



NEW ZEALAND COUNCIL OF TRADE UNIONS

Te Kauae Kaimahi

**Submission of the
New Zealand Council of Trade Unions
Te Kauae Kaimahi**

to the

Productivity Commission

on

**Draft reports 1 and 2 in its inquiry into
Technological Change, Disruption and the Future
of Work**

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1. Introduction

- 1.1. This submission is made on behalf of the 27 unions affiliated to the New Zealand Council of Trade Unions Te Kauae Kaimahi (CTU). With over 310,000 members, the CTU is one of the largest democratic organisations in New Zealand.
- 1.2. The CTU acknowledges Te Tiriti o Waitangi as the founding document of Aotearoa New Zealand and formally acknowledges this through Te Rūnanga o Ngā Kaimahi Māori o Aotearoa (Te Rūnanga) the Māori arm of Te Kauae Kaimahi (CTU) which represents approximately 60,000 Māori workers.
- 1.3. As we have discussed with the Commission, while there is some interesting analysis in these reports, we are disappointed that the underlying approach of the reports shows little sign of a serious attempt to learn from the mistakes of the major policy reforms starting in 1984. This is important for at least two reasons.
- 1.4. Firstly, the policy prescriptions of those years have failed to put New Zealand on a socially and economically sustainable path, and to increase New Zealand's productivity growth rate in a sustained and appreciable way. They are therefore unfit for the purpose of considering better policies for the future, which is the core purpose of this inquiry. Revision of the orthodoxy of that period is occurring around the world, particularly since the Global Financial Crisis, and needs serious attention here.

1.5. Secondly, this inquiry is also about managing change and much can be learned from the mismanagement of the huge changes brought about by Government policies in the 1980s and 1990s. We described this in our submission to the Commission's Issues Paper. We share the view that this period was badly mismanaged with many in the community and in Government, from the Prime Minister down. Yet the changes of these times are simply described as necessary, ignoring the possibility of alternative approaches that other countries have used, and the failures of managing them are glossed over.

1.6. One of the most glaring gaps in both reports is the almost complete absence of any acknowledgement, let alone analysis, of the role of unions in an inclusive society and for positive change. Unions are mentioned only in passing or in reference to submitters to the inquiry, other than briefly and sceptically, in reference to the Tripartite Forum on the Future of Work. The role of collective bargaining is not mentioned at all other than recording that redundancy provisions often appear in some collective agreements. This becomes all the more egregious given that the model that the Commission explicitly adopts is that of northern European countries such as Denmark. In those countries, union membership in most cases covers well over 50 percent of employees and collective bargaining, based on various forms of sector agreements, covers over 60 percent of employees. As a paper which the Commission quotes several times in describing the "flexicurity" system in Denmark (Bredgaard & Daemmrich, 2012) emphasises:

Underpinning support for the welfare state, unions and employers' associations negotiate wages, working hours, working conditions, and other aspects of employment through a centralized collective bargaining process.(p.3)

1.7. The authors repeat and detail this in various ways throughout their paper. The importance of unions, collective bargaining and a recognition of social partnership between unions, employers' associations and government in these economies is emphasised not only by these authors. It is *assumed* in these countries and it is now acknowledged widely including by the OECD (e.g. OECD, 2018a, 2018b), International Labour Organisation (e.g. International Labour Office, 2019) and authorities such as Visser (e.g. 2016). We go into this issue in more detail below, and while acknowledging that no two countries have the same history and set of circumstances, omitting this aspect of the 'flexicurity' picture misses a vital part of the checks and balances that make it sustainable. Effective unions and collective bargaining are vital because they provide a backstop of agency and protection for

employees in an inherently more insecure and risky environment, and they give employees some assurance that the gains from increased productivity will be shared fairly with them – a vital concern also omitted from these reports. That does not mean that they are continually in dispute with the employers and government: they work together frequently on matters on which they have a common interest, and institutions have been developed to enable this.

- 1.8. Our focus in this submission is on Draft Report 2, *Employment, labour markets and income*, but we first make some comments on Draft Report 1, *New Zealand, technology and productivity*.

2. Draft Report 1: New Zealand, technology and productivity

- 2.1. We do not have extensive comments on this Report, given it is largely analytical rather than making recommendations. We do consider it is important to point out some significant weaknesses in the analysis.

Wages and productivity

- 2.2. The Report briefly observes (p.10) that “increases in the cost of labour can drive innovation” and cites evidence from some research (similarly on p.13). We raised the same matter in our earlier submission and have done so elsewhere. The reverse causality of higher wages driving higher productivity is an important driver which merits more analysis. Storm and Naastepad (2011, p. 208) list 17 studies, 15 of which show increases in productivity as a result of either increases in the real wage or improved worker rights. New Zealand’s weak wage growth tolerates and encourages weak innovation and productivity growth.
- 2.3. There is also evidence that job security encourages innovation. For example Acharya, Baghai, and Subramanian (2010, 2014) find that “Stringent labor laws can provide firms a commitment device to not punish short-run failures and thereby spur their employees to pursue value-enhancing innovative activities”. Kleinknecht and colleagues (Kleinknecht et al., 2014; Vergeer & Kleinknecht, 2010) find that “flexibilization” (or deregulation) of labour markets such as by easier firing have a negative impact on firms’ investment in research and development and on labour productivity growth, particularly among firms reliant on their own accumulated knowledge. That employment protections can have both positive and negative effects on productivity is acknowledged by the Commission (p.10) but it then fails to recognise this in its subsequent discussion and recommendations in Draft Report 2.

The importance of unions, collective bargaining and collective solutions

- 2.4. These findings imply that much more sophisticated approaches to wage setting and job security are required than are shown in this Report (or the following one). Wage setting requires a balance that recognises the needs of employees for a decent life, the thriving of firms that innovate and provide good employment, the incentives that wage growth provides for innovation, the sharing of the proceeds of innovation between employees and firm owners, and recognition of the macroeconomic conditions that provide a context for wage and employment levels. Such sophistication cannot be achieved from individual employment agreements because they cannot incorporate collective or external factors other than the interests of the employer which in general sets the terms of such agreements. The need is even greater when, as the Report acknowledges (p.11) management skills are very weak, particularly in the areas of managing people.
- 2.5. That is one of the reasons we regard the complete lack of discussion of the role of unions and collective bargaining by the Commission as a major gap in its analysis. Collective bargaining between representatives of employers and unions can be designed to achieve these purposes.
- 2.6. A second reason is the potentially important role of unions in workplace productivity initiatives and participation of workers in the processes needed to raise productivity and innovation. This is included in the inquiry through point 7 of its terms of reference. We raised these matters in our submission on the Issues paper for this inquiry and they have been ignored.
- 2.7. A third reason is the importance of union representation for working people as they face change, to give them assurance that they will benefit from the changes and that promises of benefits will be kept, and to advocate for good processes in taking people through change, listening to them, addressing their concerns and assisting them where other systems fail. A response may be that good employers will do many of these things, but not all employers are good employers, many assurances are based on the word of a manager and are forgotten when the manager leaves or comes under pressure, and whole employers disappear in processes of change. Much better income replacement and active labour market policies can also be of great help, but they cannot address the myriad of issues that arise in a particular change process nor assure shared benefits once people are back at work.

- 2.8. The section on technology in the second half of the 19th century (p.24) is extraordinary in that it ignores the growth of social movements, including unions and political parties, in reaction to the appalling working conditions, which forced improvements in wages and conditions.

Macro-economic conditions

- 2.9. While the Report mentions customer relationships as an important factor in innovation, so are general conditions of reliable demand for products. Steady aggregate demand gives firms the confidence to invest and take risks with innovation. Macro-economic policies that encourage strong demand are therefore vital (for example again see Storm & Naastepad, 2011).

Role of the state

- 2.10. The important role of publicly owned entities in innovation has been well documented by Mazzucato and others (e.g. Mazzucato, 2015) as we stated at some length in our earlier submission. Economies like New Zealand are increasingly developing industry strategies or policies such as the Industry Transformation Plans initiated by the present Government. There is little acknowledgement of this important role, and it is made less obvious by rolling public entities into the term “firms” (footnote, p.8). Public entities have potential characteristics that set them apart from commercial entities.
- 2.11. We welcome the acknowledgement (p.13) that regulation can induce innovation. That is a deliberate purpose in many cases, such as where constraints on damage to the environment induce new methods of production that are less damaging. Design of regulations is of course important, but equally their use can be an important tool to increase productivity and innovation. One aspect of this is to ensure that firms like Amazon and Microsoft do not become dominant in a market, especially when the design and nature of the operation leads to strong efficiencies of scale and network effects. Another is to ensure that the increasingly sophisticated technology for surveillance is not used in anti-social ways or to reduce the quality of work and the dignity of workers.
- 2.12. We would like to see more discussion of appropriate regulation of particular aspects of technology. For example the Report (p.22) discusses surveillance and monitoring of workers. Certain aspects may be useful, but there are also grave dangers as we

have previously submitted. We cannot however rely on ‘market forces’ or reputation to ensure beneficial use and prevent unacceptable use.

Technology and inequality

- 2.13. Less than half a page is devoted to the crucial question of the distributional effects of technology. It is crucial because if the distribution of proceeds of increasing income and wealth resulting from new technology is considered unfair, the technology will, understandably, meet resistance. Fair distribution of proceeds should be one of the objectives of such changes. The terms of reference of the inquiry refer to the need to maximise the wellbeing of New Zealanders and to prepare for a socially-inclusive future.
- 2.14. The discussion is almost entirely devoted to the Labour Income Share (LIS), and even this is inadequate. It quotes a polemic by the New Zealand Initiative, which averages away important trends, as research showing that there are different approaches to the LIS. While a Bank of England paper cited in the same context is interesting, it has its own problems, does not relate to New Zealand, and is far from the last word on the matter. Despite these, there is a large body of research on the labour income share which is widely accepted, some of which is cited, but then apparently dismissed. Some of the research analyses the relationship of the LIS to technology and other factors such as product market competition, monopsony in labour markets, unionism, privatisation and financialisation. If the Commission wishes to seriously question its validity as a measure of inequality, a programme of New Zealand-specific research is required. It appears that the Commission is simply throwing its hands in the air and saying “too hard” rather than coming to grips with the matter. It fails to quote serious New Zealand research such as Bridgman and Greenaway-McGrevy (2016) and Rosenberg (2017).
- 2.15. The extraordinary statement is made that “LIS is not a direct measure of income inequality”. There is no doubt that it is a measure of income inequality and is treated as such for example by international authority the late Anthony Atkinson (e.g. Atkinson, 2009, 2018). What the word “direct” means is far from obvious. There are many measures of income inequality and this is one showing the income available to two broad sections of society, but as Atkinson shows, it is related to other measures of inequality. The assertion is made that the LIS will “rise as labour-market participation increases or the unemployment rate falls”. There is no reason why it should rise under these circumstances: whether it does so depends on the labour

income share of the work that newly hired workers take up or parting workers leave. Their work presumably creates a profit for their employer as well as their wages or they would not be employed.

- 2.16. The section finishes by stating that “The LIS in New Zealand has increased since 2002 while income inequality has broadly been stable, and technology adoption and productivity growth have been slow.” It fails to point out that that 2002 was a historical low point and was accompanied by some significant changes to industrial relations legislation and regulation, and it has fallen since 2009. If the Commission’s view is that the LIS is not related primarily to technology but to other factors, which is seemingly in conflict its own previous papers on the matter (Conway et al., 2015; Fraser, 2018), then we are sympathetic because of the importance of factors such as bargaining power. However it is inescapable that if there was a major deepening of capital which substituted for labour, or there was an increase in the application of technology that weakened the bargaining power of labour, then it is likely to show in the LIS. Weakened bargaining power could occur where one or a small number of suppliers dominate an industry, with digital platforms, or where contracting is the main employment relationship. The impact of technology on the LIS is therefore worth monitoring even if other factors are more important on a day to day basis.
- 2.17. If the Commission considers that the LIS is insufficient as a measure of inequality it should carry out a serious analysis of other measures. Whatever measures it decides on, this is an important matter meriting much greater analysis than the minimal attention given to it in this Report.

Technology in New Zealand’s history

- 2.18. Section 2.2 asserts that “starting in the 1930s, protection discouraged technology adoption”. No evidence is provided for this assertion. It is a strange way to characterise a time in which protection was used to encourage the use of technology, particularly in manufacturing. Important New Zealand technology firms began their lives or developed during this period including Fisher and Paykel, Tait Electronics, Hamilton Jet, the Gallagher Group, Rakon Ltd, Dynamic Controls, Datacom, Pacific Aerospace and many others. Some companies of the era have succeeded, some have fallen along the way, some were bought out by overseas owners and may or may not have a substantial New Zealand presence, but the same is true of companies developing under current policies. If anything the “protectionist” regime could be criticised for developing ‘too much technology’ in the

sense that it was unable to survive in New Zealand conditions, but in the long run many firms of the era have become important parts of New Zealand's current economy. Productivity was ranked higher relative to other OECD countries during the 1970s than it is now¹.

- 2.19. Rather than the caricature provided, it would be much more useful to analyse what worked and what did not. The evidence provided by the Commission, both in this Report and elsewhere, shows that the current regime is not working in raising New Zealand's productivity performance. New Zealand must find ways to encourage the development of higher value production (industry policy) and, given the policies of the last 30 years have not succeeded in this, new ways are needed. Learning from the past with an open mind is one way of doing this.
- 2.20. The caricature continues with statements like "These policies also reinforced a 'breadwinner model' based on full male employment and an industrial relations system that kept full-time (male) wages high". There is no recognition here that this provided high standards of living to most New Zealanders on a single wage, with a ranking in the OECD much higher than at present, and that the male-dominated employment model was common throughout the OECD, enforced by the oppressive gender-biased social values of the time. Nor is there recognition in this Report or Draft Report 2 that unemployment was well under 2 percent for the entire period (Chapple, 1994). It ignores the social progress made under popular pressure represented by for example the Equal Pay Act of 1972. Māori, Pasifika and people from lower socio-economic backgrounds were underrepresented in tertiary education – and they still are. Our point here is not to pretend that this was an idyllic period of New Zealand's history, but it had substantial advantages for working people. The analysis here repeats the myth-making in official circles in the 1980s and 1990s to justify the extreme reforms that are now widely accepted to have failed socially and economically.
- 2.21. No analysis is given of how the changes in the 1980s and 1990s could have been better handled so that they raised our economic performance and did not cause deunionisation and a rapid rise in inequality, poverty and unemployment. Other countries did considerably better.

¹ OECD – GDP per hour worked, whether USD, constant prices, 2010 PPPs or USD, current prices, current PPPs. https://stats.oecd.org/Index.aspx?DataSetCode=PDB_LV

- 2.22. Finding 2.4 sets up a straw man to knock down rather than making use of our history to draw useful lessons.
- 2.23. We do not comment on the remainder of Draft Report 1 which contains some useful data and analysis though we do not necessarily agree with all of it.

3. Draft Report 2: Employment, labour markets and income

4. Chapter 1: Technology and the New Zealand labour market

“Good jobs”

- 4.1. The concept of a “good job” is discussed on p.5. In the end it is defined as “one attractive to both employee and employer”. This is circular. There are no criteria to judge whether either party finds it “attractive” other than the existence of the employment relationship. If little work is available, and an employer can dictate the conditions of work, then a job may still be “attractive” to an employee because there is no alternative, but it may not be a “good job” in any substantive sense.
- 4.2. The ILO has the concept of “Decent Work” which New Zealand officially supports.

It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men.

Source: <https://www.ilo.org/global/topics/decent-work/lang--en/index.htm>

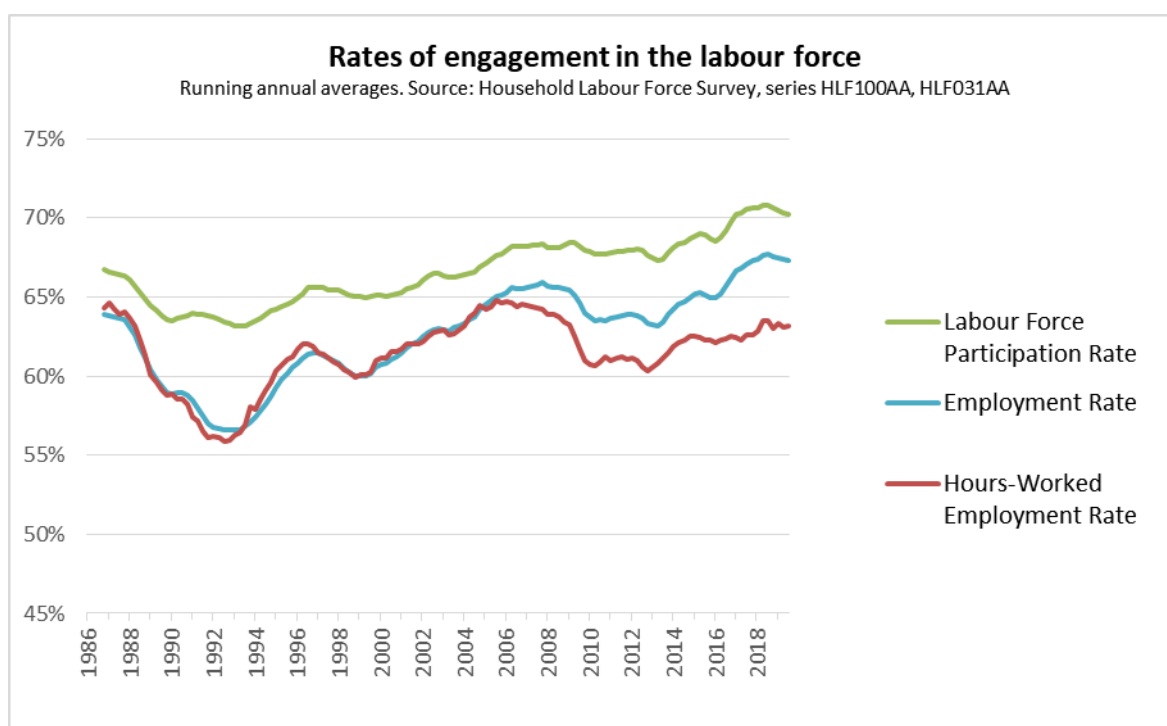
- 4.3. There is considerable documentation on this and there has been considerable work by official statistical agencies and others to develop ways to measure it. We **recommend** that this is adopted by the Commission.
- 4.4. Our affiliate, the Public Service Association, has submitted on this issue in more detail which should be read alongside this submission.
- 4.5. We recognise that the Commission is arguing for “employment security” rather than “job security” but as we argued above and will do so again below, a compromise must be found between completely insecure jobs which, even with good income replacement can lead to poor outcomes, and a situation that does not allow

adaptation to technology and other desirable or unavoidable changes. “Security in the workplace” (in ILO’s terminology) therefore remains important.

- 4.6. We agree with **Finding 1.1** that “Distinguishing the effects of technology from other sources of labour-market change is hard and not necessarily helpful for policy making. Policies to support workers adversely affected by labour-market change should treat those affected by technology no differently from those similarly affected by other causes.”
- 4.7. While recognising the difficulties in predicting supply and demand for skills, we do not agree with **Finding 1.2** which implies that it is futile to take deliberate steps to meet the skill needs of the workforce. We would like to see greater industry cohesion and discussion of these issues in forums including both employers and representatives of people working in each industry. It is important to have a mixture of institutionally based qualifications and skills developed while in work. We would like to see a commitment by government and industries to supporting life-long learning, enabling workers to develop their knowledge and skills throughout their working lives. Industry coordination can reduce (even if it is unlikely to eliminate) the gaps between skill needs and people available with those skills.
- 4.8. We **submit** that the Commission should recommend that support be given to the development of industry bodies that can define skill needs and promote the development of skills in their own workforce and beyond, including in-work education and training. These would complement the more broadly based Workforce Development Councils that are being established under the current RoVE reforms. Industry bodies could have a wider function of considering the future of the industry more generally including increasing its productivity, raising wages and working conditions, and, in coordination with public agencies, assisting in providing ‘just transition’ plans where industries are contracting or are changing as a result of technology, globalisation, climate change or other forces. The Government is currently working on Industry Transformation Plans with many of these functions, and encouragement to establish such bodies would be a positive step.
- 4.9. **Finding 1.3** repeats earlier findings that New Zealand has had low rates of unemployment and high rates of labour participation. We observe that the unemployment, currently at around 4 percent is more than double the rate that was considered acceptable after WWII until the 1980s. We should be more ambitious. The higher level is driven in part by macroeconomic and monetary settings and

policies, and punitive welfare policies. The OECD commented in 2017 on New Zealand’s slow recovery in unemployment from the Global Financial Crisis, and that “New Zealand is no longer among the best performing countries in the OECD area” (OECD, 2017, p. 13).

4.10. While labour participation rates are high, they largely reflect the fact that more people are working fewer hours. An employment rate of hours as a proportion of potential hours available (instead of the conventional measure of a count of employed people as a proportion of the working age population) shows a very similar rate now to when the Household Labour Force Survey began in 1986, and a lower rate when it is adjusted for the change in methodology in that survey in June 2016.



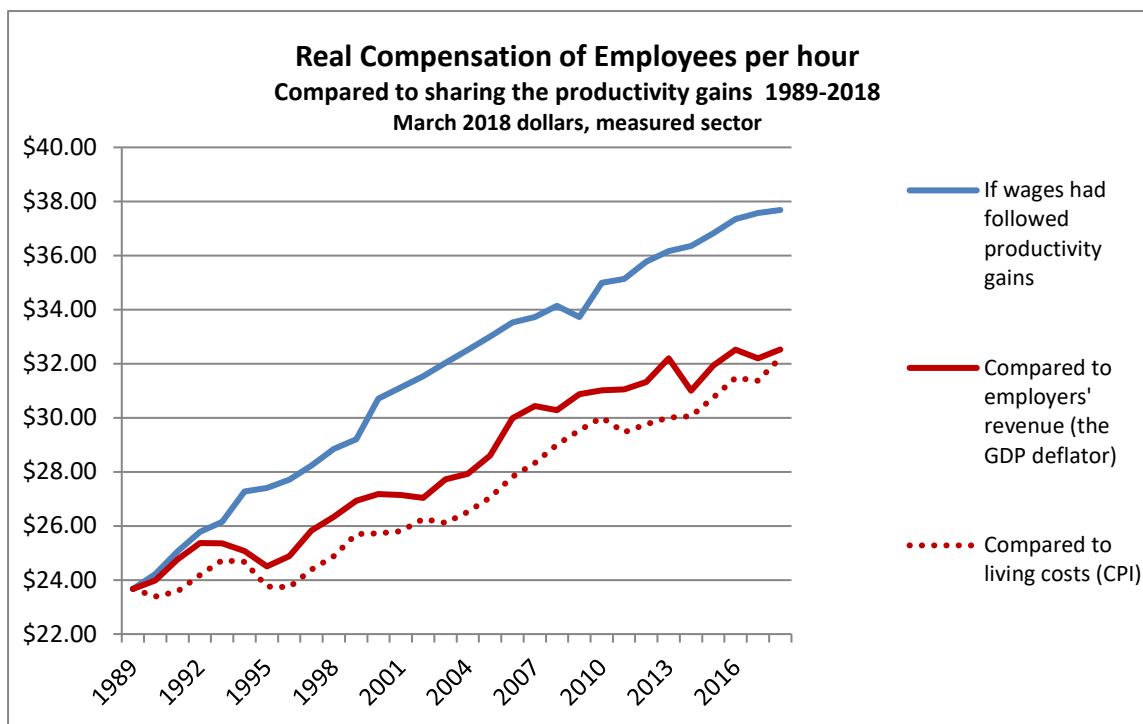
4.11. The above graph shows the conventional participation and employment rates compared to a hours-worked employment rate. All series are smoothed by plotting running annual averages, and the hours-based series is adjusted for the change in methodology. Even without the adjustment it is very similar to the 1986 values, and it should be noted that the 1986 rates were on a falling trend, suggesting they were higher before the series began.²

² The hours-worked employment rate is calculated by multiplying the number of people in the Working Age Population by notional “hours available” and dividing actual hours worked by this product. The hours available used here is 35 hours per week, but it is arbitrary if, as in this case, we are interested mainly in the change in employment rate over time rather than absolute rates. The adjustment for the

- 4.12. The interaction of labour force participation and insufficient income coming into a household also should be born in mind. High housing costs, often unaffordable on a single income, may force more adults to take up paid employment. Since 2012, the proportion of couples with dependent children where both were in paid employment from 61.6% in March 2012 (a value close to where it had been since 1999) to 72.3% in September 2019³.
- 4.13. The paper notes New Zealand's high job churn (switching rates). Job tenure in New Zealand is among the lowest in the OECD. The paper states that labour productivity increases when workers move from less productive to more productive firms or move to jobs that better match their skills. However it does not present evidence that this is in fact the case. The moves could be to increase pay rates, and given that Karagedikli (2018) finds that such pay increases are higher for those moving jobs than those staying, churn could be a sign of monopsony where weak employee bargaining power enables employers to decline to give significant pay increases once an employee has been hired.
- 4.14. It is insufficient to simply state that moves may increase productivity. We need evidence as to whether this is correct given that the Commission is suggesting low protection against job loss as a way to increase productivity. It is of course possible that the Commission is correct, but there are other possible drivers and consequences of job movements. A "dynamic" job market (as described in Finding 1.4) could be productivity enhancing or it could be simply insecure.
- 4.15. Box 1.5 (p.19) argues that "Without labour productivity growth, sustained growth in hourly wages is not possible." In other words, rising productivity is a necessary condition for sustained real wage growth. It does not recognise however that rising labour productivity is not *sufficient* for sustained wage growth. In many countries in the OECD, including, as we have demonstrated, New Zealand (see graph below), real wage growth has fallen behind labour productivity growth. This "decoupling" of wages and productivity is emphasised as a widespread problem by the OECD in its 2018 Jobs Strategy (OECD, 2018a). It makes recommendations to prevent this, including higher minimum wages and coordinated collective bargaining.

June 2016 change in methodology uses findings from Anand-Kumar, Penny and Gordon (2017) on the increase in hours due to the change.

³ Statistics New Zealand's Infoshare series HLF185AA. Couples with dependent children and no other children or others.



4.16. **Finding 1.8** states:

The benefits and costs of greater technology adoption will likely fall unevenly on workers and households, creating significant costs for some. However, to lift overall incomes and wellbeing, policy settings must encourage greater technology adoption. Government should resist policies that protect existing firms and workers as these tend to discourage technology adoption.

4.17. We agree that “The benefits and costs of greater technology adoption will likely fall unevenly on workers and households, creating significant costs for some”. We also agree that greater technology adoption is in general desirable (though some developments are not, such as intrusive surveillance and the rapid spread of objectionable and dangerous material such as that following the March mosque massacre).

4.18. While we have sympathy for the concept of “protecting employment rather than jobs” it cannot be open slather:

4.18.1. New Zealand’s job protection is already the lowest in the OECD according to the OECD: see Figure 2.1 “Employment protection in New Zealand is more flexible than in any other OECD country”, in OECD (2017). That it is very low is acknowledged in Draft Report 1, but it is inaccurately described as “moderate” in this Report. We would not accept further lowering of this protection, and in at

least one aspect, 90-day trials, which the Commission in its Issues Paper acknowledged did not create employment, it should be strengthened by removing this iniquitous power of employers.

4.18.2. The protection of employment must be real, substantial and sustained. An income replacement rate of 50% which seems to be suggested in a technical paper for this inquiry, would be wholly unacceptable, being little improvement on the status quo. The ACC model of 80% is a sensible and accepted minimum. The number of months and the conditions of a person's entitlement to it are also crucial.

4.18.3. Assistance is also needed in the form of effective active labour market policies which genuinely assist displaced workers to find new jobs similar or better in quality to their old ones. This includes training, job search, career planning, and other assistance. It cannot be the minimal and degrading form of assistance that has been the rule in recent decades and years. It should be aimed at finding decent work, not at simply getting working people "off the books".

5. Chapter 2: Digital platforms, gig work and employment relationships

5.1. Finding 2.1 states:

Issues of insecure work, poor job quality, low wages and equity of opportunities are not specific to digital labour platforms. Policies should target these issues rather than the platforms or their underlying technology.

5.2. While we agree that these issues should be addressed in a general way, this finding does not acknowledge specific aspects of these platforms that increases their risk to people working through them. For example

5.2.1. They may be competing internationally with workers from low wage countries and consequently low expectations of wages, terms of employment and labour rights. This can make enforcing such conditions difficult or impossible.

5.2.2. The operator may be based overseas and in reality or in practice beyond the reach of New Zealand enforcement authorities and civil proceedings.

5.2.3. They may operate in ways that are uniquely digital or particularly intense such as close surveillance, the use of customer ratings, and profiling for employment.

All of these are open to abuse (including arbitrariness, discrimination and ignorance of those rating a worker) that are very difficult for individual workers to control and may have long term consequences for them such as being unable to find work in future.

- 5.3. The effect of such platforms driving down conditions on other employers also needs to be taken into account. Other employers may not be able to compete without similarly degrading conditions.
- 5.4. While individuals may be willing, or be driven by their circumstances to tolerate, such conditions, the impact on others needs to be considered. It is not simply a matter of individual decisions.
- 5.5. The concerns apply not only to low-skilled workers as the final paragraph in Box 2.2 shows.
- 5.6. **Finding 2.2** is “That people make trade-offs to participate on labour platforms is not in itself a policy problem. Trade-offs are a feature of participation in most, if not all, social and economic processes.” This lacks analysis of externalities, of human rights and of equity.
- 5.7. We find **Finding 3.2** simplistic and naïve:

Digital labour-platform operators seek to recruit and retain participants to achieve market liquidity, scale economies and network effects. Operators are sensitive to reputation and platform switching. So that poor performance and bad practices have reputational consequences, the Government should encourage choice and mobility between platforms and transparency of their labour-market practices. This approach is preferable to the prescriptive regulation of platform business models and rules.

- 5.8. Relying on reputational consequences has repeatedly failed in New Zealand and we do not understand why the Commission continues to rely on it, particularly when people’s livelihoods may be at stake. There are high rates of labour exploitation revealed by labour inspectors. We have low wages, falling behind productivity growth. We have a fatality rate by injury in the workplace double or more that of comparable countries. We have repeated and continuing problems of poor construction practices, not limited to ‘leaky buildings’, with lasting consequences. Commercial rental housing is often unaffordable and yet a danger to its occupants’ health and wellbeing. We were told when these practices or industries were deregulated that reputation would ensure good practice. It has not. We do not

accept this finding and will continue to advocate for better regulation of such operators.

5.9. We largely agree with **Finding 2.3** that

The proportion of people doing platform-mediated “gig work” is very small in New Zealand, and there is little evidence of an increasing trend. Most workers undertake platform-mediated work for short periods, and for supplementary income, rather than as a main job.

5.10. We agree with the Recommendation 2.1 that Statistics New Zealand, MBIE and IRD should improve measurement of non-standard work and of work mediated by digital labour platforms.

5.11. We wonder why the Commission itself has not commissioned more ground-breaking research in the area.

5.12. Because Finding 2.3 is based on poor data we must take a precautionary approach and advance only with care. This point is underlined by the US data (Figure 2.3) which also shows low uptake of such work but shows that it is rapidly increasing – from around 0.3% of families in 2013 to five times that, at around 1.6% just five years later in 2018.

5.13. The low uptake does reinforce our view that the great majority of employees prefer secure employment, with 91.2% of employees in permanent positions in September 2019 according to Statistics New Zealand’s Household Labour Force Survey.

5.14. Finally in this section, the paper comments (p.39) that ride-hailing platforms can bring quality improvement compared to traditional taxi services. They do have that potential, though the actual picture is mixed. For example recent reports from the US show high levels of assault, including sexual assault and rape among both passengers and drivers (North, 2019). Further, the quality improvement does not have to be contingent on the insecure and powerless conditions that Uber drivers work under. The improvement could be obtained while maintaining decent work, and some jurisdictions have legislated, or their courts have decided, that they will not accept Uber’s view of what those conditions should be. We could do the same, just as regulation was applied to Uber’s drivers’ cars.

2.3 Employment Status

- 5.15. We do not agree with the all of the analysis, nor recommendations, in this section of the Report.
- 5.16. At the outset it is important to note that the Ministry of Business, Innovation and Employment (MBIE) is conducting a consultation process on *Better Protections for Contractors*. The MBIE work seeks comment on a number of regulatory options to deal with contractors, and contractors working in the gig economy. Some of the recommendations advanced in this Report are outside the bounds of the work undertaken by the Government.
- 5.17. We comment on the specific recommendations in this Report as follows:

Recommendation 2.2

- 5.18. Recommendation 2.2 states:

The Government should explore options to modify the legal tests for employee status. The tests should focus on the fundamental nature of the work relationship – the extent of employer control, worker autonomy and choice, and the extent of lock-in to a specific firm. *Whether work is “fundamental” or “supplementary” to a firm’s business should not be part of the legal test.*

- 5.19. The italicised section sentence of the recommendation is articulated more fully in the body of the Report and it suggests the “removal” of the integration test. In the first instance, it is not possible to remove a common law test, but statute can be modified to change the application of the common law.
- 5.20. In any event, the CTU does not agree to the removal of the integration test. CTU policy on further regulation of contractors includes changing the tests used by courts to determine employment status to include vulnerable contractors and extending provisions in the Employment Relations Act 2000 which deem certain workers to be employees (such as presently s6 deems homeworkers to be employees). As a minimum all workers under 16 should also be deemed employees. It also includes extending the reach of the s6 test of employment status under the Employment Relations Act 2000, to codify the tests and factors in common law (fundamental nature, control and integration tests) and adding two additional factors - “economic dependence” (to capture dependent contractors) and “imbalance of bargaining power.” This list of factors is non-exhaustive.

5.21. We **recommend** that the Commission adopt this policy.

Finding 2.7 and Recommendation 2.3

5.22. Finding 2.7 states:

Legal risks discourage firms from offering better conditions and benefits to contractors. Clarifying the law on the employment status of workers and contractors could incentivise firms to compete on quality and conditions of work.

One way to do this would be to provide some form of “safe harbour” to firms wishing to offer benefits such as access to group discounts, training or health support to their contractors.

5.23. Recommendation 2.3 states:

To give greater legal certainty to firms that wish to offer independent contractors a wider range of benefits and support, the Government should explore options to provide some form of “safe harbour” that reduces the risk of legal challenge to the employment status of their contractors

5.24. The CTU considers the idea of a “safe harbour” for contractors to be the wrong orientation to the issue of the regulation of contractors and those engaged in the gig economy (usually as contractors). In the first instance, efforts must go to strengthening the ability of workers to challenge unlawful contractor status and enforce their rights to be treated as employees. The idea of a “safe harbour” for contractors is, at best, a secondary consideration once the exploitation of dependent or grey-area contractors has been addressed.

5.25. Also, it is already the case that genuinely independent contractors can seek authorisation under the Commerce Act 1986 to collectively bargain, so the “wider ranges of benefits and support”, such as the referenced group discounts, training or health support, can already be bargained in agreements between engagers and contractors. We support creating a system for independent contractors to collectively bargain.

5.26. The “safe harbour” risks becoming a licence to employ people under conditions inferior to those they would be entitled to as employees, which may be their correct status.

Finding 2.8

5.27. This states:

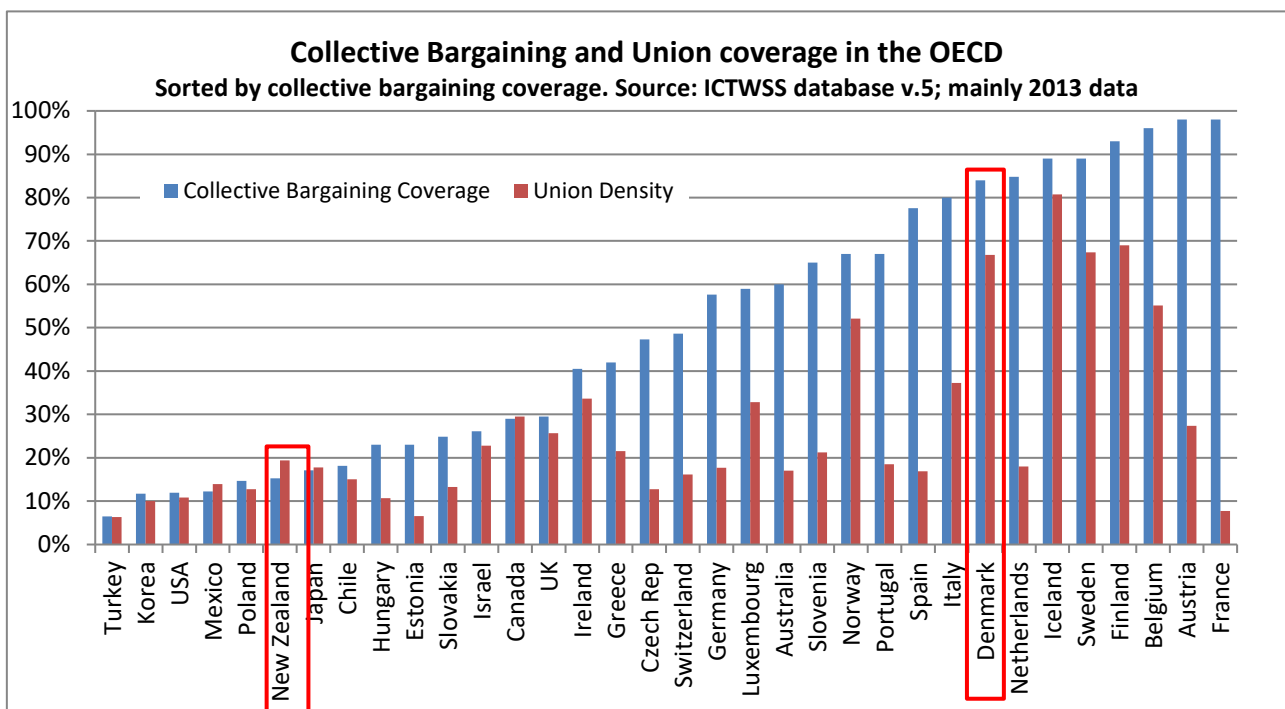
There is no strong case for the introduction of a new category of employment status between employee and contractor.

5.28. We agree that there is not a strong case for the introduction of a new category of employment status between employee and contractor. Indeed, we would oppose creating a new category as it might tempt employers to use it in preference to employee, and the problem we are trying to solve then appears in a different guise. We propose instead to pick up and expand upon the work in the former *Minimum Wage (Contractor Remuneration) Amendment Bill 2016* which seeks to ensure minimum wages or piece rates for all workers. Consideration could be given to extension of the concept of a ‘Person Controlling a Business or Undertaking’ (PCBU) under the Health and Safety at Work Act 2015 to obligations with respect to minimum employment entitlements.

5.29. We **recommend** that the Commission also adopt this policy.

6. Chapter 3: Income smoothing for workers

6.1. While there is much in this chapter’s recommendations that we can agree with, as we will come to, the gaps outlined in our introduction are particularly obvious in this chapter.



- 6.2. The paper praises the ‘flexicurity’ policies pursued for many years by Denmark. We see much merit in them too. Yet the Commission omits discussion of one of the most obvious features of the Danish context: its high level of unionisation and collective bargaining, and the tripartite ‘social partnership’ relationships between the union movement, the government and representatives of employers.
- 6.3. The above chart shows that unionisation is at well over 60% of employees and coverage of collective bargaining is at over 80%. Levels are similar in other northern European countries: Norway, Sweden and Finland.
- 6.4. This is a fundamental part of the flexicurity system because it gives workers a voice in change processes at all levels: enterprise, industry and nationally. It provides assurance that good processes will be followed but if things go wrong, they are not on their own: they have an independent and influential voice.
- 6.5. It also provides assurance that they will share the benefits of change. They are not reliant on assurances from managers or employers which they have no way to enforce.
- 6.6. Union and employer organisations (the ‘social partners’) work closely together and with the government on many matters of common interest. They at times make joint approaches to the government, which we understand are listened to because of the validity given by the support of both groups. That does not mean that they agree on everything, and disputes do occur. But they also value the relationship and are unlikely to put it at risk.
- 6.7. We of course acknowledge that we cannot jump from New Zealand’s current situation to Denmark’s high degree of unionisation and collective bargaining, and the sophistication of its social partnership and tripartite relationships. But raising the level of unionisation, strengthening collective bargaining in appropriate ways, and building the institutions of social partnership and tripartism should be part of this inquiry’s considerations for successful change and productivity growth.
- 6.8. These are the types of models that the 2018 OECD Jobs Strategy advocates to ensure strong productivity growth, inclusive growth, and good jobs. The present inquiry focuses only on the first of these.
- 6.9. The Report asserts that job security protections are higher in New Zealand than in Denmark. That is not the evaluation of the OECD (see paragraph 4.18.1 above)

which puts Denmark's level significantly higher than New Zealand's, and near the OECD average. New Zealand has the lowest level of protection in the OECD. It is important to remember that this only evaluates employment protection *regulation/legislation*. Denmark's collective agreements (like those in New Zealand, but covering a much greater proportion of the workforce) have additional provisions. We comment further on this in our submission on Draft Reports 3, 4 and 5.

- 6.10. There are two implications of this. Firstly, an effective flexicurity system with high productivity performance is possible at higher levels of job protection than in New Zealand. Secondly, any suggestion of further lowering New Zealand's protections should be dismissed.
- 6.11. We currently have the lowest level of job protection combined with one of the weakest systems of income replacement and active labour market policies in the OECD (as the Report points out): the worst of both worlds. The Report also points out the consequences in hardship and income loss for workers who lose their jobs.
- 6.12. The matter that needs consideration is not simply whether "job protection should be low" but "what is the appropriate balance between job protection and good productivity performance?" As the OECD's 2018 Jobs Strategy points out, job protection can have benefits in preserving firm-specific knowledge. It recommends (p.12): "Ensure that employment protection legislation generates dismissal costs that are predictable, balanced across contract types and not overly restrictive, while protecting workers against possible abuses and limit excessive turnover."
- 6.13. It states (p.25):

20. A sound regulatory framework combined with effective social dialogue and targeted information services can help support the conditions for learning and innovation in the workplace. A sound regulatory framework includes adequate standards for working conditions based on occupational health and safety regulations to reduce physical and mental health risks, working time regulations that limit excessive working hours and the use of night shifts, while establishing the right to rest breaks and paid leave as well as balanced employment protection provisions that protect workers against possible abuses but at the same time do not prevent required job reallocation. It may also include a minimum wage set at a level that avoids pricing low-wage workers out of jobs. Well-functioning collective bargaining institutions, particularly when associated with high coverage, can also be useful. They allow for more differentiation in terms of wages and working conditions than statutory rules, can foster skills development and skills use in the workplace, and allow for the effective dissemination of good working practices.

Finally, governments can indirectly promote high-performance management and working practices through information dissemination and advice on best-practices, as well as through the provision of management training.

6.14. In more detail (p.26):

22. Employment protection legislation plays a key role in preventing abuses and avoiding inefficient dismissals but excessive and/or uncertain termination costs hinder efficient labour reallocation. Regulations concerning dismissal and termination of contracts prevent abuses and can reduce excessive turnover by preserving worker-firm matches that are viable in the longer-term by making firms take account of the social cost in their dismissal decisions (i.e. the social and budgetary consequences of greater joblessness). Regulations that limit the gap in protection between workers on open-ended and fixed-term contracts can further reduce excessive turnover by preventing an undue reliance on temporary contracts. This is likely to spur learning and innovation in the workplace by strengthening incentives for investment in firm-specific human capital. However, excessively high and uncertain termination costs discourage hiring on open-ended contracts and hinder efficient resource reallocation and skill matching, thereby affecting productivity growth and efficiency. At the same time, large statutory disparities in termination costs by type of contract trigger differences in job security and generate persistent divides between non-regular and regular workers, in particular because restrictive definitions of fair termination cannot be effectively applied to non-regular workers. This suggests that a narrow definition of unfair dismissal that focuses on false reasons, reasons unrelated to work, discrimination and prohibited grounds should be used. Predictable advance notice, ordinary severance pay and layoff taxes - whose level might depend on the reason for dismissal – can be used to avoid inefficient dismissals and compensate workers for involuntary separations that are independent of their effort.

6.15. Among the criteria for evaluating policy options for “income smoothing” over job loss (p.65) should be that it does not contain any biases that would make it weak or unavailable in practice to any group. For example schemes that require extensive saving, relying on regular income and appreciable disposable income may provide little assistance for many women, Māori and Pacific workers, and young people.

6.16. We therefore do not support the proposals for individual insurance or savings based schemes. They are likely to be of least use to many who have the most need. If we want to encourage people to work in ‘frontier’ technology industries where firms and jobs may be short-lived, then these individually based schemes are inappropriate

because such workers will soon deplete their funds, in the case of savings, and become an unattractive customer to a commercial insurance provider.

6.17. As we have previously stated, we do support mandatory redundancy payments, and are open to it either being directly paid by the employer or through a contributory fund. The former has the benefit of the employer meeting some of the externality of the costs the worker, the worker's family, and society have to face due to the job loss caused by the employer. It encourages the employer to find alternatives to dismissal such as retraining or redeployment. Consistent with the previous paragraph, we do not support individual redundancy accounts. They would penalise those who are hit multiple times by job loss, and this may become a more frequent occurrence.

6.18. On p.66 the assertion is made that redundancy payments "discourages firms from hiring workers". This is commonly stated, particularly by those who wish to avoid making such payments. No evidence is presented that such payments do in fact discourage hiring. We should not be making policy on the basis of simple assertion. Further, if they were mandatory and hence universal, the effect on hiring may well be different.

6.19. As we recommended in our first submission, we support an ACC-like income replacement scheme for those who lose their jobs. The Draft Report states in **Finding 3.6:**

An unemployment insurance system funded by employers and workers, with payments linked to previous earnings, would smooth the incomes of displaced workers. It could be designed to cover self-employed workers. However, it would reduce net wages, increase the cost of labour, and discourage hiring.

6.20. We largely agree with such a scheme, though again want evidence for the assertions in the final sentence. There are many parameters to be considered for a scheme, including

6.20.1. Who pays. The Commission proposes "employers and workers". We need to consider the balance between those contributions, and we also propose that the government should contribute to cover those with low earnings including those who have not been in employment for long. It is asserted (p.69) that "Where firms or employees pay, this directly increases the cost of labour and may

discourage hiring.” Denmark’s good record on unemployment contradicts this. Again, evidence is needed rather than assertion.

6.20.2. The level of payment. The Commission’s technical report “Unemployment insurance: what can it offer NZ?”⁴ suggests only 50% of previous earnings. This is simply inadequate. For many this would be little more than the current impoverishing Jobseeker benefit. It is out of step with ACC’s 80% rate, and it is difficult to understand why it should be different. If anything it should be greater because the recipient is expected to be active in job searching, training and other activities. It is not unusual for countries (including Denmark) to have replacement rates at 80% or 90%. A minimum level of payment should be part of the design.

6.20.3. The time the payment is available for. The technical report suggests only 3 months. Again, this is inadequate. It is likely to cause the same problems as at present, forcing recipients to accept jobs that are inadequate and giving little time for retraining. Denmark, Sweden and Norway have up to 2 years.

6.21. More generous provision through benefits and tax credits is another option proposed for consideration in **Finding 3.8**. We agree this should be considered, though not necessarily limited to the options suggested. Another design consideration for an unemployment insurance is whether the level of payment should be based on gross income or on income including tax credits (Working for Families) and whether tax credits should continue while looking for a job.

7. Chapter 4: Labour-market programmes

7.1. We note the low spending by New Zealand on active labour market policies. The OECD in its review of New Zealand’s support for displaced workers (OECD, 2017, p. 86) states:

Compared with many other OECD countries, New Zealand spends a relatively small share of its GDP on labour market measures. With 0.33% of GDP spent on Active Labour Market Programmes (ALMP) in 2014, New Zealand ranks among the bottom third of OECD countries according to the internationally harmonised data collected by the OECD (Figure 3.1, Panel A). The distribution of the different ALMP expenditure categories reveals that New Zealand spends a lot in comparative terms on

⁴ Available at <https://www.productivity.govt.nz/assets/Documents/74b7e80d3a/Unemployment-insurance-what-can-it-offer-NZ-Kathy-Spencer.pdf>

administration and public employment services, as well as on training for unemployed people, but very little is spent on direct job creation and start-up initiatives...

Active labour market spending has seen a continuous and significant decline over the past few decades. Public expenditure on active measures other than administration and public employment services declined from 0.65% of GDP in 1991 to 0.16% in 2014.

7.2. While of course it is true that, as **Finding 4.2** states:

New Zealand's spending on AMLPs is low internationally, according to the OECD. This is not, of itself, a reason to increase spending.

7.3. It does show that we should resist calls that we are spending too much already, and demonstrates that spending more would not be at all unusual.

7.4. We support ensuring that programmes are as effective as possible, but to do that we need to be clear on what the objectives are. We would strongly resist an objective such as that under the "investment approach" that took the view that an exit from the ALMP or income replacement system was the primary outcome sought. As the Report puts it (p.78): "MSD allocates its employment services funding across specific programmes and towards specific target groups. These allocations are strongly influenced by MSD's goals: to help get people into work and reduce current and future fiscal costs for government."

7.5. A longer term view is required. The outcomes of education and training for example may take several years to show. Outcomes should include the gaining of sustained employment in decent work. From a national perspective there is a public interest in people having sufficient skills to maintain or improve their job quality because it is likely to signal maintained or improved wellbeing and productivity.

7.6. Some programmes have general or intrinsic benefits. Transferable education and training for example can be worthwhile, just as it is for school leavers, to improve the capability of the workforce and the capabilities and knowledge of New Zealanders as citizens. We need to be moving towards a 'life-long learning' approach where training and retraining is an expected part of all stages of life. The programmes available through active labour market policies should be seen as part of this bigger picture, and indeed some should be available before a worker is laid off to enable them to either find a new job without a break in earnings or to redeploy within their current employer.

7.7. We agree with Findings 4.3 and 4.4:

Access to ALMPs in New Zealand is narrow compared to most OECD countries. This is because most programmes are linked to income support, and access to income support in New Zealand is narrow.

7.8. And

Employment and income support services are closely integrated within the Ministry of Social Development (MSD). Consequently, many MSD programmes are not available to, or designed for, workers who have lost their job and seek a new one, for workers at risk of unemployment, or for those seeking to enter the workforce but not eligible to receive a main benefit.

7.9. One gap in the active labour market programmes listed in Table 4.1 is collective responses. For example, there could be a requirement for employers to notify the relevant authority in advance of significant job loss. Staff from the agency could then work with the employer and unions to assist with identifying needs, job search, retraining, redeployment etc, in order to, as far as possible, head off job loss before it occurs. The OECD (2017, p. 102ff) gives examples of agencies in Sweden and Canada set up for this purpose.

7.10. We recognise that programmes can be difficult to evaluate but there is a substantial international literature on what works and what is not as effective. We are therefore surprised and disappointed with **Recommendation 4.1:**

The Government should not create new or expand existing labour-market programmes without considering issues of system architecture, service commissioning and evaluation.

7.11. We hope that the Commission is not giving undue weight to current programmes in New Zealand which have been inadequate and narrowly targeted for many years. There are better examples in other countries with long experience of them.

7.12. We see income replacement and active labour market programmes as a complementary package that helps workers not only by protecting their incomes but in preparing for and working their way through change. Both aspects are very important.

7.13. We are very concerned at the suggestion that the provision of active labour-market programmes should be the responsibility of the insurer, particularly a private insurer.

There will be large incentives for insurers to pressure people to take an inadequate job offer and to skimp on the quality of programmes and support. This is an area where it is extremely difficult to completely describe (write complete contracts for) the services and outcomes expected of a programme provider because much comes down to building good relationships with clients, understanding their needs and personal circumstances, and exercising patience. A contractor or insurer has a strong financial interest in reducing their costs and the time their staff spend with clients, which may not be in the interests of the clients.

- 7.14. Privatisation of such programmes in Australia appears to be running into many problems – understaffing, people being pushed into inadequate jobs etc. There are calls to return it to government provision (see for example Easton, 2019).

8. Chapter 5: A labour market that encourages technology adoption

- 8.1. This chapter fails to consider strategic responses to the need for raising productivity, higher value and higher wages. Industry policy in various forms is common where this has been successful in the northern European countries, Singapore and elsewhere. It can help overcome coordination problems including skill and infrastructure needs, and build trust between employer, worker and government participants in an industry.
- 8.2. We have commented above that the Report's description of Denmark's system, as described by Bredgaard and Daemrich (2012) omits the crucial factor, which they make clear, of the involvement of unions, social partnership and tripartism.
- 8.3. In general however we agree that strong support to achieve good transitions is beneficial not only to the working people who benefit directly but to the firms and the economy.
- 8.4. The Commission appears to be relying on outdated information when it quotes a 2013 OECD *Employment Outlook*:

In a 2013 comparison of employment protection legislation across the OECD, New Zealand had very low notice and severance pay requirements for no-fault dismissal, and was somewhat below the OECD average in "difficulty of dismissal" – the extent to which legal processes favour worker protections over employer flexibility. However, for "procedural inconvenience", which includes measures of notification obligations, consultation procedures and delays, New Zealand was close to the average (OECD, 2013, fig. 2.4).

- 8.5. As we have stated above at 4.18 the OECD's current assessment is that "Employment protection in New Zealand is more flexible than in any other OECD country". We would not tolerate even more weakening of our weak protections. Doubtless employers can always find new ways to reduce their costs by removing employment rights, but it is wrong for the Commission to encourage more complaints from business.
- 8.6. If the Commission wishes to find a balance between weak job protection and stronger support for displaced workers, it is clear from international comparison and experience that no economic benefit will result from weakening New Zealand's protections even further: the northern European countries which the Commission regards favourably have stronger protections than New Zealand and stronger productivity performance. It would further disadvantage workers solely to the commercial advantage of employers. A likely outcome is that such a move will further encourage poor management because there is less cost to bad management of employees. It will reduce trust and confidence between workers and employers.
- 8.7. The Report asks
- Q5.4 What influences the attitudes of New Zealand workers and the public towards technology adoption in the workplace?
- Q5.4 What adjustment costs drive workers' fears of technology adoption in New Zealand?
- 8.8. One key concern which the Reports have not covered is that many workers will be sceptical as to whether there will be any benefits to them from change. There is not an obvious benefit to them in many cases: only a cost. There may be no assurance that their pay will increase as a result of new processes, and they may in fact find their skills become obsolete. They often cannot be sure that promised benefits to them will materialise.
- 8.9. Fear of job loss is understandably a major concern, whether or not it is justified in all cases, but there are also concerns about how new technology will change workers' jobs, whether they will still like the job if they retain it, whether they will have the skills, whether acquiring the skills will be worth it in time, effort and cost. They may have experienced change before (restructuring is a frequent occurrence) and be worried about how they will be treated and whether they will be listened to in the

process. They may be worried about losing friends they work with, and other social changes in the workplace.

8.10. As we have already outlined, coverage by unions and collective agreements help to address these concerns, as they do in the northern European countries.

8.11. The “three models of labour-market settings” described in section 5.3 – Southern Europe, Northern Europe and Anglosphere – are indeed, as the Report characterises it “highly stylised”. For example in 2017 France, among the Southern European group had a productivity similar to Sweden, and both Spain’s and Italy’s were similar to Canada according to OECD data.⁵ There are highly productive and successful economies and societies in central Europe including Belgium, Germany, Switzerland and Austria which appear not to be included.

8.12. We need to consider a broader range of both institutions and outcomes. As well as technology (which the Commission appears to be using as a proxy for productivity), we need to consider job quality, inequality (or inclusiveness), industry policy, social dialogue, tripartism, union and collective bargaining coverage. The Commission’s “labour market settings” fail to include unionisation and collective bargaining coverage, which is the main distinguishing feature between the Anglo economies and Europe. For a different categorisation of both institutions and outcomes see for example OECD (2018b, p. 81).

8.13. We agree with **Finding 5.1**, that

There is a strong case for the Government to consider whether a move to a flexicurity model for New Zealand’s labour market is desirable.

8.14. The Report suggests that the Government, representatives of workers and firms need to be involved in such a move. But, it says

Unions and employer groups at least partially cover existing workers and firms. However, the interests of their existing members may conflict with those of other existing and future workers and firms. It is these people that have a large stake in the future of work.

Government has a special role. It needs to represent directly, or ensure the representation of, potential workers and firms, and the wider public interest. The

⁵ OECD Dataset: Level of GDP per capita and productivity, GDP per hour worked, USD, constant prices, 2010 PPPs.

Government is also a large employer in New Zealand, and their interests as an employer may not be fully compatible with the wider public interest.

- 8.15. Institutions along tripartite lines are able in other countries to reach successful outcomes despite not having complete representation. If the Commission is worried that union or employer groups are insufficiently representative it should be advocating for ways to expand their membership. We would welcome that.
- 8.16. There are no substantial independent representative organisations for employees other than unions, and if organisations were set up to represent workers, they would need democratic processes to ensure they represented their members. In other words they would have to become unions. Unions regularly represent broader interests than their own members such as in advocating for legislative change that benefits all employees, and in monitoring and strengthening health and safety regulation and enforcement. The CTU is recognised internationally in this role as the most representative body for workers in New Zealand.
- 8.17. It suggests in Finding 5.2

The Tripartite Forum on the Future of Work appears to be a suitable vehicle to further explore a route towards a new labour-market model for New Zealand that is more supportive of technology adoption and productivity growth.

- 8.18. We agree.

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