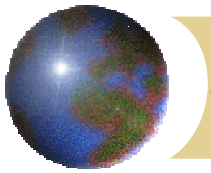


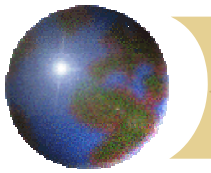
## *Chp. 4: ECA 1991*

- Overview
  - The philosophical debate of labour market deregulation: proponents v/s opponents
    - Underlying economic & social 'drivers' (chp. 3)
  - ECA & key changes to ER framework
  - ER processes & outcomes under the ECA
    - Information, biases & issues of causality
    - Impact of employment institutions & legal precedent



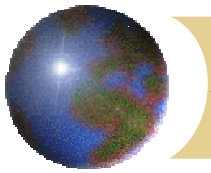
## *ECA – a major change to ER*

- ECA is on par with 1894 & 1930s changes
- ECA ends the IC&A system
  - Abolish: award system, union registration & protections, multi-employer strike rights
  - But: key aspects still survive
    - Employment institutions, legal precedent, statutory minima, disputes distinctions, employers' org. & some unions
  - Include both collective & individual contracts



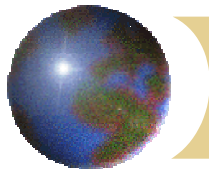
# *The deregulation debate - I*

- Why is this debate important?
  - Public policy, public opinion, ER 'thinking'
- Proponents (see pp 68-70)
  - Direct, private relationship with the emphasis on individual choice & contractual relations
    - View labour markets as other markets
    - Common law & 'employment-at-will' approach
  - Approach was untested in NZ



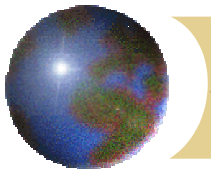
## *The deregulation debate - II*

- Debate bypassed practices & SME concerns
  - But: influenced focus on ER info for SMEs
- Criticisms of deregulation approach
  - Unrealistic & unsuitable approach for NZ
  - Efficiency & equity balance
    - Collective bargaining as efficient & equitable
    - Concerns over bargaining processes & outcomes
    - Concerns over legalistic, litigation approach
- Criticisms 'drive' shift towards ERA framework



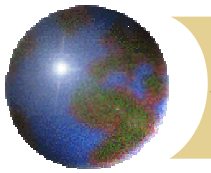
## *ECA – the law*

- New policy aim: efficient labour market
- Shift in ECA's language & concepts
  - Employment contracts, unions as agents, freedom of association & choice
- Focus on direct, workplace relationships
- Extension of jurisdiction to IECs
- Difference between the first (bargaining) & the second (institutions & rights) part of Act



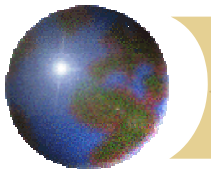
# *Processes & outcomes - I*

- Information, causality & evaluation biases
  - We know surprisingly little about processes & outcomes for particular employee groups
    - See discussion on p. 76
  - Causality: ECA is part of many large changes
    - Be critical when ER trends are linked to an Act
  - Information sources: Statistics NZ, CEC databases, individual surveys & databases
    - Secondary labour market, individual arrangements



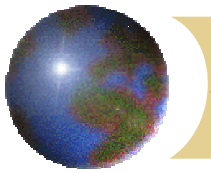
## *Processes & outcomes - II*

- Shifts in contract structure
  - Multi-employer (awards) => single employer CECs (limited public surveillance - §24)
    - Choice re: CEC or IEC?
    - Collective contracting or bargaining?
- Information from CEC databases
  - Covers a quarter of the workforce
  - Are these CECs guidelines and/or trend-setters?



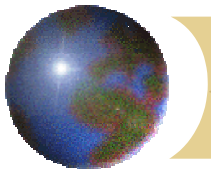
## *Processes & outcomes - III*

- Bargaining processes – lack of knowledge
  - Employers drive the bargaining process
    - Limited employee or union input
    - Many employees were not concerned
    - Segmented I.m. re: process & contract content?
    - Legal precedent has major impact
- Union decline
  - Discussion of strategies & obstacles in chp. 12
  - Fall in membership numbers & union density



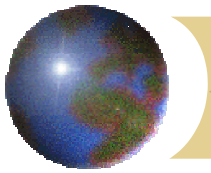
## *Processes & outcomes - IV*

- Union decline: changes in union structures
  - Concentration but also no change in union no.
  - Private sector unions suffer most
- Other associated changes
  - Pay: rise in pay differences & limited real rises
    - NZ 'leads' in terms of rising income inequality
    - Stagnating or falling real wages in secondary I.m.
      - impact of penal rates & overtime pay?



## *Processes & Outcomes - V*

- Other associated changes
  - Hours: bifurcation of working time patterns
    - Rise in part-time work & longer weekly hours
  - Disputes: low level of strikes & lockouts
    - A long-term decline in NZ & overseas
      - Impact of higher levels of unemployment?
  - Grievances: large rise & big media attention
    - PGs & procedural fairness became major issues



## *Final few words*

- Controversial piece of legislation
  - Public opinion was divided
  - Employers: worried about compliance costs
    - Legislative changes considered in late 1990s
  - Unions & left-wing parties constantly opposed
- Didn't deliver in terms of productivity
  - Why was labour productivity so lacklustre?
- Secondary l.m. outcomes: major concerns