although individual unionists may have expressed opinions as members of the VTC or of industry training boards. Ruth Moorehouse, the NZQA official who liaised with industry, agrees:

The Engineers’ Union took hold of the idea because they could see great benefits and advantages ... I may be doing them a disservice but I don’t think they were influential necessarily in getting the policies established.

Peter Chrisp concurs:

³⁰ See Chapter Four for a description of this report, officially entitled The report of ministerial working party: the management, funding and organisation of continuing education and training.

³¹ It is assumed that Hood is referring to the 1986 VTC report entitled Education and the Economy, a report prepared for the Organisation for Economic Co-operation and Development.

³² See Chapter Four for further details of this international influence.

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 ideas. That was done virtually without union influence. There was very, very little in that at all. I think they are right, we were hardly even on the paddock. We were too tied up in bargaining and labour market reform. But [we] were, if anything experimenting with some of these ideas with employers. Particularly ones about consultation and stuff. The training ones are a bit more sophisticated than we were then. But then NZQA started up and I think it was definitely into the 90's before we started joining in that debate. ... A lot of the NZQA agenda was already there that made good sense to us. And we sort of climbed on. ... I think we got involved when they started running workshops on that document towards a national qualification [s] [framework]³⁴.

Mike Smith agrees: "The introduction of the qualifications framework, unit standard based approach in its influence from SCOTVEC and that sort of thing, we didn't, from my memory, have a particular influence on." So too does Rex Jones, "I think in this area, our influence has been less in the development of the qualifications, the NZQA end, but more in the ETSA."

In summary, the section highlights the lack of union involvement in the early debate surrounding education and training reforms. The drive came from the Departments of Education and Labour. This was very different from Australia. However, the union interviews, especially that with Peter Chrisp, show how the AMWU influence on the NZEU, through the award restructuring debate placed the foundations for the NZEU being very receptive to the reform agenda once it was published.

UNIONS AND EDUCATION AND TRAINING REFORM

The union movement, especially the NZEU quickly saw the opportunities offered by the education and training reforms. As a result, the sought to become more engaged formally in the reform process in the late 1980s. In part, this was because the NZEU was already moving in this direction. But in part, as becomes more evident a little later, the creation of the Trade Union

³³ See Chapter Four for further details of both SCOTVEC and Tom McCool's visit to New Zealand.

Education Authority (TUEA) in 1986 enhanced significantly the union movement's capacity to engage the education debate.

Award restructuring

Smith, who was hired by the NZEU in part to deal with education and training, comments on the Union's early involvement:

The first task I had in the Engineers' Union was to look after and develop policy on apprenticeship. That was at the end of 1987. ... There had been a review of apprenticeship and [a] white paper. ... What they had done was shift from a four-year term of apprenticeship at 8,000 hours to a three-year term with what was called the 'basic mechanical engineering training system' or BEETS as an introductory 16-week course. ... So there had been a reform of the Act. ... In the Labour Department at that time [there was] pressure to do away with apprenticeship. It was seen as restrictive, old fashioned, subject to industrial dispute.

Training was, Smith claims, a central concern within the NZEU:

Training has always been a central union strategy. Particularly in a craft union like the Engineers and the metal workers. It's very much part of the core, ethos and culture of the union. So we were actively involved. ... There was a review of industry training in New Zealand ... when I started with the Hawke report, then 'Learning for Life'; then the 'Industry Training Act'³⁵ and that process of development. ...

Smith also discusses the opportunity education and training reform offered the union to democratise to all its members the Union's long-standing interest in skills development:

The other thing that we saw as a key union strategy was the ability to shift not only tradespeople onto a skill basis for their pay but ... all workers onto a skills based pay system.

He also notes, very insightfully, how, unlike the Australians, the NZEU realised that it would in a sense have to back award restructuring into the skills matrix:

So whereas the Australians looked at restructuring their awards and then using the industry standards to do the different assessment and classifications inside an award

³⁴ See Chapter Four for a description of this document published in 1990 by the NZQA entitled Towards a national qualifications framework: general principles and directions.

³⁵ See Chapter Four for an description of Learning for Life and the Industry Training Act of 1992.

structure, we had to look at how we would develop industry pay systems that were based on skill at all levels for workers not just the trades workers.

Eichbaum too emphasises the importance of the NZEU's training strategy for all workers, not just the trades, as part of the rationale for moving into training reform:

[Training] came on the agenda because of a fault, the need to address the requirements of those who had been typically excluded from systematic training, whether on- or off-the-job, credential training. So the notion of career paths in the context of national awards which covered process workers and time-served tradespeople was an important part of the mix. ... In an expedient sense, if you could link those groups through career paths, you could also link them organisationally in support of a range of other things.

The strategic thinking behind the series of quotations reported immediately above resonates with some of the theoretical analysis developed by Streeck (1989; 1992) that is discussed in Chapter Two. Specifically, by the late 1980s the NZEU officials saw training reform as a concept they could use to maintain a bargaining edge with employers in an increasingly unfriendly environment.

Australia Reconstructed

The purpose of this subsection is to outline the significant role played by Australia reconstructed in relation to the reform strategies adopted by the New Zealand union movement. Chrisp holds that the AMWU ideas were an influential, educational force:

Later on, and I think this is where the Australians had a direct impact, they really educated us about award restructuring and training reform. ... The ideas that were coming from Australia at that time were very influential and particularly out of the metal workers ... We all went over there and I went to quite a few conferences and workshops ... about award restructuring and learnt a huge amount about the ... very deep philosophies underpinning the whole thing.

Chrisp comments on his role in disseminating Australia reconstructed:

I photocopied 178 copies ... bound them all in cardboard and sent them round the place with 'must read' written on it. ... I went to Lake Waikeremoana and read it with a highlighter pen and was taking notes all the way through and ... remember

being struck because it ... was such an all encompassing agenda. It wasn't just wages. It wasn't just training. It was about everything. ... I think that it was only after that we then discovered the Australia uprooted and sort of stuff. ... Those documents were very ... significant. ... But for us it was Australia reconstructed that put it on the map.

Chrisp specifically outlines the importance of Australia reconstructed as a basis or means of marketing the new thinking:

Once Australia reconstructed ... came out, all of a sudden people could start selling the ideas and they were just sucked into New Zealand because they filled such an important vacuum because we were desperately finding a new agenda with the employers to talk on.

Paul Tolich concurs with regard to the significance of Australia reconstructed: "I think it basically goes back to Australia reconstructed which I think is probably the seminal work that got us all involved in it. I think that's the key thing."

Chris Eichbaum recalls how, in response to Australia reconstructed, the NZEU decided to adopt a similar process for winning support, the joint mission:

The Engineers' Union decided to sponsor a mission of its own to Australia, in 1988 from memory and that was a joint employer-union mission³⁶. It was our attempt to commission our equivalent of the ACTU/TDC mission. A group of unions, Engineers', ... National Distribution Union, Clerical Service Workers Federation, and a bunch of employers went on a mission to Australia and visited Canberra and Melbourne, met with employers, government spokespeople, ministers, unions and reviewed the whole Australian approach to award restructuring ... assessing its relevance to New Zealand. ... There were a number of reports on what happened ... it 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 the employers but also within the ranks of other unions.

The increasing influence of the AMWU on the NZEU

The AMWU influence on the NZEU gathered pace from the late 1980s and into the 1990s. That influence was achieved through a variety of means: documents, exchanges of officials,

³⁶ For more details on this mission see Chapter Six.

attendance of conferences, and workshops in both countries; missions to Australia and participating in conferences and workshops in New Zealand. The respondents attempt to present the various influences in a sequential manner, although obviously the length of time passed has hampered clear recollections. Nevertheless, the following quotation covering some sense of the intensity of the network building that developed.

Chrisp provides useful insights into the networking:

I went over to a workshop about '89, and there was about ten of us in a room. We spent a couple of days together, Laurie Carmichael was one of them, Jenny George was there... We just workshopped, paper on the walls that sort of stuff ... I learnt huge amounts just by being involved in that process ... I wasn't the only person that was bringing it back to New Zealand ... Mike Smith were all bringing it back as well. Max Ogden was brought out a couple of times and he was bringing the ideas over as well

Chrisp's recollection of one of Ogden's visits highlights again how the NZEU popularised the AMWU's ideas through union education:

There was an Engineer's Union [conference] at Flock House. ... We had our annual conference there and we arranged for Max Ogden to come out and he gave us the basic lectures on Taylorism, all those ideas and to the vast bulk of organisers they were brand new ideas at the time. That would have been about say '88/89/90 somewhere around there. And this was just really at the very basic level of just educating the officials in the Engineers' Union ... not only that, creating the agenda inside the union for that change process.

Although no longer working for the NZEU, Chrisp places considerable weight on the importance of Rex Jones' leadership of the NZEU:

Rex took the Union from a grouping of skilled artisans ... to a mass based manufacturing Union. ... The most critical thing he did was ... picking people who could drive the agenda with him. So he did what most leaders do, he got a good team around him. Eichbaum was hugely influential, very bright conceptually, brilliant and with Grant Andrews the got economics in, lawyers. The ideas were floating around then but I think it really started hotting up '87/88/89 when we started bringing Australians out to argue the agenda ... Chris Harvey came out ... and we took him

around various factories for negotiations and ... Max Ogden came out for the conference and Greg Pettiana.

Smith too emphasises the intensification of the trans-Tasman networking in the late 1980s and early 1990s:

George Campbell came over and went [to the] 'industrial democracy' conference³⁷. ... The influence of our officials going to the early workplace Australia Conferences. That's when I think you can see the direct transfer of basic ideas ... I think we regularly attended their [AMWU] conferences and somebody came to ours. ... Certainly you will find people like Peter Chrisp, Rosalie Webster and Scott Wilson and others visited the metal workers and looked at their policies, reported it back and pushed it into the development of our skill based pay contracts. The plastics industry was important in that. We've used videos like 'Life after death' for years, we've used common people like Bill Ford³⁸. ... We were heavily influenced by the Australians.

Tolich adds his recollections of the influence from Australia and the role that the TUEA-TUTA link played in extending circulation of AMWU ideas:

I think they [New Zealand union movement] came into contact [with the ideas of award restructuring] in the same way I did, through the Australian metal workers ... I got involved ... through the involvement in TUEA and going to Australia and meeting the TUTA people, getting exposure to the argument. I always got a subscription to the Tribune, which was the paper of the Communist Party of Australia, ... and that was ... Laurie Carmichael, Max Ogden and all those who had been active in the CPA. ... They always used to cover those arguments and debates [of the metal workers]

Through his involvement in TUEA Tolich gained insights into a wider trans-Tasman network that built on long established political associations:

TUEA was quite important because we had our connections with TUTA, which enabled us to bring people from TUTA to New Zealand and ACTU people. ... It was again through the metal workers, gave you all the introductions to TUTA and the ACTU ... The service workers have relationship with the health unions there I think, but mainly the Engineers have those connections with the metals. It put us in touch with basically what was the 'left' fraction of the Labor Party and the old SPA³⁹.

³⁷ A TUEA seminar called 'Industrial Democracy' was held in Wellington 1988.

³⁸ Bill Ford at this time was a professor at the University of New South Wales. He was utilised by the NZCTU, the NZEU, to advance the ideas surrounding industrial democracy, award restructuring and training reform in New Zealand.

³⁹ The SPA stands for the Socialist Party of Australia.

There was also connections from the SUP⁴⁰ ... Ken Douglas⁴¹ had a close connection with Stan Shark and people like that. So those connections ... all interrelated and interplayed with the ACTU

Like Chrisp and others, Tolich recalls his own personal experiences of traveling to Australia and participating in workshops and conferences:

I went on quite a number of trips to Australia. One was a study tour for two weeks ... I went on a training course to TUTA at Clyde Cameron, Workplace Australia, and I went to an Australian Strategic Unionism Conference ... I lost track of the number of times I went to Australia over the late '80s early '90s ... I had quite a lot of connection with the people in the Workplace Resource Centres ... people in the Labour Research Centre. There was an amazing lot of connections through TUTA and people like George Campbell, Max Ogden and Jenny George. ... We also brought people from TUTA , AMWU and the ACTU to speak ...I further intensified my involvement being from TUEA. I got involved in TUTA and then went to the Workplace Australia Conference. ... We set up Workplace New Zealand, which originally got underway with the assistance of TUEA and then David Hood took it up under the Qualifications Authority.

In summary, prior to the election of the National Government in 1990, the NZEU was exceptionally busy as it altered its bargaining strategies to incorporate the award restructuring agenda and the impact of Labour Relations Act. There were frequent, two way, trans-Tasman visits as officials learned more about the links between changing bargaining patterns and training reform.

NATIONAL'S ELECTION AND POLICY SHIFTS

The purpose of this section is to outline how the election of a government much more committed to a neo-liberal agenda had an impact on the NZEU's attempts to restructure awards and reform training. It begins with insights from Jones who describes first the Union's interaction with the Labour Government and then with the newly elected National Government.

⁴⁰ The SUP stands for the Socialist Unity Party.

⁴¹ Ken Douglas is the President of the NZCTU.

In the Labour Government, the Education Department regarded [apprenticeships] as an old blue collar based male workforce training system, very negative and narrow. They raised it and in the last period of the Labour Government they actually rejected them and said they wouldn't get rid of apprenticeship, but it got benign neglect ...

Thus, Jones holds that the NZEU, under the Labour Government, was left alone in its attempts to reform apprenticeship and restructure awards. He adds that this changed with the election of the National Government:

then what happened the new government got in. Birch wanted to kill it [apprenticeship] so they made a statement ... it was gone, they were going to have the training environment with a contractual basis ... [previously] it had been held up by bureaucratic education committees ... [they] don't even understand that kind of ideological response ... Birch then couldn't get the training environment to work so he went overseas on a mission and ... loved what he saw in Germany ... they relaunched apprenticeship. ... But they dumped it on the ITOs. ... They said right we are not having it on the deficit, we're not having any departmental inspectors and all the old systems so they dumped it, but in doing that it didn't have the infrastructure to get up quick enough. So for the first two years apprenticeship plummeted. Our employers were good for a while and then started to behave a bit like they used to do under the old apprenticeship system where they really wanted the skills for nothing. ... So there was this dreamy view that 'maybe I can get the infrastructure for nothing. ... It's hard to describe how their focus shifted but they did misbehave and got back to that naughty employer behaviour of getting some skills for less than their true price.

Mike Smith also comments on the differences between the National and Labour policies:

I think the interesting thing about the policy development in that area at the time was the National Government in the 1990 election had a better industry training policy in our view than the Labour Government because they were looking forward ... they were talking about the importance of skill development etc ... the climate was that national economic development depended on skill formation. ... The key thing ... in that early phase of ETSA was the importance of industry led strategy ...

In spite of this active focus, National's neo-liberal ideology created problems. Smith, for example, comments on the impact of certain Government appointees to key committees:

then they appointed Alan Jones who was a Round Table activist, a human resources manager with Fletchers and a real libertarian. ... He drove the key changes to the Industry Training Act that ... made it impossible to work with ... [for example] the definition of industry. Because we'd lobbied as hard as we could that the government should do what they did in Australia, which was effectively cover the

whole industry spectrum and set up a number of industry training bodies for the whole industrial environment. ... That shift basically gutted the Industry Training Act.

Smith adds, however, that the Union still realised some influence:

But the skills strategy was one that Peter Chrisp was quite influential in promoting with Birch in those days. And again, we decided that in spite of the limitations of what they had done we should get in and promote that skills strategy because it offered us the opportunity to set up what our objective was, which was to do our form of skill based pay award restructuring in the New Zealand ... context.

He gives another example of the pro-activeness of the NZEU:

One key thing we did was run a conference in 1990 called the New Directions Conference. ... You saw a lot of the influence of these ideas in the sense that we brought Bill Ford across. He was the key note speaker and the outcome of the conference was a proposal that any sort of further skill development. ... There was a strong view among the people who were involved in industry training that polytechs had too much say, that it was too ... curriculum driven, too off-job driven, too inflexible. They [students] were taught what they taught rather than what industry wanted ... for any strategy to work it had to be industry-led ... That report is really quite important in terms of what happened and in terms of the influence because Bill Ford, who is in metalworkers, also used it. ... Because they came to that conference and that's where we pushed the basic policy idea that any reform had to be industry led. And that was quite influential in the development of the Industry Training Act.

Jones also comments on the impact of National's neo-liberal ideology:

Think of the contradictions of a government of this type. You could never have made the Industry Training Act your central platform with a contractual environment. ... You'd never have made the NZQA an internationally linked [system] without a view of cohesive skills development. So it's the British model. You have a benign view of an international framework but nobody uses it. ... Then they say 'we want a major uptake in the private sector training market' but no co-ordination. ... It's a voluntarist environment gone mad ... with all these contradictions. So here they were pontificating about the industry training ... the employers were saying 'drop it, drop it.' ... 'No we are having the NZQA system and we are having it like the Australians ... it's all good' ... and they put the employers back for a while. ... Then the employers say 'you're going to impose centralised wage fixing ... that's what these unions are up to.' ... 'Oh are they, oh drop it.' ... Just impossible conduct

David Lythe provides insights from within the bureaucracy as to how the National Government changed the operation of unions in policy formation.

In Australia the unions are very powerful because the Government still has a tripartite view of the world so the development of ... vocational training arrangements in Australia always had union participation ... In New Zealand the reverse is the case. ... Because government policy with the ... industrial legislation brought in by the National Government since 1990, meant that the skills strategy had been [an] employer led strategy as the Industry Training Act 1992 specifies ... Now each ITO ... has interpreted that differently. ... For example, the engineering industry has had quite strong union connections and involvement.

Salvaging something from the ashes: the NZEU's and the skills strategy.

As Smith notes above, Chrisp persevered in promoting the 'Industry Skills Strategy'. Chrisp outlines how once the strategy was up and running, the Union was able to have a continuing influence.

I think our influence was important in terms of getting the ideas accepted around the economy and around the political framework ... I did a roadshow with Bill Birch, Lockwood Smith, myself and Marilyn Davies ... The purpose of that was to sell the national qualifications framework to audiences that were made up of both union people and employers round the country. We had three issues that we raised, we weren't like total puppets ... The definition of industry, funding mechanisms and the concern about the fragmentation and the caring concern about the effect on the apprenticeship system ... But in spite of that we were still prepared to go out there and say we were in support of it ... So I think we did have an important influence in marketing it and getting it accepted around the country. We tried like hell to get some of the words changed, I don't think we did actually. Hence the definition of industry ... one influence we had, there was something in the legislation about it, a reference to, with the involvement of employees in the industry

Another important point of leverage was the Engineering ITO. Mike Smith was the ITOs first chairperson was gives a detailed account of its development and the role played by the NZEU:

Robert Leitch ... became the interim engineering ITO development Chair. We were invited on to that eventually, again through Peter Carroll's⁴² influence because the Act didn't require unions to be involved. We also worked quite actively with those employers in the engineering industry training board. Did the Colmar Brunton survey look to get a progressive, forward looking ITO. The engineering industry advisory body, ... met for about a year at the end of it we

⁴² Peter Carroll who has subsequently passed away, was at this time the Director of the Auckland Provincial Employers' Association

formally constituted the ITO, I became the chair of it, Robert became the chief executive, it was all handled very smoothly and neatly. And the other big influence then with Australia was when we started to develop the engineering standards. We worked quite closely ... with the Australian metals ITAB. ... the union strategy was to say 'let's just pick up the Australian standards and import them.' ... Casey van Berkel from the union [AMWU] and Richard Jenkins from the MTIA came over talked to our ITO council, discussed it all.

Chrisp also comments on the role he played in transferring the Australian engineering standards to New Zealand through the ITO:

I then uplifted the standards and brought them back ... that was the same time as we, Mike and I, had just collapsed the old industry training board and done a survey and re-established the engineering industry training organisation. And we came over and we put the national standards on the table at the ITO and said, 'Why go past these?' These are bloody good! And, of course, that was hugely threatening.... because those national standards were linked into the wages debate over there. And people like Ruth and David Hood weren't really opposed to it but they were really, really worried about that whole agenda being inside the national standards in NZ and employers thinking that the only reason that the unions were interested in it was it was a way of rebirth of centralised wage bargaining for the national standards framework.

Rex Jones and Mike Smith both comment on the development of the ITO Smith begins: "It wasn't until transition to the ITOs that we really got into the engineering one and got quite active and shifting that along." Jones continues:

we did the Colmar Brunton survey. ... sponsored it out amongst the employers. 'What kind would you need? What would you do? ... What sort of dynamic organisation would you want? If you were going to pay for it? How would you do it? How would you fund it?'

Mike Smith adds, "That was to drive the ITO into being a progressive, different, active organisation and, by and large I think that worked actually at that stage." Jones also commented on the importance of their ally, Peter Carroll:

Peter Carroll of the Employer Association, he's dead now, bless his soul, he was adamant, because of his love of engineering that he didn't want to see the engineering industry lose its structured training environment. He knew the environment was bad and he was just adamant that we could make a success in a non-adversarial environment in this way.

Mike Smiths adds, “He helped. He put me up to be the chair, that wouldn’t have happened without him, it was his idea.”

In summary, the NZEU’s influence of the skills strategy is captured by Jones conclusion, “yes we did have quite a strong influence in the industry led policy on skill NZ strategy.”

Assessing the NZEU’s participation in the policy debate.

Outside the union movement the contribution of the NZEU is quite widely accepted. David Lythe observes:

I think that the Engineers’ Union in New Zealand have always been really strongly in favour of ... the skills strategy, the reform of education and training. I have always perceived them to be very strong and forward looking in terms of economic redevelopment of this country ... we always perceive them as being thinking people who are prepared to move with the time and look for the 21st century while working for the best for their workers ... I think they have been one of the best unions ... they have been influential, useful and supportive and that’s not always popular, to be seen to be supportive of Bill Birch’s strategies. Rex Jones and the people have always had a tough time and they probably sometimes have felt let down by the Government too

David Hood adds:

I think unions are important ... in a sense that in a number of key industries, like in the dairy industry and in engineering, there were some, what I would call far sighted unionists and employers who were saying ‘Hey let’s stop all this ... arguing and striking ... and let’s see if we can work together’. ... There was a mapping of career opportunities within industry based or competency based training [that] were very much a result of that climate of cooperation rather than confrontation which was developing.

Ruth Moorehouse, who worked extensively with industry during the implementation of the ‘Industry Skills Strategy’, presents a unique and detailed insight into how the NZEU was able to take a pro-active response to industry training reform.

A lot of development actually began before the ITOs And this is where engineering first started talking to all of the existing organisations that represented industry ...

Engineering was different in that, and this was driven by the Union, they didn't want to do any development until they had established a new ITO. ... In many of those areas the ITO simply became part of the old. Engineering was not one of them. They wanted to clearly develop competency standards that reflected the present and the future, not simply take the old apprenticeship systems and just convert them into unit standards.

Through the NZEU's leadership, Moorehouse adds, one could see the influence of the Australians:

The Engineers' Union had been working very closely with its counterparts in Australia ... The Australians got started earlier and ... had developed their engineering competency standards. So the Engineers' Union, being a very strong partner in the new ITO, working with the Australian union, suggesting we should take the Australian standards and simply amend them to reflect the New Zealand circumstances ... that became the process, except in that process they really adapted the standards so much that they became quite different.

Moorehouse also comments on what it was like to work with the NZEU:

They've been a really good Union to work with, really strong. They've probably been the most active ... Mike Smith was the first ITO chairman. They've always got strong representation on the ITO board and they are still driving it today.

Robert Leitch, the first CEO of the Engineering ITO, also gives a detailed history of NZEU activity in the ITO:

The Engineers' Union are probably the best union I know in terms of thinking, for they have identified [that] they can achieve their agenda by ensuring that the people they're responsible for participate in education and training on a lifelong basis. ... I think it's very important they the unions have to be involved. I was fortunate in that I could work with Mike Smith. We didn't always agree on everything, but there was a great deal of harmony. It was a win-win situation. Nationally it was good.... It had benefits ... for the Union, rather than just fighting on dirt money or overtime rates. Here was a real anchor that they could negotiate on skills levels.

Leitch also comments on the impact of individuals on the ITO:

Mike Smith was appointed Chairman, he was the right person to be in the chair at that time for a variety of reasons, whether there were more employers or manufacturers on it – Mike knew much more anyway than those groups in terms of education and training and had a clearer vision of where to go. So I think that he made a substantial contribution, as did his organisation, because he had the support of Rex Jones and other people. The Union and Mike Smith were prepared to dedicate a

lot of time to the ITO in its inaugural years as well as others – four or five of Rex Jones’ staff. So they were dedicated to the concepts of reforms to education and training. ... they also donated their time ... they put their money where their mouth was.

These views are also shared by observers from within the union movement. Stephanie Doyle, from her position with TUEA and then the with CTU, offers a holistic view of the union movement’s activities in the education and training reforms. She sees union involvement, on the scale of the NZEU, as being exception:

In New Zealand, even before the ECA for various reasons, either because the unions themselves didn’t have things on the agenda or because they were excluded as of right, there was not a union voice out on the thing [the reforms] and we didn’t get the funding that enabled the Australians to have an influence ... Here in New Zealand, often we talk about the union thing, but it was the leadership of the CTU, the Engineers’ Union, the leadership of individual unions, it didn’t get beyond a certain level ... While there may have [been] someone like Peter Chrisp running his plastic seminar throughout the country or the dairy workers with theirs. With the dairy workers there was industry and government money and it enabled that to happen but they were the exception it wasn’t the norm

Angela Foulkes echoes this: “I’m not certain how many people really got deeply involved in the training agenda. Clearly the engineers did, they have always done it.”

All roads, however, lead back to the Australian influence and the pro-active culture it induced in the NZEU, as Peter Chrisp puts it:

the culture of the Engineer’s Union at the time was proud of that proactiveness, very, very proud, consciously explicitly proud of the fact that even though the ideas weren’t ours, we were still able to articulate them.... A certain pride and we didn’t have our tails between our legs because we were loosing 6,000 manufacturing jobs, we were actually out there creating a new agenda for change which meant a new style of unionism ... That sophistication and thinking I attribute ... directly to the metalworkers ... TUTA ... and Australia reconstructed.

I mean I wouldn’t attribute the basic drive to do it to come from there. As I was talking about before, it was almost like a vacuum. Something would have filled that vacuum.... but the sophistication of the thought process, ... was simply because we got a big jump on them [employers] by being able to read in black

and white and having debated with Laurie and people like that the issues, that we just sort of jumped ahead on it

REFLECTIONS ON THE AMWU'S SOCIAL DEMOCRATIC VISION

As discussed in Chapter Seven, the AMWU popularised a long term vision, informed by theories and ideas generated by organic intellectuals, such as Laurie Carmichael. The Union's strategies were rich in history and had their foundations in the debates of the 1970s. New Zealand unionists utilised aspects of this vision to make a connection between the need to sustain and modernise awards and industry training reform. The New Zealanders' understanding of these ideas allowed them to influence a reform process that were along lines markedly similar to the Australians. A personal anecdote from Paul Tolich underscores the importance of the Carmichael-AMWU vision:

When I went to Workplace Australia, to an ACTU skills and training committee meeting up in Ballarat, [I] drove up with Max Ogden ... It was very interesting. And then we adjourned as you do in Australia to the pub to have a discussion. There was Chris Lloyd, Max Ogden, myself, Peter Chrisp, Julius Roe ... and there was Chris Harvey if I remember rightly ... and we had this great debate because Chris Lloyd was a great one for training, Max is a great one for work organisation. ... The synthesis of the debate was they all did agree that it had to be the integration of both the work organisation and education and training. ... At the hub of it was the work organisation and its inter-relationship with skills and training, they all interacted and that is the key thing.

Peter Chrisp explains what to him are the underpinning philosophies of the AMWU vision:

The heart of ... it, is the difference between the conception of work and execution of work. ... What Taylorism did was say ... that some people can conceive or think and the other people execute or do. They [AMWU] were quite explicitly, with the training agenda, trying to reunite conception and execution. ... There were some quite radical underpinnings to these ideas too about reuniting people with their halves ... and there were social agendas in there as well

Chrisp explains how these radical ideas were able to be incorporated into the broad agenda:

These [earlier] ideas of industrial democracy never really took root because the employers didn't really adopt them and they were seen to be thinly disguised socialist

agendas for taking over power in the workplace. The training agenda was really the first one that had any sort of significant 'buy in' from the employers because it solved problems. Employers were desperately struggling with the current and future lack of skilled workers. ... even process workers needed a much higher basic skill threshold.

Chrisp adds that this allowed a further agenda to be met:

The other thing was ... the fact that ... national qualifications and national skills and award restructuring ... was trying to get away from the idea that employees were going to be owned by the employers and trained specifically for an employer which would take away their labour market mobility and thereby take away their power as well. ... That was always a key concept in ... the union movement. Having skilled labour that was mobile was a very important bargaining requirement as well because if you had employees that were locked into an employer ... then they are more likely to be subject to the demands of that employer. So a critical part of the whole restructuring was the fact that it was a national agenda.

He concludes:

I guess for me there were at least two basic concepts in there. One of them was the reuniting of conception and execution and the other was the national mobility of labour and therefore how that influenced the power of the proletariat.

Chrisp holds that Carmichael's post-Taylorist ideas remain at the heart of all the above:

The linkage between education ... the bringing together of both people doing and people thinking and that coming together for a much more whole ... rounded ... and a much more powerful understanding of the world. That was the same ... as the linkage between education and training, because education was about teaching people to think, vocational training was about teaching people to do and so education and training ... was really saying ... people must have the full ability to use their intellectual ability. And the separation between education and training was really one of the great social divides.... It was Laurie Carmichael that was really sort of pointing out some of the radical inequalities in those sort of structures. So when Towards our national qualifications came out, it articulated that whole debate.

Beyond the union movement, Hood also identifies the post-Taylorist vision as one of the underpinning ideas of the reforms to education and training.

I think ... in some industries, the old Taylorist model of the workplace was going ... a new model where workers were expected to be multi-skilled, take responsibility, be creative, take initiatives, teamwork ... the high performing workplace and so on. ... People were beginning to recognise that it was something that was quite important to improving quality of product, service, productivity, all those sorts of things ... Undoubtedly, I think that was influencing, for example the discussion in the

engineering and dairy industry. They were saying the old way doesn't work ... there is a new way that is emerging. It's interesting when you think about Australia, it was a paper from an Australian that really confronted me with the difference between the old and new model ... new ways of organising work, will in fact produce better results for everybody. There is plenty of evidence around, it doesn't necessarily mean that a company will survive ... but at least gives it a better opportunity

In summary these ideas were pivotal to developing an understanding of why the education and training reforms needed to take shape the way they did. These ideas also served to illustrate the long gestation of the education and training reform agenda. The New Zealand interviewees' understanding of these ideas highlight the depth of the AMWU's influence in New Zealand. Finally, they evidence the adoption of the 'partnership unionism' model outlined in Chapter Two.

CHAPTER NINE: DISCUSSION OF FINDINGS

INTRODUCTION

That the Australian union movement influenced the New Zealand unions' approach to education and training reform and the related issues of industrial democracy and workplace reform was well established before this study (Law, 1994; 1996; Perry, Davidson & Hill, 1995). The purpose of this study was to discover the specifics of that influence. It also set out to identify and explore the nature of that influence through the AMWU's relationship with the NZEU. In addition, the study sought to begin to develop a better understanding of evolving trans-Tasman union relationships during a period when both global and regional economic and trading pressures were driving the two countries closer together.

This Chapter draws on the interviews reported in Chapters Seven and Eight in order to highlight and discuss some of the study's more significant findings. The first section focuses on the role played by the union movement in Australia with respect to education and training reform. Three themes are discussed in this section:

- the depth of political debate within the union movement in the period from the defeat of the Whitlam Labour Government (1975) through to the signing of the ACTU-ALP 'Accord' in 1982;
- the importance of the 'Accord' and Australia reconstructed as a framework for advancing the union movement's strategic agenda, including its education and training reform policies; and
- the significance of the AMWU and key individuals, such as Laurie Carmichael.

The second section discusses the patterns of the Australian influence on New Zealand unions. It focuses specifically on the importance of the AMWU-NZEU relationship and how, as a result of that relationship, the NZEU essentially fashioned the New Zealand union movement's strategy.

Five broad themes are considered in this section:

- the nature (or lack) of substantive political debate within the New Zealand union movement prior to the election of the Fourth Labour Government in 1984;
- the forging of a closer relationship between the AMWU and the NZEU;
- the impact on union thinking, particularly within the NZEU, of the rise of neo-liberalism generally and the spectre of labour market reform more specifically;
- the attraction to the NZEU of AMWU strategies, such as award restructuring and, a little later, education and training reform as a means of dealing with a rapidly changing environment; and
- the impact of the AMWU – NZEU strategies on other New Zealand unions.

The third section deals with the full flush of education and training reforms in New Zealand from the publication of Learning for life II in 1989, through to the enactment of the ITA in 1992 and the early formation of the ITOs. Again, the focus is on the NZEU and the roles played by key individuals in that union. The main themes discussed in this section are:

- the nature of the education debate in New Zealand;
- the NZEU's role in education and training from the late-1980s;
- the impact of the election of the National Government in late 1990;

- the attempts by the NZEU, supported by the NZCTU and other unions, to retain as much of the strategy as possible in National's more permissive environment; and
- the significance and influence of key individuals from the NZEU and the EITO.

THE AUSTRALIAN UNIONS' REFORM STRATEGY

The findings discussed in Chapter Seven confirm insights from the Australian literature considered in Chapter Two. But in some important respects, the Australian interviews added substantially to those insights or even contradicted some claims. However, as it is not possible here to traverse comprehensively the Australian debates, this section is limited to a survey discussion of the findings as they relate to the main purposes of this particular study.

Post-Taylorism and the political economy debate.

Laurie Carmichael holds that there were three reasons why he promoted the 'Accord'. The first was to remove Taylorism from the workplace; this addressed issues of workers' control. The second was to remove the distinction between academic and vocational education; this addressed the power inequity that was perpetuated by that division. The third was to provide a framework through which workers and unions could utilise technology to achieve the first two.

These reasons had formed part of Carmichael's long-term vision, which had developed over twenty years before the 'Accord'. He also maintained these ideas throughout the implementation of the 'Accord' and the mission that resulted in Australia reconstructed. The importance of the long gestation of these arguments is that they illustrate Carmichael's pro-active approach and, through him, that of the AMWU. The Carmichael – AMWU vision also provided the union

movement with a long-term strategy, although both the literature and the interviews suggest that the wider union movement did not fully or totally embrace the vision.

The interviews underscore Beilharz's (1994) analysis of the importance of the CPA-AMWU intellectual think tank. The Australian interviews reveal not only its depth, but also how his early ideas were then woven through union and, later, government documents. The bridge was, of course, Australia reconstructed. But, as the interviews also show, there was an ongoing process of thinking and debate, carried into the wider union movement by TUTA, that ran through to the 1990s.

The interview with Mansfield reveals the impact of the AMWU's intellectual contribution. But it also shows the more pragmatic rationale behind the broader union movement's support for the 'Accord'. This includes the negative consequences of the Whitlam defeat, the deteriorating economic conditions of the early 1980s, and the leadership of Bob Hawke. These reasons support the view that more immediate concerns, rather than a depth of vision, propelled the wider union movement into the 'Accord.' This set of findings is important. It underscores Carmichael and others' view that the political economy debate of the 1970s and the 1980s had a significant impact, but it also suggests that some sections of the union movement were never fully committed to the Carmichael-AMWU vision. Rather, they supported the 'Accord' in reaction to particular circumstances,

The role of the Accord and Australia reconstructed

Notwithstanding the above, the interviews show how the ‘Accord’ was a fundamentally important part of the union movement’s strategy. It provided a framework through which unions could advance their industry reform agenda, including award restructuring and education and training reform. With respect to education and training, it is also important to keep in mind Mansfield’s claim that the reforms would have occurred regardless of the ‘Accord’. However, the findings of this study imply that without the ‘Accord’, the Australian unions, especially the AMWU, would have played a supportive rather than driving role, much like the NZEU in New Zealand.

Australia reconstructed was important in that it gave shape and form to the union movement’s education and training reform strategy. Carmichael, through his relationship with Dawkins, carried the essence of the Australia reconstructed agenda into Skills for Australia. His continuing influence on education and training policy, culminating with the 1992 Carmichael Report, ensured that the Australia reconstructed agenda continued to shape the reforms. This conclusion is supported by a range of literature (discussed in Chapter Three) that acknowledge Australia reconstructed as the driving force behind the particular shape of the education and training reforms into the mid-1990s.

However, it is important to note that while Carmichael’s influence was significant, it was not sufficient to prevent the introduction of ideas that were heavily influenced by neo-liberal market-led imperatives. The literature reviewed in Chapter Three shows that after 1990 there was a clear move into a market-led model. This is illustrated by the Deveson report’s recommendations. This shift occurred because of the neo-liberal sentiment among the policy-

makers themselves, which in turn illustrated the Labour Government's 'ambiguous corporatism.' The strength of the neo-liberal influence was enhanced by the adoption of the British and Scottish models. The dilution of the social-democratic vision articulated in Australia reconstructed provokes some searching questions about the 'Accord'. Was it, as some critics claim, a fatally flawed idea? Or was the problem the failure of more in the union movement to recognise and work to develop its 'left' potential? Whatever the answer, the dilution of Australia reconstructed's social democratic aims had important implications in that the Australian model that crossed the Tasman post-1990 had already lost much of its social vision.

The AMWU and key players

The pivotal role of the AMWU runs through all the findings. As noted above, they confirm Beilharz's (1994) claim that the unions provided the 'left' think tank that chartered the path the Australian union movement followed. Further, Mansfield observation that, without the support of the AMWU, the education and training reforms would not have happened in the form that they did underscores the union's significant role.

The findings also reveal the depth of the AMWU's think tank. Within the union there were a number of individuals who were very important to the both the political economy debate and the education and training reform process. In addition to Carmichael, whose role has been discussed at length, Max Ogden and Chris Lloyd were also very central players. One of Ogden's most significant contributions was to advance the industrial democracy debate which was kept linked to award restructuring and education and training reform. He was also very important in forging closer links between the AMWU, and later, the ACTU and the New Zealand union movement.

As reported in Chapter Seven, Ogden visited New Zealand frequently and was one of the first points of contact for New Zealand unionists visiting Australia. Chris Lloyd, who was responsible for much of the AMWU's education and training policy after Carmichael went to the ACTU, was heavily involved in the implementation phase of the education and training reforms. Like Ogden, Lloyd also facilitated the forging of closer links with the NZEU through frequent visits in the 1989-1991 period and by helping New Zealand unionists visiting Australia.

THE AUSTRALIAN INFLUENCE ON NEW ZEALAND UNIONS

The findings reported in Chapters Seven and Eight outline the depth and nature of the Australian influence. They confirm that at the heart of that influence was the relationship between the AMWU and the NZEU. Space and fading memories made it impossible to capture the details of that relationship, nevertheless the interviews and the quotations presented in this thesis provide valuable insights. In the loose sense employed in the previous section, it is possible to talk of the emergence (in the late 1980s), of a trans-Tasman, union based, education and training network.

Political debate within the union movement before 1984

The thesis documents that this trans-Tasman, union based education and training network took some time to emerge. In the early 1980s, the New Zealand union movement was reeling. It had to deal with the impact of negative global economic conditions, a wage/price freeze, and the loss of union members as a result of the removal of compulsory unionism. Moreover, as it had not engaged in an extensive political economy debate of its own, it had to graft aspects of the Australian debate onto a rather shallow intellectual stem. Eichbaum's interview confirms the impression given by Campbell and Kirk (1984), that in the early 1980s few in the New Zealand

union movement were aware of the significance of the Australian political economy debate and, a little later, of the 'Accord' itself.

Nevertheless, Eichbaum does mention that some members of the New Zealand union movement did attempt to forge a compact with the New Zealand Labour Party before the 1984 election. It is beyond the scope of this study to analyse why those attempts failed. But that failure does help explain why the New Zealand union movement did not have the same amount of policy leverage with its Labour Government as its counterparts in Australia had with theirs.

The relationship between the AMWU and the NZEU

Interviewees emphasised the AMWU and NZEU's traditional relationship derived from their common British heritage. But the findings reveal that the two unions were not close until the 1980s. Respondents on both sides of the Tasman attributed this to different political perspectives. Historically, the AMWU had been a politically 'left' union, whereas the NZEU was seen to be on the political 'right'. Interviewees identified the election of Rex Jones as National Secretary of the NZEU as the turning point in the relationship between the two unions. Interestingly, Jones himself talks about his election as providing an opportunity for the AMWU to get some 'return' on the investment it had put into him with younger (mainly Auckland based) NZEU officers.

After Jones' election, the NZEU built on the personal relationships that had existed previously and forged new ones. A good example is the one that developed between Peter Chrisp and Chris Lloyd. The study reveals in some depth how, under Jones' leadership, the NZEU actively looked

for a new agenda to bargain with employers as it faced the first wave of ‘Rogernomics’. The AMWU offered not so much ready-made answers as a sense of direction. Thus, it has been possible to track the relationship between the two unions as the NZEU took on board award restructuring, strategic unionism and education and training reform. According to respondent, this relationship developed up to where the NZEU was in daily fax communication with the AMWU during some bargaining sessions.

The rise of neo-liberalism and labour market reform

By the mid-1980s, the spectre of neo-liberalism haunted the NZEU. Looking from Australia, Lloyd connects Jones’ decision to professionalise the NZEU and to seek closer links with the AMWU as a direct response to ‘Rogernomics.’. Jones’ strategy was to hire younger men and women with tertiary qualifications. The moving of Eichbaum to Wellington and the hiring of people like Peter Chrisp and Rosalie Webster were part of this strategy. Lloyd holds that the NZEU took these steps because Jones could foresee massive changes in the industrial relations environment; Lloyd’s observation is consistent with New Zealand interviews, especially that with Eichbaum.

New Zealand unionists are sometimes portrayed as having a naïve approach to the Lange Government reform agenda. However, the New Zealand interviews reveal that many unionists had a very sharp appreciation of the direction of labour market reform. The problem, which is hinted quite strongly in the interviews, was the movement’s organisational weaknesses and its lack of intellectual depth. Up until the formation of the NZCTU in 1987, the movement was

fragmented into three clusters: private, state, and independent. As noted above, the NZEU only began to professionalise after Jones' election as National Secretary. And TUEA was not established until 1986. In other words, the New Zealand movement had to play 'catch-up' during the mid-1980s. Both Angela Foulkes and Paul Tolich acknowledge that the Fourth Labour Government's reforms were a major factor in persuading the New Zealand union movement to upgrade its organisation and to alter its strategies, including those concerning education and training. The economic reforms and the accompanying high unemployment, resulting from manufacturing decline, gave the unions, especially the NZEU, the incentive to look for new bargaining strategies.

Eichbaum, Jones and Smith all hold that it was the Labour Relations Act of 1987 that spurred the NZEU to advocate award restructuring. Before that legislation, the NZEU had not addressed the need to examine the structure of its awards. Once the legislation came into force, the unions faced a crisis of awards sustainability. As Eichbaum notes, this pushed the NZEU to look more clearly at what the AMWU was doing.

The attraction of the AMWU strategy

The AMWU strategy filled a vacuum. The findings show that Jones was actively looking for ways to cope with the rapid changes to the New Zealand labour market. Australia reconstructed was intended as a marketing device to convince the Australian union movement that the strategies of the AMWU were worth adopting. It also seems to have been a godsend to New Zealand unionism. This is not to suggest that all New Zealand unionists were bereft of ideas, far from it. Rather, it is to suggest that one can infer from the several interviewees – Chrisp,

Eichbaum, Jones and Tolich – that Australia reconstructed gave shape to, or took further, under-developed ideas and policies that had been ‘in the air’ for sometime. Thus when AMWU staff members, like Ogden, who were well versed in the arguments, came to New Zealand they found an exceptionally receptive and perhaps a little desperate audience.

Australia reconstructed presented not only the AMWU’s general ideas as a ‘package’ but also guidance on how to implement them. The interviews indicate that the report gave the NZEU something concrete to work from. It also provided the NZEU with a reform strategy that appealed to many employers. By moving to a more constructive bargaining strategy which was aimed at improving productivity rather than just redistributing wealth, the NZEU established itself as a union that could ‘add value’. This was an important attribute in a labour market environment that was beginning to marginalise unions.

AMWU-NZEU’s impact on the New Zealand union movement

The adoption of the AMWU strategies by the NZEU created a general movement among New Zealand unions. Lloyd holds that once the NZEU brought the ideas back to New Zealand and began discussing them (with employers and other unions), those involved in the discussions began to visit the AMWU and other centres pivotal in Australia. Eichbaum claims that encouraging other unions to Australia was a deliberate move by the NZEU. He refers to a 1988 mission the union led to Australia with other members of the New Zealand union movement and employer groups. Eichbaum argues that the NZEU did this in order to push the ownership of the AMWU strategies into a wider sphere than just the NZEU alone. After 1988, the NZEU

continued with this approach in regard to specific issues, such as the later education and training reforms.

EDUCATION AND TRAINING REFORMS IN NEW ZEALAND

The findings reported in Chapter Eight build on the literature reported in Chapter Four. These findings go far beyond the analysis presented in the academic literature on the education and training reforms in New Zealand, such as that in Olssen and Morris Mathews (1997). Thus far, academic commentators outside the small number teaching industrial relations and labour studies have failed to appreciate the nature and depth of union involvement and the reasons why the unions were (and are) supportive of the reforms.

This study's findings document how the early policy debate in New Zealand was largely limited to government circles. This changed once the 'industry skills strategy' began to emerge. While it is not possible to discuss comprehensively the details and impact of those debates, the next section draws on the findings of the study in order to present a summary overview.

The education debate

The study found that the immediate history of the New Zealand education and training reforms began with government reports dating back from the mid-eighties. These were discussed in detail in Chapter Four. David Hood and David Lythe recall that the early part of the policy formation was driven by the need to modernise the vocational education system. This was soon tied into international reports and opinions that held that education levels were linked to

economic performance. Policy makers were concerned that the number of people in the New Zealand workplaces with qualifications was relatively low. This, coupled with poor economic performance, created a consensus on the need for reform. Thus, the Departments of Education and Labour began a series of initiatives to improve vocational training. This process was driven initially by primarily domestic concerns with the unions having little or no direct impact. This contrasts with Australia, where the changes were driven more by a recognised need, shared by some unions, to be competitive internationally.

The role of the NZEU in education and training reform

As a craft union, the NZEU has traditionally made training a priority. For example, it will be recalled from his interview that Mike Smith was recruited by the NZEU to deal with apprenticeship reform in 1987. However, given the limited leverage the union movement had with the Labour Government, it had very little influence on the policy debate in the education strategy. Indeed, prior to the establishment of TUEA, unions had only scattered forums – apprenticeship committees and the like – in which they could have an influence. Moreover, given all the other changes in the wind, such as industry reform and the formation of the NZCTU, union resources were stretched.

However, this study found that it was the Labour Relations Act of 1987 that really impelled the NZEU to re-examine its attitude to training. As noted earlier, the unions recognised the need to modernise awards and to give all their members something concrete to bargain around. Like the AMWU, the NZEU saw skill development as the key to job security and to award restructuring. In bringing the AMWU strategy back to New Zealand, the NZEU made an organic connection

between skill and award restructuring. This represented an important shift in perception. Instead of seeing training only in the realm of apprenticeships, the NZEU recognised the need to extend access to training to all members of the union. Thus, the union's training strategy became more inclusive; covering process workers as well as tradespeople.

In this last term of the Labour Government 1987-1990, the NZEU kept its training ideas within the realm of the workplace. Jones and Smith recall in their interviews that the Labour Government did not really have a clear view of where to take industry training; it seemed to want to retain the apprenticeship system but leave it in benign neglect. Thus, the union had no real incentive or signals to become involved with the policy debate in the early stages. This changed, Chrisp observes, with the publication of Learning for life.

The election of the National Government

The study found that unionists recognised that the National Government, once elected, had very clear aims. Mike Smith holds that the ministers were forward looking, wanting to involve industry in the education and training reform process. The NZEU (at this time), also had very clear aims on this issue - having travelled to Australia regularly. Prior to the election, the NZEU had played a major role with ETSA helping put together the New Directions Conference. The study found that this conference was very significant in terms of the role the NZEU and the wider union movement played in the education and training reforms.

As noted above, Chrisp argues that, for him, what drew the NZEU away from their workplace focus to the policy debate was an early discussion document released by the NZQA. He holds

that it contained the same ideas that had been outlined by the AMWU in relation to the need to increase access for all to education and training. Thus, even after the National Government was elected, the NZEU still found itself not only in agreement with the policy makers but also in a position to continue to engage the reform process. This is remarkable because at the same time the National Government was beginning to implement a series of legislative initiatives that were intended to deregulate the labour market.

The findings show, however, that the NZEU and other unions were essentially in a situation where they were attempting to salvage what they could as the Government developed its Industry Skills Strategy. Crisp suggests that some key elements were contestable and that it was the appointment of Business Roundtable activist, Alan Jones, to chair the Industry Training Bill's committee that swung the balance. He ensured that the language of the legislation was both permissive and voluntary in nature, consistent with the ECA. The NZEU fought to prevent this, but in the end could only ensure that provision for employee, but not explicitly union, representation on ITOs was retained.

However, the NZEU still saw an opportunity to effect positive change through the legislation and thus made a tactical decision to join employer groups on a roadshow to sell the Industry Training Act. Thus while even though its influence was much reduced by the language of the legislation, the NZEU's pro-active approach to education and training reform coupled with its expertise, ensured that its presence in the policy debate was still reasonably significant.

Retaining the strategy in a permissive environment

The neo-liberal environment created by the ECA and the other National legislation threatened the continual existence of New Zealand unions. The NZEU saw that one of the ways it could maintain and justify its existence was through the 'Industry Skills Strategy'. Therefore, at a time when unions, including the NZEU, were fighting National's labour market policies, the NZEU still worked with it to promote the education and training reforms. This was a difficult position for the union to take, but the union's officials believed in the education and training reforms, even though their influence reduced. At the more micro level, however, the Union continued to play a very influential role through the EITO. Robert Leitch, the EITO's original CEO, claims that the NZEU was the most knowledgeable group within the ITO in the early stages and that it was Mike Smith, the first chair of the ITO's board, brought other members 'up with the play'. The NZEU kept its links to Australia throughout this process and convinced the EITO to adopt the Australian metals standards. This participation has left the Union in a position to continue to pursue its original strategy as opportunities arise..

The NZEU and key players

The findings show that the NZEU played a significant role in the formation and maintenance of the EITO because of its superior knowledge and the strength of its strategies. It also had strong support of Peter Carroll of the Auckland Employers' Association. Both Smith and Jones hold that if Carroll had not insisted that the union be involved it simply would not have been. Also, it was Carroll who pushed for Smith to be the first chairperson of the board thus allowing the union to gain a position of influence. Jones held that Carroll did this because he firmly believed in

structured training and saw the strategies presented by the NZEU as a way of maintaining the quality of the training.

Other key players were inside the NZEU. The study found that without Jones' leadership, it is unlikely the relationship between the AMWU and the NZEU would have flourished as it did. Eichbaum's intellectual and practical contribution comes through the findings. Chrisp too was important, as it was his understanding of the concepts and his youth and drive that allowed the NZEU to spread its agenda out into the plastics industry and workplaces like Tasman Pulp and Paper. Smith was clearly important as it was through his position as chair of the EITO board that the NZEU was able to maintain its influence on training policy through the 1990s. In summary, part of the reason why the NZEU was so successful can be contributed to its key people.

Therefore, one of the most significant findings of this study is that just as ideas and circumstances are important, so too are the key individuals who turn the ideas into reality. If certain players had not been in place, the story told here would have been quite different. Certainly without the individuals identified in this study, Australian unionism would have had a much less influence on the New Zealand unions' education and training reform strategies.

CHAPTER TEN: CONCLUSION

Chapter Two presented the historical and theoretical considerations that drove the union movement to look at education and training reform. These included:

- the demise of the welfare state;
- the changing nature of work;
- the rise of neo-liberalism; and
- the resurgence of Human Capital Theory.

It went on to provide a political-economic assessment of the context within which the unions operated. This was completed by examining the ‘Accord’ and ‘Rogernomics’, looking at the ambiguities both systems created as the Labour Party’s attempted to reconcile their policies with neo-liberalism. Chapter Two finished by outlining the theories that the findings were anchored to. These two interlinked theories were Boxall and Haynes’ (1997) categorisation of union strategies generated in response to neo-liberalism and Streeck’s analysis of the role of training within the ‘partnership unionism’ strategies.

The findings reported in Chapter Three, Five and Seven illustrated the depth and strength of the AMWU influence within the education and training reforms, particularly the significant role of Laurie Carmichael. The findings also confirmed the pressures identified in Chapter Two. However, the significance of the desire to break Taylorism was also emphasised, as was the need to achieve workers’ emancipation. These two pressures were both connected to Carmichael’s vision as discussed in Chapter Seven. That these two goals run through the reforms to education and training are a testament to his importance and the power of his vision.

The findings presented in Chapters Four, Six and Eight illustrate that dissimilar events occurred in New Zealand. New Zealand did not have an ‘Accord’, they did not have an intellectual base to their union movement, nor did they have a social democratic influence providing the foundations for education and training reform. The policy formation of the education and training reforms in New Zealand were not shaped by the union movement rather by the ‘ambiguous neo-liberalism’ described in Chapter Two. The union movement in New Zealand was further hampered by the lack of political debate. This prompted the NZEU who was searching for alternatives to cope with neo-liberalism and changes to the nature of work, to look to Australia for inspiration.

The union movement in Australia, through extensive political debate, had pushed for an ‘Accord’. Through the ‘Accord’ the Australian union movement began to influence both government policy and workplaces through award restructuring. The AMWU was at the forefront of the campaign that led to the ‘Accord’ and award restructuring. This offered the NZEU a powerful example of strategies to pursue in the face of economic crises and changes to the nature of work. Accordingly, the NZEU sought to improve relations with the AMWU. The findings reported in Chapters Seven and Eight show that this was achieved through personal contacts and repeated exchanges between the two countries.

Key personnel proved to be vital to the strengthening of this relationship. It was Rex Jones’ leadership that ensured the NZEU was open to the ideas of the AMWU. Jones made it possible for the NZEU to both interpret and implement the AMWU strategies by ensuring that the NZEU

had gathered competent personnel. This was assisted through numerous exchanges between key personnel in the NZEU and the AMWU. Thus, it can be concluded that the relationship between the two unions was dependent on personal relationships and the leadership of Rex Jones.

The strengthening of this relationship allowed the NZEU to begin to articulate the ideas of the AMWU, including those assimilated from Carmichael. This new approach prompted the NZEU to alter its bargaining strategies in line with 'partnership unionism'. This resulted in the union focusing on maintaining its membership base and working with employers to improve workplace productivity. The strategy of 'partnership unionism' also pushed the NZEU to re-emphasise the role of training for all their membership, embracing Carmichael's vision. This moved the NZEU to adopt a bargaining approach that embraced issues such as training as opposed to the traditionally limited scope of union bargaining. The success of the NZEU in achieving a level of influence in the education and training debate at an industry level illustrate the relevance and importance of training as a union strategy.

The NZEU's ability to maintain bargaining leverage in a neo-liberal environment illustrates the importance of the relationship with the AMWU, as it is through them that they gained their strategies. This thesis concludes that the NZEU has been able to maintain its leverage in a neo-liberal environment because, in line with Wolfgang Streeck's analysis, it has recognised that education and training provide a degree of leverage in a hostile environment.

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SCHEDULE OF INTERVIEWEES

Not all interviews were used in the discussion of this thesis however all interviews informed the author's perspective.

AUSTRALIA

Interviewee	Organisation worked for at the time of the study
Robyn Alexander	Trade Union Training Australia (TUTA).
Cathy Bloch	TUTA
Tony Brown	Researched the Australia education and training reforms for PHD completed in 1999.
Laurie Carmichael	Amalgamated Metal Workers' Union (AMWU), then the Australian Council of Trade Unions (ACTU)
Jane Carnegie	ACTU
Peter Hannigan	Australia National Training Authority (currently).
Geof Hawke	NSW Technical and Advanced Further Education (TAFE).
Anne Junor	Researched the Australia education and training reforms for PHD completed in 1998.
Chris Lloyd	AMWU
Kate McLear	Clothing and Textile Workers' Union
Bill Mansfield	ACTU
Richard Pickersgill	NSW TAFE
Max Ogden	AMWU, then the ACTU
Julius Roe	AMWU (currently)
Interviewee	Organisation worked for at the time of the study
Percy Worsnop	Ford Motors Australia and the Australian Chamber of Commerce and Industry (ACCI).

NEW ZEALAND

Peter Chrisp	New Zealand Engineers' Union (NZEU)
Stephanie Doyle	Trade Union Education Authority (TUEA), then the New Zealand Council of Trade Unions (NZCTU)
Chris Eichbuam	NZEU and the Labour Government (Geoffery Palmer's office)
Angela Foulkes	NZCTU
David Hood	Ministry of Education, then New Zealand Qualifications Authority (NZQA)
Rex Jones	NZEU.
Robert Lietch	Engineering Industry Training Organsiation (ITO).
David Lythe	Ministry of Education, then NZQA.
Angus McConnell	New Zealand Dairy Workers' Union
Ruth Moorehouse	NZQA
Mike Smith	NZEU
Paul Tolich	TUEA, then Workplace Reform New Zealand