



Industrial Relations Centre

Victoria University of Wellington

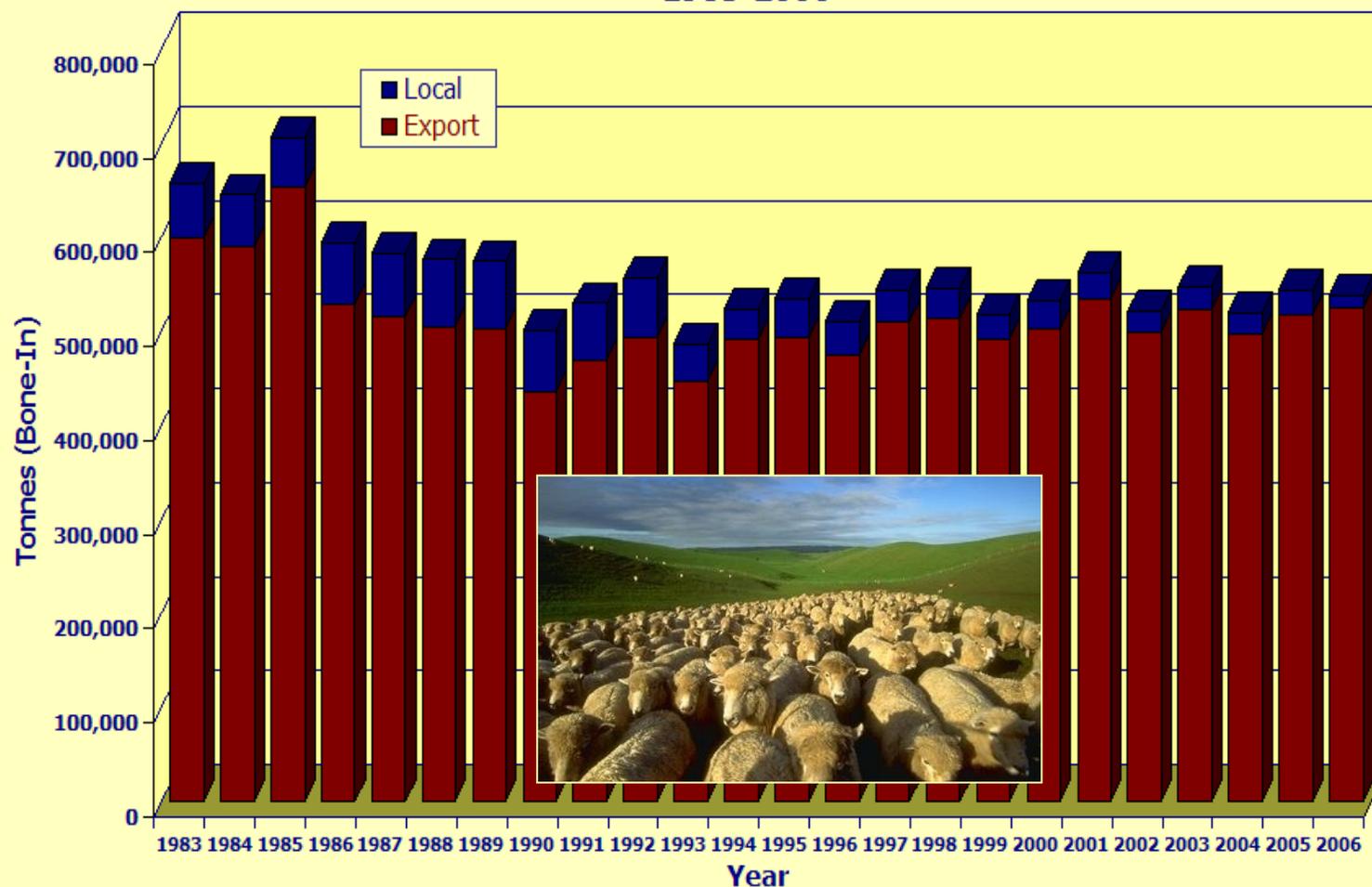
Globalisation, Commodity Chains and New Zealand's Red Meat Industry: In Search of Decent Work

Noelle Donnelly, Stephen Blumenfeld & Paul O' Neill

**CRIMT 2011
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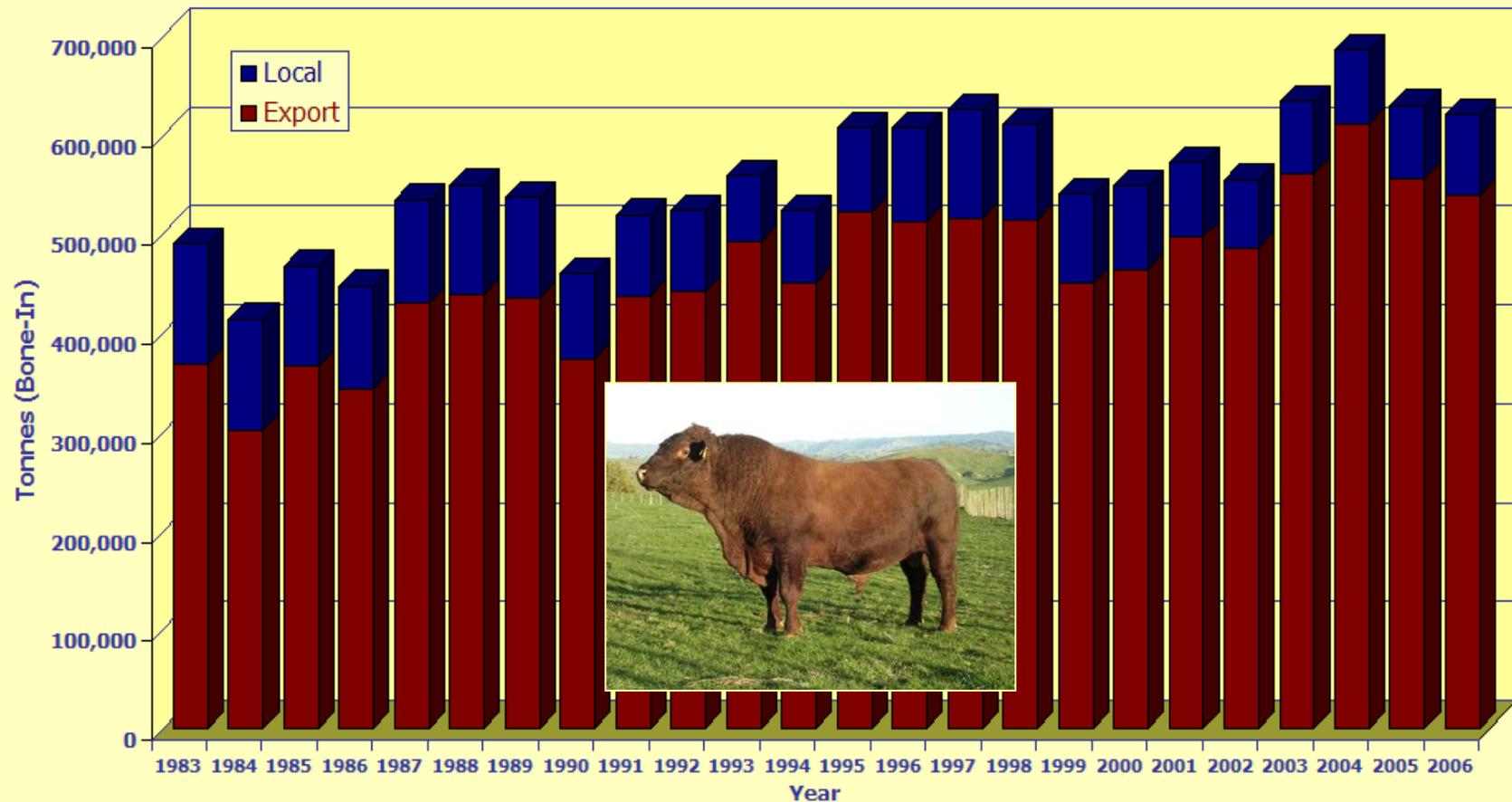
**Market Destination of New Zealand Produced Sheep,
1983-2006**



Source: Meat & Wool New Zealand Economic Service

New Zealand is currently the world largest exporter of sheepmeat, accounting for over 55% of world sheepmeat trade. The largest importing country of sheepmeat is Britain, with 81 percent of Britain's sheepmeat imports coming from New Zealand.

Market Destination of New Zealand Produced Beef, 1983-2006



Source: Meat & Wool New Zealand Economic Service



The export trade in New Zealand beef began in earnest during the late 1950s with commencement of trade with the United States, which necessitated a change to leaner, smaller animals; and a whole new set of hygiene regulations. The North American market currently takes some two-thirds of the export tonnage.

Shift away from Fordist production in NZ red meat

Fordism to Flexible Mass Production

	Fordism	Flexible Mass Production
<p><i>Production Management</i></p> <p>Source of competitive advantage</p> <p>Source of efficiency</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Economies of scale to large (predominately British) wholesale markets <input type="checkbox"/> Standardised frozen carcasses 	<ul style="list-style-type: none"> <input type="checkbox"/> Production flexibility to niche markets over global arena <input type="checkbox"/> Standardised processes to achieve high quality and production flexibility in chilled processed meat
<p><i>Work organisation</i></p> <p>Application of knowledge</p> <p>Specialisation</p> <p>Supervision</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Little mobilisation of worker knowledge <input type="checkbox"/> Detailed division of labour <input type="checkbox"/> High direct supervision 	<ul style="list-style-type: none"> <input type="checkbox"/> Higher mobilisation of worker knowledge <input type="checkbox"/> Increased specialisation <input type="checkbox"/> Process-driven regulation & team-working
<p><i>Employment relations</i></p>	<ul style="list-style-type: none"> <input type="checkbox"/> High central regulation <input type="checkbox"/> Industry/occupational awards <input type="checkbox"/> Strong industrial unionism & compulsory unionism 	<ul style="list-style-type: none"> <input type="checkbox"/> Neo-liberal shift <input type="checkbox"/> Regulation favouring enterprise bargaining <input type="checkbox"/> Development of HRM <input type="checkbox"/> Weak industrial unionism focused on recruitment

Shift away from Fordist production in NZ red meat

Britain joins the EEC in 1973→New Zealand's long-standing role as the British farm in the Pacific underwent a major transformation.

Structural & technological change in red meat processing led to greater worker productivity and likely helped control price increases, but it came at the cost of lost jobs and plant shutdowns.

Changing consumer eating habits have reduced the global demand for red meat and red meat products.

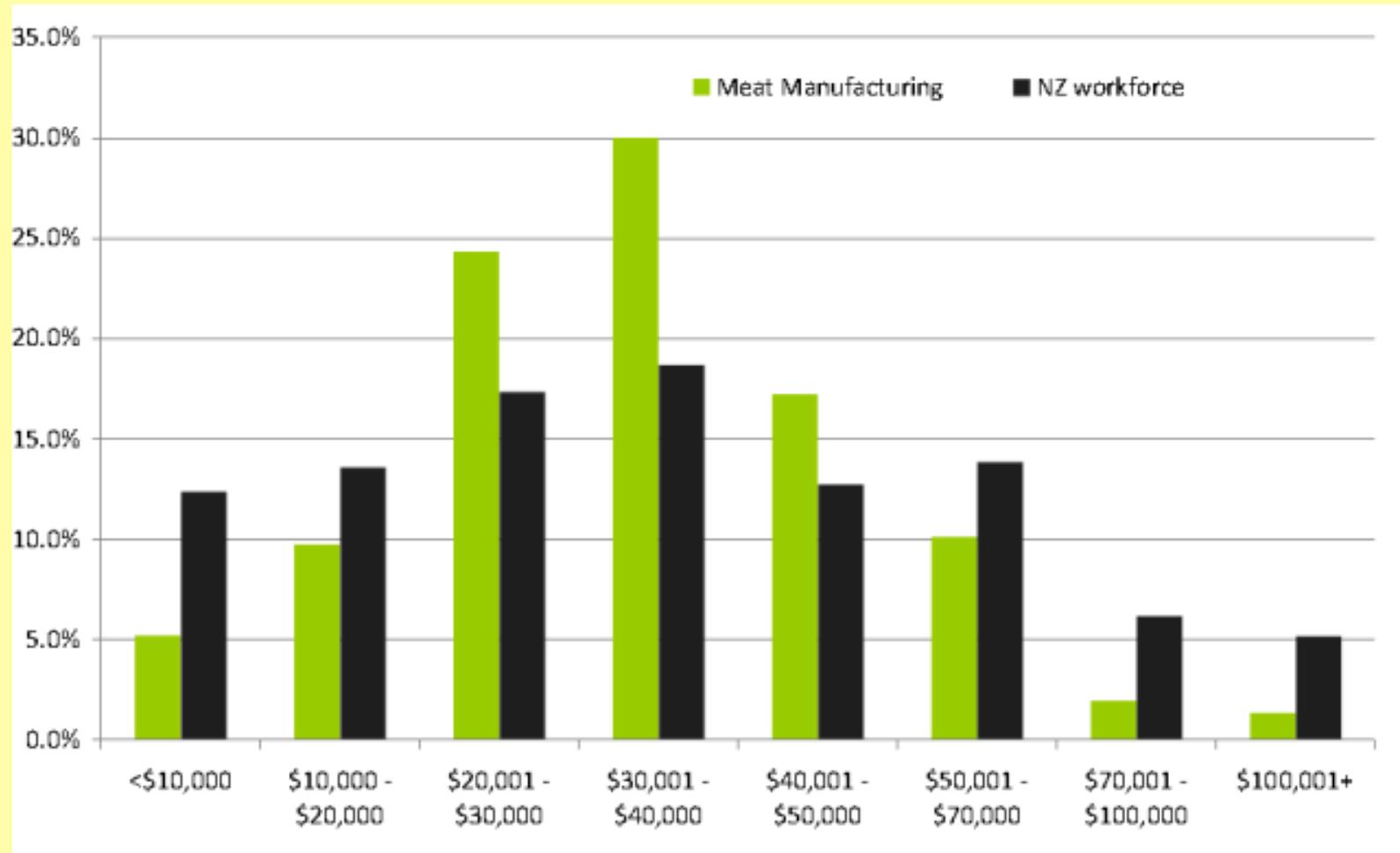
Employment statistics show that the meat industry remains a significant employer although many workers have changed roles as a result of new technology and market developments.

The working environment is still physically demanding of people, and it can be an unpleasant workplace.

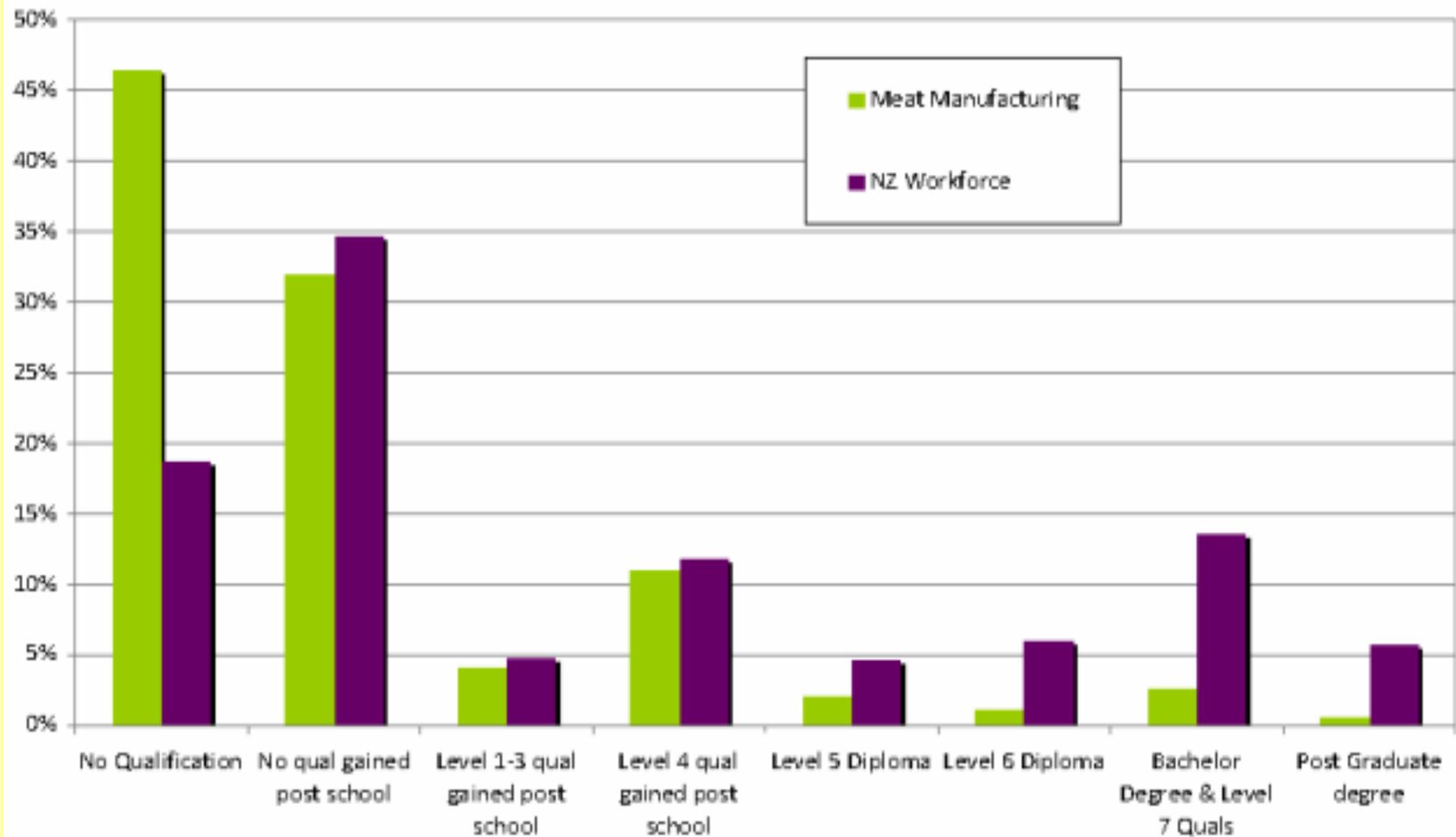
Meat workers have high injury and work-related illness rates, and the sector ranks high in the Accident Compensation Commission's (ACC) list of hazardous workplaces.

The physical demands of the work mean that older workers who might be 'worn out' stay in work to ensure their families maintain an adequate annual and lifetime income.

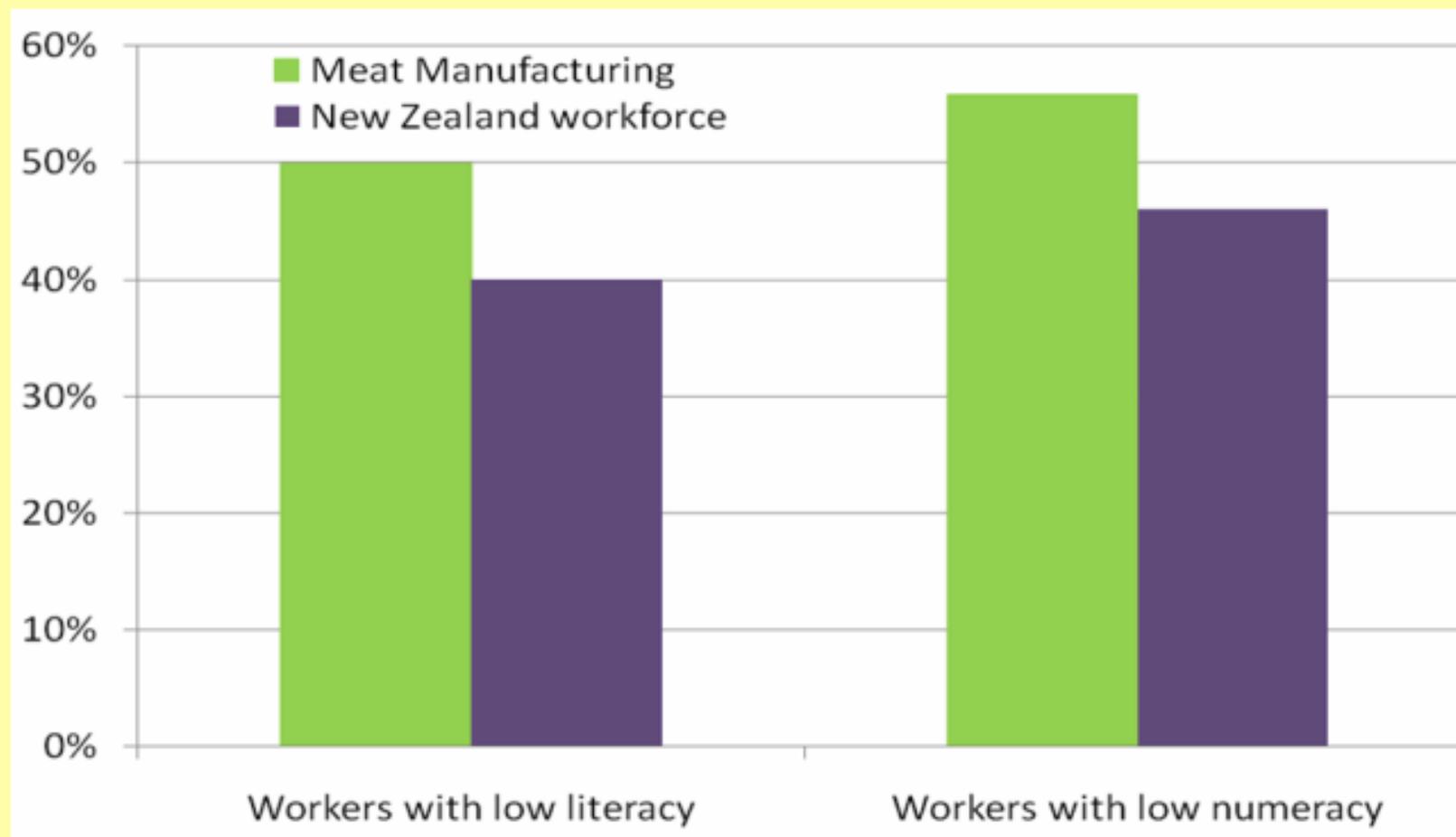
Wage profile of NZ meat manufacturing workers compared to all workers in NZ, 2009



Highest qualification distribution in meat manufacturing versus New Zealand as a whole, 2009

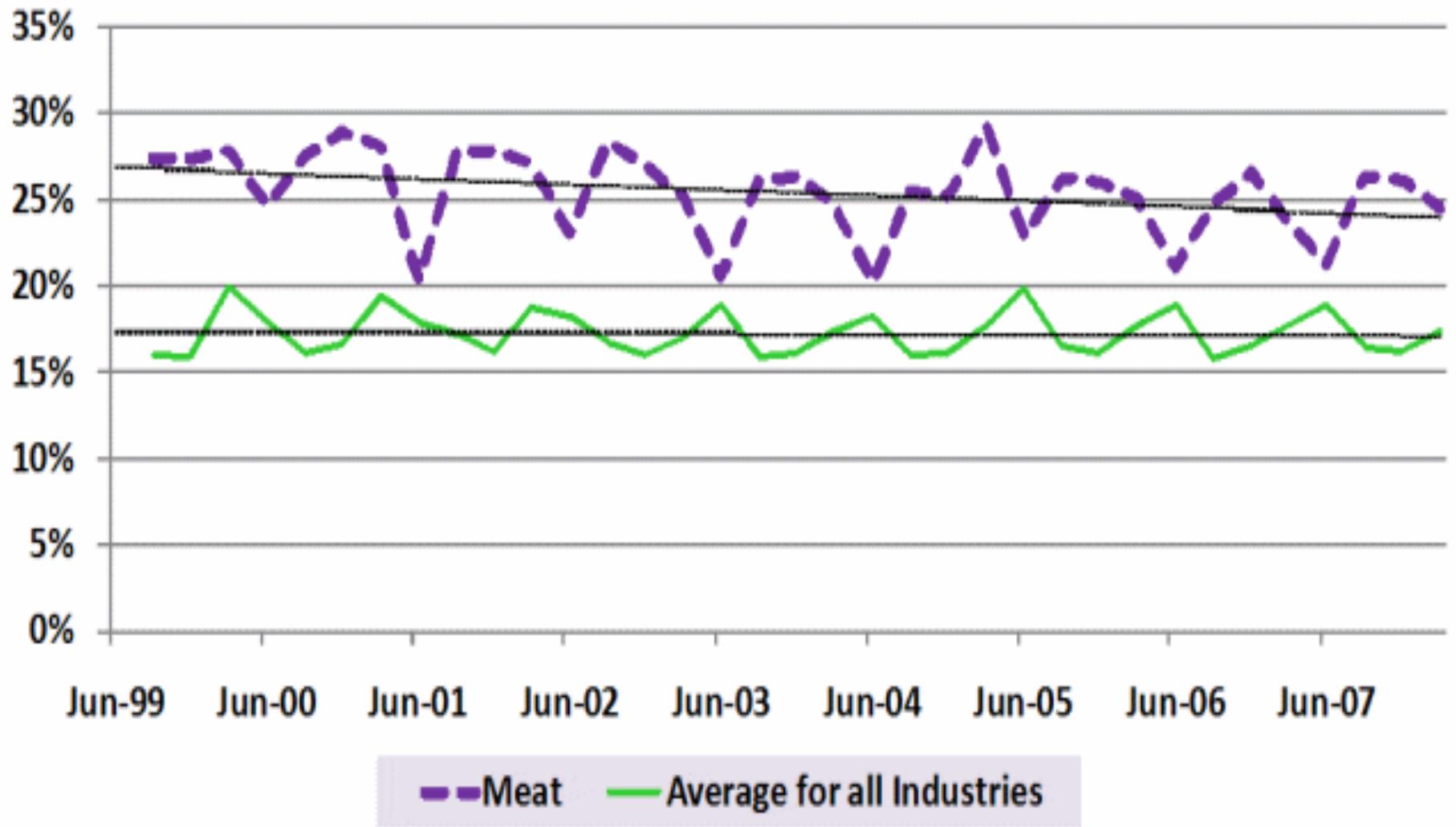


NZ meat manufacturing workers with low literacy and numeracy compared to all NZ workers, 2009



Types of training and skill development provision by sector and industry (2009)						
	No training provision	Silent on type	Internal provision	External Provision	Int. and Ext. provision	Coverage
	(%)	(%)	(%)	(%)	(%)	(000s)
All agreements	30	10	7	21	33	284.2
Private sector	52	12	14	11	11	129.7
Govt core	8	6	0	27	59	135.5
Govt - trading	7	2	0	83	9	7.7
Local govt - core	36	41	5	16	3	8.7
Local govt - trading	59	6	12	15	7	2.5
Agriculture etc	63	5	19	2	11	1.2
Mining	32	12	47	9	0	0.6
Food manufacturing	54	10	10	22	3	21.1
Textile mfg	70	1	13	12	4	3.8
Wood/paper mfg	51	9	5	19	15	5.4
Printing	57	8	6	7	22	2.5
Chemical mfg	32	15	6	34	13	4.2
Mineral mfg	79	3	1	8	9	0.9
Metals mfg	71	8	0	9	13	3.7
Machinery mfg	43	8	28	11	9	7.3
Other mfg	48	4	28	6	14	1.1
Utilities	49	35	3	10	3	1.9
Construction	60	5	0	8	26	5.8
Wholesaling	78	8	3	1	9	0.7
Food retailing	86	9	5	1	0	19.3
Other retailing	21	1	77	0	0	5.4
Accom., cafes, etc	76	2	0	0	22	1
Transport	44	7	24	3	23	14.2
Storage	56	16	19	7	3	0.9
Communication	1	0	2	96	1	6.6
Finance	76	3	21	0	0	5.6
Insurance	6	0	2	50	41	1.3
Business services	43	11	14	16	16	2.9
Govt admin. & defenc	20	31	2	22	24	28.4
Education	9	2	0	40	49	73.6
Health	8	17	2	6	67	43
Community services	32	13	24	9	22	2.3
Other com. services	21	3	0	12	63	19.5

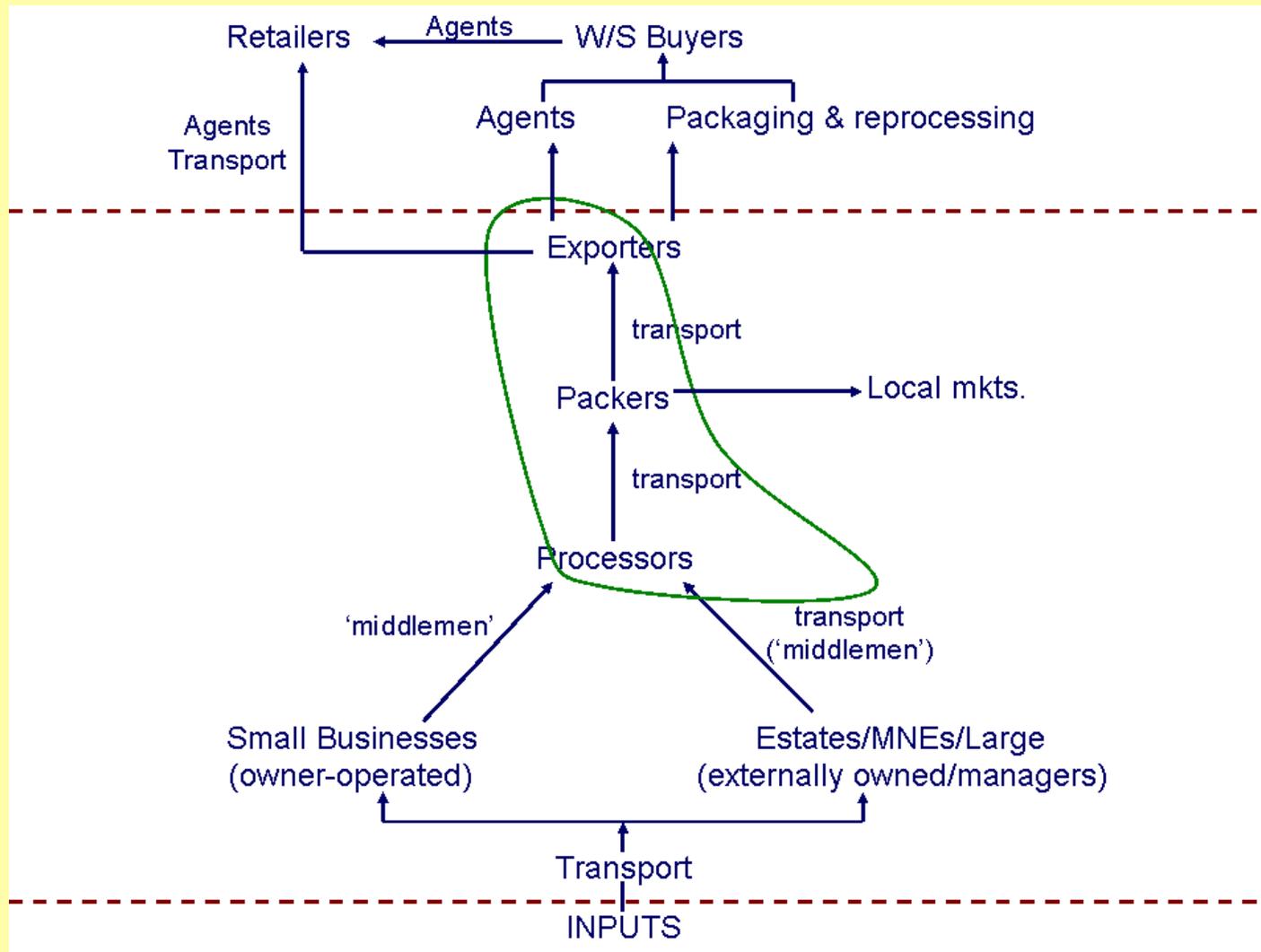
Worker Turnover Rate



Age profile of NZ meat manufacturing workers compared to all NZ workers, 2009



Model of an Agribusiness Global Commodity Chain



Technical Requirements Applied To Red Meat Product Exports

<i>Food Safety</i>	<i>Animal Health and Welfare</i>	<i>Environmental</i>	<i>Social</i>	<i>Product Quality & Labeling</i>
<ul style="list-style-type: none"> ⑩ Hygiene requirements ⑩ Storage/distribution requirements ⑩ Transport/movement controls ⑩ Packaging requirements ⑩ Traceability requirements ⑩ Limits on microbiological pathogens ⑩ Bone controls ⑩ Bone controls ⑩ Carcass cooling requirements ⑩ Hormone treatment controls ⑩ Controls on meat additives ⑩ Product composition requirements ⑩ Controls on new meat technologies ⑩ Inspection requirements 	<ul style="list-style-type: none"> ⑩ Quarantine requirements ⑩ Veterinary surveillance requirements ⑩ Sanitation requirements ⑩ Vaccination requirements ⑩ Traceability requirements ⑩ Feed and water requirements ⑩ Intensive livestock system controls ⑩ Humane destruction requirements ⑩ Husbandry procedure requirements 	<ul style="list-style-type: none"> ⑩ Effluent restrictions ⑩ Wastewater controls ⑩ Organic production standards ⑩ Manure disposal requirements ⑩ Carcass disposal requirements ⑩ Land use restrictions 	<ul style="list-style-type: none"> ⑩ Labour standards ⑩ 'Fair trade' standards ⑩ Sustainable development requirements ⑩ Ethical trading requirements 	<ul style="list-style-type: none"> ⑩ Compositional standards ⑩ Grading schemes ⑩ General labeling requirements ⑩ Country of origin labeling ⑩ Nutrition labeling ⑩ Geographical indicators ⑩ Controls on claims ⑩ Labeling of genetically modified (GM) products ⑩ Domestic content requirements





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