

# NZ working life profile report 2012-17

## Coverage and research implications

CLEW-MPOWER symposium:

The Big Issues - Working life in New Zealand

14 November 2019

- Prof. Jane Parker (MPOWER Co-Director)

# Background: Eurofound



-  Established in 1975
-  Based in Dublin
-  Brussels Liaison Office
-  Budget of € 20.9 million (2019)
-  100 staff members
-  EU agency

# Background: Eurofound (cont'd)

## Mission

- to provide knowledge to assist in the development of better social, employment and work-related policies



## Strategic objective

- to provide scientifically sound, unbiased, timely and policy-relevant knowledge that contributes to better informed policies for upward convergence of living and working conditions in Europe (... and beyond)

# Background: Eurofound (cont'd)

## 💡 Key Topics



Industrial relations



Labour market change



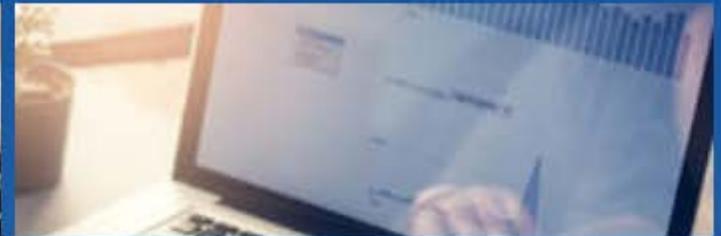
The digital age: opportunities and challenges for work and



Quality of life and public services



Working conditions and sustainable work



Monitoring convergence in the European Union

# Eurofound working life profiles

- one of Eurofound's programme of activities at national level to map and analyse socioeconomic and related trends across the EU Member States
- a network of Eurofound correspondents provide regular updates on IR, working conditions and restructuring activities in EU Member States & certain other countries
- commentary & analysis based on a range of existing statistics, research and reports
- MPOWER-Eurofound collaboration, including MPOWER being commissioned to research the first NZ working life profile
  - geared to audiences with little knowledge of NZ
  - enables cross-national comparison
- MPOWER researchers: Parker, Arrowsmith, Barney, Bone, Junaid, Port, Rao and Tappin

# Eurofound working life profiles

EU and Norway					
Austria	Belgium	Bulgaria	Croatia	Cyprus	Czechia
Denmark	Estonia	Finland	France	Germany	Greece
Hungary	Iceland	Italy	Latvia	Lithuania	Luxembourg
Malta	Netherlands	Norway	Poland	Portugal	Romania
Slovakia	Slovenia	Spain	Sweden	United Kingdom	EU level
Other countries					
Japan		New Zealand		United States	
Candidate countries and potential candidates					
Albania	Kosovo	Montenegro	North Macedonia	Serbia	Turkey
Industrial relations profiles 2015					
Bosnia and Herzogovina		Brazil		China	India

<https://www.eurofound.europa.eu/country>

# inaugural NZ working life profile

- focuses on the period 2012-17
- online at: <https://www.eurofound.europa.eu/country/new-zealand>
- main areas of coverage in the profile report – will touch on a few of them today:
  - [1] key (comparative) figures
  - [2] economic, legal, industrial relations and labour market background
  - [3] actors and institutions
  - [4] collective bargaining
  - [5] industrial action and disputes
  - [6] individual employment relations
  - [7] working time (flexibility)
  - [8] health and well-being
  - [9] skills, learning and employability
  - [10] work organisation
  - [11] equality and non-discrimination at work
  - [12] key working life links
- complements other EurWORK research by providing the relevant background information on the structures, institutions and relevant regulations regarding working life

# NZ working life profile – key sources

- Statistics NZ (including *Survey of Working Life 2018*, *HLFS*, *QES*)
- **Employment NZ**, MBIE, Ministry of Justice, NZ Government, Ministry for Women, Ministry of Education, Royal Commissions
- CTU, BusinessNZ, EMA, employer associations, FPA Working Group, NOHSAC, Worksafe NZ
- Human Rights Commission, Office for Disability Issues, NZ Companies Office, Courts of NZ, Tertiary Education Commission
- MPOWER, CLEW
- ILO, World Bank, OECD, CIA
- scholarly studies, consultant reports
- **piecemeal process - case for more integrated, regularly updated data repositories/sources?**



Human Rights Commission  
*Te Kāhui Tika Tangata*



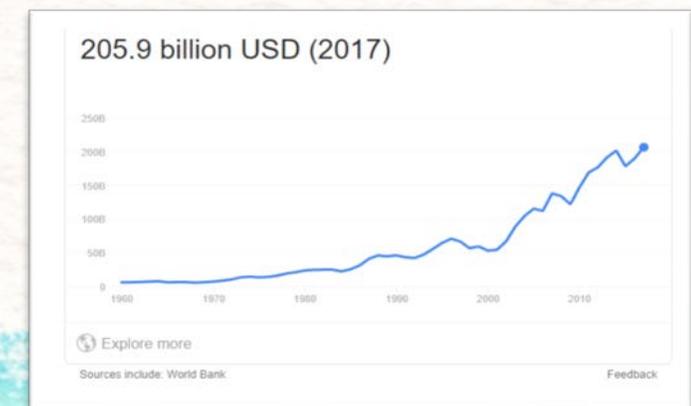
NEW ZEALAND COUNCIL OF TRADE UNIONS  
*Te Kauae Kaimahi*



## [2] background

### economy

- NZ economy: transformed from being one of the most regulated to the least
- shifted from an agricultural base dependent on concessionary British market access to a mixed economy operating on free market principles
- service sector makes up a large portion of NZ GDP, with exported goods and services representing 27%
- 2012-17: economy expanded by 26.9% or \$57.3 billion (average growth rate of 4.9% per year, below the EU average of 7.4%)
- since 2017, economic growth rate has slowed and this is expected to persist to average 3% over the next five years



**Table 1: unemployment and employment rates, NZ and EU28**

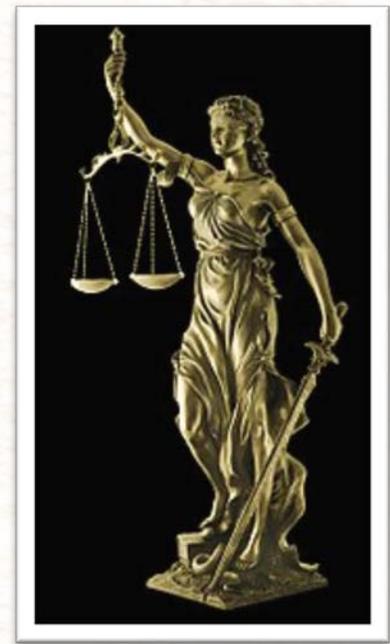
	2012		2017		% (point) change 2012–2017	
	NZ	EU28	NZ	EU28	NZ	EU28
<b>Real GDP per capita</b>	35,486	25,700	37,806	27,600	6.5%	7.3%
<b>Unemployment rate – total</b>	6.9	10.5	4.5	7.6	-2.4%	-2.9%
<b>Unemployment rate – women</b>	7.6	10.6	5.0	7.9	-2.6%	-2.7%
<b>Unemployment rate – men</b>	7.1	10.4	4.0	7.4	-3.1%	-3.0%
<b>Unemployment rate – youth</b>						
15-19 years	<b>30.9</b>	23.1	<b>19.4</b>	16.8	-13.9%	-6.5%
20-24 years	12.4		8.4		-4.0%	
<b>Employment rate – total</b>	62.6	71.7	73.3	73.4	10.7%	1.7%
<b>Employment rate – women</b>	57.0	65.5	62.4	67.9	5.4%	2.4%
<b>Employment rate – men</b>	68.4	77.8	73.3	78.9	4.9%	1.1%
<b>Employment rate – youth</b>						
15–19 years	30.2	42.4	40.7	41.7	10.5%	-0.7%
20–24 years	<b>65.3</b>		<b>73.3</b>		8.0%	

- unemployment rates for all categories fell, and other than for youth, were below the EU average
- plus: NZ – one of the most ethnically diverse labour markets in the world, a phenomenon that is set to increase (Stats NZ, 2017)

## [2] background (cont'd)

### legal/industrial relations context

- profile report discusses NZ's legal context pre- and post-1840 but focuses on recent regulation (2012-17 and some post-2017)
- overviews basic processes and institutions
  - criminal and civil law components, with common law derived from judicial decisions; influence of international law and treaties, particularly since 1960s
  - working conditions mainly covered by statute (esp. Employment Relations Act 2000 and common law)
  - ERA reframes employment contracts as employment relationships, reflecting ideological shift from a unitarist orientation to a more relational approach and 'good faith'
  - bulk of workers on individual employment agreements though collective employment agreements (CEAs) are more common in the public sector
  - other statutes
    - **regulatory features permeate ensuing sections of the profile – fast-track change stresses need to update it**



# [3] actors and institutions

## trade unions

- union membership in decline for several decades, with the rate of decline exceeding that of many other OECD countries
  - ERA 2000 has had a muted impact on this trend

**Table 2: Union density and membership, 2012-17**

	2012	2013	2014	2015	2016	2017
Union density in terms of active employees <sup>1</sup>	16.9	16.4	15.7	15.2	14.5	14.1
Union membership (000s)	369.2	365.9	361.4	358.6	357.1	361.7

Source: Ryall & Blumenfeld/CLEW (2017)

- 25 CTU affiliates in 2017 (314,466 members)
- **new (2020) MPOWER study: strike activity and rationales**

# [3] actors and institutions (cont'd)

## employers



- 4 regional employers associations (EAs): advocate, provide employment advisory and training services to members



- EAs, plus several other industry interest groups, form Business NZ (CTU counterpart)



- BusinessNZ provides high-level coordination on business policy and advocacy, but less coordination of employer and collective activity in day-to-day IR, reflecting NZ's history



- to maintain membership post-ECA, EAs adopted two main strategies:
  - 1 diversification of services offered
  - 2 mergers with compatible business service providers (e.g. regional Chambers of Commerce, Export NZ, Business Mentors NZ)



- so while many employers still belong to centralised EAs, their reasons for doing so are not easily discerned

# [3] actors and institutions (cont'd)

## employers

- determining membership and density figures for different EAs is problematic as:
  - they are private organisations (not public bodies) with no requirement to keep/release membership data;
  - historical information on the total of number of employees that the organisation members cover doesn't appear to have been maintained by all 4 EAs
  - 2 EAs operate in joint partnership with other networked business organisations – members of one organisation are counted as members of the others

**Table 3: Main NZ employers' organisations and confederations**

Name	EMA	Business Central	CECC	Otago Southland EA	BusinessNZ
Membership (2018)	8,581	3,625	2,900	2,500	No direct membership
Involved in CB?	Yes	Yes	Yes	Yes	No

- **call for co-designed datasets and more active stakeholder engagement in data collection**

## [4] collective bargaining

- NZ: 'a fully decentralised' collective bargaining system (OECD, 2018)
  - bargaining not entirely voluntary (bargaining notice, good faith)
  - collective agreements for no longer than three years
  - strikes can't occur while a collective agreement is in place
- variation in collective bargaining coverage figures (e.g. in 2016, OECD: 15.9%; Stats NZ: 23.3% and CLEW: 19%)
  - need for more frequent NZ official measures but fortunately CLEW data are updated annually
- nb: since ERA 2000, only union members can be covered by a CEA but around 1 in 10 of those who believe they are covered by a CEA are not union members
  - may be because many CEAs permit employers to offer the same terms to all or part of the non-union workforce ('passing on')

# Chart 1: NZ collective bargaining coverage by sector, 2012-17



- collect data that account for passing-on arrangements?

Source: Calculated from Blumenfeld *et al.* (2017)

## [4] collective bargaining (cont'd)

Table 4: NZ collective bargaining levels by sector

	National		Sectoral		Company	
	Wages	Working time	Wages	Working time	Wages	Working time
dominant level			X (public)	X (public)	X (private)	X (private)
important but not dominant level					X (public)	X (public)

- under Employment Relations Amendment Act 2018, any new employee, where a CEA is in place, must be employed under its T&C for the first 30 days of employment even if not in a union; parties may also agree that CEA extends to non-union employees
- examine CEA coverage (mainly wages, hours, overtime & other penal rates, leave, OHS)
- fair pay agreements (FPAs) (based on low wage and productivity growth & rising inequality)

# [7] working time

- (NZ) working life profile examines 4 key areas:
  - working time regulation
  - overtime regulation
  - part-time work
  - working time flexibility



- **working time:** standard working time in NZ is 7am-7pm, Mon-Fri (SoWL, 2018)
- agreed hours must be in the employment agreement, with a max. of 40 hours/week (excluding overtime) unless agreed otherwise
- if <40 hours/week, the parties must try to fix them to ensure that they are worked over no more than 5 days of the week
- employer and employees agree on what constitutes 'work'

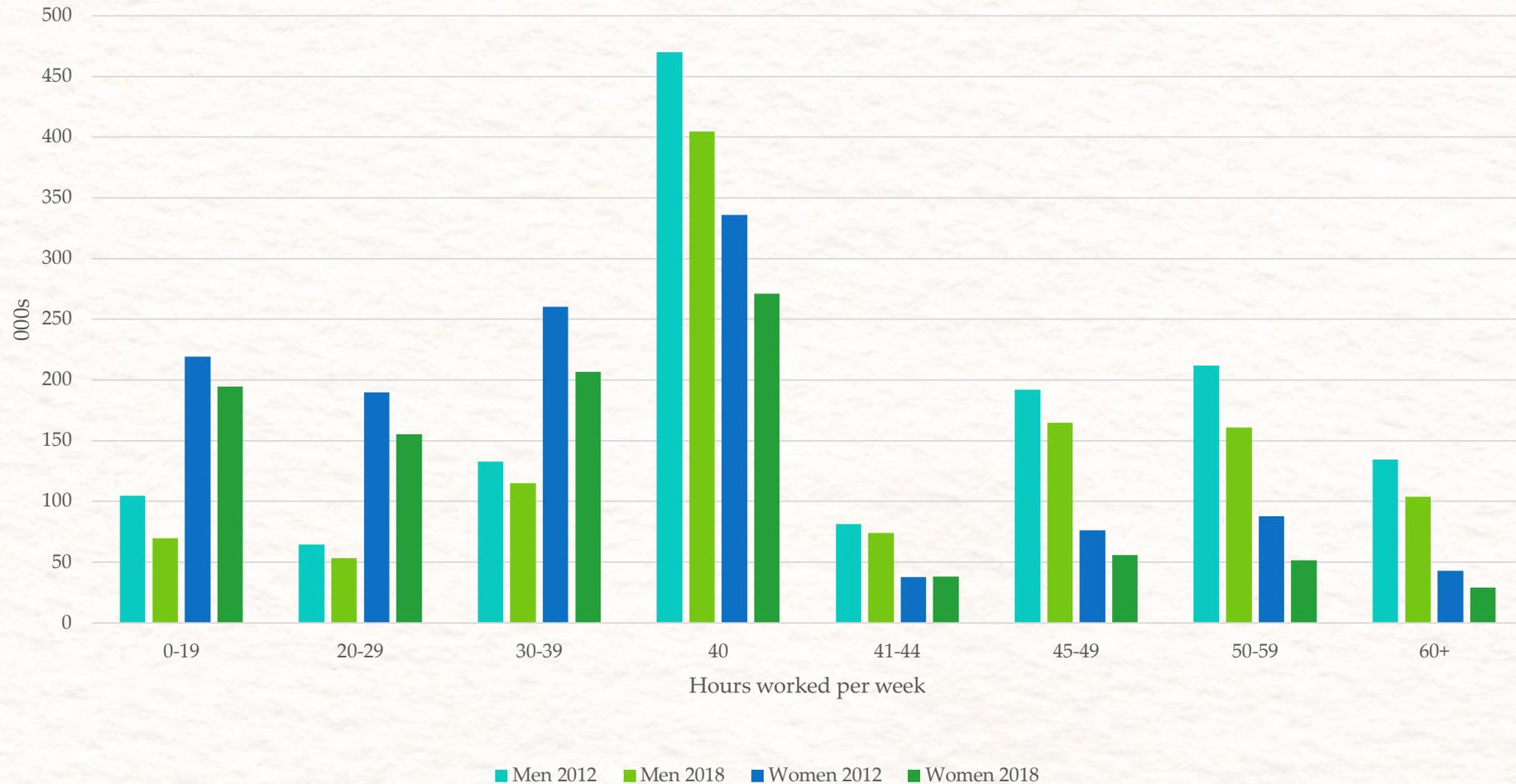
- **utility of SoWL 2018 for new datasets (e.g. on multiple job-holding)**

## [7] working time (cont'd)

- OECD (2017): full-time workers devote 62% of their day (14.9 hours) on average to personal care and leisure (below the OECD average of 15 hours), reflecting long working hours culture in NZ
  - 15% of employees average  $\geq 50$  hours work/week (OECD average is 11%)
- Employment Standards Legislation Act 2016
  - addresses zero hour contracts with the parties needing to agree on and set the number of hours in the employment agreement
  - employers can't have an availability clause for employees unless exceptional circumstances
- 25–34 year olds form the largest group of those who perform non-standard working time, and men tend to work more non-standard hours than women (Stats NZ, 2019)

# [7] working time (cont'd)

## Chart 2: Hours worked by males and females, 2012 and 2018



Source: Stats NZ (2019) SoWL

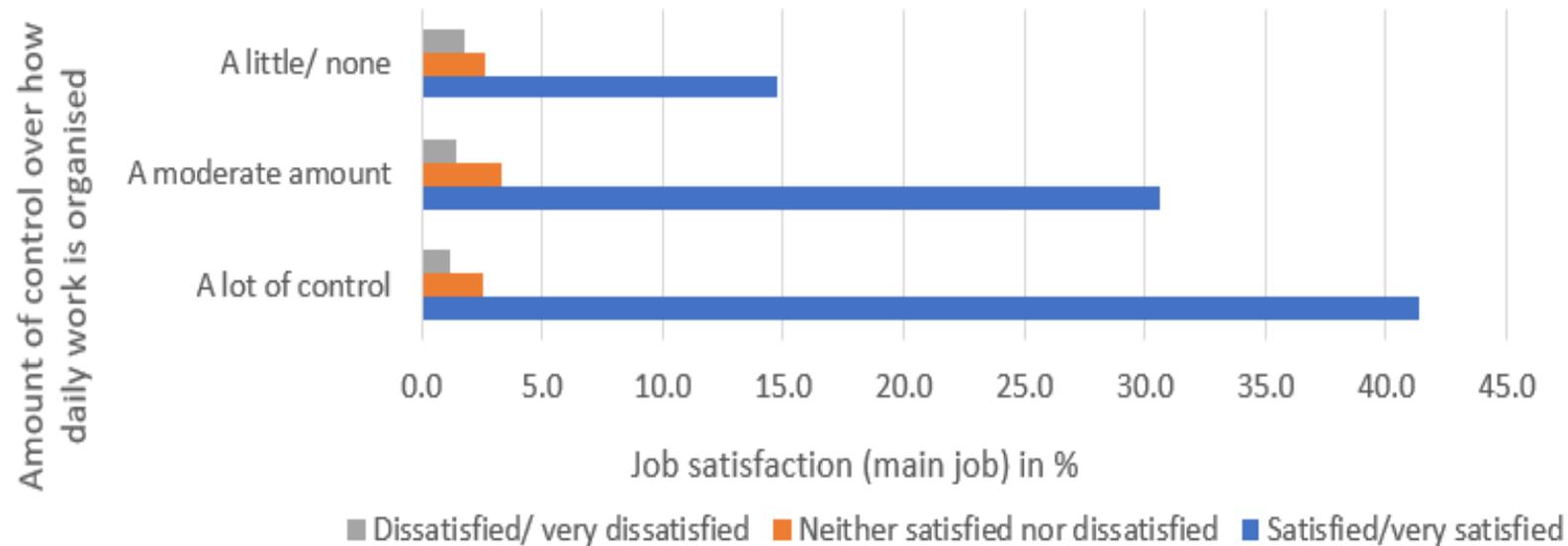
## [7] working time (cont'd)

- **working time flexibility:** 'hours that allow an employed person to vary the time they start and finish work ...' (*SoWL*, 2018)
  - employees can seek flexible work schedules, locations and timings
  - employer must consider an employee's request & respond in writing within a month, giving a reason if the request is declined
- *SoWL 2018:*
  - 50% of employees feel that flexibility is offered at their workplace; more men (53.3%) than women (46.7%) believe there is flexibility at work
  - 50% of temp employees perceive that flexibility is available
  - 89-95% of all employees are aware that they can take a few days of unpaid leave
  - having flexibility to reduce work hours (to <30 hours/week) most difficult for fixed-term agency & permanent employees (easier for casuals)
  - similar pattern concerning changing hours from week to week to meet employer needs
- meals and unpaid breaks

# [10] work organisation

- SoWL 2018: 56% of employees feel they have a lot of control over *how they do tasks at work*
- 45% said a lot of control over *how their daily work was organised*
- 36% reported having a lot of influence on *decision-making that affects their tasks*

Chart 3: Employee control over how daily work is organised (main job)



- **new (2020) MPOWER study: employee autonomy/control at work**

Source: Stats NZ (2019) SoWL

# [11] equality and non-discrimination at work

- a period of regulatory, key case, research activity and equality initiatives, for instance:
  - ERA 2000 and Human Rights Act 1993 – grounds for unlawful discrimination in employment
- employees can discuss the issue with their employer, go to mediation and/or raise a personal grievance to the Employment Relations Authority (under the ERA 2000), or make a complaint to the HRC
- equal pay and the gender pay gap
  - Government Service Equal Pay Act 1960
  - Equal Pay Act 1972
  - 2014: Court of Appeal's decision in *Terranova Homes & Care Limited vs Service and Food Workers Union Nga Ringa Tota Inc. and Kristine Bartlett*
- **informed by qualitative and quantitative source materials**
- **recent and proposed gender equity studies in NZ public service**



# [11] equality and non-discrimination at work (cont'd)

- NZ's high concentration of female workers in several, often lower-paid occupations (>80% female)
  - healthcare and social assistance
  - professional, scientific, technical and administrative and support services
  - education and training
- gender pay gap decreased from 12% to 9.2% (2016-18) but rose slightly to 9.3% this year – the third smallest gap since the beginning of a series 20 years ago, and 7<sup>th</sup> lowest globally
  - however, for workers on higher salaries the gap is 20% and persists despite growing numbers of women in higher education (Ministry for Women, 2017)
  - Māori and Pacific women have lower rates of pay compared to both women and men of other ethnicities (Ministry for Women, 2018)
  - disabled women are paid less than disabled men (HRC, 2018)

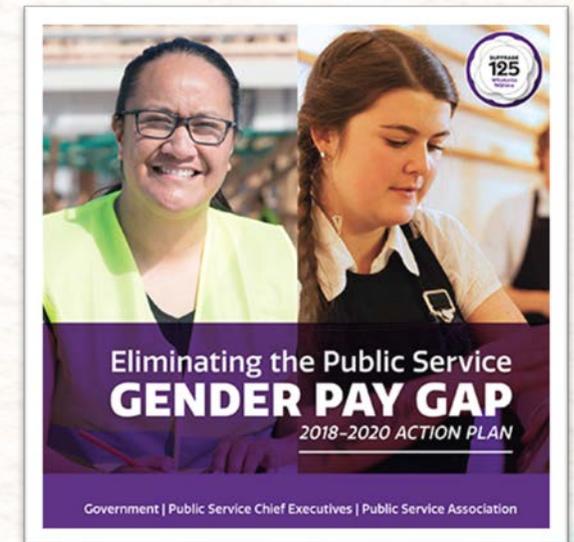
# [11] equality and non-discrimination at work (cont'd)

- a tale of two sectors?
  - women on public sector boards rose to a record level (47.4% in 2018, 45.7% in 2017), moving towards the Government target of 50% of women forming 50% of all state sector boards by 2021
  - female representation in senior leadership in the private sector fell (31% in 2004 but 18% in 2018 - Grant Thornton International, 2018)
  - in private sector, women form just 22% of board members in NZX's listed companies (19.7% in 2017) (Min. for Women, 2019) but mandatory quotas remains a highly contested field



# [11] equality and non-discrimination at work (cont'd)

- outside 2012-17 scope:
  - Government's *Gender Pay Principles* and *Gender Pay Gap Elimination Action Plan 2018-20*
  - **Equal Pay Amendment Bill** provides a process for addressing discrimination in pay, based on gender, in female concentrated industries. If passed, it may enable employees to make pay equity claims within the current 'good faith' bargaining framework, with court action a last resort
- NZ Disability Strategy 2016-26 aimed at guiding the work of government agencies on disability issues without quota regulations
  - Disability Outcomes Framework under development since 2017 (Office for Disability Issues, 2016)
    - **strategy and programme documents**
    - **Proposed new (2020) MPOWER study: gender equity for Māori and Pacific Women in the public services**



# final remarks

- NZ working life profile has broad and high level coverage (2012-17)
  - template-based but some additional topic and timeframe coverage
  - stepping stone designed to provide a:
    - ‘one-stop’ shop resource on key aspects of working life in NZ
    - basis for comparison with other countries (especially the EU28) ... and stress some of our idiosyncrasies
    - benchmark on NZ’s own development over time (we intend to update it)
  - shows NZ has some good, nuanced/fine-grain data sets
- **but:**
  - still key data gaps (substance-wise and temporally), methodological discrepancies
  - many data sets needed to compile the report
    - time-consuming and less methodologically robust than it might be
    - implications: for assessment quality; informing policy development, benchmarking and comparison
- move towards a more strategic approach (e.g. with a WERS type survey)?
- profile isn’t exhaustive – welcome suggestions on:
  - areas to add/examine more deeply?
  - active engagement by ER stakeholders?

**Thank you!**

**Questions?**

