

Unions and the 'Knowledge Society'

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Introduction

Between 1990 to 1999, under National-led governments, the tripartite arrangements that regulated the labour market were dismantled by the Employment Contracts Act 1991, the Health and Safety Employment Act 1992 and the Industry Training Act 1992 (ITA) (Deeks, Parker and Ryan, 1994). In practice this meant that a major role for unions was removed. Thus when the Government called for industry involvement in labour market issues it often included only employers and, in keeping with neo-liberal ideas, the involvement was voluntary. This was particularly true of the industry training system that was created by the ITA.

Given the increasing importance placed on the development of a nation's capacity for lifelong learning the ad hoc nature of this voluntaristic (Piercy, 1999) market driven system was somewhat inconsistent with the goals associated with lifelong learning. This inconsistency and the resulting problems were articulated in the 1999 Labour Party Manifesto Skills for 21st Century which has since prompted substantial reform under the Labour-led Government.

The purpose of this paper is to examine the outcomes of that policy: the Tertiary Education Strategy (TES), the Statement of Tertiary Education Priorities (STEP) 2003-2004, and the industry training review. Specifically, the paper evaluates the role of unions within the post-compulsory education and training sector (PCET). Thus the paper:

- analyses the policy changes in post-compulsory education and training, particularly that relating to industry training;
- reviews, briefly, international literature which focuses on the role of unions in post-compulsory education and training; and
- assesses the extent to which the re-introduction of unions can contribute to the necessary capacity building needed to overcome 10 years of marginalisation.

Policy and Post-compulsory Education and Training

A new direction

As part of its 1999 election manifesto the Labour Party published a policy document 21st Century Skills: Building Skills for Jobs and Growth. This document outlined the limitations of the industry training system implemented by the National-led

Governments. The document also outlined how the basis of the system had a lot to offer. This was because the goals in the document were the same as those that had led to Labour's initial reforms of the industry training system in the late 1980s (Department of Education, 1988; 1989; Murray, 2000; Piercy, 1999).

The goals in the 1999 document included: affirmation of the role of education and training in contributing to international competitiveness; reiteration of the notion of pathways to higher qualifications and greater skills; and re-emphasis of the importance of a need for clarity in the transition from school into industry. These goals also echoed those of the union movement, as outlined in the NZCTU's (1993) Building Better Skills series.

The election of a Labour-led government paved the way for the re-incorporation of unions back into industry. In order to achieve the goals outlined in Skills for 21st Century the government was more inclined to a legislative, semi-regulatory approach coupled with a more pronounced, Third Way notion of partnership (Law, 2003; Piercy, 2003). It is in this notion of partnership that the link between unions and the knowledge society begins. For example, unions have been consulted and awarded rights through the passing of the Employment Relations Act and the provision of Employment Relations Education (Law, 2003). The reform of legislation such as the Health and Safety legislation enshrines the place of the union movement in the New Zealand workplace. In the area of education and training the word 'tripartite' is again being used. This is significant because it ensures that the relationship that governs industry training involves the state, employers, employees and unions.

This three-way partnership in industry training is not surprising, given the emphasis in Third Way writings on the role of education and training in promoting the 'social justice' notion of social cohesion (Eichbaum, 1999; Forrester, 2001). It is this emphasis of tripartism in the promotion of workplace training and the intent of wider Government policy that affirms the link between unions and the shift towards a knowledge society.

In the following section the policy behind the knowledge society will be briefly examined. In particular the section explains how the policy has provided a framework to involve unions in industry training.

Build up to the Tertiary Education Strategy

The Tertiary Education Advisory Commission published four reports over 18 months. The purpose of these reports was review the post-compulsory education and training (PCET) sector. The report process resulted in the formation of the Transition Tertiary Education Commission. One of the first actions was to create a five-year plan that was called the Tertiary Education Strategy.

The Tertiary Education Strategy

The TES incorporates and reflects:

- key assumptions of Human Capital Theory, particularly those which were developed in response to the 'need' to be internationally competitive

- the Third Way assumption that access to education will lead to increased employment opportunities for the wider society which in turn will lead to greater social cohesion (Eichbaum, 1999)
- the findings and key recommendations of the industry training review, Moving Forward: Skills for the Knowledge Economy (2001) and
- the views about tertiary education that were shaped by the four TEAC reports, in particular the final one, Shaping the Funding Framework (2001).

Making education a key part of the economy is emphasised by the purpose of the TES, which is: to outline how, by making “best use of one’s resources”, tertiary education can make its contribution to the development of the Government’s six national goals (TES, 2002, p.3). These six national goals are:

- Economic transformation
- Social development
- Maori development and advancement
- Environmental sustainability
- Infrastructural development
- Innovation.

The TES allows the Government to steer the PCET system towards contributing to these six national goals through establishing six strategies. The six strategies are:

- Strengthen system capability and quality
- Contribute to the achievement of Maori development aspirations
- Raise foundation skills so that all people can participate in our Knowledge Society
- Develop the Skills New Zealanders need for our Knowledge Society
- Educate for Pacific Peoples’ development and success
- Strengthen research, knowledge creation and uptake for our Knowledge Society

The emphasis on the needs of the economy and skill indicate that the workplace will play a key part in assisting tertiary education to contribute to the six strategies and in turn to the six national goals. Given the centrality of the workplace and their stakeholders it is clear why unions will, and should be, an important part of achieving these strategies and goals.

The framework for this strategic process is designed to cover a five-year period extending from 2002 to 2007 can be seen in the Education (Tertiary Reform) Amendment Act 2002. The legislation enshrines many of the TES aims and provides for the creation and implementation of the Statement of Tertiary Educational Priorities (STEP). Each STEP, published at least every three years, outlines the priorities that are needed to work towards the six strategies and when the priorities are to be implemented (Ministry of Education, 2002a).

The TES in Action

The key principles of the STEP process is to:

- provide a transparent set of practical guidelines;
- balance its targets and goals with Tertiary Educational Organisations (TEOs) autonomy;
- have a whole of government approach;
- have a partnership emphasis; and
- provide Government priorities to guide the planning of both TEOs and Government Departments and Agencies but not at the expense of innovation and responsiveness (Ministry of Education, 2002a).

A summary of the first STEP's (2002-2003) priorities are the:

- incorporation of understanding gained about the changes and strategies into TEO's planning
- establishment of the Tertiary Education Commission
- development of tools to monitor, gather and analyse information about TEOs in order to assess for their strategic relevance, performance, and participation
- introduction and trialing of key instruments such as the Charter and Profile exercise; and
- most importantly to the role of unions "continuation of the dialogue amongst stakeholders established during the public consultation on the TES and the exploration of collaborative relationships across the system" (Ministry of Education 2002b, p.9).

This STEP outlines how TEOs will have to remain in a competitive market environment to ensure responsiveness. However, clear future statements provided by the first STEP and the others are intended to provide a more certain and supportive policy climate in order to promote collaboration between key stakeholders such as unions (Ministry of Education, 2002b). For example, STEP suggests that the initial changes will be driven by TEOs through the Charter and Profile exercise. The purpose of the Charters and Profiles exercise is to illustrate how TEOs can contribute to the six national goals. STEP will also use the Charter and Profile exercise to assess TEOs' need and suitability for funding.

The key priority for the period covered by the second STEP 2003-2004 is continuing to develop the infrastructure and processes that will support the new tertiary education system. As a result, the priorities in STEP 2003-2004 remain largely unchanged from the first STEP 2002-2003, given that the reform process is not finished yet (Ministry of Education, 2003a). But a significant shift in emphasis allows for a greater leadership role for industry training (Ministry of Education, 2003b). This is aimed at supporting industries in identifying and meeting their skills needs and reincorporating key stakeholders in industry training through the notion of 'tripartism'. This reflects the current government's continued commitment to a Third Way partnership approach; the STEP argues that its implementation requires a co-ordinated approach by all stakeholders.

The Government is committed to an approach predicted squarely on the principles and practice of partnership, one that takes the best from what we

presently have and applies and pursuit of excellence, relevance and access.
(Ministry of Education, 2003b, p.1).

The Third Way: the role of unions in post-compulsory education after a decade and half of reform and marginalisation

Background

The role of unions in industry training was historically embedded into the award process and regulated by the apprenticeship system and the industry training boards. The key assumption that drove industry training and the rest of the industrial relations system was tripartism, or the involvement of the State, employers, and unions. The centrality of tripartism remained unchallenged until the election of the Fourth Labour Government in 1984 which, even with the need to reform the award process and the apprenticeship system still assumed that unions would be involved in the reforms (Law, 1996; Law and Piercy, 2000a; Piercy, 1999).

However, once National was elected in 1990, the pace of reform increased and the message to unions was that they had no place, as of right, in the process. The Industry Training Act 1992 (ITA) made it clear that industry was, in most cases, represented by employers only. Although the CTU and key private unions continued to maintain a role in industry training, despite the changes at the wider policy level such as the Employment Contracts Act 1991, the majority of unions were excluded as they had to fight just to survive (Law and Piercy, 2000a; Piercy, 1999).

The ITA allowed for the creation of Industry Training Organisations (ITOs). ITOs were defined in the legislation as two or more enterprises which have similar inputs and outputs. The main responsibility of ITOs has been to design education and training for its industry and purchase its delivery from separate providers which could include polytechnics but also private training establishments. The State supported the ITO structure in the transition but the intent was that ITOs were to be paid for by employers who needed industry training. National intended that this provision of industry training be driven solely by the market imperative. The prominent role of employers in this system meant that unions were only included when the employers allowed them to be (Piercy, 1999).

This exclusion began to end after the 1999 election, when the Labour-led government signalled changes both through the Industry Training Review and the Tertiary Reform Bill. The next section will outline changes in the role of unions within industry training.

The Current Role of Unions

In March 2001 the Labour-led government initiated an Industry Training Review: Skills for a Knowledge Economy (ITR). In the Foreword to the ITR Maharey stated that:

While the passage of the Industry Training Act in 1992 has resulted in a number of positive developments, New Zealand still does not have the kind of integrated skills and employment strategy that is required (DoL, 2001, p.2).

The majority of issues arose due to the unevenness of ITO operation, some had good funding systems some did not. Some involved unions and some did not. Some ITOs provided intergrated training others did not. Clearly the voluntary nature of the system facilitated by the ITA had created variation. 'Improving access and responsiveness in training' was one of the key proposals from the ITR that affected unions because it suggested the inclusion of some kind of employee representation on ITO boards.

Moving forward: Skills for a Knowledge Economy (2001), outlined the Government decisions arising from the ITR. Interestingly this report did not specify the role that unions could take in representing employees. This anomaly was rectified in 2002 when a number of moves were made to reintegrate unions into industry training.

When the TEC was established by the STEP 2002-2003, Skill New Zealand was one of the government agencies that was incorporated into the TEC structure. However, the Government thought that such was the strength and recognition of the name 'Skill New Zealand' that it decided to retain it as a 'brand' that would be used to promote workplace training. This initiative to brand and promote workplace training significantly has been a tripartite one.

Business New Zealand, the Council of Trade Unions, and the Government have agreed in principle to the establishment of a tri-partite initiative to promote quality, relevant and accessible workplace learning (BusinessNZ, 2002, p.1).

The campaign's focus is to ensure

...that the learning infrastructure necessary for improving lifelong and workplace learning is developed and supported; alongside the focus on delivery of post-compulsory education and training. (BusinessNZ, 2002, p.1).

What is clear from this initiative is that unions are now considered by both employers and the Government to once again be relevant and appropriate stakeholders in industry and workplace issues.

The Skill New Zealand campaign was followed by the Tertiary Reform Bill 2002. Here unions were specified as employee representatives on the boards of ITOs. In the Education (Tertiary Reform) Amendment Act 2002 and the Industry Training (Reform) Amendment Act 2002 (ITAA) the words 'employee representation' were again used rather than the word union. The NZCTU has argued that the language of the ITAA, for example: "collective representation of employees" illustrates that the intent of the legislation is still to include union rather than employee representation in ITO governance structures (NZCTU, 2003, p.3; Conway, 2003).

This intention will be enforced by the funding system. ITOs are now considered to be a TEO. Therefore, in order to obtain government funding ITOs must submit a Charter and

Profile and have it approved as specified under the TES and STEP. In an ITO's profile it must demonstrate that it is "developing arrangements for the collective representation of employees in the governance of the organization." in order to gain approval (Government cited by the NZCTU, 2003).

Clearly unions have a role in industry training under the TES, Skill New Zealand campaign and the reforms to ITOs. In the area of industry training there has been a return of sorts to tripartism. Overseas evidence suggests that what the government envisages is appropriate, given what unions can contribute to ensuring a nation's international competitiveness. The following section briefly outlines perspectives on the role of unions in post-compulsory education and training.

International Perspectives on Unions and Post-compulsory Education and Training

Technology, the changing nature of work from the 1970s onwards, and the resurgence of human capital theory meant that in policy circles emphasis was increasingly placed on a nation's skills development or lack thereof (Ashton and Green, 1996; Marginson, 1993; Matthews, 1989; Piercy, 1999). Germany's vocational education and training system, was held up as an example to follow. This system of vocational education and training was predicated on a system of tripartism, where the state, unions and employers had a key role in its regulation (Shackleton, 1995).

Despite this, in many countries where the political ideology of neo-liberalism was influential on state policy there was a deliberate attempt to exclude unions from industrial relations, including industry training and skills development. This occurred systematically in Britain (Keep and Rainbird, 1995; King 1987) and more radically in New Zealand (Deeks et al, 1994). Employers alone were seen as the necessary stakeholder to drive the industry training and skills development systems to becoming internationally competitive. This view is still persuasive but is beyond the scope of this paper.

Throughout this time period and into the 1990s this neo-liberal view of no union involvement and market-led systems was challenged. First, it was challenged by the success of the German vocational training system and other similar systems that kept a tripartite mode of regulation. In particular, Ashton and Green (1996) argue that it was the very constraints imposed by the tripartite structures that led to the value-added production systems that are deemed as essential to survive a globalised economic environment by being internationally competitive.

Second, it was challenged by the market failure that occurred under neo-liberal systems which specifically excluded unions. This served to highlight that the neo-liberal pathway does not automatically lead to international competitiveness (Piercy, 1999) and definitely does not lead to social cohesion (Brown, 2001).

Third, it was challenged by a shift in political ideology to the centre left. The Clinton administration, the 'Washington consensus' and the ideas promoted by Robert Reich's

Work of Nations (1991) indicated a type of third way was happening in the western world. This was cemented in by the election of 'new' Labour in the UK which explicitly sought a Third Way between social democracy and neo-liberalism (Giddens, 1998). This shift in ideology allowed a return to a form of social partnership that allowed, in some areas particularly in education and training, a return to tripartism.

Forrester (2001) outlines some of the government led initiatives that unions are involved in Britain. Therefore, unions are now seen as part of a wider policy package to deal with the impact of international competition. Forrester (2001) states that:

Trade unions are everywhere seen as an important, if not essential component of a workforce that is able to withstand the rigours of globalised competition (p.2).

Thus it has been increasingly argued that unions are best placed to ensure that vocational training is able to meet both the immediate needs of the workplace but also the longer term needs of international competition.

the incorporation of unions is conducive to driving the training system towards meeting long-term skill requirements rather than employers immediate needs (Streeck, 1987, cited in Keep and Rainbird, 1995).

While Streeck was a lone voice in the late 1980s, his views have been increasingly accepted as being valid (Law and Piercy, 2000a). Tripartism has returned to being seen as a necessary part of the process that ensures the success of an industry training system (Green, 1997).

Conclusion

Through the promotion of industry training and involvement in ITOs it is clear that the New Zealand government is willing to return to a form of tripartism in the arena of PCET. Unions have a role in the TES and the reforms to ITOs and subsequently have a role in the pursuit of the Knowledge Society.

However, the capacity of unions has been damaged by the absence of any kind of tripartism or state support since 1990. The ERA was passed in 2000 and part of its object was to promote collective bargaining but union density has not increased significantly. This suggests that the passing of legislation may not be enough for unions to be able to take on the role the government has envisaged for them. This has serious implications for the leadership role of unions in the area of education and training. May (2003) argues that in the realm of social partnership, the NZCTU and its affiliates face serious resourcing problems. This lack of resources hamper their ability to take on a representational role. The NZCTU through an Employment Relations Education programme has begun an Industry Training Seminar Series. This seminar series is specifically aimed at beginning to build capacity for union representatives to take part effectively and constructively on ITO governance structures. The government, Business

New Zealand as well as the NZCTU, jointly funds the programme. At this time however funding only exists for the first seminar series (Law, forthcoming).

If the Government wants to ensure that tripartism in industry training will succeed then they need to follow up the reforms in industry with support that extends beyond the Charter and Profile exercise. A start has been made with the seminar series, however, Green (1997) asserts that:

Employers, unions and educationalists must all be intimately involved at all levels for VET to be successful. ... The pluralistic representation of interest groups in the design and implementation of VET systems does not, however, obviate the need for strong central co-ordination and control. Systems based on the principle of social partnership only work when one of the partners, the state, defines the roles of the others and determines the shape of the system as a whole. (p. 92).

If this assertion is true and international evidence suggests that it is, the question is, given the marginalisation of the union movement over the last decade and a half are the reforms enough to ensure the tripartite or partnership approach works and will produce the successful post-compulsory education and training system that the Third Way and the Government believes we need? At this moment only time can tell. The call for increased leadership by unions in industry training and the broader post-compulsory education and training sector provides hope but only if the Government is willing to be a leader also.

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