

THE IMPORTANCE OF SMALL DIFFERENCES:
GLOBALISATION AND INDUSTRIAL RELATIONS IN
AUSTRALIA AND NEW ZEALAND

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DECLARATION

I declare that the work contained in this thesis is the result of original research and has not been submitted for a higher degree at any other university institution.

ABSTRACT

Recent debates in comparative industrial relations scholarship have raised significant questions about the impact of changes in the international economy on national patterns of industrial relations. Globalisation, it has been argued, creates pressures for convergence that will increasingly undermine national diversity in industrial relations institutions and outcomes. At its most extreme, the globalisation thesis predicts “a universal race to the bottom” of labour standards.

This globalisation thesis has been broadly criticised in the comparative industrial relations literature. Rather, a growing body of comparative industrial relations literature has pointed to evidence of continued diversity, despite the common pressures associated with changes in the international economy. This literature has focussed on the importance national level institutional variables play in explaining diversity and suggested that differences in national level institutional variables are likely to produce cross-national divergence rather than convergence.

While the institutionalist approach represents an important corrective to the globalisation thesis, it has difficulty explaining similarities in patterns of industrial relations changes, despite institutional differences across countries, and is largely unable to explain changes in the institutions themselves. This thesis argues that these limitations of the institutionalist approach reflect its intellectual origins in comparative politics.

The major contribution of this thesis is the development of an interaction approach the relationship between international economic change and the domestic institutions of industrial relations. This alternative theoretical approach, which is drawn from concepts in the political economy tradition in industrial relations and the international political economy literature, identifies four key variables the shape the relationship between international economic change and the domestic institutions of industrial relations: namely, the international economic regime; the national production profile; the accumulation strategy of the state; and the role of institutional effects.

The thesis tests the explanatory power of the interaction approach by focussing on the comparison between two closely matched countries- Australia and New Zealand- during three periods of significant economic change in the international economy: the end of the nineteenth century; the immediate post world war two period; and, in the late 1960s. It shows that each of these periods a focus on changes in the international economy and how they impact the interests of employers, workers and the state helps explain both similarities and differences in industrial relations developments in the two countries. In doing so it demonstrates the importance of what appear to be small differences between the cases.

The ability of the interaction approach to account for similarities and differences across three time periods in two most similar countries suggests that it may have broader application in cross-national comparison and that may provide the basis for a more general reassessment of the relationship between the contemporary wave of globalisation and industrial relations institutions and outcomes.

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LIST OF ABBREVIATIONS

ABS	Australian Bureau of Statistics
ACIRRT	Australian Centre for Industrial Relations Research and Training
ACSPA	Australian Council of Salaried and Professional Associations
ACTU	Australian Council of Trade Unions
ADAM	Agreement Database and Monitor
AEU	Amalgamated Engineers Union
AIRC	Australian Industrial Relations Commission
ALP	Australian Labor Party
AMWU	Australian Manufacturing Workers Union
AWA	Australian Workplace Agreement
AWU	Australian Workers Union
AWU	Australian Workers Union
BCA	Business Council of Australia
BRT	New Zealand Business Roundtable
CAGEO	Council of Australian Government Employee Organisations
CAI	Confederation of Australian Industry
CCA Act	The Commonwealth Conciliation and Arbitration Act (Commonwealth of Australia) 1904
CCCA	Commonwealth Court of Conciliation and Arbitration
CEC	Collective Employment Contract
CIF	Cost in Freight
CSSO	Combined State Services Organisations
CSU	Combined State Unions
DME	Developed Market Economy
ECA	Employment Contracts Act (New Zealand) 1991
EPAC	Economic Policy and Advice Council
ER Act	Employment Relations Act (New Zealand) 2000
ESER	Economic Stabilisation Emergency Regulations
EU	European Union
FDI	Foreign Direct Investment
FOB	Freight on Board
FOL	Federation of Labor
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GWO	General Wage Order
HRM	Human Resource Management
IC&A Act	Industrial Conciliation and Arbitration Act (New Zealand) 1894
IDI	Inward Direct Investment
IEC	Individual Employment Contract
ILO	International Labour Organisation
IMF	International Monetary Fund
IPE	International Political Economy
IR Act	Industrial Relations Act (New Zealand) 1973
ITO	International Trade Organisation
LO	Landsorganisationen (Swedish Blue Collar Union Confederation)
LPP	Liberal Protectionist Party

LR Act	Labour Relations Act (New Zealand) 1987
LTRC	Long Term Reform Committee
MIT	Massachusetts Institute of Technology
MTIA	Metal Trades Industry Association
NSW	New South Wales
NWC	National Wage Case
NZCTU	New Zealand Council of Trade Unions
NZEF	New Zealand Employers Federation
NZLP	New Zealand Labour Party
OECD	Organisation for Economic Cooperation and Development
PWR	Department of Post War Reconstruction
Reform Act	Industrial Relations Reform Act (Commonwealth of Australia) 1993
SAF	Svenska Arbetsgivareforenongin (Swedish Employers Association)
SAP	Swedish Social Democratic Party
SEP	Structural Efficiency Principle
SLER	Strikes and Lockout Emergency Regulations
SWP	Standard Wage Pronouncement
TLC	Trades and Labour Council
TRPF	Tendency for the Rate of Profit to Fall
TUC	Trade Union Congress
UAP	United Australia Party
UK	United Kingdom
US	United States
VF	Verskstadsforeningen (Swedish Engineering Employers Association)
WPI	Wartime Price Index
WR Act	Workplace Relations and Other Amendments Act (Commonwealth of Australia) 1996
WWU	Waterside Workers Union (Wharfies)

