

SPECIAL ELECTION FORUM

Labour Market Policies for the Election

Ministers of the present Government and its immediate predecessors have, on many occasions, recognised the importance of labour market policies to the economic fortunes of the country. The principal opposition parties also see the labour market as a critical area of both economic and social policy, and as an important election issue. The *New Zealand Journal of Industrial Relations* is very pleased to present a collection of papers from the four major political parties outlining the labour market policies they would want to implement should they be successful in the election to be held later in the year.

The four papers, representing, in order of their presentation, the positions of the National Government and Party, ACT New Zealand, the New Zealand Labour Party, and the Alliance, also give their views of the current situation as a backdrop to proposals for future policy. Not surprisingly, the same scenario presents very different pictures to the different parties depending on where they stand in the political spectrum. For example:

- In her paper for ACT, Patricia Schnauer applauds that the Employment Contracts Act 1991 "brought in its wake a sharp fall in unemployment and a huge surge of job creation" (p.167).
- Max Bradford for National is more circumspect about unemployment, but emphasises that "employment has risen by over 256,000" (p.156).
- Pete Hodgson for Labour points out that in the five and one half years before the Employment Contracts Act "unemployment averaged 5.8 percent. In the eight years since, it has averaged 8.0 percent" (p.178).
- Laila Harré for the Alliance blames the current Government for "a jobless figure of 221,000" (p.195).

Given the very different interpretations of the same facts, there are also differences in proposed changes to industrial relations legislation, both between likely opponents and likely partners in government. National is still committed to a "credible minimum code of wages and conditions" (p.156), while ACT supports "repealing the minimum wage" (p.169). Notwithstanding the sharp fall in unemployment and the huge surge of job creation already cited, ACT believes that the "huge number of Māori in our dole queues" are in large part to be attributed to the minimum wage.

National favours amendments to the Holidays Act, but in large part is satisfied with the *status quo*. ACT, however, favours changes to the Employment Contracts Act, removing access to the grievance procedures for senior executives and newly hired employees, and ultimately "sees no role for the Employment Court" (p.170).

Labour supports the repeal of the Employment Contracts Act, and would replace it with legislation that would encourage collective bargaining, although allowing individual bargaining. The most significant change to the bargaining regime proposed by Labour would appear to be the intention to legislate for "good faith bargaining," a concept drawn from North American labour relations systems, and first introduced by Labour in the short-lived Labour Relations Amendment Act of 1990. To refute accusations that a good faith bargaining requirement implies a return to compulsory arbitration, it is stressed that where there is a dispute over good faith bargaining, the issue is process not outcome" (p.175). The Alliance wants to go further, with proposals more reflective of the system that existed under the Labour Relations Act 1987. The Alliance favours collective agreements that "cover all employees within the defined work coverage (including new employees)" (p.194).

Most pundits expect that the next government will be a coalition one, whether a coalition of the centre-left involving at least Labour and the Alliance or a coalition of the centre-right involving at least National and ACT. Likely labour market policy is, accordingly, difficult to predict with any degree of precision. Some inter-party negotiation is to be expected following the formation of a government. Policy will, however, evolve principally, if not exclusively, from amongst the views of the four parties whose positions on labour market intervention are represented in this collection.

We note that all parties represented in Parliament at the time the project was initiated (February 1999) were invited to submit a policy paper for the collection. We appreciate the contributions by the Hon. Max Bradford, Patricia Schnauer, Pete Hodgson, and Laila Harré on behalf of their respective parties, and we trust that this Special Election Forum will prove of interest and value to readers. As an educational service, the four policy papers will be accessible at the *New Zealand Journal of Industrial Relations* website at the address listed on the inside front cover of the *Journal*.

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