

The Jobs Letter

No. 117

8 February 2000

Essential Information on an Essential Issue

KEY

STATISTICS THAT MATTER

MAHAREY SACKS WINZ
ADVISORY BOARD

CLARK TAKES ON
THE MAORI GAP

ONE IN THREE NZ CHILDREN
IN POVERTY

MOSGIEL CLOSURE SPARKS
ANDERTON

ONE MORE WORKER
CAMPAIGN

PAUL HAWKEN IN SEATTLE

NEW RIFKIN BOOK

35-HOUR WEEK IN FRANCE

DIARY

20 January 2000

Restructuring of the Tainui tribe's businesses will see all 80 management jobs reviewed and many laid off. Financial advisors warn that the tribe is facing a loss of at least \$23m and have told the tribe they must stop spending and get rid of loss-making investments.

21 January 2000

Hunger is as much a problem now in the United States as it was four years ago, even though the US is in the midst of a booming economy with falling unemployment. Larry Brown, director of Tufts University's Centre on Hunger and Poverty, says that 30m people in the US live in households that experience hunger or food insecurity. Brown also says between 20% to 30% of American workers earn so little that they have to make choices between paying the rent, paying their medical bills or buying adequate groceries.

- The official unemployment rate **fell to 6.3%** for the December 1999 quarter, down from 6.8% in the previous quarter. Official unemployment is now 119,000 people, a fall of 9,000 from one year ago and the **lowest level in three years**. We include our regular *Statistics That Matter* feature in this issue of *The Jobs Letter*. Some highlights:
 - the **drop in Maori unemployment** was well ahead of the overall improvement in job numbers. The Maori rate of unemployment is now at 14.5%, down from 19.5% last year. There were 17,000 more Maori working in 1999 than in 1998. However Maori unemployment is still three times the 4.5% European rate.
 - 47,000 new jobs were created in 1999 with **most of these being full-time** (up 44,000) rather than part-time (up 3,000).
- With the drop in the unemployment rate, economists are picking the Reserve Bank **will lift interest rates**. Economists believe that rising employment levels drive up demand for higher skills, resulting in rising wages ... one of the key components of inflation. This has actually not been happening in the recent performance of an "inflation-free" United States economy (see *The Jobs Letter* No.115). The US theory is that new technology is making workers ever more productive. The economy can therefore grow fast and unemployment rates drop to historically low levels **without causing wage inflation** or production shortages.

But, Rod Oram, Business Editor of *The New Zealand Herald*, points out that **"productivity" is the key difference** between the US and NZ economies. Oram says that US workers are producing more in the same amount of time, primarily due to advances in technology ... But this is not the case in NZ. Oram: "Since 1990, our labour productivity has grown at an average of only 0.5% a year. Overall, our productivity ranks 23rd out of 26 developed economies. To put it crudely, the NZ way of meeting demand is to throw more people and longer working hours at it. Moreover, skills are in such short supply among workers and the unemployed that a bidding war for talent is breaking out. Despite a high unemployment rate of 6.3% [compared to the US] ... wages are spiking up."

- Social Services Minister Steve Maharey has told Winz CEO Christine Rankin to **dis-establish a private sector advisory board**. The board was designed to provide an outside perspective and help Rankin with business planning and consultation. But Maharey says the board is a waste of money and its removal is part of the **change of culture** he intends to make in Winz. He says the department should be heeding the advice of beneficiaries not private sector representatives. Maharey's view is that government ministers, not an external advisory board, should be **setting the direction for Winz**: "The government was concerned to insure there is a direct line from the minister to the organisation and that there was not another advice line coming in..."
Gareth Morgan, director of Infometrics and a member of the dumped board, told National Radio, "We're all waiting with bated breath to see how the Maharey model of hands-on will compare. It's an absolute recipe for disaster. Are you telling me we can run Winz with temporary politicians every three years?"
- The board included Morgan; Steve Marshall, the retiring Employers Federation CEO; George Hickton, current CEO of the NZ Tourism Board and former head

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

Minister of Customs Phillida Bunkle announces that an industrial hemp working party is to be set up. The working party will look at the viability of hemp farming and develop regulations for cultivation licences. Federated Farmers' Neil Barton says there is already an established market for industrial hemp in NZ and farmers would welcome the opportunity to grow it.

22 January 2000

ACT's Muriel Newman supports the Ministry of Social Policy's recommendations to give beneficiaries grants, suspend debts, and offer free child care. The ministry briefing papers says that some families who have been long-term beneficiaries need intensive help to break out of the poverty trap.

23 January 2000

The government will scrap compulsory budget advice sessions for people who receive more than three special needs grants. Beneficiary advocacy groups have told Steve Maharey that most people seeking the grants have a lack of income, not a problem with budgeting. Maharey says he had always thought the idea had little to offer and promises to end the scheme within six months.

24 January 2000

Birthday of the late Tahupotiki Wiremu Ratana, founder and spiritual leader of the Ratana church. In 1936, Ratana pledged Maori support to prime minister Michael Joseph Savage's government in return for Labour's commitment to improving Maori welfare and resolving grievances.

At Ratana Pa, PM Helen Clark says she will chair a new cabinet committee which aims to close the social and economic gap between Maori and Pacific Island people and other NZ'ers. She says the growing gap is one of the greatest challenges facing the country.

VOICES

on the JOBS FIGURES

"The Survey states that the percentage of long term unemployed has changed little since this time last year. Over 40% are long-term unemployed. These people and their families are at high risk of becoming entrenched in poverty ... and highlight the need for a coherent and proactive employment policy. These families suffer from persistent low incomes, family disruption, poor health, educational achievement and housing. These are the people Steve Maharey and WINZ should be targeting policy help at and offering assistance with expenses like relocation costs. It is not good enough for Winz to recycle the same workers through different jobs and then claim credit for a job well done. Steve Maharey will not have succeeded until the long-term unemployed figures are substantially reduced..."

—Muriel Newman, ACT employment spokesperson

"The unemployment figures show that the previous National Government's policies were working and making a real difference for New Zealanders. A half a percent drop in a single quarter is an outstanding reduction in unemployment. I am pleased that the National-led government policies and direction helped

create the jobs that has given more New Zealanders the chance to work. The 50,000 new jobs created over the past year show that our ideas were working for people and making a difference. It is hugely encouraging to see job creation highest among Maori. Giving people a job is the most positive way to make a difference – not waiting for endless inquiries and consultation on what might help close the gaps..."

— Bob Simcock, National employment spokesperson

"The creation of new sustainable jobs is a commitment this Government made last year on the election trail. While, of course, the drop in unemployment is welcome we want to do much better. The Government sees job creation as the central focus of our economic and social programme. We intend to actively promote export led growth and local economic development to bring the unemployment rate down even further. Our focus on maintaining employability will include better access to training and support for New Zealanders to retrain throughout their lives. The experience of other similar economies shows us that it is possible to achieve significantly lower levels of unemployment without compromising other macroeconomic objectives..."

— Steve Maharey, Minister of Social Services and Employment

of Income Support, the TAB and the NZ Employment Service; Jan Dowland, CEO of the IHC; June McCabe, chief manager of government business at Westpac Trust; Lee Mathias MD, Birthcare NZ; and Lincoln Gould (chairman) from the Victoria University Graduate School of Business. It had been meeting for six or seven months and ordinary members were paid \$500 per meeting. Gareth Morgan's view is that the board members had provided their services "for peanuts". Morgan: "I thought of it as social work, really..."

- Morgan is also critical of Maharey's pre-election promise to **separate the employment and welfare functions** of Winz. Morgan: "Under the old system Income Support was quite separate from the Employment Service, and a person could turn up at Income Support for their cheque but some of them would never turn up at the Employment Service. Winz has seen a huge increase in placement rates now as a result of the fact that now, when someone walks in the door wanting a benefit, they are told: here's a job. The thing that really concerns me about Maharey is him saying he would separate out the two functions again ... is that if he does, it would be a tragedy for New Zealand as a whole..."
- Robert Reid, president of the beneficiary and low-income workers' union Unite!, says that sacking the board is "a good first step" in turning the department into

(continued on page five)

The JOBS RESEARCH TRUST is a not-for-profit Charitable Trust constituted in 1994.

To develop and distribute information that will help our communities create more jobs and reduce unemployment and poverty in New Zealand.

STATISTICS THAT MATTER

ONE IN SIXTEEN PEOPLE OFFICIALLY UNEMPLOYED IN NZ

OFFICIAL NUMBER OF UNEMPLOYED IN NZ

Dec 99

119,000

Seasonally Adjusted

OFFICIAL RATE OF UNEMPLOYED

Dec 99

6.3%

OR ONE IN 16 PEOPLE

Seasonally Adjusted

PEOPLE REGISTERED AT WORK & INCOME NZ

Figures unavailable

NOTIFIED VACANCIES

Figures unavailable

FALL IN NUMBER OF UNEMPLOYED IN LAST THREE MONTHS

Sept 99 — Dec 99

8,000

FALL IN LAST YEAR

Dec 98 — Dec 99

25,000

GLOBAL

SPAIN	15.5%
FRANCE	10.9%
ITALY	11.4%
GERMANY	9.1%
CANADA	7.6%
AUSTRALIA	7.1%
OECD Average	6.8%
NEW ZEALAND	6.3%
BRITAIN	6.1%
UNITED STATES	4.2%
JAPAN	4.7%

OFFICIALLY UNEMPLOYED

The official unemployed rates are an internationally recognised figure for unemployment based on the Household Labour Force Survey run by Statistics New Zealand. These are the latest figures for December 1999.

NORTHLAND	8.9%	or one in 11 people
AUCKLAND	5.0%	or one in 20 people
WAIKATO	6.3%	or one in 16 people
BAY OF PLENTY	8.2%	or one in 12 people
GISBORNE-HAWKES BAY	8.8%	or one in 11 people
TARANAKI	8.6%	or one in 12 people
WANGANUI-MANAWATU	7.7%	or one in 13 people
WELLINGTON	4.0%	or one in 25 people
NELSON-MARLBOROUGH		
TASMAN-WEST COAST	6.4%	or one in 16 people
CANTERBURY	6.7%	or one in 15 people
OTAGO	5.9%	or one in 17 people
SOUTHLAND	6.3%	or one in 16 people

EMPLOYED

NUMBER OF PEOPLE IN JOBS IN NZ 1,771,000

Dec 99 Seasonally Adjusted

RISE IN NUMBER OF PEOPLE IN JOBS IN LAST 3 MTHS

Sept 99 — Dec 99

24,000

RISE IN NUMBER OF PEOPLE IN JOBS IN LAST YEAR

Dec 98 — Dec 99

47,000

Due to a change in the way sector categories are classified by Statistics NZ we are unable to compare sectors with previous years to show changes in levels of employment.

FULL-TIME and PART-TIME

of the "Employed" statistics

	FULL TIME	PART-TIME
MEN	866,100 (89%)	110,200 (11%)
WOMEN	509,200 (63%)	296,200 (37%)
TOTAL	1,375,400	406,400
OVERALL %	77%	23%

GAIN OF FULL-TIME EMPLOYED IN THE PAST YEAR: 44,000

(Seasonally adjusted)

GAIN OF PART-TIME EMPLOYED IN THE PAST YEAR: 3,000

(Seasonally adjusted)

REGIONS

REGIONS WITH A DROP IN UNEMPLOYMENT IN THE LAST 3 MONTHS

June 99 — Sept 99

AUCKLAND
BAY OF PLENTY
WAIKATO
WELLINGTON
NELSON / MARLBOROUGH /
TASMAN / WEST COAST
CANTERBURY
OTAGO

REGIONS WITH A RISE IN UNEMPLOYMENT IN THE LAST 3 MONTHS

NORTHLAND
GISBORNE / HAWKES BAY
TARANAKI
WANGANUI / MANAWATU
SOUTHLAND

A SPECIAL SUPPLEMENT TO

The Jobs Letter

8 FEBRUARY 2000

ONE IN TEN PEOPLE OFFICIALLY JOBLESS IN NZ

OFFICIAL NUMBER OF JOBLESS IN NZ
Dec 99
195,400

OFFICIAL RATE OF JOBLESS
Dec 99
9.9%
OR ONE IN 10 PEOPLE

FALL IN NUMBER OF JOBLESS IN LAST THREE MONTHS
Sept 99 — Dec 99
9,800

FALL IN NUMBER OF JOBLESS IN LAST YEAR
Dec 98 — Dec 99
31,000

THE JOBLESS FIGURES

According to Statistics NZ, the difference between the official "unemployment" figures and the "jobless" figures is that many of the people on the jobless measurement are available for work, but not actively seeking it.

The reasons for not actively seeking work range from people being discouraged because they lack the skills needed, or were the wrong age, or that the right work was not available in their area, or they were only looking for jobs in the newspaper. This measurement also includes those actively seeking work but not yet available for it.

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8 FEBRUARY 2000

OFFICIALLY JOBLESS

"Those Without a Job and Wanting a Job"

These are the statistics that are more commonly used by community workers and employment activists in New Zealand because they more accurately reflect the people who are their concern or clients. These "Jobless" figures are also based on the Household Labour Force Survey run by Statistics New Zealand, but include a wider definition of unemployment, usually referred to as "those without a job and wanting a job" ... (see note in side panel).

NORTHLAND	15.9%	or one in 6 people
AUCKLAND	8.4%	or one in 12 people
WAIKATO	9.4%	or one in 11 people
BAY OF PLENTY	13.1%	or one in 8 people
GISBORNE-HAWKES BAY	14.2%	or one in 7 people
TARANAKI	12.1%	or one in 8 people
WANGANUI-MANAWATU	12.2%	or one in 8 people
WELLINGTON	7.0%	or one in 14 people
NELSON-MARLBOROUGH		
TASMAN-WEST COAST	9.5%	or one in 11 people
CANTERBURY	10.1%	or one in 10 people
OTAGO	11.1%	or one in 9 people
SOUTHLAND	9.8%	or one in 10 people

AGE and LONG-TERM

YOUTH UNEMPLOYMENT RATE - AGED 15-19 YEARS	15.9%
<i>Dec 99</i> one in 6 young people	
MATURE UNEMPLOYMENT RATE - AGED 50-65 YEARS	4.5%
<i>Dec 99</i> one in 22 mature people	
LONG-TERM UNEMPLOYED (OVER 6 MONTHS)	41,700
<i>Dec 99</i> 35% or one in 3 of the unemployed	
LONGER-TERM UNEMPLOYED (OVER 2 YEARS)	11,000
<i>Dec 99</i> 9% or one in 11 of the unemployed	
VERY LONG-TERM UNEMPLOYED (OVER 5 YEARS)	2,400
<i>Dec 99</i> 2% or one in 50 of the unemployed	

THE SCHEMES

Figures from Work & Income NZ, Skill NZ and Youth Affairs (As at the end of December 99)

TASKFORCE GREEN	1779
JOB PLUS	9596
JOB PLUS MAORI	338
JOB CONNECTION	655
ENTERPRISE ALLOWANCE	587
ENTERPRISE ALLOWANCE WITH CAPITALISATION	682
TRAINING OPPORTUNITY SCHEME (TOPS) (Dec quarter).....	8,284
YOUTH TRAINING (SKILL NZ) (Dec quarter).....	5,286
LIMITED SERVICE VOLUNTEERS (ARMY/NAVY) (Dec quarter).....	109
CONSERVATION CORPS	901
YOUTH SERVICE CORPS	99
COMMUNITY WORK (still counted as unemployed)	9805

PARTICIPATION

LABOUR FORCE PARTICIPATION RATE
Dec 99
Seasonally Adjusted
65.4%
up from 65.2% last year

RACE

MAORI RATE OF UNEMPLOYMENT
Dec 99
14.5%
OR ONE IN SEVEN PEOPLE

PACIFIC ISLAND RATE OF UNEMPLOYMENT
Dec 99
12.2%
OR ONE IN EIGHT PEOPLE

NZ EUROPEAN RATE OF UNEMPLOYMENT
Dec 99
4.5%
OR ONE IN 22 PEOPLE

The Jobs Letter

DIARY

25 January 2000

US president Clinton introduces legislation aimed at closing the gender pay gap. American women make 75% of what males make. The bill would provide funding to train agents to identify and remedy wage discrimination cases and to work on expanding job opportunities for women in non-traditional roles.

26 January 2000

Immigration minister Lianne Dalziel relaxes the criteria for working visas. People who meet all other immigration criteria, can now be given a work permit before they have a job lined-up. The change is a loosening of immigration policy that previously insisted a person had a job offer before they could be given a work permit.

27 January 2000

Minister of Finance Michael Cullen says that pensioners will get a 6.5% pay increase from April 1st. The move will bring the rate of pensions to 67% of the average wage. The previous government's policy was to stop increasing pensions, while wages rose, until the rate of pensions was eventually lowered to 60% of the average wage.

An international management shake-up at Coca Cola will see 6,000 people lose their jobs. While no jobs will be lost in New Zealand, the job cuts amount to 20% of the Coca Cola's international workforce.

Minister of Corrections Matt Robson visits the Far North town of Ngawha, near to the site selected by the previous minister for a new prison. Meeting both supporters and detractors of the proposed prison, Robson says he accepts that a correctional facility is needed in the area. Robson, who favours rehabilitation programmes, says it is no use sending offenders far from home when a person's family and community are the best qualified to deal with them. He says that within a few weeks he will make a decision on what type of facility it would be and where it would be located.

one that **works for, rather than against beneficiaries**. Unite! has been a strong critic of Winz since it was first created almost 18 months ago, and has been active in protests outside Winz offices. But now Robert Reid is more hopeful about changes at the department. Reid: "We are pleased that this step has been taken so soon after the meeting of beneficiary advocacy groups and Steve Maharey. At that meeting, changing the culture of WINZ was high on the groups' shopping list..."

- The change in the culture of Winz may be **reflected in the language** by which its staff address the people they are serving. Christine Rankin is presently asking beneficiary groups for feedback on the terms used by the organisation. She says Winz adopted the term "**customer**" as a reflection of the agency's commitment to "customer service". But this term has been widely criticised by politicians as part of an inappropriate "corporate image" of the agency. Winz is considering using the term "**citizen**", because it doesn't differentiate people by social or economic status.
- PM Helen Clark has taken leadership to **address Maori social and economic inequalities**. Clark will chair a new Cabinet committee and "throw the weight of the PM's office" behind the drive for effective solutions to the growing gaps between Maori and Pacific people and other New Zealanders. Speaking at the **Ratana annual celebration**, Clark described these efforts as addressing "... one of the greatest challenges facing the country."

The emphasis of the new Cabinet committee will be on increasing the capacity of Maori organisations and better identifying resources to address the Maori gap. Clark says that ever since the money from the Ministry of Maori Affairs was put into the mainstream, people have wondered where it has gone "...and this is a source of great frustration to Maoridom."

- The Minister of Maori Affairs **Dover Samuels** says the new Cabinet committee is not about separatism but about the **effectiveness of delivery systems**. Samuels says he believes that government agencies have been fudging how they have been spending the money allocated to Maori, as well as outcomes gained from the expenditure. Samuels: "The days of smokescreen and camouflaging are over. The new direction will take a change of the mindset of some government departments, particularly Treasury..."
- Maori commentator **Ranginui Walker** says the problems of housing, health, education and employment facing Maori are not new. Walker points out that these same issues were raised by **Sir Apirana Ngata** as far back as 1920 when he developed a scheme to make Maori land work for its owners. Walker believes this earlier scheme failed because bureaucrats went out of their way to foil it. Walker's view is that power-sharing policies need to be put into place to ensure economic well-being: "There has to be a substantive change in the halls of bureaucracy and a genuine commitment from the government."
- The National government set up **commissions** on Maori health, education, housing and employment which were to develop strategies to help **close the gaps** between Maori and non-Maori. The final reports from these commissions are expected within the next few months.
- A new study from the NZ Poverty Measurement Project confirms that **one in three NZ children are living in poverty**, and high housing costs are the main contributing reason. Children under 15 years are the worst off, making up 44% of all poor in NZ. Children with one parent are still the most likely to be living in poverty ... with nearly half of one-parent households falling below the poverty line.

The Jobs Letter

DIARY

28 January 2000

The Super 2000 Taskforce, which the National government set up last year, will be disbanded. Steve Maharey says he sees no role for the taskforce as it was set up to cut the cost of superannuation and this is not part of the present government's intention.

29 January 2000

State Services Commissioner Michael Wintringham has released another review into the Winz Wairakei incident. It says that Winz boss Christine Rankin increased the department's legal risk by saying that a suspended manager misled her. Wintringham says that the decision to suspend the manager was made swiftly because there were strong indications that fraud had been committed. Investigations by the police and the Auditor-general concluded there was no evidence of fraud in the events surrounding the Wairakei conference. The commissioner says he is confident that procedures used to reach the settlement with the former manager were prudent and proper.

Anne Knowles becomes the new CEO of the Employers Federation. Knowles says that these are exciting times to be taking on this leading role as business hackles are already rising over the government's decisions to roll back the ACC reforms and replace the Employment Contracts Act.

30 January 2000

US president Bill Clinton speaks at the World Economic Forum in Davos, Switzerland, an annual meeting of the world's most influential business people and policy makers. Clinton declares that the surging US economy is the role model for the rest of the world and says the globalisation of markets is the key.

Clinton also acknowledged the thousands of people who protested the World Trade Organisation in Seattle, and those also protesting at the Davos meeting. Clinton: "We have seen and personally felt the benefits of globalisation. But convincing our publics to go along ... remains the challenge".

The study has combined official statistics with focus group analysis of the daily hardship faced by many. It has been conducted by Bob Stephens of Victoria University, Charles Waldegrave of the Anglican Family Centre, and Paul Frater of Business and Economic Research. The study tracks trends in poverty in NZ between 1984 and 1998. The poverty line in the study has been set at sixty per cent of the median household disposable income, as the minimum needed to pay for food, clothing, utilities and housing costs.

The study points to the **high housing costs** as a key factor in poverty, pointing out that housing costs take up a much greater portion of a low-income person's income than it does for the rest of the population. The study shows that one-in-five children under the age of 15 live below the poverty line before housing costs are factored in. Once housing costs are included, this number increases to one-in-three children.

- Minister of Housing **Mark Gosche** acknowledges that the cost of housing is too high for many people on low incomes and says that changes to state-housing rents are a top priority to the government. The government has promised that state rents **will be kept at 25%** of the household income.
- The Coats Spencer Crafts at **Mosgiel** will close with the loss of 141 permanent positions. This is quite a blow to the Mosgiel and Dunedin economies when you consider that, in the last year, almost 100 other workers at the knitting yarn mill have already been laid off. This closure will prove to be a good chance to see what responses the new Minister for Economic Development, **Jim Anderton**, will bring to such a crisis. This week, Anderton and Sandra Lee, Minister of Local Government, will be meeting with the Dunedin mayor and council to discuss the closure and talk about a range of economic initiatives in response to the downturn.

Anderton: "These jobs have effectively been lost overseas. This is yet another example of the urgent need for the rapid transformation of New Zealand's economy and an economic framework that provides investment and support for employment and industry. The previous government took the view that the textile industry was finished and simply ignored the consequences. It actively undermined the industry through the rapid removal of tariffs and a totally unresponsive business environment. When a country unilaterally dismantles tariffs, it loses industries and jobs, which is why most other developed countries have not tried to copy New Zealand's failed experiment.

Anderton does not take the view that the textile industry is finished: "I'm in contact with textile industry figures who are working with this government on an exciting, high-tech, job-rich future for the industry. I am determined that the industry and enterprise base of New Zealand will be broadened and I am committed to strengthening the development of regions that are currently in decline..."

- Meanwhile, Anderton looks set to get his own **Ministry of Economic Development**, which would appear to be a significant victory for the Alliance leader. Labour had wanted to retain Anderton's economic development portfolio within the Ministry of Commerce, and establish a new Crown entity — Industry New Zealand — to implement economic development policy. But Anderton has negotiated his own ministry.

The aim of the new ministry will be to encourage investment in innovation and new technology, develop high quality, added-value exports and strengthen the country's infrastructure "...so that regional communities can participate in that development and not be left behind."

The Jobs Letter

DIARY

The NZ brain drain is favouring the United States according to professor Ian Poole of Waikato University. He says the high cost of repaying education debts, along with the lack of opportunities here, is pushing NZ's brightest science graduates to seek careers in the US.

31 January 2000

The Japanese government is introducing free medical examinations for people at risk of dying from overwork or "karoshi". The free exams are intended to alert people if they have the critical health conditions people can get from overwork.

1 February 2000

France introduces the 35-hr working week. It is greeted with protest action by truckers who create at least 49 roadblocks on key routes around France, including border crossings. The truckers say they will not get the benefits of the shorter working week.

2 February 2000

Steve Maharey tells Christine Rankin to dis-establish an external Winz advisory board. He says the move will help to change the culture of Winz and that the department should be heeding advice from beneficiaries not from private sector representatives.

3 February 2000

An updated report co-ordinated by the NZ Poverty Measurement Project confirms that one in three NZ children continue to live in poverty. The report identifies the high cost of housing as a major contributor to poverty in NZ.

Tertiary education minister Steve Maharey confirms that the NZ Qualifications Authority will be the only organisation responsible for the national qualifications framework. The announcement ends discussions about replacing the NZQA. The NZ Association of Private Training Providers says it supports the decision and looks forward to a new focus on results, rather than endless discussions on structure.

- The **One More Worker** campaign, a job creation programme appealing to businesses to take on one more worker, has **expanded into Taranaki**. Venture Taranaki, with the support of its Winz regional office, has already found 26 new jobs during December and January. Venture Taranaki encourages the new job opportunities as part of its "Business Grow" visitation service. In Taranaki, there are about 6,400 businesses and about the same number of people unemployed. It seems a simple message for organisers to point out that unemployment could be eliminated if each Taranaki business just took on one more worker.

The One More Worker concept was started in Horowhenua which has just made its 100th placement. The campaign is handled differently there, where they do not have a business visitation scheme. Instead they rely on a promotional campaign. Tony Rush, of Enterprise Horowhenua, says their Winz regional commissioner is preparing an evaluation of the campaign which may provide the ground work for One More Worker to spread elsewhere in NZ.

- **Media Watch.** **Paul Hawken**, leading international environmental businessman and author of *The Ecology of Commerce*, was at the **World Trade Organisation (WTO) protests** last November in Seattle. In a moving article, Hawken describes his own experiences in being tear gassed and pepper sprayed by Seattle police while in the midst of a peaceful protest. A blinded Hawken was helped to leave the protest scene by **Anita Roddick**, founder of The Body Shop, and one of the few CEOs also on the streets of Seattle helping people that day.

Hawken's article also outlines many of the concerns about the WTO held by the diverse protest groups. Hawken: "With that much contention inside and out of the WTO, one can rightly ask whether the correct question is being posed. The question, as propounded by corporations, is how to make trade rules more uniform. The proper question, it seems to me, is how do we make trade rules more differentiated so that different cultures, cities, peoples, places and countries benefit the most.

"Those who marched and protested opposed the tyrannies of globalisation, uniformity and corporatisation, but they did not oppose internationalisation of trade. Internationalism means trade between nations. Globalisation refers to a system where there are uniform rules for the entire world, a world where capital and goods move at will without the rule of individual nations. Nations, for all their faults, set trade standards. And nations do provide, where democracies prevail, a means for people to set their own policy, to influence decisions, and determine their future. Globalisation supplants the nation, the state, the region, and the village. While eliminating nationalism is indeed a good idea, the elimination of sovereignty is not." (The Hawken article is available in the internet at <http://www.co-intelligence.org/wtohawken.html>).

- **Jeremy Rifkin**, best-selling author of *The End of Work* and President of the Washington-based Foundation on Economic Trends, is to publish **a new book** next month. *The Age of Access* focuses on the shifting trend from "ownership" to "access", and how this is transforming business and employment today.

In *The End of Work*, Rifkin argued that computers, robotics, telecommunications and biotechnologies are fast replacing human beings in virtually every industry and workplace. In *The Age of Access*, he goes further, showing how new technologies are even **eliminating concepts of "property" and "ownership"** from our lives. In this new era, according to Rifkin, we will buy enlightenment and play, grooming and grace, and everything in between in the form of purchased experiences.

The Jobs Letter

DIARY

4 February 2000

The Coasts Spencer Crafts knitting yarn mill will close in Mosgiel, with the loss of 141 jobs.

6 February 2000

Waitangi Day.

Governor General Sir Michael Hardie Boys tells a dawn ceremony at Waitangi that the disproportionate number of young Maori people represented in negative economic and social statistics shows that the Treaty of Waitangi has not been properly honoured. Sir Michael: "Both Maori and Pakeha will have to make some sacrifices to solve disparities ... the wellbeing of young Maori is crucial to the future of all New Zealanders."

Deputy PM Jim Anderton looks set to get his own Ministry of Economic Development.

Rifkin: "Imagine a world where virtually every activity outside the confines of family relations is a paid-for experience — a world where traditional reciprocal obligations and expectations are replaced by contractual relations in the form of paid memberships, subscriptions, admission charges, retainers and fees..."

For the first time in modern history, Rifkin argues, ownership of physical property **is seen as an albatross**, and intangible ideas and expertise are the chief generators of wealth. This dramatic shift affects corporations as well as consumers: the world's major companies are quickly shedding property holdings, factories, and other assets in favour of outsourcing and leasing.

Rifkin warns of a dawning era in which giant access-providing companies are profiting from every aspect of human experience, **while consumers own nothing**. "In this new economy, access sellers will finally be able to commodify all of human experience..."

- France. February 1st saw the introduction of **France's new 35-hour working week** laws. In the face of 10% unemployment, France passed this revolutionary labour reform in order to create jobs and increase leisure time which should, in turn, create more jobs. It has done this by making overtime rates so high that employers can not afford to pay people for more than 35 hours. The workers haven't lost any money because they must still be paid the same amount as they were previously.

The immediate result: **chaos on French roads** as truckers mounted dozens of blockades across the country to protest against the implementation of the scheme. The truck drivers complain that a deal between the government and their employers means that they will not reap the benefits of the nationwide transition to a shorter working week.

- Some large companies with factory employees have embraced the changes. The **Renault car manufacturer** says it can continue to profit even after taking on 3,000 new workers. They've done this by focusing on **greater worker productivity**. With better technology and increasing worker concentration, Renault aims to cut the time it takes to assemble a vehicle from 18.5 hours to 15 hours this year. And staff are now getting the equivalent of 10–15 extra days off a year with no drop in pay. But French small business owners see big problems ahead when they have to comply with the new laws in 2002. Small firms say they will **clearly make less money** if they send their staff home early but still have to pay them the same. If they take on another worker to fill the gap, but not increase their sales ... the new worker would just become an added cost.
- Frustrated by management's failure to implement the 35-hour week in their workplace, dozens of **postal workers** in the French city of Besançon last week marched to the local police station to lodge a complaint over the **"theft of free time"**. The police commissioner replied, in all seriousness, that he couldn't help them since there was nothing in the criminal code about free time theft. The 190 postal workers then decided to take work time reduction into their own hands, and started working a 35-hour week unilaterally. There was one major problem with this do-it-yourself reduction of work time — the workload hadn't changed. Their solution? The workers decided to stop sorting and delivering junk mail. According to the French newspaper *Liberation*: "... Now, there's a postal disruption that the public is bound to appreciate."

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