

The Jobs Letter

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Essential Information on an Essential Issue

KEY

INSECURITY

NZ FUTURE TRENDS

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LABOUR & TRAINING

FAREWELL AUWRC

DIARY

15 June 1999

Last October's announcement by the police commission that 285 non-sworn staff would be made redundant is revised down. With the police budget being extended by \$6m, Police Commissioner Peter Doone says the number of staff losing their jobs is now expected to be about 140. The exact number will be announced in the next few weeks.

An Australian survey finds that when woman executives are made redundant, they will find their next job quicker than their male counterparts. The survey by careers consultants Davidson and Associates says executive women average 3.6 months looking for work while men, on average, spend 5.9 months.

NZ's foreign debt increases by \$2.4 billion last financial year. The drop in value of the NZ\$ against other currencies accounts for \$1.8 billion of that figure according to Statistics NZ. The total NZ debt is now \$102 billion ... or \$26,700 for every NZ'er.

16 June 1999

Five Wellington hotels are temporarily providing food for the city's soup kitchen as it shifts premises. The Sisters of Compassion have organised the Hotel Raffaele, Parkroyal, James Cook, West Plaza and Bay Plaza hotels to provide food for the soup kitchen's clients for the two weeks it is taking to relocate its facilities.

- The US Federal Reserve Chairman, **Alan Greenspan**, recently observed that the rapidly changing global economy has "... clearly raised the level of **anxiety and insecurity in the work force**".

Greenspan, in a speech to the American Council on Education, says research shows that the fear of job losses has escalated in the economy of the late 1990s. Greenspan has also previously suggested that rising job insecurity is **one reason why inflation has remained so tame** in the US, despite a very tight labour market.

- Greenspan quoted from a study by International Survey Research, showing that, in the depths of the US recession in 1981, 12% of workers feared losing their jobs. Today, in the tightest US labour market in two generations (with a 4.3% jobless rate), the same research organisation has found 37% of workers worried about job loss.
- The **rise of insecurity in the contemporary workforce** is the main theme behind a recently published book "*The Corrosion of Character*" by **Richard Sennett**.

Sennett is one of the world's most distinguished social scientists who lectures at both the New York University and the London School of Economics. He argues that we should be paying more attention to **the personal consequences** of the new economy that is re-shaping our work. His message is that the modern economy is having entirely unexpected consequences for the "flexible" worker of the 1990s ... as we adapt to a new work life that stresses short-term goals, chop-and-change professional paths, decentralised structures, incessant risk and teamwork.

We present **an essential summary** of Sennett's ideas as a special feature in this issue of *The Jobs Letter*.

- In commenting on the issues raised in Sennett's book, Stephen Long of the *Australian Financial Review* argues that it is **the time dimension of the new economy**, rather than the hi-tech revolution, global economy or free trade, that most directly affects people's emotional lives.

Long: "The transformation of working time stands alongside the rise of the global economy and the IT revolution as one of the hallmarks of our age. It separates the generations, placing a gap between the experience of those who worked full-time in one career and their children, who confront a world where job opportunities are increasingly casual, contingent and short-term.

"Common standards of time for work and leisure are withering as society adapts to the needs of the 24-hour economy and demands for labour flexibility. **Little more than a third of the workforce now put in a standard week of 30 - 44 hours** performed in daytime in Australia, while equal proportions work part-time or in excess of standard hours. Workaholicism is becoming compulsory for many Australians, while hundreds of thousands of others languish without work or churn between casual jobs and unemployment..."

The Jobs Letter : ESSENTIAL INFORMATION and MEDIA WATCH on JOBS

EMPLOYMENT, UNEMPLOYMENT, the FUTURE of WORK, and related EDUCATION and ECONOMIC issues

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The Jobs Letter

DIARY

Job boards at WINZ offices are being phased out. The boards are being replaced by public-access computers and individual case managers. Spokesperson Douceline Van Arts says the job boards are inconsistent with personalised service and are being progressively removed. She points out that the computer system is easy to use, lists every vacancy in the country and is regularly updated.

17 June 1999

Some of the money from the sale of state-owned enterprises should be set aside to help those people who have been put out-of-work by their privatisation, according to Maori Affairs Minister Tau Henare. He says that many Maori and Pacific Islander worked for the former SOEs and are now on the scrapheap, while the entire \$19 billion earned from asset sales has gone towards paying off debt. His view: some of the money from any further sales should be put aside for social and economic development for those disadvantaged by the asset sales.

18 June 1999

The Nelson Polytech student who took his claim for a student allowance to the High Court has his case dismissed. The case brought by Kaelashsa Tyler claimed that he should not have been denied a student allowance on the basis of his parents' income. He says that as he started his course he was led to believe he would be eligible for the student allowance as his parents had already supported him for four years and were nearing retirement. Tyler says he is unwilling to go further into debt and will not attend the next year of his course.

Call centres employ about 12,000 people in NZ according to Call Centre Management Association's Janine Iva. She says there are 600 call centres operating here and the industry is expecting 22-30% growth this year. She says starting wages for call centre staff is between \$22,000 and \$33,000.

There is more money flowing out of NZ than is being brought back in through exports and tourism. The deficit is at 6.4% of our GDP and bankers are expecting this to rise to 7% later this year.

- Stephen Long quotes research, by economists Yvonne Dunlop and Peter Sheehan, which shows the total number of people working standard hours in Australia grew by just 3.5 per cent between 1978 and 1995. Meanwhile, the number of people working 45-48 hours a week increased by 80 per cent, the number working 49-59 hours by 142 per cent and the number working 60 hours or more rose by a massive 206 per cent.
- Continuing insecurity is a theme of **future employment patterns** forecasted in *North & South* magazine's special issue this month on "Future Trends".

Staff writer Nicola Legat **predicts**: more job share, part-time, temporary and contract work being offered in the next five years, more small-scale companies and more staff working off-site. Contract-only "portfolio workers" with high skills in specialised areas will also be in demand.

Legat: "This underlines what all workers now know — there is no guarantee of a job until retirement. Fear of job loss will persist. Complacency will be terminal for workers who want to earn a reasonable wage ... In a world where mergers, downsizing and computers snatch jobs, all workers will have to be relaxed about the prospect of multi-careering and re-careering..."

- One N&S "hot" trend predicted for the year 2005: employment in **the prison service**.
- N&S also predicts a growing trend in **people not wanting to work so hard**, with many looking for balance in a life outside of the workplace.

Legat: "Today's late-40 something managers were the university students of the late 60s and early 70s. The hippie hankering to escape which informed their youth has never quite left them. They conformed, cut their hair, they made their money. Now, privileged as ever, they will escape again..."

- **One in four children in New Zealand have parents that are out-of-work**. A Statistics NZ report says that in 1983, 14% of NZ children were living in families with no parent in paid work. In 1996 that figure had increased to 23%.

More than 40% of Maori children and 37.9% of Pacific Islands children have no parent in paid work. By comparison, only 13.8% of European/Pakeha children have no parent in paid work.

Two thirds of children in one-parent families have a parent who is unemployed, compared to 9.6% of children in two-parent families.

Dianne Macaskill, deputy government statistician, says the report shows a diverse NZ population **undergoing big changes**. Macaskill: "As tomorrow's adults, the foundation that children have in life and the opportunities available to them are critical to NZ's future ... a proper understanding of the lives and characteristics of this group is of importance."

- The report shows that of the 832,100 children under 15 years living in NZ, three out of five (62.4%) were European, about a quarter (24.5%) were Maori, and 7.6% were Pacific Island.

(continued on page five)

TRENDS

INSECURITY and the CORROSION of CHARACTER

RICHARD SENNETT *on the personal consequences of work in the new economy.*

ON FLEXIBILITY

- The emphasis is on flexibility. Rigid forms of bureaucracy are under attack, as are the evils of blind routine. Workers are asked to behave nimbly, to be open to change on short notice, to take risks continually, to become ever less dependent on regulations and formal procedures.

This emphasis on flexibility is changing the very meaning of work, and so the words we use for it.

“Career”, for instance, in its English origins meant a road for carriages, and as eventually applied to labour meant a lifelong channel for one’s economic pursuits. Flexible capitalism has blocked the straight roadway of career, diverting employees suddenly from one kind of work into another.

The word “job” in English of the fourteenth century meant a lump or piece of something that could be carted around. Flexibility today brings back this arcane sense of the job, as people do lumps of labour, pieces of work, over the course of a lifetime.

- It is quite natural that flexibility should arouse anxiety; people do not know what risks will pay off, what paths to pursue. To take the curse off the phrase “capitalist system” there has developed in the past many circumlocutions, such as the “free enterprise” or “private enterprise” system.

Flexibility is used today as another way to lift the curse

of oppression from capitalism. In attacking rigid bureaucracy and emphasising risk, it is claimed, gives people more freedom to shape their lives. In fact, the new order substitutes new controls rather than simply abolishing the rules of the past — but these new controls are also hard to understand. The new capitalism is an often illegible regime of power.

ON CHARACTER

- Perhaps the most confusing aspect of flexibility is its impact on personal character. Character is the ethical value we place on our own desires and on our relations to others. The character of a man depends on his connections to the world.

Character particularly focuses upon the long-term aspect of our emotional experience. Character is expressed by loyalty and mutual commitment, or through the pursuit of long-term goals, or by the practice of delayed gratification for the sake of a future end. Character concerns the personal traits which we value in ourselves and for which we seek to be valued by others.

“Today, a young American with at least two years of college can expect to change jobs at least eleven times in the course of working, and change his or her skill base at least three times during those forty years of labour ...”

— Richard Sennett

- These are the questions about our character posed by the new, flexible capitalism:

How do we decide what is of lasting value in ourselves in a society which is impatient, which focuses on the immediate moment?

How can long-term goals be pursued in an economy devoted to the short-term?

How can mutual loyalties and commitments be sustained in institutions which are constantly breaking apart or continually being redesigned?

RICO AS EVERYMAN

- Richard Sennett begins his book with an interview with “Rico”, a man who knows all about downsizing, company “re-engineering”, teamwork and short contracts. According to Sennett, Rico and his wife are the “very acme of the adaptable, mutually supportive couple”, but “both often fear that they are on the edge of losing control over their lives” in a world where there is only short-term work and short-term profits.

Rico’s experiences of changing jobs and becoming a consultant where he has no fixed role and never really belongs to a company have “set his inner and emotional life adrift.” He is haunted by a sense that he cannot provide his children

with the ethical discipline that his parents instilled in him.

Rico’s working life, with its constant changes, doesn’t provide his children with examples of values such as loyalty, trust and service. Rico told Sennett: “You can’t imagine how stupid I feel when I talk to my kids about commitment. Its an abstract virtue to them, they don’t see it anywhere ...”

- For Sennett, Rico is Everyman whose dilemmas show how “short-term capitalism threatens to corrode his character, particularly those qualities of character which bind human beings to one another and furnishes each with a sense of sustainable self ... the flexible self which has brought him success is weakening his own character in ways for which there exists no practical remedy...”

The Jobs Letter

ON NO LONG TERM

- Business leaders and journalists emphasise the global marketplace and the use of new technologies as the hallmarks of the capitalism of our time. This is true enough, but misses another dimension of change: new ways of organising time, particularly working time.

The most tangible sign of that change might be the motto “no long term”. In work, the traditional career progressing step by step through the corridors of one or two institutions is withering; so is the deployment of a single set of skills through the course of a working life.

Today, a young American with at least two years of college can expect to change jobs at least eleven times in the course of working, and change his or her skill base at least three times during those forty years of labour.

“No long term” is a principle that corrodes trust, loyalty and mutual commitment. The short time frame of modern institutions limits the ripening of informal trust. Strong ties depend, in contrast, on long association. And, more personally, they depend on a willingness to make commitments to others.

- Short-term capitalism threatens to corrode our characters, particularly those qualities of character which bind human beings to one another and furnishes each with a sense of sustainable self.

Transposed to the family realm, “no long term” means keep moving, don’t commit yourself, and don’t sacrifice. How can we protect family relations from succumbing to short-term behaviour, and above all the weakness of loyalty and commitment which mark the modern workplace? In the place of the chameleon values of the new economy, family values emphasise formal obligation, trustworthiness, commitment, and purpose. These are all long-term virtues.

This conflict between family and work poses some questions about adult experience itself. How can long-term purposes be pursued in a short-term society? How can durable social relations be sustained? How can a human being develop a narrative of identity and life history in a society composed of episodes and fragments? The conditions of the new economy feed instead on experience which drifts in time, from place to place, from job to job.

- Through most of human history, people have accepted the fact that their lives will shift suddenly due to wars, famines or other disasters, and that they will have to improvise in order to survive.

What is peculiar about uncertainty today is that it exists without any looming historical disaster; instead it is woven into the everyday practices of a vigorous capitalism. Instability is meant to be normal, the entrepreneur is served up as an ideal Everyman. “No long term” disorients action over the long term, loosens bonds of trust and commitment, and divorces will from behaviour.

ON MOVING SIDWAYS

- As pyramidal hierarchies are replaced by looser networks, people who change jobs experience more often what sociologists have called “ambiguously lateral moves”. These are moves in which a person in fact moves sideways even while believing he or she is in fact moving up in the loose network. This crablike motion accrues even though

incomes are becoming more polarised and unequal, and job categories are becoming more amorphous.

- People often experience “retrospective losses” in a flexible network. Since people who risk making moves in a flexible organisation often have little hard information about what a new position will entail, they realise only in retrospect they’ve made bad decisions. They wouldn’t have taken the risk if only they’d known. But organisations are so often in a state of internal flux that its useless to attempt rational decision-making about one’s future based on the current structure of one’s company.

“What is peculiar about uncertainty today is that it exists without any looming historical disaster; instead it is woven into the everyday practices of a vigorous capitalism. Instability is meant to be normal, the entrepreneur is served up as an ideal Everyman. ...”

— Richard Sennett

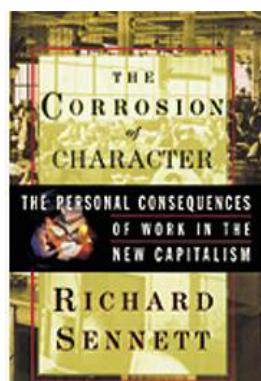
ON FLEXIBILITY AND THE OLDER WORKER

- The new economy places an emphasis on youth, and a consequence of this is the compression of working life.

The number of men aged 55-64 at work in the United States has dropped from nearly 80% in 1970 to 65% in 1990. The figures for the United Kingdom, France and Germany are similar. There is also a slight abridgement at the beginning of a working life, the age young people enter the labour force has been delayed a few years because of the increased emphasis on education.

The sociologist Manuel Castells predicts that “the actual working lifetime could be shortened to about 30 years (from 24 to 54), out of a real lifetime span of about 75-80 years”. That is, the productive life span is being compressed to less than half the biological life span, with older workers leaving the scene long before they are physically or mentally unfit.

- For older workers, the prejudices against age send a powerful message: as a person’s experience accumulates, it loses value. What an older worker has learned over the course of the years about a particular company or profession may get in the way of new changes dictated by superiors. From the institution’s vantage point, the flexibility of the young makes them more malleable in terms of both risk-taking and immediate submission.



The Corrosion of Character

— The Personal Consequences of Work in the New Capitalism by Richard Sennett (pub 1998 by W.W.Norton and Company) ISBN 0-393-04678-8

The Jobs Letter

DIARY

19 June 1999

While America's economy is officially booming, so are worker redundancies as banks merge and manufacturers continue to downsize. This year the US is expected to reach record numbers of job losses. In 1997 there were 434,000 jobs lost, while last year there were 677,000. Half way through this year there have already been 336,000 job losses announced and the pace is picking up.

The British government has published new research on the gender pay gap. It says lower weekly pay for women can not be attributed solely to child rearing. The study finds that the pay gap begins at age 20, before most women begin families. The major causes of the gender pay gap are the bunching of women in lower-paid occupations and outright pay discrimination. The report also says that the skill and wage level women have when they leave work to have children is critical to their income later in life. Women in the UK earn 73% of what men earn.

20 June 1999

Labour's Steve Maharey says his party, as government, would not allow interest to be charged on student loans while students are still studying. Maharey also says Labour is looking at matching student loan repayments dollar for dollar in order to get the loans problem back under control.

22 June 1999

Victoria University in Wellington is tendering out a range of maintenance and support services that will see 45 jobs lost. A spokesperson tells *The Dominion* that the university would favourably consider tenders put in by redundant staff but that there would be no guarantees they would be awarded contracts.

An evaluation of the government's residential motivational training programmes says that the Army's Limited Service Volunteers scheme, and particularly Outward Bound, is the most successful in lifting participant's self-esteem. The job-seeker register shows that 1/3 LSV participants seek further training and at three months after their course, 6% have jobs.

The Port of Auckland issues redundancy notices to 77 of its 150 stevedores.

The report also predicts that children will make up a smaller share of the population in the future, falling from 23% in 1996 to a predicted 15% in 2051. By then, more than **half of all children** will be of Maori or Pacific Island ethnicity.

- **Statistics That Matter:** The **TE ATATU electorate** contains 16,398 households, of which 38% have household incomes below \$30,000 per year before tax. That 38% is 14% below the rate for the country as a whole. There are 28,185 adults aged 20-59 in the Te Atatu electorate, of whom 62% are in paid, full-time work. Another 10% are in part-time work. Unemployment in the electorate is about equal to the national average. No localities in the Te Atatu electorate have high levels of deprivation. (*— Electorate statistics compiled by Judy Reinken, and based on 1996 Census*).
- The Labour Party is determined to **re-organise industry training** in NZ, if it becomes the government at the end of this year. Labour plans: re-organise the ITOs (Industry Training Organisations), enable industries to levy themselves to fund them, strengthen the government's role as a standard-setter of qualifications, and promote group training apprenticeships.

Labour's **Steve Maharey** acknowledges that the National government has done a great deal to increase the numbers of people in industry training. At the end of last year almost 50,000 people had training contracts with employers, more than triple the number in 1993. The old apprenticeship system only covered 26 trades, but now the breadth of training has increased with 52 ITOs offering formally-recognised work-based training to an estimated 76% of the workforce.

- But Maharey told Graeme Speden of *The Independent* that **the quality of much of the new training is inadequate**. Maharey: "A lot of it is not happening where it should, and we're not getting the kind of quality training that apprenticeship represented..."

Officials in the Education Department agree. In their briefing papers to incoming Tertiary Education Minister Max Bradford, the officials wrote: "Some ITOs may also lack the economies of scale to provide the depth and range of services required to manage a high-quality employment-based training programme..."

- Labour is interested in **reducing the number of ITOs**, perhaps to as few as 20, in order to gain such economies of scale. It will also bring in legislation to **enable industries to fund their ITOs** by levying themselves, rather than relying on the present system of voluntary funding. Labour will also **strengthen the current system of national unit standards** and qualifications (National has been looking as though it will back away from the "standards business" and contract it out).

Labour will also support the proposal that ITOs set up **group training companies**. The ITOs could employ apprentices, and lease them out to employers. This is seen as a more flexible option for apprentices in a rapidly changing economy: if the employer found they were unable to keep the apprentice on ... then the ITO would look for another employer to keep the training going.

- At the end of this week, the **Auckland Unemployed Worker's Rights Centre** will be formally closing its doors. The AUWRC was established in 1983, and has been one of the longest-surviving independent voices for the unemployed in this country. It has also been a home for many employment campaigners — notably **Sue and Bill Bradford**.

The Jobs Letter

DIARY

The Paid Parental Leave Bill is expected to be defeated when it is brought out of committee next week. Alliance MP Laila Harre concedes she lacks at least three votes to get her Bill passed into law. Harre's Bill would have allowed paid parental leave of 12 weeks' leave at 80% of the worker's earning, with the upper limit being the average weekly wage. It would have been funded through an employers tax.

23 June 1999

Full-colour ads promoting WINZ's new Work Track programme appear as inserts in the nation's major daily newspapers. The ads promote graduates from a three-week course that focuses on participants' skills, attitude and motivation.

An amendment to the Holidays Act to make four weeks annual a standard right of workers is central to the Alliance Party's industrial relations policy, according to leader Jim Anderton. Currently the act entitles workers to three weeks leave.

24 June 1999

Further jobs are lost at the Maori Arts and Crafts Institute in Rotorua. Low tourist numbers have caused the cancellation of an evening concert that employed ten part-time and three full-time staff.

A new report is produced by Statistics NZ to measure the role of tourism in the NZ economy against international figures. The report says that tourism supports 58,000 full time equivalent jobs in NZ, and a further 60,000 jobs are indirectly supported by tourism.

Editor

Vivian Hutchinson

Associates

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Rodger Smith

Sue Bradford says that the decision of send AUWRC into recess has not been an easy one: "Unemployment continues to rise. When AUWRC was established in 1983 there were just over 100,000 people out of work in NZ. Today there are over 200,000 people registered unemployed. But we took the decision to wind down after careful examination of the options we faced, given the financial and political realities of today..."

Closing the AUWRC will consolidate and support the growth and development of the three "**People's Centres**" in Auckland, which often shared personnel and resources between the two Centres.

VOICE

on INSECURITY and RE-DEFINING WORK

"Rising unemployment can no longer be ascribed to cyclical economic crises; it is a consequence of the success of a technologically advanced capitalism. We have to change our economic language. Economic growth, for example, is no longer a valid indicator of job creation, just as job creation is no longer a valid indicator of employment and employment is no longer an indicator of income levels and secure status.

"Even the life of the affluent is becoming insecure and today's success is no guarantee against tomorrow's fall. The job miracle in the US hides the political economy of uncertainty: the US is the only advanced society in which productivity has been steadily rising over the past two decades while the income of the majority — eight out of ten — has stagnated or fallen. This has happened in no other advanced democracy.

"Endemic insecurity will in future characterise the lives, and the foundations of the lives, of the majority of the population — even in the apparently affluent centre of society. If this diagnosis is basically right then we face two political options.

"First, there is the "nevertheless" policy, which enforces full employment after the end of normal full employment. This "New Labour" policy believes that only work guarantees order and the inclusive society. In this view, waged work has the monopoly of inclusiveness.

"The second option is to rethink and redefine work as we have done with respect to the family. But this also implies rethinking how we deal with the risks of fragile work ...

"Has work always had the monopoly of inclusiveness? If the ancient Greeks could listen to our debates about the anthropological need to work in order not only to be an honourable member of society but a fully valued human being, they would laugh. The value system that proclaims the centrality of work and only work in building and controlling an inclusive society is a modern invention of capitalism and the welfare state.

"We need to see that there is a life beyond the alternatives of unemployment and stress at work. We need to see that the lack of waged work can give us a new affluence of time. We need also to see that the welfare state must be rebuilt so that the risks of fragile work are socialised rather than being borne increasingly by the individual.

"I would argue for a citizen's (or basic) income. My argument is that we need a new alternative centre of inclusion — citizen work combined with citizen income — creating a sense of compassion and cohesion through public commitment. The decoupling of income entitlements from paid work and from the labour market would, in Zygmunt Bauman's words, remove "the awesome fly of insecurity from the sweet ointment of freedom".

"We must, in short, turn the new precarious forms of employment into a right to discontinuous waged work and a right to disposable time. It must be made possible for every human being autonomously to shape his or her life and create a balance between family, paid employment, leisure and political commitment. And I truly believe that this is the only way of forming a policy that will create more employment for everybody ..."

— German sociologist Ulrich Beck, from
"Goodbye To All That Wage Slavery"
New Statesman 5 March 1999.