

# The Jobs Letter

No. 158

12 December 2001

*Essential Information on an Essential Issue*

## KEY

SKILL SHORTAGES

TALENT VISAS

ARTISTS AND INNOVATION

SOCIAL ENTREPRENEURSHIP

SCOTTISH ENTERPRISE

SLAVERY

## DIARY

15 November 2001

Act MP Muriel Newman says the government's employment policies are failing Maori. Referring to Winz figures that show a significant increase in the number of Maori long-term unemployed. Newman predicts things will get worse due to the current moratorium on the funding of Private Training Establishments where many Maori do their post school training.

17 November 2001

Hospitals are struggling under a shortfall of junior doctors. New medical graduates have usually filled junior doctor positions by this time of year but hospitals are reporting they have 10-20% fewer junior doctors than they need.

19 November 2001

Malaysia sends 2,500 illegal workers back to Indonesia and another 1,700 are scheduled to be expelled in December. More than one million foreign workers have helped fuel economic growth in Malaysia but as Malaysian unemployment rises, the government intends to deport 300,000 foreign workers to free up jobs for local people.

• Reports of **skill shortages** are emerging in many regions and sectors of the economy. Latest Department of Labour research says that **9% of NZ businesses are struggling to expand their output** because of job vacancies — the highest levels since March 1994. One third of Auckland firms and 41% of companies in the Bay of Plenty and Waikato report increasing problems in recruiting skilled staff.

— According to Immigration Service research, 21 knowledge-based organisations in the film, wool, technology and telecommunications sectors report that they are struggling to fill skilled jobs and often turn work away if they cannot recruit locally or off-shore.

— The Southland Times reports there is virtually no unemployment in Queenstown and employers are apparently searching nationwide to fill vacancies in the services, building and horticultural sectors.

— Central Otago fruitgrowers expect to double last year's production this season, and are also concerned about a worker shortages this summer.

• The government is to introduce **a package of skills forecasting initiatives** after conceding that good information about future skill needs in the economy is not currently available, especially for people making career and training decisions. Employment Minister Steve Maharey says that the skills shortages of today are **a reflection of yesterday's neglect**. Maharey: "As a nation, New Zealand has failed to properly connect the emerging and future needs of the labour market with decisions taken by learners and training providers..."

The government's initiatives will include:

— developing a new occupational/skill forecasting model to assist people to make better informed decisions about education and training needs

— enhancing the Winz job talent bank, and improvements to the Kiwicareers website

— improving regional skill reports and making existing labour market information produced by government agencies publicly available

— requiring Industry Training Organisations (ITOs) to undertake strategic assessments of the skill needs in their industries

• The Nelson Winz office says that numbers on its job seeker register have fallen by 45% over the last year and now there is concern in the local pipfruit industry that there will **not be enough seasonal workers available for the orchards** this summer and autumn. Nelson pipfruit forum chairman Richard Kempthorne says that orchardists will need 3,000 to 5,000 workers over the next six months. There are currently about 3,000 people registered as unemployed in the district but Winz says that not all of these would be available to work in orchards.

Kempthorne says that recently-relaxed immigration policies have prompted the Fruitgrowers Federation to produce a brochure targeting young international travellers for whom it is now legal to do seasonal work. A website [www.seasonalwork.co.nz](http://www.seasonalwork.co.nz) has been set up to put people in touch with employers who will have vacancies.

# The Jobs Letter

## DIARY

20 November 2001

NZ'ers need to revamp their attitudes toward work and skills if they want the country to rejoin the ranks of the world's most prosperous nations according to Treasury Secretary Alan Bollard. He says that in order for the country to provide high quality services more people have to participate in the workforce and those that are working must have higher skill levels.

Alcoa, the world's largest aluminium producer is to cut 6,500 jobs in the US and Europe.

21 November 2001

Winz intends to run free buses in the Hawke's Bay to help get workers to jobs processing this season's fruit harvest. Buses will run from the communities of Flaxmere and Maraenui to packhouses at Whakatu.

22 November 2001

The inaugural Social Entrepreneur Conference begins at the Wellington Town Hall.

Job losses are likely at the recently expanded airline engineering facility in Christchurch. A steep drop in work coming into the Pratt & Whitney/Air NZ joint venture that employs 350 staff has prompted the company to offer redundancy to 40 staff last month and 50 more may go by Christmas.

23 November 2001

The world's largest bank, Japan's Mizuho, plans to cut 10,000 jobs over the next four years.

24 November 2001

Britain is considering a law that will require business managers to seriously consider an employee request to alter their hours so they can fulfill their family commitments. The regulation will commit employers to a process where parents of children under six can provide a written request to alter their working schedule to better suit the working parent. Britain's Trade and Industry Secretary Patricia Hewitt says the changes will accelerate progress towards a better balance between work and family life.

- The Minister of Immigration Lianne Dalziel has announced a **fast-track for skilled workers** who are headhunted to come to NZ. A "talent visa" will soon allow employers to hire workers from overseas without having to first ensure that a NZ'er cannot fill the job. The fast-track will only be available to people being hired by accredited employers and will only apply to foreign workers to be paid at least \$45,000 per annum.

Council of Trade Unions secretary Paul Goulter agrees the "talent visa" would help fill the gaps in the economy left by the hands-off approach taken by the last government. However, his concern is that employers will see this as a way of continually plugging skills shortages without training NZ'ers to do these jobs.

New Zealand First leader Winston Peters has described the new scheme as a "body blow" to NZ'ers. He argues that NZ workers should be provided with every opportunity to improve themselves. Peters: "We have ample talent amongst our own population and it is insulting to suggest that is not the case and bring in foreigners to take our jobs."

- There are many **immigrants who are already in NZ** but are unemployed or under employed. A Massey University study says new Asian immigrants find it difficult to even get an interview ... much less a job. Researcher Kam Chuen Chan surveyed Auckland residents from Hong Kong, Taiwan and China who were asked to identify their barriers to employment. They agree with employers that a common barrier is English language ability and qualification recognition. But they add to this their lack of local work experience, being overly qualified and sensitivity to their race and cultural differences.

- Despite the reports of skill shortages, **fewer jobs are being advertised** around New Zealand, raising fears of shrinking employment opportunities. The ANZ Bank reports that advertised jobs in the main newspapers fell 8% in November, the fourth consecutive monthly decline and the biggest monthly fall in more than three years. "The implications for the labour market are concerning," says ANZ chief economist David Drage. "Recent trends in job advertising suggest that employment growth is slowing and may even have stalled."

- Meanwhile, a recent Job Index Survey, by NZ's largest recruitment company TMP, shows that levels of permanent employment optimism **have also fallen sharply**. Of the 1602 employers surveyed, 52% have indicated they did not expect to change staffing levels, 35% indicated they planned to take on more people, and 12% predicted a reduction in numbers.

TMP strategy director Kaye McAulay says that this is the first time the employment survey has recorded a downturn in hiring expectations since July 1998. It is clear that managers expected a slump in employment in the Travel sector, after the September 11 terrorist attacks in the United States. But a fifth of employers surveyed in Tourism, Chemicals and Oils, Transport, Manufacturing and Media sectors also expected to cut staff.

- The National Bureau of Economic Research in the USA has pronounced that **the US economy entered a recession eight months ago**. In so doing, it also marked the end of a ten-year boom in the USA, the longest economic boom in 150 years.

But the end of the boom may also be an important spur to creativity. Petrus Simons, of the Wellington-based Integrated Economic Services, argues that the boom of the 1990s was **not a period of major innovation**. He says the good economic times featured a sustained application of computer and telecommunications technology. But these technologies had already been created before the 1990s, and the economies of the last decade grew largely on the basis of refining techniques already developed.

## VOICE

### **on the CHALLENGE of SOCIAL ENTREPRENEURSHIP**

*“Social entrepreneurship does suggest a healthy disregard for rules for the sake of rules — a disregard for illegitimate authority. And one of the strengths of social entrepreneurship is that it presents challenges — challenges to communities, and challenges to governments, whether local or central.*

*“But I take issue with some who draw the cloak of social entrepreneurship around themselves and pose a contrast between social entrepreneurship and central government in Orwellian terms – two legs bad, four legs good; central government bad, social entrepreneurship good. In that sense some are very close to using social entrepreneurship as part of an attack on notions of national government and delivery through public sector agencies and departments.*

*“I take issue with those who hold that the logic of bureaucratic delivery means that there is no prospect of any salvation for the processes of government per se.*

*“Clearly there are challenges to central and indeed local government posed by social entrepreneurship. As the number of people involving themselves in social entrepreneurship continues to grow, the public sector has faced demands for change. Social entrepreneurs and a bureaucratic, “Wellington knows best”, public service style do not mix very well. People who may sometimes break every rule in the book to get a result will not welcome a contractualist mindset that privileges process over outcomes.*

*“There is a challenge here to politicians as well. The average politician wants to be able to announce a programme with their name on it so the electorate can see that they are doing their job. It is hard to announce the kind of freewheeling changes that emerge from the work of a social entrepreneur.*

*“However, I am convinced the public sector can and will change. Indeed, if social entrepreneurs are to realise their potential there must be changes in the way that the public service operates. Social entrepreneurs may be good at making something from nothing, but in the end they are going to need resources and people who back them.*

*“The public agencies at the social entrepreneur conference understand that they are going to have to work in new ways and have begun to do just that. The organizations sponsoring this conference will make a vital contribution — not as grey-suited and distant bureaucrats explaining what can and cannot be done, but as partners in a new way of doing things.*

*“Let me make it very clear that this does not in any way suggest an abrogation of responsibility on the part of Government.*

*“And let me suggest to you that the enthusiasm for local and community provision can sometimes mask a neo-liberal desire to pare back government in the name of a minimalist state — there are actors on the New Zealand political stage whose enthusiasm for the local is very clearly a function of a desire to return to notions of the deserving and un-deserving poor, and to reliance on family and charity.*

*“My tradition is one of social security through state intervention and I am not about to resile from that tradition. What I am prepared to do is to explore new and innovative ways of central government delivery suggested by the notion of social entrepreneurship.*

*“What I am prepared to do is to play a role in restoring the principles and practice of community, to bring the resources of the state to a renewal of civil society and a refurbishment of the institutions of a vibrant civil society.*

— Steve Maharey, Minister of Social Services and Employment, from his speech to the Social Entrepreneurship Conference, 23 November 2001 Wellington Town Hall

## DIARY

26 November 2001

A meeting of Commonwealth Health Ministers is considering a code of practice to minimise the poaching of health professionals around the world. While poaching of health professionals by wealthier countries impacts on NZ, the meeting has been told that Africa, the Pacific Islands and the Caribbean are far worse off. The Ministers hope to introduce a morally binding agreement that shows regard for the country that is losing their health professionals.

Simons hopes that the end of the boom will make people sit up and **re-think the way we have been doing things**. Simons: “Whilst being the last to underestimate the adverse effects of a recession on those who have the misfortune of being unemployed, or to lose a lucrative business, a recession may have the positive effect of stimulating innovation and developing new ways of thinking.”

- Simons applauds the recent government moves to allow those who are unemployed and who believe that they have the ability to **make a living as artists** to pursue a creative career while receiving the benefit (see last issue of *The Jobs Letter*). He sees this as an important step in fostering innovation: “True artists are always innovators. They question old ways and find interesting new ways of doing things.”

Simons recommends however that the government take a further and bolder step and require artists on the scheme **to give a week of their time to their communities**. He says that this has proved effective in Northern Italy where artists went to small villages and worked out ways in which other unemployed people could do useful things (example: making orange juice). The community involvement of artists in Italy has significantly reduced the deprivation in small villages.

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## DIARY

27 November 2001

Several Southland firms are now shortlisting North Islanders who have contacted them about job vacancies through the We-Need-You campaign.

Telstra Corporation's NDC engineering and construction unit plans to cut up to 1,000 Australian jobs. The Melbourne based company says that it is only doing about one-third of the work it was doing at this time last year.

28 November 2001

Regional Development Conference opens at the Rotorua Convention Centre.

Housing NZ has nearly 10,000 families on its waiting list for a state owned house, a figure that has ballooned since the government introduced charging income-related rents on state houses a year ago. Housing NZ now owns 60,106 housing units down from a peak of 70,234.

29 November 2001

The NZ Institute of Economic Research predicts that next year the economy will grow at a reduced pace of 1.7%.

30 November 2001

Credit Suisse First Boston will cut about 50 staff from its Auckland and Wellington offices by February.

Hundreds of contractors who are laying TelstraSaturn's fibre-optic cable network around Christchurch are likely to be prematurely out of work. Progress on the project has all but stopped since TelstraSaturn announced its intentions to buy Clear Communications. *The NZ Herald* says that if the acquisition is approved, the new cable network is unlikely to be completed.

Australian Employment and Workplace Relations Minister Tony Abbott tells employers at the Job Futures conference in Sydney not to be "job snobs". Abbott says employers can be too fussy about who they will employ, particularly when it comes to older or disabled Australians. Abbott had previously called some jobseekers "job snobs" for refusing to do certain work.

• And Simons has a suggestion to government Ministers trying to stimulate new ways of thinking: change the title of the Minister of Social Services to that of the Minister of Arts, Culture, Innovation and Solving Social Problems.

• More than 200 people attended the **inaugural Social Entrepreneurs conference** in Wellington, run by the Community Employment Group (CEG) in conjunction with COMMACT Aotearoa. The conference was facilitated by *The Jobs Letter* editor Vivian Hutchinson. A review of the conference can be found in the latest *Employment Matters* online at [www.employmentmatters.net.nz](http://www.employmentmatters.net.nz)

• At the conference, CEG announced further details of their financial support programme for social entrepreneurs. It is expected that CEG will support 15-20 recipients a year under the \$750,000 scheme. The first grant (of \$27,000) has gone to **Geoff Chapple of Te Araroa Trust** who will use it to spend time developing the next stage of his vision of a walkway that will span the country from Cape Reinga to the Bluff. The North Island trail has been successfully designed, and involves linking together many existing trails. Chapple is now ready to extend the trail to the South Island.

Te Araroa also has the support of the **Mayors Taskforce for Jobs**. The Taskforce has recommended a grant of \$50,000 from the Employment Catalyst fund to go towards the construction of an "Ocean to Ocean" trail connecting Ahipara to Kerikeri. Far North Mayor Yvonne Sharp says the walkway project will create employment both in the building of the trail and in generating tourist facilities and services in communities along its route.

• Chapple was also the first recipient of a new symbol for social entrepreneurship: the kea. Social Services Minister Steve Maharey is keen for our native mountain parrot to **become a recognised "brand"** which will mark out "people who have a special commitment to social and economic development, and social justice".

The Social Entrepreneur conference organisers had chosen the kea as its symbol because it is the world's only mountain parrot, it has a high level of social organisation, a propensity to play, and an unusual ability to learn and create new solutions to whatever problems they encounter. Maharey: "The kea is inquisitive and creative to the point at times of almost being annoying. It is intrepid, assertive and at times shows a breathtaking disregard for authority. One could argue that these also suggest the qualities of a social entrepreneur..."

• The Department of Internal Affairs is also making \$950,000 available this year to support the activities of **social entrepreneurs working with at-risk young people**. Donald Shand of Internal Affairs reports that the Community Project Worker Scheme (CPWS) has been re-designed to now support workers who will be catalysts for enduring community change.

The CPWS scheme will continue to focus on the needs of young people, and will ultimately fund about 20 social entrepreneurs in this field throughout New Zealand. The workers will be funded for a minimum of three years, and will have the active guidance and support of the Internal Affairs Community Development Group staff.

Examples: Losa Tamati is being supported to work with Te Amorangi Richmond in Christchurch in a project to identify young Pacific Island leaders and develop the skills and attitudes necessary for successful social enterprise. Maria McEntyre is also being supported as a social entrepreneur in her capacity as Director of the Waipuna Youth and Community Trust.

— for more information on the CPWS scheme, contact Dave Mulholland at Internal Affairs phone 04-495-7200.

# The Jobs Letter

## DIARY

1 December 2001

The National Bureau of Economic Research says the US economy has been in recession since March. The NBER also says output by the 30 OECD countries is expected to have contracted by -0.3% the second half of this year.

2 December 2001

Employment in the IT sector has tightened up. NZ InfoTech says there are now 25-30% fewer contractors working in the industry and that candidates looking for jobs have increased by 30-40%.

Palmerston North-based mail order company EziBuy has purchased Australian Myer Direct's database. Only 20 Myer Direct staff will get work with EziBuy and it is likely the other 327 staff in Melbourne will be made redundancy.

3 December 2001

The Sydney Morning Herald reports that a Telstra business partner, Austar United Communications, is cutting up to 400 jobs by the end of the year.

4 December 2001

The Taranaki Employment Support Foundation Trust launches "Suited Employment", a scheme to provide suitable clothes, as well as support, to people going for job interviews. At the launch of the project, the entrance fee is one item of used clothing suitable for corporate wear.

5 December 2001

Plans are being made to develop another substantive natural gas field off the coast of Taranaki. About 100 staff and consultants are currently working on the Pohokura project. If it goes ahead as envisioned it will employ up to 600 workers during the construction phase.

6 December 2001

A bilateral free trade agreement with the US could provide \$1 billion in new exports for NZ businesses but is unlikely to go ahead because there is little in it for the US. Alex Sundakov of the NZ Institute of Economic Research says that NZ already has low tariffs and coupled with the small scale of the NZ economy means that a free trade agreement is of little interest to US officials.

- A community based **venture capital scheme** is brewing in Hamilton. Bank-Able-NZ is a partnership between Enterprise Hamilton, Winz and Westpac Bank that aims to provide collateral backing for their new small business clients when they go to the bank with a loan application.

Enterprise Hamilton already provides management training and mentoring, and chairperson Tom Beier says the next step is to **give new business people backing at the bank**. Enterprise Hamilton intends to raise capital from government and other sources as a guarantee for loans to those small business clients who have done the "Be Your Own Boss" training programme but do not have the collateral to back their own loan applications. Beier expects the scheme to be operating by February.

- Helping young people is not about guaranteeing them a job for life, but providing them with the **skills to seize new opportunities**. This was the message given to the Regional Development Conference, held in Rotorua last month, by a Scottish leader in enterprise education, **Gordon McVie**.

He says that young people have had the doctrine of working for someone else ingrained into them for years ... but we need to encourage them to have a more entrepreneurial attitude to their working lives — both in working for someone else, or working for themselves. McVie: "In the past 5-10 years we've seen a significant attitude shift in the 16-24 year old age bracket. This age group no longer expects to have security of employment. But they can achieve security of *employability* if they have positive entrepreneurial can-do attitudes, and are prepared to go for it ..."

McVie says that regions wanting to reverse the youth exodus to the cities need to help young people develop new opportunities in their own communities. One of the most common reasons young people leave their home town is to find a job ... so they need to see there is support and encouragement in their own communities for new ideas and business opportunities.

- McVie has been a leading figure in **Scotland's drive to foster entrepreneurship** as a driver for economic development. Scotland is now one of the few countries in the world which has an enterprise development campaign which reaches from primary school to university, and from unemployed young people to small business executives.

The impetus for this change in climate was an inquiry carried out in 1992 into the reasons for the low rate of new business formation in Scotland — only 60 per cent of the comparable rate in the rest of the UK.

As part of the enquiry, attitudes to entrepreneurship were compared in Scotland, England, West Germany and the USA. It was found that far fewer people in Scotland than in the other countries believed that entrepreneurs contributed much to the economy, and in Scotland more people thought manual workers made a significant contribution than people who set up businesses. These findings were found to be spread throughout Scottish society with little variation among most social groups.

Scots also believed that government investment was more likely to create jobs than entrepreneurs and similar views were found in schools, universities, the media and local authorities.

These findings shocked Scottish Enterprise, the main government development agency. It realised that support for enterprise is linked to personal attitudes as much as to abilities. And it also recognised that changes in the world of work would require fundamental changes in the way education is developed. This led to a wide ranging campaign to change attitudes throughout Scottish society, increasing the profile for entrepreneurship in the education system as well as developing a more encouraging environment for new business start ups.

# The Jobs Letter

## DIARY

7 December 2001

In a bid to save 30 jobs at the Taranaki Base Hospital laundry, the Clothing, Laundry and Allied Workers Union has drawn up an alternative plan for the Taranaki District Health Board that would see the hospital's laundry continue to be done locally rather than be transported to a "mega laundry" in Palmerston North.

8 December 2001

Norway celebrates the 100th anniversary of the Nobel Prize. At the Centennial Symposium, one hundred Nobel laureates issue a brief but dire warning of the "profound dangers" facing the world. The statement argues that our future security depends on immediate environmental and social reforms.

The Nobel laureates: "The most profound danger to world peace in the coming years will stem not from the irrational acts of states or individuals but from the legitimate demands of the world's dispossessed. Of these poor and disenfranchised, the majority live a marginal existence in equatorial climates. Global warming, not of their making but originating with the wealthy few, will affect their fragile ecologies most. Their situation will be desperate and unjust ..."

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*The Diary is sourced from our media watch of New Zealand daily and weekly newspapers.*

*Research sources for the main items in The Jobs Letter are available in our internet edition at*

[www.jobsletter.org.nz](http://www.jobsletter.org.nz)

- On December 2nd, the United Nations marked the **International Day for the Abolition of Slavery**. This day also marked the 75th anniversary of the 1926 Slavery Convention in which the international community set its goal of abolishing slavery everywhere. But UN Secretary General Kofi Annan concedes that modern forms of slavery still affect every continent "... demonstrating our collective failure to implement the provisions of the Universal Declaration of Human Rights".

Slavery is not a dying institution, but is **actually growing bigger every year**. It is estimated to be producing an annual \$12.3 billion in good and services in the global economy. Slavery is illegal in most of the countries where it is practised. But while this exploitation is usually not called slavery, the conditions are the same: people are sold like property, forced to work for little or no pay and are at the mercy of their "employers".

The slave trade is flourishing in west Africa, on what was once called the Slave Coast. UNICEF estimates that every year some 200,000 children are trafficked and sold. On the Ivory Coast, it is estimated that some 90% of the workers on the cocoa plantations are slaves. They produce **half the world's cocoa** sold to chocolate-producing companies.

- Kevin Bales, author of *Disposable People: New Slavery In The Global Economy*, says that the reason for slavery's growing popularity is simple: **slaves are now cheaper than at any other time in history**. The agricultural slave that in 1850 cost \$1,000 in Alabama — which is \$50,000 at today's prices — can be purchased for around \$100 today. And they are easy to acquire. In Benin and Togo, for example, traders trick destitute families into handing over their children by telling them that they will find employment for their offspring and will send their earnings back home. Instead the children are sent to work as slaves on plantations and never come back.

And the slavery isn't confined to Africa. The CIA estimates that **50,000 slaves are sold in the USA every year**. Educated young women from Ghana and Cameroon are lured to America with the promise of a chance to study, and then enslaved as domestics. According to the UN Centre for International Crime Prevention, the trafficking of slaves is now **organised crime's third largest money earner** — after drugs and guns.

— *Disposable People : New Slavery in the Global Economy* by Kevin Bales (pub 2000, University of California Press) ISBN 0520224639

— Special Issue of *New Internationalist* on Slavery (August 2001) [www.oneworld.org/ni/issue337/title337.htm](http://www.oneworld.org/ni/issue337/title337.htm)

- **Anti-Slavery International** was originally set up in 1839 with the specific objective of ending slavery throughout the world. Throughout last century, Anti-Slavery was involved in many successful campaigns, such as stopping the exploitation of rubber workers in the Belgian Congo and the use of child slaves—known as Mui Tsai—in Hong Kong. In 1999, Anti-Slavery International campaigned for the introduction of labour laws to protect child domestics in the Philippines. An estimated one million girls under 18 work as maids in the Philippines for little or no pay and unlimited hours. For more information [www.antislavery.org](http://www.antislavery.org).

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