

Union Relevance in Aotearoa in the 21st Century

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Bruce Jesson Memorial Lecture

Auckland University

9 November 2007

Whanau, friends, comrades and fellow inquirers.

My aim this evening is to re-state the case for trade unionism in Aotearoa in the 21st Century, to review the struggle for union relevance in the 20 years since labour market deregulation took hold in New Zealand and to present some challenges, and dispense some advice, to a few key players – unions, employers and policy makers.

I want to demonstrate why union efforts to give workers a voice and to build workers' collective power matters. And why all of us should care greatly about how well unions do.

There being a paucity of public discussion on these matters I do this with some trepidation. It is a mixed blessing to be given the privilege of this platform on this subject and I take it seriously.

Given the approach our friend, mentor and comrade, Bruce Jesson, in whose memory this annual lecture is delivered, took to his intellectual duty I suspect I am more likely to be accused of being too careful than too cruel.

Perhaps that is a product of the times in which we find ourselves renewing unionism.

As the late Moss Evans, General Secretary of the Transport and General Workers' Union in Britain is reported as once having said, "When I look in the mirror when I am shaving I don't see the face of a man who will bring down capitalism".

Of course like your typical union member today, I don't get to first base on this one. I'm female.

But as Evans was observing, while the ordinary work of unions has remained unchanged over a century – to organise around workers' demands for better pay and conditions, a voice at the table and protection from unfair treatment at work - the decades have blurred their strategic purpose.

If union's relevance were to be measured by union membership numbers then we have to advance from the premise that our relevance can no longer be assumed, at least from the perspective of a majority of workers. Since 1991 union membership has fallen from 50 per cent to 22 per cent overall. As few as 12 per cent of private sector workers are now union members.

Of course the likes of Business Roundtable's Roger Kerr concludes from the fact that "Only one worker in five now belongs to a union in New Zealand; [that] most want to be treated as individuals rather than as parts of a collective 'lump of labour'." (<http://www.nzbr.org.nz/documents/articles/articles-2004/040122yeahright.htm>).

A much more likely explanation is found from the context in which choices to join, or not join unions, are offered to and made by workers.

Evidence provided in the 2003 New Zealand Worker Participation and Representation Survey and reported by Boxall, Haynes and Macky in the recently published and invaluable comparative study "What Workers Say" suggests that lack of access to unions is a primary factor in low union density.

If actual membership were combined with the number of workers who say they would join a union if there was one in their workplace potential union membership reaches 36 per cent in the private sector and 60 per cent in the public sector, or nearly 40 percent overall. That is not such a distance from the 50 percent achieved under compulsory unionism, and this despite the enormous barriers erected in the 1990s between workers and unions.

That's the good news. I'll come back to more of those numbers in a bit because who those potential union members are and where they work presents us with our greatest organising challenge.

What the unmet demand for union membership tells us is that something has driven a wedge between workers and their desire to express a collective voice through unions.

The first culprit is the industrial relations framework itself.

From the 1894 Industrial Conciliation and Arbitration Act until the 1991 Employment Contracts Act industrial relations legislation recognised unions as the primary representatives of workers when it came to the settling of incomes and other working conditions. Unions had a statutory role in the negotiation or arbitration of industry and occupational collective agreements, 'awards'. Awards provided for comprehensive minimum terms and conditions of employment binding all workers and employers in an industry or occupation.

A system of 'relativities' operated between awards.

This meant that gains made through collective action by well-organised and strategically located groups of workers influenced the outcomes for others.

However the relationship of the well-organised core to the apparently dependent remainder of the unionised workforce was not one of host to parasite.

At the risk of appalling any classical scholars among you, it perhaps could be said to more closely resemble the more complex relationship of sultan to harem.

In *No Left Turn* (p 175) Chris Trotter describes how the introduction of compulsory trade union membership by the first Labour Government saw “tens of thousands of formerly unorganised workers [pour] into the hitherto tiny unions set up to represent clerical workers, hotel workers and shop assistants. The new ‘conscript’ unionists were the key to power.” Chris’s context is the internal factionalism within the labour movement of the day.

But at a movement level these so-called “conscripts” and the direct interest they had in the outcome of union struggles through the system of relativities was an important factor in legitimising those demands and the industrial action taken in support of them.

The Employment Contracts Act in 1991 abolished the award system in favour of direct wage and conditions bargaining between employers and individual workers.

Individual bargaining could be aggregated at an enterprise level but could not occur across an industry or occupation without the agreement of each employer. Industrial action to get that agreement was illegal.

Compulsory unionism disappeared with the awards.

Union organising rights, including rights of access to workplaces for recruitment were removed. The word ‘union’ did not appear in the legislation, which reduced us to ‘bargaining agents’, a role that did not require any democratic workers’ organisation and was shared with all manner of groups and individuals, including private sector consultants facilitated and even paid by employers.

Collective Employment Contracts drafted for employers’ by consultants and offered to workers on a take-it-or-leave-it basis were both legal and normal. Remember this point when I discuss the threat posed by National’s announced industrial relations policy to the embryonic growth of unionism in places like shops and the hospitality sector.

For unions to maintain collective bargaining across all the workplaces that had previously been covered by awards was an impossible task in these circumstances. Bargaining in multiple enterprises would require enormously

greater resources than representation at an industry or occupational level. That would require more members, not less.

A bosses' charter, the ECA attacked workers' rights to organise and bargain in order to attack the protections that bargaining had delivered over generations. Protections that were now called "rigidities". Conditions which put a brake on working hours and job insecurity like penal rates, casual loadings, and overtime pay were the first to go. Not content to stop there employers drove basic wage rates down to a minimum wage well below the old awards.

In the face of this assault on its most fundamental job – collective bargaining - the union movement at this point failed to recognise the strategic choices available to it.

In 1991 unions still had significant reserves, a considerable workforce of paid officials and leaders in a large number of workplace. In 1991, and in the years immediately following it, there was no end of injustices to workers to organise around as a movement. The monumental blunder of the Council of Trade Unions to organise industrially and politically against the ECA foreclosed on the opportunity to unify a labour movement wracked by the divisions that had been driven into it through the term of the 4th Labour Government. Instead of taking this chance to heal and empower the movement through collective action, the CTU's actions entrenched those divisions.

What's more there was a complete failure to anticipate the impact that the loss of bargaining power among the increasing number of workers in the service industries would have on union membership, the union movement and wage and conditions across the whole workforce. The opportunistic approach of some unions to the introduction of contestability fell right into the deregulators' hands.

It's almost too depressing to imagine now what might have been possible had the CTU followed a path like that taken by the Australian council of Trade Unions in the face of Howard's reforms. There an aggressive political, industrial and community campaign has made industrial relations a major political issue and given a high and positive profile to unionism. This has greatly reduced the usual effectiveness for the right of using Labour's association with the unions as a campaign weapon against them. It has provided Labour with a crucial and positive area of differentiation. And it has probably reduced the loss of union membership by both highlighting the need for collective protection and improving the image of the union movement. At the same time ACTU is working with unions on strategy, organising methods and the other capacity needed to respond to employer attacks and workforce change at the workplace level.

Instead in New Zealand in the 90s, unions like the National Distribution Union were fighting against membership raids into sites of traditional strength by erstwhile comrades, while having to strategically disperse with the large majority of workers

in retail workplaces in order to pour resources into holding a collective base in the largest national chains.

With their capacity and influence minimised, unions contracted their role to the direct representation of paid-up members through enterprise bargaining and individual representation, moving further than ever from a social movement orientation, with its emphasis on the representation and advancement of workers' interests. Inter-union solidarity all but disappeared as unions representing workers in the traditionally stronger areas went into competition for members in organised workplaces.

Meanwhile trade policy and deregulation conspired to shrink the traditional union base in manufacturing, with employment growth being largely generated in the domestic services sector – the very industries where workers' access to unions was all but shut off in the 1990s.

Privatisation and the associated introduction of competitive tendering for services back to the state sector forced thousands of jobs in previously large and unionised workplaces into cut-throat competition between an ever-increasing number of contractors. At the same time ever-growing movement of women into the labour market has created swathes of jobs in sectors previously dominated by unpaid work. By 2003 care giving for elders and the disabled was the fastest growing occupation. Union density remains highest in manufacturing at nearly 30%, and has fallen to plummet to 8 – 10% in the private services sector.

In other words the combination of a growing and new workforce, changes in the distribution of employment between industries, the industrial relations framework itself and the failure of the union movement to grapple with its strategic choice in the early years of the ECA have increased the distance between workers and unions.

This is the state in which unionism found itself in 1999 at the time of the change of Government and the introduction of the Employment Relations Act.

- a relatively low and predominantly passive membership
- depletion of financial reserves
- a reduction of union's role to the protection and servicing of existing members through enterprise collective bargaining and advocacy on individual employment problems
- dealing with employers whose businesses had been built off a low wage and low employment risk platform, acutely aware of the risk unions represented to their bottom line
- somewhat secure in the areas of traditional strength but having a minimal presence in the key areas of private sector employment growth

The impact of all of this upheaval on wages and working conditions has been calamitous and persists.

The supermarket industry is a case in point. Before the ECA awards had provided for everything from hourly pay rates and allowances to a range of protections against casualisation. The system of relativities described above ensured that despite their passive role in the industrial relations system the wages of supermarket workers retained relativity to wages in general.

Most importantly awards took wages and conditions out of the competition between employers for market share.

The end of the award system in 1991 coincided with rapid expansion of the supermarket industry and the first supermarket “price wars”.

With labour costs a significant portion of total costs, those with lower labour costs gained an immediate advantage.

Unemployment was high at the time and new supermarkets under Foodstuffs’, Pak n Save brand, opened their doors in working class communities, offering “take it or leave it” collective employment contracts that represented a 20% pay cut to the award. The welfare reforms announced in the Mother of All Budgets meant workers who refused jobs would lose their unemployment benefits.

Although these collective employment contracts were not the product of collective bargaining, workers press-ganged into them were prevented from taking action to improve their conditions, deemed to have already exercised their collective bargaining rights.

The owners banned the union from their supermarkets and distribution centres, intimidating workers who showed interest in the union.

Meanwhile, the established supermarket chains came under huge pressure from the newcomers. What followed was a period of concessionary bargaining – where key conditions such as penalty and overtime rates were traded for a collective bargaining foothold in the industry.

From 1991 to 1994 – in just three years – youth wages in supermarkets fell by 40% and adult wages by 11%. (Conway)

In other words the industry standard was driven down by pressure from non-union workplaces, rather than driven up by unionised workplaces.

Union membership in the industry fell to about 12% of the workforce, concentrated in the Progressive chain of stores.

With the NDU's current focus on re-unionising Foodstuffs, in the first collective bargaining across its northern wholesale arm, Gilmours, we were this week presented with a 0% offer on the standard rate of \$11.74 an hour.

Despite continuing record low unemployment – 3.5 per cent according to yesterday's and quantifiable labour and skills shortages, we are a low wage country and not a lot is happening to change that.

Between 1993 and 2003 the average annual increase in real wages was 0.7 per cent, only slightly more than half the OECD average of 1.1 per cent and the Australian average of 1.3 per cent.

From 1980 to 2001 real wages actually fell by 6.5 per cent - compared to increases in Australia of 28 per cent, Canada 39 per cent, UK 46 per cent and Finland 68 per cent).

The gender pay gap is widening again, after narrowing in large part due to wage cuts for men rather than wage increases for women.

So how have the bosses been doing?

According to a Reserve Bank study, from 2000 to 2004, corporate profits increased by 11 per cent a year. Whereas in 2000 a CEO could expect to earn eight times as much as the pay of the average worker, by 2006, the average CEO pay-packet was 19 times the average wage.

Meanwhile New Zealand holds second place in the OECD for our long working hours. One in five us works more than 50 hours a week.

Anna Berger, Chair of the US's largest union grouping, Change to Win, places the urgent need for unionising the new workforce in the expanding service sector at the centre of the project to restore incomes and social protection:

"The myth of the new American economy... that highly paid, high tech jobs will offset the loss of the well-paid, union jobs in manufacturing; that all we had to do was re-train and re-tool; that the new economy is on the information superhighway is pure fiction.

"In reality, unless we do something about it, the new economy is a dead-end street of underpaid, high-turnover, no-benefit jobs that cannot sustain families...

"The workers of the new economy are not low wage workers in low wage jobs – they are underpaid workers in underpaid occupations.

"We should always remember that the good jobs of the 20th century were the underpaid jobs at the turn of the previous century, until workers joined together in unions – bargained contracts that provided living wages and family benefits –

won family friendly government policies – and forged a pact with corporate America that provided for economic growth and prosperity for working families.”

Low wages, long hours, a workforce separated from its collective union voice - a perfect environment for doing business.

Or is it?

Like those who profited from the privatisation programme, mining state enterprises for short term profits and failing to improve assets over time, employers have mined our workforce for its labour to similar effect.

If notions of fundamental labour rights and simple justice were not sufficient grounds to increase workers' access to the collective power of unionism then the economic and social unsustainability of this toxic mixture of low wages, long and insecure working hours, and underinvestment in education and skills surely is.

With unemployment and labour force participation at historic lows and highs respectively, already long working hours and an aging workforce demanding higher levels of productivity in future, the new right's labour market chickens have come home to roost.

Notwithstanding John Howard's more recent efforts to "catch down" with us, comparisons with Australia demonstrate that from a similar position in the 1980s, New Zealand's low wages have discouraged investment in capital and skill, accounting for most of the difference between the two countries in the productivity stakes.

This situation demands that the short-term approach of individual firms to maximise profit through cutting or holding labour costs down should be subservient to a national interest in raising wages, skills and job quality.

Short of a command and control approach, building the capacity of workers to organise in unions, to engage in collective bargaining and to have much greater influence on the organisation of the workplace is therefore an urgent economic task.

It is also an urgent social and democratic task.

There are obvious benefits to family and community wellbeing of increasing wages and providing a collective voice for workers on issues like secure hours and work organisation that meets the needs of today's workforce.

But there is also a less tangible and yet vital value in unionism as a social and democratic institution in itself. Much like the unaccounted value of women's

traditional work in the household and community, the “social capital” provided by unions has become more visible as it has deteriorated.

Unions themselves grew out of intimate communities of workers where solidarity flowed naturally between the workplace and the outside world. Important sites for worker education and leadership development, mutual support, the social capital inherent in unions was once immense.

The destruction of that community resource in the face of catastrophic economic decisions – like the closure of a plant where the union has simply disappeared - has significantly weakened the resilience of many communities with inter-generational effects. Clubs, welfare organisations, political party branches and other key social and democratic forums have been disrupted and wrecked.

But unionism’s own retrenchment to a the protection and servicing of existing members through enterprise collective bargaining and advocacy on individual employment problems has also contributed to this decline.

Neither the fee-for-service culture of unionism that prevailed through the 1990s, nor the increasingly dominant “organising model” which aims to increase the role of union members and workplace leaders so as to enlarge the capacity of unions to organise new workers into unions are sufficient. We have to incorporate aspects of both while moving beyond their boundaries, which limit the ability of unionism to deliver on our historic purpose - to broaden and deepen social and political solidarity.

So to summarise thus far before moving to my attempt to answer the question of what sort of unions we need.

First, the decline in union membership is not due to worker rejection of a collective voice on employment matters. It is due to a number of related factors: anti-union and anti-collectivist industrial relations policy, a decline in the numbers employed in areas of traditional union strength and employment growth in sectors and firms never organised and among workers never unionised, workforce and workplace change, and unions’ own strategic choices in response to these factors.

Second, the withdrawal of supports for unionism and the national industrial relations framework have had a catastrophic effect on wages, working conditions, and security and contributed to steep increases in income inequality by reducing the real and relative value of most workers’ jobs.

Finally, the costs of this catastrophe extend beyond the workers themselves to the economic, social and democratic spheres damaging our prospects to preserve national values like social solidarity and justice under threat from globalisation and market forces.

So how is our recovery going and what more can we do as unions to reverse the loss of workers power and workers organisation at a workplace, community and national level?

A change of Government in 1999, the restoration of union organising rights and to lesser extent collective bargaining mechanisms through the Employment Relations Act, as well as paying long overdue attention to the internal life of unions, have brought a real surge in union activity and confidence.

First, to the legislation, which provides an important backdrop to union renewal. The ERA restored the statutory role of unions as workers' representatives in collective bargaining as well as the right of workers to take industrial action to press claims for multi-employer collective agreements. Employers and unions are required to bargain in good faith and to conclude collective agreements. Rights facilitating organising have been restored, including the ability of unions to enter workplaces to recruit and communicate with workers, paid employment relations education leave and meeting time for union members, and a requirement for employers to deduct union fees from members' wages.

The threshold for union registration is low, requiring only the 15 members necessary to form and incorporated society. The emphasis is on independence from the employer, a critical protection against the practice of employers under the ECA to dictate the terms of collective employment contracts and thereby prevent workers from demanding genuine collective bargaining rights, including the right to strike, during the term of the agreement.

We have a long history of defining unions' relevance and role almost entirely in terms of the industrial relations framework. Perhaps this is why some of the strategic choices that have always been available to unions, including in the 1990s – like running industry- and labour-market-wide campaigns for higher wages and building the capacity of the union membership and leadership in the workplace – have really only come into their own with these law changes.

The New Zealand Nurses Organisation's 'Fair Pay – because we're worth it' campaign in 2003-2004 combined workplace, community, networking, public relations activities and a high media profile with the threat of strike action to pressure Government to fund public hospital employers to meet a claim by nurses for 'pay equity' with other, traditionally male dominated state sector professions, and nurses overseas.

The 'Fair Share' or '5 in 05' Campaign led by the EPMU in 2005 called for a series of above-inflation pay rises cross the private sector to restore losses incurred by workers through the long-term transfer of company earnings from wages to profits. Mass stop-work meetings and industrial action were reinforced by print and broadcast advertising and a media strategy.

Unite's 'SupersizeMyPay.com' campaign launched in 2005, re-introduced unionism and collective bargaining to the fast-food sector. All national chains are now covered by collective bargaining resulting in higher minimum wages and more security of hours in this low-paid and casualised industry. The margin between youth rates and full rates has narrowed and the campaign spawned largely successful political action and collective bargaining by other unions to end youth rates. Youth-oriented events and festivals, the engagement of politicised school students, one-hour strikes, networking with social justice organisations and a high media profile were all features of this campaign.

Most recently the SFWU's Healthy Hospitals campaign combined membership growth and activism with intense political lobbying to drive all but Spotless Services into a new industry standard for the lowest paid hospital workers. Once isolated, Spotless was targeted through a successful industrial and public relations campaign, succumbing in the end to the inevitable.

If anyone doubted the ideological quality of employer opposition to collective bargaining this case provided it. Like all other providers Spotless was promised the money by Government to meet the newly-bargained industry standard, but locked out its employees in pursuit of its right to use economic power to extract an even larger slice of profit from the public purse.

Each of these campaigns has involved elements of traditional industrial action, but were characterised much more by their community, media and public relations strategies. Such campaigns helped improve the profile of unionism and collective action. They have also created a momentum for others to capitalise on. Each time a successful battle is played out and won in the public eye the confidence of the union movement grows, other union members expectations not just of good results but worthy fights are raised, and workers not yet in unions become more interested in joining.

With the exception of the "5 in 05" campaign which was firmly directed at a moderate redistribution of the fruits of production from profits to wages in industries with a long history of collective action, these campaigns have all been driven by wage justice issues – low pay, gender-based pay, youth wage discrimination – and all organised in industries or services with a history of dependence on relativities for wage increases and a strong client or customer link with the general public.

Each has utilised that link to win. Given that the greatest potential for re-building unions lies in the domestic services sector, direct public appeals for social solidarity with service and care workers is clearly a winning strategy.

Add into this mix of wage justice issues in a business with close links to the general public an industrially aggressive employer prepared to hold its wages as near to its lower paying competition as possible, and you have the recipe for the 4-

week long lock-out of Progressive's supermarket distribution centre workers just over a year ago.

Unlike these other campaigns, from an insider's perspective this one bore a closer resemblance to well-managed civil defence emergency than a well-planned and strategic campaign.

I have earlier described how in the 1990s Foodstuffs used de-unionisation and wage cuts to fund price cuts, forcing pay and conditions down throughout the supermarket industry.

It was natural therefore that the NDU's sights were directed at organising Foodstuffs supermarkets and distribution centres in order to protect higher rates at Progressive and improve standards across the industry.

Progressive's new owners, however, had a different plan. Rather than bargain in good faith to close a \$2 an hour pay gap between its three distribution centres, the company decided to go to war with its workforce and their unions.

Necessity being the mother of invention, the campaign mounted in defence of the workers' right to collective bargaining and equal pay was driven by one overriding objective: the need to shift the economic damage of the lockout from the workers to the company. There is not time here for a full account of the battle which has been written up by me and Frances Hancock in Love Chile's recent book, "Community Development in New Zealand."

Nonetheless some important clues to union relevance can be drawn from a campaign that attracted unprecedented union movement solidarity, raised \$450,000 from union, workplace and public donations, saw a re-emergence of sympathy industrial action in related food manufacturing, transport and logistics companies, and creative activism by many others. The union decided not to call for a customer boycott because of the way it might have been used by management to undermine our legitimacy among our much larger but generally inactive in-store membership. Despite this, spontaneous customer action stopped much of what did get delivered to the stores getting out of them, taking a heavy short-term toll on earnings and market share.

What clues are there for union relevance from this dispute?

First, a genuine culture of solidarity remains central to union movement values. Not a single union refused a request for assistance – to bolster picket lines, take up collections or provide relief organising staff – and members of ours and other unions were prepared to back the workers with collective action in related jobs. That culture extends beyond the labour movement to churches, political parties, social justice, welfare, and cultural organisations whose own social capital was invested in this battle.

Second, New Zealanders can and will back workers defending themselves against a bully – especially an Australian bully.

Third, the lack of a large union strike fund was a strength of the campaign. It made it even more important to get the workers and the union into the public eye because of the need to raise funds, reinforcing the imbalance of power between warring parties and giving workers, the union and the employer a clear measure of support. That support allowed us to achieve the primary objective of any industrial dispute which, as Matt McCarten puts it, is “to stay out one day longer than the boss”.

Fourth, and most importantly, it demonstrated the resilience and resources of workers in battle. Communities were established on the picket lines, which became the centre of solidarity, welfare and activism. Leadership in building these communities came from the workers themselves, their partners and social networks. For me, inclusion in this community was a privilege beyond description. As the campaign built public and union support workers who had mostly never taken action before realised that they were at the centre of a struggle that had much wider ramifications. Their involvement in industrial action not only brought about self-consciousness but also created new meanings and awareness of unionism as a social movement. The workers realised that they could make a difference by bringing about social change through collective action.

Finally, the truce established by the employer’s withdrawal from the battle established new terms of engagement between the union and the company. It is no coincidence that in supermarket bargaining this year the same principle of equal pay for equal work was finally implemented across the three brands and we delivered an effective end to youth rates.

So, for unions, building relevance and gaining respect from workers and employers through collective action is a must. While evidence like that produced in the NZWRPS shows that workers want to see co-operation between their union and management, they also want unions to vigorously defend their interests.

This series of successful collective action-based union campaigns has created a momentum that needs to be capitalised on by the movement.

There are three very substantial barriers to that happening.

First, no union has the capacity to extend the reach of unionism to the areas where the unmet demand for unions is greatest - among younger workers, low paid workers and those in smaller workplaces.

Second, employer hostility to unionisation and collective bargaining adds very significantly to the cost of not just recruiting but retaining members through often protracted bargaining for a collective agreement.

Third, the industrial relations framework fails to provide the kind of institutional support needed to get sufficient coverage of collective bargaining in large, low union density industries like retail and hospitality to take wages and conditions out of competition between employers.

There are many things unions can do to address these barriers, but there are others that will require greater resources from within or outside the labour movement as well as law reform to extend collective bargaining beyond its enterprise focus.

All unions are paying greater attention to the most glaring opportunity revealed by the evidence. That is, that a significant proportion of non-members, including workers in sites with collective agreements, say that the reason they aren't in the union is because they have never been invited to join.

As well as developing the workplace and union-office capacity to recruit new staff, industries like retail with a history of bargaining in the national chains but only moderate or low membership density also need to use new ways of re-framing the problem of free riding in low or moderate density workplaces, before we will be able to minimise it.

It has been usual for unions to define free riding – that is the passing on of collectively bargained terms and conditions to non-members – as a problem of fairness. It is not fair, it is said, that one person pays fees to benefit someone else. This way of looking at the problem reinforces the fee-for-service approach to unionism and is ultimately counter-productive. Most of these free riders are opportunistic, rather than hostile.

In these sorts of workplaces, free riding is not a problem of fairness but a problem of capacity. It reduces the union's income and fragments collective power. Without recruiting people we can't solve the fees problem, but by involving non-members in union organisation on the job we have a better chance of overcoming the problem of collective weakness and creating a stronger link between the non-member and the union which will ultimately increase the likelihood of them joining. The prevailing attitude to free riders only feeds the cycle, as invariably in collective bargaining the employer strongly aligns their interests to the interests of non-members, acting as their patron and defender against union claims to advantage union members.

Like the NDU's challenge in retail, in an industry like Fast Food that has 100% turnover and low worker commitment there are obvious difficulties in maintaining membership density, and retaining experienced union members. Unite has had two

other approaches to this problem. First, it resources campaigns and builds alliances with activists and community groups which allow it to maximise its impact on reputation-sensitive employers. The union actively promotes the reach of its collective bargaining across the industry, rather than the depth of its membership density. Second, Unite continues to develop a wider role to increase the value of union membership. Most significantly this has gone beyond the standard set of union discounts (which are, incidentally, a very popular membership service) to partnership with Te Wananga o Aotearoa to provide literacy, computing and Te Reo courses to union members. In true Freire-esque “Liberation through Education” is the motto.

But as already stated there is a limit to what unions already struggling to recruit many thousands of members a year just to stand still can achieve.

In the supermarket industry alone, there are 160 separately owned Pak N Save and New World supermarkets just waiting to be organised. The exceptional performance of the NDU's Growth Unit has seen three of the largest of Pak n Saves in Auckland organised through to a first collective agreement in the last year, with three more underway. But with significant union resources necessarily invested in meeting the needs of 20,000 members in over a thousand workplaces and covered by over 350 collective agreements, the unmet demand for unionism lingers.

The retail and wholesale industry has 8.5% density. In other words about 27,200 of the 320,000 people employed in the industry are in a union. Perhaps 20% of the 320,000 are already within the reach of collective bargaining – either through union membership or free riding. This leaves 256,000 retail and wholesale workers, or the equivalent of every manufacturing worker in the country, beyond the reach of unions and collective bargaining.

The union movement must consider how it can share this responsibility with the unions on the frontline of the “under paid workers in the underpaid occupations” of the service sector.

While the Progressive dispute put any question of shared values beyond doubt, there is an opportunity just waiting to be grabbed to increase the size and reach and power of unionism beyond its present public sector and large private enterprise boundaries.

An example of the resources needed for a serious effort comes from the Change to Win coalition's conditions for membership. These unions, which represent a majority of unionised workers in the USA, have an obligation to spend at least 20% of their income on green fields organising in core service industries.

In New Zealand terms, 20% of the estimated fees income of the trade union movement is almost identical to the total combined incomes of the NDU, the

SFWU, Unite and the Amalgamated Workers Unions, those unions in the sectors with the greatest un-met demand for union membership.

As CTU President Helen Kelly said to the Labour Party last weekend: “It is often this group of unions that is expected to do the “asking” in those areas where workplaces are numerous, the industry voice is weak, the turnover is high and the workers are not your average full time employee. If we leave it at that – many workers will not have the opportunity to become a union member.”

I will reinforce that message to the Government, but it is equally important to direct it at our own movement.

Acting on it is essential to the growth, credibility and influence of the trade union movement as a whole – and therefore to each union in it. Furthermore, it is collective culture which legitimises the public sector as a whole, where most union members work, and the breakdown of collectivism which continues to threaten it. Union participation is a major means for developing the collectivist world-view on which public support for public services depends.

So finally, to the Government, politics and public policy.

We have already seen how the relevance of unions to workers is heavily dependent on the industrial relations and public policy framework.

The fundamental purpose of the Employment Relations Act was to address the power imbalance inherent in the employment relationship through the promotion and encouragement of collective bargaining. This was the primary tool of the Labour-Alliance government for restoring a fairer distribution of the fruits of production between wages and profits.

The wage and profit figures I have used show that both more legislative support and more than legislative support will be needed to achieve this objective.

As well as providing a challenge to the union movement, the minimal capacity of unions in the private sector to extend our reach is also a public policy problem. An unmet demand for union membership under a framework that is intended to promote collective bargaining prolongs the injustices imposed through labour market deregulation in the 1990s.

If the right to organise in unions is a fundamental human right recognised by this Government, then it needs to be given greater practical support. The situation we face is a bit like offering everyone free health care and then closing 80 per cent of the hospitals. Access to collective bargaining should not be treated as an “optional extra” dependent only on the low capacity of a trade union movement gutted of resources in the 1990s.

The unmet demand for unionism and the positive view both members and most non-members hold of unions must surely outweigh the ideological objections of employers and the National Party. In their own industrial relations practice the government has shown its willingness to back collective bargaining against ideologically-motivate interests. Most recently it has been sued for insisting that extra funding for wage increases for caregivers in private aged care facilities must be delivered through mechanisms related to collective bargaining.

Direct government support for union capacity building is needed, as are stronger institutional measures to prevent employers from undermining union organising efforts and new methods to extend the reach of collective bargaining on an industry basis,

And what we don't need is a National Party committed to rolling back the progress we are making for nothing more than the pacification of ideological employer interests. Among the most dangerous of their propositions is to empower employers to put in place non-union collective agreements. I can tell you that at our current rate of organising in Foodstuffs if such legislation were passed in 2009 there would be 10 genuine collective agreements and 150 employer drafted ones locking workers out of collective bargaining for another three years.

So, while there are many signs of revival, no end of demand, compelling reasons for workers' voice to be heard and for their power to be mustered, the union movement remains not just relevant but of fundamental importance to the achievement of economic, social and political aspirations as workers.

As Bruce Jesson said in his book "Only Their Purpose is Mad":

"....definite social, democratic and national goals.....would be an essential element in defining the role of the nation within the global marketplace. But, as is often the case, the process of formulating those goals might be as important as the goals themselves. A democratic process whose purpose was to provide a national perspective would in itself help restore New Zealand's democratic processes."(p220)

Such an approach demands that we pay attention to the building blocks of our democracy, and among these our union movement.

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