

# The Jobs Letter

No. 224

17 February 2005

*Essential Information on an Essential Issue*

## KEY

NZ UNEMPLOYMENT:  
LOWEST IN THE WORLD

SOCIAL POLICY LOST ITS  
WAY

CAUTION ON MORE  
WORKING MOTHERS

REAL CHILD POVERTY IN NZ

## DIARY

31 January 2005

In Britain, first-time buyers cannot afford a home in 9 out of 10 British towns, according to a Halifax Bank report.

After a huge increase in new jobs, there is now a record number of people in Britain (28.5 million) in paid work. The unemployment rate in Britain is 4.5%.

1 February 2005

NZ moves up a notch on the OECD per capita income scale, overtaking Spain to become 20<sup>th</sup> out of the 30 member nations on this index.

- New Zealand has posted what is currently the **world's lowest rate of unemployment**. The 3.6% rate is the best in the OECD, and the lowest ever recorded since the Household Labour Force Survey (HLFS) began in 1986. The NZ Institute of Economic Research, that has data going back 50 years, says the rate is the lowest since September 1985.

Prime Minister Helen Clark says the country is on a roll and that everyone should take credit. Clark: "New Zealanders always take pride in being the best in the world and first in the world. These figures are truly spectacular."

Two-thirds of the 30,000 new jobs were **part-time** and women took up most of these. The expansion of part-time work appears to be because full-time workers have become more and more difficult to find. ANZ chief economist John McDermott says employers are now looking at alternatives like job sharing to fill their vacancies. McDermott: "There are a lot of experienced and qualified women out there who can't work full-time because of other commitments."

We include our regular *Statistics That Matter* summary in this issue of *The Jobs Letter*. Some highlights:

- the low unemployment rate was fuelled by strong job growth — up 1.6% in the quarter — the strongest job growth quarter ever recorded by the HLFS;
  - there were some 87,000 jobs created over the last year;
  - the percentage of women participating in the work force reached a record high of 60.8%;
  - the number of people unemployed fell by 3,000 over the quarter and by 18,000 over the year;
  - long-term unemployment has fallen by a third;
  - Pakeha and Pacific People's unemployment dropped, but Maori unemployment rose.
- Despite the good news on the jobs figures, Professor Ian Shirley, the director of the Auckland University of Technology (AUT) Institute of Public Policy, is calling for a **major overhaul** of New Zealand's social policy priorities to address the enduring problems this country has with poverty, overcrowding and welfare dependency.

Shirley, a leading social scientist who is also Pro Vice Chancellor of research at AUT, argues that New Zealand has **lost its way** on social policy. He points the finger at both Labour and National administrations ... and their "superficial trading of slogans" ... that has contributed to the decline in social policy over the past three decades.

Shirley says that while there have been major changes in the direction and impact of economic policy since the late 1970s, both major parties have treated social policy as an after-thought — an adjunct to economic development. Shirley: "This means discussions

# The Jobs Letter

## DIARY

2 February 2005

Prime Minister Helen Clark says part of the government's strategy to attract and retain more women in the workforce is to increase the length of paid maternity leave. Clark hasn't said what she has in mind, but Treasury has estimated one year's paid maternity leave would cost the government \$270 million per year.

The NZ Institute publishes its third report on wealth accumulation. "Home is where the money is: the economic importance of saving", 2 February 2005 can be downloaded (56 pg, 990Kb) from [www.nzinstitute.org/](http://www.nzinstitute.org/)

For the fourth consecutive year, General Motors is to cut another 7% of its workforce, or 8,000 jobs worldwide.

4 February 2005

In the 12 months to September 2004, 14,400 people from Australia (including returning NZers) have immigrated to NZ. This is the largest number since 1978.

on welfare reform focus on symptoms. Policy makers concentrate on sealing over the cracks without addressing the underlying problems."

- Shirley's research shows that New Zealand has entrenched welfare dependency and an expanding social deficit that cannot be sustained. His concerns:
  - social expenditure today exceeds \$37 billion a year, about 80% of all government expenditure. Yet, despite this expenditure, an estimated 30% of New Zealand children are living in poverty;
  - more than 40,000 children live in overcrowded houses, with about 24% of households paying more than 30% of their income on housing costs;
  - the National Children's Nutrition survey in 2002 identified 22% of households in which food ran out because of lack of money;
  - indicators point to increasing obesity, child abuse and neglect, educational underachievement, and declining family and household income;
  - New Zealand today is a low wage economy more in tune with countries such as the Czech Republic and Slovenia than with Finland, Italy or Australia.
- Shirley says the 1972 Royal Commission on Social Security was the last major review to be conducted on social policy in New Zealand and since then, the economic and social environment has changed radically. He believes that the more recent 1987 Royal Commission on Social Policy failed to provide a coherent framework for addressing social issues in a radically different environment. As a consequence the five-volume report "... was dismissed by policy makers as a doorstep."

Professor Shirley says if policy makers are serious about **reforming** the state of **welfare** then they need to adopt a more holistic approach. Shirley: "That means integrating economic and social development. In contrast to the artificial separation of economic and social policy as advocated by Treasury ministers in the 1980s and 90s, these facets of development need to be combined."

- In an letter to the editor of *North & South* magazine last month, Barnardos' Mike Coleman points out what is happening to tens of thousands of **children in low-income** households. He remarks that it is "a curious thing that we have closed our eyes to one in three New Zealand children living in relative poverty for more than a generation"
- Coleman quotes the New Zealand Living Standards report, which measured the living standards of working aged families in 2000. The Ministry of Social Development research team, which published this report, established the Economic Living Standard Index (ELSI) based on what people are consuming, their various forms of recreation and social participation, their household facilities and so on.

The report showed that approximately 19,000 children are living in a "very restricted" living standard. In this category they only have 10% of comforts and luxuries; have 47% of the financial problems; have 35% of the accommodation problems; and lack 22% of the child basics. The "child basics" category includes postponing visits to the doctor and dentist because of cost, using poorly fitting clothes and shoes, not having suitable wet weather clothing, not having a pair of shoes in good condition, a bicycle, books, missing out on cultural lessons,

**STATISTICS THAT MATTER****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 2004.

<b>NORTHLAND</b> .....	4.0%	.....	or one in 25 people
<b>AUCKLAND</b> .....	3.3%	.....	or one in 30 people
<b>WAIKATO</b> .....	3.1%	.....	or one in 32 people
<b>BAY OF PLENTY</b> .....	4.2%	.....	or one in 24 people
<b>GISBORNE-HAWKES BAY</b> .....	4.6%	.....	or one in 22 people
<b>TARANAKI</b> .....	4.2%	.....	or one in 24 people
<b>WANGANUI-MANAWATU</b> .....	4.1%	.....	or one in 24 people
<b>WELLINGTON</b> .....	3.9%	.....	or one in 26 people
<b>NELSON-MARLBOROUGH</b>			
<b>TASMAN-WEST COAST</b> .....	2.3%	.....	or one in 43 people
<b>CANTERBURY</b> .....	3.1%	.....	or one in 32 people
<b>OTAGO</b> .....	3.3%	.....	or one in 30 people
<b>SOUTHLAND</b> .....	3.6%	.....	or one in 28 people

**EMPLOYED**

<b>NUMBER OF PEOPLE IN JOBS IN NZ</b>	2,056,000
<i>Dec 2004</i>	<i>Seasonally Adjusted</i>
<b>RISE IN NUMBER OF PEOPLE IN JOBS IN LAST 3 MTHS</b>	33,000
<i>Sept 2004—Dec 2004</i>	
<b>RISE IN NUMBER OF PEOPLE IN JOBS IN LAST YEAR</b>	108,700
<i>Dec 2003—Dec 2004</i>	
<b>SECTORS WITH A RISE IN EMPLOYMENT IN THE LAST YEAR</b>	
MANUFACTURING, CONSTRUCTION, WHOLESALE & RETAIL TRADE, EDUCATION, HEALTH & COMMUNITY SERVICES, TRANSPORT, STORAGE & COMMUNICATION.	
<b>SECTORS WITH A DROP IN EMPLOYMENT IN THE LAST YEAR</b>	
AGRICULTURE, FORESTRY AND FISHING, BUSINESS & FINANCIAL.	

**FULL-TIME and PART-TIME**

of the "Employed" statistics

	<b>FULL -TIME</b>	<b>PART-TIME</b>
<b>MEN</b>	997,300 (89%)	122,100 (11%)
<b>WOMEN</b>	610,900 (64%)	343,500 (36%)
<b>TOTAL</b>	1,608,200	465,600
<b>OVERALL %</b>	78%	22%

**GAIN OF FULL-TIME EMPLOYED IN THE PAST YEAR: 44,000**  
**GAIN OF PART-TIME EMPLOYED IN THE PAST YEAR: 15,300**

**REGIONS**

**REGIONS WITH A DROP IN UNEMPLOYMENT IN THE LAST 3 MONTHS**  
*Sept 2004—Dec 2004*

NORTHLAND  
 AUCKLAND  
 GISBORNE-HAWKES BAY  
 CANTERBURY  
 SOUTHLAND

**REGIONS WITH A RISE IN UNEMPLOYMENT**

WAIKATO  
 BAY OF PLENTY  
 WANGANUI / MANAWATU  
 NELSON / MARLBOROUGH /  
 TASMAN / WEST COAST  
 OTAGO

A SPECIAL SUPPLEMENT TO

**THE JOBS LETTER**

17 FEBRUARY 2005

**ONE IN  
 TWENTY-  
 SIX  
 PEOPLE  
 OFFICIALLY  
 UNEMPLOYED  
 IN NZ**

**OFFICIAL NUMBER OF  
 UNEMPLOYED IN NZ**

*Dec 2004*

**76,000**

*Seasonally Adjusted*

**OFFICIAL RATE OF  
 UNEMPLOYED**

*Dec 2004*

**3.6%**

**OR ONE IN 26 PEOPLE**  
*Seasonally Adjusted*

**DROP IN NUMBER OF  
 UNEMPLOYED  
 IN LAST THREE MONTHS**

*Sept 2004—Dec 2004*

**3,000**

**DROP IN LAST YEAR**  
*Dec 2003—Dec 2004*

**18,000**

*Seasonally Adjusted*

**PEOPLE REGISTERED AS  
 JOBBEERS WITH  
 MINISTRY OF SOCIAL  
 DEVELOPMENT**

*(Formerly WINZ)*

*Dec 2004*

**96,889**

**UNDEREMPLOYED**

*Dec 2004*

**92,600**

*(workers who are employed part  
 time but would prefer to work  
 more hours)*

**GLOBAL**

SPAIN	10.5%
FRANCE	9.5%
GERMANY	9.9%
ITALY	8.5%
CANADA	7.3%
OECD Average	6.8%
UNITED STATES	5.4%
AUSTRALIA	5.2%
JAPAN	4.5%
BRITAIN	4.5%
NEWZEALAND	3.6%

# ONE IN FIFTEEN PEOPLE OFFICIALLY JOBLESS IN NZ

OFFICIAL NUMBER OF JOBLESS IN NZ  
Dec 2004  
149,500

OFFICIAL RATE OF JOBLESS  
Dec 2004  
6.7%  
OR ONE IN 15 PEOPLE

RISE IN NUMBER OF JOBLESS IN LAST THREE MONTHS  
Sept 2004—Dec 2004  
3,000

DROP IN NUMBER OF JOBLESS IN LAST YEAR  
Dec 2003—Dec 2004  
19,200

## 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.

A SPECIAL SUPPLEMENT TO  
**THE JOBS LETTER**  
17 FEBRUARY 2005

# 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).

<b>NORTHLAND</b> .....	10.2%	or one in 10 people
<b>AUCKLAND</b> .....	6.6%	or one in 15 people
<b>WAIKATO</b> .....	5.3%	or one in 19 people
<b>BAY OF PLENTY</b> .....	6.7%	or one in 15 people
<b>GISBORNE-HAWKES BAY</b> .....	9.6%	or one in 10 people
<b>TARANAKI</b> .....	8.3%	or one in 12 people
<b>WANGANUI-MANAWATU</b> .....	6.4%	or one in 16 people
<b>WELLINGTON</b> .....	6.4%	or one in 16 people
<b>NELSON-MARLBOROUGH</b>		
<b>TASMAN-WEST COAST</b> .....	4.4%	or one in 23 people
<b>CANTERBURY</b> .....	6.3%	or one in 16 people
<b>OTAGO</b> .....	8.2%	or one in 12 people
<b>SOUTHLAND</b> .....	6.5%	or one in 15 people

## AGE and LONG-TERM

<b>YOUTH UNEMPLOYMENT RATE - AGED 15-19 YEARS</b>	11.6%
<i>Dec 2004</i> one-in-9 young people	
<b>MATURE UNEMPLOYMENT RATE - AGED 50-65 YEARS</b>	1.9%
<i>Dec 2004</i> one-in-53 mature people	
<b>LONG-TERM UNEMPLOYED (OVER 6 MONTHS)</b>	8,000
<i>Dec 2004</i> 11% or one-in-10 of the unemployed	
<b>LONGER-TERM UNEMPLOYED (OVER 2 YEARS)</b>	1,600
<i>Dec 2004</i> 2% or one-in-48 of the unemployed	
<b>VERY LONG-TERM UNEMPLOYED (OVER 5 YEARS)</b>	1,400
<i>Dec 2004</i> 2% or one-in-54 of the unemployed	

## THE SCHEMES

Figures from Ministry of Social Development, Youth Affairs and Tertiary Education Commission (formerly Skill NZ)

<b>TASKFORCE GREEN</b> .....	483
<b>JOB PLUS</b> .....	2,294
<b>JOB PLUS MAORI</b> .....	29
<b>JOB CONNECTION</b> .....	72
<b>ENTERPRISE ALLOWANCE</b> .....	53
<b>ENTERPRISE ALLOWANCE WITH CAPITALISATION</b> .....	256
<b>TRAINING OPPORTUNITY SCHEME (TOPS)</b> .....	7,450
<b>YOUTH TRAINING (T.E.C.)</b> .....	5,147
<b>LIMITED SERVICE VOLUNTEERS (ARMY)</b> .....	81
<b>CONSERVATION CORPS</b> ( <i>Sept</i> ) .....	801
<b>YOUTH SERVICE CORPS</b> ( <i>Sept</i> ) .....	121
<b>ACTIVITY IN THE COMMUNITY</b> (still counted as unemployed) .....	217

## PARTICIPATION

**LABOUR FORCE PARTICIPATION RATE**  
*Dec 2004*  
*Seasonally Adjusted*  
67.7%  
up from 66.5% last year

## RACE

**MAORI RATE OF UNEMPLOYMENT**  
*Dec 2004*  
8.9%  
OR ONE IN 11 PEOPLE

**PACIFIC ISLAND RATE OF UNEMPLOYMENT**  
*Dec 2004*  
6.5%  
OR ONE IN 15 PEOPLE

**NZ EUROPEAN RATE OF UNEMPLOYMENT**  
*Dec 2004*  
2.6%  
OR ONE IN 43 PEOPLE

# The Jobs Letter

## DIARY

5 February 2005

Westpac bank is to become the first financial institution in NZ to provide childcare centres for its employees' children.

Australian tertiary education students can live and study in NZ paying the same fees with the same entitlements to allowances and loans as NZers. A career advisor for a private Sydney college says it is cheaper and easier to get into a NZ university than it is to get into an Australian one.

6 February 2005

The US has cut farm subsidies in a move that may see the World Trade Organisation achieve the aims of its Doha Round of negotiations.

US telecommunications giant SBC Communications says it will cut 12,800 jobs as a result of purchasing AT&T.

limited space for study and play, not having friends over for a meal, to stay the night or for a birthday party; all because of cost.

About 6% of all New Zealand children were surviving at this "very restricted" living standard. If you add in the next two levels ("restricted" and "somewhat restricted") then a total of 29% of all children under the age of 18 in the year 2000 were living in some degree of deprivation or poverty. This amounts to 318,000 children and young people.

Mike Coleman comments: "Since that detailed survey in 2000, there has been nothing to suggest any significant improvement. That sort of data puts us among the worst of the OECD countries. There is a nasty cluster of developed English-speaking nations (NZ, Australia, UK, USA) who have followed Rogernomics, Thatcherism, and Reaganomics and in the process severely damaged children."

- *Every Child Counts / He Mana To Ia Tamaiti* is a new broad-based community campaign that aims to see fewer New Zealand children grow up in poverty or experiencing violence. Its objective is to see children placed at the centre of policy development and implementation by making children's issues a major focus of this year's national election.

The campaign strategy urges the development of a specific **policy for children** under the oversight of a designated Cabinet minister. In order to achieve this, the campaign is pulling together a broad inter-sectoral coalition of organisations and individuals which it hopes will influence the policies of the next government.

*Every Child Counts* is being co-ordinated by Barnardos, along with Unicef, Save the Children, the AUT Institute of Public Policy, Caritas, Plunket, the Maori Women's Welfare League, and many other community organisations and personal supporters. It will be launched in April. For more information or to receive newsletters on the campaign contact [everychildcounts@barnardos.org.nz](mailto:everychildcounts@barnardos.org.nz).

- Prime Minister Helen Clark's call for policies to encourage more mothers back into paid work has the potential to lead to an **explosion of overwork**, according to Dr Paul Callister, an expert on New Zealand working hours. Callister says while New Zealanders may not have the highest employment rates in the developed world, those who are in work top of the charts for long working hours with New Zealand men working some of the longest hours in the OECD. Callister: "Add more working women to the mix, and the existing Kiwi pattern of very long household hours of work starts looking positively toxic, leaving no time for good family relationships."

In Sweden, 75% of mothers with children under six are in paid work while in New Zealand the figure is 47%. Helen Clark would like to see the New Zealand rate of working mothers raised, but she acknowledges that matching the high in-work rates of women in Nordic countries would also mean matching their well-resourced childcare industries.

But Callister points out there are other social factors, along side well-developed childcare systems, encouraging Swedish mothers to work. One is that Swedish fathers work around 35 hours per week. This is about the same as Swedish mothers, and they equally share the

# The Jobs Letter

## DIARY

7 February 2005

Immigration is not a cure-all for Queenstown's acute labour shortage, according to local MP David Parker. Parker says a living wage and affordable housing for NZ workers must be key priorities for employers, local and central government.

The Warehouse, NZ's biggest retail company, is to slash supplier numbers by 50% and demand a 10% discount on current prices from those it stays with. The company has more than 3,000 suppliers.

German unemployment soars to its highest rate since 1933. More than five million Germans are without jobs.

8 February 2005

Australian treasurer Peter Costello warns unions not to demand pay rises that don't include productivity gains for fear of creating inflation.

The US state of Iowa is considering ways to arrest its "brain drain" and keep its young people from moving away from the state. The Iowa state government is toying with the idea of getting rid of state income tax for everyone under age 30. California has been the destination of most of departing Iowans since the 1960s.

domestic chores. In contrast, Most New Zealand fathers work at least 40 hours or more each week and one-quarter of New Zealand fathers of young children work more than 50 hours per week. So while a Swedish couple with children working fulltime might do 70 hours of paid work between them, many New Zealand working couples might be at work 10 to 20 hours more each week.

Callister says it is not enough to focus just on women going into the workforce. He says New Zealand needs to have a **debate about** which path it intends takes with **working families**. He fears that instead of heading in the direction of the Swedish model — of gender equality and valuing family leisure — we may be heading for the American model of crushing overwork where 65% of couples with school-age children work more than 80 hours per week.

- Working mothers spend as much time playing with and reading to their children as mothers who are not in paid jobs, according to a University of New South Wales study. Research scholar Lyn Craig says they achieve this by doing less housework, sacrificing their leisure, spending less time on their appearance and putting the children to bed later.

The study of 4,000 Australian households shows both employed and non-employed mothers of preschool-age children spend about 65 minutes per day in quality time with their children. But working mothers are more likely to do some of this before 8 am and after 8:30 pm. Craig: "Working mothers have **no child-free leisure** time at all while the other mothers had 24 minutes a day. And they spend an hour less a day doing things for themselves — eating, drinking, dressing, showering and grooming."

— *Social Policy Research Centre Discussion Paper No. 136* by Lyn Craig, January 2005, published by the Social Policy Research Centre University of New South Wales, ISSN: 1447-8978, can be downloaded from (21 pg, 504Kb) from [www.sprc.unsw.edu.au/dp/DP136.pdf](http://www.sprc.unsw.edu.au/dp/DP136.pdf)

- Minister of Social Development and Employment Steve Maharey intends to **downsize** the three-year, \$104.5 million **Jobs Jolt** strategy, although he is yet to give details on the changes. Maharey says the environment in which the Jobs Jolt strategy was implemented in 2003 — 5% unemployment and forecast to rise — had changed.

The first year annual report revealed just 1,768 beneficiaries who had taken part in a Jobs Jolt initiative had gone off the benefit. This was just a fraction of the 22,000 beneficiaries the strategy is targeting. And Jobs Jolt had not made the financial savings it was expected to. However, Maharey says it's still early and many of the Jobs Jolt results are encouraging. A recent evaluation found that 12 of the 13 programmes are on track and achieving their goal of getting more people into work. The two best performing initiatives are the Partnerships with Industry and the Mobile Employment Service, both producing close to double their budgeted outcomes.

- The one under performing programme is **Cyber Communities** — a \$445,000 scheme meant to provide information and communication technology training and work experience for jobseekers in Tokoroa, Otara and Southland. It has put just four beneficiaries into work.

# The Jobs Letter

## DIARY

10 February 2005

Some orchardists in South Canterbury will face financial losses unless they can find fruit pickers immediately, according to *The Timaru Herald*. Adding to the problem are the university students who have finished their summer work in the orchards and are going back to classes.

The government will spend \$5 million to advertise the Working for Families package between now and June. This is one-third of the total budget of \$15 million to be spent over the next three years to alert people to any entitlements they may qualify for. Those who don't claim their entitlements will not get the extra money.

The Australian unemployment rate for January remained steady at its 28-year low of 5.1%.

11 February 2005

NZ unemployment drops to 3.6%, the lowest rate in the OECD.

Wellington's Downtown Mission says even with a lower unemployment rate, not everyone can hold down a full-time job. Director Stephanie McIntyre says there are people with barriers to work that make them unable to manage a 30 or 40 hr week. McIntyre: "What we need are a lot of small companies with well-supported, part-time jobs."

14 February 2005

The government has approved plans for a new single benefit, but details won't be released until next week.

Maharey says the evaluation of Cyber Communities so far was "not encouraging" and it may be scrapped.

Cyber Communities was administered by the Community Employment Group (CEG), the community economic development agency of the Department of Labour that ran into strife last year (see *The Jobs Letter* No 214) and was disbanded. A scaled down version of CEG, the Work Opportunities Group, will take up responsibility for surviving CEG projects from April 1 from within the Social Development Ministry.

- The government looks to have taken a policy initiative step ahead of Australia to encourage young people from the UK to come to tour and work in New Zealand. Both Australia and New Zealand have reciprocal **working holiday** deals with a number of nations around the world, but in a surprise move, from July 1, New Zealand will give British backpackers the chance to stay on for up to two years, a year longer than they are allowed to stay in Australia. The Queensland Tourism Industry Council is concerned the move will make New Zealand a more attractive destination for the lucrative working backpacker market.
- New Zealand is also **relaxing the restrictions** on young Germans coming here for working holidays. There will no longer be a limit on the number of Germans aged 18 to 30 who can visit here at any one time. And they will be allowed to stay for up to one year and may work for their entire stay as long as they don't work for the same employer for longer than three months.

Minister of Foreign Affairs Phil Goff says the move makes sense in this time of low unemployment and labour shortages. Goff: "Working holidaymakers are a valuable source of temporary labour for New Zealand, especially in the horticultural and agricultural sectors where peak demand for seasonal workers in summer coincides with the most popular time for working holidaymakers to visit. A study in 2003/04 found working holidaymakers clearly have a positive effect when they come to New Zealand by spending both the money they brought with them and the money they earned while here. The study found working holidaymakers filled the equivalent of 7,000 fulltime jobs, and spent \$309 million during 2003/04, with that expenditure creating an estimated 11,000 jobs."

- Young New Zealanders going to the **UK for travel** and work are, once again, only allowed to stay for one year. Less than two years ago, the British government made two-year working holiday visas available with the option of switching to permanent employment after a year in order to encourage skilled young people to come and help grow the UK economy. But it is reversing the rules to stop young people "abusing" the working holiday privileges by arriving in Britain and taking-up full-time permanent employment and **depriving Britons** of jobs. The only aspect of the previous changes that has survived is the extension of the age limit from 26 years to 30.
- The French government looks set to proceed with reforms to lengthen its legislated **35-hour work week** in spite of protests by hundreds of thousands of workers. The reforms will allow private sector staff to increase overtime and work up to 48 hours a week, the maximum

# The Jobs Letter

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allowed under European Union law. Budget Minister Jean-François Cope believes the change to allow people to work a longer week will increase their purchasing power and fuel domestic consumption. He hopes this will generate economic growth and, in turn, help cut the unemployment rate, now close to 10%.

Four of France's five major unions called for protests against the reforms, saying they would sound the death knell of the 35-hour week and result in having to work longer hours without extra pay. In January, more than 300,000 workers took to the streets throughout France defend their 35-hour work rule.

*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)*

## VOICES

### on the Prime Minister's call for more women to join the paid workforce

*"Obviously, it helps increase the family income and that's pretty important for every family. Our own Treasury tells us that the lower rate of women's participation we've got than the top OECD economies is certainly holding back our improvement in living standards."*

— Helen Clark, Prime Minister on National Radio

*"Are we now saying a family can only get by if they've got two earners? In which case I think that's a retrograde step. I think it should a viable option for the mother or the father to stay home and be able to look after the children, particularly with preschoolers. I wouldn't like society to shift to a position where you got social censure if you weren't doing your duty and getting back into the workforce, children or not."*

— Sandra Coney, feminist spokesperson

*"If the Government wants to get women into paid work, then women's work has to be properly paid. At the moment, aged-care is a classic example of an industry with a predominantly female workforce that has been consistently undervalued and underpaid. It is a serious pay equity issue."*

— Sue Kedgley, Green Party

*"So it's official now — mothers staying at home to raise their children is not a good look. To discourage this behaviour Labour*

*is to introduce support for those prepare to leave their little Johnny in the hand of some pubescent 17-year-old child-care worker along with 20 others, Apparently child-raising is both unskilled work and conducive to economics of scale.*

*To a large extent Helen Clark's view on the value of motherhood simply reinforces an influence that the monetised economy has been exerting for a few decades now — that work done in those areas of the economy not recompensed by monetary reward is of little value to society."*

— Gareth Morgan, economics columnist, The Dominion Post

*"It's good to see the government is working on the cost and availability of childcare because with this commitment many families will not be able to afford to have both parents at work."*

— Richard Wagstaff, Public Service Association

*"When Prime Minister Helen Clark delivered her state of the nation speech to Parliament last week, highlighting a push for more women in the workforce, she probably hoped that foreshadowing more extensive childcare and paid parental leave would be seen as a welcoming door and a helping hand for modern mums. Instead, Miss Clark's heavy emphasis on the economic advantages for the nation has triggered a backlash from many women, including some Labour would count among its closest friends, who saw in it an attempt to impose the Government's will in an area where individual choices should prevail."*

— Vernon Small, The Dominion Post

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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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