

## **Antipodean Aspirations and the Difficulties of Regulating For Decent Work Now and Then?**

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### **Abstract**

Currently, the NZCTU is waging a number of campaigns for decent work. There is a view that the Industrial Conciliation and Arbitration (IC and A) Act, instituted in 1894, achieved decent work before the 1991 Employment Contracts Act deregulated workplaces and industrial relations. In this paper, I give a more nuanced overview of the IC and A Act's implementation, questioning the extent to which most workers in New Zealand were regulated before 1936, and indicating the ways in which universal 'decent or fair wages' were aspirational. For some time after 1936, too, regulation for women, for instance, meant being paid less than men for the same job and ranking female-dominated occupations as inferior in skill and, therefore, wages to male-dominated occupations. The story about decent work for marginal workers – some women, Māori, Pacific, young, old and those working for small workplaces – differs from the standard story for skilled, unionised male workers.

### **Introduction: Contemporary CTU Campaigns**

At the 2013 New Zealand Labour Party conference, Helen Kelly, President of the New Zealand Council of Trade Unions (CTU), discussed the CTU's various workplace campaigns: Forestry Safety, the Living Wage Campaign, the Fairness at Work Campaign and the Campaign on Insecure Work. Its campaign for greater workplace safety was in the wake of corporate and regulatory failures in mining which led to the 29 men dead in the Pike River coal mine disaster in November 2010, but was further inspired by eight deaths in the forestry industry in 2013. The CTU estimated that 570,000 workers out of the total workforce of 2.2 million were employed in one of the five industries with the worst health and safety records: agriculture, forestry, fishery, construction and manufacturing. The CTU's living wage campaign aimed to raise minimum wages for the lowest paid workers to 66 per cent of the average ordinary time wage. The CTU estimated that 573,000 workers earned less than the living wage and raising minimum wages was an attempt to 'raise the floor' and reduce poverty. Its campaign on insecure work and fairness at work targeted the 635,000 or 30 per cent of New Zealand workers, perhaps as high as 50 per cent of workers, in insecure work; including the 192,000 in temporary employment, the 95,000 workers with no usual work time and the 61,000 with no written employment agreement (CTU 2013a). More generally, and from the introduction of the Employment Contracts Act in 1991, the CTU waged a work rights campaign for industrial law and practice ensuring workers' rights to union representation, collective bargaining, equal pay and sharing productivity profits (CTU, 2013b). This was sometimes characterised as a wish to 'turn back' to the 'glory days' before 1991. By 2013, however, the CTU, of course, was not the only group concerned about health and safety, living wages and the workers' rights to secure work.

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The Royal Commission on the 2010 Pike River Coal Mine Tragedy's report, released in October 2012, identified a range of problems with the regulatory environment for workplace health and safety. The Commission recommended that, to improve New Zealand's poor record in workplace health and safety, a new Crown agency focussing solely on workplace health and safety should be established. The 2010 Commission also called on the Minister of Labour to establish an Independent Taskforce on Workplace Health and Safety, and required it to report back to the Minister on the organisational design options for a health and safety regulator. In turn, the Independent Taskforce, which reported in April 2013, identified that each year over 100 New Zealanders died from workplaces accidents. It also reckoned that between 700 and 1,000 other people died as a result of gradual work-related diseases. The Taskforce said New Zealand's workplace culture, with its "high level of tolerance for risk, and negative perceptions of health and safety, Kiwi stoicism, deference to authority, laid-back complacency and suspicion of red tape" affected "behaviour from the boardroom to the shop floor" (Independent Taskforce of Workplace Health and Safety, 2013:31). The Ministry of Business, Innovation and Employment (MBIE) took over workplace health and safety responsibilities from the former Department of Labour in 2012. A stand-alone regulatory body, WorkSafe New Zealand, with a focus on occupational health and safety was established in December 2013, aggregating responsibilities which had been distributed among various bodies including customs, the ministries of Transport, Health, and Business Innovation and Employment, the Civil Aviation Authority and Maritime NZ and "multiple pieces of legislation" (Parkes, 2012: 5). The Taskforce suggested that New Zealand's workplace injury rates were about twice that of Australia and almost six times that of the UK (Lilley, Samaranayaka & Weiss, 2013). Indeed, the Australian model was invoked, especially Australia's tripartism and legal framework. The government set itself the target of changing the workplace culture and reducing workplace deaths and serious injury rates by 25 per cent by 2020, by means of WorkSafe NZ collaborating with workplaces and assisted by new regulations.

Unions joined other groups in a second decent wage campaign in 2012. In April 2012, the Service and Food Workers Union called the first meeting and, with support by more than 50 mostly community and religious organisations, began a 'living wage' campaign, which followed the similar overseas campaigns in the UK, the US and Canada. The Living Wage Aotearoa New Zealand Campaign commissioned a report by the Family Centre Social Policy Research (FCSPRU) to provide an empirical basis for determining the level of a living wage for New Zealand in 2012 (King & Waldegrave, 2012). The idea was that minimum wage legislation would combat poverty in New Zealand. The campaign was inspired by calls to cut the youth minimum wage in 2012 to a lower 'starting-out wage' in an attempt to lower youth unemployment rates. The Minister of Labour, in a periodical review of the minimum wage, took advice from his officials, including submissions by Business NZ and the CTU, and raised the adult minimum wages slightly. The CTU submission had recommended that the minimum wage be raised substantially to 66 percent of the average ordinary time wage, from \$13.50 to \$18.40 an hour (CTU, 2013c). A significant part of the CTU argument was that the New Zealand minimum wage was only 74 per cent of the Australian federal minimum wage and only 60 per cent for casual workers. A large part of the differential, it is argued, was that Australia had maintained an award and national minimum wage order system. The NZ Public Service Association called on the government, as the country's largest employer and funder of public services, to take the lead and to provide a living wage to its employees. Controversially, the Wellington City Council adopted a living wage policy in order to reduce poverty and lift workplace morale and productivity (Dominion Post, 2013).

The CTU's third campaign was more of its own making, marked by the research towards and publication of its report, 'Under Pressure' in October 2013 (CTU, 2013a). By then, however, a number of commentators had also begun to consider 'workers on the margins'. Cybele Locke, for instance,

examined those workers in “low-wage, temporary, casualized or part-time [work]... unemployed or underemployed, or engaged in no-wage work (household labour or voluntary work” (Locke, 2012). She estimated that “by the beginning of the twenty-first century over half of New Zealand workers were in part-time, temporary, subcontracted or outsourced work. Many experienced poor working conditions with no labour protections. The workforce had changed radically since the mid-twentieth century” (ibid). She argued, as did the CTU, that the economic downturn from 1966, and the abandonment of full employment in 1984 and market reforms were significant turning points in the marginalisation process.

Implicit in this social commentary was the idea that, once, New Zealand’s industrial system and its health and safety provisions were world class. Recently, there has been a range of indications that New Zealand has a poor workplace relations and health and safety record compared to other advanced countries. The assumption is that, earlier, New Zealand legislated and provided for uniform, decent wages and conditions, which were lost in late 20<sup>th</sup> century system reform and market forces (Stock, 2007).

### **Idealising New Zealand’s Industrial System?**

Indeed, New Zealand (and Australia) had a unique arbitration system for nearly a century. The New Zealand Act was repealed in 1973; its descendent compulsory arbitration aspects ended in 1984 in the private sector and in 1988 the public sector. The Employment Contracts Act 1991 ended other important aspects of the industrial relations system: trade union registration, compulsory union membership and the award system. There have been a number of accounts of aspects of arbitration over time but few comprehensive overviews. Most accounts of the arbitration system are empirical and consider the compressed wage structure and relatively high degree of uniformity in wage rates it effected for particular periods for particular groups (Holt, 1980; 1986; Rowley, 1931). Some historians have focussed on contentious moments, such as strikes in 1912, 1913, and 1951 when militant unionists attacked ‘labour’s leg-iron’; others consider periods when employers sought to end the system, as in 1928, while others have considered when the system was abandoned as in the depression, 1932-1936 (Holland, 1912; Martin, 1994). In 1994, the Trade Union History Project marked the centenary of the IC and A Act 1894, which established the arbitration system in New Zealand, by the publication of a book assessing trade unions’ and historians’ experience of the arbitration system (Walsh, 1994a). It argued that arbitration was the central social institution distinguishing New Zealand for most of the 20<sup>th</sup> century. Subsequently, Peter Beilharz (2014) argued that arbitration was a distinctive innovation that involved the antipodes’ greatest social thinkers.

Despite its seeming advantages, the industrial system was abandoned. Carlyon and Morrow (2013) have examined what they argue as the role of minorities in effecting change in society more generally from a highly regulated postwar New Zealand. Certainly, some non-militant unions considered the protections afforded to them to be their lifeline (Nolan & Walsh, 1994). In the postwar period, however, governments as well as employers and some unionists came to resent the egalitarian wage structures the system generated and its rigid nature to such an extent and sufficiently coordinated to support and effect a “slow walk away from the arbitration system” (Rosenberg, 1970; Walsh, 1994b).

In passing, the ‘centenary book’ pointed to the problem of idealising or romanticising the arbitration system before 1991. First, it took much longer to implement the arbitration system than it is sometimes portrayed in accounts. Although the system was first legislated for in the 1894, most workers in New Zealand were not included in the system until 1936. Moreover, the ‘golden age’ accounts largely overlook the labour market disadvantage of “women, Māori, Pacific Island and other low-income

workers” (Nolan, 2011). In this paper, I consider the process of legislating and providing for decent wages and conditions and the arbitration system in its infancy and adolescence (Burton, 1995; Hancock, 2013). I argue that large numbers of New Zealanders for much of the ‘arbitration’ century had poorer employment conditions than the arbitration standard and the Higgins measure of decent wages. Regulating for universal decent wages and conditions was not achieved even under the best arbitration conditions.

## **Legislating for Decent Working Conditions and Defining Antipodean Values**

The contemporary CTU campaigns discussed above were, indeed, mirrored a century earlier by a range of similar union and social campaigns. Three conspicuous campaigns led to significant industrial legislation:

1. The eight hours movement;
2. The anti-sweating movement and the demand for protective labour legislation; and
3. The arbitration movement and the demands that lead to the benchmark in industrial law, the Harvester Judgment of 1907.

A number of historians have considered the resulting maximum hour regulations, minimum wage laws and compulsory arbitration procedures (Pember Reeves, 1902; Coleman, 1987). They are mainstays for what is described as an ‘Antipodean settlement’ (Macintyre, 1987; Macintyre & Mitchell 1989; Goldfinch & Mein Smith, 2006).

### ***1. Eight hours Movement***

English cotton manager and part owner of mills, Robert Owen, supported a ten-hour day in 1810 and an eight-hour day in 1817, ‘eight hours labour, eight hours recreation and eight hours rest’. It is legendary that Samuel Parnell insisted on working no longer than eight hours when erecting a store for the merchant George Hunter in Petone in 1840 at the time of Wellington settlement. The shortage of skilled labour saw Hunter having to accept Parnell’s terms, with eight-hour days becoming widespread among skilled workers particularly in local construction. Similarly, the Otago Association had promoted Dunedin settlers an eight-hour day as part of its new world vision. The eight-hours movement, spread through settlements, as it did across the Tasman. Victoria instituted the first piece of legislation in 1856 (Simpson, 1997). By 1875, the *Official Handbook of New Zealand* was attempting to lure new immigrations with the statement that in “all mechanical trades, and for labourers in general, the standard day’s work is eight hours” (Vogel, 1875).

There were demonstrations in support of an eight-hour law beginning in Auckland and Dunedin in 1882. Matthew Green began introducing eight-hours bills in parliament in 1882, 1883 and 1884. The Maritime Council instituted a “general holiday” or Demonstration Day in 1890, on the anniversary of its formation on 28 October 1889. Parnell led the Wellington procession. Premier Richard Seddon’s response to the 1898 Trades and Labour Council’s criticism of the Lib-Lab Federation and its failure to deliver for working people was to institute an official Labour Day holiday to celebrate the achievement of an eight hour working day from 1899 (Roth, 1990; 1991).

### ***2. Anti-Sweating Movement***

In the early 1870s, Waikaia MP, James Bradshaw, championed factory legislation to combat the effects of New Zealand's nascent industrialization – the long working hours, poor conditions and under-employment resulting from the free play of the market forces. Parliament, subsequently, passed its first protective labour legislation for women, the Employment of Females Act 1873. However, by regulating factory working hours for women, the Act introduced the principle of differential state intervention. Further legislation in the 1870s and 1880s broadened the Act by regulating child labour as well, since neither women nor young people were believed capable of combining together “as workmen do in their trades union, to protect themselves and limit the hours of labour” At the same time, economic depression was intensifying calls by organised labour for more state intervention to deal specifically with cheaper female and boy labour because it was displacing adult males or undermining their earning capacity (Appendices to the House of Representatives, 1878; Salmond, 1950; Biggs 1990; 1991).

By the end of the 1880s, a particular hue and cry had developed over the unwholesomeness of women's working conditions in the clothing industry. Their low pay and long working hours were regarded as 'sweated labour'. Attention focussed on urban areas where there was a higher proportion of women and greater industrialisation: 27 per cent of Dunedin's workforce was employed in the clothing industry, which was 80 per cent female. The furore over 'sweating' resulted in the formation of tailoresses' unions, a commission of inquiry, and demands for further factory legislation and regulation of women's work (Richardson, 1881; Royal Commission on Sweating, 1890; Duncan, 1989; Bassett, 1990).

There was an avalanche of Liberals' protective labour legislation between 1891 and 1912 (New Zealand, 1909). One theme of this regulation was prescribing when women could work and for how long. The 1891 Factories Act led to alterations and improvements to alleviate overcrowding, and to provide sanitary facilities (which employers had avoided because standards had not been defined in earlier legislation). It redefined the term 'factory' to include smaller workplaces and created a new factory inspectorate. The legislation banned night work for women (and boys), restricted their overtime, and required them to take regular meal breaks. Concerns over maternal health were behind the stipulation in the Shops and Shop Assistants Act 1892 that seats were to be provided for female employees and the requirement in its 1894 amendment that the seats were to be used at 'reasonable' intervals to avoid fallen wombs (*lapsus uteri*), varicose veins and 'irregularities' (*amenorrhoea*). Amending legislation in 1905 limited women's hours to 6pm on four nights and 9pm on the fifth in the major centres and 7pm and 9pm in smaller centres. Girls had a higher minimum commencing age for indenture than boys, which prevented them from becoming apprentices. Work immediately after confinement was also prohibited. Under the Factories Act 1901, women were not to be employed in a factory for the four weeks after giving birth. At the other end of the age scale, gender differentials in superannuation were also introduced. Thus, women's working life was seen as being shorter than men's; women worked shorter hours when they were in employment and earned, on average, less than half the male wage rates (Nolan, 2000).

A second legislative theme was to deem certain tasks too heavy, too dirty or too dangerous for women. Under the Factories Act 1891, women were protected from some of the dirtiest factory work. Girls were not to work on wet-spinning or where there was steam. Boys and girls were prohibited from hazardous tasks, such as silvering mirrors using mercury, dipping lucifer matches, dry-grinding in the metal trades and melting glass. Work involving gas, brine and salt was also specifically closed to girls. There were restrictions on boys and females undertaking the cleaning, lubrication and examination of moving machinery parts, and only males aged 18 and over were allowed to be in control of boilers and machinery.

A third aspect of the legislation directly excluded women from “unsuitable” occupations. The Coal Mines Act 1886 specified that “[n]o female of any age, and no male child under the age of twelve years, shall be employed in any capacity in or about any mine”. Parliament was told that in New Zealand, while “the wages of men were so good”, there could be no occasion “that women and children should be employed in such work”. This was a preventative rather than a remedial measure, as no women were employed in New Zealand mines at the time. The Liberals did not repeal this legislation. Indeed, it moved to exclude women from serving in bars also. It was accepted that women could do the job, but that they ought not to. With much fanfare, members of Parliament decided in 1910 to ban barmaids in the future. Some continued to ply the trade, having being employed as barmaids before 1911 or as publicans’ wives, but, supposedly for their own good and the community’s well-being, no women could enter the trade between 1911 and 1961. Over time this legislation was extended (Equal Pay Commission, 1971). This left men’s conditions worse than women’s but they were considered able to unionise to improve them whereas women could not.

### *3. Arbitration Movement*

In 1886, Joseph D. Weeks made one of the first general calls for permanent boards of arbitration in which employers and employed were equally represented and presided over by an “disinterested umpire” to determine industrial conditions nationally (Weeks, 1886). Weeks cited precedents in the guild tribunals, *Conseils des prud’hommes* in France and Belgium and a successfully operating board of arbitration in the English Nottingham hosiery and glove trade, which had been formed in 1860. The Knights of Labour popularised arbitration internationally in 1886-1887 arguing for legislation. In 1887, an earlier Christchurch union changed its name to ‘The New Zealand Knights of Labour’. While the Knights of Labour were a wide-reaching movement, Robert Weir (2009) concludes that the movement achieved its greatest success in New Zealand where more than two dozen Knights were elected to Parliament, and where it enacted most of its political and social platform. So, while Jim Gardner discusses the 1890 House of Commons arbitration bill, he considers the “intellectual property” in Australasia, which was translated into successful bills, quite separate (Gardiner, 2009). William Pember Reeves, New Zealand Minister of Labour, strongly supported compulsory arbitration. He based his successful bill on Charles Kingston’s South Australian bill, with the former ‘beating’ the later to the statute books. Reeves argued that arbitration

would never put an end of labour troubles; but it would ... put a stop to these disruptions of industry by which factories are closed, enterprise checked, work stopped and misery and desolation brought into hundreds and perhaps thousand of homes” (as cited in Holt 1976; 1986)

In Australasia, the Harvester Judgment is regarded as the epitome of the arbitration system, establishing the benchmark for decent wages in a civilised community. As James Holt has argued, “it is more difficult to judge how the unions benefited or failed to benefit from the Court’s policies on wages, hours and conditions” because the New Zealand Arbitration Court “did not announce what its policies were” (Holt, 1980). Moreover, each award dealt with a particular occupational group in a region. By contrast, the Australian Commonwealth Conciliation and Arbitration Court handed down substantial judgments. The New Zealand court piggy-backed on the Australian decisions and, notably, the ‘ethos’ of Harvester and a decent minimum wage were Australasian.

On 8 November 1907, Justice Henry Bournes Higgins, the President of the Commonwealth Conciliation and Arbitration Court, handed down the decision that has come to be known as the Harvester Judgment, from the name of the agricultural machinery manufactured by H.V. McKay. It established a male living

wage that had to be “fair and reasonable”, sufficient to support as “civilized beings” in a standard of living appropriate to a “civilized community”. When Harvester and the living wage are invoked, so too are ‘national values’ as, indeed, occurred at the centenary symposium – The Living Wage and National Values: Remembering Harvester, 1907-2007 – at the University of Melbourne in 2007. The living wage provided a basis for social justice. Francis G. Castles has written a detailed history of the emergence of the male wage earners’ countries – that is, the Australasian wage earner’s welfare state, which embraced protection for white workers in paid employment: tariffs, centralised and compulsory wage-fixing, constrained immigration, and a residual welfare system (Castles, 1985). It was “residual” welfare (as opposed to “universal”) in that the unique compulsory wage-fixing system delivered social protection through a minimum living wage, a relatively egalitarian and compressed wage structure with a high degree of uniformity in wage increases, and a relatively high standard of living.

A number of historians have considered the Lib-Lab’s ‘social contract’ at the turn of the 20<sup>th</sup> century more broadly. It was a social contract developed upon the basis of a social consensus over continual progress, class harmony and egalitarianism. James Belich and others discuss the “Populist New Zealand compact”. In Australia, this was known as the “Deakinite settlement” until Paul Kelly popularized it as the “Australian settlement” (Belich, 2001; Kelly, 1992; Beilheiz, 2014). Critiques have challenged the degree to which this settlement was unchanging and pointed to the renovation of the settlement in the 1940s and subsidiary aspects (Rowse, 2002; Beilharz, 2008), but common to all versions is the idea that conflict was assuaged by a social consensus over protective tariffs, a residual welfare state and centralised and compulsory wage-fixing.

## **Realising Laws and Analysing Legislation?**

Too few consider the extent to which aspirations and legislation were realised universally. We need to consider the extent to which the eight hours movement, protective labour legislation and arbitration were put into effect. We need to examine the extent to which, and for whom, the ‘deal’ contained in the social contract was applied.

### ***1. Short hours were not universal***

OECD figures suggest an even pattern of reduction of working hours per worker internationally from 59 in 1871 to 41.7 in 1981 (OECD, 1985; Cross 1989; Roediger & Foner 1989). Certainly, the IC and A Act 1894 *started* to introduce the 48 hours working week in New Zealand. Bert Roth noted in 1966, however, that “while New Zealand was thus the first country in the world to adopt the eight-hour day, the custom was confined to tradesmen and labourers and lacked legislative sanction” (Roth 1966). The reduction was staggered: the Factories Amendment Act of 1936 fixed a forty-hour week in factories but exemptions were granted until another amendment in 1945. The Shops and Offices Amendment Act 1936 reduced the working hours from 48 to 44, and reduced further in two steps in 1945 and 1946 to 40 hours with Acts providing the same for seamen in 1947 and restaurant workers in 1948 and so on. While hours were stipulated, workers could work ‘overtime’, however, under penalty pay provisions.

For many achieving the half-holiday Saturday was a critical reform. Two weeks’ annual holiday was provided by the 1944 Annual Holidays Act; the 1955 Public Holidays Act ensured uniformity in public holidays, and in 1973, Waitangi Day was added. The 1981 Holidays Act provided for 11 statutory holidays and three weeks’ annual leave. Certainly ‘The Great New Zealand weekend’ was emphatic from the 1930s to the 1970s in paid work until shops were able open again on Saturdays under the Shop

Trading Hours Amendment Act 1980 and Sunday trading was allowed from Christmas 1989. But many of those in agriculture, forestry, fisheries, construction and manufacturing had longer hours, sometimes covered by overtime; and then there were the self-employed and those working in the home who remained unregulated.

## *2. Protective Labour Legislation*

Protective labour legislation continued to be generated throughout the 20<sup>th</sup> century. Bradshaw's 1871 Act has been described, however, as "preventative rather than remedial" (Martin, 1996; 1997). The evils it addressed appear to have been potential rather than actual. Women did not constitute much more than a quarter of the industrial workforce at their peak. Indeed, the proportion of female labour in registered factories dropped from 26.5 per cent of the total in 1895-6 to 21.5 per cent in 1912-13 (AJHR, 1913). While numbers increased during war, women did not increase beyond the 1895-6 proportion. Up until World War Two, most of the female labour force continued to be employed in domestic work, which was noted for its lack of organisation. Slowly, women moved into commerce, but even there they were scattered in small workplaces – environments not conducive to unionisation or regulation. More importantly, young women were in the workforce for only a short time, leaving paid for unpaid work.

Of course there were attempts to have the 'decent conditions' of female labour extended to men, and those attempts are instructive. Edward Tregear, the Secretary of Labour, believed that the Factories Act 1891 was only a partial measure because it did not 'meddle' with the working conditions of adult men. He argued that men should have more protection; at the very least, an Act was required to limit the hours worked by both sexes. Matters came to a head in 1901 over the Factories Bill. Previous legislation had regulated the hours of only women and children, in keeping with the original ethos of protective labour legislation (Tregear, 1906). Yet, the government's initial 1901 bill, which Tregear shepherded, did not differentiate on the basis on sex. Instead, it attempted to regulate the hours of women and men equally. A storm of protests broke out over this extension of the protection principle to men. Seddon commented that the bill had received more attention than any other for which he had moved a second reading. In reply, Seddon claimed that the wording of the bill had been changed (from 'women and children' to 'person') without his approval. He affirmed that the Act would limit women to 45 working hours a week, except in woollen mills where they were allowed to work the same hours as men. Blaming his officials (that is, Tregear) for the 'error', Seddon put back the clauses specifically protecting women. The attempt to introduce gender-neutral protection had failed (New Zealand Parliamentary Debates, 1901). The failure is important because it runs counter to the agenda of equality that the Liberals promised to implement when elected with massive popular support in 1890. It is also an example of Labour Department zeal being tempered by political considerations.

Hence, the Liberals' programme of protective legislation was inconsistent and patchy, and its results were less impressive than the rhetoric of its implementation. The state did not interfere with domestic service, still the largest paid occupation for single women, at least until World War Two, although it did regulate the fees private registry offices could charge. Nor did it interfere with women's unpaid domestic employment, which was larger still. To do so would have been political suicide, and an administrative nightmare. When it came to domestic work, middle-class, trade union and feminist reformers were pitted against a vigorous doctrine of laissez-faire and opposition (Olssen, 1980). Indeed, most of women's paid work was not regulated by the state until the first Labour government, 1935-1949. It was not until 1936 that clerks, for example, had even a regulated minimum wage and a classification system (Roth, 1986).



It is interesting to consider why so much legislation was directed at new occupations that were in the public view. The most advanced and largest worksites boasted good conditions. Most workers were employed in small business which the Department of Labour inspectorate struggled to regulate and 'nurse'. In 1945, Miss J.R. Menzies was the first person to be appointed as a Nurse Inspector for Industrial Hygiene, and joined factory and shop inspectors. In March 1990, the Department of Labour employed 84 inspectors of factories, 29 construction safety inspectors, 10 bush inspectors and 14 explosives and dangerous goods inspectors (Auckland Star, 1945; NZOYB, 1990).

### **3. Arbitration**

Perhaps, most striking was the extent to which the range of conditions existed under the arbitration system. The ethical centerpiece of arbitration, the Harvester Judgment, was aspirational not universal in three respects.

First, most workers were simply not included in the arbitration system until at least after 1936. Arbitration covered skilled workers mostly. There were breaches of awards, or enforcement cases as they were known, moreover, which involved evasions of awards. The more important and more contentious level of exemption, however, was occasioned by the Court's refusal to make an award. The Court refused to bind local bodies to awards because their workers were employed other than for the direct or indirect pecuniary gain of the employer. The Court refused to make awards for domestic workers and farm workers because they largely consisted of family or seasonal workers, and board or lodgings and other necessities of life were provided, and the need to provide a living wage was deemed to be irrelevant (Nolan, 2009). Whether occupations could be defined an industrial or not was the crux. Non-industrial workers, including those working in family business, had poorer conditions.

Research has suggested, secondly, that most unskilled labourers did not receive a basic wage sufficient to support a family of five in the following decades in Australia, let alone larger-sized families (Macarthy 1967; 1969; 1970). Higgins' Harvester Judgment set the minimum wage at an amount – seven shillings per day – that he considered sufficient for a man to support a family in "frugal comfort," supplemented by a "margin of skill" where appropriate. (Commonwealth Arbitration Reports, 1907). In 1919, an Australian Royal Commission on the Basic Wage estimated the cost of living of a "man with a wife and three children under 14 years of age" to be around 50 per cent higher than Higgins's Harvester standard – an amount that, if paid to workers, would have been more than absorbed into the entire national income (Atkinson, 1919; Higgins, 1922). The same is true of New Zealand. Family size was also an important differential. The 1919 Commission chairman, A.B. Piddington, began to propose the introduction of child endowment as a necessary complement to the basic wage. His suggestion prompted the introduction of a modest scheme of child endowment for the federal Australian public service in 1921 and a means-tested family allowance in New Zealand in 1926 (Roe, 1976; Nolan, 2000). The campaign for family endowment for large families was natural corollaries of the male-breadwinner system; that is, there were important attempts to compensate for the "inequality of luck" in the class system. Family size, moreover, was more variable before World War Two than the post-war period (Pool, Dharmalingam & Sceats, 2007). Family Benefit was universal from 1946 until 1985 when it was abolished to target families in need.

Thirdly, there was one obvious way in which a minimum living wage was aspiration: women's wages. The first example of the Arbitration Court ruling that women should receive only a percentage of the male income was the 1903 Christchurch Tailoring Trades Award. Unequal pay did not receive statutory sanction until the 1936 I C and A Amendment which specified that the Court should fix male wage rates

so that they could comfortably support a family of five. However, New Zealand piggybacked on the male breadwinner concept, which was central to its industrial-relations system but articulated in Australia, and differentiated by gender from the outset.

Of course, arbitration was abandoned for men during the Great Depression and was not restored until the 1936 I C and A Amendment Act (Martin, 1994). Arbitration was embellished in 1937 by the introduction of the so-called 'blanket clause'. This made an award binding on all industrial unions, employers or associations engaged in or connected to an industry (Woods, 1963). The coverage was extended regardless of whether or not the parties had participated in negotiations. In the postwar period, most workers came to be included in the arbitration system.

Arbitration was not one big universal system for half its existence, at least. As Clinkard noted in 1919 during the first 'arbitration years' the court did much for workers

in the direction of shortening working-hours, raising wages granting preference to unionists, and awarding a multitude of lesser benefits; but no scheme of compulsory industrial arbitration could move the whole economic and social structure unless and until its investigations and jurisdiction governed the whole field of production and distribution (Clinkard, 1919).

### **Classic Period of the Arbitration System, 1930s to 1960s?**

Surely, in its classic phase, from the late 1930s to the late 1960s, relatively decent wages and conditions were universal? The development of good working conditions and leisure were used as bargaining tools in contention with wage negotiations. The Labour government established the Physical Welfare Branch, Internal Affairs, which operated from 1937 to 1954. Steven Eldred-Grigg (1990) characterised the 1930s to the 1960s the period of workers embourgeoisement as espoused in T. Veblen's work. These were the years in which skilled male wages and conditions peaked as the relativities between unskilled and skilled wages narrowed the margin for skill was undermined (Burton, 2001; Nolan, 2011). Even among workers under arbitration, there were skill differentials and, while women did not receive a basic wage sufficient to support a family of four or five, there were differentials among them between 1960 and 1970: women in the public service received equal pay in 1960; women in the private sector in 1972. Any discussion of a classic period, however, needs to consider the slow inclusion from non-waged work of married women and Māori into the paid labour force, at the bottom of wage scales and at lower rates.

The classic period of the arbitration system from the late 1930s to the 1960s was also the period in which new groups were being integrated into paid labour. Indeed, most women were marginal to the workforce and outside the protective system until at least until World War Two. Most young women (between the ages of 16-24 years) were integrated into the paid labour between 1880 and 1939. During economic depression and before World War Two, most married women were not in paid employment. New Zealand had a desperate labour shortage. It was so desperate that the government and employers were prepared to relax the male breadwinner system around World War Two. There was a growth in white collar and other areas of female employment, especially for married women thereafter. The participation rate of married women, especially in part-time work, rose from 3.7 per cent in 1936 to 7.7 per cent in 1945, 9.7 per cent in 1951, 12.9 per cent in 1956, 16.0 per cent in 1961 and 19.9 per cent in 1966: that is, an increase over 500 per cent in 30 years (Nolan, 2003). Similarly, Māori were only belatedly included in the urban occupational wage system. The proportion of Māori living in urban areas rose from 17.3 per cent in 1936 to 70.7 per cent in 1971 (Butterworth, 1991). Even in employment,

Māori found themselves at the bottom of wage scales, skilled and unskilled differentials narrowed at this time. So, even at its peak, there were significant differentials in working conditions. As indicated, Cybele Locke has examined in more detail the insecurity of work and wages from the 1960s.

## **Conclusion: Variable Experience Amid Constant Aspirations**

It is generally accepted that New Zealand skilled male workers had decent wages and conditions in the mid-20<sup>th</sup> century, but we need to be careful to chart the range of the narratives for those in and outside the paid workforce, those at the margins and those in small workplaces, and in occupations with health and safety issues that have gone under the radar of regulation. When we consider the margins, in particular, we find that legislation or regulations often took some time to be implemented and this continues to be so. This applies to other pieces of legislation and regulation: Colin McGeorge (2006), for instance, examined the Education Act 1877 which established “free, compulsory and secular” primary education. There were many let-out clauses which made it a “long haul to full school attendance”. Similarly, there was a long haul to the spread and influence of the I C and A Act. It is difficult to measure improvements in decent work absolutely, moreover, when the subject is a moving target: work and workers changed during the 20<sup>th</sup> century. While the CTU’s contemporary campaigns are similar to turn of the 20<sup>th</sup> century campaigns the backdrop to the former is the existence of a social welfare safety net. Decent work is variable comparatively: equal pay remains elusive for example. So it is not the case of a Whiggish progression ensuring all New Zealanders achieved decent wages and conditions eventually. For some workers, there has been progression. For some occupations, such as cleaners, conditions do not seem to have changed much. Some occupations, such as mining have suffered regression. Antipodean aspirations have remained more constant.

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