New Zealand Labour government to extend bans on strikes

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New Zealand's Labour Party-led government is preparing to overhaul the country's industrial laws, further restricting the right to strike for broad sections of workers.

The creation of new "Fair Pay Agreements" (FPAs) was the cornerstone of Labour's industrial policy during last September's national election. It was fraudulently promoted as a measure designed "to give power back to workers."

Labour's election advertising highlighted the fact that 40 percent of children in poverty live in working households, and that in real terms, wages had declined for two-thirds of workers over the previous year.

The FPAs, established through negotiations between unions and employers, overseen by the government authorities, will purportedly provide minimum terms and conditions of employment for all workers in an industry or occupation. Labour claims FPAs will improve pay and conditions by preventing a "race to the bottom" caused by employers competing with each other to lower wages.

This is a fraud. The real role of the FPAs will be to establish a corporatist framework of employer-union-government wage setting, while outlawing industrial action. This process will entrench low pay across entire industries, enforced by draconian legislation. The unions, as they have done for decades, will impose the deals and suppress resistance from workers.

Workplace Relations Minister Iain Lees-Galloway announced on June 5 that a 10-person working group, led by former National Party Prime Minister Jim Bolger, would design the FPAs. Details of how the agreements will be established, negotiated and enforced are all to be decided by the group, which will report back later this year.

In appointing Bolger, a hardened reactionary, Lees-Galloway said he hoped for an "enduring" framework that will "cross the political divide." The move was described by media commentators as a "master stroke" that would help ensure "buy-in" from big business.

As prime minister from 1990–97, Bolger deepened a sweeping assault on the working class, begun by his Labour predecessors, which sharply increased poverty and inequality.

Among other measures, the 1991 Employment Contracts Act (ECA) reduced legislative backing for the unions and resulted in a dramatic fall in multi-employer collective contracts. "Flexible" work practices were introduced, along with individual employment agreements, contracting, performance pay and the wholesale elimination of overtime and penalty rates.

The onslaught was abetted by the trade union bureaucracy, then controlled by the Stalinist Socialist Unity Party, which suppressed widespread opposition and demands in the working class for a general strike against the ECA.

Labour has turned to Bolger now because he has voiced concern over the subsequent fate of the unions, and their vastly reduced ability to police the working class.

In a Radio New Zealand interview in April 2017, Bolger declared that "neoliberal" economic policies had "absolutely failed," benefiting only "the few at the top." The unions had become too "weak," Bolger declared, and should have "a stronger voice."

The FPA legislation is being brought forward to divert and suppress a new eruption of working-class militancy. Tens of thousands of nurses, teachers, transport workers and retail workers are joining their class brothers and sisters internationally in emerging struggles against low pay, poor working conditions and

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attacks on public services. As elsewhere, the upsurge is taking the form of an incipient rebellion against the pro-capitalist trade unions.

Some business spokesmen have denounced the FPAs as foreshadowing a return to “1970s-style” compulsory unionism and national strikes. Prime Minister Jacinta Ardern denied this, declaring that employers approached the government seeking sector-wide agreements, because they wanted a “level playing field” when bidding against competitors that have lower labour costs.

The government has repeatedly insisted that strikes and lockouts will be banned across entire industries during FPA bargaining. Under draconian provisions in the Labour Relations Act, passed by the Helen Clark-led Labour Party government in 2000, strikes are already illegal, except when employment contracts are being re-negotiated or for health and safety reasons. These repressive provisions will now be expanded.

The New Zealand Council of Trade Unions (CTU) actively supports the FPA plan. Before the election, CTU President Richard Wagstaff rebuffed suggestions that strikes, which are at an all-time low, would be revived with the introduction of FPAs. “There’s no prospect, zero prospect of industrial action from this,” Wagstaff declared.

Wagstaff, who is a member of the Bolger panel, wrote in the *Dominion Post* on June 8 that FPAs would be “good for business and for workers” and support “home-grown business, and small communities sustained by Kiwi industries.”

Employers, Wagstaff stated, “can plan to increase their productivity over the medium and long term.” Underlining the unions’ xenophobic hostility to “foreign” workers, Wagstaff declared FPAs will do away with “competition for migrant labour to fill jobs that just don’t pay enough to live properly in New Zealand.”

The FPA working group includes E Tu union secretary John Ryall, Business New Zealand chief executive Kirk Hope, Hospitality New Zealand head Vicki Lee, academics and an employment lawyer.

The pseudo-left International Socialist Organisation (ISO), which supported Labour in the 2017 election as a “progressive” alternative to National, has endorsed the FPAs.

On June 6, the ISO’s Martin Gregory wrote that against the current “bleak background of non-negotiation on terms and conditions within the private sector,” FPAs “can only be a good thing, and an opportunity for unions to get stuck in and recruit.”

Gregory complained only that “without the threat of industrial action in the background” businesses will not be pressured into reaching “fair” agreements. According to the ISO, the FPAs’ “good proposed reforms” can be advanced if “the left and trade unionist activists” defend the right to strike. “Pressure from below is needed to push the union leaderships into demanding our rights,” the article concluded.

In every country pseudo-left groups like the ISO, which have close ties to the union bureaucracy, bear direct responsibility for ongoing betrayals of the working class by promoting the lie that union leaderships can be “pressured” to the left. In fact, the unions are an industrial police force of governments and the corporations. They defend capitalism and have for decades imposed attacks on jobs, wages and conditions.

The upper-middle class layer for which the ISO and other pseudo-left organisations speak fear any action by the working class that threatens to break free from the unions’ control. Hence their slavish promotion of Labour’s corporatist industrial policy, and the role of the unions within it.

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