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

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of the requirements for the degree of
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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 of 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 that 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.
ACKNOWLEDGEMENTS

This thesis has taken a long time to complete. Over the course of researching and writing it I have accumulated a great many debts of gratitude - far too many to mention here. Mark Bray provided good humour ed guidance in the early stages of my research. My supervisor Russell Lansbury has always treated me like an equal and has been incredibly generous with his encouragement (and time) throughout the process. I would also like to thank all of my colleagues at Work and Organisational Studies at the University of Sydney for their support and encouragement.

Thanks are also due to Gaby Ramia, Chris Briggs, Nigel Haworth, Anthony Giles, Gregor Murray, Brian Easton, Paul Dalziel, Pat Walsh and Herman Schwartz, all of whom provided either advice or information which helped the development of the argument that follows.

I should also acknowledge the good humour of many of my friends. They asked me how my thesis was going when I wanted to talk about it and avoided the subject when I didn’t and ignored the cloud over my head.

My greatest thanks go to my family. Although there must have been times when they wondered if it was ever going to end, my mother and father never stopped encouraging me throughout my education and have always been understanding. I owe them an awful lot.

Finally, and most importantly, I have to thank my wife – Sharon - who endured moving countries and a whole lot more for this thesis. I don’t know if anything can make up for the countless nights and weekends that I haven’t been around (either physically or mentally) but I know I am very lucky to have someone so loving and patient to spend my life with.

I dedicate this thesis to our beautiful daughter- Stella- who was born somewhere between chapters seven and eight. I hope that the sentiments in this thesis - if not its substance- play a small part in making a more equal world for her to grow up in.
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<th>Description</th>
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<tbody>
<tr>
<td>ABS</td>
<td>Australian Bureau of Statistics</td>
</tr>
<tr>
<td>ACIRRT</td>
<td>Australian Centre for Industrial Relations Research and Training</td>
</tr>
<tr>
<td>ACSPA</td>
<td>Australian Council of Salaried and Professional Associations</td>
</tr>
<tr>
<td>ACTU</td>
<td>Australian Council of Trade Unions</td>
</tr>
<tr>
<td>ADAM</td>
<td>Agreement Database and Monitor</td>
</tr>
<tr>
<td>AEU</td>
<td>Amalgamated Engineers Union</td>
</tr>
<tr>
<td>AIRC</td>
<td>Australian Industrial Relations Commission</td>
</tr>
<tr>
<td>ALP</td>
<td>Australian Labor Party</td>
</tr>
<tr>
<td>AMWU</td>
<td>Australian Manufacturing Workers Union</td>
</tr>
<tr>
<td>AWA</td>
<td>Australian Workplace Agreement</td>
</tr>
<tr>
<td>AWU</td>
<td>Australian Workers Union</td>
</tr>
<tr>
<td>BCA</td>
<td>Business Council of Australia</td>
</tr>
<tr>
<td>BRT</td>
<td>New Zealand Business Roundtable</td>
</tr>
<tr>
<td>CAGEO</td>
<td>Council of Australian Government Employee Organisations</td>
</tr>
<tr>
<td>CAI</td>
<td>Confederation of Australian Industry</td>
</tr>
<tr>
<td>CCCA Act</td>
<td>The Commonwealth Conciliation and Arbitration Act (Commonwealth of Australia) 1904</td>
</tr>
<tr>
<td>CCE</td>
<td>Commonwealth Court of Conciliation and Arbitration</td>
</tr>
<tr>
<td>CEC</td>
<td>Collective Employment Contract</td>
</tr>
<tr>
<td>CIF</td>
<td>Cost in Freight</td>
</tr>
<tr>
<td>CSSO</td>
<td>Combined State Services Organisations</td>
</tr>
<tr>
<td>CSU</td>
<td>Combined State Unions</td>
</tr>
<tr>
<td>DME</td>
<td>Developed Market Economy</td>
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<tr>
<td>ECA</td>
<td>Employment Contracts Act (New Zealand) 1991</td>
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<td>EPAC</td>
<td>Economic Policy and Advice Council</td>
</tr>
<tr>
<td>ER Act</td>
<td>Employment Relations Act (New Zealand) 2000</td>
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<tr>
<td>ESER</td>
<td>Economic Stabilisation Emergency Regulations</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>FOB</td>
<td>Freight on Board</td>
</tr>
<tr>
<td>FOL</td>
<td>Federation of Labor</td>
</tr>
<tr>
<td>GATT</td>
<td>General Agreement on Tariffs and Trade</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GWO</td>
<td>General Wage Order</td>
</tr>
<tr>
<td>HRM</td>
<td>Human Resource Management</td>
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<tr>
<td>IC&amp;Act</td>
<td>Industrial Conciliation and Arbitration Act (New Zealand) 1894</td>
</tr>
<tr>
<td>IDI</td>
<td>Inward Direct Investment</td>
</tr>
<tr>
<td>IEC</td>
<td>Individual Employment Contract</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>IPE</td>
<td>International Political Economy</td>
</tr>
<tr>
<td>IR Act</td>
<td>Industrial Relations Act (New Zealand) 1973</td>
</tr>
<tr>
<td>ITO</td>
<td>International Trade Organisation</td>
</tr>
<tr>
<td>LO</td>
<td>Landsorganisationen (Swedish Blue Collar Union Confederation)</td>
</tr>
<tr>
<td>LPP</td>
<td>Liberal Protectionist Party</td>
</tr>
</tbody>
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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 Arbetsgivareforeningen (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)