

The re-regulation of farming employment relations in New Zealand

Rupert Tipples*

SINCE 1984 THE New Zealand economy has undergone radical restructuring with deregulation in many sectors of the economy. This 'more market' phase was closely associated with the name of the then Minister of Finance, Roger Douglas, and known as 'Rogernomics,' and refers to the capture of the fourth Labour Government and economic policy by the New Right. Consequently, since New Zealand farm employment relations were analysed in these columns previously (Tipples 1987a), the situation in New Zealand has changed markedly and it is now appropriate to review the impact of these substantial changes. The previous paper was written just after the election of the fourth Labour Government in New Zealand in 1984. This revision has been prepared after a further change in government and the logical extension of the 'most un-Labourlike' policies introduced by the fourth Labour Government. One of the key features of this development has been the search for flexibility, as Pollert puts it: "For those who favour neo-classical economic policies, the flexibility debate in general has provided a platform for the virtues of labour market and job flexibility" (Pollert 1991, p. 27).

Hyman has written recently of national industrial relations systems in Western Europe consisting of ". . . institutional arrangements shaped by legislative frameworks, historical traditions, accumulated vested interests and learned patterns of behaviour . . ." (Hyman 1994, p. 2), which were established as part of post-war settlements but which have been increasing-

*Department of Farm and Horticultural Management, Lincoln University, Canterbury, New Zealand.

ly precarious during the 1980s. However, Hakim (1990) has drawn attention also to the different perspectives of British and continental European commentators on the 'labour law perspective' of the flexibility debate, and how the legal perspective is dominant in Europe but not well understood in Britain. She has compared the much more regulated employment relationships of Europe with the more contractual regime in Britain, which has the consequence that British employers are more free to vary the nature of the employment relationship. As a country New Zealand would tend to the British end of the spectrum in this debate.

This paper reviews the development of the New Zealand system of farm employment relations and how it has faced similar challenges as in Western Europe, particularly over the last ten years, with a clear political shift to the right, a harsher labour market with increased unemployment, increased global competition and a transnational restructuring of capital. The paper is concerned with the transition from the labour relations of the Fordist era applying to New Zealand agriculture before 1987, to a post-Fordist form in which ". . . the constraints imposed upon Fordism by organized labour, welfarist and reformist corporatist arrangements and governments . . ." (Marsden 1992, p. 211) have been largely removed. It also considers recent developments in scholarship, particularly in relation to earlier periods, where these shed more light on recent developments.

Agriculture, both in New Zealand and Europe, has been going through a period of crisis (Symes 1992), but the more radical restructuring forced by 'Rogernomics' and the fourth Labour Government from 1984 has helped the New Zealand industry to be prepared for the changes which will follow the satisfactory completion of the Uruguay Round of GATT negotiations for freeing up world trade. Farming has dominated the New Zealand economy for over a hundred years as the principal export earner of the country. Only recently has this dominance been challenged. Associated with this economic significance has been a marked bias by the state in favour of agriculture. Farmers believed they were owed special treatment, according to Brooking, because rural living was considered superior to urban living, and because they were the real producers of the wealth on which everyone else depended for economic survival (Brooking, in Bremer 1993). They have been actively concerned with the role of trade unions since the beginning of this century, seeing them as one of the causes of rising wages, prices and inflation. Their 'free-market' ideology and concern with inflation in the cost structures of export industry has led them to being militant opponents of organized labour (Bremer 1993).

Agriculture was one of the earliest sectors to experience these changes, when in 1984 most subsidies and supports that the rural sector had enjoyed, were removed and the full effects of the market had to be endured (Clove 1989). The full effects of the changes were not experienced until

1986 but farm incomes fell sharply under the influence of the removal of supports and declining commodity prices. Some districts were also affected by prolonged drought (Willis 1991).

As a result of these changes in policy and export mix agricultural employment has also been undergoing significant evolutions. New Zealand has followed the growth path of most developed economies with a decline in the relative importance of employment in agriculture. But while the relative importance of the farm sector and farm sector employment has declined there has been no significant total decline in the numbers in farm employment in over seventy years, unlike the situation in Great Britain and the United States of America (Tipples 1987b). In effect there has been progressive intensification. Within a fairly constant total level of employment of about 120,000 persons, there have been some compositional changes. Over the period 1984–1990 family labour has increased while paid labour has decreased, but the total employment figure in 1990 is only one per cent less than in 1984 (Fairweather 1992). In this period of growing unemployment it might be suggested that agriculture, and particularly family farms, have become something of a reservoir of surplus labour, where that surplus labour was provided with employment within the extended family and the labour costs for the family were reduced by employers taking advantage of the family connection. There may be more peripheral employment in terms of Atkinson's core-periphery model of the flexible firm (Atkinson 1984), but that is probably due to the development of those parts of the rural sector using such traditional forms of flexible employment (e.g. intensive horticultural production) rather than concerted attempts by employers to introduce new policies of flexibility. Smaller New Zealand employers have always enjoyed considerable latitude in the way in which they organized their employment practices (McAndrew and Hursthouse 1991).

Against this background of societal and economic change in New Zealand the deregulation, which was applied to many sectors of the economy and public service, was also applied to the labour market. It introduced a third phase in farming employment relations in New Zealand. Three phases of labour market regulation for New Zealand farming¹ may be described:

1. The unregulated farm labour market – before the Industrial Conciliation and Arbitration Act 1894.
2. The regulated farm labour market – 1894–1991, the period of operation of the 'arbitration system' and its derivatives.
3. The re-regulated farm labour market – after the Employment Contracts Act 1991.

The unregulated farm labour market: before 1894

This period is the least well known in terms of the state of farming employment relations. However, it does show marked similarities with the operation of the 'free' labour market since the Employment Contracts Act 1991, as from the time of settlement to 1894 farming employment was subject to little regulation and the market had little structure. The Trade Union History Project study, *The Forgotten Worker* (Martin 1990), based on primary sources, has shed light on the period up until 1894. Workers seeking redress in disputes about pay or conditions had to take cases to the civil courts as individuals. Employees who were unhappy were at the mercy of the forces operating in the labour market and could register their protest most easily by leaving their employment. In times of full employment jobs might be found easily in the relatively open labour market, but in times of unemployment they might have difficulty finding a further job. This meant generally that their bargaining strength was weak. However, seasonal demands for labour gave workers some leverage. Thus periods such as harvest and shearing, were the critical flash points when employers might have unrealistic expectations and workers might walk out. Strikes were not uncommon. This situation was especially true for shearers, who were a more collectively-oriented itinerant group of rural workers. In general rural workers were not collectively oriented and organized. Where work required less skills, of a less seasonal emphasis, and took place outdoors, in small groups or as individuals, it tended to be carried out by resident permanent workers rather than itinerants. Martin concludes ". . . as in other frontier societies, farm workers in New Zealand were forced to accept employers' demands to do all sorts of work and labour for long hours" (Martin 1990, p. 171).

The regulated farm labour market: 1894-1991

The critical role of the Industrial Conciliation and Arbitration Act 1894 in New Zealand history and the exclusion of the rural sector from the coverage of the Act has been described previously (Holt 1986; Tipples 1987a). Holt's view that the Act excluded the rural sector has been questioned by Martin (1987) who has contrasted its effects on two components of the rural sector, the agricultural and pastoral sectors.² From this comparison he has argued that Holt's view of the agricultural sector gave only a partial picture. Martin's view of the pastoral sector suggests the rural sector was included in the Industrial Conciliation and Arbitration Act's coverage by implication.

Farmers were consistently opposed to the conciliation and arbitration

bill but were at their lowest level of representation in Parliament under the Liberals in 1894 – only some 25 per cent of representatives in what was a transitional period between squatter and farmer politics (Gardner 1970). In addition, the Shearers' Union was actively involved in supporting the legislation and then in taking advantage of it. One reason for the Shearers' support was their failure to obtain agreements with their employers by both negotiation and strike action (Martin 1987). The Shearers' Union registered first under the Act in 1895 and obtained its first award in 1902 after an amendment to the Act made it plain that rural unions could be covered. However, when general farm workers formed a union in Canterbury the Judge of the Court rejected their case. Why? Martin believes that the answer lies in the different circumstances of the two groups and their forms of work. Whereas shearers enjoyed a "quasi-industrial factory form of labour process," farm workers' situation was one where "factory methods were inappropriate or inapplicable."

"Farm work was diverse and flexible, involved a variety of skills and jobs, did not have fixed hours and was subject to the employer's individual and immediate supervision and control. There was considerable overlap between work and home life, and any conflict which arose was strongly individualised and specific." (Martin 1987, p. 180)

While the Farmers' Union was totally opposed to arbitration the Sheep-owners formed their own Federation under the Act and agreed awards with their shearers. They perceived that they could control their employees through the Act. It could indeed be "Labour's leg-iron" as it was perceived by the Federation of Labour of the period (Martin 1987).

Arbitration

The period of operation of the conciliation and arbitration system can be conceived as being in two parts, represented by approximately fifty year cycles. The first starts before the 1894 Act in the years of the 'Long Depression.' Adverse economic and political circumstances led to the election of the first Liberal Government in 1890. The Industrial Conciliation and Arbitration Act followed in 1894. The introduction of voluntary arbitration in 1932 marks the end of the first cycle of approximately fifty years (Holt 1986).

The second cycle begins also in a period of economic depression, the Inter-war depression, which began in the 1920s and continued until nearly the outbreak of World War II. Again economic and employment conditions were so bad that the electorate was not prepared to tolerate the conservative Coalition Government elected in 1932. They had been replaced in 1935 by the first Labour Government. Labour was elected on a

platform of restoring purchasing power, employment and confidence in the economy (Burdon 1965). Compulsory Arbitration was restored and compulsory unionism introduced by the Industrial Conciliation and Arbitration Act 1936.

In return for improving economic conditions for dairy farmers the Government required them to pay their employees a fair rate of pay by means of Ministerial Wage Orders under the Agricultural Workers Act 1936, because farming opposition was still evident (Tipples 1987a). Subsequently Ministerial Wage Orders for other parts of farm and horticultural employment were issued as well. The 1950s and early 1960s were years of economic prosperity. Unemployment was not a problem and did not begin to rise again until the later 1970s. Agricultural conditions were such that individuals could easily improve their conditions by changing employers. For most of the period the country was governed by National Governments, the natural successors to the former Reform party, but reorganized to include both urban and farmer interests (Gardner 1970).

The Farm Workers' Association

The Labour Party was committed in successive elections from 1958 until 1972, at the request of the New Zealand Workers Union, which represented farm workers, to bring agriculture under the Industrial Conciliation and Arbitration Act. Farmers were opposed to this development. Farm workers, also opposed, formed the Farm Workers Association in 1974, and together with Federated Farmers of New Zealand (Inc.), promoted another Agricultural Workers Bill (1977) with the following National Government. In spite of the support the Farm Workers' Association had received, after the passage of the Agricultural Workers Act 1977 membership rapidly declined (Tipples 1987a). Ironically, the Farm Workers' Association membership drive would have been so much easier if the threat of industrial unionism, in the form of the New Zealand Workers Union, had been real rather than latent. Subsequently key officials resigned and in 1987 the Association was forced to dissolve in favour of the New Zealand Workers Union. The return of a Labour Government in 1984 and compulsory unionism did not help, nor did a long run dispute with the Department of Labour (Tipples 1987b).

Society-wide frustrations with the Arbitration system had developed from about 1968 and modifications were introduced in the Industrial Relations Act 1973 by the third Labour Government. The succeeding National Government attempted to prohibit compulsory unionism but was frustrated by union members who consistently voted in favour of continued union membership in union membership ballots. The fourth

Labour Government, elected in 1984, restored compulsory unionism, but also removed the right to have compulsory arbitration as part of its deregulatory policies. It took considerable care before it began to unravel the arbitration system further with the Labour Relations Act 1987, as part of its restructuring agenda, but this piece of legislation began to put in place "most un-Labour like" policies (Harbridge 1990).

In terms of agriculture the Labour Relations Act 1987 achieved what had been first suggested back in 1958. At the time of the Select Committee on the Labour Relations Bill, Federated Farmers had argued against the repeal of the Agricultural Workers Act because it was already permitting industry bargaining; because agricultural workers would lose an effective voice if they were incorporated within larger unions; and because the demise of the Agricultural Tribunal³ would mean the loss of agricultural expertise and understanding in determining appropriate conditions in this "... extremely varied and geographically far flung industry" (Federated Farmers 1987). The campaign of farm workers in 1973-74, which led to the Farm Workers' Association, was no longer possible, and as a result of the new legislation a separate Agricultural Tribunal disappeared. All awards became awards of the Arbitration Commission and the New Zealand Workers' Union again represented farm workers. The latter obtained revised awards from the Arbitration Commission for dairy farm workers; for sheep and wool farm workers and for other meat, grain, seed, and herbage workers annually between 1987-1990. In effect the fourth Labour Government modified the corporatist structures of farm labour relations rather than abolishing them.

Farmers, hurt by the ravages of 'Rogernomics,' restructuring and deregulation were ready members of the lobby groups of the New Right which developed a distinct hostility to the remaining parts of the arbitration system surviving the Labour Relations Act 1987. When the Labour Government was unseated in 1990 they were amongst the keenest supporters of the labour market flexibility advocated by the New Right in the form of the Business Roundtable (an organization of the chief executives of major corporations). The Roundtable argued that the previous government had not gone far enough in deregulating the labour market, which was necessary to achieve international competitiveness for exporting (e.g. Brook 1990). Farmers, also, as the producers of a large part of exports, were keen to see the same type of deregulation that they had experienced since 1984, and which was being advocated by employer groups, extended to their workforce and that of downstream industries. They welcomed the Government's "... bold approach in reforming the New Zealand labour market." Further, they supported the proposed moves to provide a framework for industrial relations "... where freedom of choice, freedom to negotiate and security of contract are sacrosanct" (Federated Farmers

1991), and, as small employers, they disliked the 'interfering' regulation of a government imposed system (Boxall 1993). The 1990 National Government, with almost 60 per cent of its first Cabinet connected with farming, granted nearly all employer groups' wishes with the Employment Contracts Act 1991. It completed the second fifty year cycle of the operation of the Industrial Conciliation and Arbitration system by abolishing the system, much as the 1932 Amendment Act had completed the first.

The re-regulated farm labour market – after the Employment Contracts Act 1991

The Employment Contracts Act 1991 went much further than the 1932 Act because it completely destroyed the Arbitration system which had stood for nearly a century (Harbridge and McCaw 1991; Walsh 1992). Federated Farmers (Inc.) was the only primary production employer organization to make a submission on the Employment Contracts Bill. Essentially they agreed with it. The Act itself is very brief compared to the Labour Relations Act 1987. All trade unions ceased to exist and became Incorporated Societies under the 1908 legislation governing such bodies. Union registration and the benefits of registration under the Act disappeared. The requirements to be democratic and financially responsible also went and unions have to operate as one form of bargaining agent among many. Awards also went, to be replaced by individual and collective contracts of employment, but collective contracts were made very difficult to negotiate and no employer or employee may be included without wishing to be. Individual contracts do not have to be in writing unless the employee wishes to have a written record of the contract, when the employer must provide one. Collective contracts always have to be in writing. When the Act was passed all existing awards were deemed to become collective contracts.

An Employment Tribunal and Employment Court replaced the Labour Court, as the forum for legal disputes over employment contracts, disputes procedures and 'personal grievances.' The former were advocated by Federated Farmers, quite pragmatically, to reduce the risks of labour disputes disrupting export processing industries such as dairy factories and meat works. Furthermore legal processes ceased to be funded by the state and became the responsibility of the parties to any action.

As the Act was passed lawyers were one of the largest groups advertising their services in territory they had traditionally avoided. In practice they did not succeed in obtaining much business and trade unions and individuals themselves continue to be the most significant bargaining agents (Harbridge and Moulder 1992; Boxall and Haynes 1992). Conditions sug-

gested by Federated Farmers in their submission made it very difficult for the New Zealand Workers Union to be recognized as a bargaining agent by a significant part of the farm labour force. As a union which had depended on the repealed 'arbitration' rules the New Zealand Workers Union was particularly disadvantaged by the new legislation. Some loss of rural membership was anticipated but the extent of the loss of membership is unknown because the registration procedures for unions have been scrapped and they are no longer required to report annually on the extent of their membership. To combat these problems, and rationalize union structures in accordance with the policy of the 'Combined Trade Unions,' the New Zealand Workers Union amalgamated with the New Zealand Labourers Union in July 1991 to form the New Zealand Amalgamated Workers Union (Roth 1991). That was estimated to affect 20,000 workers in the days before the Employment Contracts Act 1991. The amalgamation was not particularly stable and some of the union officials made redundant in the merger have become independent bargaining agents competing with their former union, particularly in the shearing trades and among tobacco workers. Subsequently the New Zealand Union has dissolved upon subdividing into Northern, Central, and Southern Amalgamated Workers' Unions. The Northern Union consists largely of local authority labourers; the Central AWU of drivers; and the composition of the Southern Union is unclear. Agricultural representation, which was never strong, appears to be sharply diminished (Harbridge, pers. com.).

Many awards were renegotiated just before the Act came into force in an attempt to preserve as many established conditions and pay rates as possible. In this situation the Shearers managed to negotiate another award which lasted for four years, whereas many other farm awards were not renewed. Some of the horticultural awards were renewed because the employers, particularly fruitgrowers, did not wish to be the first to have to negotiate under the new conditions. Consequently, the renegotiated award/collective contract did not expire until nearly one year after the Act came into effect. A collective contract must indicate its term and when that concludes each individual worker is covered by an individual contract which has the same terms as the original collective contract unless the worker has agreed to vary it. Some employers have attempted to lock out staff to get them to agree to terms favourable to their employer and that is a legal procedure. So far this does not appear to have happened in the farm sector, perhaps because there are very few collective contracts to begin with, and those on individual contracts could already have been 'squeezed' by an unscrupulous employer who chose to do so.

In 1989 agriculture was identified as the sector having the highest incidence of low pay. However, vastly different rates of pay were masked within the broad agriculture industry (Brosnan and Wilkinson 1989).

Underlying all individual and collective contracts is the residual informal code of minimal employment conditions. This is in the form of a number of statutory measures specifying the minimal conditions permitted (Brosnan and Rea 1991). For example, the Minimum Wages Act 1983, revised by a National Government, had led to the minimum rate of pay being raised to \$6.125 per hour by the fourth Labour Government. This has not been raised or reduced subsequently by National. However, this 'code' appears to be better than it really is because it depends for enforcement on the individual worker, or their bargaining agent, taking their complaint to the Labour Inspectorate. The Inspectorate has only ten Labour Inspectors and eight Information Officers to cover the whole of New Zealand. For a breach of contract an individual worker may claim a 'personal grievance' before the Employment Tribunal or Court, but at their own expense, risking costs if the case is ruled against them, and if they are prepared to take on the intimidatory atmosphere of a legal tribunal.

Because new collective contracts do not have to be registered with an Arbitration Commission it is now very difficult to monitor what is happening, particularly in the primary sector where collectives are most unlikely. Only when a collective contract covers more than twenty workers does it have to be sent to the Department of Labour for statistical purposes. The Minister of Labour has used the resulting data to claim that the Act was working when it only related to some 15 per cent of the employed labour force and 1,010 collective contracts lodged with the Department of Labour (Department of Labour 1993). Further, there does not appear to be any penalty for failing to lodge a collective contract which applies to more than twenty workers. To combat this problem Harbridge has been attempting to collect as much information as possible to make good this deficiency (e.g. Harbridge and Moulder 1992). However, information for the primary sector is likely to be less reliable than for the urban sector because of poorer communication networks. By 1993 only thirteen collective contracts have been reported, covering 400 workers in the agricultural/horticultural sector and ten of the thirteen are with just two companies (Harbridge 1993). Harbridge has estimated also that only some 4,000 workers are covered compared to nearly 17,000 in 1990-1 under the Labour Relations Act.

To establish what was happening to farm employment relations following the Employment Contracts Act 1991 exploratory research on new employment contracts in 1991-2 was conducted by means of a survey of students' practical work. Many students, particularly taking agricultural, horticultural and some commerce degree courses at Lincoln University, Canterbury, are required to complete periods of Practical Work for their qualifications. At student registration in 1992 all students enrolling were asked to complete a short self-completion questionnaire about any work they had done

during the summer of 1991–2. For almost all students registering such work would have been under new employment contracts following the passage of the Act in May 1991. The overall response rate was 33.3 per cent (868 questionnaires were returned). Analysis of non-respondents suggested they had only minor differences with respondents. Of the 505 who had had jobs, 268 (53 per cent) worked in agriculture or horticulture.

While the Act required employers to provide a written record of an employment contract, if requested by an employee, few in the farm sector were requesting one. The evidence suggested few were prepared to risk their employment by making such a request. Furthermore, more written contracts were being provided than requested. Both employers and employees seemed to find they had advantages because they helped to clarify the expectations of both parties to employment contracts (e.g. Tipples 1991; Wever 1991). Wages were also very low with just over one third of employees in agriculture receiving wages less than those required by the Minimum Wages Act 1983. Nevertheless, there did not appear to be the extensive rate cutting reported by Belshaw in the inter-war depression (Belshaw 1936). In contrast some farm jobs were relatively highly rewarded. Summer and the exigencies of farming clearly required long hours of work. Two thirds of agricultural workers reported working more than forty hours per week and weekend work, but few received penalty rates of pay. In horticulture less extra hours were reported and higher rates of pay for extra hours and weekend work were received more frequently.

More recent nationwide research (Department of Labour 1993), by means of a postal survey of all types of employers with at least four employees, grouped the data collected by use of cluster and factor analysis. Five groups of employers were identified. The largest group of employers were the so-called 'Inactives' (51 per cent), who had done very little by way of changes under the Act, and this category was over-represented amongst the smallest employers. Of the remainder half again (one quarter of all employers) were 'Cutters' of pay and conditions (4 per cent); or of Union rights ('Reformists': 11 per cent); or of overall expenditure (the 'Savers': 10 per cent). The remaining quarter of employers (the 'Trainers': 24 per cent), which tended to be the larger, public sector or exporting employers, focussed on employee development, industrial democracy and maintaining job security. Both of these pieces of research suggest that little has probably changed in the farming sector since the passage of the Act. While there is some informal evidence of exploitation, most employers appear to have proceeded as before, ignoring the rhetoric of the Employers' Associations to obtain the full benefits of the flexibilities made available to them by the Act.

Conclusions

Hyman (1994), in the publication cited at the beginning of this article, posed four questions regarding whether a post-Fordist model of industrial relations was being shaped across Western Europe:

1. To what extent is management initiative the new driving force in industrial relations?
2. To what extent are traditional models of trade unions in crisis?
3. Is there a decisive trend towards deregulation?
4. Is a disruptive process of decentralization the overriding dynamic of contemporary industrial relations?

He concluded that it was premature to speak of a transformation of European industrial relations where there are limited common features, and where, with the exception of Britain, there have been few attempts to make dramatic institutional changes. Features of continuity should be stressed as much as change. In his opinion the dynamics of contemporary capitalist production are "... uneven, contingent and contradictory" (Hyman 1994, p. 21). The same four questions can be asked concerning the evolution of farm employment relations in New Zealand.

New Zealand is an agricultural exporting country and has been since the early days of colonization. The creators of that rural export wealth have been very reluctant to share it with their employees, who in 1989 were described as having the highest incidence of low pay of any New Zealand industry. By means of an occupational dominance in the legislature, which has been made up of approximately 30 per cent farmers since 1908, increasing or decreasing with changes of government, the labour market has been progressively deregulated since 1973. In 1993, following the Employment Contracts Act 1991, the most comparable state in New Zealand history to the present one is the one that existed before the introduction of arbitration in 1894. Essentially there is now a relatively free and unstructured labour market for farm employees. While agriculture is no longer a special case with its own particular industrial relations legislation, the national framework now reflects much more the views of the principal farmers' organization. To the extent that the Business Roundtable, Employers' Associations and Federated Farmers represent 'management initiative' they have been shown to be key actors in the re-regulation of farm employment. However, their rhetoric and the freedoms for employers they have advocated do not appear to have been widely adopted by individual farmers.

Traditional trade unions appear to be less relevant in agriculture than they have ever been. Employees do not seem to welcome them in situations where they might have some leverage, such as the new large-scale fruit production enterprises, where the crop has to be produced at exactly the right time to take advantage of best crop and marketing conditions.

Furthermore, the increasingly family nature and feminization of the farm labour force do not make for a fertile recruiting ground for union organizers. Nor does the ambiguous class position of the typical farmworker who aspires to own his own farm. The depression which has affected the industry since the mid 1980s led to declining farm prices after a very rapid increase. There seems to have followed a period of consolidation with existing farmers active in the land market (Fairweather 1992). With the recent falls in interest rates the desire to own a farm may now be more realistic than it has been for years, especially in the dairy sector where there is an established route to ownership via contract and sharemilking. The Amalgamated Workers Union, as the successor of the traditional farm sector Labourers' and Workers' unions has self-destructed. Not only is the current legislation loaded against collective activities but the whole fabric of the arbitration system on which they depended has been destroyed. Therefore it may be concluded that traditional New Zealand farming trade unionism is indeed in crisis. Only in Britain has the 'Messianic zeal' (Hyman 1994) of the Thatcher and succeeding conservative Governments been so concerned to make life difficult for trade unions and de-institutionalize industrial relations.

The third and fourth questions are answered together. Deregulation, or rather re-regulation in the terms of this paper, has been the predominant feature of farm employment relations over the last ten years. It has been co-ordinated with a systematic attack on the centralized and collective processes of determining farming pay and conditions in favour of individualized employment contracts. Awards were succeeded by collective contracts and then those collective contracts degenerated in the passage of time to individual employment contracts.

The future

While farmers' influence in Parliament has fluctuated in the years since 1970, when Gardner addressed the subject, it is interesting to speculate by how much it will be reduced as a result of the recent electoral decisions which favour the introduction of proportional representation in 1995. There may be an attempt to abolish a separate labour jurisdiction before then, forcing employees to take their complaints before the ordinary, and often less sympathetic, courts. The 'New Right' associations regard this as the unfinished business of their political agenda for employment relations (NZIIR 1993). In a more urban Parliament, with proportional representation, would similar 'New Right' legislation be enacted, making the existence of lawful trade unions and collective bargaining almost impossible?

If trade unions, formed originally in class warfare, are unacceptable, can

a better way of guiding employment relations be found? Enlightened workplace relations of the form foreshadowed at the *Workplace New Zealand - Designing the Future* Conference in 1992 would appear to be essential. One pre-requisite for them would be the recognition that while the interests of the parties may be different they have more chance of reaching a co-operative understanding if those differences are recognized and accepted as legitimate. With both farmers and farmworkers living in such close proximity, in situations in which they perceive themselves to have more in common than with urban residents, the recognition of having legitimate differences could be the beginning of a renaissance of improved rural employment relations.

The downstream processing sector in the dairy industry is already experiencing marked improvements in employment relations following a disastrous strike in 1989. The employers, co-operatives of dairy farmers, and the New Zealand Dairyworkers Employees' Union, have pragmatically recognized that a similar strike would be disastrous financially and environmentally, and that radical workplace reform is the only way to long term international competitiveness and marketing success (*Workplace New Zealand* 1992). Farmers with large dairy herds (more than 500 cows) have recognized the need for enlightened employment relations too because of the vulnerability of their enterprises to any form of disruption. They are working actively, but at an individual level, to improve employment relations and conditions for their employees (Fairweather 1994). A return to collective setting of terms and conditions appears to be most unlikely. There does not appear to be any desire in New Zealand society to develop collective activities generally and individual independence remains highly prized. But while the dairy sector is exhibiting promising signs, modern corporate fruit production enterprises still have to go through the trauma of industrial disruption to realize their need of radical workplace reform. However, the employment relations regime existing in New Zealand, along with the seasonal and climatic advantages of the country as well as ready access to the countries of the Pacific Rim, is seen as one of the factors which led to the multi-national Heinz corporation recently acquiring the New Zealand food processor J. Wattie Canneries Ltd. International finance capital has begun to exploit the weakened position of the New Zealand farm and horticultural worker.

Acknowledgements

Dr Sandra Martin of the Department of Farm and Horticultural Management and Dr John Fairweather of the Agribusiness and Economics Research Unit, Lincoln University, read and made constructive comments on this paper which was originally presented at the Seventh Conference of the Association of Industrial Rela-

tions Academics of Australia and New Zealand, University of Auckland in January 1993. Then the Journal's referees made valuable comments, which were incorporated while the author was on study leave at Griffith University, Queensland, Australia. My hosts there, Professors Peter Brosnan and Michael Quinlan, read the edited manuscript and made further useful suggestions.

Notes

1. I first became aware of this three phase distinction, with the third phase being one of re-regulation, when reading Peter Brosnan et al.'s (1991) working paper on Labour Market Segmentation. I have adapted their general model to the farming labour market.
2. In this context agriculture refers to farming other than pastoral farming (e.g. mixed farming, dairy, arable etc) while pastoral farming refers to sheep grazing and wool production.
3. The Agricultural Tribunal was created by the Agricultural Workers Act 1977 for all forms of agricultural and pastoral employment not covered by the Industrial Relations Act 1973. It comprised a judge and employer and employee assessors from the industry. Its primary task was to arbitrate and register awards for its defined categories of farm work (See Tipples 1987a).

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