

The Jobs Letter

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Essential Information on an Essential Issue

KEY

ENTERPRISE FACILITATION
DAIRY LABOUR SHORTAGES
MEN MISSING OUT
THE NEXT GIANT SUCKING
SOUND

DIARY

8 December 2001

Treasury officials warned ministers that paid parental leave was likely to be counter productive and that costs to businesses would be passed on directly or indirectly to employees. The *National Business Review* reports that officials told Cabinet that paid parental leave was likely to cause slightly higher unemployment and wider gaps, both in the nature of employment and in the level of pay between men and women.

11 December 2001

The US economy has lost 800,000 jobs over the October/November period lifting the unemployment rate to 5.7%.

Treasury papers counselled government not to scrap work testing for domestic purposes beneficiaries. The proportion of employed sole parents increased from 28% to 45% during the ten years that work testing was in effect and Treasury told the government that removing work tests and replacing it with a case management system created a very real probability that the employment rates of solo mothers would decline.

Green MP Sue Bradford says her party supports the scrapping of work testing but may not support the bill if it continues in its present form. Bradford says a thrust of the bill is that if you are on the domestic purposes benefit your life

- The rapid growth of the rural sector in the South Island, particularly in dairying, has triggered **an urgent need for on-farm labour**. Research by Dr Rupert Tipples, commissioned by Massey and Lincoln Universities, indicates that the South Island dairy industry will need between **2,000 – 4,000 on-farm workers in the next five years**.

Dr Tipples, who is a senior lecturer in employment relations at Lincoln University, says that getting a good match between employers and workers will be an important factor in the skills shortages. Tipples: “A lot of employers simply want a pair of hands to do the job and don’t think about the needs of the employee or what they want to get out of a job...”

Dr Tipples says that research in the dairy sector shows that living and working conditions are the most important issue in determining good or bad employment relationships. This is followed by time factors such as holidays, hours of work and rosters. Wages are seen as an important issue, but not a major one. Other factors affecting the supply of rural labour **are social** — relating to the decline of rural centres and a perceived diminished quality of rural life.

- Filling the “opening guru” speaker slot at the recent Regional Development Conference in Rotorua was the Italian-born **Ernesto Sirolli**. He has spent the last twenty years promoting his “Enterprise Facilitation” philosophy which encourages local communities to harness the creative and economic forces of **new entrepreneurs**.

Now based in Saint Paul, Minnesota, Sirolli is best known for his work in the 1980s establishing the Enterprise Facilitator scheme in Esperance, a remote rural community in Western Australia. At that time his work also inspired the establishment of Enterprise Facilitators in several communities throughout New Zealand ... although most of these positions have since ceased to operate due to changing commitments of funders.

In the last decade, however, Sirolli has gone on to become an internationally popular speaker on entrepreneurship. Many communities throughout the world are now listening to his message which is critical of “top down” **programme-centered** economic development solutions. In contrast, Sirolli promotes a **person-centered** grass-roots approach, which fosters the passion and skills of entrepreneurship — one person at a time.

- Sirolli says his method is best suited for communities of about 5-50 thousand people. A community that embraces the Enterprise Facilitator approach can receive specialised training from the Sirolli Institute on how to support new entrepreneurs. A local Facilitator is selected by the community, with the sole purpose of serving as a management coach to local people who are interested in starting a new business. A key philosophy is that the Facilitator **should never initiate a business idea or motivate clients** ... but rather act as a “mid-wife” to the client’s own passions and dreams.

In practice, the Facilitator provides long-term mentoring to the entrepreneur, which extends through the many developmental stages of a new business. They link clients to a whole range of services, including how to get access to capital,

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goal must be to get paid work. Bradford: "If the government is serious about finding people work and cutting down on benefit payments then they should focus on finding jobs for the hundreds of thousands of registered unemployed who actually need and want work."

20 December 2001

Qantas Airlines plans to expand its NZ domestic services and as many as 80 NZ pilots and cabin crew are likely to be hired to staff the new services.

The government of Argentina declares a state of siege in an attempt to contain rioting and looting triggered by the government's austerity measures and rising poverty. The government, which has cut state employees pay and pensions by 13%, has imposed restrictions on cash withdrawals from banks. Waves of largely middle class protesters block the main thoroughfares across Buenos Aires. Argentina is in its fourth year of recession and appears about to default on its \$US155 billion debt. The official unemployment rate is 18.3%.

25 December 2001

Christmas Day.

28 December 2001

The number of sheep shearers in NZ is diminishing and the Shearers Contractors Association says that if the present trend continues there will not be enough shearers in NZ to complete the annual clip. The number of sheep in NZ has halved over the last ten years but retirement has also lowered the number of shearers. Few young people are taking up the shears and Ron Davis of the SCA says that in two years the amount of work will overwhelm the remaining shearers.

31 December 2001

A report that says that having too many government departments, state owned enterprises and crown entities made it difficult to coordinate services. It said that 38 core state sector agencies, twice the number Britain has, created inter-agency "turf battles" and spread resources and staff too thinly. A reorganisation of the public service into seven to ten "super networks" has been recommended in "Review of the Centre", Minister of State Services Trevor Mallard says the recommendations will not cause

and how to work in partnership with other local business-people. The Facilitator also encourages the formation of a support team to get around the entrepreneur to provide help in the areas of production, marketing and finance.

- Sirolli told the Rotorua conference that regional economic development **walks on two legs**. The first leg is concerned with the creation of infrastructure for development. Without roads, communication, transportation, energy, industrial land, credit, education, etc. it is very difficult for the community to survive and for local enterprise to take place. Infrastructure development, however, cannot replace the second leg, which involves **actively fostering entrepreneurship**.

Sirolli: "This is the bottom-up responsive leg, which captures the motivation and imaginative intelligence of local passionate individuals who wish to engage in economic activities. If infrastructure development can only be done strategically by observing the community trends and projecting its future needs ... then responding to entrepreneurs can only be done by becoming available to self-motivated individuals on an as-needed, just-in-time basis.

"The condition for success for regional development, however, resides in allocating the same kind of energy and resources to responding to entrepreneurs that is allocated to infrastructure development. It does not make sense to be all dressed up with nowhere to go. To have beautiful infrastructures without entrepreneurs using them or strategic plans without passionate individuals to implement them is equally frustrating."

- The Sirolli Institute for Enterprise Facilitation can be contacted through its website at www.sirolli.com
- "Enterprise, Entrepreneurship and their role in the New Zealand Local, Regional and National Economy" Dr Ernesto Sirolli keynote address to the Rotorua Regional Development Conference November 2001, available on the internet at www.regdev.govt.nz/sirolli.html
- Australian researchers have found that **unprecedented numbers of Australian men** in the prime of their working years **are withdrawing from the labour market**, while the workforce participation rate of women keeps rising. The unemployment rate of Australian men has surpassed that of women for the first time since the 1980s. Since 1990, 1.5 million jobs have been created in the Australian economy, yet most of them went to women — **only 200,000 jobs went to men**.

A national report on Australian poverty by the Smith Family welfare agency suggests that the blow to male employment trends has come from the demise of the manufacturing industries and the difficulties men are facing in adapting to "new economy" jobs in the services sector.

- The Smith Family report says that despite strong economic growth and falling unemployment over the past 10 years, the number of **Australians living in poverty** (existing on less than half the average weekly earnings) **has increased to 13% of the population** last year compared with 11% in 1990.

While sole parents (who tend to be women) have the highest poverty rates of all family groups surveyed, it has been surprising for the researchers to find that **single men are becoming the "new poor" in Australia**. The figures: In 2000, there were 409,000 single men under 65 living in poverty compared with 259,000 single women.

Caroline Milburn of the Melbourne Age reports that most of the jobs created in Australia since 1990 have been part-time in the thriving areas of retail, hospitality and tourism. She says that women have taken more of the new jobs, partly because it is culturally more acceptable for them to work part-time. The changed labour market conditions have become a distinct disadvantage for men, many of whom remain wedded to the social expectation that they should be breadwinners in full-time jobs.

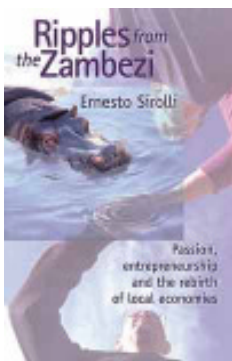
REVIEW

RIPPLES FROM SIROLI

Italian born Ernesto Sirolli has worked for over twenty years in the US, Europe, Africa, Australia, and New Zealand in the field of local economic development. In 1984, he pioneered a novel approach to local development, based on “facilitating” the transformation of local good ideas into viable businesses.

He argues that society should give up its pushy and paranoid pursuit of trying to motivate people to work, especially young people. Instead, we should let them discover what really grabs them, and then be available with the best possible knowledge and support.

Ripples from the Zambezi tells Sirolli’s story of how he developed his methods, and salutes his many influences — ranging from the economist E.F. Schumacher to the person-centered therapist Carl Rogers. The book has quickly become a popular guide for local economic development leaders seeking to understand how to unleash the power of entrepreneurship in their communities.



Ripples from the Zambezi — Passion, Entrepreneurship, and the Rebirth of Local Economies

by Ernesto Sirolli
(published by 1999 by New Society)

ISBN 0-865713-97-9

available from amazon.com

- Enterprise Facilitation was founded on passion and on the assumption that self-motivation, energy and, intelligence exist, right now, everywhere. They are like air, light, and oxygen. They are what allows the human species to survive and what ultimately will lead to the survival of our planet. To go from the smokestacks to the green stacks, to be able to feed, clothe, and transport five billion people in a sustainable way, we need another industrial revolution. We need millions of entrepreneurs producing and inventing the sustainable technologies, including the social technologies to do so.
- Facilitators are passive. To new Enterprise Facilitators, the idea that being passive is the beginning of communication often comes as a shock. Our action-crazy culture has little understanding of the wisdom of being passive. What did Lao-tzu mean when he wrote: “I take no action and the people are transformed of themselves?” It sounds like a riddle, yet how

many times do people ask for help, confide their problems and find the solution by simply talking about it? You have done nothing except to be there, attentive and caring. Facilitators do this all the time, but the ability to apply “active listening” doesn’t come naturally to most of them. They have to learn to “shut up,” and to give the clients the opportunity to talk about what is on their minds.

- To be passive is the foundation of our work because by being passive, we are able to reverse the relationship of power and control between the clients and us. If you arrive in a community and you start doing things, the community will immediately identify you as an expert, as somebody who is there to “develop” them; they will become spectators, watching you doing things to them, for them. You will probably be seen very rarely in public during working hours, your telephone will be busy, your office hidden away somewhere out of sight.

If you do that, you will never make it as a facilitator, because people will not come and confide in you. Firstly, you are too busy for them to come and waste your time, and secondly, because you are an expert — how can they possibly interest you in their petty ideas? Thirdly, you are difficult to meet, and finally, you are intimidating. Experts represent authority, and authority intimidates people.

- The facilitator’s commitment to the project is proportionate to the client’s own commitment. If a client drops the project, so does the facilitator. No questions asked, no guilt implied.

Facilitators do not ring clients, they ring them back. If clients disappear, leave them alone. The best thing to do is to wait for them to reappear, and if they never do, keep a friendly and positive attitude. Remember that it is their lives we deal with. Hands off then, both physically and psychologically.

- Facilitators don’t coerce, convince, manipulate, or motivate clients. We don’t try to make things happen no matter the cost. We don’t hold the economic development of the town in higher esteem than our individual client. Nothing, not headlines, possible jobs, or money to be made will make us jettison our clients’ trust. Motivational theory doesn’t work — anyone who has tried to motivate their own children will agree with this.

And thank God for it. Because if it did work, we would be in the unenviable position of presiding over the disrupted lives of those we have motivated. To me, there is not a more pathetic sight than a person who has been manipulated into a career or enterprise that has nothing to do with his/her inclinations and natural talents.

- Bad management kills companies, not lack of finance. No matter how much money you infuse into a badly managed business, the chances of it succeeding are slim, whereas if you infuse good management into a financially troubled company, you can expect it to turn around. People, not money, run businesses.

- The role the facilitator plays is, to first of all, put a mirror in front of the client and to say “Look, you are alone, how can you perform these three functions?” Facilitators help to find the missing team members. Here our wit, cunning, experience, talent, or whatever you want to call it comes into play. How do you co-opt people into nonexistent businesses that are often underresourced and undercapitalized?

You have to package your client’s dream and sell it. You have to become an advocate for lavender farms, smoked fish, and so on. You have to extol the virtues of such enterprises and to convince one or two other people to become involved in the project in question. In a sense you momentarily fulfil the marketing role of the “would-be” company with the added psychological advantage that you are more credible since you have no financial involvement in it.

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aggressive change and that any job losses would be done gradually over five years.

1 January 2002

New Year's Day

The euro becomes the new currency for 304 million Europeans. It now replaces the currencies of 12 of the 15 European Union member countries. This is the biggest currency change in history and is the first time since the Roman Empire that Europe will have a single currency.

2 January 2002

The Ministry of Health reveals the extent of shortages of health professionals in NZ: 109 psychiatrists, 84 emergency medicine specialists, 40 anaesthetists, 36 radiation oncologists and therapists and 28 rehabilitation specialists. The report also says there are perceived shortages of pharmacists, pathologists and surgeons but does not put numbers to these. Staffing shortages lead to treatment delays, overworked staff and is placing services in some areas at risk.

4 January 2002

Wendy Heaysman 1945-2002 co-founder of the Taranaki Work Trust, Manager of the Willow Grove Training Centre. Friend and Colleague.

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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

- Former American Presidential candidate Ross Perot used to say in the early 1990s that a **“giant sucking sound”** could be heard as thousands of American jobs were transferred to Mexico after the signing of the NAFTA free trade agreement. American journalist **William Greider** now says that the sucking sound is back ... only this time it is not Mexico taking away American jobs. It is **China** sucking away Mexico's jobs. And jobs from Taiwan, South Korea, Singapore, Thailand, Central and South America, and even from Japan. Writing in *The Nation*, Greider says that low-wage developing countries are entering a cut-throat competitive market for skilled manufacturing workers. And he argues that in the “race to the bottom”, **China is defining the new bottom.**

Greider: “This turn of events is difficult to see against the gathering threat of global recession, but in the long run it will be more meaningful. [...] The downdraft on wages and competing economies induced by China's ascendancy may produce a terrible reckoning. For many poor nations that thought they had gained a foothold on the ladder, the reversal will be quite ugly.”

- The Mexican manufacturing base is now shrinking, firstly due to the US recession, but also because **factories are now leaving.** The same American companies that were cheerleaders for NAFTA back in the 1990s are now shutting down and moving to greener, and cheaper, pastures. The figures: the manufacturing wage level in Mexico is now around \$1.50 an hour. In China — with its 1.2 billion relatively well-educated people — it is 20-25 cents an hour.

After NAFTA, Mexico's manufacturing base expanded robustly year after year with most new factories locating to the “maquiladora” export zones which produce about a third of the nation's hard-currency income from abroad. But during the past year, employment in the maquiladora industries has fallen by 12%, or more than 170,000 jobs.

- William Greider contends that while the global economic system continues to advance through a roving exploitation of cheap labour, then developing countries will continue to be prevented from pursuing more balanced strategies for employment creation. His recommendation: establish a **wage-floor trade agreement** that “brings the bottom up, instead of pulling the top down.”

He says that the international community needs to impose a **“living wage” standard** on the production of traded goods, enforced by penalty tariffs on countries and companies that decline to participate. Producers would have a choice: Pay decent wages to their workers or pay penalty tariffs on their exports. The money from the tariffs could be recycled into development aid.

Greider says that such a strategy would borrow a lot from the European Union's economic integration of rich and poor nations ranging from wealthy Germany to low-wage Portugal and Spain. Greider: “The European Union delivers substantial aid conditional on democratic standards and labour rights, implicitly encouraging rising wages in the poorer countries. The poorer countries in turn enjoy the considerable trade advantages extended exclusively to EU members.”

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

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