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TRAINING THE ‘DISADVANTAGED’ UNEMPLOYED

Policy frameworks and community responses to unemployment

A thesis submitted in fulfilment of the requirements for the degree of
Doctor of Philosophy (PhD) in Geography
University of Waikato
Hamilton, New Zealand

By

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University of Waikato
2006

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ABSTRACT

This research examines active labour market policy, and in particular, training schemes targeted towards unemployed individuals who are the most disadvantaged in the labour market in Aotearoa/New Zealand. The purpose of this research is to first, highlight the main tensions between the current policy frameworks for the design and the practice of such training. The second purpose is to offer explanations for these tensions by highlighting the competitive free-market and rational individualistic assumptions that underpin the current frameworks and, in particular, how these constrain the 'choices' and possibilities for the most disadvantaged unemployed. The study identifies and examines State Active Neoliberalism, as a specific place-time articulation of neoliberalism, adopted by two successive Labour-led governments in New Zealand from 1999-2005. Thirdly, a community development theoretical framework is proposed to underpin recommendations that could support more enabling and empowering policies for the most disadvantaged unemployed and the organisations that seek to assist them.

The thesis draws on case studies of major State-funded training schemes for long-term unemployed individuals to illustrate the 'on-the-ground' consequences of the discursive shifts in policy rhetoric. This research combines an in-depth, qualitative field research approach with a critical analysis of policy frameworks and political representations of unemployment, training and labour market issues in documents, publications and communications.

The findings of this research are that a competitive quasi-market for training provision and the increased reliance on narrow outcome measurements, position commercial imperatives ahead of assisting the most disadvantaged unemployed. In order to remain viable, training organisations are increasingly faced with the need to sacrifice social motivations for commercial survival. This situation erodes the scope, at the local level, for services that are relevant to the various needs and circumstances of disadvantaged unemployed people. While the overarching policy discourses maintain that training schemes serve the needs of the most disadvantaged unemployed, policy mechanisms and competitive labour market contexts undermine such objectives. Not only are the most disadvantaged unemployed people frequently unable to access services claiming to be for their benefit, they are by definition less likely to succeed in the context of competitive labour markets and individualised society.

DEDICATION

For

My Grandmothers

Ietje-Maria and Ellen

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if they'd had the chance.

ACKNOWLEDGEMENTS

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GLOSSARY OF MĀORI WORDS

In general, the Tainui spellings for the Māori words are used because these are most widely used in the Waikato area where the research was conducted.

Aroha	This word encompasses love, compassion, benevolence, sympathy, charity and endearment.
Hui	A meeting or gathering to discuss an important topic, issue or tribal matters. Traditionally hui took place on a marae. Today hui are held in many situations to discuss issues with relevance for Māori.
Kaitiaki	A guardian or steward, usually of an area of land or the environment, but also of social or cultural things that need to be protected. Now also used to mean trustee.
Kaitiakitangata	Refers to a person who acts as the guardian or a steward for a particular place, organisation and/or principle.
Kaumātua	A respected male elder.
Kaupapa	A guiding principle, strategy or policy. A bicultural kaupapa is the intention to acknowledge and legitimate both Māori and Pākehā culture and language.
Kuia	A respected female elder.
Māori	The indigenous people of Aotearoa/New Zealand.
Marae	The marae is usually the name for all the communally owned buildings and land surrounding a Māori meetinghouse (or wharenui). It is a place for tribal members to gather, welcome guests, engage in decision-making and mark special occasions.
Pākehā	Originally means foreigner or white person. Today it is used to refer to New Zealanders of European descent.
Pōwhiri	An official Māori welcome ceremony where a group or organisation welcomes visitors to their place of work or residence. In a traditional setting, a pōwhiri welcomes visitors onto a marae, or celebrates an auspicious occasion. Traditionally pōwhiri are conducted on the marae ātea, or the open space directly in front of the wharenui (the meeting-house). In a modern context, pōwhiri occur in many settings such as at conferences, or meetings and whenever people meet to discuss issues with relevance for Māori people. Modern pōwhiri still follow specific protocol.
Rangatahi	Young people.

Whānau	Traditionally means birth or offspring. In modern Māori, whānau is used to refer to the extended family. As a concept, the word whānau also refers to an extended sense of collectivism or community between any group of people connected by genealogy, a place, culture or a common purpose or situation.
Whānaungatanga	Literally means kinship or relation, but it is also used as a concept of community or collectiveness, where a sense of belonging is extended to members of a grouping with, or without kinship status.

Sources: Learning Media Ltd. (2005); Williams H.W. (2000) with assistance from Xavier Burnett

GLOSSARY OF TERMS AND ACRONYMS

This glossary lists the acronyms and terms used widely in the training sector and related literature. It was compiled at the end of the research period from the knowledge developed in the research experience.

Barriers	A term used specifically in the labour market policy literature to refer to the obstacles to employment, which include the negative characteristics and/or situational factors of unemployed individuals that prevent them from getting a job. Typical barriers include a lack of literacy or numeracy, low qualifications, lack of workplace skills, a criminal history, inadequate transport or childcare arrangements. Removing barriers is assumed to improve <i>employability</i> .
Deficit model	A term adopted from educationalists to describe training policies that emanate from the view that the unemployed are in some way 'deficient' and that this is the main reason for their jobless state.
Employability	The appeal of an individual jobseeker to potential employers based on the degree to which they possess the attitudes, skills and qualifications sought by employers.
ETSA	Education Training and Support Agency. This crown agency formed in 1989, administered the delivery of training schemes at the local level through a network of regional offices. ETSA implemented the Skill New Zealand strategy in 1994 to promote industry training. In 1998, Skill New Zealand replaced the name ETSA because it more closely identified the agency's purpose.
Flexicurity	A Dutch political programme and a legal framework adopted in 1999 that seeks to 'loosen' full-time employment making it more flexible while also improving the legal protections or security surrounding part-time and short-term contracts.
Foundation skills	A basic level of abilities and aptitudes required to enter the labour market and successfully secure a job, or to pursue education/training leading to employment. Includes a fundamental level of literacy or numeracy skills, the ability to learn, interpersonal skills and a work ethic. The term foundation skills entered New Zealand policy discourses with the election of the 1999 Labour-coalition government.
Funder	An agency or agent that purchases training schemes on behalf of the State.
HLFS	The Household Labour Force Survey is a sample survey conducted by Statistics New Zealand four times per year. It provides measures of the unemployment rate, employment growth, the demographics of (un)employment and the jobless rate.

Human capital	Refers to the repository of work-related skills, qualifications and abilities possessed by an individual worker. Individuals who invest in their education, training and workplace skills acquisition increase their <i>human capital value</i> and will presumably recoup the rewards of their investment.
Hysteresis	A theoretical model that depicts the correlation between the time-length of unemployment and the atrophy of skills and workplace capabilities. This concept accounts for the fact that labour markets do not necessarily recover after an economic downturn because the experience of long-term unemployment erodes <i>employability</i> .
Knowledge society	A term popular in <i>Third Way</i> literature that refers to a nationwide strategy of increasing the educational achievement, skills and technical innovativeness of the workforce. This, it is hoped, will make a nation's workforce attractive to investors in high-wage, value-added production rather than low wage mass production.
Learner	The term used more commonly by government agents to refer to the participants of training schemes.
Lumpenproletariat	A subset of the <i>underclass</i> that includes beggars and individuals engaging in the informal or illegal economy (e.g. criminals, prostitutes, gamblers and fraudsters). The lumpenproletariat comprise the most reviled group in society on the basis of their presumed defective individual morality. Despite being considered unproductive and regressive, they are, however, still connected to the capitalist system and may even have a vested interest in maintaining the status quo. Marx showed contempt for the lumpenproletariat and their sordid lives and distinguished them from the reserve army, or surplus unemployed workers.
MOYA	Ministry of Youth Affairs. A small ministry established in 1988 to advocate on the behalf of all New Zealanders aged 12-25. MOYA developed a unique community-focused approach to ensure young people are represented and can access the services they need.
MYD	Ministry of Youth Development. In 2003, MOYA was brought under the umbrella of MSD to improve efficiency, managerial capacity and streamline operations.
MSD	Ministry of Social Development. A large government department that was formed in 2001 by merging MSP (the policy advisory agency) and WINZ (the welfare agency).
MSP	Ministry of Social Policy. The government agency responsible for social policy design, research and evaluation. MSP was absorbed into MSD in 2001.
Neoproletariat	A neo-Marxist term coined by Gorz (1999) to describe the workers and non-workers existing in the post-industrial context of segmented and flexible labour markets. The term also reflects the decline of the traditional <i>proletariat</i> (i.e. the full-time permanent worker) and the

fragmentation of the working class into many competing groups with no sense of collective class interests. Gorz (1985) also presents a vision of a utopian neoproletariat where workers are released from full-time work, so they can engage in a wide range of unpaid work and activities. For most neoproletariat workers, however, their societal position does not represent liberation, but the hard reality of trying to survive while engaging in the flexible labour market of contingent, casualised and low-paid employment. The neoproletariat is not a fixed concept, as it describes a continuum of shifting and overlapping subject and class positions ranging from the skilled, precarious, temporary or contingent workers, to the unemployed, jobless, or discouraged workers.

NZQA	New Zealand Qualifications Authority. The government body established in 1990 that is responsible for the form, content and quality of all officially recognised education and qualifications in New Zealand.
Outcomes	A specific policy term for the snap-shot, post-intervention quantitative measurements taken to determine the effectiveness, relevance and quality of services (i.e. a training scheme) delivered by a provider. Outcomes are the main tool used by the funder to decide whether to renew a contract with a provider.
Provider	The word most commonly used to refer to the organisations, enterprises and people who offer training and work directly with the (disadvantaged) unemployed trainees.
Provider capture	A key concept in new public sector management theory which explains the problems that occur when there are too few providers competing for the same contracts. Competition between providers is considered beneficial because it is believed to reduce the effects of provider bias and self-interest. The concept is based on the assumption that providers cannot be trusted because they are naturally inclined to act in their own interests, or that of their organisations, and they will always try to extract as much funding as possible from the funding agency. Also termed <i>small numbers bargaining</i> .
PTE	Private Training Establishment. The official term for non-governmental organisations that offer training schemes. PTEs may operate as commercial units or as not-for-profit trusts, but they must be registered with NZQA to be considered for government contracts.
Quasi-market	A system of public sector administration that remodels the public sector to emulate business ideas and practices. This involves separating policy design, administration and implementation, increasing the use of contracts, and emphasising competitive behaviour. In New Zealand, a quasi-market for policy implementation was created by legislation in the late 1980s and 1990s. Many public services are no longer delivered directly by the State but contracted out to a competitive market of providers. These providers act as agents on behalf of government and are bound by

government expectations and regulation. The training providers examined in this research are not part of the State, but operated by trusts and companies.

REAC	Regional Employment Action Committee. Regional committees of training providers, local authorities, educationalists and other stakeholders that emerged in the early 1990s to create stronger platforms for the training sector at the local level.
Segmented labour market	A term used in political economy literature to describe contemporary labour markets and in particular to highlight the fragmentation of workers into groups who experience different working conditions, job security, wage levels and training or promotion opportunities.
Skill NZ	Skill New Zealand Pūkenga Aotearoa. A crown agency formed in 1998 to replace ETSA and to administer, purchase and monitor post-compulsory training and education, especially in trade-related areas. Skill NZ was absorbed into TEC in 2002.
Social development	A sustained commitment to improve the welfare and wellbeing of individuals, families and communities. The aim of social development is to reduce and/or eradicate poverty and social exclusion. In the current context, the preference is for policies and frameworks that foster economic independence, self-responsibility, free choice and volunteerism.
State Active Neoliberalism (SAN)	A political framework that facilitates active and overt State intervention to embed aspects of the neoliberal project as its primary political objective. The term is developed from Tickell and Peck's (2003) term 'roll-out neoliberalism' and their efforts to identify new forms of neoliberalism that extend the neoliberal rationality, but increasingly involve State action to provide the infrastructure required, manage neoliberal processes and mitigate the negative impacts on society. Many training systems and workfare schemes are distinct State Active Neoliberal responses to unemployment.
TEC	Tertiary Education Commission. A large overarching government agency that was formed in 2002 to oversee all post-compulsory education and training in New Zealand.
Third Way	The Third Way is a political programme that aims to reconcile economic and social objectives, and operate as a middle path between the free-market policies of the Right and old social democracy. In the Anglophone policy circuit, the Third Way involves varying degrees of state intervention to further a competitive, market-driven economy, which (hopefully) provides sufficient revenue for the State to pursue some of its social objectives.
TOP	Training Opportunities Programme. The training policy implemented in 1993 by the then National government to introduce a stronger

	emphasis on employability, and to replace pre-existing job creation, or employment substitution schemes (such as ACCESS).
Training Opportunities	The name for TOP courses adopted in 1998 when the crown agency Skill New Zealand was formed.
Trainee	The term used most commonly by training providers to refer to the participants of training schemes.
Underclass	This problematic term refers to individuals or groups who exist outside of the wage-labour system. The underclass are interpreted as either a relative surplus population (i.e., the reserve army) created by the capitalist system, or as a ‘redundant’ population and a consequence of individual failure, ignorance and immorality. They are frequently considered to be unemployable because they lack skills, and intellectual, physical or social abilities, or they are assumed to have ‘chosen’ to opt out of mainstream society. The underclass are seldom viewed as legitimate citizens, the underclass tend to be either vilified or ignored. To survive, the underclass rely on welfare, charity, engage in forms of self-sufficiency and bartering, or enter the maligned subcultures of the <i>lumpenproletariat</i> .
Un(der)employment	A term coined by Peck (1996, 2001a) to acknowledge that while unemployment is traditionally associated with poverty and inequality, contemporary segmented labour markets are also increasing insecurity, inequality and poverty amongst underemployed workers in low-paid and contingent jobs.
WINZ	Work and Income New Zealand. The government agency which administers all welfare payments, income supplements and pensions. It operates as a service to MSD. Its main purpose is to increase workforce participation and reduce welfare dependency. More recently, the official name used by policy agents is Work and Income, whereas most of the providers still use the name WINZ.
Work and Income	The more recent official name for WINZ (see above). In the text, I used this name, but in direct quotes or referencing, the acronym is used. The department claims that they offer “a single point of contact for New Zealanders needing work-search support, income support and in-work support” (WINZ 2002).
Workfare	A widely utilised label in labour market policy literature that centres on the idea that the unemployed need to be encouraged or enforced to enter work. Workfare policies are on a continuum. At one end are ‘hard’ workfare policies, which use a ‘stick’ approach involving greater obligations for receiving any State assistance, or sanctions if unemployed do not accept jobs. The other end are ‘soft’ workfare policies using the ‘carrot’ approach to encourage and support a wider range of training, educational and work experience opportunities. In a broad sense, the term workfare refers to a policy shift away from universal and passive welfare towards more conditional policies where individuals who are deemed fit to work must demonstrate concerted efforts to find a job.

- Workforce rehabilitation Labour market policies that are designed in the first instance to actually meet the needs of the disadvantaged unemployed rather than a labour market outcome. The first priority is assisting individuals with personal or health-related issues, although successful workforce rehabilitation does usually lead on to reintegration. Rehabilitation initiatives generally require a longer time period, and more significant funding (to cover professional services) than most work-orientated training schemes.
- Workforce reintegration Labour market policies that assist the unemployed (who are not particularly disadvantaged) to (re)enter the labour market and secure a sustainable job or career path. The emphasis of such schemes is on vocational guidance, improving foundation skills, networking with potential employers and supporting the unemployed through the job procurement process.
- Youth Corps These youth schemes run for 20 weeks and are modelled on the American Peace Corps. The participants engage in education, training, community service, recreation and cultural activities. In New Zealand, the Conservation Corps (for 16-25 year olds) has a strong environmental and outdoor education focus. The Youth Service Corps (for 16-21 year olds) focuses activities that are people-orientated and benefit local communities.
- YSDA The Youth Development Strategy of Aotearoa. This 50-page document published in 2002 by MOYA outlines a holistic youth development approach which underpins the scope, activities and ethic of MOYA (now known as MYD).

When you plant lettuce, if it does not grow well, you don't blame the lettuce. You look for reasons it is not doing well. It may need fertilizer, or more water, or less sun. You never blame the lettuce.

Thich Nhat Hanh

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GLOSSARY OF MĀORI WORDS

In general, the Tainui spellings for the Māori words are used because these are most widely used in the Waikato area where the research was conducted.

Aroha	This word encompasses love, compassion, benevolence, sympathy, charity and endearment.
Hui	A meeting or gathering to discuss an important topic, issue or tribal matters. Traditionally hui took place on a marae. Today hui are held in many situations to discuss issues with relevance for Māori.
Kaitiaki	A guardian or steward, usually of an area of land or the environment, but also of social or cultural things that need to be protected. Now also used to mean trustee.
Kaitiakitangata	Refers to a person who acts as the guardian or a steward for a particular place, organisation and/or principle.
Kaumātua	A respected male elder.
Kaupapa	A guiding principle, strategy or policy. A bicultural kaupapa is the intention to acknowledge and legitimate both Māori and Pākehā culture and language.
Kuia	A respected female elder.
Māori	The indigenous people of Aotearoa/New Zealand.
Marae	The marae is usually the name for all the communally owned buildings and land surrounding a Māori meetinghouse (or wharenui). It is a place for tribal members to gather, welcome guests, engage in decision-making and mark special occasions.
Pākehā	Originally means foreigner or white person. Today it is used to refer to New Zealanders of European descent.
Pōwhiri	An official Māori welcome ceremony where a group or organisation welcomes visitors to their place of work or residence. In a traditional setting, a pōwhiri welcomes visitors onto a marae, or celebrates an auspicious occasion. Traditionally pōwhiri are conducted on the marae ātea, or the open space directly in front of the wharenui (the meeting-house). In a modern context, pōwhiri occur in many settings such as at conferences, or meetings and whenever people meet to discuss issues with relevance for Māori people. Modern pōwhiri still follow specific protocol.
Rangatahi	Young people.

Whānau	Traditionally means birth or offspring. In modern Māori, whānau is used to refer to the extended family. As a concept, the word whānau also refers to an extended sense of collectivism or community between any group of people connected by genealogy, a place, culture or a common purpose or situation.
Whānaungatanga	Literally means kinship or relation, but it is also used as a concept of community or collectiveness, where a sense of belonging is extended to members of a grouping with, or without kinship status.

Sources: Learning Media Ltd. (2005); Williams H.W. (2000) with assistance from Xavier Burnett

GLOSSARY OF TERMS AND ACRONYMS

This glossary lists the acronyms and terms used widely in the training sector and related literature. It was compiled at the end of the research period from the knowledge developed in the research experience.

Barriers	A term used specifically in the labour market policy literature to refer to the obstacles to employment, which include the negative characteristics and/or situational factors of unemployed individuals that prevent them from getting a job. Typical barriers include a lack of literacy or numeracy, low qualifications, lack of workplace skills, a criminal history, inadequate transport or childcare arrangements. Removing barriers is assumed to improve <i>employability</i> .
Deficit model	A term adopted from educationalists to describe training policies that emanate from the view that the unemployed are in some way 'deficient' and that this is the main reason for their jobless state.
Employability	The appeal of an individual jobseeker to potential employers based on the degree to which they possess the attitudes, skills and qualifications sought by employers.
ETSA	Education Training and Support Agency. This crown agency formed in 1989, administered the delivery of training schemes at the local level through a network of regional offices. ETSA implemented the Skill New Zealand strategy in 1994 to promote industry training. In 1998, Skill New Zealand replaced the name ETSA because it more closely identified the agency's purpose.
Flexicurity	A Dutch political programme and a legal framework adopted in 1999 that seeks to 'loosen' full-time employment making it more flexible while also improving the legal protections or security surrounding part-time and short-term contracts.
Foundation skills	A basic level of abilities and aptitudes required to enter the labour market and successfully secure a job, or to pursue education/training leading to employment. Includes a fundamental level of literacy or numeracy skills, the ability to learn, interpersonal skills and a work ethic. The term foundation skills entered New Zealand policy discourses with the election of the 1999 Labour-coalition government.
Funder	An agency or agent that purchases training schemes on behalf of the State.
HLFS	The Household Labour Force Survey is a sample survey conducted by Statistics New Zealand four times per year. It provides measures of the unemployment rate, employment growth, the demographics of (un)employment and the jobless rate.

Human capital	Refers to the repository of work-related skills, qualifications and abilities possessed by an individual worker. Individuals who invest in their education, training and workplace skills acquisition increase their <i>human capital value</i> and will presumably recoup the rewards of their investment.
Hysteresis	A theoretical model that depicts the correlation between the time-length of unemployment and the atrophy of skills and workplace capabilities. This concept accounts for the fact that labour markets do not necessarily recover after an economic downturn because the experience of long-term unemployment erodes <i>employability</i> .
Knowledge society	A term popular in <i>Third Way</i> literature that refers to a nationwide strategy of increasing the educational achievement, skills and technical innovativeness of the workforce. This, it is hoped, will make a nation's workforce attractive to investors in high-wage, value-added production rather than low wage mass production.
Learner	The term used more commonly by government agents to refer to the participants of training schemes.
Lumpenproletariat	A subset of the <i>underclass</i> that includes beggars and individuals engaging in the informal or illegal economy (e.g. criminals, prostitutes, gamblers and fraudsters). The lumpenproletariat comprise the most reviled group in society on the basis of their presumed defective individual morality. Despite being considered unproductive and regressive, they are, however, still connected to the capitalist system and may even have a vested interest in maintaining the status quo. Marx showed contempt for the lumpenproletariat and their sordid lives and distinguished them from the reserve army, or surplus unemployed workers.
MOYA	Ministry of Youth Affairs. A small ministry established in 1988 to advocate on the behalf of all New Zealanders aged 12-25. MOYA developed a unique community-focused approach to ensure young people are represented and can access the services they need.
MYD	Ministry of Youth Development. In 2003, MOYA was brought under the umbrella of MSD to improve efficiency, managerial capacity and streamline operations.
MSD	Ministry of Social Development. A large government department that was formed in 2001 by merging MSP (the policy advisory agency) and WINZ (the welfare agency).
MSP	Ministry of Social Policy. The government agency responsible for social policy design, research and evaluation. MSP was absorbed into MSD in 2001.
Neoproletariat	A neo-Marxist term coined by Gorz (1999) to describe the workers and non-workers existing in the post-industrial context of segmented and flexible labour markets. The term also reflects the decline of the traditional <i>proletariat</i> (i.e. the full-time permanent worker) and the

fragmentation of the working class into many competing groups with no sense of collective class interests. Gorz (1985) also presents a vision of a utopian neoproletariat where workers are released from full-time work, so they can engage in a wide range of unpaid work and activities. For most neoproletariat workers, however, their societal position does not represent liberation, but the hard reality of trying to survive while engaging in the flexible labour market of contingent, casualised and low-paid employment. The neoproletariat is not a fixed concept, as it describes a continuum of shifting and overlapping subject and class positions ranging from the skilled, precarious, temporary or contingent workers, to the unemployed, jobless, or discouraged workers.

NZQA	New Zealand Qualifications Authority. The government body established in 1990 that is responsible for the form, content and quality of all officially recognised education and qualifications in New Zealand.
Outcomes	A specific policy term for the snap-shot, post-intervention quantitative measurements taken to determine the effectiveness, relevance and quality of services (i.e. a training scheme) delivered by a provider. Outcomes are the main tool used by the funder to decide whether to renew a contract with a provider.
Provider	The word most commonly used to refer to the organisations, enterprises and people who offer training and work directly with the (disadvantaged) unemployed trainees.
Provider capture	A key concept in new public sector management theory which explains the problems that occur when there are too few providers competing for the same contracts. Competition between providers is considered beneficial because it is believed to reduce the effects of provider bias and self-interest. The concept is based on the assumption that providers cannot be trusted because they are naturally inclined to act in their own interests, or that of their organisations, and they will always try to extract as much funding as possible from the funding agency. Also termed <i>small numbers bargaining</i> .
PTE	Private Training Establishment. The official term for non-governmental organisations that offer training schemes. PTEs may operate as commercial units or as not-for-profit trusts, but they must be registered with NZQA to be considered for government contracts.
Quasi-market	A system of public sector administration that remodels the public sector to emulate business ideas and practices. This involves separating policy design, administration and implementation, increasing the use of contracts, and emphasising competitive behaviour. In New Zealand, a quasi-market for policy implementation was created by legislation in the late 1980s and 1990s. Many public services are no longer delivered directly by the State but contracted out to a competitive market of providers. These providers act as agents on behalf of government and are bound by

government expectations and regulation. The training providers examined in this research are not part of the State, but operated by trusts and companies.

REAC	Regional Employment Action Committee. Regional committees of training providers, local authorities, educationalists and other stakeholders that emerged in the early 1990s to create stronger platforms for the training sector at the local level.
Segmented labour market	A term used in political economy literature to describe contemporary labour markets and in particular to highlight the fragmentation of workers into groups who experience different working conditions, job security, wage levels and training or promotion opportunities.
Skill NZ	Skill New Zealand Pūkenga Aotearoa. A crown agency formed in 1998 to replace ETSA and to administer, purchase and monitor post-compulsory training and education, especially in trade-related areas. Skill NZ was absorbed into TEC in 2002.
Social development	A sustained commitment to improve the welfare and wellbeing of individuals, families and communities. The aim of social development is to reduce and/or eradicate poverty and social exclusion. In the current context, the preference is for policies and frameworks that foster economic independence, self-responsibility, free choice and volunteerism.
State Active Neoliberalism (SAN)	A political framework that facilitates active and overt State intervention to embed aspects of the neoliberal project as its primary political objective. The term is developed from Tickell and Peck's (2003) term 'roll-out neoliberalism' and their efforts to identify new forms of neoliberalism that extend the neoliberal rationality, but increasingly involve State action to provide the infrastructure required, manage neoliberal processes and mitigate the negative impacts on society. Many training systems and workfare schemes are distinct State Active Neoliberal responses to unemployment.
TEC	Tertiary Education Commission. A large overarching government agency that was formed in 2002 to oversee all post-compulsory education and training in New Zealand.
Third Way	The Third Way is a political programme that aims to reconcile economic and social objectives, and operate as a middle path between the free-market policies of the Right and old social democracy. In the Anglophone policy circuit, the Third Way involves varying degrees of state intervention to further a competitive, market-driven economy, which (hopefully) provides sufficient revenue for the State to pursue some of its social objectives.
TOP	Training Opportunities Programme. The training policy implemented in 1993 by the then National government to introduce a stronger

	emphasis on employability, and to replace pre-existing job creation, or employment substitution schemes (such as ACCESS).
Training Opportunities	The name for TOP courses adopted in 1998 when the crown agency Skill New Zealand was formed.
Trainee	The term used most commonly by training providers to refer to the participants of training schemes.
Underclass	This problematic term refers to individuals or groups who exist outside of the wage-labour system. The underclass are interpreted as either a relative surplus population (i.e., the reserve army) created by the capitalist system, or as a ‘redundant’ population and a consequence of individual failure, ignorance and immorality. They are frequently considered to be unemployable because they lack skills, and intellectual, physical or social abilities, or they are assumed to have ‘chosen’ to opt out of mainstream society. The underclass are seldom viewed as legitimate citizens, the underclass tend to be either vilified or ignored. To survive, the underclass rely on welfare, charity, engage in forms of self-sufficiency and bartering, or enter the maligned subcultures of the <i>lumpenproletariat</i> .
Un(der)employment	A term coined by Peck (1996, 2001a) to acknowledge that while unemployment is traditionally associated with poverty and inequality, contemporary segmented labour markets are also increasing insecurity, inequality and poverty amongst underemployed workers in low-paid and contingent jobs.
WINZ	Work and Income New Zealand. The government agency which administers all welfare payments, income supplements and pensions. It operates as a service to MSD. Its main purpose is to increase workforce participation and reduce welfare dependency. More recently, the official name used by policy agents is Work and Income, whereas most of the providers still use the name WINZ.
Work and Income	The more recent official name for WINZ (see above). In the text, I used this name, but in direct quotes or referencing, the acronym is used. The department claims that they offer “a single point of contact for New Zealanders needing work-search support, income support and in-work support” (WINZ 2002).
Workfare	A widely utilised label in labour market policy literature that centres on the idea that the unemployed need to be encouraged or enforced to enter work. Workfare policies are on a continuum. At one end are ‘hard’ workfare policies, which use a ‘stick’ approach involving greater obligations for receiving any State assistance, or sanctions if unemployed do not accept jobs. The other end are ‘soft’ workfare policies using the ‘carrot’ approach to encourage and support a wider range of training, educational and work experience opportunities. In a broad sense, the term workfare refers to a policy shift away from universal and passive welfare towards more conditional policies where individuals who are deemed fit to work must demonstrate concerted efforts to find a job.

- Workforce rehabilitation Labour market policies that are designed in the first instance to actually meet the needs of the disadvantaged unemployed rather than a labour market outcome. The first priority is assisting individuals with personal or health-related issues, although successful workforce rehabilitation does usually lead on to reintegration. Rehabilitation initiatives generally require a longer time period, and more significant funding (to cover professional services) than most work-orientated training schemes.
- Workforce reintegration Labour market policies that assist the unemployed (who are not particularly disadvantaged) to (re)enter the labour market and secure a sustainable job or career path. The emphasis of such schemes is on vocational guidance, improving foundation skills, networking with potential employers and supporting the unemployed through the job procurement process.
- Youth Corps These youth schemes run for 20 weeks and are modelled on the American Peace Corps. The participants engage in education, training, community service, recreation and cultural activities. In New Zealand, the Conservation Corps (for 16-25 year olds) has a strong environmental and outdoor education focus. The Youth Service Corps (for 16-21 year olds) focuses activities that are people-orientated and benefit local communities.
- YSDA The Youth Development Strategy of Aotearoa. This 50-page document published in 2002 by MOYA outlines a holistic youth development approach which underpins the scope, activities and ethic of MOYA (now known as MYD).

When you plant lettuce, if it does not grow well, you don't blame the lettuce. You look for reasons it is not doing well. It may need fertilizer, or more water, or less sun. You never blame the lettuce.

Thich Nhat Hanh

Chapter 1

Introduction

Unemployment in Aotearoa/New Zealand¹ remains a contentious issue. Responsibility for and the solutions to, unemployment are driven by particular theoretical and political imperatives. Job-related training is offered as the ‘best’ response at the individual level, in a competitive neoliberal labour market context.

My thesis

I argue that the competitive, individualised, market-driven frameworks driving training schemes are inadequate to address the stated objective of the current New Zealand government’s Training Opportunities policy, which is to assist the “most disadvantaged in the labour market.”² The over-reliance on this form of training and its precursors has discouraged policy-makers from considering and supporting alternative initiatives and greater community input for assisting this particular group.

The research questions

Two main questions underpin the research. First, are there tensions between the policy framework and the practice of State-funded training schemes for the most disadvantaged unemployed and if so, what are these tensions? Secondly, how do the issues faced by providers enable, or constrain the delivery of training policies for the most disadvantaged unemployed? This research involves an assessment of issues surrounding training provision. The purpose is to consider the consequences for the key agents affected by training policies, listen to the advice from the grassroots level, and to offer recommendations that might be more appropriate for the experiences of socially-motivated providers and their efforts to assist disadvantaged unemployed people.

¹ I use the term Aotearoa/New Zealand in the title and in the first instance in each chapter. Thereafter the shorter and more widely recognised New Zealand is used. The intention is to acknowledge the bicultural basis of New Zealand society in a similar manner to Cheyne *et al.*, (2005).

² Quoted from the Skill New Zealand Annual Report for 1999 (Skill NZ 2000a, 10).

The primary aim of this thesis is to consider tensions inherent at the policy and practice interface. The transference of discourse into practice is seldom a smooth process and there are always likely to be tensions. This thesis is, however, concerned with tensions where the extent is such that they compromise the original intentions of the policy. Addressing the needs of the most disadvantaged individuals and groups is challenging work in itself without additional conflict and miscommunication between policy design, funding and implementation.

The second aim of this thesis is to gain an in-depth understanding of the lived experiences at the grassroots implementation level. The main concern is to understand how collective responses to unemployment can best be supported to offer sustainable and responsive services to the disadvantaged unemployed within local community contexts. This knowledge is then drawn on to report on what is working well and to suggest how things might work differently.

This thesis is written out of a concern for social (in)justice and it draws inspiration from aspects of neo-Marxism and community development. The normative background to the thesis is that the most disadvantaged unemployed are a significant group in society who could benefit from some form of affirmative action.³ In terms of implementation, there is a preference for processes that incorporate the insights and knowledge of the people and organisations that are engaged at the local level. In addition, there is a preference for provision by the not-for-profit sector due to an ethical discomfort with viewing the most disadvantaged people in society as an income-generating opportunity.

In defence of my thesis, this study examines training schemes for people who are both unemployed and disadvantaged in the labour market. The empirical research focuses on the experience of training providers, and to a lesser extent on *funders*⁴

³ The question remains whether some disadvantaged unemployed even want assistance. Nonetheless, this thesis starts out from the position that the most disadvantaged unemployed might benefit from some form of assistance if it is delivered in an appropriate, non-patronising and empowering manner.

⁴ The term funders is used to refer to the government agencies that administer and monitor contracts and funding for training schemes.

and *trainees*.⁵ The theoretical discussion explores the rationale for training as an active labour market policy for ‘disadvantaged’ unemployed people.⁶ A critique of the political-economic ideas underpinning the frameworks for the administration and evaluation of training courses is undertaken, as well as an assessment of the broader discourses of unemployment and disadvantage that surround notions of training in New Zealand.⁷

This thesis focuses on the 1999-2005 period in New Zealand, and on the two successive Labour-led governments operating from a *Third Way* perspective.⁸ It is concluded that at the time of the research the concept *State Active Neoliberalism*⁹ more accurately describes the political-economic rationality that underpins the active labour market policy framework, especially in relation to programmes targeting disadvantaged unemployed people.

Specifically, this research exposes and challenges the assumption that unemployment is largely a problem of individuals. Thus, training is intended as one way to ‘fix’ the unemployment situation of individuals who are disadvantaged in the labour market. In addition, the thesis challenges current assumptions about the best ways to implement and deliver social policy initiatives (such as training) based on new public sector management theories and practices. These issues are explored from human geographic and community development perspectives. In particular, the critical and emancipatory aspects of community development and neo-Marxist theories are drawn on to counter the current predominance of individualistic and market-driven perspectives.

⁵ Most of the providers spoken to referred to the participants as trainees. Policy agents, however, often used the word *learners* and the TEC website refers to Training Opportunities participants using this term (TEC 2004). The shift from trainee to learner perhaps reflects efforts to streamline all education and training provision. The term trainee is used in concert with the majority of my fieldwork respondents who were providers.

⁶ The problematic label the *disadvantaged unemployed* reflects the widespread use of the term in New Zealand labour market policy discourses to refer to specific groups of people at risk of long-term unemployment. The term is used to emphasise the relativity of disadvantage in the labour market and society. Nevertheless, I do not discount the individual agency of disadvantaged unemployed people, or judge their ‘choices’ not to enter paid work. Nor do I view the disadvantaged unemployed as a homogenous or rigidly defined category.

⁷ Unless stated otherwise, the references to training relate specifically to the training policies for the most disadvantaged unemployed people that are examined in this study.

⁸ The *Third Way* is a broad label for a centrist political programme. The term the Third Way was adopted by New Zealand Labour politicians during the 1999 election campaign but, since 2000, it has been used less often. Refer to the glossary on page xiii and further discussion on page 48.

⁹ A political framework that endorses active government intervention to embed a context specific version of the neoliberal project. For a definition see the glossary and for comprehensive explanations on page 15 and page 58.

Training schemes: setting the scene

Publicly-funded training schemes are a specific policy response to unemployment in New Zealand. In general, the subject of unemployment attracts wide-ranging debate about the causes of unemployment and the ‘best’ ways to reduce the unemployment rate, and assist (or manage) unemployed people. These debates are instrumental in endorsing certain labour market policy responses over other responses.

As the thesis statement suggests, this research is about specific types of training for a specific group of unemployed. In the past three decades, in New Zealand and other OECD countries, there has been a significant proliferation of training, both as a concept and as a practice, in public and private sector contexts. This proliferation reflects a policy response to the entrenchment of *un(der)employment*¹⁰ and the distributive effects of segmented labour markets on disadvantaged groups. Hence, the focus of this study is on the main government-funded training initiatives that target disadvantaged unemployed people and, in particular, on the experiences of providers in three training organisations in the Waikato region.

Throughout this thesis, the term the *disadvantaged unemployed* is adopted because this is how policy discourses refer to the groups of individuals for whom the training schemes are intended. The term is also used to present a counter-argument to dominant discourses that assume that in a market-driven society all individuals can succeed if they are given equal opportunities and try harder. Reference to the disadvantaged unemployed also signals the relative disconnection of this group from the main means of accumulation in contemporary societies. The fieldwork on the provision of training for this group (see Chapters 6 and 7) illustrates that the current State Active Neoliberal framework is not resolving the marginalisation of individuals and groups with the weakest connections to the labour market.

¹⁰A term adopted by Peck (1996) to highlight the various states of being in and out of work and poverty in the context of flexible labour markets. See glossary.

Who are the disadvantaged unemployed?

The term disadvantaged unemployed occurs frequently in policy discourses even though there is no specific definition or measure. Nonetheless, the term operates as a label for individuals who are considered to be at the greatest risk of long-term unemployment. This risk tends to be associated with specific social groupings, or individual characteristics and circumstances, which operate as obstacles, or *barriers*¹¹ to employment (NZES 1996). Ironically, being unemployed (especially long-term) is usually detrimental for health, wellbeing and social connectedness, which further increases the barriers to employment and the risk of remaining unemployed.

The barriers experienced by the disadvantaged, or long-term unemployed can reduce their chances of securing a job even if, at some point, labour demand surpasses labour supply. Employers are less likely to select individuals who have characteristics or circumstances that could interfere with their availability for work, or interfere with their ability to perform tasks. The term barriers to employment usually implies factors that can be changed (unlike social groupings such as ethnicity) and therefore many labour market policies and training schemes tend to focus on reducing barriers in order to increase the *employability*¹² of the disadvantaged unemployed individual.

While New Zealand social policy discourses frequently mention the disadvantaged unemployed and their barriers to employment, they seldom refer to aggregate statistics. According to a Ministry of Social Development (MSD) spokesperson,¹³ the current emphasis is on the management of the individual client and the recognition that each client's circumstances is different, which therefore reduces the need for aggregate statistics. Simultaneously, most policy discourses tend to view the long-term unemployed and disadvantaged unemployed as contingent categories (Labour Market Analysis Unit 1989). For example, the MSD spokesperson made the comment that, "Clients are at risk of long-term unemployment [i.e., being enrolled as a jobseeker for 26 weeks or more] if they are disadvantaged in the labour market."

¹¹ A widely used policy term which refers to the aspects of individuals, or their lives that act as obstacles to becoming employed. See glossary and page 5.

¹² The degree of marketability possessed by an individual in a competitive labour market context. See glossary.

¹³ The information in this section was obtained on 2 May 2005 from MSD (see also Appendix 1).

Drawing together a range of statistical data provided by Statistics New Zealand (Stats NZ) and MSD provides a broad picture of the social groups who are more likely to experience long-term unemployment (and thus be considered disadvantaged). For example, there are data on long-term unemployed jobseekers that indicate the main ethnic groupings. The left side of Table 1.1 shows the percentages of long-term unemployed belonging to the major ethnic groups. When these figures are compared alongside the ethnic groupings of the total population it is clear that Māori and Pacific peoples are over-represented amongst the long-term unemployed.

Table 1.1: Long-term unemployed people and ethnic groups

<u>Long-term unemployed: ethnic groups</u> MSD February 2005 statistics (personal communication, 2 May 2005)		<u>Total NZ population: ethnic groups</u> ¹⁴ Statistics New Zealand census 2001 (SNZ website 2005)	
New Zealand European/ Pākehā	36 percent	New Zealand European/ Pākehā	76.9 percent
Māori	37.9 percent	Māori	14.1 percent
Pacific Peoples	11.2 percent	Pacific Peoples	6.2 percent
Asian	n/a	Asian	6.4 percent
Other	12.8 percent	Other: Includes Arabs, Iranians, Somalis and Latin Americans	0.7 percent
Total long-term unemployed jobseekers in February 2005	55,168		
Total population in March 2005	4,092,900	Total population in 2001 (average)	3,737,277

Source: Author

¹⁴ The New Zealand census measures of ethnicity allow respondents to record more than one answer, which is the reason why the total percentages are greater than 100 percent

On the basis of the available statistics, social reports and eligibility criteria, it can be concluded that individuals are more likely to have barriers and become long-term unemployed if they have low educational achievement and/or literacy, live in remote rural locations, and/or are Māori, of Pacific origin, refugees, new migrants, aged 16-25, disabled, ex-prisoners or sole parents (Labour Market Analysis Unit 1989; MSP 2001; National Health Committee 1998; Stats NZ 2005; TEC 2004).

In February 2005, there were 55,168 long-term jobseekers, and of these 28,543 had no formal school qualifications, whereas 9,074 had less than three School Certificate passes or equivalent. Of this latter group, 2,427 had low qualifications and were also below 18 years of age. The employment barrier of low literacy or numeracy was recorded for 1,362 long-term jobseekers (at 28 February 2005). According to MSD, disability, refugee status, language barriers may increase the likelihood of long-term unemployment, but MSD does not collect aggregate statistics of these groups (personal communication, 2 May 2005). The numbers of long-term jobseekers are also generally higher in geographically remote areas, and numbers increase in times and places where there are few suitable job opportunities. This last point indicates that, however they are defined, long-term jobseekers or disadvantaged unemployed are not a fixed or homogeneous group.

While statistics on the numbers of long-term jobseekers with criminal records were not available, a Department of Corrections report on high-risk offenders in New Zealand states that offenders have seldom had stable jobs, and have usually experienced prolonged periods of unemployment (Wilson N.J. 2004). The report also identifies specific *criminogenic risk factors*, which include “school failure and a lack of work experience, leading to little prospect of paid employment, or a life in the mainstream of society” (ibid, 63). Therefore, as a group, the long-term unemployed are more likely to include people who have, at some point, engaged in criminal behaviour. In any case, having a criminal record increases the likelihood a person will remain unemployed.

The official definitions and statistical groupings aside, my use of the term the disadvantaged unemployed is also an attempt to highlight the situation of individuals whose access to and participation in the labour market is limited or precarious, and to

situate this group within a broader political-economic context. The term reaffirms the fact that the labour market is not a level playing field. Both at national and international scales, processes such as globalisation, technological change, capitalist expansion and neoliberalism are constructing societies and labour markets in ways that tend to increase the competition for resources, employment and income. Disparity between workers increases in instances where there are many more people than jobs, because then employers have to scrutinise the various applicants more intensely, and every successful job applicant is successful at the expense of others. By definition, the disadvantaged unemployed have characteristics or circumstances that reduce their ability to compete with more advantaged people. Moreover, currently dominant structures and processes are predicated on the presence of both winners and losers, and competitiveness is prized over inclusiveness. For some individuals their labour market disadvantage can be so severe, or seem so insurmountable, that they lose hope and become discouraged workers, or exit the labour market altogether.¹⁵

Most government discourses depict the disadvantaged unemployed simply as individuals who need to improve their employability without considering the societal structures that perpetuate disadvantage particularly in highly competitive labour markets. Although the *underclass*¹⁶ is problematic term, it offers a more accurate description of the experiences of many disadvantaged unemployed people and, in particular, the extent to which they are marginalised in contemporary labour markets, policy frameworks and wider society. The use of the term in this thesis follows the Marxian interpretation of the underclass as an effect of capitalist systems, rather than simply as an effect of individual failure or immorality. The emergence of disenfranchised groups, unemployment and intergenerational welfare dependency are viewed as consequences of poverty and inequality, rather than the primary causes. This interpretation is distinct from writers such as Murray (1984 cited in Morris 1993) who view the underclass as a purely (im)moral and cultural phenomenon.

¹⁵ Working-age people regularly exit the labour market both voluntarily and involuntarily, but clearly, they need to find other means of economic survival. People may rely on family or partner support, welfare benefits, use community services such as food banks, and find strategies to reduce their living costs, or secure other non-job related forms of state assistance (i.e., student allowances). In a worst-case scenario, individuals may become sick, invalids or may even commit suicide (Wilkinson 1996).

¹⁶ For a definition see the glossary.

Gorz's (1999) term the *neoproletariat* also offers a way to theorise the disadvantaged unemployed that takes account of contemporary contexts and segmented labour markets. The neoproletariat is a broad concept that spans the wide range of experiences for people engaging in, or on the margins of, flexible labour markets. The use of the term acknowledges that many disadvantaged unemployed people (i.e. those who do not secure full-time permanent employment) tend to move in and out of, a wide range of labour market categories and experiences. Unfortunately, Gorz's (1985) progressive vision for the neoproletariat has not become a widespread reality. While high-paid, professional workers with a relatively high degree of labour marketability have benefited from flexible labour markets and consultancy jobs, the majority of middle to low income earners face declining wages or working conditions and increasing workplace insecurity and stress.

The decision to focus on training provision for the disadvantaged unemployed arose from both theoretical and practical considerations. The most disadvantaged unemployed people are less likely to fit into the current political-economic frameworks. Admittedly, some individuals, organisations and groups do benefit from neoliberal, competitive and free-market environments, but this thesis is about the people who do not. Although some individuals do escape, the movement of individuals in and out of a disadvantaged unemployed situation does not diminish the fact that the disadvantaged unemployed remain a significant grouping. This research demonstrates that, despite recent economic growth rates and the proliferation of a raft of targeted policies, the most disadvantaged unemployed remain disadvantaged, not only by the mechanisms of flexible labour markets and contemporary political-economic contexts, but also by the policies that are intended to assist them.

Experiences of training providers

This research involved a practice-orientated critique of the frameworks that underpin training schemes for unemployed individuals who experience labour market disadvantage. In the course of this study, the various levels of activity in the design and delivery of training policies were researched. This meant listening to, observing and participating alongside public sector agents and policy decision-makers; organisations

and individuals who provide training courses for the most disadvantaged unemployed; and alongside the trainees attending these courses.

The main focus of the fieldwork was the position of providers operating from *Private Training Establishments* (PTEs)¹⁷ Training providers are the intermediaries between the State with its broad policy objectives and the unemployed individuals with their specific ‘needs’.¹⁸ The main issues and tensions at the provider level emerge from the introduction of a *quasi-market*¹⁹ for training course implementation and the over-reliance on narrow outcome measurement as ‘evidence’ of the ‘quality’ and ‘efficiency’ of courses offered by a particular training provider.

In a broad sense, establishing the outcomes of a particular policy is a worthy exercise, however, the *outcomes*²⁰ referred to in this thesis are those specifically derived from crude, snap-shot measurements, which offer a very poor reflection of the value of the training policy interventions (for detail see page 132). Nonetheless, these narrow, outcome measures have been instituted as a primary policy decision-making tool. In relation to the specific policy areas researched, the emphasis on the outcome measures is occurring at the expense of more extensive relationships, and in-depth quantitative and qualitative research and evaluation.

Two distinct types of training schemes are examined in this qualitative study. First, the Training Opportunities courses, which stand out as the main employment assistance initiative for working-age adults disadvantaged in the New Zealand labour market. Their official purpose is “equipping people with the *foundation skills*²¹ they need to contribute to the future development of New Zealand’s economy and society” (Ministry of Education 2002, 19). Training Opportunities are designed to “assist those

¹⁷ The official term for non-governmental organisations, or businesses who bid for contracts to deliver government-funded training courses. Amongst those working in the training sector, the term is usually shortened to provider(s), which is used to refer both to the organisations and the staff who deliver the training courses. In this study the word provider is used in the same way unless stated otherwise.

¹⁸ In using the term needs, I acknowledge that the interpretation of other people’s needs, such as those of unemployed people or trainees is not a given, but a highly contestable discursive process (Fraser 1989).

¹⁹ Refer to the glossary or page 114.

²⁰ Unless specified the term outcomes refers to the specific policy measuring tools for the training schemes and not to the broad sense of the term.

²¹ The term foundation skills refers to a basic level of work-related abilities and aptitudes. See the glossary and pages 110 and 250.

who are *most disadvantaged* in the labour market, particularly long-term unemployed people, domestic purposes beneficiaries and Workbridge clients” (Skill NZ 2000a, 10) (my emphasis in quote). Secondly, the Youth Corps courses are examined as a contrasting policy, which (at least until recently) operated principally from a youth development approach rather than an active labour market policy framework.²²

Rationale for training schemes

This study not only involves an empirical account of the experiences of training providers and trainees, but it also examines the broad political-economic imperatives that maintain the emphasis on training as a major response to disadvantaged un(der)employment, instead of other possible responses. The main justifications for training are closely linked to the claim that paid work in the competitive free-market economy holds the key to *social development*.²³ The self-responsible, enterprising and eager paid worker is the model citizen and therefore the individuals and groups who (willingly or unwittingly) defy this logic come into sharper relief. Various governments have identified that particular individuals²⁴ are more likely to be unemployed and these have become the target of job activation policies that usually involve training.

As current New Zealand policy discourses identify, long-term unemployed individuals usually belong to certain social groups and face obstacles, or barriers to gaining employment. Training providers are expected to transform the most disadvantaged unemployed people into employable and work-ready citizens. Once trainees are on courses providers are expected to identify their individual barriers and implement ways to help each trainee to overcome them. The assumption is that when barriers are removed the unemployed will be more likely to find work because they will have improved their employability.

²² When the main part of the field study was conducted in 2002-2003 respondents clearly articulated the importance of a holistic youth development approach. Since then, however, my continued contact with providers and ministry officials indicates that there is increasingly emphasis on course outcomes that reflect more narrowly defined labour market objectives.

²³ The particular meaning of this term in the New Zealand policy context is outlined in the glossary and on page 61.

²⁴ Official statistics tend to reinforce this view. The 2001 Census concluded that young people, Māori, Pacific peoples, other ethnic groups, and people living in Gisborne and Northland experienced the highest levels of unemployment. The groups least likely to experience unemployment are people who are 40-59 years of age, European or Pākehā and/or have advanced vocational or higher level qualifications. In 2001, 26.2 percent of working age men and 39.9 percent of women were categorised as not being in the labour market (Stats NZ 2005).

Improving the employability of a trainee involves making trainees more aware of employer demands and preparing them to meet those demands. Employer surveys frequently indicate that employers (except in highly specialised fields) are less concerned about educational qualifications and more concerned about employees' attitudes, availability for work and work motivation (Higgins 1995a; Peck 2001a). Employability is, at present, linked primarily to employer expectations; hence, training providers are expected to prepare trainees for this 'reality', whether employer expectations are reasonable or not (Dearden 1995; Gore 2005).

Training providers are also afforded the task of assisting unemployed individuals to raise the value of their *human capital*.²⁵ The notion of human capital is presented as a key factor for increasing prosperity and social inclusion (Blöndal *et al.*, 2002). In human capital theory, intellectual capacity and educational achievement are largely individualised goods. The State assumes some responsibility for ensuring that all individuals have access to educational institutions. The individual who applies him/herself and increases his/her human capital value can trade this on the job market at a later date. The assumption is that individuals will receive returns in the labour market that correspond to their human capital investment. Training is about encouraging the unemployed to increase their human capital, or at least to see the need to do this and to accept the consequences if they do not.

Although the Training Opportunities policy specifically targets disadvantaged unemployed people, there is a considerable lack of clarity about the size or composition of this group. As a general category, the trainees accepted onto Training Opportunities courses are likely to include registered jobseekers, school-leavers who have low qualifications and the long-term unemployed. There are some difficulties using factors such as low qualifications or long-term unemployed as a direct proxy. Not all disadvantaged unemployed people fit such descriptions and most statistical measuring does not account for people who are underemployed, discouraged, or do not meet the jobseeker registration criteria.

²⁵ This theory, which is crucial in contemporary neoliberal understandings of the role of training, is explained in detail on page 65, and defined in the glossary.

Currently, the main rationale for the training schemes (i.e. increasing employability and human capital) emerge from discourses that tend to disassociate the issue of unemployment from broader contextual analyses to focus specifically on the unemployed individuals and improving their labour market performance. Ironically, this individualised approach does not address the needs of unemployed individuals particularly well. The emphasis on the most efficient ways to assist, or punish unemployed individuals tends not to sustain consistent, long-term and responsive labour market initiatives. Although the needs of the unemployed, as identified by the unemployed themselves and the providers, who work directly with them, are diverse, they also tend to reflect fairly consistent patterns of deprivation, inequality and social harm.

The overarching policy frameworks are based on sets of largely unarticulated assumptions about unemployment, unemployed individuals, and the nature of the labour market and the role of the State. These predominant assumptions are derivatives of political-economic and ideologically based perceptions about individuals and free-markets and what constitutes a ‘good’ society, ‘progress’ and the ‘model citizen’. The prioritisation of economic imperatives and the strict adherence to ritualised accountability narrows the scope for training schemes to operate as appropriate responses to the needs of unemployed individuals. The social objectives of training schemes are largely subsumed into economic and accountability imperatives, that bear little relation to the various contexts, issues and experiences of unemployment and labour market disadvantage.

Political-economic frameworks for training policy and practice

This research offers a situated account of the ways in which a range of big picture political-economic discourses including neoliberalism, the Third Way and social democracy are articulated in complex and context-specific processes. Such an account would, however, be incomplete without an attempt to identify the discursively produced meanings and political ideologies that underpin and constitute the broad policy frameworks that preside over certain policy areas. Examining policy frameworks reveals the particular rationale for centralised policy-making and the decisions and strategic objectives articulated by political leaders. Policy frameworks are by no means

a given, as the translation of discourse into practice necessarily involves re-interpretation and permutation. Moreover, any given policy framework is constantly in flux and thus any attempt to identify a framework simply represents a historical moment. While I recognise this complexity, it is still my intention to examine the particular political and ideological conjectures and assumptions that, during the research period, affected labour market policy frameworks in New Zealand, the broader understandings of unemployment and labour market disadvantage, and the scope for community and policy responses that address the needs of the people concerned. For this examination, I adopt a critical neo-Marxist position because it offers a strong theoretical base from which to challenge neoliberal hegemony. As a peripheral theoretical position, neo-Marxism may offer a different perspective of the mainstream.

From 1999-2005, two successive New Zealand Labour-led coalition governments have drawn largely from Anglo-American political-economic views including the Third Way political framework of the Blair government and sociologist Anthony Giddens (1998, 2000). The analysis of the discourses of political agents (e.g., Ministers and bureaucrats) during the research period does reveal identifiable themes that have been presented under a left-of-centre, Third Way political banner (see pages 14 and 48). Consequently, the government's strategic objectives, at the level of rhetoric, arise from an uneasy mix of neoliberal, social democratic, individualistic, pluralistic and liberal agendas. In international literature, similar political-economic frameworks are variously described as Third Way, social neoliberalism, or network governance.

On the basis of research of the training sector, it is argued that, despite the claims of senior Ministers, such as the Honourable Steve Maharey²⁶, the New Zealand Labour-led governments between 1999 and 2005 have not succeeded in operationalising progressive Third Way policy initiatives that balance social and economic objectives while also addressing the situation of the disadvantaged unemployed. The foremost central government objective, from 1999 to 2005, has been to embed, maintain and

²⁶ From 1999-2005 Steve Maharey has held posts such as Minister of Social Services and Employment, Minister of Social Development and Associate Minister of Tertiary Education. In many of his speeches, he articulates Third Way concepts and ideas (Maharey 1999, 2000a, 2000b, 2001a, 2001b), and in one speech, he states directly that he and the government have adopted a Giddens-styled Third Way approach (ibid 2003b).

augment neoliberal principles and this tends to override the social objectives of training policies. In contrast to right-wing neoliberals, Labour-coalition governments have, however, been decidedly interventionist, as they acknowledge and seek to mitigate, market failure.²⁷ For example, the Working for Families policy package²⁸ is a considerable policy initiative which would not be openly considered by most right-wing neoliberals. Yet, the effects of this policy deliver benefits for social democratic, Third Way *and* neoliberal agendas. The Working for Families tax credits create a stronger incentive for participation in low-paid work by increasing the income differential between welfare and low-paid jobs, while also ensuring that employers can continue to draw on a low-wage workforce.

The concept of *State Active Neoliberalism*²⁹ is adopted as an ideal typical model for the regulatory framework that currently underpins active labour market policies in New Zealand, especially training schemes. State Active Neoliberalism articulates with the Third Way, but the main difference is the way it places greater emphasis on the neoliberal project while also (somewhat paradoxically) openly advocating a high degree of State intervention. There are various ‘hard’ or ‘soft’ forms of State Active Neoliberalism depending on the degree of articulation with right-wing and neoconservative interests, or centre-left, social democratic and liberal objectives. Governments that adopt a State Active Neoliberal framework appear relatively authoritarian and may use ‘carrot’ or ‘stick’ initiatives to generate and maintain a societal consensus based around a context-specific version of the neoliberal project.

This research demonstrates that the Third Way (or more accurately, State Active Neoliberal) frameworks of Labour-led governments since 1999 have not reversed the influence of a neoliberal rationality in the training sector. While progressive Third Way ideals may be evident in other areas of New Zealand society, the situation for socially-

²⁷ While the State mitigates market failure in order to improve the functioning of the free-market, there is less impetus to address the causes of market failure, or to shift to alternative models that emphasise long-term planning, social and/or environmental auditing and the public good (Donnison 1998; Douthwaite 1996; Easton 1997b; Peet 1991).

²⁸ The three-year implementation of Working for Families was announced in May 2004, with the intention to “make work pay for parents who move off benefits into work” (MSD 2005). The policy involves a range of tax incentives for people in low-paid work. In effect, the policy represents a further subsidy for employers who hire low-paid workers, while increasing the relative disadvantage of welfare beneficiaries.

²⁹ State Active Neoliberalism is developed from Tickell and Pecks (2003) concept of ‘roll-out neoliberalism’. See page 58 and the glossary.

motivated training providers has become more constrained towards meeting a narrow market-led agenda at the expense of social democratic goals. The training providers who thrive in the current political-economic context are those who prioritise commercial goals. Providers whose primary concern is the wellbeing of the most disadvantaged unemployed people are unlikely to retain funding.

In this research, attention is focused on training providers and the scope available to them (within current policy frameworks) for genuine attempts to assist disadvantaged unemployed people to establish whether their experiences are reflected in the broader policy rhetoric. This will determine whether New Zealand training policies are an example of ‘soft’ *workfare*³⁰ that aligns more closely with European Third Way, or ‘hard’ workfare that accompanies a more strongly neoliberal policy orientation, or possibly something else.

According to ardent right-wing neoliberals, such as Douglas (1996), there is no such thing as market failure hence, prosperity and wellbeing are best delivered through competitive free-markets and not social policy interventions. State Active Neoliberalism, however, describes a political rationality that prioritises the neoliberal free-market in most areas of society as the key to progress, but also openly maintains an active role for the State. State intervention is permissible if it improves the efficiency of the market and the ability of citizens to participate within it.³¹ The training schemes in this study fit within a State Active Neoliberal rationality because their primary concern is to increase the employability and human capital of the disadvantaged unemployed.

In a general sense, under the current political-economic framework the enterprising, independent and competitive paid worker is constructed as the most legitimate citizen in contemporary New Zealand society. Given this context, the role of training providers is to extend the possibility of becoming such a citizen to the most disadvantaged

³⁰ A term for policies that make participation in work-related activities or work preparation a condition of receiving welfare. See glossary.

³¹ In effect, this is an admission of market failure. One of the main contradictions of neoliberal projects is that they are necessarily instigated, supported and maintained by States, large global institutions and powerful private sector agents (who maintain close government links).

unemployed people. Training providers operate as the drift net used to pull marginal people into the (competitive) labour market and accordingly, the State assumes it is fulfilling its role to secure the social rights of all citizens.

Definitions of key terms

Defining key terms aids clarity of understanding, but also exposes the political and ambiguous nature of research in this topic area. The following words appear to be everyday terms, but within the New Zealand policy context, they are defined by specific measures utilised by Statistics New Zealand in the quarterly Household Labour Force Survey (HLFS). The HLFS is a sample survey³² of the “civilian usually resident non-institutionalised population aged 15 and over” (Stats NZ 2005).

In a general sense, being in a state of unemployment means wanting, but not having, a (reasonable) paid job. However, in the HLFS an individual is only considered to be unemployed if they have had less than one hour of paid work in the preceding week and only if they have “actively sought work”.³³ Hence, many people who do not have reasonable employment or economic security are simply not captured by the New Zealand unemployment rate measures. Te Puni Kōkiri³⁴ is one of the few government agencies to challenge the statistical representation of Māori and unemployment in their statement that “no matter how little employees are paid, and no matter how few hours they work, they are not regarded as unemployed” (Te Puni Kōkiri 1998, 28). The routine statistical under-representation of un(der)employment lessens the general public and political will to do something about it.

In the September 2004 quarter, the total New Zealand population was 4,072,500, the working age population (15–64 years) was estimated to be 3,135,500, the labour force participation rate was 67 percent, and there were 50,500 short-term unemployed and

³² The HLFS is based on a random sample of 16,000 households, which are interviewed by phone four times per year. Selected households stay in the survey for up to two years following an initial face-to-face interview (Stats NZ 2005).

³³ An individual is only counted as unemployed if they have used at least two specified methods of job-seeking, other than looking at newspaper classified advertisements. The exact definition of actively seeking work has changed over the course of this research.

³⁴ Te Puni Kōkiri is the principal advisor to government on Māori issues. The main functions are policy advice, fostering Māori development and monitoring policies and programmes in terms of their impacts on Māori.

23,600 long-term unemployed. The official unemployment rate was 3.8 percent, whereas the underemployment rate was 18.2 percent (Stats NZ 2004a, 2004b). The underemployment rate measures the percentage of part-time workers who say they would prefer to work longer hours. The jobless rate includes the officially unemployed, plus individuals deemed to be active in the labour market who are either available, but not actively seeking work, or actively seeking but not available for work (during the reference week). The official jobless rate for 2003 was 173,800 (Stats NZ 2003).

As a general concept, the term underemployment is frequently used to describe the increasing group of workers who experience irregular, insufficient, or inappropriate paid employment. In economics literature, underemployment also refers to people who are not working to their potential productivity level (i.e., they are over-qualified for their job) (Scollay and St John 1996). In 1979, Clogg noted that underemployment was a more accurate definition of an expanding segment of the labour force, yet even today, there are few concerted attempts to take account of its prevalence and impacts. Peck's (2001a) term un(der)employment acknowledges the overlapping and often indistinct boundaries between unemployment, underemployment and poverty in the context of post-industrial, flexible labour markets.

The term labour market policy (LMP), for the purposes of this research, refers to publicly-funded interventions to address unemployment. Labour market policies have two purposes, to 'assist' unemployed people and to reduce the unemployment rate. If the official unemployment rate under-represents the actual extent of unemployment or underemployment, the political will to assist the unemployed is reduced. In the past decade, most labour market policy literature makes the distinction between *passive* and *active* labour market policies. The training schemes in this study are examples of active labour market policies that focus on improving employability as a supply-side approach to resolving unemployment.

Broadly speaking, training is learning occurring in adult life beyond compulsory schooling. A simple definition is that training usually involves "preparing someone for performing a task or role, typically, but not necessarily, in a work setting" (Tight 1996, 18). Goldstein and Gesner (1988) define training as "the acquisition of skills, rules

concepts or attitudes that result in improved performance in the work situation” (cited in Tight 1996, 19). Training can occur in a job, in a simulated work environment, or in a classroom.

Many of the definitions covered in this section tend to obscure the extent and effects of the disparate experiences of people in the labour market. According to Statistics New Zealand, unemployment refers to people who do not have even one hour of work, yet it is equally important to acknowledge the wide range of experiences and inequalities that are not recorded by official measures, but are alluded to by terms such as un(der)employment and labour market disadvantage.

Research issues

While this research focuses on the provision of training for disadvantaged unemployed people, it also attempts to show current training policy efforts meet the differing needs of these people, and whether in fact they do so. If training is the main policy option for the most disadvantaged unemployed then, it is important to consider whether current policies are effectively assisting this group. The training providers interviewed each had at least 10-20 years of experience in the training sector. In their work, these providers had experienced fluctuating unemployment rates, continuous policy changes and hundreds of trainees with diverse situations and needs. Early in the research it became clear that these provider experiences were enormously valuable in shedding light on aspects of training that were largely absent from the labour market policy literature. The actual activity of training takes place within training organisations and therefore it was considered important to explore the possibilities and constraints operating at this level.

The starting point for the thesis is the now well-documented historical observation of the entrenchment of un(der)employment since the 1970s in New Zealand (and many other OECD countries). For example, the International Labour Organisation (ILO 2001) reports, “One-third of [the] world’s workforce remains unemployed or underemployed. Over 500 million jobs are needed in the next decade.” This entrenchment has precipitated a range of policy responses to unemployment. While there are overlaps and interconnections between these, the focus remains on training.

This focus arose for the following reasons. First, since 1999 Labour-coalition governments in New Zealand view training as a major policy for achieving social inclusion and participation in the context of the *knowledge society*.³⁵ Secondly, there has been widespread proliferation of training schemes and there is some controversy about the content, relevance and effectiveness of courses (New Zealand Government 2005). Thirdly, if a person is unfortunate enough to find themselves unemployed for any length of time and if they fail to find a job quickly, then they are likely to come under pressure to participate in training or risk losing their benefit entitlements. Evidently, training is a key policy with a range of applications, and the most disadvantaged unemployed are often presumed to be candidates for training schemes.

Significance of the topic

This research examines current training policy frameworks and on-the-ground experiences of training provision. Its purpose is to identify where and how policy demands are in conflict with the intentions of providers and the needs of the unemployed. These conflicts matter because they create additional (and to some degree unnecessary) dilemmas over and above the issues the policies seek to address.

The research builds on critiques and debates on the transformation of economy and society in New Zealand since the 1970s (Cheyne *et al.*, 1997; Easton 1989; 1997a; Kelsey 1993, 1995; O'Brien 1994, 2000). My intention is to build linkages between academic debates and theorisations, public discourses and the lived experiences of training organisations whose principal aim is to seek ways to assist the disadvantaged unemployed. The predominance of individualised explanations for unemployment often limits the ability of training organisations to meet the complex and multi-dimensional nature of the needs of the disadvantaged unemployed and the contexts of their lives.

In addition, the research follows the work of other academics, political commentators and community stakeholders who position social justice and community development perspectives at the core of their analyses. Unemployment and labour market

³⁵ See glossary.

disadvantage are significant issues. Ironically, the main policies targeting the disadvantaged unemployed in New Zealand are frequently unable to meet the needs of this group. As Singley and Callister (2004) note, since the 1980s New Zealand society has become more polarised in terms of (un)employment, income and inequality. This polarisation has been accompanied by an increase in negative social indicators such as New Zealand's high suicide, domestic violence and incarceration rates.

The qualitative study of the scope and functioning of training organisations is positioned alongside an assessment of the stated aims and directions of active labour market policy and generic socio-economic policy objectives. Behind active labour market policy rhetoric are discourses constructing the perceived causes of and cures for unemployment. The case studies of the training programmes provide an empirical basis for the analysis of these discursive shifts.

Also reviewed are existing policy mechanisms which determine the operational frameworks for training, drawing on participatory processes to consider the purpose and value of training schemes for those involved. Various interpretations of the distinct geo-spatial and historical situation of contemporary New Zealand society form a background to understanding the subject matter of the research. The international literature provides different understandings of the 'problem' of unemployment and the decisions and efforts made to address this issue through training policies.

The intentions of this study are to contribute to human geographic, theoretically-informed and grounded research on social policy issues and engage with wider policy debates. In New Zealand much mainstream policy research tends to privilege numeric analyses and in particular, short-term measures. An in-depth qualitative approach is adopted to assess non-numeric, long-term, holistic and indirect aspects of training policies. Literature that links the macro-levels of social theory with policy implementation issues and community perspectives is drawn on to assess some of the main constraints and possibilities for empowering and enabling interventions at the local level.

Literature on training policies

Most of the academic literature, both in the international and New Zealand contexts, either discusses training as a generic term, or focuses on the following types of training - vocational training, workplace training, tertiary training and professional training. There is less academic literature that refers specifically to training schemes for the lower end of the labour market, and for individuals or situations characterised by a relative labour market disadvantage.³⁶ Although there is no specific field of literature pertaining to this research topic, writers in disciplines ranging from labour market policy, sociology, economics, geography, psychology, public administration and education discuss different aspects surrounding the training policies, the programme implementers and the disadvantaged unemployed. The design and implementation of training policies in New Zealand is to a large extent, influenced by Anglo-American literature and political trends. Continental European writers such as Ferrera, *et al.*, (2002), Meijers and te Riele (2004), Nicaise *et al.*, (1995), Sarfati and Bonoli (2002) and Torfing (1999a) offer a greater variety of possible responses to unemployment and disadvantage, but these have had less impact on New Zealand political and policy contexts.

There is a sizeable literature, spanning both academic and non-academic points of view, on the New Zealand context surrounding the advent and development of training as an active labour market policy. Most of these are broad discussions of unemployment and labour market policies in New Zealand. The work of Bertram (1988), Gordon (1990), Higgins (1995a, 1997a), Korndorffer (1987) and Strathdee and Hughes (2000) stands out in that these academics identify the policy issues surrounding particular types of training and the varying needs and social positionalities of the disadvantaged unemployed. For example, Bertram (1988) compiled a comprehensive summary of labour market programmes and concluded that there was a need for wider debate and more in-depth academic research into unemployment and labour market policies. Higgins (1997a) also claims that there is a need for scholarly investigation of

³⁶ While the lower end of the labour market is characterised by low wages and poor working conditions, this does not mean that low-skilled jobs are work any person could do. So-called low-skilled jobs are often physically demanding and require workers to operate with speed and efficiency. These jobs might be repetitive, but they often require workers to adopt a repertoire of challenging skills and behaviours (Ehrenreich 2001).

the policy frameworks and mechanisms for employment assistance and training programmes in New Zealand. Higgins' research covers training (for both skilled and unskilled workers) welfare-to-work and transition programmes in New Zealand and the United Kingdom. Her work has drawn on theoretical debates and on the perspectives of young people, the unemployed, employers and teachers (Higgins 1995b, 1999, 2002).

Deeks *et al.*, (1994) have documented New Zealand employment assistance policies and the major themes driving policy in this area. While they refer to geographic and historical factors, there is no attempt to theorise the changes. Gordon (1990), however, emphasises the political and ideological shifts in the late 1980s leading to the increased emphasis on the provision of post-school training as a policy response to unemployment.

Educationalists such as Edwards, R. (2000), Foley (2004), Hager and Hyland (2003), Lawson (1975) and Strathdee (2003a) consider the various levels of training, usually as an adult education issue, focusing mostly on pedagogy and social capital. Korndorffer (1987), Sultana (1987a) and Vaughan's (2001) doctoral research in education focuses on ethnographic experiences of young people and tutors in transition education. According to Korndorffer (1987), transition education provision involves many complexities and contradictions especially in the context of rising youth unemployment and a more highly stratified society. The needs of young unemployed people are poorly served because "all transition education tutors can do is 'make the best of a bad job' within economic and political constraints" (Robinson in Korndorffer 1987, 9).

Higgins (1997b) and Strathdee (2004) are among the few who have written on the experiences and position of the providers who work with the disadvantaged unemployed, or on the impacts of market provision models on these organisations. Community development writers are the most likely to discuss experiences of implementers and the grassroots level of policy implementation in detail (Chambers 1998; Kaufman and Alfonso 1997; Knippers-Black 1991). Vaughan's (2001) poststructuralist ethnography of an Auckland-based transition education school offers some methodological insight into alternative education provision.

Commissioned reports by Bedford *et al.*, (1999), Scott K. *et al.*, (1997), Stolte and Lidgard (1999a, 1999b) and Te Puni Kōkiri (1998) offer interdisciplinary and context specific understandings of policy and community responses to unemployment in New Zealand. The now disbanded New Zealand Planning Council took a grassroots or implementation level perspective when it conducted a qualitative study in the Eastern Bay of Plenty and Wanganui on community-based responses to unemployment in 1990. The aim of this study was to “put a human-face on the unemployment statistics” (Boswell *et al.*, 1990, 1). The research showed that community and Māori organisations utilised government funding for training schemes to offer a wide variety of services and projects for local unemployed people. While gaining employment or creating new jobs was a desired goal, there were many additional benefits for individuals and their communities. Overall, the training schemes were considered an important aspect of local community development and one of the few available options for addressing the needs of unemployed people. The main difficulties in programme viability were “a lack of ‘start-up’ finance, lack of administrative and management experience, and alienation from the people holding power” (ibid, 1). The last point was considered to be due to a “wide cultural gap” between the local community groups, and government departments and lending institutions.

The human geography literature includes extensive analyses of unemployment, either in terms of identifying regional, economic and demographic variations (Green, A.E. *et al.*, 1994; Lindsay *et al.*, 2003; Morrison 1991; Pattie and Johnston 1990; Sunley *et al.*, 2001) or as a contemporary societal issue intersecting with social positionality and identity (Harvey 1996; Katz, C. 1994; Laurie *et al.*, 1999; Peace 1999; Sibley 1995). There are, however, relatively few human geographic accounts specifically addressing training as a policy response for the most disadvantaged unemployed. According to Peck (1996), geographers have been effective in examining geographical differences, but they have been less likely to link these to the socio-political dimensions of labour markets. Yet, geographic perspectives can offer a considerable challenge to the largely disembodied, decontextualised and depoliticised models of neoliberal and free-market ideologies. The importance of place, context and social relations is captured in Harvey’s (1989) comment, “Labour power has to go home every night” (in Peck 1996, 15).

One example of labour geography is Lindsay *et al.*, (2003) who consider unemployment, labour market policy responses and the specific difficulties of isolated rural economies. The authors refer to the additional barriers faced by the rural unemployed, who lack education, training and work experience opportunities. Such research does not offer much beyond arguing that people in rural locations need more services to improve their employability.

Sunley *et al.*, (2001) go further to consider not only the policies, but also their evaluation. They argue that standard assessments of youth training or workfare type policies in Britain are too generalised and do not take account of geographical factors. In particular, the authors challenge the analysis and findings of a £4 million government evaluation of the effectiveness of its active labour market policies. They claim that, first, the spatial variability of course outcomes and the significance of regional and local variations in labour markets were overlooked. Secondly, they argue that the national and aggregate measures of the successes of the programmes mask many irregularities and variations.

Morrison's (1984, 1988, 1991, 2001) work in labour geography offers New Zealand-specific understandings of the spatial and distributional aspects of employment, unemployment, labour markets and welfare reform. His work demonstrates that New Zealand labour markets are characterised by increasing inequalities, in terms of income distribution, social mobility, access and participation. The strength of Morrison's work is in quantitative analyses of unemployment and labour market patterns and changes, and it complements qualitative and community-based research of training scheme implementation.

Since the 1990s, a relatively small group of geographers have made significant contributions to international labour geography literature by examining the theory and practice of labour market policies from human geographic and political-economic perspectives (Etherington 2003; Gough 2002; Haughton *et al.*, 2000; Peck 1996, 2001a; Peck and Theodore 2000a, 2000b). The interest shown by these writers in policies for workers and the unemployed is, to a large extent, a critical response to the emergence of specific *workfare* policy initiatives.

Overall, there was a limited amount of literature on the specific topic of this research that also utilised similar methodological approaches and this meant reading very broadly and across a range of disciplines. Nonetheless, each different discipline was read through the lens of human geography and therefore, contextual, spatial, inter-scalar and embodied dimensions were looked at in the texts. In comparison, labour market policy, economics and public administration sources appeared quite decontextualised and disembodied. Yet, such literature is often identified by central government agencies as the most authoritative sources for the design and delivery of training policies. Adopting a human geographic research approach, was an attempt to demonstrate how the disconnected nature of mainstream approaches ensures that the particular characteristics and situations of disadvantaged unemployed people remain peripheral to the models and theories used to understand unemployment and training policies.

Theoretical influences

The theoretical perspectives informing the research have evolved broadly from my training in critical human geography and the influence of geographers such as Harvey (1996, 2000), Katz, C. (1994), Massey (1995) and McDowell (1992, 2000). However, two main theoretical areas were chosen to form the foundations for this research. First, the community development literature, which emphasises the grassroots, or the local level of policy, social issues, ethnography and participatory methodological approaches (Craig and Mayo 1995; Kaufman and Alfonso 1997; Munford and Walsh-Tapiata 2000; Warburton 1998; Ward 1993).

Secondly, neo-Marxist political economy and, in particular, the work of Peck (1996, 2001a, 2001b), Tickell and Peck (2003), and Peck and Theodore (2000a, 2000b) provided conceptual tools for identifying, framing and analysing the macro-trends of contemporary capitalist societies that impact on the training schemes. Political-economy literature also served as a reminder of the importance of economic survival as a material component of social life. The radical social political-economy of Gorz (1999) and Polanyi (1957) offered a space to extend beyond the common sense of powerful neoliberal discourses and practices commanding attention in contemporary societies.

These major streams of thought provided a background to my ideas, methodology and questions. Critical theoretical approaches became more important as the research progressed. Fraser's (1989) politics of needs interpretation identifies that 'needs' (and the main public discourses defining or accompanying understandings of needs) are not a straightforward 'reality'. Thus, Fraser presents a case for examining the discursive processes and political struggles surrounding the definition, validation, politicisation, representation and satisfaction of needs. Differences are explored in the construction of the needs of disadvantaged unemployed people, as they are understood by the training providers in the study, and also how these needs are encoded within the training policies. The interpretation and representation of the term 'needs' for and by, different groups and individuals must aim to avoid paternalistic interpretations that are disconnected from social rights claims.

Critical policy analysis challenges the way policies tend to be defined by powerful agents and hegemonic norms (Stone 1998). Policy assessments tend to rely on 'experts' and dominant political agendas, but they should also include marginal voices, by using different methods, studying different individuals or groups and accommodating different interpretations. These approaches are echoed by many critical feminist geographers such as Katz, C. (1992, 1994) and Moss (2002). Despite drawing on feminist methods and approaches, this study does not focus specifically on gender. It must be acknowledged, however, that the many forms of marginalisation and/or discrimination which construct social positionality, also impact on the identity formation and agency of disadvantaged unemployed individuals and groups. Moreover, feminist concerns with the embodied and lived dimensions of human agency and social relations, such as those offered by Longhurst (1997), offer a way to 'ground' theoretical and political economic debates.

While theory, discourse and deconstruction are important, they are not the end goal of this research, but rather tools used to understand the complications experienced by the people and organisations researched. The main concern underlying this project is social (in)justice, and I take the position that, in general terms, un(der)employment and labour market disadvantage in a market-society are unjust and lead to increasing inequalities. Most contemporary developed nation States, such as New Zealand continue to offer a

degree of assistance to individuals who are not in paid employment. Whatever forms this assistance takes, the preference is for policies that empower (rather than dis-empower) and enable individuals and communities to make the best of what limited labour market opportunities exist, or assist them to find other meaningful ways to participate in society. This may, in turn, give rise to alternative or utopian visions that involve the redistribution of paid work and caring responsibilities, and value the many forms of work or activity where participation in the community and citizenship are not limited solely to individual earning power.

While neoliberal, free-market and individualised discourses are currently predominant, there is still space to challenge their hegemony. There is good reason to challenge so-called non-partisan free-markets and the apolitical ‘truth’ claims of many dominant discourses and practices, especially in the public policy arena (Fischer 1995). At times, it is also reasonable to consider aspects of hegemonic discourses and structures that cannot easily be changed, or for which the lack of plausible alternatives suggests that the status quo is the ‘best’ option for now. Yet, a critical conscience demands speaking out to challenge discourses and practices that routinely marginalise, dis-empower and generate unacceptable trade offs.

Methodology

The field research was designed to take account of and examine the embedded and embodied experiences of training policies (Longhurst 1997; Tigges *et al.*, 1998). The qualitative research comprised empirical data collection, discourse analysis and theory building. This triangulation allowed all aspects of the methodology to work together and to inform each other in a trialectical process. To begin, there was no attempt to pre-empt the key issues around training schemes in the early stages and so, the methodological approach was largely inductive. As knowledge increased, more reliance was placed on deductive techniques to analyse and sort the fieldwork data and the discursive material and to guide literature searches. The research began with a multidisciplinary literature review to increase my knowledge of training policies. This reading helped to situate the research topic within a broad multi-scalar context with sensitivity towards geographic, sociological, historical and situational factors.

In the field, aspects of ethnographic, community development and participatory approaches were adopted. The selection of fieldwork methods and sites was determined by the need to build trust, rapport and reciprocity with respondents. Rather than striving for a large representative sample, the research was concentrated on key informants in a small selection of in-depth case studies. The fieldwork included an initial scoping exercise, informal communications, three key informant interviews, one focus group, participant observation and immersion at various levels, including two four-day field encounters.

Although public sector agents and trainees were researched, the focus became training providers. Most research on training and unemployment focuses on macro-level analyses, or on the individual unemployed (i.e., the health effects of unemployment on individuals). Training providers occupy an interesting position as intermediaries between the State and unemployed individuals, and their position reveals many aspects of the intersection of policy and practice. Furthermore, training providers experience various dilemmas due to the necessity to negotiate between the needs of the policy framework and the training needs of the unemployed.

Another reason for the focus on training providers was the newness of the training provider role in the quasi-market context. This newness means there is relatively little literature assessing how the role of providers affects the delivery of training policies.³⁷ An arbitrary distinction was made between what can be termed *commercially-orientated*³⁸ providers and *socially-motivated*³⁹ providers. There is no clearly definable line that separates these two groups, as providers can have both commercial and social motivations. Yet, a general variation exists between the providers who are more comfortable with making adjustments to meet the increasing demands for commercial success, and the providers who are uncomfortable with such adjustments. Following

³⁷ The new context of public sector administration in New Zealand is discussed in detail in Chapter 4. For a definition of quasi-market see the glossary.

³⁸ Commercially-orientated providers tend to emphasise their business objectives, their 'success' in meeting outcome targets and the success of a few individual ex-trainees. They are less inclined to talk about the needs of the unemployed or of trainees who are less likely to meet the demands of local labour markets.

³⁹ Socially-motivated providers tend to express empathy with, and responsibility for, unemployed and disadvantaged people living in their communities. Economic survival is still important for such organisations, but it is only a means to an end.

objectives other than those stipulated at the policy level risks the loss of funding and contracts, which threatens the economic viability of training organisations.

In the course of the research, the discourse analysis of policy statements in documents, press releases, speeches and websites provided a way to identify and assess the main notions, terms and constructs that are predominant aspects of current political and ideological beliefs and norms. The development of theoretical ideas guided the fieldwork and discourse analysis, but also occurred in response to unexpected findings. The specific details of the theoretical claims and the thesis argument emerged from the research process and therefore did not fall into place until an advanced stage of the research.

The analysis of the field data moved beyond a mere concern with the individual, and his or her labour marketability and moral conduct, to include geographical and sociological approaches, which situate and embed the issue of un(der)employment and the training 'solutions' within the characteristics of contemporary New Zealand society. My approach follows the lead of other researchers who also challenge influential neoliberal and neoclassical assumptions, such as McCartney (2004, 2) who asserts:

The idea that [economic] liberalism will remove politics from the economy and lead to a more rational and efficient allocation of resources is false. Markets are not politically neutral but embedded in social structures.

Government review

After embarking on this research it was discovered that a government review was taking place. Over the 2001-2002 period, a group of seven people, including policy experts and a few people working in the training sector, reviewed Training Opportunities, the largest State-funded training scheme for disadvantaged unemployed people. The review generated a consultation document (in 2001) and a final report (in 2002) both published by the Ministry of Education. The timing of the review had consequences for the field research, because public sector agents tended to defer any discussion of training issues. The review also meant that there was greater uncertainty and stress amongst providers who speculated about possible changes. This also created

some uncertainty because it seemed as though this research might be attempting to study rapidly shifting ground.

Chapter outline

In summary, this research examined the experiences of training providers in their efforts to respond to unemployment and labour market disadvantage in New Zealand. This included a consideration of the day-to-day operation of training schemes, the broad policy objectives of training and the specific funding and management requirements based on the measurement of narrow post-course outcomes. This thesis has emerged as a response to a groundswell of questioning (especially at the grassroots level) of the political philosophies or the reasoned justifications that configure policies and institutions in contemporary New Zealand society. A clear picture of the lived experiences of socially-motivated providers can shed light on what sustains (or erodes) community-based responses. Furthermore, such information could aid decisions on how to allocate resources to sustain genuine attempts to offer services needed by disadvantaged unemployed people.

Chapter 2 draws on international sources that broadly map resilient international neoliberalising principles and processes (and how these are articulated at the local scale) in the formation of a specific political-economic and policy framework that impacts on training schemes. This framework reveals particular interpretations of unemployment and labour market disadvantage and poses particular supply-side training responses. Also explored are the conceptual origins of training as an educative, active labour market policy and workplace strategy. Training is a widely used and fundamental concept especially in contemporary post-industrial contexts. Attempts to define training reveal the distinct and, at times, conflicting political agendas. Identified are the key theories informing training policies for the disadvantaged unemployed as they appear today. The chapter closes by elaborating on the theoretical underpinnings of this research in community development and neo-Marxist theories to position these as an enabling and empowering framework to underpin the work of socially-motivated community organisations.

Chapter 3 begins by tracing the origins of current New Zealand training policies to the significant increases in unemployment in the 1970s. The chapter then offers a historical outline of the political and economic changes that have affected the discourses on unemployment, the construction of unemployed people and the frameworks for labour market policies, especially training schemes. This is drawn mostly from New Zealand sources and in particular, the work of human geographers and other academics attempting to raise the profile of labour market policy and unemployment in New Zealand.

Chapter 4 begins with an explanation and critique of the new model for public sector management that has radically altered the New Zealand public sector and especially the implementation of policy. In this context, government policies, including training schemes, are delivered in a quasi-market on the basis of business principles. The chapter then moves on to document examples of community-led responses to unemployment and describes a significant restructure of the Access training schemes in 1992, the change to the Training Opportunities Programme, and how this set the framework for current policies. The final section concentrates on the specific training policies which are examined in the case studies. Reference is made to the New Zealand literature on training and concludes with a discussion on the implications of New Right, Third Way and workfare discourses.

Chapter 5 explains the research methods used and some of their limitations. It provides detail on the main field research sites, the participants, various other research activities, and how the data was analysed. The second part of the chapter is a more reflexive account of the research processes, and the changes and choices made as the research progressed. Finally, I identify how particular experiences and my social positionality operate as motivations for this research.

Chapter 6 explores the lived dimensions of training policies at the community level. My immersion in the training sector offered a detailed insight of the day-to-day operational aspects of training courses and the relationships between the policy level, providers, trainees and communities. After outlining how training operates at the grassroots level, a discussion follows on some of the major concerns of the providers

and bureaucrats spoken with. Then, follows a discussion of the expectations of both the providers and trainees. The final part of the chapter analyses the field data in order to identify the main consequences of the policy and implementation issues in the training sector.

Chapter 7 details the main recommendations for changes as expressed by the respondents. The second part of the chapter focuses on the main recommendations made in a government review. These recommendations revolve around foundation skills, social development and outcomes. The chapter then moves on to discuss the wider recommendations for an active labour market policy, as they appear in the 2002-2005 Labour-coalition government's policy statements. Lastly, international examples and, in particular, recommendations emerging from Danish and Dutch active labour market policies are drawn on.

In Chapter 8, it is argued that the current policy framework for training is compromised due to disconnections between discourse and practice. These disconnections arise because of several (contrary) themes that occur at both the policy-making and operational levels. Then, the chapter moves on to consider a community development framework for training schemes and other policies seeking to address the needs of the disadvantaged unemployed. In the final section, the major tensions embedded in the current State Active Neoliberal framework for training schemes and active labour market policies in New Zealand are outlined. From this three main challenges to the present situation are offered, followed by suggested policy changes that could lead to substantive improvements. The next section reflects on the research and possibilities for future studies. To close, my initial research questions are revisited.

Chapter 2

Theorising training and disadvantaged unemployment

The purpose of this chapter is to put forward the theoretical foundations for my research of the issues surrounding disadvantaged unemployment from a training perspective. Of particular significance is the influence of a generic neoliberal paradigm and the broad policy shifts from welfare to the various forms of ‘hard’ and ‘soft’ *workfare*.⁴⁰ I outline the major political economic standpoints that exist in the contemporary international context. In the process, the main strands of neoliberal thought are identified as is its relevance to and usefulness for, understanding (and ultimately improving) the situation and social positionality of disadvantaged unemployed people. Then, I explain State Active Neoliberalism, which as argued in Chapter 1 is a more accurate description of the political framework adopted by two successive Aotearoa/New Zealand Labour-led governments from 1999-2005. In addition, I review understandings about the intended purposes of training drawing on a range of literature from education, sociology, human resources, human geography and labour market policy. Finally, the development of a theoretical framework draws together aspects of community development and neo-Marxism to facilitate a critical analysis of training policy for disadvantaged unemployed people. This framework positions my approach and offers a platform to explore possibilities beyond the predominating assumptions surrounding training scheme implementation.

Although New Zealand and international literature on training is considerable, there are relatively few in-depth academic analyses that concentrate on training for the disadvantaged unemployed. In the course of this research, it became clear that the application of training for this specific group requires distinct theorisations. Most neoliberal and Third Way discussions view the labour market as a relatively level field of opportunity and treat the unemployed as a relatively uniform group. Thus, as long as

⁴⁰ For a definition of workfare see the glossary or page 54.

obstacles to employment are removed (with, or without assistance) all unemployed people are presumed to possess the same potential to succeed. The mainstream theoretical frameworks such as those informing OECD publications (OECD 1997, 2000) and government publications (New Zealand Government 1994, 2001) generally fail to take account of the different embodiment, location, context and social or class positionality of disadvantaged unemployed people. The main assumption is that as long as people become more trained and educated they will succeed in the labour market. This assumption also reinforces the expectation that training providers are responsible not only for training the unemployed, but also for ensuring that trainees enter jobs on completion of a course. This chapter sets out to explore the assumptions behind training and the active labour market policy area, to demonstrate that these assumptions are much less likely to apply to disadvantaged unemployed people than any other group. The unsuitability of these assumptions affects not only the trainees, but also the providers of training schemes and ultimately the viability of training itself as a policy vehicle for meeting the needs of the most disadvantaged unemployed.

As this research demonstrates, policy initiatives operate within particular sets of circumstances due to the specificity of spatial-temporal and institutional settings and the embodiment of the people concerned. Yet, policies are also surrounded by broader (inter)national processes that impact on the constraints and possibilities at the local level. Political economic models offer generalised descriptions of the particular sets of relationships between the State, the economy and society. Although each nation charts its own particular course, there are broad international trends such as demographic changes, skills shortages or corporate concentration that tend to become more apparent, as nations, regions and economies become more interconnected through technological change and the internationalisation of finance capital (Coates 2000).

Political-economic frameworks

From Keynesianism to neoliberalism

This thesis considers a contemporary story of training and unemployment (in New Zealand and most Western nations) beginning with Keynesianism, the government framework adopted in the post-war boom period to uphold Fordist mass production,

full (male) employment, and mass consumption patterns and social norms. The main priority of Keynesianism was to achieve and maintain full employment through demand-side economic policies. Wealth was redistributed through universal wage-setting, welfare policies and progressive taxation.⁴¹ From the 1970s onwards, economic crises, stagflation, globalisation and trade liberalisation weakened the case for Keynesianism, as did socio-cultural changes. Critics argued that Keynesian demand management stifled economic growth. The State's guarantees of work for every able-bodied (male) citizen and universal living standards were replaced by new priorities such as efficiency, fiscal restraint and creating the conditions for private sector expansion.

The rapid economic adjustments and restructuring that followed, however, increased unemployment. Frustration was particularly apparent in situations where there were few other economic opportunities. Rising unemployment also placed unprecedented pressure on welfare budgets, which was incompatible with efforts to reduce fiscal expenditure. The first training schemes emerged during this period as States struggled to find new ways to appease jobless workers. Post-war discourses, such as those surrounding the concept of 'social citizenship' (Marshall 1949 cited in White 2003) depicted the unemployed as hapless victims with a right to demand work from the State. As these began to unravel, new discourses about the nature of unemployment, the character of the unemployed and the framework for the State and the economy were (re)invented.

As White (2003) observed in the United Kingdom, from the 1970s onwards, political agents were increasingly captured by the assertion that monetarist concerns, such as price stability and fiscal restraint, were a greater assurance of future prosperity and progress than a commitment to full-employment. As the authority of Keynesian demand management waned, the policy options for individuals and communities facing rising unemployment shifted from employment creation or substitution, towards more individualised, supply-side responses. Influential institutions such as the OECD

⁴¹ The Keynesian model privileged men, especially heterosexual, white men. Many groups such as women, minorities or those who did not conform to the nuclear family model did not receive direct gains and are thus unlikely to support a return to such policies.

underpinned the shift in the Anglophone policy circuit away from ‘passive’ labour market policies (i.e. job creation or income maintenance) towards ‘active’ labour market policies that seek to improve the skills, adaptability and pliability of the workforce, while shifting the responsibility for unemployment on to the unemployed themselves (Martin and Morrison 2003).

The crisis of Keynesianism provided an impetus for new and largely untested political-economic frameworks. The 1970s and 1980s was a period when the fragments of a broad neoliberal State project began to converge due to the sustained efforts of think-tanks, intellectuals and right-wing intellectuals such as von Hayek and Friedman. Yet, neoliberalism remained a theoretical conjecture until it was forcibly imposed as a political programme in Chile in 1973 (Tickell and Peck 2003). The transformation of the Chilean economy (but not the social costs) provided a ‘real’ world justification for powerful international agents, such as the International Monetary Fund (IMF), to advance neoliberal policy packages. Subsequently, the 1979 Thatcher, 1980 Reagan and 1984 Lange governments formulated policy frameworks with free-market relations at their core. Since then, a generic neoliberal free-market logic has gained global ascendancy and remains firmly embedded as the common-sense core of contemporary theories of State and society across (almost) the entire political spectrum (Peck and Tickell 2002).⁴² This has had dramatic, worldwide impacts on the direction and development of social assistance and labour market policies including training policies (Harvey 2001; Jessop 2001; Peck 2001a; Peck and Tickell 2002; Ryner 2002).

The labour market policies of the Keynesian era such as State-subsidised job creation and income maintenance had the objective of full employment. Currently, such passive policies are assumed to reduce individuals’ work motivation, entrepreneurial potential and interfere with free-market mechanisms. In contrast, current active labour market policies are believed to provide ‘a hand-up, not a hand-out’. The purpose of active policies is full employability, or improving unemployed individuals’ attitudes towards and capacity, to work.

⁴² Political parties both of the right and the left now unquestionably endorse the main tenets of neoliberal free-market capitalism. Only social movements based on green, communist, indigenous and/or neo-Keynesian principles advance alternative projects, albeit from marginal political spaces.

Neoliberalisms – ‘hard’ and ‘soft’

The training schemes discussed in this study were conceived when neoliberal discourses were at their peak in the 1980s and 1990s, and they replaced the existing so-called passive labour market policies. Many writers have observed that in an international context, dominant political-economic frameworks are tending to operate from a neoliberal core that advances the shift from welfare to workfare⁴³, alongside increasingly competitive labour markets and liberal individualism (Beck 2000; Higgins 1999; Jessop 1994, 2001; Larner 1998; Neilson 1998; Peck 2001a, 2001b; Ryner 2002). Larner (2003) and Tickell and Peck (2003) note that there is considerable variation in the ways in which neoliberal imperatives play out in different national contexts. This can be exemplified in the ‘harder’ neoliberal, or ‘softer’ Third Way versions of workfare, which are covered in the course of this chapter (Higgins 1999).

Larner and Le Heron (2002) warn against treating neoliberalism as a monolithic project because this obscures the multitude of new spaces and subjectivities that are subverting and resisting global trends, and creating articulations with different locally-determined interests and non-neoliberal ends. In the field of political-economy, neoliberalism is frequently adopted as an over-used and universalising signifier which according to Larner (2005, 17) obscures the fact that “neoliberalism is certainly not a top-down fully realised approach.” Recent studies by Larner and Craig (2005) and McCarthy (2005) demonstrate that neoliberalism can articulate in complex ways with community aspirations to resist top-down governmental command; and therefore, aspects of neoliberalism can be co-opted for progressive locally-based and community-determined ends. Simon, W.H. (2001) offers practical examples of community economic development initiatives, however, few of these reflect instances where organisations (actually) meeting the needs of the most disadvantaged unemployed adults are sustained in the long-term.

As an overall term, neoliberalism can still be useful at the abstract, theoretical or macro-levels, for identifying powerful sets of discourses that, in the realm of practice, lead to context-specific permutations and articulations. At the ideological core of

⁴³ For a definition of workfare see the glossary or page 54.

neoliberal thought is a set of shared assumptions emphasising individualism, *laissez-faire* competition, private property rights and a belief that ‘free’ or unfettered capitalist expansion improves the prosperity and wellbeing of everyone, including the poorest. These shared assumptions constitute a supra-national political project, which is certainly powerful, but by no means inevitable or predictable. Therefore, as a general concept, neoliberalism is a mutable political-economic agenda founded on neoclassical economic models and theories that emphasise utility, profit maximisation and *methodological individualism*.⁴⁴

Neoliberals advocate minimal government and do not, in principle, recognise market failure. Despite the rhetoric, even hard-line neoliberal administrations still intervene in society and the economy, albeit less overtly. As observed by Polanyi (1957), a free-market cannot operate effectively without government policies, institutions and legislation to facilitate private ownership, commodification, fiscal prudence, competition and law-abiding market relations. Although neoliberal discourses tend not to support social policy interventions, publicly-funded training schemes are at times supported as a way to encourage individualism, self-responsibility and competitive behaviour. From a generalised neoliberal viewpoint, the support for a limited investment in training schemes hinges on the justification that training improves unemployed individuals’ employability and their performance in the labour market.⁴⁵ Thus, training is considered to be one way to address the problems associated with long-term unemployment and *hysteresis*⁴⁶ without placing additional burdens on employers and businesses.

Since neoliberalism emerged in the 1980s, it has evolved into a range of ‘hard’ or ‘soft’ forms. Hard and soft forms of neoliberalism are very similar in that they both advocate policy frameworks that construct citizenship in relation to the free-market. The main difference is that hard neoliberalism utilises a higher degree of force and sanctions to

⁴⁴ The theoretical claim that all phenomena can be explained by the aggregate behaviour of rational individuals.

⁴⁵ From a neoliberal stance the preference is for such training to be funded at the community or local level by the individuals themselves, or charity, rather than by the State.

⁴⁶ See the glossary and page 64.

ensure that citizens comply with the political project, while a soft neoliberal framework advocates incentives as the preferred route.

Hard forms of neoliberalism tend to emerge from right-wing, neo-conservative political bases that endorse conditional and/or punitive forms of workfare, such as in the United States during the Clinton, and successive Bush administrations. Advocates of hard neoliberalism (such as Cocrombe *et al.*, 1991; Kerr 2001; Osbourne and Gaebler 1992; Scott G.C. 2001) argue that the gains outweigh all of the costs of adjustment, or restructuring along neoliberal lines. Hard neoliberal discourses generally show little sympathy towards the poor and disadvantaged, as they assume that any person can be successful if they try hard enough. Such neoliberals largely reject affirmative action and social assistance because these are assumed to destroy self-responsibility, the entrepreneurial spirit and familial support systems.

Generally adopted by left-wing and social democratic political agents soft neoliberalism, or neoliberalised social democracy can overlap and articulate with other frameworks such as the Third Way, or the Schumpeterian Welfare State (SWS)⁴⁷ (Jessop 1994; Ryner 2002). In contrast to hard neoliberals, soft neoliberals admit that sometimes the poor remain poor, due to combination of individual failings, or failings in their wider social environment. Thus, interventions may be required to alleviate the symptoms of social and/or market failure. Competitive market mechanisms are usually not questioned very deeply, even if they exacerbate poverty and inequalities. Most soft neoliberal social interventions emphasise a hand-up to ensure that 'needy' people become independent free-market citizens as quickly and cost-effectively as possible. Soft neoliberals still enthusiastically advocate the expansion of the free-market and the neoliberal project, but they acknowledge that there are exceptions where the State has a limited role to provide services that would be inappropriate in a market context (e.g., prisons, policing, primary health care and public education).

⁴⁷ The label used to typify the Swedish model of government, which advocates high-value added industry and a comprehensive social welfare system.

Overall, the differing forms of neoliberalism prescribe a particular economic role for the State, where the main priorities are attending to monetary concerns such as controlling inflation, creating optimal free-market conditions and reducing the costs of business operation. The preference is for the State to only have a facilitative role to maintain the supply-side of the economy, while leaving economic demand to free-market forces and individual consumer choices. From an idealised neoliberal position, social policy interventions ought to be kept to a minimum and, where possible, service delivery by the State should emulate market relations.⁴⁸

According to both soft and hard neoliberals, supply-side economic policies are the best option for reducing unemployment because they make it easier (and cheaper) for employers to hire and fire staff as required. Another popular business sector suggestion is corporate tax cuts, which presumably encourage employers to expand their operations and increase labour demand. Freeman and Gottschalk (1998) argue, however, that tax cuts tend to favour large firms, rather than small businesses and tend to encourage venture capital, rather than productive capital investment and jobs. Another set of suggestions involves reducing or removing *labour market rigidities*, which includes taxes, government regulations, minimum wages, non-wage labour costs (i.e., health and safety standards or levies) and union power. The New Zealand Business Roundtable (1990) and the New Zealand Employers' Federation (1992) argue that such labour market rigidities cause unemployment because they interfere with the efficient operation of markets, depress economic growth and discourage employers from hiring additional workers. In general, neoliberals are concerned with the supply of a skilled, flexible and cost effective labour force, but they tend to overlook the fact that this also includes the workers' requirements for a reasonable job and career advancement possibilities (Asian Development Bank 2001; Bosworth *et al.*, 1996; Lindsay *et al.*, 2003; OECD 1997).

⁴⁸ Despite the move towards minimal government in New Zealand, in the 1980s and 1990s governments were not clear examples of minimal, non-interfering States. For example, the National government launched two major nation-wide initiatives to modify public awareness; the Code of Social and Family Responsibility (a massive social survey directed at changing the behaviour of beneficiaries) and extensive television advertising campaigns to encourage the public to report benefit fraud. These initiatives signal new forms of state interference that seek to privatise social issues and introduce neo-Foucauldian styles of social control.

Global institutions, such as the IMF, the World Bank and multi-national corporations, are strong advocates of neoliberalism in its various forms. Easton (1997a) and Kelsey (1995) critique the convergence of the interests and ideologies of these powerful institutions, which has contributed to the emergence of an international mandate for structural adjustment programmes and State sector restructuring. Nation States that reject (e.g., Cuba), or challenge (e.g., Argentina) the hegemony of this generic neoliberal project are less likely to receive assistance, or gain favourable trade negotiations and generally risk becoming ostracised. New Zealand governments are under considerable pressure to demonstrate a neoliberal-orientated policy framework, as a condition of international agreements and in order to maintain position as credible parties in a range of international fora.

In New Zealand, the political-economic reforms of the 1980s emerged from economic, social and political challenges to Keynesianism. Although implemented by a nominally left-wing government, a form of 'roll-back neoliberalism'⁴⁹ was devised by powerful political agents who drew on neoclassical economics and neoliberal theories. In the 1990s, the reforms were continued by a conservative government and articulated more comfortably with New Right interests. This framework was, however, largely rejected by voters in 1999, when a new Labour government, inspired by Third Way politics, was elected (Chatterjee *et al.*, 1999). The 1999 Labour manifesto presented a softer neoliberalism (or a neoliberalised form of Third Way) with the principal objective of "more market for more welfare" (Giddens 2000; Labour 1999).

There is a considerable literature that critiques the New Zealand reforms and focuses on the influence of (hard) neoliberalism (Cheyne *et al.*, 1997; Conradson 1994; Easton 1987, 1997a, 1997b; Green, P.F. 1994; Jesson *et al.*, 1988; Kelsey 1993, 1995; Lerner 1997; Neilson 1998; O'Brien and Wilkes 1993; Russell 1996; Scott G.A.J. 1995; Vaughan 2001). These writers explain how as an economic construct, neoliberalism legitimises the relentless pursuit of short-term economic growth and efficiency, competition, individualised gain, reduced public expenditure, deregulation and

⁴⁹ This term adopted by Tickell and Peck (2003, 172) describes a form of neoliberalism that advocates 'rolling back the State' by reducing bureaucracy, social service provision and taxes.

privatisation. At a sociological level, neoliberalism also articulates with socio-cultural processes that shift hegemonic discourses and perceptions away from community and the public good towards individualism, self-responsibility and autonomy. Even so, neoliberalism is not a stable, inevitable, or universalising discourse (Larner 2003). Neoliberalism translates into a variety of different shapes and forms when it is embedded in specific contexts and articulates with other discourses and political agendas, such as the Third Way. An awareness of discourse is important, as is the study of the mechanisms, practices and lived experiences that occur alongside a particular political rationality (neoliberal, or otherwise).

Despite the many permutations, inherent weaknesses and contradictions, policy-makers around the world are increasingly captured by the neoliberal project (Peck 2001b; Peck and Tickell 2002). The intensification of the competition principle is driving individuals, groups and nation States to vie for position in the desperate zero-sum games of neoliberal globalisation processes. The success of neoliberalism appears to be partly due to its ability to co-opt competing discourses, discredit alternatives, narrow public awareness towards private or consumerist concerns, and seduce citizens into overlooking the tradeoffs and long-term consequences (Hamilton 2003; Higgins 1997b; Peck 2001b).

At the policy implementation level, the New Zealand neoliberalised reform agenda has radically altered the implementation of training policies. The introduction of a new public sector administration model has led to significant changes in policy administration mechanisms and practices. This model combined public choice theory and agency theory, transaction cost analysis and managerialism. These underlying theories all share a neoliberal common ground in that they advance notions of rational individualised self-interest, competition and market relations in the design and delivery of public policy. This public sector administration model is also referred to using the terms contractualism, or the *quasi-market* and this is discussed in full in Chapter 5 (see page 114).

New Right discourses

The purpose of training and its role in the economy and society tends to vary across the political spectrum. New Right or contemporary right-wing views tend to combine a neoliberal economic rationality (i.e. privileging the free-market and models based on economic rational man) with differing moral standpoints that articulate either with neo-conservatism, or liberal individualism.⁵⁰ New Right discourses commonly advocate minimal government, yet they simultaneously support government action to embed a market rationality and conservative (i.e. Green, D.G. 1996), or liberal individualistic (i.e. Kerr 2001) norms. The main priorities for right-wing proponents are usually lowering taxes, minimising constraints on business and reducing government expenditure on social services.⁵¹

The New Zealand Business Roundtable (NZBR) and Business New Zealand are influential pro-business and employer lobby groups that usually advance right-wing perspectives. The Maxim Institute, a think-tank, combines concerns about societal breakdown with a strong appeal towards welfare reduction, hard workfare, neoliberal economic policies and ‘rediscovering’ civil society (Maxim Institute 2005). All three groups are active in public and political debates on unemployment.

Despite the influence of right-wing ideologies governments, in New Zealand and elsewhere, have continued to allocate funds to training schemes. Even minimalist workfare schemes, however, involve considerable taxpayer-derived expenditure. In general, right-wing critiques of training policies such as those of NZBR (1989) and Sloan (1994) tend to concentrate on discussions about course content and a preference for private sector delivery of training.

On the topic of training, New Right proponents tend to put forward distinct ideas about the purpose of schemes and how they should operate and be funded. For example, the

⁵⁰ These different moral positions can be at odds with each other. The common ground is the belief in the competitive free-market as the best system for the allocation and distribution of resources and opportunities.

⁵¹ While New Right advocates such as Douglas (1996) and Kerr (1997) claim they want to reduce government spending, they are frequently vocal about the need for increasing the capacity of defence forces, law and order enforcement and infrastructure such as roading and electricity supply. These activities involve considerable government expenditure even if services are contracted out in a quasi-market.

NZBR argues that training should increase workforce adaptability, productivity and the value of individual labour power (NZBR 1989). According to Green, D.G. (1996, 2001) training is largely a personal investment. Green points to studies showing that training and/or education increase the likelihood of employment and higher incomes, to argue that the unemployed individual is the main beneficiary of whatever training or education they engage in.⁵² Such views tend to underlie the expectation that individual workers are primarily responsible for their own training and workplace skills acquisition, rather than employers, industry bodies or the State.

Although State subsidised training schemes do at times come under attack from right wing proponents, such as Rich (2002), there also seems to be some acceptance that the State should invest in initiatives that re-orientate the unemployed towards workplace demands. Right-wing agents often place considerable emphasis on reducing training course time-lengths and on finding ways to persuade trainees to take any job on offer (usually low-paid and casual) as a stepping stone towards becoming more employable (Newman 2005; NZBR 1989, 1990; Rich 2002). This leads to a tacit expectation that training schemes prepare disadvantaged unemployed people for the lower end of the labour market. Once in the low-paid workforce, however, there is little guarantee that these individuals will experience upward mobility through opportunities offered in their working environment or by their own efforts. Contingent and low-paid workers are less likely (than permanent workers are) to receive further training in the workplace that could improve their pay and position. Employers may be operating in harshly competitive environments with low returns, which can reduce the resources available for training. The NZBR (1989) justifies a general lack of employer commitment to training by arguing that employers often do not see a return on training investments because employees can leave to work for other employers.

The content of existing training schemes is frequently under scrutiny. Right-wing lobby groups, such as the NZBR and Business New Zealand⁵³ generally argue that training schemes should concentrate more closely on instruction that prepares trainees for

⁵² This argument also underpins the student loan scheme (introduced in 1992) and the idea that individuals and their families should pay for an increasing portion of their education, not the State.

⁵³ Business New Zealand is the national policy and advocacy wing of the regional business associations.

employer demands. Business New Zealand (2002) acknowledges that there is a significant group of New Zealanders who are alienated from work and/or learning hence, State-funded training is required to restore the work-readiness of such individuals and their interest in learning. Business and employer groups often argue that the social security system needs to apply greater pressure on people to be available for work in order to discourage welfare dependency and instead encourage wage dependency (Green, D.G. 2001; Newman 2005; Sloan 1994; NZEF 1992). Their view is that work, even in low-quality jobs, should be a preferable option to remaining on a benefit, or on a training scheme.

In a general sense, training schemes can serve right-wing interests by supporting flexible and competitive labour markets, which is an essential component of a neoliberal project (Peck 1996). Training (and other workfare) schemes help to create and maintain a work-ready pool of unemployed workers close to the labour market. An abundance of employable but unemployed workers creates a labour surplus that can operate as a brake on wage pressure and employee demands (Dearden 1998; Fletcher 2004). In addition to preparing the unemployed for the demands of competitive labour markets, training schemes may also operate as a screening mechanism to reduce the risks to employers of employing 'unsuitable' individuals. As Sultana (1987a) has observed, training can serve as a disciplining mechanism on the core of potential workers. The integrity of individual employers is thus critical in determining the outcomes (both in the broad and narrow sense) for trainees entering the labour market and other jobseekers.

Outwardly, right-wing proponents are often sceptical of labour market programmes because they are seen to interfere with market mechanisms, involve public sector expenditure and do not consistently produce good employment results. For example, the NZBR is concerned government work schemes and subsidies may even exacerbate unemployment due to deadweight losses⁵⁴, substitution effects⁵⁵ and displacement

⁵⁴ Firms use the subsidies, even though they would have employed the same workers without subsidies (Sloan 1994).

⁵⁵ Firms employ subsidised workers instead of non-subsidised workers (Sloan 1994).

effects.⁵⁶ In a report commissioned by the NZBR, Sloan (1994) draws on neoclassical economic theory to argue that labour market policies, such as training should not (in principle) be necessary for the unemployed to become an effective part of the labour force because:

In a relatively flexible labour market such as New Zealand, it is not clear why the unemployed would not simply offer themselves to employers at the 'market clearing rate', barring strong disincentives arising from welfare arrangements (ibid, 36).

Sloan's statements reflect the view that economic growth, flexible labour markets and investment in education and training at an individual level are sufficient measures for the market to 'clear', thereby preventing (in)voluntary unemployment. According to this view, the presence of the long-term unemployed signals the need for measures to ensure this group is not encouraged to opt out, due to the availability of welfare. The NZBR admits that for the most disadvantaged individuals with a high risk of unemployment, training, however flawed, is still a policy option (NZBR 1990). Sloan (1994, 37) presents a scenario where training might still be valid:

The argument about the role of LMPs [labour market policies] may boil down to the particular disadvantages faced by the long-term unemployed whose skills have atrophied, whose motivation has been scuttled and whose qualification and skill levels are often relatively low. By virtue of the scarring effect of lengthy unemployment, and income support which meets the adequacy test but fails to provide sharp incentives for the long-term unemployed to take employment, the provision of programme assistance may be the only means of enforcing a 'reciprocal obligation' on the long-term unemployed. In other words, there may therefore be a case for highly targeted LMP spending on the long-term unemployed.

The statements by Sloan reflect a particular rationalisation, which suggests that the root causes of long-term unemployment are overgenerous welfare regimes and work-shy individuals. Consequently, hard workfare policies forcing people into marginal work schemes are justifiable (even if such schemes are not particularly effective) because they are believed to reinforce motivation, skills, incentive and self-responsibility. In addition, Sloan (ibid) argues that employers cannot afford to spend time and effort

⁵⁶ Firms receiving wage subsidies have a competitive advantage and this may result in job losses in competing firms (Sloan 1994).

fixing the eroded skills and motivation of long-term unemployed in their workplaces. On balance, a limited range of training schemes that prepare the long-term unemployed for entry-level employment may be acceptable to right wing advocates. Training schemes should, from a right-wing perspective, be conducted alongside mainstream accreditation arrangements, with a strong workplace focus, teaching job-seeking skills. As Sloan (ibid, 39) maintains, training schemes ought to be designed primarily to “remedy specific deficiencies of the participants” or provide job search guidance and assistance.

The Third Way

Since the 1990s, the concept of the Third Way has emerged in policy discourses, particularly in reference to the general political approaches adopted by the Clinton, Schröder and Blair governments (Blair 1998; Blair and Schröder 1999). The concept of the Third Way originated in the 1950s in the ideas of German and Swedish economists who believed that a middle path between communism and *laissez faire* capitalism was possible (Hargreaves and Christie 1998). At present, the Third Way operates as a loose label for centrist politics that claim to be a significant departure from rapacious free-market capitalism (the First Way) or post-war Keynesianism (the Second Way) and instead, seek to reconcile social and economic objectives within the context of late-capitalist, post-industrial societies (Giddens 1998, 2000; Le Grand 1998; NDOL 1999). The central aims of the Third Way are the articulation of high levels of economic growth, low inflation, low unemployment rates and free-market competition with enduring social democratic goals such as welfare, inclusiveness and security.

Although there are many versions of the Third Way, or as Le Grand (1998) claims too many competing versions, it is still possible to identify a range of common themes between the Blair, Schröder and Clark governments and the work of British sociologist Giddens (1994, 1998, 2000). In New Zealand, central government policy discourses such as those of Social Development Minister, Steve Maharey (2000c, 2001a, 2001b, 2003b) frequently use concepts such as the *knowledge society*, *social development*, and *foundation skills*, which reflect generalised Third Way ideals.⁵⁷ At

⁵⁷ These terms are discussed later in this chapter and defined in the glossary.

their core, most Anglophone versions of the Third Way construct citizenship and rights in relation to the market and the concept of mutual obligation (i.e., no rights without responsibilities). As Levitas (1998) observes, this means that access to welfare and social services is contingent on each individual demonstrating effort and success in the labour market, and/or taking steps to improve their employability.

Buchanan and Watson (2001) contend that the Anglophone Third Way preoccupation with employability and other supply-side issues ignores the full spectrum of causes behind labour market problems. British Third Way does little to acknowledge the “labour surplus economy” (Dearden 1998), which is especially apparent at the low-skill end of the labour market. The disadvantaged unemployed are much less likely to be chosen by employers in the context of a low-skilled labour surplus.

Hamilton (2001), Krugman (1994) and Peck (1996, 2001a) all claim that Anglophone Third Way literature frequently fails to adequately account for the persistence of involuntary unemployment, un(der)employment, labour market disadvantage and the discouraged unemployed existing (somehow) beyond the reach of many official labour market statistics. Bryne (1999), Levitas (1998) and Peace (1999) argue that the adoption, in Third Way discourses, of the term social exclusion tends to confine the analysis of poverty to the wage relationship and thus, the negative impacts on particular groups are simultaneously marginalised and normalised. Havemann (2000) asserts that in the current global context, the majority of the world’s citizens have a reduced ability to structure their destiny. Making rights for disadvantaged people conditional on their fulfilling responsibilities is deeply flawed; because the Giddens-style of Third Way thinking carefully evades a thorough examination of deprivation and inequality. As Havemann (*ibid*, 85) maintains the Third Way is unlikely to bring social progress because it fails to take account of the “socially, politically and economically conditioned patterns of asymmetrical life chances.”

Other Third Way critics, such as Humphries (1999), argue that the vague platitudes of Giddens-style Third Way tend to operate as a ruse for the continuation of the neoliberal project. As Beck (2000), Peck (1996, 2001a), Ryner (2002), Standing (1997) and many others have noted the British and American versions of the Third Way pay insufficient

attention to the considerable changes in the operation of 21st century labour markets and the impacts on different groups. On a global scale, labour markets are becoming increasingly segmented as workers are clustered in a range of job niches (or ‘ghettos’). The norm of full-time permanent employment now exists only for select groups of workers (usually in higher professions or in certain skilled occupations). The majority of workers experience varying levels of income, job (in)security, job quality and bargaining potential. This high degree of variation between individuals, in terms of their access to the labour market and their marketability within it, is the mechanism that leads to stratification and segmentation. In this context, the disadvantaged unemployed and/or workers entering the labour market at the lower end are the most likely to experience the negative effects of flexible employment - insecurity, low wages and poor working conditions.

In western European countries, such as the Netherlands and Denmark, the Third Way articulates with a long history of social democracy, corporatism and tripartite industrial relations. While there is recognition of the global neoliberal order, these European States have sought to maintain domestic policy efforts that address social concerns through complex multi-level coalitions between affected parties. In contrast to Anglophone Third Way literature, there are more frequent references to structural causes of unemployment and attempts at mitigation (Kock 2001; Meijers and te Riele 2004; Nicaise *et al.*, 1995; Torfing 1999a). Situating social issues within wider structural, sociological and geographical contexts sets a framework for policy interventions that go some way beyond a narrow individualised or free-market focus. Dutch and Danish labour market policies include various attempts to introduce a wide range of mechanisms to provide varying layers of labour market activation and redistribute existing jobs. The Dutch and Danish examples are referred to frequently in international policy literatures due to their relative success in reducing unemployment and labour market disadvantage.

Although the direct transfer of a policy package is problematic, there are aspects of Dutch and Danish labour market policies that could be applied in the New Zealand context. One particularly useful aspect of Danish policy is the more pluralistic approach towards devising labour market policies that address a wider range of needs. Torfing

(1999b) mentions that Danish training schemes for the most disadvantaged unemployed people take the form of *workforce rehabilitation*. Such schemes involve a holistic approach to assisting individuals with a range of personal, social or health-related issues. The primary purpose is to advance incremental improvements and restore the wellbeing of the person, so that they can consider a positive and productive engagement with society. This seems a more reasonable objective of such training schemes, especially in relation to the needs of the most disadvantaged unemployed. A rehabilitative approach takes account of the time and effort required to address the various needs of disadvantaged unemployed people, before they can even think about applying for jobs.

The next step after workforce rehabilitation is *workforce reintegration*. In the Netherlands, workforce reintegration is the broad label for initiatives to assist the unemployed (who are not particularly disadvantaged), which include work-orientated training activities such as networking with employers and teaching vocational and job-seeking skills. In Denmark and the Netherlands, active labour market policies are differentiated into these two main groupings based on the degree to which they involve workforce rehabilitation or reintegration (*de Volkskrant* 2003; Torfing 1999b; Trouw 2003).

In the Netherlands, the State has also considered aspects of the workfare debates and the trend towards flexible employment, but combined these in a legal framework that is designed to create a more flexible labour market without increasing inequalities, or an underclass (Remery *et al.*, 2004). The Dutch model, also termed *flexicurity*, (*ibid*, 447) centres on the *Flexibility and Security Act (1999)* which sought to loosen the ‘rigidity’ of Dutch labour law, while simultaneously increasing the legal protections for temporary or part-time flexi-workers. The Act, drafted by employer and employee representatives, shortened and simplified dismissal procedures, created more flexible working arrangements and short-term contracts, but it also made flexible work more secure by formalising the agreements between temping agencies and temporary employees and ensuring that successive temporary contracts lead to permanent positions (Wilthagen and Tros 2003).

Flexicurity has been heralded as a pragmatic and progressive response to the increased prevalence of labour market flexibilisation. Remery *et al.*, (2004) claim that Dutch flexicurity has not increased inequalities because the process of labour market flexibilisation is accompanied by legal rules and not voluntary guidelines. Van het Kaar (1999), however, notes that the Act was drafted during an economic boom and a tight labour market.⁵⁸ Some temporary workers have gained permanent contracts, but in other cases, the *uitzendbureaus* (agencies that recruit workers for low-paid and temporary jobs) found ways to avoid permanent contracts.⁵⁹ Job rotation policies have also been trialled in Denmark, but such initiatives mainly involve professional occupations and are, therefore, unlikely to benefit disadvantaged unemployed people (Torfing 1999b).

Rietsma *et al.*, (2004) claim that the Dutch model of flexibilisation has had some positive effects for more advantaged jobseekers, however, flexicurity, and an increased emphasis on education and training are unlikely to solve unemployment during economic downturns, or for marginalised groups such as ethnic minorities and disabled people. The two aims of flexicurity are to make flexible work more secure and to make permanent jobs less rigid (or more flexible). In the current (inter)national political-economic context, the Dutch government will need to demonstrate considerable determination, if it wants to advance progressive forms of flexicurity that recognise the limitations and ‘realities’ of flexible employment for workers at the margins of the labour market.

Since the 2003 election of a centre-right government in the Netherlands, it appears that progressive Third Way approaches to labour market activation may have lost ground to harder neoliberal discourses. Once elected, the government led by Prime Minister Balkende, initiated major cutbacks in social security spending even though long-term unemployment was rising, particularly amongst ethnic minorities and other marginalised groups (*de Volkskrant* 2003; van het Kaar 1999). In September 2003, the

⁵⁸ Since 1999, the Dutch economy has faced gradual economic decline and rising unemployment, officially entering recession in August 2003.

⁵⁹ This is not necessarily a negative effect of the policy, but it does indicate that disadvantaged unemployed still have a reduced ability to challenge unfair treatment, and that further safeguards and monitoring are required.

Cabinet launched the largest State restructuring package in history, with an initial round of redundancies for 50,000 government workers. The aims of this package were to reduce bureaucracy while improving quality, efficiency and accountability. Two mechanisms for achieving these aims were decentralisation and a greater level of discrimination in deciding what services the State should, or should not, deliver (Moerkamp 2003). The policy package aims to put more pressure on local authorities to activate the unemployed. Where this fails, State welfare payments are terminated and municipalities must foot the welfare bill themselves. In addition, the central government funds available for reintegration and activation initiatives have been reduced and are more conditional. Subsidised jobs and other schemes have to move people into 'real' jobs at a much faster rate, or face funding cuts (Leenders 2003).

The Balkende-led government adopted the motto of individual responsibility (*de Volkskrant* 2003). Forms of positive discrimination and subsidised work are to be phased out, as these allegedly create stigma and undermine individual initiative (*Trouw* 2003). An emerging political view is that Dutch welfare and labour market policies have been too lenient and should not be a *hangmat* (hammock), but a trampoline (*Eindhoven's Dagblad* 2003). The leaders of Dutch community-based activation initiatives, such as '*Het Goede*'⁶⁰ in the city of Deventer, are fearful they could lose funding and that genuinely disadvantaged unemployed people will suffer (*de Volkskrant* 2003). Progressive forms of activation may not disappear all together, but they are likely to be on a smaller scale and they will need to draw on community, or private sector input and charity.

The New Zealand Labour-led government elected in 1999, claimed at the time, to be operating from a Third-Way political philosophy. Since then, however, there has been less mention of the Third Way. Moreover, in the active labour market and training policy areas, especially those pertaining to the most disadvantaged unemployed, there

⁶⁰ *Het Goede* is a second-hand and recycling centre, where useable household items are collected, repaired and sold. The centre depends on a central government job subsidy policy called the *Melkert Banen*. Such jobs constitute on average 32 hours a week and pay a maximum of 120 percent of the minimum wage (Meijers and te Riele 2004). These subsidised jobs are frequently under criticism because the workers only infrequently progress to 'real' jobs. However, the subsidised workers, who must be sufficiently disadvantaged in order to be eligible, are much less likely to be chosen by employers in the 'real' job market at any point in time.

is little evidence of a progressive reconciliation of social and economic objectives. This is demonstrated by the emphasis on employability and paid work without the acknowledgement that competitive labour markets are unlikely to absorb the most disadvantaged unemployed. Current training schemes remain pitched towards channelling the unemployed into entry-level jobs, or further training/education within very limited time-frames rather than addressing social needs, or acknowledging the limits of the free-market economy.

Welfare to workfare

In a broad sense, workfare includes policies that actively encourage the unemployed to move off welfare and into work. Interest in workfare policies has increased alongside concerns about the limits and costs of welfare in an environment of global competition, demographic changes and the entrenchment of unemployment and welfare dependency amongst particular population groups (Jessop 1994). Although workfare discourses reflect generic aims, implementation is variously shaped by locally enacted political and social currents (Peck 2001a; Torfing 1999a). In keeping with the broad neoliberal project, workfare can also be differentiated into ‘hard’ and ‘soft’ forms. The former involves coercive work-for-the-dole policies, while the latter is about encouraging the unemployed into work by offering a range of incentives and educational, training or job-seeking options (Jones 1996 in Higgins 1999).

In the 1980s, hard (neoliberal) workfare was trialled in the United States, as new policies were introduced that required welfare recipients to “work off their welfare checks” (Peck 2001a, 9). The Wisconsin Works and Riverside Project expect welfare recipients (usually sole parents) to do menial work in return for meagre welfare assistance. The acclaimed success of the programmes led to their promotion as best practice workfare policy especially in Anglophone policy networks.⁶¹ The three main premises underlying American workfare are first, that unemployed individuals must take personal responsibility and make a greater effort to find work and/or to improve their human capital value (see also page 65). Secondly,

⁶¹ A reduction in the numbers of sole parents claiming benefits was the sole measure of the success of these schemes. There was no analysis to determine whether the workfare schemes actually improved the lives of the sole parents and their children, or instead increased poverty and stress.

paid work is privileged over all other activities such as education or parenting. Thirdly, “taxpayer preferences” should direct all assistance policies for the unemployed. In other words, the interests of taxpayers are paramount, and therefore “welfare recipients should have to work for their incomes, just like the vast majority of taxpayers” (Gottschalk 1998, 83).

American workfare is meant to be unpleasant and is intended as a deterrent, so that other individuals do not ‘choose’ to become, or remain unemployed and/or unmarried. Hard forms of workfare lock in a supply of subjugated neoproletariat workers who are unlikely to contest low wages, or poor working conditions (Fraser 1989; Peck 2001a; Peck and Theodore 2000a). Instead of offering genuine assistance to improve the lives of disadvantaged unemployed people, hard workfare functions to “subsidize employers of low-wage ‘women’s work’ in the service sector and thus to reproduce the sex-segmented, dual labour market” (Fraser 1989, 146).

Peck (1996, 2001a) is a harsh critic of hard American-influenced forms of workfare. He identifies that such hard workfare is emerging as an unstable, but powerful regulatory signifier and as a key strategy of an emerging political-economic orthodoxy. In this context, workfare operates to “make a virtue of flexible labour markets, not to reform them” (Peck 1996, 19) and policy efforts concentrate on marshalling the unwilling into the low-wage, casualised job market. The goal of hard workfare is not job creation, but “to create workers for jobs nobody wants” (ibid 19). Beyond such critiques, hard workfare remains a controversial policy direction due to the politicisation of the unemployed, but also due to the high implementation costs and mixed results.

Critics, such as Burgess *et al.*, (2000), Peck (2001a) Peck and Theodore (2000a) Rose (1995) note that there is little indication that conditional forms of workfare are able to have any significant or long-term impacts in situations or locales that have the greatest need of assistance for the unemployed. Most of the hard workfare success stories occur in the context of economic expansion and buoyant flexible labour markets. Protagonists of hard workfare tend to overlook context, and the contingency of economic and labour market situations. Despite widespread political support, very few American States

actually implement hard workfare schemes because of the costs and complexities in managing and monitoring the schemes and in providing childcare. Despite the relatively high economic (and social) costs, as Peck and Theodore (2000a) note, punitive workfare retains a certain political appeal because it can offer (mostly short-term) caseload reductions.⁶²

Most western European policy literature tends to be sceptical of hard neoliberal, workfare programmes, and frequently proposes softer Third Way workfare policies (Ferrera *et al.*, 2002; Meijers and Te Riele 2004; Nicaise *et al.*, 1995; Torfing 1999a). The Danish and Dutch administrations have long had a work activation focus placing certain obligations on the unemployed. These labour market policies are not intended, in the first instance, to inflict blame or stigma and they are generally set out to be cooperative rather than controlling. The underlying assumption is that most unemployed people want to work. Policies should assist the unemployed to reach the goal of work, yet there also needs to be a guarantee of work, so that the goal remains credible. The *Dutch Youth Guarantee Act* (1992) ensures youth have access to jobs, alongside a range of other re-integration policies and opportunities. The main obligation is to participate in something, whether this is training, education or a subsidised job⁶³ (Meijers and Te Riele 2004).

In New Zealand, the specific term workfare entered political debates briefly following the 1996 election (Higgins 1999). The conservative National and New Zealand First coalition government made a rather bungled attempt to implement a work-for-the-dole policy, which eroded the political viability of the term. Although the term is not widely used in New Zealand at present, workfarist principles, such as the emphasis on work motivation, compulsion, employability and deterring welfare claims have become common. The high cost of implementing a hard workfare policy was the likely reason

⁶² The caseload reduction objective indicates that the main concern is reducing welfare claimants, which is not necessarily the same as reducing the occurrence of unemployment and/or poverty.

⁶³ The 1992 Act led to two job creation schemes. The subsidised jobs are offered mostly in urban areas in education, community services and the public sector with most participants working 19-36 hours per week and earning the minimum wage or slightly more. Subsidised jobs generally last six months, but if no regular work is found, they can be extended until the participant turns 27 years. If a worker refuses to cooperate, their benefit can be stopped for three months (Meijers and Te Riele 2004).

why the National-led government tried unsuccessfully to shift the implementation costs onto the voluntary sector (for further details see page 111).

The New Zealand National party retains a commitment to the notion of hard workfare and is likely to introduce aspects of American hard workfare if it is returned to power in future elections (*New Zealand Herald* 2005). The National party welfare spokesperson Katherine Rich (2002, 10) poses the question, “Is training an expensive diversion?” and she cites United States Department of Labour research to claim that, “There are superior benefits in moving people into work as fast as possible, rather than delaying entry into the workforce through education-based programmes” (ibid, 11). According to Rich (2004), United States welfare policies and Australian work-for-the-dole schemes have been successful and New Zealand should follow their lead. She claims, job placement and work experience are the preferred options and training should only be offered to individuals who have earned training credits, or in specific instances for example to improve literacy.

As Higgins (1999) observes, the Labour-led government elected in 1999 has continued to promote soft workfare labour market policies, although there has also been continuing pressure from neoliberal and conservative interests for hard neoliberal workfare. In New Zealand, workfare discourses are distinct in that they are also articulated with biculturalism. The Treaty of Waitangi⁶⁴ requires State expenditure on policies to improve the relative economic and social disadvantage faced by many Māori. Māori are over-represented in unemployment statistics, thus labour market interventions such as training will continue to be funded, so long as they are believed to improve opportunities for Māori (Te Puni Kōkiri 1998). At the local scale, providers, policy-activists, Māori and community groups have fought (both successfully and unsuccessfully) to retain a broad educative framework for training schemes. Nevertheless, the political appeal of many aspects of punitive forms of workfare reinforces the mandate for enforcing, rather than enabling training policies.

⁶⁴ The Treaty of Waitangi (Te Tiriti o Waitangi) signed in 1840, is an agreement between the Crown and Māori chiefs that formed the basis for European/Pākehā settlement and the relationship between Māori and non-Māori. In the modern context, both parties have a duty under the Treaty to act reasonably, and in good faith towards the other, and the Crown must seek to address past injustices.

State Active Neoliberalism

The term State Active Neoliberalism is used in this study as an ideal typical model in order to broadly capture the current form of neoliberalism adopted in New Zealand from 1999-2005, and to identify the particular policy discourses and practices that have underpinned training policies and their implementation. The term has been developed from Tickell and Peck's (2003) argument that recent forms of "roll-out neoliberalism" involve increasingly interventionist, regulatory and proactive forms of neoliberal governance, which are distinct from the minimalist "roll-back" neoliberal statecraft of the 1980s.⁶⁵

The central theme of a State Active Neoliberal framework is that the State openly and publicly advances a high level of State intervention and maintains a high degree of control over domestic affairs. This type of neoliberalism is distinct from preceding forms, which have generally tried to minimise the size, role and responsibility of the State. With State Active Neoliberalism, however, the State positions itself firmly at the core of society and the economy although it still relies on the free-market as the preferred mode of resource allocation and distribution. Depending on the particular political orientation, such States may adopt paternalistic, benevolent, dictatorial, or authoritarian styles of governance. Conceivably, State Active Neoliberalism can also appear in a range of 'hard' and 'soft' forms, depending on the degree to which it articulates with aspects of right, or left-wing political interests and this is particularly evident in the labour market policy area.

Underlying the rationale for State Active Neoliberalism and the increased level of State intervention is a largely unspoken acknowledgement that free-markets can fail. This acknowledgement is generally downplayed, to maintain the rhetoric that the State is not 'intervening', it is simply creating the conditions that help the market to work better, which will presumably benefit everyone (Davis, Sullivan and Yeatman 1997; Tickell and Peck 2003). A State Active Neoliberal framework, therefore, endorses a degree of

⁶⁵ The term State Active Neoliberalism describes a very similar situation to Tickell and Peck's (2003) term 'roll-out neoliberalism'. The main reason for adopting the former term is because it more clearly emphasises the main point of the concept, which is that the State is an active and overt player in the process of embedding the neoliberal project.

government intervention to manage the market, mitigate some of its worst effects and to invest in social areas that are critical to the viability of the economy. Although there is some overlap with the Third Way, State Active Neoliberalism positions the neoliberal free-market more firmly at its core and as a result, social issues are understood and addressed principally via neoliberal explanations and solutions (Peck 2001b; Peck and Tickell 2001; Rees and Rodley 1995).

In the labour market policy area, hard forms of State Active Neoliberalism tend towards State-led, coercive policies that compel the unemployed to enter work, or face sanctions (Peck 2001a).⁶⁶ Under a soft State Active Neoliberal framework labour market policies are likely to appear more interfering and patronising than under a Third Way framework, but they still retain a degree of commitment to social democracy through the notion of equal opportunity (albeit in the neoliberal marketplace) (Higgins 1999). These two forms of State Active Neoliberalism both operate from a neoliberal free-market view of society and hence, training schemes are designed to either coerce, or persuade the unemployed to become competitive neoliberal market citizens (Peck and Theodore 2000a).

State Active Neoliberalism relies on a neoliberal growth model, which views increasing economic growth, commodification and consumerism as being essential for progress and prosperity (Hamilton 2003). A State Active Neoliberal rationality asserts that a prosperous economy is the primary goal. This, in turn, generates increased revenue for the State to devise policy interventions in public sector spheres considered relevant to the economy. In this manner, the State Active Neoliberal State assumes its interventions will ensure the maintenance of a relatively cohesive society. Equally, social cohesion is considered necessary to ensure that the market can operate efficiently and without the drag of (too many) negative social impacts. These State Active Neoliberal rationalisations position the competitive, free-market economy as an inevitable ‘reality’, and therefore, social issues are viewed primarily in economic and neoliberal terms.

⁶⁶ This is very similar to hard neoliberal workfare. The main difference is that hard State Active Neoliberalism openly acknowledges its intention to intervene in order to facilitate the free-market and adjust citizens to market discipline.

A State Active Neoliberal framework underpins the notion that where possible, the delivery of public services such as training needs to occur in market conditions, or at least resemble market conditions. As Boston *et al.*, (1996) and Considine (2000) have observed, this leads to the continuation and expansion of a quasi-market public administration model, which reflects a neoliberal orientation and attempts to introduce business principles to the public sector to create market-style competition between social service providers. The main tenets of the quasi-market are the separation of providers from funders, outcome measurement and an increased reliance on contestable contracts (Davis *et al.*, 1997). In any given location, community organisations and businesses have the ‘choice’ to bid for contracts and funding to deliver services on behalf of the State.⁶⁷ This competitive, contractual funding approach is assumed to lead to a more efficient and effective use of resources.

The New Zealand version of State Active Neoliberalism is however, not a straightforward neoliberal blueprint, as it has articulated within local contexts, biculturalism and with a range of social democratic principles (see pages 38 and 57). At a theoretical level, many training initiatives (especially those that increase vocational skills) are compatible with the Third Way notion of the *knowledge society*. This term describes the pathway towards creating the high value economy, in contrast to countries like China, which rely on mass production and the competitive advantage of (even) lower wages.

In New Zealand, government agents actively encourage researchers, entrepreneurs and firms to develop and commercialise new technologies and innovations (TEC 2004). Concurrently, the Labour-led government emphasises the importance of education and training to the overall population, and has actively encouraged school-leavers, sole parents, Māori and the unemployed to enter into training and tertiary education, albeit with the aid (and burden) of a student loan (Maharey 2000a).⁶⁸ The hope is that a more skilled, educated and competitive New Zealand workforce will generate economic and

⁶⁷ The continuation of contracts is dependent on meeting specific measures that determine the ‘effectiveness’ of the programme delivered by the provider.

⁶⁸ The New Zealand Student Loan Scheme was introduced in 1992, and this was followed by a rapid escalation of student numbers and tuition fees. The main assumption underlying the scheme is that individuals can borrow for their personal investment in human capital, and these costs are later recouped from an improved earnings potential.

labour market expansion, with further multiplier effects (Maharey 2001a; TEC 2003b). At the level of training scheme practice, however, the situation of the disadvantaged unemployed presents a challenge to the claim of most State Active Neoliberal political agents that the knowledge society is the best route for including all New Zealanders (Maharey 2003a, 2003b). As is demonstrated in the field research (see Chapters 6 and 7), the most disadvantaged unemployed are unable to access suitable employment assistance services, let alone compete successfully in the knowledge society with its highly skilled and competitive labour forces.

The current political-economic framework also emphasises the concept of *social development* (New Zealand Government 2001). The 1999-2005 Labour-led governments have adopted this catchphrase and most of the pre-existing welfare departments now operate under the umbrella of the Ministry of Social Development (MSD). The main purpose of the welfare division of MSD is to use a wide variety of means to persuade every able-bodied working age adult to enter paid work, education or training.⁶⁹ A minimal safety net offers protection during *frictional unemployment*,⁷⁰ and to individuals who are underemployed, temporarily unavailable for work, disabled or infirm. Sanctions apply to unemployed individuals who are not 'cooperating'. Discouraged and/or unemployable individuals are frequently unable to register as jobseekers and thus, tend to be overlooked unless they start appearing in significant numbers in negative social statistics.

Social democratic governments have long viewed paid work as an economic necessity, as well as the main principle of equity. In the current context, however, the State is principally committed to promoting *full employability* of (nearly) all citizens, rather than the *full-employment* and family wage guarantees of the Keynesian era (Tickell and

⁶⁹ The groups that are exempt from work obligations include citizens outside the official working age category of 15-65 years, invalids and war veterans or widows. Pensioners are the only group in society to receive a universal allowance. Most other forms of welfare including family support and student allowances are income or asset tested.

⁷⁰ This term, used in neoclassical economics, refers to temporary unemployment occurring as workers move between jobs, or whenever there is an imbalance between labour demand and supply. The underlying assumption is that the market will adjust itself (if left to operate freely) and reach a balance, which forecloses any theoretical possibility of longer-term involuntary unemployment (Lawless *et al.*, 1998).

Peck 2003).⁷¹ Moreover, the prevailing neoliberal notions of self-responsibility, mutual obligation and the moral privileging of paid work have led to more conditional forms of welfare and a movement away from passive policies (i.e. welfare, subsidies and job creation) because these are widely believed to reduce enterprise, work motivation and productivity (Jessop 1994; Morrison and Martin 2003; OECD 1996, 1997).

While there are wider discourses around the term social development, the Labour-coalition governments (since 1999) have adopted the view that social development can best be achieved by participation of all able-bodied adults in formal paid employment in a competitive neoliberal labour market (Maharey 1999, 2000b, 2001a, 2001b; New Zealand Government 2001, 2002). For example, Maharey (2003b, 1) declares, “Having a job that pays a decent wage is the surest road to social justice for those of working age.” Such comments reflect the degree to which the process of social development has become synonymous with paid employment. What is usually absent from such dialogues is a discussion to consider whether contemporary labour markets are a viable basis for social inclusion of all relatively employable workers, let alone the most disadvantaged and socially excluded in society. Current understandings of social development and social exclusion reflect discursive shifts that have removed references to (and a wider concern with) poverty or inequality and its alleviation. As Peace (1999, 456) concludes:

The discourse of social exclusion appears to have invoked metaphors which have served to intensify a process in which poverty policy at the supra-national scale is being re-presented as employment policy.

Peace also notes that this reorientation has had the effect of constraining the capacity of community and locally-based organisations to offer “palliative social policy for extreme marginal groups” (ibid, 457).

⁷¹ The Working for Families tax credit mentioned on page 15 is, on first impression, similar to the Keynesian family wage guarantee; however, the mechanisms are markedly different. The package operates not through wage awards, but principally as a subsidy to employers in that, it allows them to continue to pay low wages. The Labour-led government has acknowledged its social democratic roots by recognising the responsibility of the State to set a benchmark for basic living standards. Yet, the policy is also neoliberal in the sense that it is designed to support business interests and maintain a low-wage workforce.

In the context of a State Active Neoliberal framework, the main role of training schemes is to improve the *employability, human capital and flexibility* of workers at the lower end of the labour market (Peck and Theodore 200a, 2000b). Less overtly, training policies operate to create and maintain a more work-ready group of welfare clients who are expected to make themselves available for intermittent and/or low-paid employment (Peck 2001a). Training and/or workfare policies can thus be viewed as central components of a State Active Neoliberal approach, because they offer a sociological process to embed the understanding that social inclusion is conditional on competing for whatever paid work the free-market has to offer. State Active Neoliberal political discourses and policy frameworks tend to reinforce three main neoliberal principles; supply-side economics, human capital theory and employability, alongside the idea that competitive free-markets are the ‘best’ way to secure wider social objectives.

Supply-side economics

Currently most active labour market policies, including training schemes fit alongside a supply-side view of the economy where productivity and growth are reliant on the competitive free-market economy, and on gains in the employability, efficiency and flexibility of the workforce (Standing 1997). In neoclassical economics, the preference for supply-side policy is linked to the theoretical model of the rational individual guided by utility-maximising behaviour and enterprise autonomy (Summers 1990). In other words, supply-side policies seek to create an environment that steers individuals towards becoming more autonomous, opportunistic and entrepreneurial.

A general supply-side view of the economy maintains that unemployment is caused by problems in the supply of labour. Either workers do not meet the demands of employers, or they lack the initiative and entrepreneurship for self-employment (Cocrombe 1991; NZBR 1994). This leads to the assumption that the best way to address unemployment and secure labour demand is to improve the quality, adaptability, flexibility and readiness of the workforce (OECD 1997). The Training Opportunities policy examined in this study reflects a particular application of supply-side economic thinking that, in the labour market policy arena, tends to prioritise employability. The risk of such policies is that the deficiencies of the unemployed

become the primary preoccupation. Fletcher (2004) is critical of similar welfare-to-work activation policies in the United States and Britain. At best, they offer some beneficial results for groups of unemployed workers who are closest to the labour market. The disadvantaged unemployed are, however, least likely to benefit and may well suffer further disadvantage, as Fletcher (*ibid*, 117) explains:

In using the hiring requirements of employers as a basic standard of job readiness such interventions may legitimate discriminatory behaviour which is a cause of the inequalities that some groups face in the labour market.

The current emphasis on supply-side interpretations of the economy derives from assumptions emanating from three major neoclassical economic theories. First of these is the neoclassical version of the *natural rate of unemployment*, which is the lowest level of unemployment at which inflation remains stable. At this point in the model, the demand for labour and the supply of willing workers is equal. Any remaining unemployment is merely frictional (i.e., workers moving between jobs), or voluntary (people choosing not to work). According to Mitchell (2000), such rationalisations eliminate the theoretical possibility of concept of involuntary unemployment. This, in turn, leads to the argument that the State should limit its interference in the labour market to encouraging, correcting or disciplining individual labour market performance. State-led policies to increase labour demand (i.e., job creation) are assumed to increase inflation and reduce the ability of the market to self-correct. Tobin (1995, 40) warns that the main issue with the natural unemployment rate theory is:

Not its sensible warning against overdoing policies to expand aggregate demand in order to reduce unemployment below an inflation-safe rate. It is its inhibition against expansionary demand policies in any circumstances.

A second supply-side theory involves a neoclassical explanation for high levels of unemployment (caused by temporary economic shocks) that do not improve with the next business cycle upswing. The concept of *hysteresis* explains and measures the extent to which the productive (human capital) value of jobless workers is eroded by the length of time spent outside paid work (Amable *et al.*, 1995). The longer workers are unemployed, the less likely it is that they will be re-employed when labour demand is restored. The hysteresis model lends weight to concerns about the unemployed who

sit at home and do nothing, and thus offers further justification for labour market activation schemes and workfare. This also fits with the findings of social and psychological researchers who warn that long-term unemployment can be a self-perpetuating downward spiral, due to the negative health and social impacts on the individuals concerned (Cullen 1999; Fryer 2000; Fryer and Fagan 2003; Strandh 2001).

The notion of hysteresis is a valid assessment, but currently it is couched principally within the discourses and models of neoclassical economics. This means that the range of ‘solutions’ put forward to address the problem of hysteresis is limited to using sticks and a few carrots to direct the unemployed into work, or to make welfare less appealing than (the usually low-quality) entry-level jobs. In this context, training schemes are expected (within a narrow time-frame) to improve the eroded work-related skills and mannerisms of the unemployed, but also hasten and improve their attachment to the (low paid) labour market. While this may sound reasonable enough, the emphasis on placing the long-term unemployed in entry-level jobs as quickly as possible, reduces the possibility for more transformative, enduring and progressive training experiences.

Currently, training schemes are constructed principally as supply-side policies designed to prevent, or reverse the hysteresis of the long-term unemployed, so that they become more competitive in the labour market. Sunley *et al.*, (2001, 506) observe that most workfare and training policies are post-Keynesian in that they “leave the demand side to the market.” The authors conclude that while such policies have a place “supply does not necessarily create its own demand and local labour markets do not simply ‘clear’ even if supply-side weaknesses are removed” (Martin 2000 in Sunley *et al.*, 2001, 506)

Human capital theory

Human capital is a foundational State Active Neoliberal concept that operates within the context of free-market capitalism, liberal individualism and competitive labour markets. It refers to the stock of talents, abilities and acquired skills and knowledge that individuals possess and accumulate in the course of life, learning and work. A key to understanding human capital theory lies in the definition by Shackleton *et al.*, (1995) that training or education is “any activity which normally tends to promote the acquisition of skills possessing *value* in the labour market” (ibid 3, my emphasis). The

assumption is that the *value*, or income earning potential, of an individual increases according to the extent to which they engage in activities enhancing their productivity and the utility of their labour power. The decision by individuals, employers or the State to invest in training or education has both direct costs and “opportunity costs” (i.e., time and resources), but these are presumably recouped from enhanced future returns. Other activities a worker can undertake to boost their human capital value include improving health and fitness, personal presentation or social skills. Human capital is what sets one worker, or workforce, apart from another in terms of their productivity and/or the uniqueness of their labour power (Tight 1996).

The knowledge society proposed by the Labour-led governments (from 1999-2005) appears to further the principles of human capital theory and liberal individualism. Individuals are considered ‘free’ to pursue their chosen lifestyles, while the State upholds the equality of opportunity agenda in the labour market. Within such a context, individuals are vested with the freedom (and responsibility) to ‘choose’ whether or not, and how they invest in their human capital development. Human capital theory claims that rewards are accrued in the market according to individual effort and merit. While such theories may offer benefits to some groups in society, they do not take account of differences such as intellectual ability, manual dexterity, health or personal issues and varying occupational pay rates. The main assumption is that all adults have latent skills and talents, which once developed, will translate into a relatively equitable measure of economic rewards.

While education or training can increase the likelihood of an improved labour market position in the future, there is no guarantee that all individuals (especially the most disadvantaged) will receive even-handed returns on their human capital investment, command higher wages, or be more attractive to employers. The rate of return is affected by individual career choices, fluctuating labour market trends, income differentials between different occupations, the quality and accessibility of labour market information, gender roles and expectations, employer preferences, capital

resources and the ability to avoid the traps in the student loan scheme and a debt-ridden future.⁷²

A further weakness of human capital theory is that the reliance on market mechanisms does not work particularly well in locations or situations of economic stagnation or recession. Moreover, human capital theory does not acknowledge the less favourable prospects for the disadvantaged unemployed who lack cultural capital. Even in a buoyant economy, there is no guarantee that the disadvantaged unemployed will be included, gain access or be rewarded equitably for their efforts. In reflecting on late capitalist society Freeman and Gottschalk (1998, 7) observe that “the rising tide no longer raises all the boats”. Despite such problems, for most developed nation States, improving the human capital value of their workforces is still viewed as an optimal strategy for attracting foreign direct investment and countering the downward ratcheting effects of footloose globalised capital.

Employability

The human capital value (i.e., earning potential and marketability) of an individual is assessed using the notion of employability, which encompasses education, skills and personal conduct, health and wellbeing. At present, the term employability is used to describe the extent to which an individual meets the demands and preferences of potential employers and workplace expectations (Lindsay *et al.*, 2003). It also refers to numerical flexibility and increased competition between workers. While educational qualifications and skills are important, many employers, especially in low to medium-skilled sectors of the economy, are more concerned about personal characteristics and/or practical considerations such as transport and childcare arrangements (Strathdee 2004). The different forms of employability include not only work-related skills and competencies, but also the ‘appeal’ of an individual’s character and the extent to which an employee’s working time is unencumbered by the other aspects of their lives. The

⁷² The New Zealand loan scheme has allowed students to borrow for living and course-related expenses, albeit with 7-10 percent compounding interest rates. Simultaneously, since the 1990s, student allowance levels and eligibility have been scaled back, and changes to the funding of universities have resulted in a rapid escalation of tuition fees. In April 2006, the interest has been removed for students who remain in New Zealand as part of a 2005 election promise. A study, conducted by the Education and Science Committee (2001), concluded that student loans pose a considerable long-term debt burden, particularly for Māori, women and disadvantaged or low-income groups.

1999 Department of Work and Income Briefing Papers explain all workers need a foundational level of literacy, numeracy and computer competency, but employers are also looking for the following:

Employer surveys and the department's own experience indicate that, when selecting staff, employers now place a greater emphasis on the interpersonal, attitudinal and teamwork skills of jobseekers. The emphasis on flexible and adaptable personal attributes from employers is exposing a widening gap between the attitudes of many jobseekers and attributes that are actually in demand (WINZ 1999, 23).

In the context of a labour surplus (at least in the low-wage neoproletariat realms of the labour market), the wage relationship is more likely to be interpreted according to the needs of employers and capital (Dearden 1998). Raising employability satisfies employers' demand for a work-ready labour pool and (hopefully) reduces the welfare burden on taxpayers. The term employability reflects the emphasis on the individual unemployed, as both the cause and solution. The main underlying assumption of the current concept of employability is that there is something wrong with the unemployed and that fixing this deficit will fix unemployment (Gordon 1990).

Employability is an important concept because it holds the potential to operate as a link between labour market supply and demand issues. Gore (2005) points out that the concept of employability is more complex than most of the literature on this concept seems to imply. Employability has multiple meanings that reflect a range of political objectives and different views about the roles and responsibilities of employers, employees and the State. At the core, the concept of employability is concerned with "improving (or maintaining) people's ability to participate successfully in the processes of recruitment, selection and career progression" (ibid, 341). The task of policies that seek to raise employability can range from simply addressing basic foundation level skills, such as literacy or effective work habits, to a broader concern about particular labour market practices that may actually be eroding job procurement and worker development.

As Gore (2005) has observed in Britain, over the past two decades active labour market policies have taken a narrow individualistic supply-side focus. Under such policies the

disadvantaged unemployed tend to suffer the most as “in many sectors of the economy, staff recruitment practices can be extremely discriminatory” (ibid 342). While an employability-focused labour market policy framework is important in order to raise skills and address labour market mismatches Gore (ibid, 341) concludes that most schemes “have been less about improving employability than meeting employers’ short-term labour needs.”

In New Zealand, the concept of employability has followed British trends and tends to emphasise individually tailored routes for unemployed individuals who are considered to lack the skills and aptitudes expected by employers (Gordon 1990; Higgins 1995b, 1999, 2002; Strathdee 2004). There is less emphasis on the idea that employers might have a degree of responsibility in making positive contributions towards improving employability and the maintenance of a skilled workforce. The scope for active labour market policies targeting the disadvantaged unemployed has remained relatively narrow. In part, this is due to persistent broader societal discourses that depict unemployment as a consequence of deficiencies at the individual level.

Cullen and Hodgetts (2001) claim that, in the New Zealand context, unemployment is constructed as an illness, which further inscribes individualised approaches and deficit thinking. The negative psychological and physical conditions associated with unemployment are well documented, and thus the meanings of unemployment and illness are frequently conflated.⁷³ Limiting the understanding of unemployment to an individualised affliction can be unhelpful because it burdens unemployed individuals with an even greater sense of blame for their labour market failure. According to Cullen and Hodgetts (ibid, 34):

Because unemployment is an inherently social phenomenon arising from inequitable societal structures, approaches that separate the individual from the social are inadequate for encapsulating the complexities surrounding its meaning and impact.

⁷³ Despite the strong links, the negative relationship between unemployment and ill health is not uniform, but varies depending on the individual’s social or class positionality and on the support systems available to them.

In many instances, unemployed people do benefit from individualised employment assistance measures that increase their employability. The problem is not so much with employability per se, but the construction of individual employability solely on the basis of employers' hiring requirements (Fletcher 2003). For example, an employer's expectation could be that employees work harder and longer hours, accept irregular working hours, or lower wages. Such strategies can reflect a downgraded form of employability that fits within the hard end of the competitive global environment and the tendency towards increasing the supply of workers who are more likely to accept increasingly unattractive wages and working conditions. More progressive attempts to improve employability are possible, and these involve a commitment by both employers and employees to increase skills, so that workers can move more easily within and between firms in keeping with flexible labour markets. According to de Vries *et al.*, (2001), employers who invest in this type of employability are likely to have fewer recruitment and retention problems. They may also be able to avoid expensive redundancy or dismissal procedures, as employees may opt for voluntary movement.

Winners and losers under the framework

A State Active Neoliberal framework creates a preference for government interventions that concentrate on assisting individuals to improve their performance in the market. This is assumed to be the most effective way to increase the income earning potential and choices for each individual and household. Such a strategy serves not only a free-market purpose, but also liberal and democratic notions of a pluralistic society and consumer preferences. Accordingly, current labour market policies seek to improve the capabilities of unemployed individuals, so they either appeal more strongly to potential employers, or have the capacity for self-employment (Sapsford and Tzannatos 1990).

In effect, State Active Neoliberal labour market policies characterise a particular (and, in one sense, a pragmatic) response to the current global economic environment with its high levels of capital mobility. Nation States are locked in a relentless struggle to attract capital (and to avoid capital flight) by offering tax incentives, reducing business costs, advancing new technologies and beckoning investors with skilled, compliant and competitively priced labour forces (Ryner 2002). The pressure to compete in the international marketplace is a very real phenomenon, but it is a pressure that needs to

be negotiated carefully at the national and local scale with regular consideration of the social costs and trade-offs.

The current State Active Neoliberal framework appears to further discourses and mechanisms that promote competition and short-term economic gain. Neither of these are particularly useful methods for assisting disadvantaged unemployed people. Free-market competition involves the presence of both ‘winners’ and ‘losers’, and a particular Darwinian survival-of-the-fittest mentality. Although competition is perhaps useful as a way to encourage achievement, enterprise and innovation, it is difficult to reconcile competition with the goal of social inclusion. The broad scope of neoliberal rhetoric frequently promulgates typified rags to riches tales to inform us that we can all be winners, yet the neoliberal project also relies on the continued presence of losers. The pool of losers, who exist on the margins of the labour market, tend to operate as a stark reminder of the consequences of failure. This permeable group includes the temporarily, involuntary unemployed and contingent workers who intermittently win and lose jobs. As Kalecki (1943 cited in Riach 1997, 350) observed, the presence of this group increases the “threat of the sack” which disciplines workers and moderates wage claims. Unemployment and labour market competition thus appear to be fundamental parts of the capitalist system, which makes it difficult to see how unemployment and disadvantage can be eliminated.

The most disadvantaged unemployed, or those who are most unlikely to be selected by employers (or have given up trying), occupy the most marginalised spaces. This group can become constructed as the *underclass*⁷⁴ or the vilified counter-citizen (Bauman 1998). The blame and stigma routinely directed at this group are in a sense similar to the “shoot the deserter” strategies employed by armies to maintain control and convince soldiers to engage in undesirable (or as the metaphor suggests, life threatening) activity. Obtaining a job, no matter if it is demeaning, low-paid or dangerous therefore becomes preferable to the hardship and stigma of being unemployed. Beyond this effect, the neoliberal project has little use for the

⁷⁴ Although it is a problematic term, the underclass more accurately describes the class position of the most disadvantaged unemployed. For further discussion see the glossary and pages 8 and 87.

unemployable and/or long-term unemployed. If they are considered at all, it is only as a drag on the economy and as a moral hazard to society (Byrne 1999). Hard neoliberals argue that welfare payments and many labour market policies (including some training schemes) reduce the incentive of this group to consider employment. Such neoliberals hold firm to their conviction that economic growth, competitive free-markets, low taxes and welfare retrenchment will solve all problems including all forms of unemployment.

In cases where unemployment and the underclass persist, hard-line neoliberals tend to revert to counterfactual arguments following the line that the pure free-market has not yet been achieved and therefore, more tax cuts are needed to stimulate economic growth, alongside tougher welfare policies and criminal punishments. The possibilities for the most disadvantaged unemployed are thus restricted to occupying the lowest rung of competitive labour markets and/or retreating to informal or criminal economies. Upward mobility is possible, but it requires a considerable investment by the individual, their families or other significant people in their lives. Training providers can play an important role to assist disadvantaged unemployed people to change their lives. Such development usually requires a significant, long-term investment in resources and holistic approaches, which is contrary to neoliberal views.

Origins of training discourses

Understanding the intended purposes of training as an active labour market policy emerges from education, sociology, human resources, human geography and policy literature. Overall, these disciplines display tensions between pedagogical goals, labour market ‘realities’, employer/business demands and political interpretations of the relationships between workers, the State and the economy. For educationalists and sociologists, training has long been a contested topic (Edwards, R. 2000; Hager and Hyland 2003). Since the Industrial Revolution, there has been widespread debate about the purpose and content of education, and the perceived need to tie learning systems more closely to the economy. In the context of such debates, the concepts of training and education often appear as archrivals. However, since the 1970s, the re-discovery and active promotion of training (and associated concepts such as vocationalism and life-long learning), not least by international institutions such as the World Bank and

the OECD, has encouraged a convergence of training, education and public policy. A proliferation of literature has followed, discussing different forms of training, while a sizeable subfield discusses training specifically as a policy intervention for young and unemployed people (Walters 1996).

As a general term, training is concerned principally with the transfer of employment related skills and competencies, but increasingly it is also viewed as a policy tool to adjust the conduct of working-age people who are less successful and/or disadvantaged in the labour market. The labour supply-side focus of current policy responses to unemployment creates various justifications for the continuation of training. Beyond the postulations of supply-side economists, however, the training sector remains strongly influenced by educationalist discourses, the pedagogical goals of practitioners and socio-cultural or situational factors.

Education literature

While it is difficult to separate training and education, training is generally “more job-orientated than person orientated” (Buckley and Caple 1995, 14) and requires uniformity of instruction and practice. Educationalists argue that education is a broader, more diverse and less tangible process of change offering a foundational set of competencies to empower individuals to participate in society (Tight 1996). Training involves mastery of a set of learned performances, which does not necessarily require significant cognitive development or ethical evaluation. Lawson (1975, 107) comments:

The whole point of training is that it is related to goals beyond itself and the justification of those goals is discrete from the training process in a way that is not possible with education. Of course trainers can be concerned with the ethics and worthwhileness of what they are engaged in, but they are still trainers whether they are so concerned or not, and to be unconcerned is an option which is not open to the educators.

In education literature, discussions about training, also referred to as vocational education and training (VET) predominate in the sub-field of adult education. The main purpose of VET is to prepare individuals for a particular role in the economy, usually in working-class occupations, hence, the emphasis on the acquisition of skill sets,

especially manual and practical skills. According to Anderson *et al.*, (2004, 234) “vocational education and training is aligned directly to learning for work and includes training for specific job roles.”

Wilson D.N. (2001) describes how vocational training evolved from apprenticeship systems. Apprenticeships provided a mentoring system whereby younger people learned a skill or trade from an accomplished craftsman for a lifetime occupation. Today, however, Wilson (*ibid*) argues workers need technical skills for value-added production, but also generic skills to allow them to adapt and innovate in response to continuous technological changes. In the 21st century, workers do not simply train once for a lifetime occupation, instead they are expected to train and retrain throughout their adult life as the demands of employment change. These changes are captured in the concept of “life-long learning” which is considered to be the key to personal development, employability, competitiveness and social inclusion (Rubenson and Beddie 2004).

Vocational education or training has become increasingly politicised in debates between industry leaders and liberal educationalists. In a neoliberal context, industry and political leaders routinely argue that the schooling curriculum and tertiary education needs to become more ‘relevant’ to the needs of employers and the economy (Anderson *et al.*, 2004). Dale (1985) and Hager and Hyland (2003) argue the education-vocational training debates tend to be coloured by historical contexts and dominant class and power struggles. At present, a significant proportion of employment growth involves the expansion of low-paid, low-quality service sector employment (Standing 1997). Despite the knowledge society ideal, in New Zealand, retail assistant is the most frequently stated occupation (Statistics New Zealand 2004a). The low-wage service sector is generally characterised by a high degree of staff turnover and incomes are too low to support a family. Such job growth might lift people into the world of work, but not necessarily into the knowledge society or out of poverty.

Human resource development

The field of human resource development (HRD) emphasises the importance of training. In contrast to other forms of training, however, HRD training is directed

towards people already in the workforce and primarily in professional or white-collar occupations. Nonetheless, the discourses surrounding HRD training have impacted on the broader concept of training, which in turn affects individuals on the margins of the labour market. In large companies or organisations, HRD training has become a formalised activity, especially for high-value employees. Employers are less likely to invest in training for part-time or casualised employees. HRD training is often used to inculcate corporate values and appropriate in-house behaviours and practices. A commitment to more skill-orientated training is frequently reduced by employers' concerns that they may not see a return on their investment if the trained employees leave, or are "poached" by other employers (Buckley and Caple 1995).

Accordingly, individual workers are encouraged to pursue training independently, often at their own expense, to increase the likelihood of job security and promotion. Where an employer has an industry monopoly there may be greater incentives to offer training because employees are more likely to stay with the employer. In the case of labour, or skills shortages, employers tend to argue for wage flexibility, increased immigration, State investment in industry and foundation skills training and an education system that is accountable to industry needs (Carlaw 2002). Employers are less inclined to assume responsibility for training their existing and future employees unless they receive considerable State support (i.e., apprenticeship schemes). Apart from a few notable exceptions, employers seldom have a sustained policy of offering training and/or workplace experience for the unemployed, much less for the disadvantaged unemployed.

Manpower policies

The concept of training became more commonplace following the manpower policies pursued in many developed countries in the 1960s-1980s. Manpower policies emerged in the context of rapid technological changes, global competition and economic restructuring, which threatened established economic bases and traditionally male-dominated industries and jobs. Thus, the first manpower policies arose as subsidised training in workplaces, communities and alongside public sector institutions to provide meaningful activities and learning in the absence of work and to "develop and maintain the labor supply in an as up-to-date posture as possible, responsive to changes in the

occupational and industrial structure” (Wolfbien 1967, 6). The substantial expenditure in equipment and instructors created additional economic activity. Although the underlying purpose of manpower policies was to address job loss for male workers, they also had a secondary role in managing the workforce and wage pressure. Wolfbien (1967) reveals “in fact, at very high demand levels and low rates of unemployment manpower programs may be crucial in obviating inflationary pressures incurred by possible labor shortages” (1967, 9).

More recently, the dual function of manpower policies has become much more apparent even though the term manpower is now seldom used in academic literature (and especially that informed by feminism) to refer to training schemes. In the corporate sector, Manpower is a large international staffing and recruitment company whose main focus is “raising productivity through improved quality, efficiency and cost-reduction, enabling customers [i.e., employers] to concentrate on their core business activities” (Manpower 2004). This statement indicates that the initial function of manpower policies, the recruitment and training of employees has, in many instances, been outsourced to human resource management experts.

Manpower recruits mostly white-collar or skilled workers and shifts them wherever there is labour demand, which is in keeping with just-in-time business practices. While such flexibility might suit some workers, it imposes additional costs and inconveniences on workers and their families (Callister 1997, 2000). In the 1970s, manpower policies were designed to assist the low-skilled or disadvantaged unemployed, yet such individuals are not considered by Manpower recruitment agencies today.

Literature on young people

In the international literature on training there is considerable emphasis on training policies for young unemployed people (Dunk *et al.*, 1996; Mizen 1994; Unwin and Wellington 2001). Transition education is a common term that refers to interventions specifically for school-leavers and other young people uncertain about their career options and labour market prospects (Korndorffer 1987; Sultana 1987a). Mizen (1994), observes that British studies provide empirical detail of youth unemployment and

experiences on training schemes, and these have been matched by a proliferation of analyses of youth-related factors, indicators and policies. This research activity tends to offer a profusion of 'hard facts' but risks creating a new form of abstract empiricism. Overall, there is less research combining empirical and sociological aspects within a broader socio-cultural and political-economic framework.

Although the policy efforts to train disadvantaged young people have grown in size and expense, Mizen (1994) and Hollands (1990) argue youth training has failed to significantly reduce mass unemployment among school-leavers, especially of already disadvantaged ethnic and social groups. Training courses can have the effect of destabilising the identities of the young people involved. The courses build up expectations that the trainees will find a job if they dress well, are punctual and have appropriate attitudes and behaviours. When trainees leave a course, they may find their situation compounded because their experiences in the job market do not match the expectations built up by the training courses (Higgins 1995a).

In New Zealand, as elsewhere, the broad category youth emerges frequently in the active labour market policy area. In part, this is a result of the relatively high rates of unemployment for young people. Typically, unemployment rates for young people are much higher than the rates for other age groups. New Zealand figures for 2001 show that 39 percent of unemployed people were aged 16-24 and the unemployment rate for this group averaged 11.8 percent, compared to the overall unemployment rate of 5.3 percent (MSD 2002). Consequently, most policies for unemployed people tend to have age restrictions that limit them to (eligible) young people. For example, the Gateway school to work transition programme, Modern Apprenticeships (16-21 years), Youth Training (aged under 18), Youth Conservation Corps (16-24), Youth Service Corps (16-21) and Rangatahi Maia (16-21) (Skill NZ 2000b). The Training Opportunities (16 and over) is one of the few fully subsidised training initiatives for (disadvantaged) unemployed adults. Other partly subsidised, part-time training possibilities for adults include adult community education and literacy programmes.

On the one hand, labour market interventions are deemed necessary to ensure young people (who comprise a significant group amongst the disadvantaged unemployed)

make a smooth transition from childhood to adult life. On the other hand, young people's views and experiences, of themselves and in relation to the labour market, are largely overlooked by policy experts and decision-makers. While courses may target 'youth' this category also intersects with gender, class and ethnic relations.

Mizen (1994, 40) claims most youth training operates from a *deficit model*⁷⁵, reflecting claims that many young workers are 'deficient' in the qualities required for employment. Korndorffer (1987, 222) notes that transition education, with its emphasis on social and life-skills, assumes trainees have:

Special needs and individual pathologies that require extraordinary educational and training measures to both to make them competitive in the labour market and to enable them to make 'successful' transitions to adult life.

The negative connotations of youth training arise from the belief that if the trainees were 'normal', they would have acquired the necessary skills themselves and would not require interventions. While transition educators may operate from an underlying liberal and humanistic discourse, the deficit model construes the targeted groups as deficient, and projects blame onto the student and/or the trainer who may fail to unlock their potential.

The deficit model constructs unemployment simply as a problem of poorly skilled and unmotivated unemployed individuals in need of training therapy. Sultana (1987b, 18) argues "while transition education sets out to be enabling, its very discourse is disabling in the way that it views youth." Training providers are then not merely educators but also agents of social control (Sultana 1987b). Because transition students are viewed as somehow deficient they are "subtly expected not to set their sights too high in society" (ibid, 52). Transition education may therefore reinforce social class divisions. The emphasis on life-skills and preparation for low-skilled work means transition educators may overlook the strength of character and latent abilities of young people, who have perhaps not had the choices and opportunities available to youth in a more favourable class position.

At times, or in locations with increased unemployment, transition education and training tends to operate as a rather demeaning holding-pen for individuals who are considered to be at risk of unemployment (Gaffikin and Morrissey 1992). From a neoliberal point of view, this is preferable to other interventionist policies such as job creation. This may explain why right-wing political agents make an exception to support taxpayer funding of training policies, particularly for youth. Langmore and Quiggin (1994) note the irony of emphasising job-seeking skills at times when the ratio of unemployed far outweighs available jobs. According to Mizen (1994), deficit thinking leads to the “imposition of new forms of discipline on the young working class, the discipline of training”. Nevertheless, Mizen (1994), Korndorffer (1987) and Holland’s (1990) research indicates most trainees find training a better option than unemployment, and despite the low success rates, trainees remain cautiously optimistic about their future. Meijers and te Riele (2004, 3) argue that most young unemployed people “want to work” and that an obligatory control perspective is counterproductive.

Theoretical framework

The theoretical areas that I have found to be most useful for this research are community development and neo-Marxism, both of which run counter to current neoliberal tendencies. These theoretical positions provide a useful lens through which to view the situations of the disadvantaged unemployed and the providers who assist them. They underlie my methodological approach and guide my attempts to identify whether, or not, the current State Active Neoliberal framework (in relation to New Zealand active labour market policy) aligns with the needs and intentions of funders, providers and trainees.

Although both community development and neo-Marxism include a wide range of interpretations of development and progress, there is some overlap in the critique of unregulated capitalism and the persistence of poverty, inequality, social injustice and environmental harm (Weil 2005). One area of common ground has emerged through the support of an ecologist, or sustainable development perspective as an alternative to

⁷⁵ For a further definition, refer to the glossary.

capitalistic growth models. Another area of overlap is the recognition of interdependency and the need for collective values and cooperative processes, although the different theoretical areas offer some variation in emphasis and scale. Community development emphasises local contexts and social/environmental interdependency. Neo-Marxist analyses offer a broader critique of the changing forms and processes of capitalism. The theoretical framework offers a perspective from which to advocate for processes that operate at the grassroots level to enable, empower and improve self-determination especially for individuals and groups who are worse off and/or marginalised within the context of dominant social and economic norms and practices.

Community development

The community development literature covers a broad interdisciplinary spectrum that has developed from community and/or development studies, practice-orientated grassroots approaches, environmentalism and critical social theories (i.e., feminism, post-colonialism and neo-Marxism). Important aspects of community development are the emphasis on local contexts, the material conditions and on the improvement (or sustainability) of the economic, but also the social and environmental viability of communities. The literature spans empirical, context-specific and/or prescriptive accounts (Boswell *et al.*, 1990; Kaufman and Alfonso 1997; Sizoo 1997) to overarching progressive post-development debates (Brohman 1995; Simon, D. 1997; Todaro 1994). Many of the writers have been participants in, or close observers of, economic, social, health or education development projects especially in developing countries or the “Majority World”⁷⁶ (Brazier 1997; Christie and Warburton 2001; Esteva and Prakash 1998; Mohanty *et al.*, 1991).

Theoretical interest in community and development theories has grown alongside growing international resistance to global institutions, such as the World Bank and the IMF, which impose particular economic models and thinking, especially on poor countries and populations. Worldwide disillusionment with orthodox economic

⁷⁶ In post-development literature, the term “Majority World” is considered a less problematic way to refer to Third World or undeveloped countries because it does not impose hierarchy or Western cultural bias. The term serves as a reminder that Western lifestyles are an affluent exception, and a historical consequence of exploitation and unequal distributions of resources and opportunities.

development theories centres on the observation that the undue emphasis on economic growth and free-markets does not lead to long-term, stable and evenly distributed benefits. While mainstream development can offer some benefits, it also leads to income polarisation, wage and commodity dependence, insecurity, social fragmentation and environmental degradation (World Commission on Environment and Development 1987). As Hamilton (2003) and many others demonstrate, simply chasing economic growth and higher GDP is not necessarily connected to overall improvements in public health, wellbeing and social cohesiveness. Resistance to the global economic hegemony is evident in multi-party working groups such as the Green Economics Programme, which seeks to develop more comprehensive ways of measuring and managing the wellbeing of countries and communities (Anielski 2001).

Most community development writers share concerns about models of development, but also about business-orientated project implementation models, that devolve the responsibility for addressing social problems, but maintain hierarchical decision-making and funding systems. There are numerous worldwide examples where neoliberalised structural adjustment has not lead to “trickle down” prosperity and wellbeing, but has instead increased the marginalisation of and the risks to, the poor and disadvantaged populations of the majority world (Danaher 1994; Esteva and Prakash 1998; Knippers-Black 1991; Sachs 1999). Emerging community development theories offer ways to contextualise and challenge the national and international spread of neoclassical, neoliberal and free-market doctrines.

Community development stresses the importance of the local context as an alternative perspective to global and/or national level views of development. Although he refers to majority world contexts, Sharp (1995) asserts that local organisations must be the bedrock of development processes. The methodology adopted in this research is similarly an attempt to acknowledge the local scale as an important site for social action. Community development literature includes a strong body of qualitative research, especially case studies, ethnographies and participatory research. Such literature emphasises the importance for researchers to be immersed at the local level and to respect and value lived experiences/knowledges. In New Zealand, there is now widespread support for research and evaluation projects that work alongside

community organisations and take their views into account. According to Casswell (2001, 22) this, to some extent, reflects a “post-modern scepticism about the role of experts.” However, as she warns, community-orientated concepts can be utilised to argue for the retrenchment of social services and greater reliance on the voluntary sector to address social, economic and environmental ills.

Olico-Okui (2004) argues, from a more cautionary perspective, that terms like community and participation are all too frequently a smokescreen for the continuation of top-down management styles. This allows for a “co-opting practice, to mobilise local labour or materials and reduce costs – meaning ‘they’ (the local people) participate in ‘our’ project” (ibid, 3). Not only does such co-option offer a lucrative way to reduce welfare budgets, it also acts as a discursive tool to privatise social issues and shift social service provision from the public to the private sector. To counter this trend, thorough scrutiny of development processes is required to ensure that they actually include, and empower the individuals and communities who are the most affected by particular issues. The preference is for grassroots or bottom-up processes that recognise the knowledge of the affected people and development practitioners at the local level. This requires respect for people as the subjects, rather than simply objects of policies, institutions and research practices.

Another particularly useful aspect of community development literature is how it explores the tensions and complexities surrounding the purpose and function of relief agencies, encompassing non-governmental organisations (NGOs), community organisations and private providers (Hoatson 2001; Kaufman and Alfonso 1997; Sharp 1995). Such literature contains relevant insights for understanding the role of the relief agency/provider, alongside the more common concerns about the funding, policy objectives, or the ‘needy’ people. Sharp (1995, 326) emphasises the importance of institutions, but warns that there is often too much emphasis on organisational efficiency at the expense of a concern with the “scale, orientation, relevance and values of institutions in relation to economic or social needs.”

Knippers-Black (1991, 157) acknowledges the paradoxes facing development agencies and practitioners suggesting that many frustrations are “inherent in the role of honest

[sic] broker between the powerful and the powerless.” Although this statement portrays a rather polarised view of intentions and power, it does highlight the somewhat idealistic expectation that ‘honest’ and ‘neutral’ development protagonists can address social ills without altering inequalities existing within the societal context.

Development theorists such as Edwards, M. and Sen (2000) still see a role for State institutions, external expertise and the market, but only if these operate in genuine partnership with civil society and encourage democratic participation in decision-making. Radical actions and changes are necessary to reverse current trends towards increasing inequality. However, as Edwards and Sen (*ibid*, 613) comment:

Governments and businesses are unlikely to spearhead moves for radical changes which involve reduced consumption or the ceding of authority to non-State actors. The major pressure must come from those parts of civil society who are committed to new social and economic models.

The community development literature is fairly consistent in the critiques of top-down patronising structures and institutions. Instead, the aim is to devise place-specific initiatives that work with the visions and values of people at the local level, rather than simply imposing standardised models from elsewhere. Mohanty *et al.*, (1991) challenge Western and/or modernised views of development, progress and wellbeing, and how these extinguish the legitimacy of indigenous and alternative worldviews.

Community level organisations are not immune from the issues surrounding power relations and the distribution of resources. Suggestions to prevent such problems include keeping conduct and performance open to regular and independent assessment and wider public input. Organisations that are located, connected and embedded within a local context may be more likely to have an in-depth understanding of the local context and they may display a stronger commitment to local issues. In the end, it is easier for local people to challenge an operator who is not distant and remote, but remains visible and approachable in the local community and also depends on infrastructure and goodwill generated at a local level.

The concern for the local context does not, however, change the fact that most medium to large-scale development requires a significant accumulation of capital resources and

cannot be directed solely from the grassroots. The main challenge is that wherever capital-intensive development occurs, the poor, disadvantaged and unemployed are usually the last people to be incorporated, and usually only from a charitable or concessionary point of view that extinguishes their agency (Brohman 1995; Grillo and Stirrat 1997). The increasing support for micro-development, micro-financing and community-orientated self-provisioning represents attempts to reduce reliance on big capital development strategies. Instead of purely emphasising the deficiencies of communities and/or individuals, the object of micro-development is to extend the resourcefulness of people and communities at the local level by building on their inherent strengths (alongside a pragmatic recognition of constraints) and by considering a wide variety of market and non-market responses.

Green economics is underpinning new ways to initiate and value socially and/or environmentally useful work in ways that align with community development objectives (Cato and Kennett 1999). Christie and Warburton (2001) and Hamilton (2003) stress that development routes which are wedded to ever-increasing economic growth and consumption are not sustainable. The Green political vision finds little favour with powerful business and political leaders, and it is routinely denounced in the media and in public debates for being too radical and/or impractical. Nonetheless, there is a growing body of reputable scientific research on the immanent limits of the resources that drive the international economy, and the ability of the environment to cope with ever-increasing economic growth and consumption. For example, Aleklett and Campbell's (2003) research highlights the degree to which the flow of goods and people around the world relies on declining, non-renewable fossil fuels. They also identify that at some point, perhaps as soon as 2010, the cost of oil and the lack of viable alternatives will radically alter the dynamics of globalised capital and production networks, which are the fundamental pillars of the neoliberal project.

Diesendorf and Hamilton (1997) argue that new economic approaches are necessary to take account of finite resources and ecosystem services. Sustainability will simply remain a theoretical conjecture unless pricing mechanisms or taxation policies take account of the full costs of wasteful or exploitative economic growth on the environment and society. While economic growth and participation in the free-market

economy are important, these approaches alone are not a sufficient or sustainable basis for including all population groups. In some cases, it may be more effective to encourage self-reliance or self-provisioning and bartering or exchange systems at the local level, rather than single-mindedly increasing GDP or relying on the global race for competitive advantage.

Neo-Marxism

Aspects of neo-Marxism are drawn on to reiterate the significance of class, and to challenge dominant political-economic discourses that base equality and participation in society on paid work in (unequal) labour markets. In the last three decades, class has been treated as a rather outdated concept in both human geography and wider social theory. Critics of class theory have contributed greater awareness of historical/material indeterminacy, emphasising the formation and representation of identity, meaning and difference at an individual level and through discursive processes. Although, socio-cultural markers and identity politics are important, in late capitalist societies economic power remains a crucial defining factor.

Increasingly, income polarisation and labour market segmentation indicate that new forces are creating oppositional interests and new systems of production are emerging to extract surplus value. Contemporary understandings of class observe how economic power intersects and compounds with socio-cultural factors such as gender, ethnicity and age (relations of production) and articulates with societal processes such as globalisation and technology (forces of production). A neo-Marxist understanding of class sets a framework from which to argue that the economic structures of late-capitalist societies tend to further capital-labour relations that are increasingly exploitative of resources, the environment and the majority of workers. At the global scale, power is increasingly concentrated amongst those who own and/or control the means of production. Individual level ability and effort may not be sufficient (for most of the world's citizens) to experience a reasonable and stable quality of life.

A neo-Marxist stance supports the view that neoliberal and free-market principles do not lead to universal prosperity and wellbeing, but entrench poverty and exploitation for significant groups. Moreover, the tenets of modern democratic society, freedom of

movement, association and to own private property, are not sufficient for all people to be free.⁷⁷ Neo-Marxism is particularly relevant for considering the situation of the disadvantaged unemployed, who occupy a space that is even further removed from the means of production. Having nothing but their (disadvantaged) labour power they must compete in the labour market where they are the least likely to be chosen by employers, unless they agree to (or are forced into) jobs no other workers want.

In (re)interpreting a structuralist approach, I acknowledge the contributions of post-modern and post-structural theories and agency-structure debates with their critiques of the narrow determinism in traditional Marxist views of structure. Although capitalist economic systems are very powerful in shaping the framework of collective experience, people still have agency to subvert or to minimise their involvement with, or reliance on, capitalist structures and systems. The mainstream media, education system and bureaucratic institutions, however, play an influential roll in processes that persuade the majority of individuals to accept systems of power and domination, by consolidating individual and societal interests towards maintaining the status quo (Strinati 1995). Such discursive processes tend to marginalise other interests or possibilities, thereby reinforcing the validity and superiority of common sense norms and practices, even if they are widely perceived to be unfair.

My references to the disadvantaged unemployed and the underclass align with neo-Marxist interpretations of the economy and society and the plight of the poor, disenfranchised and so-called unemployable. Neo-Marxist understandings also articulate with writers such as Donnison (1998) who draw on social justice discourses. Morris (1993), Katz, M.B. (1990), Byrne (1999) and Peace (1999) provide ways to problematise the 'new' discourses of poverty and social exclusion that tend to obscure class relations and power structures, by focusing on the inadequacies and (im)morality of poor, unemployable or otherwise marginalised individuals. These authors demonstrate how the position of the poor, unemployed and excluded is constructed and maintained by socio-political processes and not just by the misdemeanours of the

⁷⁷ In the context of globalisation most societies encourage the free movement of capital, goods and (usually) people. More recently, however, concerns about terrorism, virus pandemics and mass migrations of poor people have increased border restrictions in many countries and regions.

individuals themselves. The term social exclusion is widely used in Third Way discourses and it offers a new way to refer to the poor, the disenfranchised and the underclass. According to Byrne (1999), Hamilton (2001) and Peace (1999) such understandings hold the excluded individuals responsible for their state, while obscuring the social and economic inequalities. Byrne (1999) argues that social exclusion and redundant classes are inbuilt features of post-industrial capitalism and flexible labour markets and therefore, social policies directed solely at excluded groups will be largely ineffective.

Terms such as the underclass, or the Marxist notion of the *lumpenproletariat*, imply a redundant, reviled and ultimately dispensable population considered to have no function in the legitimised forms of social (re)production (Standing 1997). The existence of an underclass is usually explained by a deficit (or deviation) in the moral and/or personal characteristics of the people concerned and their parents or guardians. Recurrent moral panics about the existence and possible expansion of the underclass are often a consequence of resentment and/or fear (Morris 1993). 'Legitimate' citizens, who are contributing to legitimate forms of (re) production, may find reasons to feel resentful of underclass populations, who are assumed to contribute nothing and instead drain resources (Bauman 1998). The resentment may be loudest from workers who, on some level, feel they are themselves exploited in the labour-capital relationship. Consequently, underclass populations are routinely viewed with disdain and abjection (even by people occupying a similar or adjacent class position), to the degree that their presence interferes with, or imposes burdens on, the rest of the population. In some instances, policy responses targeting the underclass may improve the upward mobility of some individuals. The most immediate concerns, however, revolve around managing the overall behaviour, conduct and the possible growth of the underclass.

According to Bauman (1998) and Sklar (1995) the existence of the underclass serves a more covert socio-cultural purpose. The vilification of the underclass (with its idleness and immorality) distracts workers and other legitimate citizens from the substantive inequities of the capitalist system. Thus, the underclass becomes the enemy and object of frustration, rather than the capitalist elite, or the market processes that generate competition, income polarisation, economic inequalities and redundant classes.

Although underclass populations seldom possess the power, resources or organisation to seriously challenge the legitimate frameworks of society, they are still often perceived as a threat. The abjectification of the underclass can compound, leading to a further marginalisation and stigmatisation of people already at the bottom of the socio-economic ladder.

Gorz's (1999) notion of the *neoproletariat* sits alongside (and overlaps with) the underclass and the lumpenproletariat. The neoproletariat describes the contingent and un(der)employed workers at the lower end of the labour market who experience intermittent jobs and joblessness.⁷⁸ The competitive globalised flow of goods and capital means businesses are constantly seeking ways to lower their production and labour costs. One way to reduce labour costs is to lower wages, but another way is to take a *just-in-time* approach and only hire workers when it is necessary and/or profitable. This downgraded form of labour flexibility, which is the regular experience of the neo-proletariat, is embedded within current interpretations of employability.

The presence of the neoproletariat class in greater numbers can serve as a mechanism for downward wage pressure (Standing 1997). As Peck (1996) suggests, training can become a neoliberal regulatory mechanism for constructing, conditioning and maintaining a submissive (neoproletariat) workforce that yields to the demands of global capital. The State system, therefore, legitimates a degree of job insecurity and un(der)employment for particular segments of the labour market. Such differentiation offers further incentives for competitive behaviour and it provides 'opportunities' for people to become more 'deserving' of a job or income, on the basis of personal effort.

The neo-Marxist notion of the ideological State is drawn on to identify that the State is not a neutral institution, which rationally redistributes material resources to needy people or causes (Barrow 1993; Offe 1984). Instead, social policy is viewed as a process for legitimating dominant values about 'progress' and a 'good' society. Neo-

⁷⁸ In Gorz's (1985) earlier work, the neoproletariat is presented as a utopian citizen who is liberated from the strictures of full time employment. In more recent writings Gorz (1999) acknowledges that only a small group of highly skilled and mobile workers are able to exist as the idealised autonomous flexible workers. In most instances, the flexibilisation of labour has meant the erosion of working conditions, wages and income security. Meanwhile, increased stress, consumerism and competing demands have eroded the ability of most neoproletariat workers to live more holistic, creative and sustainable lives.

Marxist views range from extreme distrust of the State, to the State as a site of conflict. From the latter point of view, the State is a large and dispersed collection of individuals who (inter)act on the basis of a range of honourable and less honourable intentions. Moreover, nation States face intense pressure to respond to competing demands in the face of fiscal limits, global pressures and environmental constraints. Most modern States prioritise capitalist expansion, but political pressures direct the State to make some concessions to the needs of workers and other groups assumed to have legitimate needs. Lobby groups and advocates are locked in a constant struggle to maintain position in the queue for political recognition of the ‘genuineness’ of the needs they identify.

Although contemporary States appear to strengthen and embed the social structures that maintain capitalism, the State also ‘liberates’ the poor by offering access to services on the basis of need. While such action offers tangible assistance to the poor, I follow Gorz (1999), Peck (1996) and Peet’s (1991) views that greater equity will not arise unless current political-economic systems change significantly. Tinkering at the edges or mitigating market failures merely perpetuates the current system and the inequalities that restrict the ‘choices’ and ‘opportunities’ for disadvantaged and vulnerable populations. Although broad global trends and pressures generate considerable constraints for nation States, a range of responses are still possible. Especially at the local level, efforts can be made to foster the ability of individuals and collectives to build on their strengths and to insulate their communities against negative impacts of market competition and economic downturn (Shuman 1998). The current competitive free-market context re-inscribes the disadvantaged position of many un(der)employed, discouraged and supposedly unemployable people. A lumpen-and/or neo-proletariat revolution is an unlikely scenario. Instead, groups of people may find ways to live partly outside capitalist systems by operating locally based, sustainable systems for production and exchange.

Conclusion – a critical approach

This chapter is largely critical of the theories surrounding the application of current forms of training as an active labour market policy for disadvantaged unemployed people. The term State Active Neoliberalism offers a useful way to define the New

Zealand political-economic framework, from 1999 to 2005, and the continuation of supply-side, employability-focused training schemes. The various interpretations of the role and purpose of training reflect discursive, economic and political shifts and the specific historical/geographical aspects of entrenched unemployment, technological change, globalisation processes, free-market economics and liberal individualism and social democracy.

From 1999-2005, Labour-led coalition governments have actively advanced competitive, individualised and market-led solutions to social issues (Maharey 2000c, 2003c). In this context, training attempts to prepare disadvantaged unemployed people for participation in competitive, flexible and usually low-waged labour markets. From a theoretical viewpoint, a State Active Neoliberal framework (and the theories and models that articulate with it) do not align comfortably with the intention to offer equitable needs-based services that take account of the varying pedagogical, social or training needs of disadvantaged individuals. If training policies are set up principally to reflect the interests of capital and to appease employer demands then, they will inherit and magnify existing labour market patterns of inequality. As Geddes (1994) argues, the explicit linkage of welfare policies to labour-market flexibility is part and parcel of a socially divisive neoliberalised growth model. Such a model may advance a select group, but it is unlikely to deliver benefits to the disadvantaged people at the lower end of income and social statistics. In Chapter 3, I explore the New Zealand context to consider how and why training schemes have emerged and evolved to become individualised, supply-side policy responses to unemployment.

Chapter 3

Why Aotearoa/New Zealand has training schemes

The entrenchment of un(der)employment in Aotearoa/New Zealand, which occurred alongside the political-economic and labour market reforms of the 1980s and 1990s, is examined in this chapter. The discussion traces the historical context, statistical definitions and the shift towards more individualised understandings of the causes of and cures for unemployment. The New Zealand geographic literature on these reforms and on unemployment, which summarise the public and political debates that surround these issues, is reviewed. Aside from accentuating unemployment, the reforms also irrevocably changed labour relations and the role of the State. These changes shifted political and public understandings of the design, purpose and operation of existing New Zealand labour market policy responses. Whereas, initially, training schemes were constructed to fit alongside Keynesianism, current training schemes are firmly embedded in neoliberal views of the economy.

The entrenchment of unemployment in New Zealand

The first training schemes emerged in New Zealand in response to rapidly rising unemployment in the 1970s. At the time, the government view was that unemployment would be temporary, so subsidised jobs and training schemes were set up to provide meaningful activities until the economy readjusted (DOL 1985). By the 1980s, it was clear that unemployment was increasing and becoming a permanent feature of New Zealand society and, by the 1990s, unemployment was a major issue of public concern (Crozier 1997; Maharey 1999).

More recently, New Zealand is experiencing “historically low unemployment rates”⁷⁹, at around 3.6 percent (for the December 2004 quarter), which reflect the expansion of the economy and the labour market. Treasury (2004) warns that such low rates are not favourable over the long-term because they add to wage pressure and inflation.

⁷⁹ Unemployment rates in 2004 were the lowest recorded since the first HLFS was recorded in 1986.

Although the proportion of working-aged adults participating in some form of paid work has increased in comparison to the 1980s, for many workers today the experience of paid work is vastly different. There have been irrevocable changes in terms of working hours and conditions, job security, wage/income distribution, population groups in the labour market and competition between workers, and the responsibility for career and/or skill development.

Callister (2001), Crampton *et al.*, (2000), Easton (1997a), Nowland-Foreman (1997) Stephens *et al.*, (2000) Waldegrave (1998) and Waldegrave and Stephens (2000) highlight the increasing prevalence of underemployment, labour market disadvantage and income inequality in New Zealand. This prevalence often escapes the variables currently used in regular labour market research. The increase in casual and temporary work means many people officially recorded as being in the labour force are faced with frequent occurrences of poverty, unemployment and disadvantage. In Aotearoa/New Zealand, being unemployed or underemployed, whether through circumstances or 'choice', usually means being poor (Waldegrave and Coventry 1987). Assisting people to move towards more stable forms of employment is therefore considered a crucial factor in addressing poverty and creating a more inclusive society.

Overall, authors and commentators agree that New Zealand experienced economic and fiscal difficulties that began in the 1970s and culminated in 1984, providing the justification for the far-reaching political-economic reforms of the late 1980s and 1990s. Even the reform architects admitted that higher unemployment was the price for their ideas. Minister of Finance, Sir Roger Douglas (1989, 14) stated:

The change of system has not been easy. Quite large numbers of people became redundant in the process, in the process of eliminating waste. Not all of them have been reabsorbed into the productive labour force.

Eliminating waste from the public sector had priority over preventing wasted jobs and livelihoods. Key political agents, such as Douglas, prioritised efficiency gains while also advocating policies that led to labour market deregulation, de-unionisation and income polarisation.

During the reform period, labour demand was severely constrained by restructuring. There was wide-scale removal of import tariffs and export subsidies and a withdrawal of state-subsidised job creation. This in turn led to mass redundancies. Despite an increasingly educated workforce and periods of economic expansion, particular ethnic and social groups have borne the brunt of restructuring (Waldegrave 1998). Moreover, the less-skilled, disadvantaged and discouraged unemployed are at risk of further disadvantage, as labour market disadvantage tends to replicate and precipitate other forms of social disadvantage (Baehler 2002).

In 1999, the IMF reported that New Zealand experienced exceptional employment growth, although such optimism overlooks the fundamental shifts in the quality and distribution of employment. Morrison (2001, 87) argues that “what really matters to a steadily growing labour force is not the growth in employment per se, but the degree to which such growth actually [and adequately] absorbs those wanting paid work.” During the 1980s and 1990s, the size of the labour force increased significantly as more men and women wanted, or needed to work. In addition benefits, pensions and median incomes were either reduced, or lost ground to inflation which meant individuals and households had to economise and/or combine primary income sources (from a job or benefit) with other income sources such as part-time jobs or self-employment.

The vast literature on the reforms can be divided into two broad camps – accounts which view the reforms as inevitable and generally positive in effect, and those arguing that the reforms were negative overall and that other options were possible. Many writers refer to the situation in the early 1980s as a ‘crisis’ and document the weaknesses in New Zealand’s macro-economic structures (Boston *et al.*, 1996; Cocombe *et al.*, 1991; Dalziel and Lattimore 1991; Roper and Rudd 1993; Shirley *et al.*, 1990; The New Zealand Planning Council 1977). The 1984 election was a political turning point. The post-war Keynesian-social democratic regulatory regime was overhauled resulting in rapid and radical policies, with changes in the financial, trade, employment and social sectors of government. According to Easton (1997a), democratic involvement was narrowed considerably by the proclaimed urgency to address the economic crises of the country and the perceived need for rapid policy reform.

A critical literature formed in response to the reforms (Easton 1987, 1989, 1997a, 1997b; Green, P.F. 1994; Jesson 1999; Kelsey 1993, 1995; Larner 1997, 1998; Neilson 1998; O'Brien 1994; Sharp 1995; Shirley *et al.*, 1990; Waldegrave and Coventry 1987; Waldegrave 1998). These writers are dismissed by influential reform agents, such as Scott G.C. (2001),⁸⁰ for operating with the benefit of hindsight and not offering realistic alternatives. Nevertheless, the reform critics have played a critical role in highlighting and questioning the limitations and assumptions implicit in the models and theories of the reform agenda, and reminding us of their human costs. The New Zealand political and economic reforms were not inevitable. Instead, they evolved out of complex socio-political discursive contestations over the form and function of society, and the prescriptions for change. The speed and intensity of the economic reforms were the result of New Zealand's constitutional arrangements (which gave relative autonomy to the Cabinet) and political agents who seized upon theoretical ideas developed by Treasury officials to justify particular policy changes (Boston *et al.*, 1996).

Neilson (1998) observes how a unique historical and spatial context created precursors for change in New Zealand, a regulation crisis, and the adoption of a non-hegemonic neoliberal rationality for re-regulation. These processes occurred within the existing political structures, economic situation and power dynamics of an elected dictatorship (Palmer 1979) and were advanced by "a small vanguard of neo-liberal political elites" (Neilson 1998, 56). According to Neilson (*ibid.*, 53) "an active hegemony becomes a final goal of the project, rather than the mandate to pursue the project in the first place".

Most writers and commentators agree that the public sector had to change. In particular, those who were involved in either the design or implementation of the reforms have championed the New Zealand model as a blueprint for an innovative and comprehensive public sector (Birch 1992; Brash 1996, 1998; Douglas 1996; Scott G.C. 2001; The Audit Office 1989). During the 1990s, a strong consensus developed around

⁸⁰ Dr Graham Scott was secretary to the Treasury from 1986 to 1993. Scott was part of a group of Treasury officials who had a considerable influence in constructing a theoretical blueprint for the new public sector administration model (for further discussion see Chapter 4). Scott also works as an international consultant and advises other governments (e.g., in China, Thailand and Eastern Europe) on "best practice" public administration. During the 2005 elections, Scott stood as a candidate for the far-right ACT party, but he did not gain a seat.

the notion that greater accountability and contractual quasi-markets would steer the public sector towards greater efficiency and effectiveness. More recently, government discourses have emphasised the importance of partnerships between the State, social service providers and welfare recipients, although these are primarily constructed to fit alongside neoliberal market principles.

Despite the greater emphasis on cost reduction and market competition, since the 1980s there has been little change in the public sector in overall levels of taxpayer-funded expenditure (State Services Commission 1999). The composition of government activity has, however, changed significantly and the productive capacity of the State is reduced. Most State assets and services have been privatised, or contracted out to a quasi-market of contractors and service providers. Increasingly, State (and provider) capacity is involved in the auditing processes that are used to manage contractual relationships. In 2004, annual State expenditure for social services exceeded \$37 billion, about 80 percent of government expenditure. Despite this considerable expenditure, 30 percent of New Zealand's children are still living in poverty (Shirley 2005).

Easton (1982, 1989, 1997a) and Kelsey (1995) acknowledge the parallels between the ideas behind the New Zealand reforms, and international trends in political-economic thinking especially directives emanating from global institutions such as the World Bank, IMF and OECD. Green, P.F. (1994), Jesson (1999), O'Brien (1994) and Shirley *et al.*, (1990) claim that the variously named neoliberal, free-market and market-liberal directives informing policy decision-making have exacerbated, rather than averted the negative effects of un(der)employment and labour market disadvantage.

Aside from the official unemployment figures, there are statistics that indicate the existence of groups who have not secured adequate jobs and income, but occupy a range of different (and often marginal) spaces, identities and livelihoods outside the formal labour market. For example, a less frequently cited statistic, the jobless rate⁸¹

⁸¹ The official jobless rate is a broader definition of unemployment. It includes people who are unemployed but do not meet the stricter unemployment rate definition because they are either not available for work immediately, or they were not actively seeking employment at the time of the HLFS.

claims to record all the people who are without a job, but who want a job. In 2002, the total jobless rate was 179,400. The jobless rate combines the officially unemployed (i.e., 102,600 in 2002)⁸² with individuals wanting work but not considered to be actively job-seeking⁸³ (58,200 in 2002) and those activity seeking but not immediately available for work⁸⁴ (i.e., 18,600 in 2002) (Statistics New Zealand 2003). The official jobless rate is a broader definition of unemployment. Even though it does not count underemployed or discouraged workers, the jobless rate is “typically 50-70 per cent higher than the official unemployment rate” (MSP 2001, 48). The jobless rate, therefore, still excludes many people who are capable of working, but may have given up looking for work because they have faced countless rejections or are hampered by other factors. For example, parents without suitable or affordable childcare arrangements, disabled people who cannot find appropriate workplaces, or mature workers forced into early retirement. The jobless rate also excludes people engaging in other activities outside the labour market, such as fulltime study or unpaid work because they have been unable to find satisfactory employment.

Since the mid-1990s, the incidence of part-time and casualised employment has also increased, as has participation in tertiary education and self-employment. The 2001 Census states that in the period 1991-2001 the overall increase in part-time employment was 60.2 percent, while full-time employment increased by a more modest 15.4 percent (Statistics New Zealand 2001). In 2004 there were 276,000 people participating in formal study (Statistics New Zealand 2004a). From 1979-1997 New Zealand’s self-employment rate⁸⁵ climbed to become one of the highest in the OECD alongside Spain, Portugal and Italy, and it peaked at 24 percent in 1997 (OECD 2000). In 2004, the self-employed still constituted 22 percent of the New Zealand labour force (Human Rights Commission 2004).

⁸² The officially unemployed include the individuals who have not had one hour or more in paid work during the reference week. The figures cited represent the average of the quarterly surveys conducted in 2002.

⁸³ Actively looking for work means using at least two methods of job-seeking, other than looking at newspaper advertisements during the period specified by the HLFS. This category is broken down into two – individuals who looked at newspapers only and ‘discouraged workers’ who were not looking for work because they believed they lacked skills, they were the wrong age or appropriate work was unavailable in their area.

⁸⁴ Individuals not available for work are those who answered ‘no’ to the question “if you were offered a job would you have started last week?”

⁸⁵ The OECD self-employment rate is defined as “the rate of self-employment to civilian employment, excluding the agricultural sector and unpaid family workers” (OECD 2000, 19).

Despite its inadequacies, the unemployment rate is the most frequently cited statistic, and it is often cited by political agents to advance their policies and arguments. When the unemployment rate is low there is less apparent need to offer assistance, even though the rate may obfuscate high levels of un(der)employment or discouraged workers. For example, the Social Development and Employment Minister Steve Maharey (2005) states enthusiastically that (thanks to his government's leadership) New Zealand has the lowest unemployment rate in the world:

Reaching a world-leading 3.6 per cent unemployment rate is proof of the economic and social strength of 21st century New Zealand. In the past couple of years, we've become used to rapid falls in unemployment, but we need to step back and appreciate just how far we've come. In the 1990's we saw unemployment skyrocket to over 11 per cent. Before we were elected in 1999 it stood at nearly 7 per cent.

Although there have been impressive increases in the number of people employed (i.e., 33,000 in the December 2004 quarter) two-thirds of the new jobs were part-time and employment growth exceeded growth in the total labour force numbers, which has a lowering effect on the unemployment rate.

The reduction of unemployment beneficiaries has also been accompanied by increases in sickness and invalids' beneficiaries. Invalid benefit numbers have grown from 32,000 in 1992 to 65,000 in 2002. The proportion of the New Zealand population receiving a sickness benefit increased from 1.2 percent in 1993 to 1.8 percent in 2004 or 45,648 working-aged people (MSD 2004). In 1995, *The Dominion* newspaper reported that:

More than a quarter of new applicants for sickness benefits are people transferring from the unemployment benefit. Many of these are applying because their health has suffered through the stress of long-term unemployment.

Increases in the sickness benefits and invalids' benefit numbers are, however, in line with other OECD countries, and are accounted for by factors such as population

growth, relative ageing of the population,⁸⁶ work-related injuries, increases in mental illness,⁸⁷ or other chronic health problems such as obesity, diabetes and back problems (*The Jobs Letter* 2004).

The various statistics cited above demonstrate the complexity of the labour market and the movement of individuals between paid work, welfare and other activities. On its own, the official unemployment rate is not a useful way to inform policy, as it does not provide an adequate picture of the quality or availability of jobs, or the health of the economy and society. A broader understanding would include an in-depth analysis of the changes in the labour force participation rate. These include actual numbers of full-time and part-time jobs, (including information about differences between regions and occupational sectors) notified vacancies, participation rates in tertiary education, employment schemes and training, income distribution, the registered unemployed, benefit numbers and categories and numbers of people in unpaid, voluntary or caring work.

The unemployment statistics and other institutional discourses (disseminated through government publications or communications) add to the discourses that dissociate the problem of unemployment from the political economy and instead pathologise the unemployed. Internationally, un(der)employment and especially long-term unemployment are proving to be intractable issues, therefore, it is hardly surprising that New Zealand political agents seek ways to minimise its occurrence, or to deflect responsibility.

Higgins (1995b, 1997a) argues that, in New Zealand from 1985 to 1995, significant political and public consultations and administrative changes led to the closure of the unemployment debate (1997a, 138). Organisational and procedural changes to employment assistance policy included the separation between policy-makers and implementers and the emphasis on employment outcomes. The discursive shifts around

⁸⁶ Age is a noticeable factor. In 2004, 70 percent of invalids' beneficiaries were aged 40 years or over and 30 percent 55 years or over; similarly 57 percent of sickness beneficiaries were aged 40 years or over (MSD 2004).

⁸⁷ In the year to December 2004, 37 percent of sickness beneficiaries and 27 percent of invalids' beneficiaries had psychological or psychiatric conditions, the most common reason for claiming such benefits (MSD 2004).

the unemployment 'problem' were also furthered in 1994 by the *Prime Ministerial Taskforce on Employment*, which was launched as a nationwide public consultation exercise (New Zealand Government 1994). The concerns of community organisations, who participated, had changed little since the mid 1980s, as community leaders argued for greater investment in services to address the needs of unemployed people. The taskforce, however, became a platform for the major political parties to reinterpret their explanations for unemployment, away from a *lack of employment*, towards the unemployed individuals' *lack of employability*. The final report co-opted community viewpoints to argue that what the unemployed really needed was a therapeutic and individualised dose of training. The report's recommendations included the abolition of work-schemes and a sole emphasis on corrective, employment-focused training (New Zealand Government 1995). Higgins (1997b) has noted similar discursive shifts and argues that these seek first, to re-privatise unemployment by shifting responsibility onto individuals and second, to depoliticise unemployment by resetting macro-level and structural debates solely within free-market contexts.

Human geographic accounts

Human geographers have examined the effects of economic restructuring in great detail and, in particular, the effects of unemployment on communities (Bedford *et al.*, 1999; Bedford and Pool 1996; Conradson 1994; Lerner 1997; Le Heron and Pawson 1996; Liepins 1998; Moran 1995; Morrison 1991; Scott K. *et al.*, 1997; Scott G.A.J. and Pawson 1999; Stolte and Lidgard 1999a, 1999b). These geographers identify unemployment as a key issue to emerge during this period and they generally agree that following a narrow neoliberal economic path had exacerbated unemployment. Geographic research by Scott K. *et al.*, (1997), Conradson (1994) and Scott G.A.J. (1995) is similar in the ethnographic approaches they adopt towards understanding peripheral rural areas of New Zealand. They also conclude that neoliberal policies have intensified and entrenched the issue of unemployment, with serious economic and social consequences for people living in these rural localities. Despite such agreement, the New Zealand reforms were distinct from what happened in the United States, United Kingdom or continental Europe, which indicates that the translation of

neoliberal theory into practice varies according to history, place and context.⁸⁸

Morrison's work offers quantitative analyses of regional differences in occupational categories, industries and demographic factors in relation to unemployment or employment levels (Morrison 1988, 1991; Morrison and Waldegrave 2002). These studies highlight the spatial dimensions of (un)employment in New Zealand. In 1998, Morrison launched the first of a series of biennial conferences to bring together New Zealand scholars to consider "what still remains this country's most pressing social and economic issue; the ability of this country to provide paid work for those seeking employment" (Morrison 1998, vi).

Public and political debates

Despite the wide range of extensively researched arguments, many popular and political discourses represented in the media maintain that the increases in unemployment and welfare dependency are products of an overgenerous welfare State which leads in turn to a lack of initiative, or to opportunism amongst the unemployed (Leitch 1990). Such views not only stigmatise the unemployed, but also bolster the view that it is necessary to reduce the 'attractiveness' of unemployment by reducing the level and availability of welfare benefits. The 1997 *Beyond Dependency Conference* concluded that the 'solution' to welfare dependency should involve a re-motivation of unemployed individuals and a stronger emphasis on the (nuclear) family (Roberts 1997). While there are some correlations between joblessness, dependency and welfare there is, however, an absence of substantive research to support direct causative links. In contrast, representatives of community organisations present at the conference argued that economic maladjustments, which magnify poverty and income inequality, were equally important. These increase the likelihood of unemployment and welfare dependence, which reduces the options open to people and threatens the viability of individual and wider societal wellbeing.

Members of the influential think-tank the New Zealand Business Roundtable argue, however, that frequent calls from employers about skills shortages demonstrate that

⁸⁸ A detailed discussion of neoliberalism can be found on pages 38-44.

there are plenty of jobs for enterprising individuals; hence, there is absolutely no excuse for able-bodied people to remain unemployed. Providing welfare assistance, therefore, is wasteful and carries inordinate risk because it dampens the initiative to seek work (Kerr 1997; NZBR 1990; Sloan 1994).

The wide-scale restructurings and redundancies beginning in the 1980s created extensive and often rapid adverse effects for individuals, families and communities. There were few attempts to ameliorate the mass redundancies, or to allow for transition periods because the political leaders had their attention firmly fixed on the economic justifications for, and the benefits of restructuring. Public outrage and distress over the rapid changes was frequently interpreted as the public's inability to appreciate the new vision for society and see what was good for them. Gradually unemployment became constructed as evidence of people's failure to adapt and adjust to the new society (Green, D.G. 1996, 2001; Kerr 1997). This failure is interpreted variously, as being either unintentional or deliberate, which leads to calls for either 'carrot' or 'stick' initiatives to move unemployed individuals into work.

New Zealand writers, commentators, bureaucrats and politicians draw on international literature to support their views and positions, particularly those of the United Kingdom, United States and Australia (i.e., mainly English speaking OECD countries). Alongside the different interpretations of the reform period, there is continuing disagreement about whether unemployment is an acceptable price to pay for increased efficiency, or economic growth and what level of unemployment is acceptable today. On one level, the labour market operates on the basis of the assumption that workers (who apply themselves) have a right to expect reasonable employment. Government discourses frequently reflect this understanding. In a speech, government Minister Steve Maharey (2000d, 1) alleges, "Having a job that pays when you need it is the surest road I know to social justice." He further suggests that, "Equity goals require that we attempt to ensure that all individuals who have the capacity to work do so."

The social development approach, instituted by the Labour-led government emphasised the centrality of paid work. A 2001 government statement claimed that:

A new social development approach will assist people to gain the skills that lead to a sustainable job, provide effective support to keep them in work, and make sure that taking a job always leaves them and their families better off (New Zealand Government 2001, 4).

During the reforms in the 1980s and 1990s, many politicians (especially in the Labour party), unionists and workers' advocates remained committed to the post-war model of full employment. However, the social, political and economic preconditions of this model are not repeatable. Changes involving globalisation processes and the international movement of capital mean that full-employment is no longer essential for economic development within late-capitalist societies. Capitalist expansion is now driven by international competitiveness in wages, interest rates and corporate tax rate concessions (Cheyne *et al.*, 1997).

Although full-employment for all men and women is perhaps no longer achievable, there is widespread consensus, amongst trade unions and social researchers, that the social and economic costs of unemployment are too high and thus, efforts must be made to keep unemployment as low as possible (FOL/CSU 1981; Shirley *et al.*, 1990). At the same time, business and right-wing advocates, such as Douglas (1996), Green, D.G. (1996, 2001) and Kerr (1997), argue that low unemployment rates cause unsustainable wage pressure and inflation, which decreases business viability and productivity and, therefore, a *natural rate of unemployment* is a necessary component of an efficient economy. Interestingly, this group also advocates the reduction of rights-based welfare, arguing that welfare erodes the work ethic and initiative of the unemployed, without explaining how the 'naturally-rated' unemployed are to survive in the interim.

There are also divergent views on what type of policy framework will best address unemployment. At one end are those who support government interventions to assist the unemployed, because the market does not necessarily distribute jobs to all who need and want paid work. At the other end, are those who argue that government intervention, especially in the form of welfare, actually causes and exacerbates unemployment (Kerr 1997; Newman 2004, 2005; Rich 2004). According to these advocates, the way to solve unemployment requires first, allowing markets to operate

freely by removing *rigidities* (i.e., minimum wages)⁸⁹ and reducing *compliance costs* (i.e., regulations and health and safety or environmental standards).⁹⁰ The second suggestion is lowering taxes, especially business and high-end income taxation, which is assumed to boost the economy and to encourage businesses to hire more workers. Thirdly, right-wing lobbyists argue that welfare reform should prioritise competitiveness by reducing the appeal of ‘opting out’ of the workforce, or by motivating unemployed people to meet the needs of employers through training or workforce preparation.

Changes to New Zealand labour relations

During the 1980s-1990s the political-economic reformers also argued that labour reforms would improve New Zealand’s international competitiveness (Moore 1993). More recently, advocates argue that continuing labour reform is necessary to reduce unemployment. The *Labour Relations Act (1987)* introduced decentralisation and shifted the established bases of union power (Thorns and Sedgwick 1997). Various historical factors, the effects of high unemployment and competing interests meant the union movement was too disorganised and fragmented to form a coherent oppositional voice (Bray and Neilson 1996). The *Employment Contracts Act (1991)* completely altered the century-old labour market relations in New Zealand in the creation of a deregulated labour market (McLoughlin 1993, 46). The Act was introduced as a major government response to unemployment and its aim was to transform the older ‘rigid’ labour markets into flexible and competitive labour markets. According to the New Zealand Employers’ Federation (1992, 24):

A rigid labour market hinders the process of restructuring and technological change. However, a flexible labour market can adjust to shocks with little or no resulting unemployment.

In a flexible labour market, individuals can (supposedly) capitalise on the opportunities available to them in the market place by displaying self-responsibility, opportunism and

⁸⁹ Business groups argue that lower wages mean that employers will be able to hire a greater number of workers. This argument is in frequent conflict with the demands made by unionists and workers for reasonable wages and working conditions.

⁹⁰ Compliance costs may present a burden for firms, which can hinder business objectives. Regulations can be unwieldy and disputable, but business interests alone may not spontaneously protect the interests of the wider community and the environment.

enterprise. Workers are constructed as free agents, operating through individualised contracts with their employers. The New Zealand Employers' Federation contends that the deregulation is incomplete, due to the continuing existence of rigidities, such as the statutory minimum wages and non-wage labour costs, which hinder employment growth and thus impact on the level of unemployment (NZEF 1997). In contrast, labour economists such as Nickell (1997) and Baker *et al.*, (2004) argue, on the basis of extensive studies, that there is no identifiable correlation between labour market rigidities and unemployment levels.

At present, proponents of labour reform can point to the historically low unemployment rates as 'evidence' that more flexible labour markets offer better conditions and opportunities. Buss and Stevens-Redburn (1988) comment that similar acclaimed statistical successes in the United States do not, however, reveal the decline in working conditions, hidden unemployment, discouraged workers and intensified income polarisation.

In the current New Zealand context, there is less scope to discuss unemployment as anything other than a problem of individuals, who (un)intentionally misapply themselves in the labour market. In other words, unemployment occurs because individuals do not meet employer demands, do not have the skills required by employers, or misread labour market signals. The State's main responsibilities are to foster increased economic growth (measured as increases in the GDP) and maintain a 'relevant' education system. The individual's responsibility is to respond to market opportunities and become more skilled and trained in relevant areas. Meanwhile, employers are left to their commercial pursuits and trade unions are largely sidelined or viewed as relics from a bygone era. Thus, there is less scope to suggest creating trilateral agreements to minimise job losses, encourage job creation and/or distribute paid work more equitably. The upbeat rhetoric about low unemployment rates draws attention away from the realities of social/income polarisation and the disadvantages faced by those growing up in work/income-poor families and communities. The disadvantages within such communities are often only acknowledged if they increase the statistical presence of sole-parent families, delinquency and criminal activity.

The aims of the New Zealand trade union movement (i.e., full employment and worker solidarity) were clearly articulated at a 1981 trade union conference on unemployment (FOL/CSU 1981). The main reason why most trade unions have been unable to implement the aims effectively has been the internal disagreement about whether, or not, it is the responsibility of trade unions to advocate on behalf of the unemployed. In the absence of any other strong political platforms, unemployed workers themselves remain fragmented. Unemployed workers have attempted to form collectives, but generally, such organisations are hampered by a lack of resources, which is not surprising given that most unemployed people have insufficient income. Trade unions now concentrate on advocating on the behalf of full-time and permanent workers (who, after all, pay the dues) and protecting their jobs, rather than assisting the un(der)employed.. Without the benefit of hindsight most trade unions, in the 1970s-1980s, thought that unemployment was peripheral to their concerns and would eventually go away (Russell 1996).

Overall, trade union leaders did not foresee the extent to which the entrenchment of unemployment would affect employed workers by eroding wages, working conditions, job security and general societal wellbeing. This lack of foresight cost the unions dearly, in terms of lost membership and their general lack of relevance. The unions who positioned themselves defensively (against the un(der)employed) became the representatives of a decreasing pool of workers. Politicians who were ideologically opposed to unions found plenty of flaws in the unions' stance and used these to vilify the unions and undermine their power. Furthermore, many trade unions lost credibility with the public because they were seen to be protecting selected groups of workers and had little relevance to the growing flexible labour force.

Clearly, unions needed to change in response to changes in the labour market. However, the *Employment Contracts Act (1991)* created a fundamental shift in the power relations between employers and employees and decimated the unions' political power and relevance (Bray and Neilson 1996).⁹¹ In the reform period, the decline of

⁹¹ The *Employment Relations Act (2000)* allows for a return to collective bargaining and makes it illegal for employers not to renew contracts, unless the position is discontinued. While skilled and professional workers now have more bargaining power, so-called low-skilled workers in low-paid, contingent jobs are still vulnerable and much less likely to be unionised.

union power and the adoption of neoliberalism by left-wing governments, left little ground for opposition, or the possibility of alternatives. Indeed, it could be said that the lack of development of genuine post-Fordist left-wing alternatives creates a political vacuum, which sets the stage for the inevitability doctrine of the neoliberal political rationality (Neilson 1998). This political vacuum also creates the conditions for the emergence of new forms of community action, which are adapting to the 21st century context and finding smaller (less meta-theoretical), more dispersed, but no less relevant ways to represent the views and interests of people responding to a sense of injustice (Larner and Craig 2005).

The minimal State?

In the widespread debates and critiques during the 1980s and 1990s, there was often confusion over the role and function of the State and its various components. During the reforms, many New Zealand writers criticised government failings, which further increased the acceptance of New Right and neoliberal ideas about limiting the role of the State (Douglas 1989, 1996; Grimes *et al.*, 2001; Scott G.C. 2001; Walker 1989). In general, the reform advocates deployed the arbitrary concept of a ‘minimal State’ as a lever to deflect government responsibility for ameliorating un(der)employment. The main functions for a minimal State are ensuring law and order, protecting private property and supporting individual endeavour and enterprise. Any residual activities preformed in the public sector should be managed according to market principles. The reformers argued that encouraging the expansion of free-market economic growth and trimming back non-market government functions would create the right environment for a prosperous, pluralistic society (Treasury 1987).

When the reformers were calling for less State participation, what they usually meant was rolling back the extent of State service delivery functions and involvement in the productive sector, rather than reducing the power of central government. Held (1996) elaborates the neoliberal notion of a minimal State, which advocates transferring the delivery functions of the integral State to the market and the private sector wherever possible. According to Held (1996, 254), most contemporary governments ascribe to:

A commitment to a 'strong State' to provide a secure basis upon which, it is thought, business, trade and family life will prosper. In other words, this is a strategy for simultaneously increasing aspects of the State's power while restricting the scope of the State's actions.

The case for a minimal State was also fuelled by public dissatisfaction with political processes, a growing distrust of public sector agents and the rejection of paternalistic styles of governance. It had become less acceptable for politicians to impose their decisions on society without being open about the information and reasoning leading to their decisions. The *Official Information Act (1982)* reflects these demands and the calls for greater transparency. Under this Act, all government departments must publish their budgets, expenditure and strategic objectives and make this information available to the members of the public, politicians and media representatives free of charge.

Devolution through the quasi-market

The New Zealand reforms have not led to the creation of a minimal State. Certainly, there have been sweeping changes to the role and function of the State and types of investment, but State intervention while different is still significant. The social disarray following the reforms put enormous pressure on health and welfare budgets, right at the time when reform advocates were trying to curb public spending. This created a strong impetus for the decentralisation of government power by reshaping the delivery of social services, which was variously interpreted as a way of increasing local participatory democracy, or as fitting alongside the retraction of the State's responsibilities. The devolution of policy delivery led to the creation of quasi-markets for service provision operating according to competitive and cost-reducing business principles.

The training schemes, studied in this research, had been restructured to fit the competitive contractual delivery model. The reform advocates argued that beyond reducing costs, devolution ensured greater relevance, flexibility of provision and increased the autonomy of providers to deliver services that more closely met the needs of their local communities. The new quasi-market model for training provision may have led to devolution of responsibility for programme operation, but there has not been a subsequent devolution of decision-making power. The providers' lack of

decision-making power threatens the viability of providers, as is apparent from my field research (see Chapter 6).

Social development equals improved employability?

There has always been a degree of overlap between labour market policy and broad social and public policy agendas. In the Keynesian era, job-creation schemes had both economic and social purposes linked to the maintenance of the male-breadwinner and the nuclear family. Similarly, in the current context, paid employment is still viewed as the key to inclusion, wellbeing and prosperity. The Minister of Employment, Social Development and Tertiary Education states, “The best economic and social policy is a job with a living wage” (Maharey 1999, 2). While the objectives are enduring, the contexts of contemporary labour markets and society are vastly different. Globalisation processes, free trade and technological change and neoliberal policy frameworks make it much harder to rely on competitive labour markets as the primary mechanism for a universal distribution of jobs and income.

For the majority of workers (except in certain professions and in the corporate sector) wage rates and incomes are no longer sufficient to raise a family,⁹² and most workers experience moderate to intense job insecurity. There is also a high degree of competition between workers for jobs (except in areas with skills shortages). Loyalty or length of service count for little in the event of restructuring and redundancy. Moreover, our increasingly open economy (i.e., lack of trade barriers or import controls) means it is very difficult for employers (especially in manufacturing) to stave off competition from companies operating in low-wage locales.

The 2000 Employment Strategy⁹³ reiterates the point that the best way to achieve both social and economic policy goals, is to prioritise participation in paid work, education

⁹² The unaffordability of raising a family is not only an effect of falling wages and inflation, it is also an effect of escalating housing costs and the changing individual (and societal) expectations of lifestyle, parenting and education.

⁹³ The Employment Strategy established in 2000, lists the main priorities for improving employment growth starting with sustainable economic growth. The strategy then states that the \$131 million Making Work Pay package targeted towards sole parents and long-term or low-skilled beneficiaries will “make employment a more viable option”. The next priorities are developing a skilled, employable and flexible workforce, by removing barriers, improving literacy and numeracy, increasing the qualifications of school-leavers and providing labour market information to help workers to make career decisions (Labour Market Policy Group 2002).

and training. While this statement is congruent with the Keynesian goal of full employment, the main difference lies in the type of State interventions in the labour market policy area. In the Keynesian era, the State intervened through centralised labour market planning, subsidies and job creation. Since the 1980s, the main role for the State has been to encourage workers (and especially school-leavers) to enter education and training systems, which are assumed to operate as pathways to employment. In the current context, the concept of job creation is rejected as a direct option and is only referred to indirectly, through policies that stimulate economic growth, technological innovation and competitive free-markets. The changes to training schemes reflect an increased emphasis on employability, education and training, which are now widely viewed as the best responses to unemployment, alongside the generalised push for economic growth.

In cases where individuals do not ‘socially develop’ and attain employment by themselves, they are considered to have ‘barriers’ to finding work. According to Lindsay *et al.*, (2003) specific groups such as rural unemployed, youth, ethnic minorities, women or individuals with lower educational achievement are more likely to be in this category. In the past two decades, policy documents and practices reflect an escalating emphasis on devising policies to reduce the *barriers* to employment and increase the employment prospects of New Zealanders (Mackay 1998; Strathdee 2003b). On the one hand, there is recognition that the unemployed need stronger incentives to get into work. On the other hand, the unemployed are vested with a greater responsibility to seek work and even minimal social assistance is based on unemployed individuals meeting bureaucratically determined demands.

Under the current framework, training courses need be relevant to local labour markets, but they also need to be “learner-centred”, or focused on the specific needs of each learner (or trainee). Training providers are responsible for assisting each trainee to develop skills and optimise their employability in appropriate ways. It is the training providers’ responsibility to provide training that meets the needs of the learner, the labour market and policy expectations. The learner-centred approach further shifts attention onto the unemployed individuals and constructs the needs of the unemployed, as the need to eliminate and/or alter the individual characteristics that may impede their

competitiveness in the labour market. The providers carry the greater part of the responsibility (and risks) for ensuring that their trainees make the necessary changes towards becoming more employable and competitive.

Since 2001, discussions in New Zealand policy documents have centred on the notion of *foundation skills*⁹⁴ and how improving foundation skills increases employability leading to sustainable employment. The Tertiary Education Strategy 2002-07 claims that raising foundation skills is a key priority to enable more New Zealanders to participate in society and the economy. The final review report of training schemes (Ministry of Education 2002, 8) stated:

There is a continuing need for quality learning programmes that assist learners with low qualifications who face significant barriers to employment to acquire the foundation skills they need to sustain themselves in employment, to continue to learn over the course of their lives, and to participate in society to the fullest extent.

The report acknowledges that there is some discrepancy over the definition of foundation skills, but “foundation skills are generally thought of as those skills that form the base on which higher level generic, vocational and technical skills are built, and include key literacy and numeracy skills” (ibid, 5). The strategy recommends maintaining eligibility criteria that prioritise the learners with the highest levels of disadvantage. Yet, the report also acknowledges that it is difficult for disadvantaged learners to meet the outcome expectations, and current outcome measures do not reflect progress made in other areas (e.g., personal development, literacy and social skills). For providers, the continuation of their funding depends on meeting outcome requirements, which means that placing learners in employment, or further education/training becomes a higher priority than improving foundation skills. Thus, there is a reduced incentive to offer services to individuals who require a higher level of assistance with their foundation skills.

⁹⁴ For a further definition see the glossary and page 250.

Training, workfare or just work?

In 1998, the government tried to implement a workfare⁹⁵ policy in the form of a punitive work-for-the-dole scheme, but met with significant obstacles and widespread resistance. Most voluntary and community organisations said they supported community work, but disagreed with the principles of the proposed punitive workfare policy and therefore refused to cooperate with the government. The Reverent Elvidge, executive director of Presbyterian Support Service commented that the third sector refused to “become the State’s policeman” (*The Press* 1998). Salvation Army national director of social services, Campbell Roberts said, “We will on the one hand have to put them [the unemployed] off [if they failed to perform] and on the other have to give them food parcels” (ibid). Another complaint was that the funding for the work schemes did not adequately cover the additional supervision, administration, health and safety costs.

From 1999 to 2002, Labour-led governments have been more careful in building a seemingly respectful relationship with the voluntary sector and in utilising community sector discourses to devise more subtle welfare reforms. Underneath the rhetoric of social inclusion and community partnerships, there is, however, no shortage of language emerging to emphasise the ‘work-first’ approach to addressing unemployment.

In 2003, the government released its major labour market policy initiative the *Jobs Jolt*, which consisted of a \$104.5 million package for more intensive case management of the unemployed and a more effective sanction system (Maharey 2003c). The focus of *Jobs Jolt* is classifying remote areas with low employment prospects as *Limited Employment Zones* and cancelling the benefits of the unemployed who choose to move to such locations.⁹⁶ A party brochure (Labour 2004) reassures potential voters that Labour is “working hard to get people off benefits and into work.” Such

⁹⁵ Since the 1980s the term workfare has emerged in international policy circles as a generic label to refer to conditional forms of welfare tied more closely to the labour market (for further details see page 54).

⁹⁶ Other elements of the package include extending mandatory alcohol/drug education and increasing the work obligations of the unemployed who are aged 55+, sole parents, long-term, or are already living in remote areas (Maharey 2003c). For the unemployed, however, remote locations may offer cheaper housing, the possibility to grow or collect food, or in the case of Māori, closer proximity to marae, tribal connections and ancestral land.

pronouncements are not surprising given the proximity to an election and the increased popularity of the conservative National Party. National, outlines its fundamental policy principles for welfare as:

We will not allow entire communities to waste away on welfare, but will instead support them to retrain and to develop the essential skills involved in earning a living. Sitting at home on welfare will not be an option (National 2004).

Despite the government's intentions, the unspoken assumption behind policies, such as the Jobs Jolt is that the labour market will absorb all these people. Radical theorists such as Beck (2000) and Gorz (1999) however, highlight the irony of basing social inclusion on paid employment in a society where full-time paid work is a dwindling prospect.

Currently the overarching goals of New Zealand active labour market policy coalesce towards two principles - compulsion and mutual obligations. The unemployed are expected to cooperate with their Work and Income case managers in making a career plan to itemise the steps they will take to move towards employment and to avoid sanctions. While there are general rules and expectations, at the street-level the case manager relies on his or her own (mis)interpretation of whether a jobseeker is conforming to the system. Despite the heavy-handed appearance of its policies, the overall view of the current Labour-coalition government is that forcing people into work is not necessarily the best option and therefore, further education or training are usually considered viable and perhaps more enduring alternatives.⁹⁷

Conclusion – shifting grounds

In the past 35 years, the irrevocable changes in the economic, political, cultural and social dimensions of New Zealand society have led to major shifts in the political-economic frameworks that determine the scope for labour market policy. The initial rise of unemployment in the 1980s, demanded new approaches and the neoliberal path seized by the reformers led to a further entrenchment of un(der)employment. Training

⁹⁷ Encouraging jobseekers to participate in training or education means they are no longer registered as being unemployed, which reduces the unemployment rate (at least) in the short-term.

schemes have emerged and evolved in the context of these changes. Overall, political and theoretical debates have moved from a concern with full employment to a concern with full employability. Similarly, the training policies have been reinterpreted to fit alongside neoliberalised views of the economy and society. Thus, in most cases, training schemes operate as individualised supply-side initiatives to improve the employability of disadvantaged unemployed people and lower the resistance of jobless workers to low-paid, low quality flexible employment. Chapter 4 focuses on the implementation and administration of training schemes, which is similarly driven by a specific theoretical framework that has further consequences for the practice of training.

Chapter 4

Implementation and administration

In the past two decades, there have been significant changes in the provision and implementation of State-funded policies. These changes have been underpinned by the introduction of a new public sector management framework for policy implementation and administration. This framework, discussed in the first section of this chapter, continues to dominate within the public sector in Aotearoa/New Zealand and it sets the operational context for training schemes, thereby affecting the people and organisations working to assist the unemployed. The second section outlines some of the local level responses to the entrenchment of unemployment, as a historical background to the training schemes studied in the field research. The third section details the specific training schemes examined in the case studies.

A new model for policy implementation

A significant dimension of the New Zealand reforms was the installation of a new model for public sector management, which resulted in significant changes in the administration and implementation of training schemes (Boston *et al.*, 1991, 1996; Osborne and Gaebler 1993). This model laid the theoretical foundations for the quasi-market, which completely altered the processes for the funding and implementation of training schemes. Consequently, training providers compete with other providers and agreements are made on the basis of contractual agreements and outcome targets.

The New Zealand public sector framework, implemented in the late 1980s and 1990s, draws from an influential international literature and what Mulgan and Uhr (2001, 174) refer to as the “globalisation of accountability.” Global institutions, such as the OECD, draw on this literature to emphasise ‘good’ governance and an increase in standardised auditing practices (Self 1993). Boston and Walsh (in Boston *et al.*, 1991, ix) state that “the bureaucratic revolution was distinguished by the degree to which it was driven by a relatively consistent theoretical framework”.

The theoretical framework for the reform of New Zealand public sector administration and the creation of a quasi-market comprises *agency theory*, *public choice theory*, *transaction cost analysis* and *managerialism*. These theories fit loosely under the term *new institutional economics* and now operate as critical concepts in authoritative public sector management literature. All these theories support the adoption of private sector methods of organising and shaping institutions to the public sector. The main rationale is that the public sector is, by nature, inefficient and ineffective (when compared with the private sector) due to the presence of natural monopolies and the absence of competition. According to Mulgan and Uhr (2001, 165), the public sector can also lack bottom-line accountability and responsiveness to customers. The aims of new institutional economics are to increase competition, impose contractual obligations, increase auditing and counter the ‘inappropriate’ individual self-interest of political actors and bureaucrats. A further aim, where possible, is to harness opportunism to align it with institutional (i.e., economic) objectives.

Creating a quasi-market for policy implementation is viewed as the ‘best’ way to address the problem of ‘collusion’ between public sector agents and political agents. Clark and Sinclair (1986) claims that the reforms were derived from theory rather than political whims or ideology. More recently, Scott G.C. (2001, xxiii) argues that:

[New] public management has an influence on the life of a country that is significantly independent of political ideology and to a lesser extent, the policies that governments set in place.

Former Governor of the Reserve Bank, Dr Roderick Deane (in Clark and Sinclair 1986) suggests that wherever possible, the operation of the public sector should be ‘neutral’, which means the removal of all regulatory protections and any preferential or subsidy arrangements. The idea that the reforms were a pragmatic and reasoned response of practitioners to a crisis, has also lent weight to claims of objectivity made by business leaders (Cocrombe *et al.*, 1991; Hunn 1986). The frequent references to apolitical theory, rather than ideology, have served to enshrine the reforms as stable, coherent, irrefutable, authoritative and objective. Yet, the various (mostly economic) theories were selected precisely because of their particular individualised and free-market view of human nature, society and progress. Moreover, these theories provided

the intellectual justification for the implementation of measures and approaches that advance specific interests and causes, to the exclusion of others.

Goldfinch (2000) and Scollay and St John (1996) have challenged the self-proclaimed neutrality of the reforms and discuss the inordinate influence of institutions such as Treasury, the Reserve Bank, business lobby groups, think tanks and change agents in the redesign of the State. Many questions remain unanswered:

- Is it even possible to disassociate the public sector from the political sphere completely?
- What new alliances are formed behind the apolitical curtain shrouding the so-called neutral, efficient and corporatised relations between the State and the private sector?
- Is a quasi-market an appropriate way to deliver public sector services?
- Do all public services now have a commercial priority, or is it still possible to deliver services where long-term or social objectives are valued, and not viewed simply in short-term of economic terms?

To begin exploring these questions, it is first necessary to break the new public sector management framework down into its theoretical components in order to reveal their distinct political and ideological origins.

Agency theory

Agency theory is a central concept of new institutional economics and it validates the increasing emphasis on contracts and quasi-markets in the New Zealand public sector. The focus of agency theory is on the agreed relationships that exist in social and political life for the purpose of exchange. These relationships comprise a *principal* who enlists the services of an *agent*. A formal agreement or contract stipulates expectations of the exchange where the principal seeks out an agent to perform a task and, the agent agrees to complete the task to a satisfactory standard in order to receive payment. Such contracts are pursued wherever efficiencies can be gained through specialisation and the division of labour (Boston *et al.*, 1996). Agency theory is considered relevant to the public sector because “the whole of politics can be seen as a chain of principal-agent relationships” (Moe 1984 cited in Boston *et al.*, 1991, 5).

The neoclassical utility-maximising individual is a core assumption for agency theorists, although their focus is on instances where self-maximising behaviours become the 'agency problem'. Agency theorists only acknowledge the potential opportunism of agents, not that of the principals. Agency theorists are also concerned with 'asymmetric information' and 'agency costs'. Agency theorists argue that information is critical to the operability of a contract, however, the agent has an advantage in that they have access to, and command over information that the principal lacks (Boston *et al.*, 1991). The knowledge imbalance identified by agency theorists confirms the need for more extensive measuring and monitoring of agents, to ensure that principals possess the information required for transparent decision-making in the quasi-market context. Agency costs refer to the expenses incurred by the principal. These costs can include the design, implementation and monitoring of the rules of the contract relationship and cover 'deadweight' costs arising from (un)intentional wrong doings (Scott G.C. 2001).

Many government departments have outsourced service delivery and are, therefore, principals in their relations with the agencies they contract to deliver social services. Essential components of the contract between a principal and agent involve the specification of tasks to be performed and the rewards together with the disciplinary action if the agent fails to meet the requirements. Various measurement technologies have been devised to ensure that the tasks performed by agents meet the principals' requirements (as defined in the contract). As the name suggests, agency theory presents a narrow distrust of agents, while largely ignoring principals. This one-sided view increases the likelihood of hierarchical administrative structures and asymmetrical bureaucratic processes for governance and control.

Agency theory treats human self-interest largely as a given. Scott G.C. (2001) argues that relying on altruism is naive. There will always be situations where people either knowingly or unknowingly engage in inappropriate actions. The management of organisations therefore, occurs from a general position of distrust and the priority for organisational leaders is control. Omitted from the argument is that this basic position of distrust has consequences, and not all of these contribute positively to the culture within an organisation and the quality of goods and/or services provided by it (Davis,

G. 2001; O'Neill 2002). An excessive emphasis on control tends to divert attention and resources away from the primary intentions of social service organisations, can erode goodwill and may reduce the scope for responsiveness and initiative.

In terms of the training schemes in this study, agency theory creates hierarchical and non-trusting relationships between the training providers (the agents) and the government funding agencies (the principals). Relationships are limited to the terms set out by the contracts and the monitoring information specifying tasks performed by the agents (i.e., outcome measures). The providers are accountable to the principals while carrying the full responsibilities and risks for the (complex and uncertain) training activities. Accountability does not extend in the opposite direction, as there is no process (that is sufficiently separated from the threat of funding withdrawal) for agents to seek redress from principals.

Public choice theory

Public choice theory is the study of the choices made by rational individuals, individual preferences and the behaviours of individuals as rational actors particularly in the context of institutional settings (Boston *et al.*, 1991). The new public management literature draws on public choice theory to scrutinise politicians and bureaucrats whose decisions and actions are assumed to be driven by self-maximising behaviours. Government failure is presumed to be a consequence of public sector agents acting on the behalf of their specific interests or being 'confused' by mixed signals and incentives (Scollay and St John 1996).

On the one hand, public choice theorists support self-interested behaviour in the market, which they claim leads to positive social outcomes in most situations, due to the alleged equilibrium-effects of free-market mechanisms. On the other hand, public choice theorists view the political arena as a marketplace, where opportunistic behaviour leads to improper use of taxpayer resources and damages individual liberty or public choices. Public choice theorists are suspicious of any claims by political agents that they are acting in the interests of the public. Concepts, such as public service, the common good, wellbeing and even social justice are rejected. According to public choice theorists, the political process is routinely manipulated by the self-interest

of politicians (seeking votes) and by lobby groups.⁹⁸ Moreover, political and public sector agents are expected to abuse their power, or be predisposed towards increasing their budgets and manipulating bureaucratic processes. Given these concerns, public choice theorists recommend imposing limits to the size and influence on the State. Preferably, public sector services and policy advice should be contracted out and made as contestable as possible.

Public choice theory contains similar behavioural assumptions as agency theory, as it also presupposes the self-maximising behaviours of individuals. In particular, public choice theory focuses on the self-interest of politicians and bureaucrats as agents of the public and the economy. Although self-interest is believed to be a positive factor in free-market relations, in the context of government institutions and especially in cases where these agents are operating from a (non-commercial) public sector ethos, self-interest is considered negative. Recommendations are, first, the separation of political, administrative and delivery functions of government. Secondly, managers, rather than ministers, should carry the responsibility for day-to-day running of departments. Managers are assumed to operate on the basis of 'neutral' and 'objective' management practices thus, removing the potential for political interference.

To counter self-interest and collusion, public choice theorists advocate the increasing application of market principles to public policy. This, they say, will give the public more (market) choices. Self (1993) notes that public choice theory is unable to offer an adequate theory of public interest because it simply constructs individuals according to consumer and market values. According to public choice theory, training schemes should operate on the basis of free-market objectives and not social or public good objectives. The risks of government failure and bureaucratic self-interest are the basis for arguing that training policies must be implemented through a 'neutral' quasi-market that relies on competitive contracts and quantitative outcomes, rather than face-to-face contact with providers. The reverence for the apolitical and balancing forces of free-

⁹⁸ Self (1993) points out that public choice theory offers a useful reminder that political agents and lobbyists do act on the basis of self-interest to varying degrees. However, he also notes that altruism is much more common in the realm of politics than in the market; after all, in the market self-interest is celebrated.

markets also creates a rationale for arguing that the main role for training schemes should be to construct trainees as virtuous, self-interested free-market individuals.

Transaction cost analysis theory

Transaction cost analysis theory (TCE) is concerned with the costs of enacting transactions and the main aim is the development of optimal (i.e., low-cost and effective) organisational structures for transactions. The assessment of transaction costs is done whenever a firm or organisation decides whether to produce a good or service in-house, or to purchase it on the open market (Scott G.C. 2001). This process requires documenting the funds, staff resources and assets expended in “planning adapting and monitoring task completion” and hence, “transaction costs” arise from the sum total of production, exchange and governance issues (Williamson 1985 in Boston *et al.*, 1996, 21).

Not all transactions are considered equal. Transactions resulting from inter-organisational relationships occur in a free-market situation and are, therefore, considered naturally efficient and effective, due to incentive mechanisms and equilibrium effects (Scott G.C. 2001). Intra-organisational transactions are considered less efficient, unless they emulate free-market processes. TCE theorists recognise the problem of self-interest, but they argue that outside organisations can pose a greater risk of opportunism and may thus impose higher transaction costs. While opportunism also occurs inside organisations, TCE theorists claim that in-house monitoring is easier and cheaper to achieve.

The aim of transaction cost economics is to assess the trade-offs between efficiency and opportunism for each service or good produced. Some activities are easier to measure and opportunism is a low risk, in terms of likelihood and the severity of impacts. Activities that are straightforward and low risk (e.g., cleaning, building maintenance or catering) are best provided through market arrangements. However, with complex or high-risk activities, the cost of transactions and the need to protect the public outweighs

any possible market-style efficiency gains.⁹⁹ A common TCE prescription for simple, low-risk activities is contracting out. In contrast, complex high-risk activities are best kept within the ambit of the organisation. This observation made by TCE theorists suggests that it is not advisable to contract-out a complex activity, such as training, yet this aspect of TCE has been downplayed by the unwavering conviction that (quasi-) market competition is always the best way to deliver quality and efficiency

Other factors taken into account by transaction cost analysis theory are *asset specificity*, *provider capture*, *uncertainty*, *bounded rationality* and *opportunism* (Simon 1947 cited in Boston *et al.*, 1996). Asset specificity occurs with activities that require specialised equipment or expertise and thus require high initial set-up costs. Activities with high asset specificity are less contestable in the marketplace. The higher the set-up costs, the less likely it is that new operators can emerge to compete for contracts.¹⁰⁰ In such situations, it is more likely that only existing providers can compete for contracts, which increases their monopoly power. This situation is referred to as *provider capture* or *small numbers bargaining* and must be avoided where possible. Provider capture is caused by a lack of competitors for a contract, and the main concern is that the providers involved are thus under less pressure to perform.¹⁰¹

The reference in TCE to uncertainty highlights the inability of commercial operators to predict, or control certain changes, especially in the public sector where the electoral process intensifies uncertainty. Bounded rationality refers to the imperfection of individual decision-making situations. Often individuals lack all the information required for a decision, or they may lack the cognitive ability to process all the information. As the complexity of decisions increases, so also does the likelihood of inappropriate decision-making. TCE theorists emphasise the difficulties of decision-making in organisations where there is an absence of clear signals, such as the profit incentive. They conclude that optimal governance structures should not only try to

⁹⁹ Training schemes for the disadvantaged unemployed are a clear example of a complex, high-risk activity as was apparent in the empirical research (see Chapters 6 and 7).

¹⁰⁰ There is considerable variation between the asset specificity of training organisations depending on the extent to which they simply teach generic life-skills, or teach specialised technical skills that require equipment (i.e. mechanics or construction). The most critical asset for providers is their staff, as it can be difficult to attract suitable trainers. The relatively low funding levels intensify the difficulties surrounding asset specificity.

¹⁰¹ For a further definition, see the glossary.

reduce the costs of transactions, but also reduce or partition the cognitive demands on bureaucrats. Solutions to these issues range from simplifying organisational activities towards an overarching objective that can be audited (i.e. simplified outcome measures) and/or creating smaller agencies with a narrower focus.

TCE theorists make similar behavioural assumptions as public choice and agency theorists, although their assessment of opportunistic behaviour is not limited to agents or political actors (Boston *et al.*, 1991). The implementation of training policies for disadvantaged unemployed people is a complex activity and it does not offer clear (profit) signals. In addition, such training requires asset specificity (in terms of the specialised staff required to do the work) and is likely to involve a limited number of providers (especially in remote locations). Therefore, from a TCE viewpoint, the risks and costs of contracting out are considerable, and these factors may outweigh the benefits of a competitive contractual model for policy implementation.

Managerialism

The origins of managerialism derive from the scientific management practices of Taylorism (Boston *et al.*, 1996; Rees and Rodley 1995). Since the post-war period, various ideas and practices have been added such as ‘culture management,’ which focuses attention on language, culture and symbolism as a means to change an organisation. Rees and Rodley (1995) argue, however, that the overall Taylorist intent of the control of production and workers has remained, as the mechanism for maximising efficiency, productivity and profit. Managerialism also draws on the Taylorist idea of a universally applicable science, which can improve the performance of any organisation. Painter (1988 cited in Boston *et al.*, 1996, 25) comments:

The essence of managerialism lies in the assumption that there is something called ‘management’ which is a generic, purely instrumental activity, embodying a set of principles that can be applied to the public business, as well as in private business.

As implied above, managerialism favours the application of business principles in the public sector and market provision for the delivery of social services. Where this is not possible, institutions and practices should be modelled as closely as possible on private sector business practices. Managerialism posits generic systems for organising the

activities of public sector institutions and privileges managerialist knowledge and practices over sector-specific technical or professional skills and experience.

Managerialism appears to offer the procedural answers to the dilemmas identified by the aforementioned theories, such as the agency problem and political opportunism or interference. The application of generic, standardised systems sets the foundation for clearly itemised tasks that can be enforced through contracts. Managerialists advocate a range of direct or indirect surveillance measures and controls on the activities and behaviours of workers. Another strategy is to disaggregate organisations, and subject the disaggregated units to regular auditing in an effort to limit manipulation and opportunism in public sector arrangements and processes. This has led to the public sector separation of service delivery, funding allocation and policy advice. From a managerialist point of view, the ‘best’ types of management are systems that align self-interest with the interests of the organisation. For example, bonuses are a reward system that harnesses self-interest to serve the interests of the organisation.

Two familiar managerialist catchphrases are “let the managers manage” and “managing for results” (Boston *et al.*, 1996, 25). These slogans emanate from particular assumptions. First, managers are the so-called experts at improving performance. Secondly, the principles of improving performance (or efficiency) are the same in any organisation. Thirdly, the results that managers are expected to achieve must take the form of efficiency gains, which are identified using performance indicators and other quantitative measuring tools. The managerialist view marginalises any other results and any other form of knowledge (other than managerialist knowledge) about ways to increase efficiency.

Clark (in Clark and Sinclair 1986)¹⁰² alleges that letting the managers manage removes the possibility of inappropriate opportunism of biased and politically motivated agents. The net result is a reduction in transaction costs and increased economic efficiency, which is perceived as evidence of a well-functioning and virtuous public sector. Managerialism favours free-market mechanisms and reducing the scope and

¹⁰² Margaret Clark is a Professor of Political Science at Victoria University of Wellington.

interference of government bureaucracy. Yet, the implementation of management structures requires hierarchical and centralised power relations. This is in conflict with public choice theory, which advocates devolution and decentralisation as a way to limit opportunism.

Managerialism is also assumed to address the issues surrounding “a lack of contestability” and provider capture. This is considered to be a particular problem for the public sector because it is sheltered from the equilibrilising mechanisms of the free-market, which are ‘natural’ guarantors of quality and efficiency. The ‘solution’ is to expose the public sector to market forces, or to emulate aspects of free-markets such as competition and pricing mechanisms. More recently, there is an acknowledgement that just operating on lowest cost competitiveness is not enough, and there is increasing emphasis on outcomes (or more specifically, narrow quantitative measures) as ‘evidence’ of policy effectiveness (Becker and Bryman 2004, Boston *et al.*, 1999). State agencies may still seek out the cheaper options for providing public services, as long as there is a measurable indication of results.

In common with the other new public management theories, managerialism advocates the separation of the design, funding and delivery of training schemes and competitive (quasi)markets. In particular, managerialism standardises top-down, generic control systems for managing and monitoring providers of training schemes. In this process, the allegedly impartial managers are the experts for allocating funding and decision-making on the basis of their interpretation of results and performance. If considered at all, the professional expertise and on-the-ground knowledge of providers is generally viewed as being too biased, subjective and irrelevant.

Many aspects of managerialism and agency, public choice and TCE theories are overlapping or mutually reinforcing. Overall, in New Zealand, the intention of the new public management framework was to overhaul the ‘inefficient’ institutional arrangements of the past, with the expectation that public sector costs could be reduced while still producing better policy outcomes. As this research shows, the outcomes (at least those of the training schemes) are rather narrowly defined and measured. General policy discussions frequently refer to outcomes in a broader sense and good outcomes

are assumed to arise spontaneously from the pursuit of business incentives and market competition (Treasury 1987, 1). The deregulation of the economy (and the public sector) was presumed to produce the best incentives by “encouraging productivity, innovation and more outward looking approaches” (Treasury 1987, 2). An open and unfettered free-market (i.e., minimal State intervention in the form of laws, regulations or protections) was assumed to be the ideal societal mechanism because competition is considered to be the catalyst for continual improvement. As stated in Treasury (1987, 4) briefings:

Competitive activity is, in essence, a discovery procedure - a continuous search to find better ways of meeting consumer needs or to use resources more efficiently... In many situations, provided markets are allowed to operate efficiently, there is no superior alternative.

This view of competition has had a considerable impact on the scope for understanding the wider policy context, which, since 1987, has become more preoccupied with individual self-interested behaviours. The briefing further recommended the removal of all conditions and barriers to the opportunism of individuals in the marketplace. Yet, it also highlighted the need to limit the self-interested behaviours of opportunistic public sector agents, which it claims leads to wastage and inefficiency. Hence, to be effective, public sector management processes must be accompanied by sanctions and remedial action (Clark and Sinclair 1986; NZIS 1989; Mulgan and Uhr 2001). Public choice and agency theories contend that public sector agents must be deterred from acting in their own interests (which is presumed to be their natural default). Accountability processes are instruments of control to ensure that agents pursue the interests of their principals (Boston *et al.*, 1991).

The 1987 Treasury briefing paper also claimed, however, that self-interest is less of a problem in the private sector because market exchange mechanisms correct undesirable opportunism. The criticisms of free-markets and the problems arising from inappropriate self-interest in the marketplace (such as unfair trading, exploitation and monopoly practices) are reasoned as follows:

Such market practices, however are often disciplined by the market itself through competition. If through exploitation or unfair trading an individual or firm can earn a return in a particular activity that is above that earned

elsewhere then there will exist incentives for others to enter the market and compete, thereby undermining the longer term survival prospects of such practices. Thus economic rents and privileges tend to be transient in the context of competitive processes, and are likely to develop and persist in the context of arrangements that inhibit such processes (ibid, 16).

This faith in market competition means that there is little need for regulation in the marketplace, as consumer demand will (presumably) guide *appropriate* opportunism and discourage *inappropriate* opportunism. The belief in the ability of markets to self-regulate towards a state of equilibrium leads to the claim that:

Markets at their best [i.e., free-markets] resolve conflicts impersonally and ensure that over the longer term less efficient producers are penalised and the more efficient rewarded (Treasury 1987, 15).

What is fascinating about the New Zealand public sector reforms is that the new theoretical conjectures so rapidly and completely replaced the earlier societal consensus about the role and functioning of the State. The justification and rationale for continual public sector reform to counter the self-interest of public sector agents, have become so entrenched that they are now largely seen as agreed and common sense societal understandings. The paradigmatic certainty of these assumptions about the public sector has led to the prescription of market principles, an audit culture and rigid accountability practices across the entire public sector. The pervasive pursuit of ritualised accountability has occurred largely in the absence of an accompanying debate about what is meant by efficiency and effectiveness, how it can be measured, who benefits and the costs in terms of time and resources. In most cases, accountability is defined in narrow and unidirectional ways with little or no analysis of the tradeoffs or wider societal impacts and processes (Higgins 1997b).

Local level responses

The scale and social impact of unemployment and labour market disadvantage in New Zealand, since the 1970s, has mobilised many community and Māori organisations to offer assistance to those affected. These organisations have drawn on the resources built up in trusts or churches, and they depend on the voluntary efforts of concerned people. Where possible, community organisations apply for government funding to

deliver services and hence, they have moved into the service delivery end of various labour market policies. Negotiations between the State and the community sector have increased, as the State has facilitated the quasi-market for service delivery. Despite the trend towards quasi-markets and outsourcing, Work and Income (formerly WINZ) has continued to deliver various in-house schemes for registered unemployed jobseekers.

In Hamilton and the Waikato region, various organisations and charitable trusts were set up in the 1980s to mitigate the detrimental impact of unemployment on local communities. These were grassroots responses to the needs of unemployed people and, given the emphasis on commercial objectives, these organisations have come under increasing pressure.¹⁰³ Some of these pressures include the effects of short-term contracts and inadequate funding levels that do not cover costs and do not reflect inflation. Commercialisation and intensified monitoring demand considerable time and resources, which are also not fully compensated. Finally, social and community issues usually do not occur in isolation. Trainees (and the clients of other social services) often face complex and compounded issues, which cannot be resolved by narrow, individualised objectives. Many community-based organisations have not survived the continually changing policy demands, the intensified needs of the trainees and the depleted funding environment.

Access: the demise of a training initiative

In the late 1980s, most State-funded employment and job creation schemes were phased out and replaced by a narrower range of schemes designed to improve the employability of low-skilled workers, or those at risk of long-term unemployment. Although these schemes were designed to assist people into low-skilled work, this did not prevent individual providers from including broader educative approaches in the courses.

¹⁰³ The pressures facing community organisations are discussed in detail in Chapters 6 and 7.

The largest of the schemes operating in the 1980s were the Access¹⁰⁴ courses administered by the Education, Training and Support Agency (ETSA) in consultation with Regional Employment Action Committees (REAC).¹⁰⁵ In 1990 there were 1,600 providers offering approximately 6,900 Access courses (Dominick 1992).

In a 1988 paper, Morrison models the employment structures (of employed and recently unemployed workers) within an industry sector and occupational matrix for different regions. Based on the findings of his research, he concludes that the type of clients for the Access courses were unlikely to be able to find secure employment because of the nation-wide reduction of manual work. Morrison also pointed out that the REACs did not have access to comprehensive employment data, so therefore they were unable to make viable decisions for their regions. Nonetheless, Morrison maintains that tackling unemployment can best occur at the local level by building strong community-based infrastructure.

The Royal Commission on Social Policy (New Zealand Government 1988) clarifies changing justifications and objectives for State intervention. The recommendations for the active labour market policies such as Access were first to focus resources on those clients who were most likely to gain employment following a course through more intensive targeting. Secondly, there was an emphasis on matching the training courses to specific industry categories, as identified in nation-wide labour market statistical trends. This report resulted in a move away from local input to a centrally controlled and operated system for training scheme management. The decreased availability of low-skilled work meant that although such work-schemes were of some value to participants, they were questioned overall because what was the point in training people for jobs that did not exist? (O'Connor 1983). In response to these conflicts, these labour market policies became subsumed within the National government's education strategy, which was aimed at:

¹⁰⁴ Access was launched in 1987 as a training policy targeted specifically towards people identified as being disadvantaged in the labour market because they were long-term unemployed or they had low educational qualifications and/or abilities. Access was also intended for the unemployed if other labour market interventions were unsuitable or unavailable (Dominick 1992).

¹⁰⁵ Each REAC consisted of groups of local representatives who oversaw the allocation of funds for training in their region.

Raising achievement levels; increasing the participation of under-represented groups and individuals in education and training; increasing opportunities in the post-school sector; and ensuring that the system is more responsive to changing needs (ETSA 1992, 8).

In the early 1990s, the REAC¹⁰⁶ were disbanded and local input on training policy issues was greatly reduced as the Access schemes were remodelled into the Training Opportunities Programme (TOP). The demise of Access has been documented by Deeks *et al.*, (1994), Gordon (1990) and Shirley *et al.*, (1990) whereas, broader discussions of the demise of work schemes and similar employment assistance policies is covered in literature by Bertram (1988), Dunk *et al.*, (1996), Harris (2001), Hazledine (1998) and Higgins (1997a, 1999).

Case study training schemes

Training Opportunities

This research examines two types of training schemes currently in operation. The first of these is the Training Opportunities Programme (TOP), introduced in 1993 to replace Access and administered by the Education Training and Support Agency (ETSA). The TOP courses involved an increased emphasis on learning jobseeker strategies,¹⁰⁷ improving general work attitude¹⁰⁸ and provided entry-level skills targeted at areas of high labour demand. For some trainees, TOP courses served as a stepping-stone to further training and education (ACNielsen Ltd. 1999a). The providers of TOP courses were also expected to deliver units of learning, so trainees could gain credits towards qualifications approved by the New Zealand Qualification Authority (NZQA).¹⁰⁹ These training courses were delivered by Private Training Establishments or PTEs (most frequently referred to as providers) - organisations associated with churches, Iwi groups, community trusts, some private businesses, educational institutions such as polytechnics and occasionally employers. The providers had to be approved and

¹⁰⁶The degree of local community input in each REAC depended on the efforts of the members. A New Zealand Planning Council Report (1990) recommended regular evaluations to ensure REAC were being accountable to their communities.

¹⁰⁷ The jobseeker strategies included CV preparation, canvassing employers, improving individual presentation (for example, wardrobe selection and grooming) and practising interview responses and telephone manner.

¹⁰⁸ Improving trainees' "work attitudes" involved emphasising the importance of punctuality, a work ethic and responding positively to demands from employers and customers.

¹⁰⁹ A crown agency established in 1989, which oversees the National Qualifications Framework.

registered with NZQA before they could tender for a contract to deliver a course (ETSA 1992).

The initial vision of TOP was to provide a stepping-stone for people who had not succeeded in mainstream education, or had experienced some kind of obstacle to participating fully in the labour market (ACNielsen Ltd. 1999b). In 1998, ETSA became Skill New Zealand Pūkenga Aotearoa. Changes to the implementation of TOP courses resulted from a Cabinet decision in 1998 to split TOP into two separate programmes, Youth Training and Training Opportunities. The budget for Training Opportunities transferred to Vote-Employment and was administered by Skill New Zealand under a Memorandum of Understanding with Work and Income New Zealand (WINZ or Work and Income).¹¹⁰ Youth Training remains under Vote-Education and is directed specifically at school-leavers lacking foundation skills. In 2001, part of the administration of Training Opportunities was transferred to the Ministry of Social Development (MSD).¹¹¹ The funding agency Skill New Zealand was absorbed into the Tertiary Employment Commission (TEC), which was established by the provisions of the *Education (Tertiary Reform) Amendment Act (2002)*. This Act brought all post-compulsory education and training, including the Training Opportunities courses together under the authority of TEC.

Although the stated objectives of Training Opportunities are similar to TOP, the administration and implementation have changed considerably. A major review conducted in 2001-2002 concluded that the need for such programmes still exists, but that they should be re-orientated more strongly towards meeting the needs of the knowledge society by “equipping people with the foundation skills they need to contribute to the future development of New Zealand’s economy and society” (Ministry of Education 2002, 19). The Training Opportunities providers offer an adult learning environment for skills acquisition and to build self-esteem and confidence. In 2001, there were 413 training providers and at 31 July 2001, there were 9,043 trainees,

¹¹⁰ Work and Income is the government welfare agency. Most of the providers use the acronym WINZ. See glossary.

¹¹¹ In October 2001 the Ministry of Social Development was established merging the functions of the Ministry of Social Policy (the policy advisory body) and WINZ.

with 21,600 participating over the calendar year. The total cost of Training Opportunities for the year 2001 was \$94 million (Skill NZ 2001).

The providers of Training Opportunities are expected to compete in a quasi-market for funding to run the courses. This competition is designed to reduce *provider capture* and to motivate providers to make continual improvements in efficiency and operation. Contracts establish the expectations in order to receive funding, and funding is usually renegotiated on a course-by-course basis. Regular audits by TEC and NZQA provide evidence of performance, as does outcome measurement. The 2003 Annual Report states that “funding agreements between Skill New Zealand and the providers set out the training needs of both the market and trainees” (Skill NZ 2003, 78). In their current form, the Training Opportunities courses are designed to provide a “diversity of learning environments” (ibid). Their main function is to offer “unemployed people over 18 with low qualifications the chance to gain valuable skills that will help them to get a job” (TEC 2004).

The Training Opportunities courses are targeted, with strict criteria intended to prevent disadvantaged individuals from being crowded out by less disadvantaged people (Ministry of Education 2002). The eligibility criteria are:

- Aged 18-19 years or above with low qualifications, left school in the last 26 weeks and registered with MSD, or
- Registered with MSD as an unemployed jobseeker for at least 26 weeks, with low qualifications, or
- Registered with MSD for fewer than 26 weeks, with low qualifications and assessed by MSD as being at risk of long-term unemployment, or
- Registered with MSD as an unemployed jobseeker for at least 26 weeks, with more than two School Certificate passes or more than 40 credits and assessed by MSD as lacking foundation skills, or
- Has refugee status, with higher qualifications and registered with MSD, or
- Participated in Youth Training in the last three months and granted approval by the TEC to enter Training Opportunities to complete training, or
- Low qualifications are generally defined as no more than two School Certificate passes and no qualification higher than Sixth Form Certificate (Stolte 2004, 141).

The Training Opportunities outcome measurement system

The following is a brief explanation of the particular process for the measurement of Training Opportunities course outcomes during the period 2001-2004 when I conducted most of the fieldwork. Collecting the outcome measurements is the responsibility of the provider. The first requirement is that exactly two months after the completion of a course, the provider is required to contact all ex-trainees to ask about their employment status. Once, and if, the ex-trainees are contacted, the responses given need to be coded according to the outcome categories determined by the funding agency (the TEC, formerly Skill New Zealand)¹¹² and recorded on the Two-Month Labour Market Outcome Form (Figure 4.1). Following each course, the provider has to achieve a quota of employment-type outcomes.¹¹³ The current employment outcome categories simply record whether someone is in employment (or an employment-type activity) and they do not measure the quality or durability of the employment. There is also an allocation for education or further training outcomes.¹¹⁴ Successful further education outcomes can be difficult to achieve because the two-month outcome measurement period following the completion of a Training Opportunities course often does not coincide with the start of the academic year. The other main categories include - part-time employment, Work and Income activity in the community¹¹⁵ and out of the labour force (which are listed in decreasing order of desirability). The most unsatisfactory outcome categories are - not known, other, or unemployed. Too many poor quality outcomes jeopardises future contracts.

¹¹² In 2002, during the fieldwork period, the funding agency Skill New Zealand was restructured and was absorbed into the newly formed Tertiary Education Commission (also see page 53). Most of the fieldwork respondents referred to the funding agency as Skill New Zealand.

¹¹³ Employment outcomes include three categories of employment; employed 20-29 hours per week, employed 30-39 hours per week, or employed 40 or more hours per week. Participation in the Modern Apprenticeship, Cadetship or Industry Traineeship, or Subsidised Employment are also valid employment-type outcomes.

¹¹⁴ Further training or education type outcomes are divided into two categories. The first includes full-time University, Polytechnic or other privately funded training. The second category is full-time participation in other state funded training for which trainees are eligible.

¹¹⁵ This refers to subsidised programmes offered by the social welfare department Work and Income (WINZ), such as Community Taskforce or Taskforce Green. These programmes are currently receive relatively low budgets and support from central government.

Figure 4.1: Outcome measurement form



INDIVIDUAL LEARNER – 2 MONTHLY LABOUR MARKET RESULTS

(ONLY to be used where a learner withdraws from a programme early)

PROVIDER NAME: _____ **PROGRAMME START DATE:** _____
PROGRAMME NAME: _____ **PROGRAMME END DATE:** _____
PROGRAMME NUMBER: _____

TRAINING OUTCOME CODES

EMPLOYMENT (FULL-TIME) APP ... Apprenticeship CDT ... Cadetship EM3 ... Employed 20-29 hrs pw EM4 ... Employed 30-39 hrs pw EM5 ... Employed 40 or more hrs SBE ... Subsidised Employment	EMPLOYMENT (PART-TIME) EM1 ... Employed 0-9 hrs pw EM2 ... Employed 10-19 hrs pw	TRAINING OUTSIDE AGENCY OFT ... Other Fulltime Training PFT ... Fulltime Polytechnic UNI ... University OTHER OLF ... Out of the Labour Force UNM ... Unemployed CWK ... DWI Community Work	OTHER AGENCY PROGRAMMES WBT ... Work Based Training TO WBY ... Work Based Training YOUTH TOP ... Training Opportunities YOU ... Youth Training SE ... Skill Enhancement UNKNOWN 2MTH LMO RESULT NOK ... Not Known
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Please complete every section below

Learner No.	Learner Name	Withdrawal Date	LM Outcome	Employer/Provider Name	Contact Person	Phone	If employed, No. hrs pw

TERTIARY EDUCATION COMMISSION USE:

PROVIDER DECLARATION:
 I declare to the best of my knowledge all information on this form is true and correct.

Full Name: _____ **Verified by:** _____ **Date:** ____/____/____
Signed: _____ **Date:** ____/____/____ **Inputted into system By:** _____ **Date:** ____/____/____
Designation: _____ **Input checked by:** _____ **Date:** ____/____/____

Source: Tertiary Education Commission.

When I began the field research in 2001, the category classifications of the outcomes were precise. For instance, to register for a further education outcome, the individual had to be participating in education on the actual post-course measurement date. If the individual was enrolled but the course had not started, they should be classed as a 'non-successful' outcome (unless they were in temporary employment on the day). In late 2004, TEC changed their approach to consider recording a 'good' outcome if an ex-trainee has a definite start date for a job, or if a future programme of study has been approved. A further recommendation was that providers must supply additional documentation as proof of honest reporting (TEC 2004). Despite being fairly crude measures, the outcomes are still the primary information TEC staff consider in their purchase of Training Opportunities courses. Although the providers maintain narrative accounts of the trainees' progress, the snap-shot, two-month outcome results are treated as the main determinant of a provider's effectiveness.

The quality and pedagogical content of training are also monitored through NZQA audit processes. Satisfactory audit results are a prerequisite for registration as a training organisation and the possibility to compete for training contracts. Nevertheless, a good audit result may not prevent the loss of funding if employment/educational outcomes are inadequate.

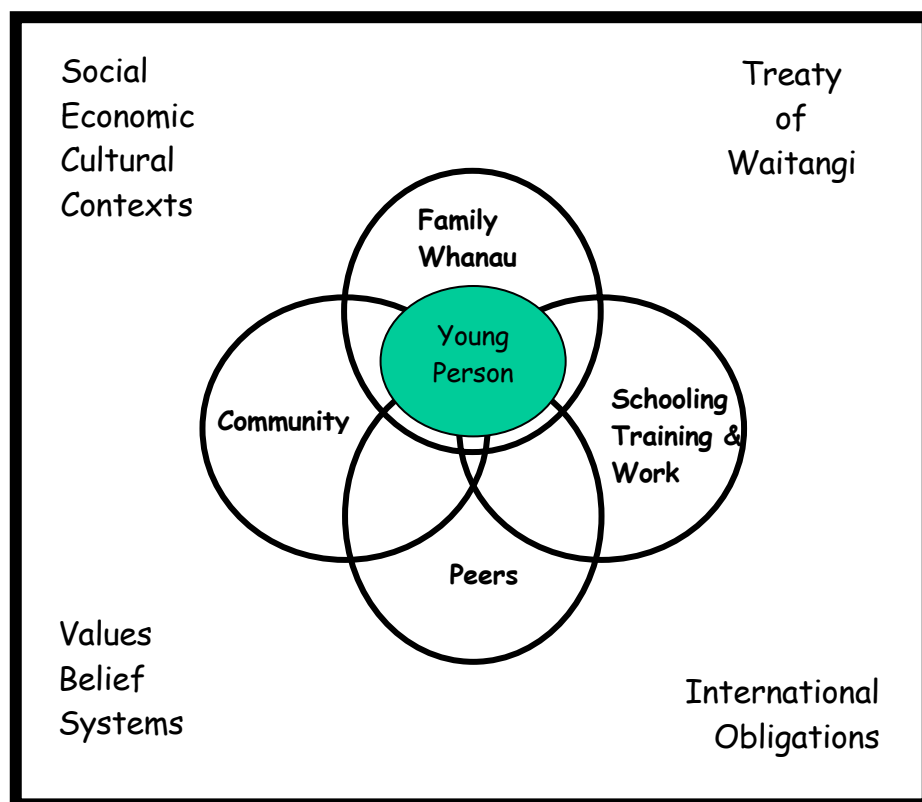
The Youth Corp training courses

The youth training programmes examined in the case studies were initially administered by the Ministry of Youth Affairs, which changed to the Ministry of Youth Development in 2003. The New Zealand Conservation Corps (NZCC) and the Youth Service Corps (YSC) are based on the United States Civilian Corps and Californian Conservation Corps models in operation since the 1930s (MYD 2004b).

The Youth Corps courses were not strictly speaking devised as an active labour market policy, but designed to operate from a holistic youth development perspective. This perspective has been articulated in the Youth Development Strategy of Aotearoa (YDSA), which underpins the scope and activities of the Ministry. Figure 4.2 shows a diagrammatic representation of the strategy. The YDSA aims to increase the participation and wellbeing of youth in New Zealand society. From 2003-2006 the

MOYA/MYD website stated that the aim of the Ministry is “to promote the direct participation of young people aged between 12 and 25 years in the social, educational, economic and cultural development of New Zealand, both locally and nationally” (MYD 2003a, 2006). In addition, the vision of the Ministry is to work with government and communities to ensure the vision of “a country where young people are vibrant and optimistic through being supported and encouraged to take up challenges” (MYD 2003a).

Figure 4.2: The Youth Development Strategy of Aotearoa (YSDA)



Source: Ministry of Youth Affairs 2002.

Figure 4.2 captures the essence of the YSDA by demonstrating that youth development requires a holistic approach because each young person is situated within wider societal contexts and overlapping social spheres.

While employment, or economic independence are important markers of youth development they are not the only ones, therefore, MOYA took a wider range of factors into account at the policy decision-making and operational levels. To begin, the main goal of the Youth Corps was to set the participants on a path to improve their overall development with the intention that this would lead to economic independence at some

point. Additional aims of the courses were to protect and enhance New Zealand's environment, to build lasting community connections and projects, and to develop knowledge and appreciation of Māori culture and conservation values.

The Ministry of Youth Affairs (MOYA, or now MYD) was established in 1988, to represent the rights of young people in New Zealand, following the realisation that young people are typically overlooked, even though they are noticeably affected by social, economic and political conditions. In October 2003, MOYA was renamed and merged with the youth policy arm of MSD with the intention to improve performance, reduce capability risks and foster cross-government relationships. The State Services Commission concluded that “the Ministry [MOYA] had been performing well and had strengths in many areas but because of its [small] size struggled to maintain and add value to cross-government relationships” (MYD 2004a). Other reasons for the restructuring were “to improve senior policy and government relationship related competencies and business support systems and resources.” The restructure sought to bring the delivery of youth services under the jurisdiction of the youth and social policy arm of MSD.

The funding from MOYA (and now MSD) has never completely covered the cost of running the Youth Corps, so other forms of income are required and providers need to seek sponsors or programme partners. Since 1999-2000, a significant part of the State funding of the Youth Corps shifted from Ministry of Youth Affairs Vote-Education to Vote-Employment via the Department of Work and Income (Treasury 2003). This means more participants need to be registered as unemployed in order to receive the community wage subsidy. The overall effect has been a gradual prioritisation of workforce preparation in the courses. The Ministry of Youth Development claim that they acknowledge many signs of success beyond gaining a job immediately following a course. According to respondents, the culture at MYD has changed considerably and aspects of the cooperative partnerships that existed previously between the providers and the funding agency (i.e., MOYA) have been reduced (see Chapter 6, especially pages 210, 226 and 238). These changes make it harder for providers to offer training that is commensurate with the YSDA.

The Ministry of Youth Development states that both Youth Corps schemes are designed to “help young people contribute to their communities” and they include “personal development, skill acquisition and recreational and educational activities” (MYD 2004b, 3). In 2004, there were 54 Youth Corps providers, usually not-for-profit trusts run by, or alongside, community-based organisations such as YMCA, Habitat for Humanity or other Māori, youth and conservation initiatives and the Department of Conservation and Polytechnics. In the 2003 financial year, 21,665 young people participated in NZCC at a cost of \$6,117,591, while 252 young people participated in YSC at a cost of \$985,000 (MYD personal communication, 24 May 2004). The main eligibility criterion is age, and providers were (at least theoretically) encouraged to select a wide range of participants including people with disabilities or other minority groups. Participants must be aged 16-25 for the Conservation Corps. The Youth Service Corps has a 16-20 age limit and participants also need to be registered as unemployed. Each course has between 8-12 participants and usually runs for 20 weeks.

The Youth Corps programmes attract a wide range of participants from all walks of life, although Māori are highly represented. Many of the participants have experienced difficulties in mainstream education. Other participants have a range of educational achievements but may face other social, health or personal issues. Both programmes involve a holistic pedagogy with an emphasis on practical and hands-on learning, skills acquisition and the achievement of unit standards. The courses have a personal development component that may include personal health and wellness, cultural appreciation, Te Ao Māori,¹¹⁶ anger management and budgeting skills. A work preparation component can assist trainees with job-seeking skills and career planning and may include First Aid, health and safety awareness or driver training. Recreation, sport activities and outdoor appreciation aim to increase team-building and social skills by extending the participants through new and challenging experiences. The Conservation Corps typically involve environmental restoration projects. The Youth Service Corps usually engage with projects such as school-holiday programmes, urban development, marae restoration, mural painting, community or sports events, and

¹¹⁶ Te Ao Māori literally means the world of Māori, and it reflects a commitment to all aspects of Māori culture, language and heritage.

community assistance for elderly or disabled people and services for schools or childcare facilities (MYD 2004a, 2004b, 2004c).

In common with all areas of government expenditure, the Ministry needs to monitor the delivery of programmes and report to central government on the basis of specific performance targets and measures. During the main fieldwork period (from 2002-2003), reporting practices required first, a quantitative measurement taken six months following a course, with a target that 80 percent of Youth Corps members are in employment, further education or training. More recently, this post-course outcome is becoming the most frequently cited measure of course quality, or evidence that these training policies are meeting their objectives. An end-of-course questionnaire filled in by participants contains the second target that 80 percent of the members state that they are satisfied with the course, and the third target that their self-esteem improved as a result of the programme. In addition, providers are expected to complete and submit all evaluation reports containing the required information on the completion of a programme in order to be considered for future contracts. Evaluation reports cover the financial reports, budgets, sponsor contributions, project timetables, summaries of daily events and individual member attendance and progress. Ministry staff claim that they consider the outcomes, external audits and the evaluation reports in the funding decision-making process. In the past MOYA tended to favour relatively long-term partnerships with well-established providers who could demonstrate a commitment to a holistic youth development approach, but this seems less of a priority for MYD.

Most of the Youth Corps courses are run by not-for-profit organisations with a strong community presence and focus. One of these organisations affirms, “We believe that every person has the ability to be successful and find positive direction in his or her life” (SENZ 2004). This encapsulates an underlying ethic of inclusiveness common to many adult education providers. Another such organisation, ATET, established in 1988 in response to high unemployment, argues their work goes far beyond just providing an educational product, but builds far-reaching and long-term benefits for individuals, communities and the environment (ATET 2004). The mission of this organisation is, “To foster growth and learning that enhances individual worth and self-esteem, and to be proactive in the community in creating these opportunities” (ATET 2004).

The rationale for providing holistic forms of assistance to young people who are unemployed emerge from rather sobering statistics. Young people are over-represented in unemployment rates and are disproportionately affected by unemployment in times of economic recession (MOYA 2003a). Young Māori and Pacific peoples typically have unemployment rates at least double that of their European New Zealand counterparts (Statistics New Zealand 2004c). Between 1976 and 1996, all major causes of youth mortality declined, except for a fourfold increase in the youth suicide rate (Statistics New Zealand 2004d).

The New Zealand Youth Suicide Prevention Strategy declared that the exact reasons for the dramatically increased New Zealand youth suicide rates (to one of the highest OECD rates) are unknown. The 1998 report stated:

Research evidence suggests that young people with suicidal behaviour are frequently characterised by social, educational and economic disadvantage. Policies which aim to provide more equitable opportunities for education and employment may reduce the risk of childhood and adolescent adjustment difficulties and mental health problems which are associated with suicidal behaviour in young people. While there is no research evidence to demonstrate that changes in social equity, by themselves, will reduce youth suicide rates, such changes may provide a social context in which the potential benefits of other, more targeted approaches to suicide prevention might have the best opportunity to succeed (MOYA 1998, 35).

The Youth Corps are seen as an integral aspect of providing assistance to young people to support their development so they may participate positively in society. Achieving economic independence is a desirable goal, but it is not the sole purpose of a youth development approach or the Youth Corps, which were designed to operate with a broader scope than most active labour market policies. Even so, the Youth Corps providers spoken with say that the courses are increasingly scrutinised at the policy and political levels on the basis of their employment or further education outcomes.

Conclusion – quasi-markets and ‘real’ policies

This chapter began with an examination of the new public sector management framework, as this model and the rationale behind it, have had a significant impact on the operability of training policies. This new framework and the theories that underpin it, assume that competition, contracts, outcome measures, arms-length relationships and

political neutrality are the best assurances of cost effectiveness, quality and efficiency in the delivery of services such as training schemes. The new public sector administration model is compatible with the broad thrust of neoliberalism, as it reflects the application of neoliberal principles, such as competitive free-market relations, to the operation of the public sector.

Following the discussion of the theoretical aspects of implementation, I then moved to the practical and local levels of implementation, and discussed the main community initiatives and policy responses to unemployment that laid the foundations for the first training schemes. In particular, I mentioned the Access training schemes which were the forerunner to the Training Opportunities policy. The last section details the Training Opportunities and Youth Corps as the main policies examined in the subsequent field research chapters, which identify the main issues and concerns at a grassroots level. Chapter 5 presents the methodological approach taken for the field research.

Chapter 5

Methodology

In developing social policies, politicians have often presented the options as simply the exercise of practical choice... Social policy is not, however, simply a matter of looking at the facts and rationally selecting a strategy for dealing with the problems of poverty, poor housing or unemployment. Policy directions are inevitably based on a series of assumptions about the relationships between the State, individuals and various groups in society. These assumptions are often tied explicitly or implicitly to one or other of a number of theoretical perspectives (Cheyne *et al.*, 1997, 67).

To carry out this research I used an in-depth interpretive-qualitative approach derived mainly from the work of social geographers (Katz, C. 1994; Duncan and Ley 1993; Smith 2002; Sibley 1995) and feminist geographers (Bondi 2001; Longhurst 1997; Massey 1995; McDowell 1992; Moss 2000, 2002). The purpose of the multi-method approach allowed the collection of interesting data but also helped to identify a particular social-political system and explore the 'common sense' meanings expressed by people within it (Gimenez 2004; Kellehear 1989, 1993). The research was conducted at various levels to establish how and why the training schemes in the study have arisen as a distinctive policy prescription for unemployment. This chapter begins by outlining the methodological approach and then discusses the field sites where the research occurred, the methods used for data collection, ethical concerns and analysis techniques. The latter part of the chapter details my motivations and social positionality in relation to the research topic and subjects. Finally, I evaluate the way this research was conducted.

Methodological framework

The first component of the methodological framework is the literature review, which guided the selection and analysis of significant issues in the training sector. Secondly, a critical reading of secondary data, such as policy documents, speeches and websites illustrates the broad political contexts in which the training schemes operate. The critical analysis exposes and articulates the perceived 'causes' of and 'cures' for,

unemployment and serves to track the major trends in public sector administration towards outcome measurement and results-orientated management. Thirdly, the theoretical work assists the development of an overarching conceptual framework. The explanatory theoretical approach extends the analysis beyond the specific empirical findings to identify the articulation of on-the-ground data with historical-context specific discourses and practices. Fourthly, ethnography and primary data collection from interviews, participant observations and a focus group provide narratives which immersed me in the day-to-day running of training schemes. The fieldwork gives voice to the experiences and views of the training providers, public sector agents and trainees. Lastly, networking and informal contacts with people and organisations provided feedback mechanisms, whereby I could test and link themes and ideas as they emerged from the empirical data.

The scope and limitations of the research

The in-depth qualitative methodology produced contextualised and place-specific data. Such data can assist the development of comprehensive understandings of the place and time specific processes surrounding unemployment and the efforts made to address this issue, however, these data cannot be used to make broad-based generalisations. While my research provides insights, these cannot possibly apply to all situations of training policy, un(der)employment and labour market disadvantage. Despite these drawbacks, this research can offer insights into particular dimensions of training provision that are currently overlooked due to an emphasis on generalised measures. In this study, the aim is to present a partial ‘truth’, or one aspect of a broad and complex reality.

The qualitative methodology is appropriate for exploring complex ‘why’ questions pertaining to the operational aspects of specific training schemes for targeted groups of unemployed people. During the fieldwork, it was important that I did not appear intrusive, or use approaches that would remind participants of the government research that they are routinely subjected to. Therefore, individuals were not questioned about their ethnicity or age and I did not feel confident to assume categories from my participant observations. Moreover, data on the ethnicity and age classifications of unemployed people and trainees are already collected by State agencies and most of this information indicates that, Māori, Pacific Island, refugees and other minority ethnic

groups are disproportionately represented in populations, which are unemployed, disadvantaged or in low-paid contingent jobs. Unemployment is relatively high amongst young people (aged 15-24). Long-term unemployment, however, is higher in the 25-54 age groups (Statistics New Zealand 2004a; Te Puni Kōkiri 2001). It is perhaps a weakness of this research that I did not collect specific age or ethnicity data of the training providers, but I felt that asking respondents these questions was inappropriate, in terms of my preference for non-extractive research practices, and such detail was also not considered critical to doing the research.

The unobtrusive inductive approach used was an appropriate way to elicit the main concerns, as defined by the respondents themselves, about their perceptions, motivations and expectations. The intention was to learn from the respondents and allow for the possibility of experiencing ‘surprises’ in the research process (Ley and Mountz 2001). The research was not, however, completely open-ended, as earlier research had indicated that the measurement of Training Opportunities outcomes constrained the efforts of training providers (Stolte 2001). Therefore, it was hoped that this research would demonstrate in greater detail how, and why the current policy framework constrained providers and why such an inappropriate system was being maintained. In addition, I suspected that the ‘poor’ outcomes of many training programmes are not simply attributable to the failed performance of individual trainees or providers.

In the past two decades, social science research practice has shown increasing sensitivity towards cultural and social diversity (Lunt *et al.*, 2003). Nonetheless, the international trends towards results-orientated management of the public sector, and the drive for contract research in universities¹¹⁷ have the potential to reinstate extractive research practices.¹¹⁸ Worldwide, universities are expected to deliver relevant and

¹¹⁷ Both these trends are apparent in international public policy and administration literature. These trends were also iterated very clearly as the main messages of the Connecting Policy and Practice: Social Research and Evaluation Conference I attended in Wellington in 2003.

¹¹⁸ I devised the term ‘extractive research practices’ to refer to social research that ‘takes’ from the community, with at best, token regard for the time and goodwill of the respondents. In such cases respondents are expected to impart information (for the good of society), but respondents have little or no control over what the data are used for. Research practices like this arise from, and tend to reinforce, unequal power relations between researchers and the researched.

measurable research outputs in order to maintain funding or secure promotions. Increasingly, politicians are arguing that academics should do research that fits into policy objectives and the strategic priorities of governments. According to researchers such as Peck (1999) and Martin (2001), it is important that academics do ensure that their research has a degree of societal relevance especially in terms of having an impact on policy. However, academic research (especially in the social policy area) should not be expected to conform solely to strategic government objectives. There must always be some space for academics to explore beyond mainstream political concerns and standardised understandings of what is ‘good’ research or ‘evidence’.

The majority of training providers in the study expressed the frustration that many of their concerns are not captured by current government-led approaches and research agendas. Obviously, there are always limitations to what, or whose, issues can be represented by a single piece of research. In this study, I tried to be responsive to the field respondents and the major issues or conflicts in training policy from a training provider point of view. The reason for this was that the provider viewpoint seemed to be largely absent in public, political and academic discussion and debate. This research is funded by a government-funded doctoral scholarship¹¹⁹ and I was required to tailor the research to specific themes, discuss the end-users of the research, and identify how my research would fit with strategic policy goals and how it would benefit Aotearoa/New Zealand. Such concerns are now routine components of many research contracts.

Qualitative research is now commonplace in many policy settings. Currently, however, there is considerable emphasis on qualitative research relying on large amounts of data that can be coded, transferred, replicated and presented as representative ‘evidence’ for political and policy processes. At the start of this research an evidence-based model was considered, however, collecting large amounts of code-able empirical data was not viable from an ethical, or a methodological point of view. Furthermore, I did not want to simply treat descriptive accounts as complete stories or reflections of a ‘reality’

¹¹⁹ In the first year of the PhD I received a Top Achievers Doctoral Scholarship administered by the Foundation of Research, Science and Technology (FRST). Since 2004, the Ministry of Education has overseen the administration of this scholarship.

without considering how these lived experiences of people on the ground are often influenced by processes and institutions “existing beyond the individuals being investigated” (Williams M. 2002, 138). The methodological pluralism (ibid) finally adopted is an attempt to recognise the importance of both structure and agency in the construction of people’s lives. The theoretical work and the critical analysis of secondary data offer a framework for a deeper understanding of the fieldwork experiences.

Literature review

The first two years of the research was dominated by an extensive literature review and forms the content of the preceding chapters. The interdisciplinary nature of this research topic meant I read literature in geography, sociology, feminist studies, economics, education, labour studies, public administration, management, political science and psychology. The fieldwork provided understandings that were, to some extent, absent from the literature. Thus, both the literature review and the fieldwork informed each other in a dialogic process.

The use of secondary data

Given that the research pertains to a particular policy setting, a central task was to familiarise myself with the relevant government agencies, their policy mechanisms and processes, and their research and policy agendas. This involved searching government websites for relevant research and publications and data sets regarding unemployment, employment assistance and training. By critically examining central government discourses (in documents, publications, websites, press releases, speeches and archives), I sought to identify the main rationale for the particular policy approaches in New Zealand. The study of other public media (e.g., newspapers and magazine articles) indicated public discourses on unemployment, training and policy issues.

The analyses of secondary texts involved ideas and techniques drawn from critical social theory and critical discourse, although I did not follow one specific technical procedure. The in-depth qualitative approaches adopted by other PhD researchers, such as Longhurst (1996), Nairn (1998) and Vaughan (2001), were drawn on. A range of

writers on methodology were consulted including Butz (2000), Moss (1995), Wallace (2000), Weedon (1987) and Wodak (1996). From these, I combined a range of approaches that best suited the research questions, the context and the fieldwork constraints and possibilities. The critical reading style adopted was based on a general understanding of language as a social and political practice, which meant that each text was ‘un-packed’ in terms of the underlying power relations (hooks 2000; Weedon 1987). It was considered important to view each text in context and to avoid using the information in the quotes simply as data, separate from the situation or social positionalities of the speakers.

Ethnographic fieldwork

The ethnographic research consists of open-ended interviewing, informal encounters, a focus group and ongoing participant observation.¹²⁰ The aim of the ethnographic work was to immerse myself in the operational contexts of training initiatives, because this dimension was largely absent from the literature. The field research is not seeking to test specific hypotheses, but to generate understanding of the field respondents’ views of the issues and to situate their standpoints in relation to the broader political-economic frameworks. I draw on two aspects of a narrative approach in social geography (Duncan and Ley 1993; Katz, C. 1994). First, I treat the narratives of the fieldwork respondents as explicable and significant knowledge sources. Secondly, explanations (or theories) are constructed to explain why the respondents act, or say what they do. To avoid assuming the position of the ‘expert’, I anticipated that the fieldwork encounters could challenge my own suppositions.

Fortunately ethnographic and inductive qualitative methods were mostly well-received by the respondents, and their goodwill opened up many fieldwork experiences and opportunities to collect rich empirical data. To begin, people were contacted whom I

¹²⁰ Geographers, such as Katz (1992, 1994), Ley (1983) and Sibley (1995), acknowledge ethnographic and anthropological influences in their work. More recently, however, there is a small group of geographers attempting to bring such methodological influences to the forefront of debates on geographical praxis, and incorporating autobiography as an essential methodological component (Butz in Moss 2000; Herbert 2000; Moss 2000). Traditional ethnography has been criticised for creating binary divisions and power differentials between researchers and researched. While it is no longer possible to claim that ethnographers are innocent bystanders, auto-ethnographic researchers have reclaimed this apparent disadvantage of ethnography by arguing that the researcher’s motivations and experiences can (if made explicit) be a powerful and insightful tool.

had known since the early 1990s when I was enrolled in various training schemes, to ask if they would be interested in the research and whether they knew of other people involved with training who might be willing to participate. These initial contacts helped shape my ideas. The internet was used to identify people and organisations in the surrounding Waikato region and letters were sent to these people. Unfortunately this did not lead to any responses hence, I telephoned or visited training organisations. Eventually, ongoing connections were established with one training organisation, along with visits to two other sites. These initial contacts also led to various other activities and research opportunities in other locations with many other trainees, providers and funding agency representatives.

Main fieldwork sites

In the course of the field research, the training facilities of three providers were visited. Two of these (the Arrow and the Koru) were what I have loosely termed socially-motivated providers. The third (the Ark) was a commercially-motivated provider. Clearly, this distinction is problematic because providers are motivated by a wide range of social, cultural and economic factors, which are not always easy to identify or isolate. While not necessarily clear-cut, the distinction reflects differences that became more apparent as the field research progressed. The names of the fieldwork sites and individuals are fictitious, to protect participants' anonymity.

The most obvious distinction is that the more socially-motivated providers, such as the Arrow and the Koru, operate as not-for-profit organisations managed by boards of trustees, while the more commercially-motivated Ark is operated as a company. The second distinction is the order of priority of the economic and social aspects of training delivery given by each provider. The Ark has a strong business focus and the respondent from the Ark was proud of his organisation's performance in terms of employment placements and meeting policy expectations (most of the time). While the Ark is purportedly based on Christian values, it became clear employment outcomes and commercial viability were the overriding objectives.

The Arrow and the Koru respondents both emphasised that they operate from a philosophical base and that their primary objective is to foster holistic, developmental and empowering processes for assisting people and communities affected by unemployment and other social issues. The Arrow operates from creative, community arts and self-development perspectives while the Koru operates from the Māori concept of *whānaungatanga*.¹²¹ While these providers still strive to be economically viable (in order to be able to deliver services), they do not want this to occur at the expense of their social objectives.

The socially-motivated providers demonstrated dogged determination to find ways to continue to operate and deliver services to the unemployed and often rely on extensive voluntary inputs. The Arrow and Koru staff regularly showed empathy for the situations of their trainees and unemployed people in general. Moreover, these respondents voice concern about the long-term effects of unemployment on their communities. Staff at the Arrow and the Koru referred to the ‘difficult’ cases (i.e., individuals who are unable or unwilling to change themselves or their situation), yet they seek to understand the reasons behind the behaviour without an automatic recourse to blaming the individuals. Both the Koru and Arrow respondents revealed that their organisations are continually under pressure (from funders) to become more business-like but, on a personal level, they feel uncomfortable with capitalising on the social issues of unemployment and disadvantage.

Fieldwork site 1: the Arrow

The Arrow became the main research site. In February 2003, I was appointed as a trustee or *kaitiaki*,¹²² and since then I have attended and participated in monthly meetings and made regular visits to the training site. These visits allow me to converse informally with the trainees and with the staff as one aspect of my stewardship role. Other opportunities for participant observation included meetings, or *hui* between this

¹²¹ Whānaungatanga refers to the building and weaving of relationships. It requires viewing all those involved in a place or communal situation as family members, and thus developing respect and cooperation; not judging individuals but setting clear boundaries for their behaviour and obligations to the group.

¹²² The University confirmed that there were no conflicts of interest in being a trustee, as this was a voluntary position. Several colleagues commented that community or voluntary appointments are invaluable and academics commonly hold such posts. The trustee position led to in-depth field experiences and an inside view of the operational aspects of training provision. Kaitiaki is the Māori word for trustee or steward.

provider and two funding agency representatives (11 May 2001) and between the provider and two Treasury staff (21 June 2002).

The Arrow is a not-for-profit provider operated by a trust. This organisation, established in 1990, is guided by a community arts and development focus and a bicultural *kaupapa*.¹²³ The courses aim not merely to teach technical skills to the trainees but to create a supportive *whānau*¹²⁴ atmosphere to foster the personal growth of the trainees so they may discover and develop their creative and personal potential. In addition, the Arrow maintains a dynamic engagement with local communities. This community engagement is designed to enrich the trainees' experience in, and appreciation of, communities, and also to create possibilities for intergenerational and intercultural exchanges. Collaborative community events and projects, networking with other community organisations and inviting speakers and groups to the training site are all aspects of a community approach.

The Arrow had contracts to run Access courses from 1988-1993, and then ran TOP and Training Opportunities courses until the organisation lost their contract in 1999. They have subsequently had a contract to deliver Youth Corps training and in 2003, the organisation gained a contract for a pilot programme for young offenders. In 2004, the Arrow had only one part-time and two full-time staff, although various people (i.e., speakers, community educators, trustees) are involved with the organisation on a short-term and/or voluntary basis. In the mid-1990s, when the Arrow operated TOP courses, they were able to employ five full-time staff.

Fieldwork site 2: the Koru

The Koru is a not-for-profit provider operated by a trust based on a philosophy of *whānaungatanga* and caters largely, although not exclusively, for Māori, youth, children and where possible adults.¹²⁵ It is located in a rural Waikato town, offers a

¹²³ *Kaupapa* means a guiding principle, strategy or policy. A bicultural *kaupapa* is the intention to acknowledge both Māori and Pākehā culture and language.

¹²⁴ Traditionally *whānau* meant birth or offspring, and in modern Māori *whānau* is used to refer to the extended family. As a concept, the word *whānau* also refers to an extended sense of collectivity or community between any group of people connected by genealogy, a place, culture or a common purpose or situation (Williams 2000).

¹²⁵ During the research period (2001-2005) there was less government funding available on a regular basis for community-based projects to assist adults who have difficulties in the labour market or in education.

range of courses and programmes depending on local community needs and on what type of contracts the Trust can secure. With this provider I worked with a focus group of five participants, as well as conducting an open-ended, spontaneous interview with Tom, a trustee or *kaitiakitangata*,¹²⁶ plus an informal communication with Carol, a director. The focus group responded unanimously that Training Opportunities is no longer a workable training policy for their organisation. The Koru ran Access courses and, then TOP and Training Opportunities courses from 1993-1998. At the time of the research, the Koru had a contract to run Youth Corps courses alongside a range of other initiatives funded by Work and Income, the Department of Justice and the Ministry of Education. The trustees visit Wellington when necessary, to attempt to secure funding for existing schemes and to put forward proposals for initiatives, which the trustees believe would address specific needs in their community. The Koru is located in a relatively wealthy rural town. According to the trustees, policy-makers tend to overlook the social issues arising from a sharp distinction between the ‘haves’ and the ‘have-nots’ in the town. There are specific issues complicating the lives of the low-income population, such as the poor provision of public transport and the absence of low price or second-hand stores.

Fieldwork 3: the Ark

Since 1985, the Ark has operated in Hamilton as a registered company owned by two charitable trusts. I interviewed Peter, a manager and then had ongoing email contact with him. Christian values and the belief that education and training are the best ways to help people towards economic independence and positive lives, are founding principles. The Ark focuses on providing training for employment and designing courses directly relevant to local industry labour demands. This provider delivers various Training Opportunities courses, alongside a range of other publicly and privately funded courses for children, young people, adults and international students. The Ark is part of a large organisation with several campuses in the Waikato and around New Zealand offering a wide range of educational products and services.

¹²⁶ A *kaitiakitangata* refers to a person who acts as the guardian or a steward for a particular place, organisation and/or principle.

Research activities

The various research activities conducted at a regional level are summarised in Table 5.1, 5.2 and 5.3, while Table 5.4 summarises research activities conducted in Wellington and other locales.

Table 5.1: Research activities at the Arrow¹²⁷

Fieldwork site 1: the Arrow - Hamilton	
Note: As a kaitiaki or trustee of the Arrow, I have maintained on-going contact with this fieldwork site, which continues to stimulate and inform my thinking about training sector issues.	
Research method/site/date	Participants and activities
Interview 1 22 April 2002	Robert (PTE manager, the Arrow)
Participant observation 1 22 April 2002	I sat in on a workshop alongside a group of trainees and initiated a general discussion about their hopes and aspirations <ul style="list-style-type: none"> • Beth (trainee) • Craig (trainee) • Mandy (trainee) • Jim (trainee) • Raewyn (trainee) • Helen (tutor)
Participant observation 2 21 June 2002	<i>Pōwhiri</i> ¹²⁸ and meeting between staff, students and two Treasury officials at the Arrow
Participant observation 3 12 May 2003	First monthly trustee meetings at the Arrow. I was invited to become a trustee. <ul style="list-style-type: none"> • Maria (social worker) • Trish (tutor) • Blair (trustee) • Murray (tutor) • Robert (director) • Jane (trustee)

¹²⁷ As noted earlier the respondents have been given pseudonyms to protect their anonymity.

¹²⁸ A pōwhiri is a traditional Māori welcome. Such a ceremony serves to welcome new people or visitors onto a marae and/or to celebrate an auspicious occasion. The marae is usually the name for all the communally owned buildings and land surrounding a Māori meetinghouse (or wharenui). Traditionally the pōwhiri is conducted on the

Table 5.2: Research activities at the Koru

Fieldwork site 2: the Koru - Waikato	
Note: Staff and trainees from the Koru were present at the two youth-camps with the opportunity for informal communications.	
Research method/site/date	Participants and activities
Interview 2 16 April 2002	Tom (trustee, the Koru)
Focus group 16 April 2002	Mary (administrator) Kath (volunteer) Anne (director) Tom (trustee) Carol (director) Mike (tutor)
Personal communication 16 April 2002	Carol (director, the Koru)

Table 5.3: Research activities at the Ark

Fieldwork site 3: the Ark - Hamilton	
Note: Peter was keen to maintain contact and we have had email discussions since the interview.	
Research method/site/date	Participants and activities
Interview 3 1 May 2002	Peter (PTE manager, the Ark)

Table 5.4: Research activities at various locations

Research method/site/date	Participants and activities
Interview 4 17 January 2002 Christchurch	Pam (former PTE tutor and drugs and alcohol counsellor)

marae ātea, or the open space directly in front of the whareniui. In a modern context, pōwhiri can occur in other settings to mark a significant occasion, but they still follow specific protocol.

<p>Participant observation 4 26-29 November 2001 Raglan</p>	<p>Youth-camp with 150 young people from 10 providers, tutors, Ministry of Youth Affairs staff, <i>kaumātua</i>, <i>kuia</i>¹²⁹ and volunteers.</p>
<p>Participant observation 5 17 April 2002 Hamilton</p>	<p>Teleconference with the Social Services Select Committee regarding a submission to the Working Towards Employment Bill</p>
<p>Participant observation 6 4-6 June 2002 Wanganui</p>	<p>Youth-camp attended by 100 young people from 10 different providers, training tutors, Ministry of Youth Affairs staff, <i>kaumātua</i>, <i>kuia</i> and volunteers. <i>Personal communications</i> with providers/tutors/State agents present at the youth-camp</p> <ul style="list-style-type: none"> • Darryl (provider) • Bill (tutor) • Warren (volunteer, beneficiaries advocate) • Bob (tutor) • Robbie (trainee) • Lisa (MOYA manager) • Neil (MOYA staff member) <p><i>Personal communications</i> with trainees (age range 16-20) participating in the youth-camp in Wanganui</p> <ul style="list-style-type: none"> • Beth (trainee) • Craig (trainee) • Mandy (trainee) • Jim (trainee) • Richard (trainee) • Raewyn (trainee)
<p>Participant observation 7 26 March 2003 Hamilton</p>	<p>Presentation of my research in a professional development day workshop for transition educators in the Waikato region. General discussion with educators after my talk.</p>

Research in a national context

While the fieldwork was mostly conducted at training course sites in Hamilton and the Waikato region, participant observation and informal encounters also occurred in other settings. On 26 March 2003, I participated in a professional development day in Hamilton for secondary school teachers, career guidance counsellors and transition

¹²⁹ *Kaumātua* and *kuia* are the Māori names for respected male and female elders.

education staff. I made five visits to Wellington and one to Christchurch. In July 2001, I attended Treasury seminars on New Zealand welfare issues and ‘sounded out’ initial ideas for the thesis by talking with people present at the seminars and at the Ministry of Social Policy, Ministry of Youth Affairs and the Labour Market Policy Group (LMPG). During this visit, an appointment was made to see Green Member of Parliament Sue Bradford because of her extensive work as an advocate for unemployed people. My discussion with Ms Bradford allowed me to test some of my formative ideas with a person who has years of involvement with unemployed people, community initiatives and political processes. This meeting led to an ongoing dialogue by email where she keeps me informed of policy changes and I keep her informed of my research progress.

In January 2002, while spending three weeks visiting Canterbury University, I had the opportunity to speak with Stewart, an ex-training provider and Drugs and Alcohol counsellor and two academics with overlapping research interests. On the journey back to Hamilton, I stopped in Wellington and spoke with various staff at the Labour Market Policy Group (LMPG), the National Advisory Council for the Employment of Women (NACEW), the Ministry of Education and Skill New Zealand. In May 2002, while attending a conference in Wellington, I visited staff at the Ministry of Social Development (MSD), Ministry of Youth Affairs (MOYA) and the New Zealand Council of Educational Research (NZCER). During the last visit in April 2003, I visited the various government agencies and contacted people again, to keep up to date with the major policy issues. Table 5.5 lists key informants in government agencies and in the broader national context whom are cited in this thesis.

Table 5.5: Meetings and further personal communications

Date	Respondent
5 July 2001 & 20 May 2002	Ben (government sector worker, Wellington)
15 January 2002	Stewart (ex-training provider, Christchurch)
11 February 2002	Sally, Geoff and Henry (policy-makers, central government agency, Wellington)
30 April 2003	Robert, meeting over lunch
12 May 2003	Robert, during a trust meeting held at the Arrow
10 February 2004	Email communications with Editor of the Social Policy Journal of New Zealand to discuss TEC's position on my research
23 September 2004	Robert, meeting over lunch
24 May 2004	Senior Advisor, MYD, Information request
2 May 2005	MSD, Information request under the <i>Official Information Act (1982)</i> , see Appendix 1

Note: The remaining personal communications undertaken at the main fieldwork sites are listed in Tables 5.2 and 5.4.

Conferences

I attended four conferences, relevant to my research, in order to gain an overview of the dominant ideas and debates. Two were government-led conferences on policy, one conference that involved community leaders, service providers and academics and one international academic conference (see Table 5.6). Not only are conferences interesting ethnographic experiences in themselves, they are often the platform for researchers, 'experts' and political agents to present the accepted wisdom and new, fashionable or experimental ideas or policy approaches. The conferences were also an opportunity to test my ideas in a wider setting, with other experts, practitioners and interested people.

The conferences further provided opportunities to explore aspects of the research topic in an international setting. The New Zealand based conferences had speakers and delegates from the United Kingdom, United States, Canada, Australia and Pacific Island nations. In August 2003, while in the Netherlands, I met with two informants Jerome (15 August 2003) a government worker in the active labour market policy area in The Hague, and Anneke (28 October 2003) a project leader for a work activation

pilot scheme in Amsterdam, which provided additional insights into another policy context and political-economic situation.

Table 5.6: Conferences attended

Dates	Conference title and details
12-14 April 2002 Auckland	<p><i>Community Development Conference</i></p> <p>This conference provided an insight into local governance and grassroots issues, initiatives and approaches. Many of the speakers were involved in (or had done evaluations of) successful community-based programmes.</p>
21-22 May 2002 Wellington	<p><i>Work in Progress International Vocational Education and Training Conference</i></p> <p>Offered insights into the policy priorities and frameworks for vocational and workplace training. The most notable aspect was that this conference on workplace training was attended by bureaucrats and providers but few employers.</p>
29-30 April 2003 Wellington	<p><i>Connecting Policy and Practice Social Policy Research and Evaluation Conference</i></p> <p>Highlighted the current priorities for social policy research, evaluation and social policy implementation. The emphasis was on ‘evidence-based policy research’ and improving the ‘knowledge base’ for social policy. There were some tensions around developing policy and social contexts. On the one hand, speakers were emphasising social contexts and seeking to engage concepts of the public value to create better social policy. On the other hand, various speakers saw evidence-based policy as the key to creating good policy. For keynote speaker, Geoff Mulgan the evidence base is derived principally from outcome measurements.</p>
3-5 September 2003 London	<p><i>IGB-RGS International Geography Conference</i></p> <p>This conference provided an overview of the broad trends in British geography and an opportunity to present research findings in an international context alongside economic geographers. The broad themes of the papers attended were:</p> <ul style="list-style-type: none"> • A strong critique of neoliberal hegemony and escalating inequalities. A call for more empirical work to map inequalities; • Concerns about the democratic deficit in globalising societies; • Re-emphasising the importance of power and asymmetric power relations in geography; • Critiquing essentialised notions of workers and labour markets; • Economics as a disembodied discipline; • Rapid economic growth deepens poverty and changes the nature of poverty away from forms of ‘old’ poverty to ‘new’ poverty. A need to develop different measures to show new forms of poverty; • Textual spaces and spatial texts - the production of space is contingent much like the production of texts. Texts and spaces cannot be thought of outside their materiality; • Critiques of British versions of the Third Way, welfare and work activation. The social economy is not sustainable because it largely relies on the growth of low-quality jobs. The Third Way romanticises consensus at the expense of dissent. Welfare-to-work marginalises trade unions and does too little to guarantee reasonable conditions and wages.

Fieldwork methods

Informal encounters

An important aspect of my research methodology was building and maintaining networks with training practitioners and other interested parties and engaging with related projects and organisations. Networks were built at regional and national levels with individuals and organisations including the Ministry of Youth Affairs (MOYA), Department of Labour (DOL), Ministry of Social Development (MSD), Private Training Providers (providers), Māori groups, journalists, political activists and people working within education and disability sectors. These informal encounters were drawn on to compare my ideas with other ideas and research already in circulation. Furthermore, these informal encounters exposed me to various standpoints in the training and unemployment policy fields. This process helped to validate the ‘expert’ knowledge (or agency) of respondents, and to supplement academic knowledge of the operational environments of social issues and policies.

Participant observation

Participant observation formed a major component of the field research as outlined in Table 5.1 and 5.4 (see pages 151 and 152). I participated in two four-day youth camps and had ongoing contact with the Arrow. My role as a trustee and as a volunteer helper offered many opportunities to participate alongside trainees, training providers and funding agency representatives in non-intrusive ways. Figure 5.1 (see page 158) depicts a sandcastle competition, which was one of the activities at the youth camp in Raglan. These camps were a highlight of the youth programmes and they encouraged the trainees to participate in a wide range of sports, creative, environmental and cultural activities.

Figure 5.1: Sand castle competition – Whaingaroa (Raglan)



Source: Author

In-depth interviews

The interviews provided opportunities to engage in directed and detailed conversations with people who have experience and knowledge of the research issues. The interviewees were chosen as representatives of particular standpoints in relation to training sector operation and training provision. However, their views cannot represent all the concerns in the training sector.

Narrative and interpretative techniques utilised by many researchers were employed to question social phenomena (Hay 2000; Middleton 1996). The in-depth interviews (which included semi-structured and unstructured questioning) were conducted with staff at three different training sites, an urban, socially-motivated provider (the Arrow), another urban provider who was more commercially focused (the Ark) and a socially-motivated provider in a rural town (the Koru). Although I planned to speak with one person at the Koru, there were six people present on my arrival. This pleasant surprise led to a two-hour focus group discussion, as well as open-ended interviews with two of the staff. Generally, the interviews ranged from one to two hours in duration, whereas my visit to the Koru lasted the best part of a day. The interviews and focus group

established ongoing relationships, which enabled me to contact respondents to ask further questions whenever their busy schedules allowed.

Research participants were selected using the snowball technique. In the first instance, networks were developed to disseminate information about my research and to encourage interested parties or individuals to approach me. In this way, it was hoped research participants would agree to participate on their terms. I visited the Ark and the Arrow to arrange interview dates. As the Koru was situated in a rural area initial contact was made over the telephone, although mentioning a mutual acquaintance helped to build rapport. Background letters were sent explaining who I was and the general topic of the research (Appendix 2). This was followed by telephone calls, as further confirmation of the interview time and date.

During the open-ended interviewing and focus-group discussions, I suggested the participants discuss a number of broad themes and topics outlined in a conversation agenda (see Appendix 3). The conversation agenda is a one-page sheet that lists six topic headings with two or three open-ended questions under each. The conversation agenda had been drafted from participant observation and was intended simply as a starting point for conversation. The format and questions were fairly broad, making it suitable in both the interviews and in the focus group. I allowed the conversations to flow, and only intervened to ask for points of clarification, or to refer to the agenda if discussion stalled or strayed. The participants were encouraged to talk about the topics on the conversation agenda, or any other issue of concern in any order they wanted. For the interviews at the Ark and the Arrow, respondents were asked to fill out a consent form (Appendix 4).

The Koru is a Māori organisation, and after consulting New Zealand literature on bi-cultural research settings, I designed a memorandum of understanding (Appendix 5), which I hoped would be more appropriate for working in a Māori context (Tolich and Davidson 1999). On arrival at the Koru, the respondents showed much more interest in establishing my whakapapa (genealogy) than looking at, or signing, forms. The respondents wanted to know where I came from and my patrilineal and matrilineal family names. Much to my surprise, they found a connection between my family and

one of their families. Once this connection was established, the research began. One of the respondents signed the memorandum of understanding, although I felt that he did this mainly to satisfy me. I sensed the respondents had their own methods and protocols for establishing trust.

Once rapport had been established with the Hamilton providers, I broached the subject of doing research with, or on, the trainees. The providers seemed quite uncomfortable with this and one made the statement, “We are very protective of our trainees” (Gary 2002). When asked to explain, he said the trainees are in a relatively powerless position, which raises many ethical issues. Furthermore, the trainees are expected to fill in numerous forms already making them quite cynical and suspicious about questionnaire surveys, or anything resembling official information gathering. Feminist scholars propose researchers should ensure research is an exchange that also benefits the participants and the host communities (Moss 2002; Sizoo 1997). I felt it was important to approach the wider community with respect and professionalism to avoid creating antagonisms for future research.

At the early stages of the fieldwork, I gained the impression there was a high level of research fatigue amongst the providers and in the training sector in general. The University of Waikato Social Sciences ethical guidelines and the methodological approach required me not to harm the respondents, or perpetuate extractive research practices. On a more practical level, it was clear training providers are extremely busy people. At the start of the fieldwork, letters were sent to a dozen training organisations in the Waikato about my research, but I received no responses. I followed some of these letters with telephone calls. To have any hope of entering the field, I needed a more personal approach to establish face-to-face contact and rapport. Instead of trying to force myself into a large number of organisations, a more feasible approach was to concentrate on a few. This allowed more time to develop rapport, build a genuine interest in the organisations (beyond the mere extraction of data) and reciprocate where possible.

Effort was made to avoid discomfort or the sense of power differentials between the research subjects and myself as a researcher. This meant being restricted to a selection

of relatively more privileged participants (i.e., studying-up) (Warren and Hackney 2000) as opposed to relatively disadvantaged participants such as the unemployed trainees (i.e., studying-down). Taking part in voluntary activities in informal settings was more appropriate for developing rapport with trainees than interviewing. My position and intent as a researcher was made explicit before any contact, and my participation was at all times at the discretion of the people concerned. I remained mindful that 'less privileged' people are too frequently subjected to research and analysis, which reinforces their dis-empowered position and often only benefits the researcher. Following my field research, letters of thanks, copies of research publications and a summary of my research findings were sent to the main respondents. It was important to maintain relationships beyond the initial research contact, so the participants felt involved and that their contributions were being utilised in a wider sense. I also did not want the participants to feel their usefulness had expired once the data had been obtained.

Auto-ethnography

I have a strong personal connection to the research topic having experienced both unemployment and training schemes. This experience is invaluable for developing credibility and rapport with respondents. Clearly, this research affects me on many levels. Rather than dissect the academic from my personal self, I developed methods to facilitate a dialogue between the two, and to observe my own internal processes as well as those of the research subjects. Geographers such as Butz (2000) and Moss (2000) provide examples of reflexive and emotional geographies. I drew on techniques for internal dialogue included writing and reflection learnt in meditation, and in gestalt, narrative and cognitive therapies.

The field diary

A field diary was useful not only to record events in the field but also to record my reactions to them. This writing was a way of processing what were often quite intense encounters. The writing also encouraged reflection on what had been experienced in the field. Throughout the project, I returned frequently to the ethnographic fieldwork sites to remind myself of the 'lived realities' of what, at times, seemed to be abstract

policy debates, and to have a sounding board for my conceptual work. The field-diary was a record of my responses and ideas as they emerged.

Analysis

Methodological developments in critical geographies strongly influenced the analysis of the qualitative data (Flowerdew and Martin 1997; Hay 2000; Katz, C. 1994; Madge *et al.*, 1997; McDowell 1992; Moss 2000, 2002). Critical geographers use analytical approaches to challenge taken-for-granted aspects that frequently underlie accepted concepts and practices. Academic standards provided a guide, as did a desire to remain 'credible' with the research respondents. In the process of deducing understandings from my findings, I accept that any conclusions or suggestions made are partial and remain open to further debate. Although the field research was an effort to gain a closer impression of lived experiences, I acknowledge that fieldwork data 'filters' rather than 'mirrors' the social world (Lofland and Lofland 1995, 68). The multi-method approach was designed to offer ways of identifying, interweaving and building on the main inferences to ensure "filtering is not fabricating" (*ibid*). On the one hand, I searched for pertinent or common themes within and between each fieldwork experience, while on the other hand I looked for connections with major themes and issues emerging from the literature and secondary data.

The data analysis followed the general steps of data reduction (or progressive focusing), data display and conclusion drawing (Miles and Huberman 1984 in Silverman 2000, 143). The first step occurred during the course of the field research as I moved from an open-ended to a focused approach. Silverman (2000, 145) likens this process with the analogy of a funnel. As the research progressed, I sought to establish common themes and inferences. Repetition, the degree of emphasis, emotional display, predictability and contradiction were noted as these occurred in the dialogues and texts. The context and the status of the speaker/writer were important to establish meaning and intent.

To summarise, the following discursive characteristics in both primary and secondary texts were utilised as signposts for salient themes and issues:

- Repetition of words or concepts
- Common themes
- Connections within and between texts
- Emotional intensity (more appropriate with primary data)
- Use of jargon
- Use of common sense claims or taken for granted understandings
- Contradictions
- Context of what was spoken (i.e. as noted in the field diary) or what was written (i.e. on the basis of background research)

The second step, data display, began with a frequent recourse to drawing mind-maps to crystallise the themes emerging from the fieldwork and literature, to seek connections and to judge my own understandings. The mind-maps often made the gaps in my knowledge apparent, and prompted further reading on specific topics. Summaries of my fieldwork encounters were written regularly, in an attempt to capture the major research ideas as they shifted and became more refined. The process of displaying data led to the emergence of tentative conclusions. Increasingly, the funnel narrowed, so a sense of pattern and regularity emerged, and this led to the construction of understandings and responses to the research questions. While the research raises many new concerns, there is still a limited sense of predictability and closure. This is not to say the end is reached, but that it merely reflects that I have formulated a particular response to the questions. The next move would be to ask different questions, or to situate the same questions in a different context.

A guiding principle for the analysis was the identification of power relations and power differentials embedded in the textual sources and operating in the field between different agents, but also between the respondents and myself. For critical geographers, power, politics and positionality underlie every discourse and practice, including every stage and form of research. Thus, consideration of the issue of power is integral to any analysis.

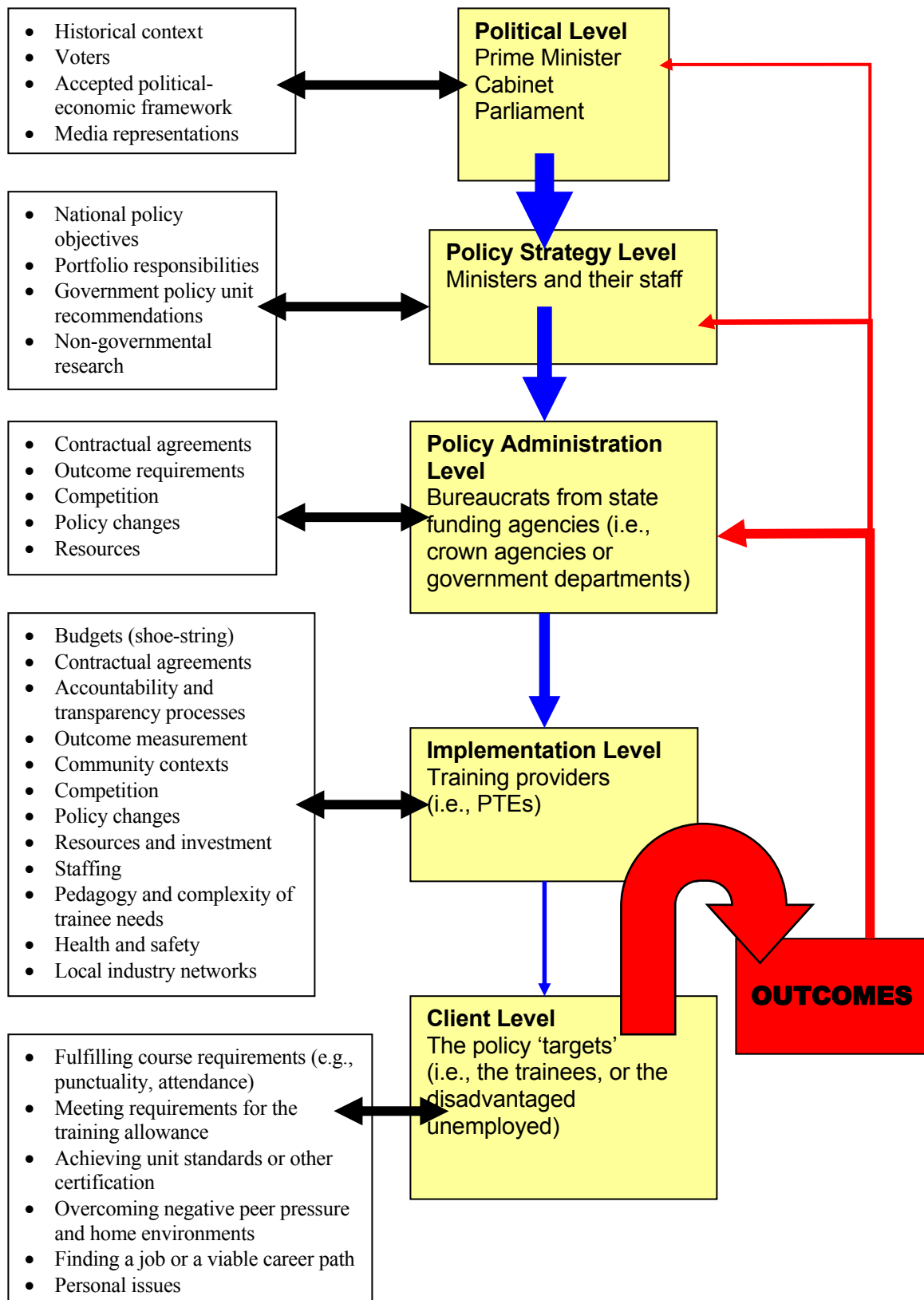
One reason why an analysis of power relations and differentials is important in this research is because it challenges the notion that ‘there is no alternative’, which is often

espoused by people at the higher levels of policy decision-making (Harvey 2000). There are few grand single formula solutions to social issues, meaning that there are always many possibilities and any given policy framework represents certain interests (and not others). Identifying power relations and differentials, is an attempt to uncover whose interests are (or are not) being served by a policy and to what ends? This then allows for a consideration of how, and to what extent a policy framework works for the various groups of people concerned. Is the policy framework a concerted attempt to address or mitigate social issues? How does it propose to do this – through paternalism, patronage, sanctions, or cooperative mechanisms? To what extent is the policy framework an instrument of control or an effort to manage, but not necessarily resolve, social issues? My first consideration in the analysis of power was to identify and map the power relations and differentials in the discourses and practices encountered in the research. The research began with a rough map, which became more detailed as the research progressed.

An overview of power relations in the design and delivery of the training policies is provided in Figure 5.2 (see page 165). This diagram identifies the directions and locations of greater or lesser decision-making power over resources, access or representation in the training sector. The map of power relations in the training sector indicates that the scope, authority and impact of decision-making, or governance is multi-directional and can vary. On the basis of my field research, however, I argue that power relations in this instance are largely skewed towards a top-down model. Generally speaking, the higher governmental levels are the location for decision-making about the resources and funding for training, and this power diminishes in descending order (blue arrows).

The policy agents in this research, have considerable decision-making power over the availability, allocation or appropriateness of training resources. In particular, the funders decide the fate of each training provider, largely on the basis of narrowly

Figure 5.2: Map of power relations¹³⁰



¹³⁰ Source: Author

specified outcomes.¹³¹ It is not my intention to set up a binary between ‘powerful’ funders and ‘powerless’ training providers and trainees. Acknowledgement is made that no matter what position a person occupies, they are always subject to constraints and they also have agency. This research demonstrates, however, that the main principles driving the implementation of these training schemes, such as the funder-provider split, market competition and ritualised accountability, have pitted provider and funder in an adversarial relationship, which is reliant on power differentials and coercion, rather than cooperation and power-sharing. Given this context, it is inevitable that there will be oppositional relationships, hierarchies and conflicts that have the effect of creating binary subject positions, albeit temporary and partial.

Figure 5.2 identifies the direction and definition of the main interactions between the funders and providers of training schemes. In the current context, relationships between funders and providers are negotiated through the contractual obligations and authoritative status of outcome statistics. The contracts and outcome measures are elevated discursive mechanisms that have become privileged over most other forms of communication and interaction. The parameters for contracts and outcomes are set at an abstract and generic level, by policy-makers who are experts in monitoring and measuring, rather than first-hand knowledge of the pedagogy of training, or the needs of disadvantaged unemployed people. The most authoritative decisions affecting the operation of the training sector are made in a setting that is far removed from the day-to-day aspects of training scheme delivery, and therefore a practical view is a peripheral, rather than an integral aspect of training policy decision-making. These, and the other power differentials, contribute to a relatively top-down characteristic of training policy (as is discussed further in Chapters 6 and 7).

The current funding arrangements for the training sector create complex systems for negotiation. In such a system, the best providers are not necessarily those who offer the best services for the trainees, but those providers who are adept at navigating the system, and convincing funding agencies that they are meeting the narrow

¹³¹ Although the numerical outcomes are critical, funders’ decisions are also affected by their impressions of a provider’s performance (see page 186).

accountability measures. This results in new sets of power relations and differentials, and new challenges for people working in the training sector. It is important to keep these evolving power relations and differentials in mind while in the field, and as a foundation for interpreting the data. The analysis of power relations/differentials sheds light on the relative enabling, or disempowering position of each respondent in relation to the overarching policy institutions, discourses and practices in the training sector.

Analysing the narratives

The fieldwork narratives were analysed in terms of the disclosed and undisclosed content of what respondents were saying. The in-depth interviews were designed to encourage research participants to tell their story. The main purpose of the conversation agenda was to initiate conversation. Beyond this, the participants were encouraged to discuss issues of concern in their own way. My own input in the conversations was mostly to ask for points of clarification or to encourage participants to expand their ideas. This meant interviews were long and often wandered, but this also allowed unexpected discussion to take place. Taking note of intonation and body language helped to identify emotive issues and points of contention or frustration.

The major themes were grouped under the following headings; relationships, funding and outcomes, occupancy and eligibility, staffing, trainee recruitment, trainee issues/barriers, and consultation and review processes because these were the topics respondents talked about most. The two main conversational characteristics noted were first, the recurrence of terms, topics and issues and secondly, 'the annoyance factor' or the perceptible increases in the level of emotional intensity when people were speaking and/or listening. Particularly during the in-depth, interviews participants spoke with emotional intensity about specific issues.

The purpose of the interviews was not, in the first instance, to collect data that could be easily coded or compared, rather the interviews were a way to explore issues in the training sector from the point of view of people who are immersed in it. My intention was to gain an understanding of the issues from the immediate level of practical, everyday experience, as a complement to broader understandings from the literature and secondary sources.

Following each fieldwork encounter, I wrote a summary of the time, place and situation. My impressions of the conversation, reflections on what the person did, or did not say, how they spoke and the main themes of the conversation were also recorded, as were my own reactions. This usually flowed into a reflection about why respondents made their points, comments or emphases, especially if they said something unexpected or challenging.

On occasion, I disagreed with some of the statements made by respondents or their actions. Over the course of the research, I observed how my discomfort with things I had read or heard (my own 'annoyance factor') offered clear signposts for the most salient issues. This alerted me to pay greater attention to what was being said and the context in which it was said. At the same time, my level of annoyance alerted me to take stock of my ability to analyse the situation and to reflect on the following questions; am I reverting to prejudgements and do I need to expand my understanding by further reading or research? My goal was not to judge or condemn, but to assume each respondent had reasonable motives for their actions.

In one instance, I became uncomfortable with a response given by Peter (interview 3, 1/05/02). Peter was proud of his business orientation and his success as a training provider, however, he admitted his organisation regularly struggles to achieve the post-course employment outcomes. Despite labour shortages in certain sectors, many trainees still have too many barriers, such as childcare, transport or personal issues. Peter's main response to the situation was to be highly selective when admitting potential trainees and only admit those who are actually ready for a job. When Peter was asked what his biggest concern was he talked about course occupancy and how he would like to see the eligibility criteria eased off, so he has a wider pool of people to choose from. While understanding the pressure on providers to secure employment outcomes, I was concerned that the people most in need of training and assistance were less likely to be considered by this provider. My purpose, however, was not to judge individual respondents, but to assess the impacts of their decisions and actions overall on training scheme operations. This, it was hoped would illuminate which types of policy processes and mechanisms encourage (or discourage) practices that benefit training scheme implementation and the disadvantaged unemployed.

The focus group discussion was transcribed by the University of Waikato secretarial services, while I transcribed the two interviews. Unfortunately, the focus group tape quality was poor. Because the transcription was incomplete, I listened to the tape several times and added what I remembered from the event. Time was spent re-reading and highlighting major themes, interesting points and ‘new’ or challenging information or points of view. Annotations in the margins helped to link extracts, identify themes and to pose questions. A document was compiled from each interview and the focus group, summarising major themes (see example in Appendix 6). Then, in preparation for a seminar, major themes were listed from the fieldwork (see Appendix 7).

Seeking connections was an important aspect of analysis and a continuous process. I looked for connections within and between the conversations with respondents, or between the fieldwork narratives, participant observations, analysis of secondary material and the academic literature. One of the main guides to the analysis was examining how the lives of field respondents are enabled, or constrained by power relations. With some respondents, their expletive language and tone provided a direct indication of the constraints and difficulties they experience in their roles and relationships in the training sector. One respondent frequently couched his frustration in cynicism and parody. Another respondent distanced herself from the effects of the contradictions on the people concerned. The length and depth of the interviews made it possible to identify such inflection. Other conversational aspects noted were pauses and interjections, and instances where respondents corrected or contradicted themselves. Another point of interest was whether, when, and how the respondents used policy jargon. A high and unquestioned use of jargon tended to imply acceptance of standardised policy structures and practices.

The methods for analysing the transcripts also aided analysis of the participant observation and informal communications. Following each ethnographic event, reflections were recorded in the field diary (see example in Appendix 8). Such summaries recorded notable verbal and non-verbal aspects of the encounter. Reflecting on context also helped to understand the position of the particular respondents in relation to power networks in the training sector.

Reflecting on the methods

In general, literature explaining qualitative methods takes one of two positions. Writers such as Denzin and Lincoln (1998) and May (2002) claim that qualitative methods are distinct from quantitative methods. Therefore, they develop methodological processes that extend beyond the dominant paradigm of the scientific method for knowledge creation. Miles and Huberman (1994), however, rely more heavily on the scientific method and tend to focus on the ways in which qualitative methods can emulate quantitative research processes.

Stone (1998), a post-positivist, argues that quantitative and qualitative approaches represent different, but equally valid ways of understanding the world. Although each utilises different types of data and methods, they share many of the same methodological issues. Critical researchers argue that quantitative or qualitative data analysis, with or without the aid of specialised computer software, is always affected by the social positionality of the researcher and other human factors (Hesse-Biber and Leavy 2004). Meanwhile, researchers inspired by post-structuralism confirm the need for retaining the primacy and agency of the voices of the researched (Vaughan 2001). Symbolic interactionists alert the researcher to the artificial nature of the interview and recommend less intrusive observational techniques (Denzin 2004). Evaluation and policy researchers emphasise the importance of ‘evidence’ and paper trails, so someone other than the researcher can verify the research findings (Lunt *et al.*, 2003). Clearly, there is no foolproof qualitative methodological approach. Table 5.7 is an assessment of the three main methods employed in this research (see next page). The table lists the main criticisms or limitations and benefits of each method. The end column lists the rationale for employing the methods despite their limitations.

Table 5.7: Methods - pros and cons

Method	Critique	Benefits	Rationale for use
Participant observation	Journalistic Voyeurism Subjective Unverifiable Piecemeal Superficiality Time investment	Viewing the 'natural' social environment Provides context Makes fewer demands of respondents	Contextualised examination of issues Spontaneity and unplanned responses
In-depth interviewing	Constructed reality 'Staged' interaction Impression management effects Interviewer effects Artificial environment Power differentials between researcher/researched	Issue probing Deep/ focused discussion Directed discussion Directly quotable Planned activity	Effective method for probing issues more deeply than day to day conversation Positions the interviewees as the experts
Personal direct experience (PDE)	Subjective Personalised Idiosyncratic Opinionated Unverifiable	Compassion? Empathy/sincerity Builds rapport Provides motivation Enhances meaning	Involvement with and concern for 'lived experiences' Firsthand witness of issues Engagement with issues Desire to contribute to efforts to improve 'real' social situations

Sources: Author, with references drawn on from Flowerdew and Martin 1997, Hay 2000, Lofland and Lofland 1995 and Sizoo 1997.

The main limitations of my methodological approach emerged as I tried to complete the analysis and write Chapters 6, 7 and 8. The inductive, open-ended and non-extractive techniques used, did not provide 'hard' data. Most of the fieldwork encounters involved participant observation and informal communications in situations where tape recording was inappropriate. Although, I only had two verbatim transcripts, I also had copious documentation in the form of a paraphrased summary of a non-recorded interview (checked by the respondent) summaries of the six main participant observation exercises and numerous field notes which include observations, reflections and records of personal communications. In many instances, the main concerns or themes emerging in the interviews were reiterated in the informal communications. This increased my confidence in the research findings and encouraged me to present

conference papers, which provided opportunities for feedback and/or criticism from people working in the training sector.

It felt as though I had been living and breathing training sector issues for many years, and this meant it gradually became easier to understand the issues and the jargon. Nevertheless, I was uncomfortable with trying to order my fieldwork excerpts into categories using codes. Chapter 6 relies heavily on the two interview transcripts. Therefore, it appears as if only a few people were making all the statements. Yet, the verbatim and/or paraphrased excerpts used were selected out of the transcripts or field notes because they resonated with wider views and trends emerging from the study. The other way to check the relevance or representative-ness of what Peter or Robert were saying was to compare their stories to dominant themes emerging in literature and secondary data. In due course, a degree of predictability emerged in the informal encounters and this helped me to identify the themes in the interview transcripts.

Positioning the respondent's perspectives

While respecting the respondents, and acknowledging the legitimacy of their viewpoints and experiences, my aim was not simply to 'push their barrow'. The reason for listening in earnest to their stories was to learn about the on-the-ground context of training policy implementation. Most of the training providers spoken to had some 20 years of involvement with the day-to-day operational level of training schemes. In many instances, evaluations of training schemes and policies rely on surveys, quantitative measures and consultation exercises, conducted by people from 'outside'. While a thesis has constraints, it does provide an opportunity to pursue in-depth qualitative and ethnographic studies, which are time-consuming and therefore less attractive options for busy and fiscally responsible evaluators or public sector agents.

A critical and embodied approach

Critical social theories offer a foundation for my methodology. First, as this chapter reveals, I am not an impartial bystander, due to my concerns about how unemployment affects people and communities. Critical theorists such as England (1994) argue that researcher objectivity is impossible, thus, researchers should be frank about their motivations and their own position in relation to their research subject(s). Taken to the

extreme, however, attacks on scientific objectivity can paralyse the social relevance and purpose of research because all 'truth' claims, including those of critical theorists, are under suspicion. This sceptical or relativist position can make political action difficult, and reduce academic research to an abstract and insular pursuit. In this research, I accept the critiques of knowledge production, but I also adopt aspects of a socially and embodied (or materially embedded) position to pursue a partial and context specific 'truth', from which to argue for socially relevant change (May 2002; Moss 1993).

A critical and embodied methodological framework allows me to pinpoint and articulate the existence and effects of injustices, and importantly, how these injustices are experienced by individuals and communities in their everyday lives. For example, I can argue that long-term unemployment is an injustice because it is usually linked to poverty and it creates lived and embodied experiences of hardship and unhappiness. Stanley and Wise (1983) point out critical methodologies deliberately employ the researcher's subject position to increase the transformative possibilities of research. If a researcher utilises her/his political commitment in the production of knowledge, then this knowledge can be utilised to promote improvements in the lives of the people concerned. Stanley and Wise (*ibid*) argue such knowledge production is preferable because it attempts to advance social change.

McDowell (2000) argues that despite the cultural turn, it is important geographers do not lose sight of the issues and processes of economics and the materiality of social life. As Hoff (1994) argues, a narrow focus on discursive fields and representation feeds into a micro-politics that risks becoming disassociated from an engagement with, and critique of, wider political processes and the pragmatics of daily economic and/or material survival. Critical approaches, however, provide the theoretical tools to shift from a mere examination of interesting social instances, to a broader critique of the structural elements of those instances (Porter 2002).

Critical social theories can therefore be emancipatory tools. Such a view suggests that the purpose of most research ought to be to 'improve' society. Critical methodological approaches go beyond empirical description to penetrate the appearances of social life and unearth normalised, but often unequal power/economic relations and hegemonic

interests. Critical theories problematise the way 'truth' claims are often used to maintain the status quo and under-examined common sense societal norms (hooks 2000). Empowerment is a central goal of both community development and action research. Such research places ethical obligations on the researcher to do more than simply fulfil their own career, but to take action that will benefit the research subjects. Lennie *et al.*, (2003, 58) warn that the project of empowerment is contradictory and contested and cite Acker *et al.*, who suggest "an emancipatory intent is not guarantee of an emancipatory outcome." Instead, Lennie *et al.*, (ibid) advocate a poststructuralist framework to inform the practice of a "knowing humility" where researchers acknowledge that their research practices may both empower and dis-empower in overlapping and unintended ways.

The study has an emancipatory intent, but I recognise that empowerment is not a straightforward reality that leads to clear-cut answers and prescriptions. Instead, my aim was to engage in a situated and holistic study of one example where complex structures and agencies are shaping a particular societal context and individuals' experiences, while acknowledging the contradictions and compromises within this context and in my research practices. Qualitative techniques are relatively well suited to these aims because as Madge *et al.*, (1997, 92) state "qualitative methods offer interpretations of causal processes that have wide conceptual relevance." In addition, Madge *et al.*, suggest face-to-face methods allow the researcher to draw on empathy and to validate the researched persons' knowledge and experiences. According to Ngarie, a Koru staff member, face-to-face (*kanohi ki te kanohi*) research is also preferable in Māori settings (personal communication, 16 April 2002). Most Māori want to 'see' who they are working with and establish rapport and trust before divulging any information.

Evaluation research

In the course of reviewing literature, I came across the interdisciplinary field of evaluation research, which is gaining influence in the public policy area. In western contemporary societies, evaluation research has developed alongside the expansion of the bureaucratic and governance aspects of the State. Although some evaluation researchers do consider theory, most evaluation research follows a practice-orientated

approach largely driven by the experiences, knowledges and interests of practitioners who may come from a wide range of fields and/or disciplinary backgrounds. The common ground for evaluation researchers is assessing the intended and unintended consequences of public policy.

The evaluation research literature is focused primarily on methodological discussions of the wide range of qualitative and quantitative methods utilised, with an emphasis on qualitative methods (Lunt *et al.*, 2003; Patton 2002). This literature suggests the collection of empirical data is fundamental to allow ‘informed’ policy decision-making, and to prevent political agents deciding on ideological grounds. The normative basis of evaluation research attempts to balance the interests of individuals with concepts of the ‘public good’. Fischer (1995, x) argues, however, that just collecting empirical data is not sufficient and comments, “The very thing we call empirical is seen to never be independent of the normative assumptions upon which it is founded.” The post-positivist approaches emerging in evaluation research are attempts to integrate empirical concerns with normative enquiry where the analysis of ‘values’ demands the same attention as the examination of ‘facts’. According to Fischer, many post-positivists are paralysed by critique, rather than experimenting with methodological reconstruction. Stone’s (1998) work stands out in that it is both academic and applied and she situates the practice of evaluation in a wider theoretical framework incorporating critical and feminist theoretical dimensions.

There is certainly a degree of overlap between my research and evaluation research, as I conducted research on an area of government policy. However, a critical human geographic approach provided an opportunity to extend my practice as a researcher beyond observation and description of the effects of a policy, to consider normative frameworks, and geographic, societal and political-economic dimensions and scales.

Interestingly, during the course of this research I observed increasing interest by the current Labour-coalition government in evaluation research. On 29-30 April 2003 MSD launched the inaugural *Connecting Policy and Practice: Social Policy Research and Evaluation Conference* in Wellington. The government’s interest in evaluation research is connected with the increasing emphasis on results-orientated management

in the public sector. It was clear from the conference that the government supported outcome measurement, which is assumed to offer 'evidence' of providers' effectiveness (in terms of cost and results) and this assists government agencies to purchase services. This selective support for aspects of evaluation research means certain methods and approaches are emphasised, while others are marginalised. There was, however, little or no questioning (or evaluation) of the effects of the increased level of measuring, monitoring and evaluating on the delivery of policy, or the people and communities concerned. The assumption was that this form of evaluation is good and there was a lack of consideration of the time and money it costs. Moreover, there was little discussion whether outcomes (such as those discussed in this research) offer an accurate indication of the quality and appropriateness of the intervention, or that needs are being met.

Early in the fieldwork, it became clear that providers (and even trainees) were frustrated with the standard methods of policy research and evaluation and, in particular, with the emphasis on quantitative measuring and the narrow parameters of such research. Training providers are continually subjected to evaluation and research, especially by funding agencies. However, providers seldom have the power to determine the parameters of research, or how findings are used. Understandably, the providers were critical and guarded about any researcher coming into their organisation. The only way to retain credibility with providers was to use research methods that allowed providers to highlight the issues that mattered to them, but are not captured in the quantitative measures, or the consultation exercises conducted by government agencies.

Most mainstream labour market policy research emphasises the production of solid and irrefutable research findings, rather than critical theoretical explorations.¹³² During the research process, I became involved in a variety of activities that were not anticipated. The research approaches adopted demanded that I relinquish some of my control over the research process, even though the dominant persona of the social scientist appears

¹³² Mainstream labour market policy research includes publications issued or commissioned by international institutions such as the OECD and, at the national level, by the Labour Market Policy Group, Department of Labour, Ministry of Social Development, the Tertiary Education Commission and Treasury.

to be someone who is resolutely ‘in control’ of the research process. On reflection, my decision to use a reflexive and inductive research process was first, because I understood my PhD might be one of the few opportunities to trial less conventional policy research and evaluation approaches. Secondly, unless I used methods my field respondents were comfortable with, I risked compromising their respect and cooperation. Finally, existing research on the training schemes usually utilises standard quantitative measures, and qualitative methods such as surveys and structured interviews.

The following vignette (see Table 5.8) describes an informal encounter with Tim, a public sector agent at a conference, which confirmed to me that reflexive research approaches could yield information that is less likely to be captured by standard methods.

Table 5.8: Vignette – researching social policy

<p>Work in Progress Conference, Wellington 21-22 May 2002</p>
<p>This conference on vocational and workplace training was organised by Skill New Zealand, Business New Zealand and the CTU (Council of Trade Unions). Approximately 500 delegates, mostly public sector agents and PTEs (providers) attended the conference. Other education providers such as polytechnics, high school transition teachers, Industry Training Organisations (ITOs), unions and local government were also present. A small number of academics attended. While the conference topic was about “learning for the workplace” employers were noticeably absent; not more than 20 representatives from 10 different employers were present. The following is a summary of an exchange that occurred in between presentations, when another academic (Mary) and I spoke with a public sector agent (Tim).</p> <p>During a brief interlude, I began a conversation with the person next to me. I asked Tim what he thought of the conference. We engaged in small talk and I introduced Tim to my colleague Mary. Tim stared at our badges, which had our names and universities printed on them. He asked us, sternly, what we were doing at the conference. Mary and I both mentioned that we did research on training and workplace related issues. At this point Tim’s manner towards us stiffened and he asked what we thought we were doing because as academics we have no idea of the issues and it is better left up to the experts! We were stunned by this unexpected response. Mary was quick to reply that universities have a responsibility to research wide ranging issues, especially something topical like vocational training. Tim began challenging us to justify the types of research we did. I then asked Tim to explain what research he did on training. At this, Tim enthusiastically reported that his organisation did questionnaire surveys of all the providers receiving government funding. Tim proudly stated that he got a very high response rate, much higher than any other social researchers have managed. According to Tim, this success was clear proof that researchers like him are the best people to be doing research on training. I asked Tim if he ‘got on’ with the providers in his region. Tim retorted that things</p>

were fine. He continued by saying that the providers are hired to do a job, and his organisation would only do business with providers who are performing. Tim reiterated that there was clearly no further need for academics to become involved in the training sector. At this the conversation died.

This encounter highlighted several methodological issues. First, the position between the researcher (Tim) and the researched (providers) was characterised by highly uneven power relations. Secondly, Tim was not only a researcher; he was also the representative of the funding agency that purchases training from the providers. Thirdly, it was clear from Tim's account that there was no effort to separate the survey data from the individual providers who had written them. Fourthly, Tim argued that the exceptional survey response rate was the justification for relying on surveys as the principal research tool, and no other methods (or researchers) were necessary. The high response rate was, however, more likely to be an effect of the unequal power relations, rather than evidence that Tim was doing 'good' research.

Providers depend on individual funding agency representatives for their economic survival. Tim's relative position of power over providers (in terms of his ability to influence future contracts) is the foundation for persuading providers to participate in survey research. Given the power imbalances and the need for economic survival, providers are less likely to express their true concerns or criticisms if what they say is likely to impact negatively on future contract negotiations.¹³³ My encounter with Tim indicated that such survey research can be an extractive form of data collection because it relies on a power differential, rather than supporting and benefiting the parties concerned. While it can be reassuring to collect large amounts of survey data to support a thesis argument, in this instance, it was unlikely to be an ethical or effective way to discover the deeper concerns of people working in the training sector.

Developing as a social researcher and policy activist

Most of the respondents asked questions like, "What are you going to do with this information?" and, "Will it change anything?" All the providers interviewed, or spoken with informally were extremely busy people and thus, I felt indebted to them for the time they gave. The interviews and conversations often raised many pent-up emotions and frustrations. The respondents were invited to talk about their biggest concerns and

¹³³ Both funders and providers spoken with in the field research emphasised that the image of a provider as a 'good' provider (i.e. cooperative, pro-active, flexible and business-minded) is critical to the contract negotiations and the degree to which contractual terms and conditions may be waived if providers fail to meet targets.

worries, and I soon found there were many. At the end of such an intense conversation, there would always be a pause and a reflection on how, or whether, changes were possible. Increasingly I felt it would be unethical to operate as a dispassionate observer, and simply meet the academic requirements. This meant maintaining contact with training organisations, to support them in whatever limited ways I can, such as speaking out on training or unemployment-related matters, especially if key issues are being overlooked.

In the course of the field research, I experienced growing concern about the emotional intensity of the issues that arose, even though the research respondents indicated clearly, when they did, or did not want to talk. Certainly, researchers need to avoid causing deliberate harm, but simply avoiding emotive social research topics or settings, can also be unethical. Ways to address these concerns were found in social research and policy activism literature (Yeatman 1998; Ward 1993). These authors provided inspiration, along with the many community-based activists I have met. Activist social research needs to go beyond merely communicating with colleagues or like-minded people, and its immediate objectives such as completing academic courses or producing research papers.

To follow the example of other policy activists, I engaged in public debates about broad issues in my research area. This included responding to newspaper articles on unemployment and social policy issues, and participating in virtual networks and online debates. I also attended local meetings on community development, wrote submissions to local government and presented an oral submission to a select committee.¹³⁴ Only some of these activities were specifically related to my research, but they did help build a wider knowledge base. This wider engagement had unexpected benefits. First, engaging with other challenging viewpoints gave me helpful insights into my own conceptual blind-spots. Secondly, comments and critiques supplemented the feedback I received from my supervisors and academic colleagues. Thirdly, various respondents mentioned they had read my comments and, in most cases, this improved rapport.

¹³⁴ A four-page submission to the *Social Security (Working Towards Employment) Amendment Bill* was presented to a select committee on 17 April 2002 in a teleconference.

Conclusion – Motivations

This research is the result of a prolonged immersion in the field of training schemes for the long-term unemployed. The ‘fieldwork’ was a continuous and fluid process which began before embarking on this research, and continues as I maintain my interest in the topic and my networks with people who view un(der)employment as a key social justice issue.

I left the seventh form in 1982, at a time of high unemployment with few clear ideas about my vocational options. The ensuing period led to many experiences of being unemployed, underemployed, in marginal or low-paid employment, and participating in private sector education and publicly-funded training schemes. My decision to attend university in 1996 was prompted by the support and encouragement received while on a TOP course. I admit to holding deep respect for people working at the coalface of social issues (such as those stemming from unemployment) and operating as socially-motivated¹³⁵ providers of training schemes. These people, often veterans of community involvement, work in the background with little recognition and often bear considerable personal costs. It is their stories (and my own) that motivated this research and it is the dedication and commitment of socially-motivated providers to ‘do something’ to help the disadvantaged unemployed (despite the current political and economic constraints) that continues to inspire me.

¹³⁵ The definition and justification for use of the term ‘socially-motivated’ providers is in Chapter 1 (see page 29).

Chapter 6

Lived experiences of training

This chapter draws principally on the field research and ethnography of the training schemes to identify and discuss implementation level issues. As explained in Chapter 5, there is a strong emphasis throughout this thesis on the training provider points of view. The observations, narratives and immersion in the day-to-day running of training schemes stand alongside the reading of literature and secondary data. I begin with a discussion of what training providers do and how training schemes operate, then concentrate on the main concerns articulated by the respondents.

A major theme of the fieldwork is that the measurement of outcomes is the most controversial issue for providers, funders and policy-makers (especially those working with the Training Opportunities policy framework). The qualitative methodology was designed to uncover what is behind the frustrations with the quantitative outcome measures. Other themes that emerged were the competition between providers, the lack of trust, the limited opportunities for providers to offer feedback and input into policy, and the difficulty within the current framework of genuinely responding to the needs of the unemployed within geographically and socio-culturally distinct populations and communities. While I include specific comments made by individual respondents, most of the information in this chapter is a summation derived from my observations, and interactions with providers, government agents and trainees in the field research.

What do training providers do?

The participant observation, the interviews and policy documentation illustrate the diverse and complex roles of training providers as observed in the field research. The following section outlines what providers are expected to do as defined by themselves in response to trainee requirements and policy specifications.

Delivering 'good' outcomes

The over-riding priority for training providers is to produce 'good' outcome statistics. The formalised outcome measures are what matters most when it comes to the day-to-day economic survival of a training organisation. The outcomes are also the routine and most authoritative 'evidence' of good practice. Since the providers must secure funding on a contract-by-contract basis, it is fundamental to their continued operation that they fulfil the outcome expectations set by funding agencies. Providers must ensure that the majority of the trainees are engaged in employment or education at the exact time of the post-course measurement. Audits of training providers are carried out to check whether outcome measurement is done in an honest and appropriate manner and to monitor educational quality of the courses.

The preferred outcome category, according to informants, at the time of the research, was full-time employment. Following each course, the provider had to achieve quotas of employment-type outcomes, education and/or further training outcomes. The funding agency (TEC) also measures the achievement of credits towards national qualifications which provides additional information for purchasing decisions. TEC claim that, at a policy level, employment and further training outcomes are treated equally (personal communication, 10 February 2004), although this was not the experience of the providers in the study.

Removing barriers

The questions which follow from the previous section are how exactly is training expected to work and what should training providers focus on in order to achieve the desired outcome statistics? A major objective underlying the Training Opportunities policy is assisting trainees to overcome *barriers* (or individual impediments) to labour market participation (ETSA 1992; Ministry of Education 2002).¹³⁶ Such barriers include an absence of formal qualifications, a lack of skills or not having the 'right' sets of skills, and in particular not having adequate literacy and/or numeric ability. Other barriers include health issues, inadequate transport, family issues and domestic responsibilities or any other factors affecting a trainee's availability for work. Historical

¹³⁶ Also see page 5 and the glossary for further explanations of *barriers*.

factors, for example poor performance at school or having a criminal conviction, constitute further barriers.

The concept of barriers appeared in policy documents in the mid-1990s when labour market policies gained a stronger supply-side focus. Training providers who are successful at removing barriers are assumed to improve the employability of their trainees and should therefore record successful outcomes. As one report identifies “long-term jobseekers face four common and important barriers: limited mobility, lack of educational qualifications, age discrimination, and poor English language skills” (ETSA 1996, 28). Solving the unemployment situation of individual jobseekers therefore, involves offering education, training and work experience, but also additional support services (i.e., literacy and numeracy assistance) and practical supports (i.e., access to childcare or transport).

Improving labour market performance

The main task of the training providers is to remove the barriers which impede the trainees’ performance and competitiveness in the labour market. Additional approaches which improve trainees’ employability and labour marketability include first, helping the trainee to achieve recognised qualifications. Secondly, providers are expected to offer advice and guidance about plausible labour market opportunities and to assist in the development of a career pathway leading towards work. Providers may identify labour market areas with lower thresholds, or more prolific opportunities and identify what skills and/or education would help each trainee to enter such fields. As a result, many Training Opportunities schemes prepare their trainees for retail, call-centre, security, care-giving and horticulture jobs. Clearly, providers need to adjust their courses as labour demand changes. Providers are expected to coach trainees in job-seeking skills and strategies, for example, CV writing, job search, job applications, grooming and personal hygiene, work experience, networking and cold-calling. Another aspect is motivating trainees to apply themselves more positively to learning, acquiring skills and job-seeking strategies. This includes assisting learners to set goals, take risks and overcome personal inhibitions such as shyness and a lack of self-confidence.

The providers in the study were acutely aware that trainees come with a wide variety of abilities, attributes and situational contexts. Policy agents argue training initiatives are all about meeting the needs of individual learners. Yet the overall training policy framework constructs individual learners or trainees, as ‘deficient’ in relation to the demands of the labour market. Therefore, the main need becomes correcting this deficit. With the more difficult-to-place trainees, providers are expected to adjust individual deficits, but also individual misapplication in the labour market. A common presumption is that ‘difficult’ trainees misapply themselves in the labour market because they lack knowledge about employers’ expectations and ‘realistic’ employment possibilities. So alongside offering educative content, providers are expected to encourage more ‘realistic’ attitudes about work, and assist the trainees’ to improve their individual appeal to employers, by improving their punctuality, presentation and interpersonal skills. Given all the emphasis on barriers and employability, it is clear the Training Opportunity courses are designed to prepare workers principally for contingent, low-paid jobs, and thus the needs of unemployed people are constructed according to this end. While individual providers cited many wider humanistic and community purposes for what they do, the priority of employment-type outcomes elevates the needs of labour markets and employers over those of the unemployed.

Acting as brokers

Another important aspect of the training provider role is ‘brokering’. A training organisation’s survival depends on whether trainees make the transition to work, or another acceptable form of outcome achievement in the two months following a course. To increase the possibility of good outcomes providers may operate as brokers with local employers to anticipate employment demands and to ascertain employer expectations. Peter (interview 3, 1/5/02) commented that strong employer networks allows his organisation (the Ark) to refer trainees to local job vacancies as they arise rather than wait for the ‘bunching effect’ at the end of a course and/or year when more jobseekers are all looking for work at the same time. Providers also need to maintain contact with all trainees when they exit a course, whether it is at the end or during the course. Those trainees who go straight into jobs may require additional support and

encouragement to ensure they stay in their jobs, at least until the post-course measurements are recorded.

Providers are paid principally to train people and not for other activities such as brokering. However, providers such as Peter who do invest time in brokering increase their first-hand knowledge of local labour market conditions, and thus can better advise trainees of local job opportunities and vocational areas with frequent or high labour demands. Providers may broker with other training institutions and educational facilities to ensure there are further educational options open to the trainees. The educational institutions are usually keen to take on applicants, but according to Robert (interview 1, 22/4/02) one difficulty is training course completion dates do not necessarily coincide with university and technical institute course start dates. Robert mentioned ex-trainees must actually be attending the tertiary establishment on the day of outcome measurement. On many previous occasions, his organisation had recorded 'poor' outcomes, even though the ex-trainees were enrolled at educational institutions and had made significant steps towards career development.

Brokering with local businesses and community organisations can attract extra funding, subsidies and business opportunities with which to supplement the somewhat meagre training contracts. The Ark is part of a large organisation with a variety of commercial operations which provide a broad financial base. The training providers are all required to demonstrate financial viability and business professionalism, however, the Ark appears to have a more slick commercial operation than the Koru and the Arrow. The Arrow staff engage in some small-scale commercial contracts and other revenue earning activities, which can at times subsidise the training schemes. Both the Koru and the Arrow also rely on donated time and/or resources.

Another reason for brokering activities is to facilitate the recruitment of a steady supply of trainees in order to maintain full-occupancy for the full duration of courses, which is a further contractual requirement. For various reasons (see page 205), the providers in the study struggle to meet these requirements. Providers may form limited reciprocal relationships with other training providers, in order to refer trainees between training organisations. Policy regulations state that each trainee may only partake in a limited

number of training courses, which is designed to stop the ‘churning’ of the unemployed in training. This further limits the pool of ‘suitable’ trainees for providers to choose from. There may still be reasons to cooperate with other providers as Peter (interview 3, 1/05/02) explains:

I mean if someone comes in here and wants to be a cook we would be stupid to say, “Well yeah, do this course and then you can go there.”¹³⁷ No, we will get on the phone and jack up [set up] an interview for them while they are in the office. And that’s a service that costs us hours ah, but I’d rather have people through the door and then you also have opportunities, a vehicle for working with other providers and I am real staunch [committed] about that. It is a time thing, and I haven’t achieved all my goals there yet.

Yet, with recruits who are less clear or decided about their career options there is considerable temptation to retain them and recommend the courses on offer rather than explore their deeper aspirations.

Networking and relationship building

Beyond acting as brokers with employers and industry sectors, providers can only survive if they also actively build cooperative networks at national and local levels with the regional offices of funding agencies, city councils, secondary schools, employers, voluntary organisations, Iwi and other training or educational institutions. Each training establishment is assigned a Skills Advisor who acts on behalf of the regional TEC (funding agency) office and presides over the funding and contract decisions. The Regional Manager is the next contact point if there are problems with the Skills Advisor. Maintaining favourable relationships is critical to securing contracts and financial survival but the effort has to come from the PTE (provider) who is expected to display the ‘right’ attitude.

Very few providers consistently meet the outcome requirements. Yet if a provider has a good relationship with their Skills Advisor, there is more chance that some of the contractual requirements can be waived. This means that the interpretation of outcome achievements and/or provider performance can be a grey-area and the process is, to some extent, dependent on the discretion of the Skills Advisor. Therefore, providers are

concerned about offering the best possible impression of their organisations to funding agents and the community at large. Providers may engage in community events or joint projects with other training providers, Iwi or community agencies. A strong sense of community support or ownership can offer some protection against imminent funding withdrawal and the demise of a training provider. Occasionally providers share resources, information and knowledge with other organisations, although this sharing has been severely constrained in situations where providers are in direct competition with each other. For training institutions, raising their profile within their local communities through networking and relationship building is a time-consuming, but a less expensive option than advertising.

Providers maintain networks at a national level for a variety of reasons. First, like many public policy areas the training sector is in constant flux, and therefore, providers may contact national offices of the funding agencies to keep up-to-date with developments in training policy. Staff from the Koru make regular visits to Wellington to lobby on behalf of their organisation and other similar training providers, or to contest decisions made by regional funding agency representatives. Such provider lobbying can be frowned upon by central government agencies who remain suspicious of provider self-interests, and seek to maintain a clear 'separation' between policy design, funding decisions and delivery. Even so, the Koru staff reason that their lobbying is worthwhile, principally as a reminder to central government policy-makers that their organisation is working with people no one else wants to work with.

A second reason why training providers try to maintain connections at the national level is to participate in training provider and adult education professional organisations and events. Given the limited budgets and low staffing levels it is difficult for training staff to invest in their professional development, or to maintain a broad awareness of developments affecting the training sector. Due to their precarious financial position and the socially challenging nature of the work, organisations such as the Koru and the Arrow engage in extensive social and community networks to ensure their training courses are positive and transformative experiences for their trainees. Providers may

¹³⁷ The Ark does not offer specific training courses for people wanting to become chefs.

invite the representatives of social services, such as sexual health educators, to speak with the trainees. Liaison with community leaders and/or organisations is considered valuable because it increases the involvement of trainees in the community and their exposure to positive role models.

Thirdly, providers must form relationships with Industry Training Organisations (ITOs). The *Industry Training Act (1992)* sets the framework for the formation of industry-specific bodies, to provide leadership, define national industry standards and qualifications, and monitor industry-training arrangements. The intention of the Act is that ITO and networks and advisory panels would spring up spontaneously in each industry sector. In the 1990s, there were various seed funds to get such industry networks off the ground, but only a few sectors have managed to create and maintain these, so there is still significant variation in the effectiveness and coordination. The ITOs can operate both regionally and nationally to oversee specific occupational sectors, identify employment and investment levels, skills shortages, training requirements, employer expectations and professional industry standards. Providers are expected to network with the ITOs relevant to the training courses they offer.

Fourthly, providers are expected to maintain regular contact with the New Zealand Qualifications Authority (NZQA), a national body regulating the registration, educational content and examination of all qualifications. Providers must be registered with the NZQA to obtain funding and are subject to NZQA audits. Since the introduction of the National Qualification Framework in 1990, educational providers are encouraged to standardise course content by purchasing NZQA unit standards or teaching programmes. Some providers were involved in writing the unit standards on behalf of the NZQA.

The Ark has developed a successful commercial enterprise writing unit standards on behalf of NZQA, and selling them to other training institutions and high school transition departments. Staff at the Arrow, however, have had less positive experiences. Robert (interview 1, 22/04/02) mentioned that he was forced to write unit standards in order to be able to continue teaching the content of his courses. His organisation received no remuneration, and then he had to buy the unit standards at an inflated cost.

His suspicion is that consultants did the final formatting of his work and claimed most of the credit and financial rewards for it. Now the unit standards can be downloaded from the internet free of charge.

Fifthly, providers also liaise with a wide range of support services and organisations to access information relevant to the trainees, such as youth, social or health issues and disability support services. Trainees are seldom affected only by a vocational skills deficit, and most experience various challenges and difficulties beyond merely not having a job. In summary, the role of the providers is to deliver training courses that are cost-effective, relevant, meet the various measures and standards, and are relevant to local labour markets and communities. The providers are responsible for taking the measurements, providing post-course support, and coordinating the relationships and networks with all concerned parties. There is some recognition at the national level of the additional work providers do over and above the actual training, but it is not measured so this is not a regular consideration in contractual agreements. The providers official role might be simply to provide training courses for the unemployed, but in effect, the marketing, recruiting, networking and the work broker role are increasingly important for the survival of their organisations.

Public sector views

This research is not a detailed examination of the views of public sector employees. At an individual level, State agents operate from a diverse range of views and experiences of the training sector. From my informal contacts, I ascertained that State agents are regularly constrained by management and governance systems, and have few opportunities to question or provide constructive criticism of the way things operate.

When the field research began, the Training Opportunities schemes were under review and the funding agency Skill New Zealand was being restructured. Staff at the Wellington offices of Skill New Zealand and the Ministry of Education were reluctant to begin detailed discussions, and repeatedly referred me to the review documents. Their position was that if there were any issues for providers and in the training sector as a whole, these would emerge in the review. Instead, I relied on State sector

documents and websites to keep pace with public sector views of training and changes in policy direction. During my visits to Wellington, ideas for the research were ‘sounded out’ with staff at central government agencies (see Table 5.5 page 155). The two national conferences attended provided additional opportunities to hear the ministers, departmental CEOs, and policy experts speak (see Table 5.6 page 156). During the conferences, there were many opportunities for informal discussion with public sector staff working in a range of relevant policy areas.

Overall, public sector agents and documents emphasise the importance of outcome measuring as the principal tool for decision-making and for providing clear ‘evidence’ of operations. Their responses include the success stories (the providers with ‘good’ outcomes) and the ‘poor’ providers who fail to adapt and perform under the new accountability systems. Evidently, formalised outcomes are a fundamental component of good policymaking. One of the main justifications for the outcome measurement system expressed by policy agents such as Henry (personal communication, 11 February 2002) is that it ensures there is one rule for all providers and that the providers all have an equal chance to win contracts. Whenever more critical questions were asked about what the outcomes actually do, or do not measure, the responses from public sector agents invariably followed the line that many social matters are hard to measure, but work is being done towards measures that are more accurate. Meanwhile outcomes, however inadequate, are presented by enthusiastic conference speakers and ministers as working effectively.

Over the decade I have been interested in the Training Opportunities policy initiative, there have been various changes in the definition of outcomes and how they are applied in different social contexts and geographical settings. Overall, ‘good’ outcomes are generally related to employment. The ex-learner either obtains a job within the two-month period, or is on a direct pathway into work. In February 2002, my paper was submitted to the *Social Policy Journal of New Zealand* (Stolte 2004) and it was sent to two anonymous reviewers, but also to staff at TEC and MSD. TEC took issue with my claim (made on the basis of interviews with providers) that employment is the most highly regarded outcome. In the end, the journal editor inserted a footnote allowing TEC to argue that, “The measurement of Training Opportunities outcomes *always* has

had a ‘dual-focus’ where employment and further education outcomes were treated equally.” In addition, TEC claimed that they set different targets with different providers. The discrepancy between the views expressed by the fieldwork respondents and the views of TEC staff indicates that the assessment of ‘good’ outcomes is not necessary fixed, but open to interpretation and negotiation.

Even the most ‘successful’ providers (in terms of their outcomes) have instances where their outcomes for particular courses are less than satisfactory. Peter (interview 3, 1/05/02) said that he is proud of his organisation’s standing with Skill New Zealand, but admits that they had failed to meet the requirements of a particular contract. In such instances, the provider has to negotiate with their funding agency representative (i.e., the Skills Advisor) to establish what changes they have to make to secure future contracts.

The fieldwork indicates that the outcomes measures are not necessarily clear-cut impartial decision-making tools. For example, the Koru is situated in a rural town with a significant unemployment rate for Māori youth, but it is the only community organisation working with this group in this location. In such an instance, the outcomes become less meaningful. There is no ‘market’ of competing organisations to tender for the training contracts and deliver better outcomes. In this situation, the funding agency has either to continue funding this training provider (despite the poor outcomes) or lose the only organisation operating in that community.

Major concerns for respondents

When the Training Opportunities providers in the study were queried about their main concerns, they invariably raised frustrations with the outcomes, both in terms of the way outcomes are measured and how the outcomes are often a poor reflection of the work they do with the trainees. In the interviews and informal communications, providers frequently referred to outcomes. As becomes clear in this section, some of the other recurrent issues (such as course occupancy) arise because of the perverse incentives generated by outcome measurement.

Outcomes

Direct references to the formalised outcomes converge around a number of interrelated themes – outcomes and survival, the unpredictability of outcomes, and outcomes as a constraint on dialogue and partnership. First, the respondents emphasised the central importance of outcomes because they determine whether providers have their training contracts renewed or discontinued. Secondly, as provider responses indicated, ‘good’ outcomes are difficult to consistently achieve or predict because they are affected by many different internal and external factors. This unpredictability causes stress and uncertainty, and affects the ability to plan the level of staffing and capital investment in training organisations. Thirdly, the outcome measures operate as the principal defining mechanism of contract negotiations. Most of the providers in the study remarked that there are too few opportunities, independent of the contract negotiations, for them to express their views.

The outcome measures are a constant concern and preoccupation for providers, as they anxiously monitor every trainee exiting a training course and the impact on overall outcome performance. Peter (interview 3, 1/05/02) comments that there is never a single cause for not meeting the contract, but multiple causes. It is apparent providers have little control over some of these causes. Contracts and funding cycles are rigid and do not take seasonal variations of the labour market or the supply of students (i.e., the school year) into account. Post-placement support and brokering with employers is critical to securing better outcomes, but there is no direct funding for this. The providers spoken with say that the time-frame for outcome measurement is too short and unrealistic. It generally takes more than two months for a trainee to apply for jobs, attend interviews and actually commence employment. For the disadvantaged unemployed this time-frame is particularly unrealistic, and as Anne (focus group, 16/2/02) states the time-frame of Training Opportunities courses themselves may be equally unrealistic:

[T]he other thing about the TOPs programs that we felt was really limiting was that they were too short. I mean, we just thought that they weren't giving us, or giving people, the chance to understand and get themselves prepared for a working environment. I just think they are way too short.

The providers talked about the pressure of working with a system that places their organisations under constant threat. According to Pam (interview 4, 17/01/02), the system creates all kinds of unhelpful and unprofessional practices because the main aim has often become satisfying outcome statistics, rather than helping people. Sometimes trainees are circulated through successive courses just to satisfy the outcome criteria. At the same time, tighter limits designed to stop churning can also penalise trainees who take longer to become work-ready. Pam also mentions that when she worked as a trainer she had been asked to misreport the outcomes of trainees. When she refused to report false outcomes, she was told, “If you don’t record this person as a good outcome, we will lose our funding and then you won’t get paid any wages”.

Other providers (Robert 22/04/02; Darryl 5/06/02) and government employees (Sally, Geoff and Henry 11/02/02) also allude to ‘cheating’, conducted either through dishonest reporting of outcome results, or by arranging employment for ex-trainees on the days outcomes are recorded. TEC now requires information and contact details of the employer or education/training facility the ex-trainee is attending alongside the post-course outcome data. Some providers may be trying very hard to help their trainees, yet still for various reasons (possibly outside their control) have negative outcomes. It might be tempting (although not excusable) for the providers to engage in dishonest and unprofessional practices. Increased monitoring and surveillance of the providers, beyond existing auditing processes, is unlikely to be well received as it expends time and resources better spent on helping the trainees.

A further problem for the providers is trying to track down ex-trainees who may move house frequently, often in search of work, although Tom (focus group, 16/04/02) mentions the popularity of mobile phones makes it easier to locate people. Failing to contact an ex-trainee results in a low-quality outcome for the provider. Trainees may not cooperate or provide information about their whereabouts and employment status. Peter (interview 3, 1/5/02) comments providers need to be like “detectives” to track ex-trainees down at outcome measurement time. On several occasions trainees who had grievances had “got back at him”, either by not maintaining contact with the organisation or by lying about their employment status. The following conversation with Peter illustrates some of the issues.

Peter: If there are any bad feelings when they [the trainees] leave and you are ringing them up three, four times in the next two months then, ah. We have got one person who has got a job, but nobody knows where it is because she knows that we get measured on it. We asked her to leave because she physically assaulted someone, so we will have to report her as being employed, but don't know by who, so it won't count. That particular person was here all of last year, so Skill New Zealand allocates 15 grand [\$15,000] towards that person and then we get a negative outcome, when it was really a positive outcome.

Ottilie: Yeah, must be very frustrating...

Peter: It's quite sad; I don't know how often it happens right across the board, when you can't actually find someone because they've moved out of the region. It's usually two reasons – one's family reasons and the other is they got a job somewhere. And then you can't find them, which is why we always ask people for their cell-phones, that sort of thing. And we ask for a couple of points of contact. And we [the providers] should all probably go out and do some kind of private investigators' training! Well, it's worth it! You've got to chase them [the trainees] if you've got a feeling someone's there. I drove to Morrinsville the other day because I thought they [an ex-trainee] might be doing something there!

While providers can try to offer the best possible service for the trainees and strive to be on good terms with them, clearly providers do not control how trainees choose to respond or the decisions the trainees make following a course. This statement is not made to apportion blame or sole responsibility on trainees (whose decisions are in turn affected by a multitude of factors), but to indicate the limits of what providers can be held responsible for. Whereas the providers are expected to “be tough” on the trainees, and not tolerate any inappropriate behaviour (e.g., absenteeism), they are also dependent on the goodwill of the trainees to obtain the necessary post-course outcomes.

The providers and government agency staff agree about the need for accountability, but the providers argue that the drive for short-term employment gains must be weighed against the possibility of a long-term focus towards stable employment. Providers believe that understanding the various situations of unemployed people is important in identifying and addressing obstacles to employment. They observe that many of the ‘good outcomes’ involve casual, temporary, low-quality job placements. While

employment in a ‘MacJob’¹³⁸ ensures a good outcome and provides some work experience, Warren (personal communication, 5 June 2002) and Robert (interview 1, 22/04/02) comment that they would prefer to encourage trainees to consider further education, training, voluntary work and other strategies leading to long-term career development. With the rigid two-month post-course outcome measurement and the lack of continuous funding for post-placement support, such goals are unrealistic. The providers feel they must push their trainees into any job to stay in business. This reduces the providers’ ability to set the trainees on a path towards sustainable employment and to reduce the likelihood that they will become unemployed again in the future.

In the Koru focus group, the participants discussed how the outcomes are often a poor reflection of what the trainees (especially the most disadvantaged) achieve in the course of a training course. The participants discussed how a range of personal and social skills are essential if the trainees are to have any hope of finding work, yet there is no measure of incremental improvement or of the acquisition of ‘soft skills’. Carol (focus group, 16/04/02) comments:

Yeah, they’re the most difficult to measure, you know because TOPs programs have to have measurable outcomes. And, if you don’t get them into employment, then it’s not an outcome and your funding is going to be dropped. For us, we’re saying until you can get someone into a position to be motivated enough to get out of bed, to want to have some sort of a future, to be forward looking enough to say that they’re going to be here in a couple of months’ time or a couple of years’ time, then they’re not in a position to work. And those skills that are learned are not as measurable. I mean, it is an achievement in itself is if they turn up! And that’s not necessarily important - no, I mean it’s not an important outcome. But it is for us!

The focus group participants were in agreement that the most important thing to them is the people they are working with. The Koru staff argue that they are closer to understanding the needs of “their people” than most people in the regional or central government offices, and that outcome statistics do not necessarily reflect the needs of

¹³⁸ The term ‘MacJob’ has arisen with the dominance of global corporations such as the MacDonald’s fast-food chain. Writers such as Sklar (1995) use the term to refer to the growing number of casual, temporary and low-paid jobs that offer little in terms of personal fulfilment, security and advancement.

the unemployed individuals, their families and local communities. Anne (focus group, 16/05/02) comments:

Yeah, they're [the funding agencies] wanting us to become more like them and our argument is why would we want to be changing? The accountability we have from this organisation's perspective is more significant from the level of the people we work with, as opposed to the funding. So, if the people we work with say that it's a shit program, then we no longer provide it. Then that's how it will be, but as long as it's going to be providing successes for our community, then we'll continue to run it. But we won't compromise - we won't compromise some of the ways we work, just to try and be like a [government] department.

The participants in the Koru focus group spoke at length about their frustrations with the current emphasis on training and outcomes, and how this diverts energy away from solving issues such as the persistence of unemployment and disadvantage for particular groups in their community. The following comment was made by Carol (focus group, 16/05/02) when she glanced down at one of the conversation agenda topics:

Unemployment, I mean it was like Kath was saying before everybody gets moved onto a TOPs program, a WINZ, a MOYA program, whatever bloody program they can put them on and they're no longer unemployed, it makes the stats look beautiful but they're still not employed!

Catering for the disadvantaged unemployed?

The dramatic increase in unemployment since the 1970s, the disproportionate effects on certain population groups, and the intergenerational transfer of disadvantage has unfortunately been accompanied by social and health statistical increases in domestic violence, youth suicide and addiction rates (O'Brien and Wilkes 1993; Shirley 1991; Shirley *et al.*, 1990). While it is difficult to establish causative links, the providers in the study maintain their work is becoming increasingly difficult as trainees arrive with issues that are more complex. It is difficult for providers to affect positive and long-lasting changes with trainees who, after course hours, return to the pressures of harmful home environments and peer groups. Increasingly, the issues for many of the most disadvantaged unemployed individuals stretch beyond the professional capacities of training organisations and additional specialised services such as drug and alcohol counselling are required.

It is clear that training providers can play an important role by offering an environment and experiences that are less harmful and instead support positive change. By doing this, the providers hope they are planting the seed of new possibilities, so that the trainees can begin to imagine and create more positive futures, rather than recreating the harm that they may be accustomed to. Most of the training providers try to offer a mix of learning, community service and recreational activities that give the trainees an opportunity to have experiences they might never normally have. Figure 6.1 (see page 197) shows trainees from a Hamilton course doing environmental work as part of the four-day Youth Challenge camp in Wanganui. Two of the trainees had never travelled beyond Hamilton and the Waikato region before, so this was a big event for them.

Figure 6.1: Trainees planting trees for a conservation project in Wanganui



Source: Author

In an informal communication, Bob (participant observation 6, 4/06/02) mentions it is getting much harder to meet all the various needs of the trainees because most of them live such complicated lives with serious social or health-related problems. The Koru and Arrow staff comment that they are now seeing the children and the children's children of the people alienated from the labour market in the 1970s and 1980s. Anne

(interview 2, 22/4/02) commented that in the 1980s she was assisting people who had become unemployed for the first time, but now her organisation is trying to assist the second and third generations. The issues are more intense because these younger generations have grown up in much more stressful situations, where few family members have continuous paid work.

Like many of the other long-term providers, Anne comments that her organisation's work has become much harder than in the 1970s and 1980s. Every day providers see the consequences for young people who have lived in hardship and feel alienated from mainstream society. Anne gravely poses the question, "What happens if we do nothing?" Providers such as Anne and Robert feel their efforts are just a drop in the ocean. Figure 6.2 shows a group of trainees working as a team to construct a kite for a competition at the Wanganui Youth Camp. I spent four nights sleeping in the same hut with these young people, and all but one of them opened up and imparted their life stories. I was taken aback by the challenges and struggles most of them had already faced in their short lives (for a field diary summary see Appendix 9).

Figure 6.2: My roommates at the youth camp



Source: Author

Robert (interview 1, 22/04/02) comments on the difficulty in finding suitable staff, the difficulties encountered in the work itself and the gradual erosion of the community organisations that can last the distance and not fold under economic pressures. Both Robert and Warren (personal communication, 5 June 2002) comment there are too few people who want to do this work, and the rewards are not there. The providers who are motivated to keep working with the more disadvantaged groups feel the current system does not offer recognition for what they do, or an appreciation of the intractability of the issues they are dealing with.

In the course of the fieldwork, providers made the point that, due to the targeting criteria, many people eligible for Training Opportunities courses cannot easily or quickly become employable because of their education/skills disadvantage in relation to the rest of the workforce. The targeting mechanisms themselves are the reason why, at least in theory, disadvantaged trainees are likely to face a combination of personal, health or social problems in addition to a lack of qualifications and vocational skills. Ironically, there is also pressure on providers to 'screen' trainees. A discussion paper on youth training emphasises training providers need to refine their selection processes to ensure the trainees recruited are "ready to make progress" (Skill NZ 2000a, 20). The report comments training providers "cannot be all things to all people", and therefore they need to specialise in catering for particular groups.

The providers in the study admit there are some people who they just cannot help. The decision to withdraw assistance from such individuals can be difficult, but providers have to make such decisions to protect their organisations. The providers cite issues such as drug abuse, criminal involvement, offensive behaviour and poor attendance as reasons why they dismiss trainees. In many cases, such issues are symptoms of other problems in the trainees' lives. Even so, it can be difficult for providers to assist the trainees to overcome these issues, particularly if they are uncooperative.

Peter (interview 3, 1/05/02) says his organisation had a policy to only work with individuals who are ready to move into work. I was curious to know what factors (material or psychological) would demonstrate readiness (or un-readiness) for paid work. When Peter was asked what he meant by his statement, he recounted an example

of a sole parent who did not have adequate childcare and transport arrangements to allow her to be available for full-time work. It appears this provider was excluding sole parents in an effort to reduce the risk of poor outcomes. Although sole parents face many logistical barriers, they are generally one of the most motivated groups in terms of wanting to improve themselves, their life situation and their prospects in the labour market (Dann and du Plessis 1992). Sole parents are constantly harangued (by the State and the general public) that they need to find employment, yet sole parents miss training opportunities and employment because they are more likely to experience difficulties trying to balance domestic and parenting responsibilities with workplace (and training course) requirements.

Screening and creaming

Most of the providers contacted were concerned that the pressure to meet outcome quotas forces them to weigh-up potential trainees to decide how easily they could be placed into employment. Providers admit that a significant group of people display more complicated social and/or situational issues. Providers speak about the tendency towards ‘creaming’ or reducing business risk by not allowing the more problematic individuals onto courses and actively recruiting trainees who appear to be ‘good’ outcome prospects. While Training Opportunities is “targeted towards assisting those who are most disadvantaged in the labour market” (Skill NZ 2000a, 10) the measurement of outcomes makes this policy goal extremely problematic.

The Koru and Arrow respondents alluded to feeling uncomfortable about the pressure to screen potential trainees. This discomfort is not surprising given that whenever providers turn people away, these individuals do not simply disappear and their disadvantage may well become more entrenched. The providers spoken to said that they want to operate in a business-like and cost-effective manner, and yet they admit this commercial orientation is frequently incompatible with responding to the needs of the targeted groups and the community. The decision to withdraw assistance from ‘difficult’ individuals raises ethical issues, and any future interventions are likely to become much harder and costlier for this group.

Peter (interview 3, 1/05/02) made the comment, however, that if providers let the more disadvantaged people onto the courses the poor statistics just flow through. According to Peter, this is a business risk his organisation is not prepared to take. Although I am concerned with the social consequences of Peter's approach, and other providers like him, his reasoning is understandable. Why should the providers carry all the risks in the delivery of services for disadvantaged unemployed people?

The Koru and the Arrow respondents gave similar reasons why they find the screening of trainees problematic. First, potential trainees may have problems of a personal nature (e.g., domestic abuse or health issues), which can be difficult to ascertain in a selection process. Secondly, trainees may face various combinations of issues so it can be hard for providers to specialise, and deal with only one type of issue. Thirdly, these providers raise concerns about the long-term consequences to society if they continually turn difficult people away. While training courses are intended to deal specifically with employment-related issues, they are often also a time when deeper problems can surface and be worked on.

The time and resources required to assist long-term unemployed and low-skilled individuals vary greatly. While providers recite success stories, these successes often take considerable time and effort. Despite these difficulties, the providers contacted were committed to their work because they saw the courses as an important step for assisting people out of a cycle of deprivation. Due to the locally engaged and community-orientated nature of their work, most of the providers in the study are acutely aware of the need within their communities, which tends to reinforce their desire to offer assistance to the most disadvantaged people (especially youth). Yet, to stay in business providers are required to select the less disadvantaged of the disadvantaged to reduce "outcome risks."

Typical outcome risks include (dis)abilities, personal issues, situational factors, behaviours and attitudes. At times, the disadvantaged unemployed may display behaviours or attitudes unlikely to be tolerated in workplaces, let alone training schemes. However, once excluded these individuals can no longer access opportunities that might assist them to change. Regardless of the reasons, each time an individual is

barred from participating in training they receive the message that they are unimportant and have no value in society. The decision to suspend or expel a trainee poses similar dilemmas to those faced by secondary schools. In most cases training providers, do not have the time, resources, expertise or legal backing to attempt to identify and resolve the issues that may lie behind the inappropriate behaviour of trainees.

The staff at the Koru and the Arrow say they do, on occasion, take on more difficult trainees for social reasons, even if this puts them at economic risk. They argue that their social ethics are the reason for not rejecting such potential trainees. As discussed in Chapter 5 (see page 149), the Koru operates from the Māori concept of whānaungatanga and a sense of collective responsibility for the people in their whānau, hapu and/or local community. The Arrow adopts a bicultural, multicultural community development approach to provide a space and whānau support for a holistic and creative process of personal transformation (see page 149). Many other providers spoken with informally outlined a particular philosophical basis or a social/cultural ethos that underlined their work. Evidently, there are often tensions for providers between the business priorities, their social ethic and community concerns.

The official policy response to this predicament is that it really is not the moral responsibility of providers to take up such difficult clients. If the primary objective of Training Opportunities is getting people into employment, and if a certain client is unlikely to become employed (in the specified period), then the client may be better off elsewhere. The problem for the providers is that there are very few “elsewheres” to which these individuals can be referred. The Training Opportunities is purportedly designed to assist *the most* disadvantaged unemployed. By definition, most of the trainees (and those referred to training courses) experience at least one kind of barrier to attaining employment - otherwise they would not qualify for the programme. The measurement system for Training Opportunities fails to account for social issues, as though the simple act of attending courses and learning skills immediately transforms these unemployed individuals into work-ready jobseekers (who automatically slot into the presumably available jobs). In the five years spent studying the Training Opportunities courses, I have seen socially-motivated providers leave the sector, or

switch to delivering alternative programmes because they feel the business imperatives conflict with the social goals of providing training to disadvantaged groups.

Straightforward measurement?

The outcome statistics may appear to represent a black and white instrument for making objective funding decisions. In many cases, however, decisions do not merely follow a prescribed rulebook, but regional differences, interpretation and affective responses come into play. Staff at the Koru and the Arrow claim the assessment of outcomes is not always, as TEC contends, a straightforward dual employment-education focus. The weighting of outcomes and the renewal of contracts is often a subtle process that, to a large extent, depends on interpretation and whether or not a provider has a favourable relationship with the relevant person at the funding agency. As mentioned earlier (on page 189), even successful providers are unable to consistently produce the outcomes demanded due to exogenous factors (e.g., labour market fluctuations) and the challenging aspects of this type of work. If a provider is perceived to be a 'good' provider, they are more likely to receive some leniency with the rules. At the time of this research, it appeared that a 'good' provider was one who cooperated, did not challenge the status quo and produced both further education and employment outcomes. Nonetheless, a higher percentage of employment outcomes remains the preferred result. Despite the prescriptive approach and its status as an objective policy decision-making tool, the outcome measuring system is clearly open to interpretation.

The 'good' provider

Several providers and public sector representatives refer to the distinction between a 'good' provider and a 'poor' provider. Funders and providers tend to emphasise different priorities so there are some differences in the interpretation. Nevertheless, from the fieldwork I compiled a general list of requirements. On the basis of my

conversations with respondents, it appears that TEC Skills Advisors expect a good provider to demonstrate the following characteristics:

- achieves good outcomes on a regular basis,
- operates in a professional and transparent manner,
- has sound financial management and a business orientation,
- offers high quality and relevant training that prepares the trainees for local labour markets,
- maintains good relationships with the funding agency representatives and shows a concerted effort to meet all requirements and processes,
- does not seek to put their own interests before those of the learners, or of the funding agencies,
- does not challenge or question public sector representatives or processes,
- succeeds in motivating the learners and improving their work ethic and employability,
- offers assistance to the learners in sensitive and culturally appropriate ways,
- knows when to refer learners to support services, and
- operates from a social ethic and a desire to help people.

While most of the items in this list appear to be self-explanatory, the fieldwork indicated that the interpretation and application of the factors defining a good provider can vary.

The providers, who have been operating in the training sector for the longest time, commented that many of their respected and socially-motivated colleagues had left, which has had a negative impact on the morale of those left behind. Staff at the Koru and the Arrow said that in general terms the training sector had changed because many newer training organisations were often short-lived and had a stronger commercial focus rather than a community focus. Robert admitted his organisation, the Ark, had only survived because they had a capital base. His concern was they now needed to use all the interest from the capital to pay for day-to-day operations. The capital was built up over 20 years largely from commercial activities conducted alongside the training activities. Currently the organisation employs too few staff to continue carrying a similar load of commercial work, which threatens long-term financial viability.

The challenge of low unemployment rates

While providers are keen to see increases in local employment opportunities, periods of low unemployment create different problems. Bill (personal communication, 4 June 2002) expressed a frequently cited complaint that low unemployment rates mean the ‘better’ employment prospects are already in employment, leaving the residual pool of ‘difficult’ people for providers to draw from. As Bob commented, the better recruits are ‘creamed off’ (i.e., are in jobs) and so, the trainees ending up on courses are the “bottom of the barrel.” Bob said this made it hard because he is “left with the difficult ones while the good ones get jobs.”

From the conversation I understood that the ‘difficult ones’ are individuals with social or health problems, motivational or attitude problems, low self-esteem or confidence and a lack of people skills. A second related complaint was that, as employment opportunities increase, more trainees leave to enter jobs before finishing the courses. Although this creates good outcomes, it makes it harder for providers to maintain full-occupancy on courses, another contractual requirement. Therefore, providers face the challenge of recruiting (within their limited advertising budgets), and integrating trainees throughout the course duration.

Eligibility criteria and occupancy

The providers repeatedly voiced the frustration that they were not getting enough referrals at the right times, and they were pressured to take ‘less-suitable’ applicants to maintain course occupancy. According to providers, Work and Income do not refer enough potential trainees, nor at the right times. This is particularly frustrating if providers believe there is a high degree of need amongst unemployed people in their community. Although providers do their own advertising, they still complained they often do not get enough ‘suitable’ applicants. Peter (interview 3, 1/05/02) said he would like his organisation, the Ark, to be the first port of call for jobseekers. Peter argued his staff could do the interviewing and case management to, “Ease the logjam at the WINZ case management level and to get people through the door.” Clearly, this would also increase the opportunities for the Ark’s staff to recruit the more suitable trainees. Peter’s second response to the shortage of suitable recruits is to lobby for easing the eligibility criteria as a way to extend the pool of potential trainees. Peter explains:

The big thing for me, a little pet thing, is occupancy – and eligibility criteria. I personally believe that the period between registering as a jobseeker and 26 weeks or in some cases 13 weeks is just too long. It takes 21 days to form a habit, um and at 26 weeks, we are already at the bottom of the cliff. Um - the people I really admire are the people who have been registered for 26 weeks, and then start looking for something. But if they've had to wait for 26 weeks before they can apply for the vacancies we have...

Peter's concern for the unemployed who do not fit the eligibility criteria is commendable and waiving the eligibility criteria might be useful in some instances. Even so, I felt some unease with Peter's solutions to providers' dilemmas around occupancy. The Training Opportunities policy states the courses are intended to provide assistance to the most disadvantaged unemployed, yet these people are clearly not the preferred choice of the providers such as Peter. Again, the outcome requirements are at the root of the dilemmas. On the one hand, many providers are turning the unemployed people, who are perceived to be outcome risks, away. On the other hand, providers such as Peter want to influence case management processes and eligibility criteria so they can attract different (i.e., less disadvantaged) unemployed people. Although it is understandable that Peter is lobbying for such changes, these approaches merely treat symptoms and not causes. Meanwhile, the relatively more disadvantaged unemployed continue to be excluded from a policy claiming to be for their benefit.

It was not until a late stage in the field research that I managed to identify a specific aspect of the outcome measurement system that further disadvantages the providers in terms of producing good outcomes. Many providers uttered exasperated responses that the outcomes were impossible. Robert (personal communication, 12 May 2003), however, took the time to explain a major problem for providers, which he termed the "throughput-to-destinational outcome ratio". Successful outcomes are measured as a percentage of total throughputs. The successful placements are measured against every trainee admitted to the courses, including those who drop out after a short time, or who are dismissed by the provider because of inappropriate behaviour (e.g., drug use, absenteeism or violence). This situation puts the providers in an awkward situation. Providers are expected to maintain full course occupancy as a requirement of their

contracts. However, providers all say they experience difficulty attracting enough trainees, especially 'suitable' trainees because they must also screen potential recruits to assess whether they are 'ready to work', how they will impact on the other trainees and whether the course matches the recruit's skills potential and aspirations. Moreover, providers need to assess whether the trainees will respond positively, stick with the courses, and ultimately produce a good outcome to throughput ratio. Such judgements are not easy to make in an interview. There are also ethical implications involved in such judgements. The throughput-to-destinational outcome ratio penalises providers for the variability of situations, choices and responses of the trainees. Given the difficulty of anticipating the outcome risk of a potential trainee, providers may well err on the side of caution and exclude even greater numbers of disadvantaged unemployed.

Relationship issues

Relationship issues were frequently a topic of conversation. The providers state they have recurring problems in their relationships with Work and Income, mostly due to a lack of referrals. Many providers comment on the difficulties in maintaining effective working relationships and communication with the local Work and Income liaison people because of the high staff turnover and staff rotation policy. The following comment by Mike (focus group, 16/4/02) is typical:

We usually have a good relationship with only about three to four people. Problem is they [WINZ staff] have to changeover after five months. Often the staff themselves don't want to change, but management tells them to. They are often just getting the hang of what we are about.

Moreover, Work and Income also offer training courses, which appear to be in direct competition with the training providers. The providers argue that this competition is not occurring on a level playing field because Work and Income have particular advantages over providers. For example, in order to receive any form of State-funded benefits or employment assistance (including training) an unemployed person must first register with Work and Income, and meet the expectations of the department and the assigned case manager. Staff at Work and Income are less likely to refer people to PTEs when they are trying to fill their own in-house courses. Such conflicts sour relationships as Peter (interview 3, 1/05/02) explains:

The other thing is the relationship between WINZ and Skill New Zealand and the ability for WINZ to offer contracts. So in a funny way, um they [WINZ] have different buckets of money, but they are kind of for the same people. So we are actually competing because WINZ will work a contract, there's 20 people for their programme and let's go and get them. And then I am a Skill New Zealand provider coming over and I am asking for 20 people from Hamilton right now. But they [WINZ] are trying to fill their contracts which they are obligated to fill, so we're not even gonna get a look in!

In keeping with public sector accountability trends, the Work and Income case-managers must also fulfil occupancy and performance targets and therefore they are more likely to recommend the familiar in-house courses to the jobseekers, rather than the external courses. Most of the providers think it is unlikely the situation can improve because putting time and resources into liaising with PTEs does not appear to be a high priority for Work and Income. Apart from the issue of competition, the high staff turnover, rotation and caseloads make it harder for Work and Income staff to develop strong networks with the providers. Therefore, the providers have devised alternative strategies to increase the flow of referrals themselves. The most common strategy is to increase their networks with schools, community groups, personal contacts, especially prior to course start dates. Many providers establish reciprocal arrangements with other providers to refer trainees to particular courses. All the providers spend considerable funds on private advertising usually in local newspapers and community publications. The costs of advertising are an inevitable drain on already tight budgets. Ultimately, this situation leads to tough decisions about whether to spend more on advertising, attracting quality staff, materials, equipment or other operational costs.

During the field research the Work and Income staff did not appear to make regular contact with providers such as the Koru, the Ark and the Arrow. Yet, the staff at the Koru claim that Work and Income staff do contact them when they run out of options for particularly problematic groups such as unemployed ex-prison inmates or people in the 50+ age group. According to Peter (interview 3, 1/05/02) and Robert (interview 1, 22/04/02) some of the Work and Income staff are sympathetic to the concerns of providers. These well-intentioned individuals are, however, constrained by institutional structures and the over-riding demands of outcome statistics.

The constant competition between providers of courses (including Work and Income) for the best referrals (i.e., the good outcome prospects) is counterproductive to the overall operation of the training sector. The following comments illustrate the discomfort experienced by Robert (interview 1, 22/04/02):

To me the biggest problem is setting up a competitive model, as if that was somehow going to improve quality! People aren't in the *business* of social services. To equate social services and community wellbeing to a business model is wrong, wrong, wrong! It's not like, I've got these kind of shoes and you've got those kind of shoes, and let's compete and see who will buy our shoes. Nobody is competing with each other to deliver social services. It's not like it's a [laughs] money-making venture, it's absurd! And ah, also to set community and social services up as if there were some malevolent intent, you know, to 'rip off' it's just so counterproductive! Right from the start, it creates a climate that's not conducive to making the right decisions.

Robert's comments suggest that the expansion of a business model creates a competitive, low-trust environment where agencies find it hard to work together. The Koru and Arrow respondents expressed concerns that they were being portrayed as the enemy, as though they cannot be trusted with taxpayer dollars. In their defence, these providers argue that they operate on shoestring budgets and they account for every paperclip used. These providers also mention that their organisations cannot operate without considerable unpaid or voluntary input from their staff, trustees and the wider community.

Under the current model Skill New Zealand (and now TEC) staff appear to be primarily interested in the formalised outcomes, and the learners (or trainees) as the consumers of services. This is an incomplete basis for realising the much vaunted partnerships between providers and the State. Relationships between providers and funding agencies are further strained because providers feel they are not considered as equal partners. Most training sector decisions are made by funding agency representatives, or Wellington-based policy-makers (or government consultants) with outcome statistics as the bottom-line. Discussions between providers and government agency representatives are similarly restricted to talking about outcome measures and contractual specifications. The emphasis on outcomes (which can now be submitted online in computerised tables) forecloses any need to consult directly with training staff, or to incorporate the full scope of their professional ability and on-the-ground knowledge in

their regions. Instead, the wide variety of training sector issues tends to be interpreted and defined according to their relevance to outcomes, rather than independently. Providers must, however, conduct their relationships with funders in a restrained manner, if they want to retain their status as a good provider and thus increase the chances of securing future contracts.

The low trust, competitive environment furthermore erodes cooperative partnerships between providers. For example, in the 1990s the REAC,¹³⁹ which were set up as local provider networks to oversee the local training needs and the distribution of training courses, became unworkable because increasingly providers were forced to focus on their own interests and to compete with the other local providers for training contracts. Since then, no new overarching provider coalitions have been formed at the local or regional levels, although limited relationships had formed between individual providers.

The main reasons why providers might still try to initiate rudimentary cooperative relationships today are to increase their organisation's profile in the local community, and to increase the flow of referrals between organisations. In general, providers maintain a calculated distance from other organisations to avoid compromising their interests. The lack of coordination between providers, Work and Income and TEC means there is less communication and information about the existing and planned training courses in a locality. This reduces the scope for planning and can result in duplication or over/undersupply in certain industry sectors. As the main funding body, Skill New Zealand (now called TEC) maintains an overview of the training providers in a locality and the courses on offer. In the absence of an overarching provider organisation, it is now vital that TEC ensures information circulates between all parties involved with the training sector at the local level.

Government agents and agencies are not necessarily unsympathetic and do not always overlook the concerns of providers. The Koru and Arrow respondents explained that in terms of their dealings with State agencies the Ministry of Youth Affairs (MOYA) was

¹³⁹ Regional Employment Action Committees.

an exception.¹⁴⁰ They maintained that MOYA staff treated their providers very differently, and regularly phoned or made personal contact with them to see how things were going. In the field, I observed how MOYA staff made themselves available at times and in places that suited the providers. It was also noticeable that communication between MOYA staff and providers was generally positive, respectful and efforts were made to find win-win solutions to issues or concerns. MOYA staff participated in the two youth-camps and Lisa, a MOYA manager at the time, said that MOYA staff are there to support the providers, to respect what they do, and help in any way they can (personal communication, 5 June 2002). Both MOYA staff and providers have expressed concerns about the future for the Ministry and the delivery of the Youth Corps courses since the restructuring.¹⁴¹

Other relationship issues mentioned by the providers concerned employers. Ongoing employer networks and inputs are the exception rather than the rule and where they do occur, they usually involve large employers. In most cases, the providers are creating and maintaining networks with employers. There are rare instances where a large employer or an employer body will make formal arrangements with providers, so that providers can guarantee job placements to all suitably trained applicants. These employer-provider arrangements are much favoured because they reduce risks for the providers and allow the provider to focus on the training.

The employer-provider relationships depend largely on whether the employers feel they should be involved in the training for their industry sector. In general, unless there is a skills shortage, as there is in the healthcare sector,¹⁴² many employers do not see that it is a priority or a responsibility for them to be involved in training, supporting providers or helping to solve some of the practical problems that might be restricting prospective employees. Nonetheless, many providers continue to build and maintain networks with

¹⁴⁰ Chapter 2 (see page 134) provides information about the Ministry of Youth Affairs and the major reorganisation that occurred after the main field research period. The management and processes within the Ministry of Youth Development have changed, and some of the field responses cannot be said to reflect the current context.

¹⁴¹ Continued involvement with one of the PTEs, as a trustee and contact with MYD indicates that in 2005 relationships between MYD and Youth Corps providers have become more distant and remote. There has been a significant staff turnover at MYD and Neil, one of the long serving staff, whom I had met several times, said he left because of the changes in the working culture.

¹⁴² The term is used to refer to an industry sector providing care for elderly and/or disabled people either in institutions or in private dwellings. In most cases such healthcare work involves a 24/7 roster, but is low-paid.

employers, so they can be aware of employment vacancies as they arise and refer trainees at suitable times.

The providers' reputations with employers are dependent on the performance of trainees they send to the employers, either for work experience or job vacancies. One problem is that providers cannot always be sure how a trainee will perform in the workplace. Both training literature and public policy statements emphasise the importance of workplace experience as a way to prepare the unemployed for the labour market. Yet, for some of the trainees it may be difficult to find a work experience placement. Employers may see little reason to provide work experience for trainees, unless their sector has a high demand for labour, or the trainees are already competent (in which case they are likely to be in jobs already). The trainees spoken with during the research all said they want jobs, but they find it hard because employers often state they want people with experience. The trainees feel disheartened because they are unlikely to get a job without experience, but they need a job to get experience.

Peter (interview 3, 1/5/02) explains how the training sector is designed to work, at least in theory. Employers communicate their training needs, providers then supply the training courses, and consequently the trainees are guaranteed jobs at the conclusion of a course. A perfect conveyor belt for good outcomes it would seem. Unfortunately, this is not how it works in 'reality' as Peter points out:

Peter: In a beautiful world, I mean this is reality, if we networked around employers in a particular industry, and got them to put a case that they would employ 10 or 12 people, if we did the training, Then, you [the provider] go and design a training programme, got it approved and presented it, and ran with it. That's how it is supposed to happen...

Ottilie: In theory...?

Peter: Ah, that's just good business. But getting those 10 employers that actually like each other to sit down at a table. We tried that basically in the security industry and it didn't work.

Ottilie: So what's the unwillingness on the employers' part? You would think they want trained people?

Peter: Generally, if you strip it back it's personalities. Generally they have been in the industry for ages and these people they don't get on. Either that, or competition. Because the trainees move around on work experience and

unfortunately it does happen that the trainees take the trade secrets round to all the others.

Ottolie: So they [employers] try to protect themselves?

Peter: I don't know really what that sort of situation is because I don't live in it, but that's what's been put forward – um. A classic um example of how hard it is, is that for every programme that we are running we are supposed to have an advisory panel, and that panel should be people from the industry um, but it's hard...

Peter noted that an advisory panel had been set up within the healthcare sector. The reason why this sector is making some effort to meet with providers was because they are in “crisis mode”. In other words, the healthcare sector is having trouble attracting and keeping workers. According to Peter, there are not enough people for the jobs and employers are having trouble getting the ‘right’ people for the jobs. The main reason, according to Peter, is that the employers have to be able to present something to the trainees that “is worth coming off the benefit for.” I asked Peter if he thought wages were too low and he replied:

Wages too low, not enough hours, or shift work, kids and transport - every single issue you can think about and every single employment barrier is in the healthcare industry. It's huge. And we [the providers] have got to address all that to get our guys [sic] the jobs.

When wages are low, it is harder for providers to motivate the trainees into work. Warren and Darryl (personal communication, 5 June 2002) also comment that some of the employers who regularly complain about labour shortages are offering wages that are too low to adequately cover the costs of working (e.g., transport, childcare and work clothing). Evidently, providers are not only responsible for addressing the trainees' issues, but also the broader employment-related issues.

On occasions, Peter (interview 3, 1/05/02) has made suggestions to employers about how they might respond to critical labour shortages. Peter offers an example of how one employer was unprepared to do anything to improve their options for hiring potential shift workers. Peter explains:

Yeah, [the workers] can't do this shift because they have the kids here, or no car, no buses, don't feel safe travelling home at 10.30 at night. So you have actually got to listen to them and listen to the employers and think of a

strategy. Ah, a classic one with a healthcare employer was they had four vans just sitting there in a carport overnight. Vehicles right there – [they] just could put someone in the drivers seat spin around. Just stuff like that. That’s a good idea, and the employer says, “That’s gonna cost too much!” Well, do you want people to work for you or not?! The cost is taking them home at night. Then you’ve got rid of the transport issue. And some of them said, “Yeah”, and some of them said, “No, why should we do that?” In the end it’s our loss because we could have got someone employed, but in the end, it’s their loss if they are not thinking a bit laterally how to get people.

It is increasingly apparent that training providers are burdened by a considerable range of tasks and responsibilities. The outcome and occupancy requirements, and the issues that arise due to poor relationships, all create extra work for the providers on top of their training work. I asked Peter if he sometimes feel that training courses are compromised because of these issues? He answered:

Um, I think if anybody, if I gave you an honest answer to that um, the answer has to be yes. That’s because it’s the staff involved to keep this thing going. So when they are involved in networking they are not involved in working with the students. So how you manage the week, and the contact hours is really, really important. So basically, the tutors are cruising round all the different employers and stuff, checking their [ex-]students and at the same time trying to build their networks, and that’s the expectation. That means they are not preparing for their next week. Or, they are up front [un]till 3.00-3.30 [i.e., tutoring], depending on when the brain-dead thing kicks in.

Consultation

The providers express mixed views on government consultation exercises. While Peter was relatively positive, the Arrow and Koru staff revealed a certain weariness and cynicism towards consultation in general. Although Robert (personal communication, 30 April 2003) engaged in various consultation exercises, he was somewhat sceptical of instances where the participants are unable to have open discussion and the framework is set by Wellington bureaucrats and a power-point assisted road-show. The Koru focus group participants felt that in many cases the government officials had already made up their minds, and the consultation only occurred because it was required, or as a public relations exercise. The following is an excerpt from the focus group about the consultation efforts of one government department that funds educational programmes:

Kath: They [the department] go and put out their recommendations. But their consultation process, they've already made their mind up on what they're going to do. But because the government says, the system says they have to consult...

Tom: So, they asked our organisation if we'd like to go and be part of this consultation thingy. It was - they sent out a booklet about this, a draft for us to read before we went to our hui¹⁴³ for the consultation, it was about that thick [Tom indicates approximately 10cm with his thumb and index finger] and I got it the day before we were supposed to leave. And then we would get over to the hui, they talk about now we want to know what you think of this. Oh how okay. I mean I said to them what a fucking farce. You ask us all over for a day's hui, to come over and talk about this. You send us a book this thick and whatever we say is not going to be taken into consideration because she said at the end of the hui she said it may not change this year but your recommendations will be taken. I said fuck!

Carol: But that's what Tom's saying, you know, they've written what they want. They consult by having a hui and then they can tick that little bloody box and then that's the accountability! So the accountability that they're sitting on us with now is huge, you know. And yet, and yet if they send us a kid, how long do we wait for the funding if we get it at all?

In this case the department referred to above was not Skill New Zealand or TEC. Even so, judging by the scepticism amongst the providers and my own observations of official review processes, there is some cause for concern about government consultation processes.

Peter (interview 3, 1/05/04) was, however, generally enthusiastic about the government review process. He commented, "The TOPs and Youth Review [2002-2003] was actually the only time that we had been invited as providers to a [consultation] meeting" (interview 3, 1/5/02). Although there are a significant number of providers in the Waikato, the nearest meeting conducted by the review team was held in Rotorua. Peter attended the meeting and said not many Hamilton providers were present. Peter said this was the first time he had ever been involved in anything like this, and he hoped it could happen again because he felt he was able to contribute. He was a bit concerned about the inconvenient timing of the consultation meetings and submission deadline in January 2002. I asked Peter:

¹⁴³ The Māori word for a gathering of people for the purpose of discussing specific concerns or interests.

Ottilie: So that Review was a good process and something you would like to see more of?

Peter: Definitely, definitely - quite time consuming. But I don't really see any other way to do it. And that's where providers fall down a little bit - that is, not taking the actual time to contribute to something like the reviews and processes that are out there to have a say.

Ottilie: Is it hard if, say, you are short staffed?

Peter: Yeah, but it's one of those priorities things. For each PTE it would be different.

Ottilie: That's true.

Peter: Um, that's the only review process I am aware of. Otherwise, there's the ongoing negotiations with the Skills Advisor - but on a current contract, and a contract can't be changed.

Overall, major changes in training policy objectives and processes occur with minimal consultation with providers. Changes are seldom accompanied by wider discussion or debate. This leads not only to a lack of consensus about what training is, what it is for, or how it is supposed to work. Although MOYA conducted open processes where they consulted widely with youth advocates, community groups, youth workers and young people themselves, this knowledge has not been applied in a significant way to wider labour market and training policy implementation. Since MOYA has become MYD (Ministry of Youth Development) the ministry has been 'streamlined' to fit with MSD policies and procedures, which tend to emphasise results-orientated management, rather than community engagement.

What is expected of trainees?

As mentioned earlier (see page 200), providers are under pressure to screen potential recruits in order to establish whether they are ready to embark on a pathway into work. Providers devise their own priorities and methods for screening recruits. A typical Training Opportunities provider response is reflected in comments by Bill, "We can really only work with people who are ready to work" (participant observation 6, 4 July 2002). Table 6.1 (see page 217) lists a selection of Training Opportunities providers in Hamilton and their stated entry requirements. The requirements indicate a selection process whereby the more difficult trainees are less likely to be admitted to courses. There are only a few courses offered by training providers such as River City Training

Academy Limited that do not stipulate the requirement that trainees (or learners) are already relatively employable prior to a course.

Table 6.1: Provider expectations of the learners/trainees

Provider Name	Entry Requirements¹⁴⁴
Job Finders Ltd	Must be deemed work-ready.
Apostolic Training Centres Ltd	Must have a desire to set a pathway and plan to get a job.
Hamilton City Council	Aims and objectives are to place work-ready trainees into employment.
K2 Training Corporation	Learners must have a real interest in computing or office work, a willingness to learn and participate and a desire to achieve.
Insight Ltd	We train for employment. POLICE CHECK mandatory. Previous convictions may not preclude you. PHYSICAL PRESENTATION reasonable level required. [emphasis in original]
SPI Institute Ltd	All learners must complete a police check. Learners must also demonstrate the willingness to commit and work in the Industry.
Step Ahead Training Ltd	Learners should be focused on a job in hospitality/fashion.
Hamilton Furniture and Life Skills Training Ltd	As part of the enrolment process, potential learners must be clear on why they want to join this programme and have a desire to progress towards employment.
Puketaha Trust	Learners must be enthusiastic and motivated towards learning with a final focus or pathway leading to sustainable employment in their chosen career aspirations.
Waikato Institute of Technology (WINTEC)	Learners will need to have a level of fitness sufficient to complete the practical aspects of the programme, along with a willingness to learn, a good attitude and character.

Source: Author

Peter (interview 3, 1/05/02), explained how the outcomes create the necessity for trainees to always be ready for a job. This means his organisation has a stronger focus on training for employment rather than training for further education, and the trainees have to be ready to take a job at any time while on a course, and not just at the end, or

when they have finished their units of learning for that course. The following are selected excerpts from the interview with Peter (4/7/02):

With the focus on outcomes, we have decided to do most of our promotions with questions which basically, strip down as, “Do you actually want a job?” So we will not offer anyone any places if the answer is “no”. The answer can be, “Yes, but in a couple of years after I have done um, like to create a pathway.” And we can help them. But they have to have a desire to get a job. Whether they get a job from us um straight into employment, or whether they work through a few courses to get to that job, that’s cool. But if they don’t want a job well, see ya later, we just can’t afford to take you! But generally, if the desire for the job is there, then the desire to work through how to get there is there as well.

That’s our focus training for employment, it always has been regardless of contracts. Contracts reinforced that obviously. But training for employment says, well you’re halfway through gaining your national certificate and here comes an opportunity, we will present it to you and you have to make a decision, whether to take the job or keep training.

But yeah, who do you actually recruit? Who we recruited last year cost us our contract! The jobs are there and if the people actually didn’t turn down the job um that was offered to them, that they had a good chance of getting, we would’ve easily made our contract.

So the student expectations are paramount. So, [we say] here is your goal, but you’ve got to be prepared to do this. You don’t know when, and you don’t know where it’s going to go, but sooner or later on this course you will get presented with another opportunity. Because if they wait for the end of the course it might not be there.

What do trainees expect?

The regular participant observation at the Arrow and the two five-day camps with a large group of providers and trainees created opportunities to speak informally with trainees about their aspirations and expectations. Invariably I got the response that the trainees want a job, but they find it difficult to enter the labour market and gain experience. On one occasion I participated in a workshop and the trainees were quite forward in asking me who I was, and what I did (participant observation 2, 22 April 2002). They kept asking questions so I explained what a PhD was, and why I was doing one. I said I was researching training courses because I wanted to see what the government was doing about unemployment in New Zealand. I asked the young people

¹⁴⁴ Direct citations from the Training Directory on the TEC website www.tec.govt.nz

present, “Maybe you guys [sic] have some ideas about what you need and what would work for you?” This question sparked their interest and I received the following comments:

Raewyn: It is hard for us to find jobs.

Mandy: I want a job because I want to be rich.

Craig: Employers want people with experience, but how can you get experience if you can't get a job?

I asked the trainees if they would be prepared to work for lower wages while they were being trained, in order to get experience. Their responses included that they would, but employers had to give them a chance and most employers don't think 'youth' are any good. Their comments were as follows:

Mandy: They think we are unreliable.

Craig: People think that we are unmotivated.

Jim: We want jobs, but it is hard.

I asked Jim what he meant. Jim (a second generation refugee) replied:

I turn up for an interview and they always make an excuse that they don't need me. I think that they only want to hire Kiwis.

Jim seemed to have compounded disadvantage in the labour market due to being young, inexperienced and looking like a 'foreigner' (even though he had grown up in New Zealand and had a Kiwi accent).

While this research is not a detailed study of the trainees' points of view, the two youth-camps provide some insights and an appreciation of the pressures on young people to perform in a highly competitive labour market. Clearly, in this context certain individuals and groups are less likely to succeed. Young people react to this situation in a variety of positive and negative ways, and many of their behaviours or attitudes can be interpreted as survival responses or efforts to make the best of a bad situation. The training providers' task is to facilitate a positive reaction to society and labour market conditions, so individuals might anticipate a niche for themselves and thus begin a journey towards their self-actualisation as independent adults. Training requires not

only the acquisition of vocational skills and workplace competencies, but also a process of self-development and positive integration into society.

Survival strategies

My research demonstrates providers have reacted to the dilemmas surrounding outcomes and the relative disadvantage of trainees in three ways. First, providers such as Peter (interview 3, 1/5/04) exclude the more difficult cases from their courses and operate as flexible and business-orientated providers. Secondly, ex-providers such as Pam (interview 4, 17/01/02), and many others spoken with at conferences or other events, admit they have become very discouraged by the ethical dilemmas. For some, such as Pam this has been the deciding factor in leaving the sector altogether. Thirdly, another group of providers, such as the staff at the Arrow (interview 1, 22/04/02) and the Koru (focus group, 16 April 2002), are troubled by the ethical dilemmas. As a consequence, these organisations no longer offer Training Opportunities courses, but have sought alternative sources of funding¹⁴⁵ so they may continue their work, albeit on a much reduced scale.

The flexible business-minded provider

Providers such as Peter have devised a range of strategies for reducing the risk to their organisations, including multiple-provisioning and flexi-placing, only admitting work-ready trainees and having a good relationship with their Skills Advisor. Multiple-provisioning involves offering a range of training courses responsive to the demands of the local labour market and employers. Therefore, if one course does not do well and funding is stopped, the organisation can survive on the basis of its other contracts. Where possible, staff are moved to tutor in different courses, although Peter admits he sometimes has to let staff go. Flexi-placing involves shuffling trainees and staff between the different (i.e., multiple-provisioned) courses in response to labour market fluctuations and outcome results. Peter expects his trainees and staff to be flexible and to make the most of whatever opportunities he presents them with whenever they arise.

¹⁴⁵ There are limited funding sources available for more narrowly targeted services for mental health patients, youth at risk, first-time offenders, people on parole,-women re-entering the workforce and, in some instances, mature workers who have been made redundant.

Yet, at another point in the interview Peter implied that changes (or flexibility) can affect training:

Peter: You have got the staff, the programme, the students, so if any of those things change you have got an entirely different mix. So if a student comes and goes, whoosh you've got a totally different mix. That happens regularly. If people [trainees] go, you have to replace them.

Ottilie: So you are saying that's unsettling for the other students?

Peter: Oh totally for the students and the staff because of the relationship stuff. There's always conflict - um, there's always dynamics. The tutors need to manage all of that.

Throughout the interview, Peter spoke very highly of his staff and the incredibly challenging work they do for relatively low wages. Clearly, it is not a straightforward task to deal with the variations of labour market outcomes and the need to maintain some kind of organisational continuity (i.e., staffing, resourcing and capital development) by juggling, or moving staff and students around. While the flexibility demonstrated by providers such as Peter (interview 3, 1/05/02) might seem like a desirable characteristic, the changes tend to be largely driven by performance measurement, rather than organisational or pedagogical requirements. There is no guarantee this outcome-induced flexibility improves the quality in programme delivery, as it can instead create conditions of uncertainty and disruption affecting both staff and students.

Multi-provisioning and flexi-placing are strategies devised to spread and minimise the risk. These strategies do not necessarily ensure the needs of the trainees are met. Even if an industry is buoyant, there is still a risk for providers if they admit trainees to their courses who do not perform appropriately in the allocated time. Hence, the second survival strategy employed by Peter is that he only works with people who are ready to move into work. This translates into the expectation that trainees will put employment before training. Given the tight two-month outcome time-frame it is understandable that Peter encourages the trainees to actively apply for jobs during their training, even if gaining a job means they do not complete the qualifications they have been working towards. Peter admitted that many of the trainees are unhappy with this situation. Peter (interview 3, 1/05/02) explained:

And the other message is training for employment. Not training for education. So, we struggle with that one quite a lot. Training for employment says, well, you're halfway through gaining your national certificate and here comes an opportunity – we will present it to you and you have to make a decision, whether to take the job or keep training. When it lines up really nicely, they will be able to continue their training on the job, but that isn't always the case.

Unfortunately, for Peter, the trainees did not cooperate with this strategy in the previous training contract. Peter claimed that even though jobs became available in the middle of a training course, the trainees were unwilling to accept them. This meant that the final outcomes were unsatisfactory and he lost that particular contract. He explained:

We gave them [the trainees] the opportunity to quit [the training] and they weren't ready for it. The biggest reason is, "No, I want to finish the training." We worked really hard to get them to set a goal to achieve their training. And then in the middle of their goal, you go, hey what about this? They go whoa hang on a minute, I'm supposed to be setting a goal to get my units.

Peter's third survival strategy involved his relationships with his funding agency representative. I asked Peter how he responds in situations where the outcomes outlined in the contracts are not met. Peter replied, "The key thing is relationships. Providers will suffer if they do not have a good relationship; ah that's what it's like" (interview 3, 1/5/02). Although Peter had not met the outcome expectations in the last year, which threatened the renewal of the organisation's yearly contracts, he was encouraged by his relationship with the newly appointed Skills Advisor because as he said, "We struck it off quite well on a personal basis."

The disillusioned provider

In general, the providers in the study revealed a sense of weariness with the pressure of change and the fight to justify their existence. Some organisations have viewed the changes and pressures as somewhat inevitable and have resigned themselves to playing by the new rules. In the course of the research, I spoke (informally) with people who had previously worked as training providers, but had left the sector because they were disillusioned. They invariably stated that the rigid outcome measures were the reason for their disillusionment. A dispassionate counter-argument might well be that perhaps

these people had to leave the sector anyway because only the most effective organisations and people should survive.

Yet, the disillusioned providers spoken with, believe that the all-important outcomes are a flawed means of determining effectiveness (from the point of view of assisting the disadvantaged unemployed), so much so, that in their view the current system compromises professional practice. In many cases, outcome results are the result of exogenous factors such as labour market fluctuations, or related to the variable characteristics of the trainees. The variability of the labour market and trainee needs means it is difficult (and perhaps misguided) for providers to always be reaching for narrowly specified outcome targets in order to survive. These ex-trainers frequently admitted to an ethical discomfort about the outcome measurement system and the choices they had to make to satisfy its requirements. Their choice to leave the sector was usually a difficult one because they felt they were turning their backs on their colleagues, the unemployed, the *rangatahi*¹⁴⁶ and their communities. Their decision to leave the sector was not because the social needs were decreasing (often the opposite was the case), but because they felt the funding levels were far too low and because the system was too counterproductive to work in.

Interview 4 (17/1/02) was with an ex-trainer in the South Island. Pam was originally trained as a drug and alcohol counsellor, and she began by speaking about her extensive background in community and voluntary activities and as a life-skills tutor on TOP and Youth Corps courses. I mentioned I had a particular interest in providers' views of the summary of my conversation with Pam follow in Table 6.2.¹⁴⁷

¹⁴⁶ Māori word for young people. The Māori providers who used this word showed deep concern about the effects of social/economic issues on rangatahi and young peoples' ability to begin to develop positive adult lives.

¹⁴⁷ The interview with Pam was unrecorded. Following the discussion I typed a summary of our conversation and sent this to Pam and after a few changes were made she gave her approval that it was an accurate record.

Table 6.2: Pam's story

17 January 2002

Paraphrased documentation of the main points made by Pam.

The current set-up of the TOP and the Youth courses have a number of aspects to them that are counterproductive. There are positive courses and some of the providers and tutors do work hard and achieve some success, but the way it is all set-up and operated creates a whole host of other problems that can cause more harm than good.

Due to the level of disadvantage experienced by the trainees the outcome measurement requirements are often quite unrealistic and unhelpful. The obsession with employment outcomes disregards other forms of progress and can be rather self-defeating if there are few jobs available.

Pam was concerned that the targeting of trainees by listing what they haven't got, as you can only be eligible for a TOP course if you haven't got something. This is a form of labelling that reinforces the person's sense of disadvantage, hopelessness and lack of self-worth. It also means the community and tutors view trainees in a more negative light.

Another problem is that grouping all these disadvantaged people together on a course together is damaging due to peer pressure and the social dynamics that are created. If there are people present with severe problems, they tend to influence and affect the rest of the group very negatively (who are often vulnerable). So the TOP course can actually become a place where they meet with, and learn from other people who are engaging in detrimental activities, such as substance abuse and crime. These people, who are usually already in a negative state, are thus in a group with other negative people, which perpetuates negativity.

As a tutor you can't teach positive life-skills from a book, or by watching a movie. People need to come into contact with positive people or role models and need to experience different possibilities for living and developing more positively.

Due to the fact that most of the courses are severely under-funded, and because they underpay their staff, the trainees actually feel like they are just being 'dished out the dregs'. This reinforces their antagonism towards a society that views them as a 'problem' and undeserving of any real assistance.

Pam had lots of ideas about how training schemes could be improved and how the needs of the unemployed and marginalised groups could be better served. She had tried to set up a youth centre, but this had not survived due to a lack of continuous funding. Pam said that she no longer could afford to do this type of community work on a voluntary basis, or on a miniscule income. Pam was quite angry with the disparities that exist between the governments resourcing of different areas. Most community projects and social work are expected to run on a very thin shoe-string, and everyone has to account for every cent they spend. Meanwhile, whenever Pam has attended conferences she has been appalled by the ease at which money is spent on flash brochures, satchels, give-a-aways, lavish meals and expensive accommodation. This spending was okay, whereas her organisation struggled to find enough money to photocopy leaflets for young people on sexual health!

My response to this conversation was a sense of disappointment that someone with expertise, community interest and leadership ability had tried to make things work, but had finally given-up. Why aren't systems set up to work with and not to hamper the efforts of dedicated and resourceful people like Pam?

Pam (interview 4, 22/4/02) commented the current training schemes are a very limited option. Unfortunately, the training schemes are one of the few options left for organisations attempting to work with the unemployed and there are now even less options for more disadvantaged unemployed adults. The Koru and Arrow respondents and many other providers spoken with informally at conferences and at youth-camps appear to be veterans of community work. Their work began as a response to the rapid rises in unemployment levels in the 1980s and 1990s. At this time, these providers were part of a significant group of people who set up organisations across New Zealand organising job creation, employment substitution programmes, retraining schemes and community development projects (Boswell *et al.*, 1990). In the 1990s, these grassroots organisations slowly fell apart or were reorganised into more efficient and businesslike institutions offering more narrowly specified training schemes. Many of the people who worked so hard to assist the unemployed gave up, or moved to other causes because it was too difficult to find viable ways to meet the needs of the unemployed.

The alternatively funded provider

During the research, I came across providers who said they used to run Training Opportunities courses, but had stopped because of the difficulty of meeting outcome targets. Both the Arrow and Koru refused to become too business-like, as this compromised their original intentions of addressing the needs of disadvantaged unemployed people. Their stance has meant they have lost funding and contracts, so they now rely on other sources and operate at a reduced scale. While these organisations are at least still in existence, survival has been difficult and has taken a toll on staff. These organisations have not been able to expand in the ways they have wanted and they have only been able to offer services to restricted groups. In some cases, however, community organisations do succeed in securing alternative funding sources to maintain their work. Overall, there is currently less funding available for

employment assistance schemes for adults, although there is some earmarked funding for specific initiatives that target youth justice or mental health clients.

Currently funding that is less rigidly specified by employment or further education outcomes, is targeted mostly at youth (12-19), high school ‘dropouts’ and young offenders. This means that the Koru and the Arrow are unable to offer training to adults, and receive less funding to train so-called non-delinquent people. The providers observed that increasingly funding for their holistic form of training only appears at-the-bottom-of-the-cliff. Disadvantaged unemployed individuals must have a serious mental health breakdown or commit crimes in order to fit the categories where funding is still available. These providers expressed concern that any funding they are able to access is highly vulnerable to political mood-swings and politicians looking for an easy target. For example, a majority of the trainees at the Koru and the Arrow are Māori. This reflects the relatively higher levels of unemployment and lower educational achievement amongst Māori and not, as some political agents have suggested, racial favouritism (*New Zealand Herald* 2004).

The Koru and the Arrow staff and other providers spoken with said the Youth Corps courses funded by MOYA offered them greater autonomy to work in ways that fit with the needs of the trainees.¹⁴⁸ Respondents spoke highly of MOYA and the department’s model for working with training providers. On two occasions, I observed MOYA staff present at sporting-cultural events organised for the trainees. The providers were comfortable with the presence of MOYA staff and I overheard many conversations where it became clear providers could vent concerns and share experiences with the MOYA staff in a relaxed manner. The Ministry provided financial support to the events, and it was clear from the *pōwhiri* that the MOYA staff were honoured guests. On another occasion, I was invited to sit in on a hui arranged between a provider and MOYA staff. The essence of the hui was one of cooperation, where the provider and funder (MOYA) were making every attempt to support each other and work together to solve the issues and secure the survival of the training organisation. The emphasis on

¹⁴⁸ As discussed in Chapter 2 (page 134) and Chapter 5 (page 210), MOYA no longer exists as a separate ministry and there have been significant changes to processes and relationships between providers and funders of the Youth Corps programmes.

cooperation and relationships does not mean MOYA are relaxed about the financial operation of their providers. Because of the limited budget for the Youth Corps policy, MOYA are extremely careful to select providers that can demonstrate sound financial management.

The providers spoken with said they found the Youth Corps policy and accountability systems administered by MOYA much more workable. A respondent in a focus group made the following comment, “The Ministry of Youth have a really wonderful programme because it’s quite flexible” (focus group, 16 April 2002). The following conversation with Darryl, also a Youth Corps provider (personal communication, 4 June 2002), was noted in my field diary at one of the youth-camps:

Otilie: Do you run TOP courses?

Darryl: We used to run TOP but we don’t anymore... too rigid, too many restrictions. We only do the Conservation Corps now.

Otilie: Do these courses run under similar pressures?

Darryl: Nah, they work from a totally different kaupapa, a conservation ethic.

Otilie: Are the students ready to move on after six months?

Darryl: Yeah, definitely!

Another provider at the same event, Bill (personal communication, 4 June 2002), showed his enthusiasm for the Youth Corps courses:

These programmes are unreal. The courses are really flexible. We can do such a range of things, change it when we want. The TOP courses just do a narrow range of things, same each day. [The trainees] Don’t get such a wide range of experiences. That’s what they need because some of them come from pretty tough backgrounds and [have] been through some pretty bad stuff.

What Bill and Darryl were implying when they used the word flexible was different to the expectations of provider flexibility accompanying Training Opportunities funding. From my observations, it was clear that MOYA staff bent over backwards to be flexible by listening to the providers, hearing their concerns and suggestions and if at all possible supporting providers to make changes or try innovative approaches. The flexibility demonstrated by ministry staff and with the Youth Corps courses increased

goodwill and allowed for more context specific and immediate decision-making and problem solving.¹⁴⁹

I had contact with MOYA staff on numerous occasions during visits to Wellington. Ministry staff also made regular site visits to the Arrow to meet with the trustees and attended both of the youth-camps. This interaction between MOYA staff and providers was possible even though MOYA were a very small ministry with only one office in Wellington. The MOYA spoke about the providers with great respect and granted them a high level of autonomy because as Neil (personal communication, 5 July 2002) commented the providers are the experts when it comes to training, and MOYA are just here to support providers in what they do. The MOYA staff emphasised the importance of building long-term relationships with providers they can trust, rather than being purely outcome driven. Clearly, outcome statistics are still important because this is what the Minister takes note of. Yet, Neil said that MOYA staff tried to do what they could to understand and assist any provider who recorded poor outcomes. The MOYA staff, such as Lisa, made it clear that the cooperative approach stood alongside rigorous financial management and meticulous reporting to ensure they were maintaining quality.

Another reason why the providers preferred working with the MOYA Youth Corps policy is that there was a longer six-month time-frame for the post-course outcome measurement and MOYA also considered qualitative information in its funding decisions. Until recently, MOYA placed a strong emphasis on developing trust and cooperation in their relationships with their providers, and maintained regular contact with providers. There was some effort to listen to provider feedback and to address issues and conflicts in mutually beneficial ways.

Since the 2004 restructuring, Robert has repeatedly expressed concern that some of the key MOYA staff had been replaced and the unique aspects of the Youth Corps policy could be lost. The Koru and Arrow staff maintain that despite its small size and limited

¹⁴⁹ Recent contact with providers suggests ministry staff have less contact with providers and have become increasingly rigid and rule-bound in their reading of the Youth Corps policy.

budget MOYA had an excellent track record, both in terms of financial management and in their coordination with providers, youth sector services, groups and young people themselves. These respondents also maintain MOYA operated from a holistic model that fitted well with the philosophical orientation and purposes of their organisations. A major drawback to working with MOYA (or MYD) is that providers can no longer offer their courses to all unemployed adults, only to those who qualify as youth.

When this research began in 2001, there seemed to be relatively few community-based training organisations left in Hamilton that were actually able to offer services to all disadvantaged unemployed adults. Although the Training Opportunities policy no longer actually addresses the needs of the most disadvantaged unemployed adults, other organisations have emerged which have managed to create new ways to respond to this need. The most significant in this respect is Te Wānanga o Aotearoa (TWOA), which received official Crown Tertiary Status in 1993, as a unique Māori provider of tertiary education. The Wānanga was set up in a distinct arrangement with the Crown, to offer a service for Māori. Many of the stipulations of the training policies such as narrow outcome measures did not initially apply, so most of the Wānanga courses were primarily cultural, rather than active labour market initiatives. The main emphasis for the Wānanga was to teach Māori language and culture, although vocational and business training courses are now also on offer. In 2001, the Wānanga was still operating at a fairly modest scale and catering mainly to Māori needs. In 2005, however, the Wānanga has emerged as New Zealand's largest tertiary provider with over 20 campuses and in 2004, there were 66,756 students of which 51 percent were non-Māori (TWOA 2005).¹⁵⁰

In 2004 and 2005, the Wānanga came under considerable financial and political scrutiny. The Minister of Education Trevor Mallard refused to advance \$20 million unless the Wānanga complied with a quota to ensure that 80 percent of the students are

¹⁵⁰ The significance of the Wānanga as a training and education facility for the most disadvantaged unemployed people regardless of ethnicity was not apparent in 2001, and therefore the Wānanga was not included as a case study.

Māori. This led to widespread protests by Wānanga staff, supporters and both Māori and non-Māori students. This situation demonstrates some of the unique contradictions and complexities in terms of the role of the Wānanga in the training sector, and the overall lack of options for the most disadvantaged unemployed.

Why do providers do this work?

One of the founders of the Koru, Tom (focus group, 16/04/02) explained in an in-depth informal communication how he reached a turning point when he realised he had to do something for the rangatahi in his town. In the mid-1980s while recovering from a serious accident, Tom suffered months of pain-induced insomnia. During such pain attacks, he would go for a drive and he was amazed by the number of young people 12-16 years of age, many whom were Māori, “hanging out” on the streets at 2.00am in the morning. Tom explains:¹⁵¹

I mean what were 12 year olds doing out there at 2.00am? They should be at home tucked in their beds like my daughters. Night after night, I saw the same thing. Why were they doing this? Then one night [Tom even remembered the date in 1985] I suddenly stopped in my tracks - because there is no *aroha* [love] in their homes!

Tom’s realisation about the lack of *aroha* eventually led to the birth of the Koru and its founding principle of *whānaungatanga*, as the guiding philosophy to care for people and to effect positive change in their lives. Everyone who arrives at the Koru is considered a part of the *whānau*. This offers the trainees a sense of belonging and being cared about, but it also provides a framework for learning self-respect and respect for others in the group. Carol (focus group, 16/04/02) explains how the concept of *whānaungatanga* is the rationale for what the organisation does, and how it guides the way staff work with the trainees:

Well this organisation [the Koru] is founded on *whānaungatanga*, which is just family really and for us that’s probably how we would instil self-esteem. It’s no different to any other family in that you’re accentuating the positives, so you’re not teaching specifically as in sitting down and doing life-skills. But, you are what you say you are. So everybody here is part of a family that contributes to the positive growth of any one person. So that

¹⁵¹ The following is a paraphrased excerpt from the field-diary. This conversation with Tom was spontaneous and I recorded the main statements as well as I could remember them immediately afterwards.

includes staff, kids, kids with other kids out there, so that constantly, if you're working as a family, generally speaking families are supportive of each other. So while like Mike says they're a bunch of little shitties out there doing the wrong thing. We're saying to them what you're doing is wrong, we're not saying what you *are* is wrong, but what you're *doing* is wrong.

Peter (interview 3, 1/05/02) is committed to his work because he believes training changes lives, and he has seen many instances where young and/or previously unemployed people have made it into the workforce, thereby improving their lives. Peter also believes the policy changes in the training sector are inevitable, and instead focuses on what he sees as new opportunities. In his view, it is up to providers to move with the times and become more business-minded. While Peter does care about offering a high quality service to the trainees, he did not express concern about meeting the needs of the more disadvantaged unemployed individuals. His primary concern was attracting enough suitable trainees, which is not the same thing as meeting the needs of the community.

The Ark does, however, manage to ride the rough times because it has diversified into other income-generating activities alongside training provision. Peter's organisation generally delivers better outcomes, which earns the Ark greater regard with funding agencies. I asked Peter to explain the main reasons why potential trainees are turned away from the courses offered by the Ark. He replied that in recent cases he had rejected people because they had not demonstrated good attendance. On further questioning, it became apparent transport and child-care problems were the most frequent underlying causes of poor attendance. Hence, the very reasons why some people find it difficult to obtain employment are also impacting on their ability to access the training offered by this provider.

It was not until a much later stage that I asked Robert (personal communication, 23 September 2004) why he did this work. He was quiet for a moment and then replied that this was a big question, and one he asked himself every day. After a pause, he replied that he does this work because he believes in it, because he is good at it, because it works and because there is nothing else like it. Earlier in his career, Robert

had taught at a private high school, which was a worthwhile experience, but he realised he could not work in such a rigid system. There was nothing to stimulate his visions of pedagogy and creativity, so he decided to create it himself. Looking back his main regret is that his training organisation has not been able to grow; in fact, it has shrunk to a point where it is barely sustainable. This is, however, preferable to “selling out” and offering something that does not fit with the organisation’s philosophy. In contrast, a slightly larger organisation offers greater dynamism, opportunity, collegial support for the staff and reduces the tendency to look inwards. The trainees would also benefit from interacting with a more diverse range of people. It was never Robert’s intention to work with narrowly targeted groups (i.e., youth or offenders) because he feels that this targeting model has the effect of clustering certain ages, classes, ethnicities and trainees with negative behaviours, while restricting possibilities for wider social and cultural interaction.

On many occasions Robert has been quite despondent about working in the training sector, which he claims has become much harder and he wonders if he can continue much longer. The trainees have many more serious issues and the funding and policy environment has become incredibly rigid (given Robert’s earlier comment this probably means that the work has less appeal). At the same time he has had difficulty attracting and retaining younger staff who would be willing to step into his shoes and take a greater responsibility in the organisation. It seems as if there are too few people with the skills required, who are also willing to make the personal sacrifices in order to do this work.

Conclusion – other people’s voices

In this chapter, the task was to extract the main themes from the mass of fieldwork data. This process involved making an effort to listen intently and withhold judgement, so that the essence of the respondent’s thoughts and experiences could be revealed. It was one of the most rewarding parts of the research and a good antidote to the inevitable isolation of the PhD. Having the opportunity to be connected to community organisations has been invaluable in the way that it informs my academic practice by

adding other people's voices to the authoritative and, at times, abstract academic and/or policy discourses.

The next chapter draws first, on the field research, but also on policy documents and literature to compile the major recommendations made by providers, funders, policy-makers and other interested parties. The second intention of the chapter is to offer my own reflections and recommendations that have consolidated in the process of doing this research.

Chapter 7

Recommendations

First, this chapter begins with a discussion of the recommendations made by people encountered in the field research. Secondly, the major recommendations of a government review conducted during the main field research period are outlined. Thirdly, the major recommendations emerging in academic literature are examined, concentrating mainly on Aotearoa/New Zealand, and some European and British sources that discuss the role and purpose of training schemes for disadvantaged unemployed people. The final section, presents a case for a community development framework to offer a platform for changes that might enable training schemes to work more productively and effectively for all concerned.

Recommendations from respondents

The fieldwork respondents (most of whom are providers) not only make various suggestions about the measurement of outcomes, but also about the role of training in relation to unemployment in their communities, about course content, relationships, professional standards and feedback mechanisms, and input into policy. The field research focused less on recommendations from individual State agents because they are generally expected to follow the official discourses of whatever institution they are working for (Stolte 2001). However, the MOYA staff demonstrated interest in discussing different ideas and possibilities.¹⁵² The main recommendations are organised into the following themes - feedback and partnership, relationships with government agencies, relationships with employers and industry, outcomes, eligibility criteria, targeting or need, and general recommendations. At times, the providers in the study are referred to collectively rather than individually. This is done to reflect the synthesis of recurrent themes or ideas expressed by the majority of providers spoken with both formally, and informally.

¹⁵² The reorganisation of MOYA near the end of this study means that the Ministry now operates differently than during the field research period.

Provider feedback

The majority of the providers in the study feel they would like more opportunities to give feedback, and they would like the funding agencies to recognise their expertise and on-the-ground knowledge. There is, however, some difference in the views about the existing systems and processes for recording provider feedback. Peter wants to see more government reviews similar to the 2001-2002 review; Robert has some reservations about such reviews; whereas the Koru staff are sceptical of most forms of government consultation.

There appear to be three main reasons why providers want funders and policy-makers to listen to their views, experiences and concerns. First, to ensure policy agents gain an appreciation of the diverse challenges and constraints the providers face in working with disadvantaged unemployed individuals and in contemporary labour market contexts. The second reason is to improve the practical operation of training policies. After all, how can policies work effectively, if policy-makers largely overlook the issues and constraints at the implementation level? Thirdly, better communication between providers and State agents could improve problem-solving, long-term planning and build capacity in the sector. The providers frequently emphasise that their work is becoming harder, as certain groups of unemployed present with more complex issues and greater disadvantages. Without robust training sector organisation and coordination, it is hard to see how training organisations will survive to assist unemployed people with the greatest needs.

Policy agents generally argue that providers can express their views at any time to their Skills Advisor or other agency staff. Current systems and processes, however, seldom allow the providers to express their views on their terms, or to express questioning or challenging views. The providers spoken with say that they want a system that invites regular opportunities for feedback and suggestions based on their practical experiences of service delivery. They want a system where their knowledge is valued, and fosters a greater awareness of the whole gamut of experiences and challenges they encounter as service providers. The preference is for feedback systems that allow for an open exchange of ideas and concerns, independent from contracts and outcomes.

Partnership and trust

The funder-provider split and competitive quasi-market for Training Opportunities are assumed to create a more efficient, transparent and responsive training sector. The providers argue that the competitive model creates a low-trust environment that is incompatible with the attempts to build partnership and cooperation between the public sector and third sector organisations. A MOYA manager, Lisa (personal communication, 5 June 2002) mentioned she would rather work with a few good Youth Corps providers and build long-term relationships than ‘chop and change’ with each contract. All long-term providers must be trustworthy, have impeccable financial management and a constructive attitude. Lisa commented that their objective, as the funder, is to create an atmosphere where providers are able to share the good and the bad news. That way issues can be detected and addressed earlier to avoid further complications and miscommunication. According to Lisa, long-term trusting relationships with providers create more stable training institutions, which can then build on their knowledge base and thereby offer high quality programmes. In other words, capacity building in the training sector takes time and requires the consolidation of relationships, experience and expertise. The MOYA staff spoken with, seemed to be enthusiastic about providers who operate from a social, developmental and/or conservation ethic; and they valued partnership, rather than believing providers should fend for themselves in an anonymous, competitive market.

The Koru focus group participants were concerned about the general lack of trust and the need for genuine partnerships based on mutual respect. Carol, Tom and Anne explain how the current emphasis by policy agents on learners sounds good, but this is in fact driving a greater wedge between providers and funders:

Carol: Some other things I've heard is that we're [the provider] here for the learners. We hear about the learner, the learners you know they [Skill New Zealand] tell us this and they are not there for the providers. They're not going to prop them [providers] up if they're no good, or I mean I'm thinking well what about partnership, you know. We're all in this boat together, we're all trying to solve this problem of, you know, together, why do we create this artificial thing?

Tom: If the people are learners then, who delivers their programs? And we're the ones that become their [the funders] partners!

Anne: The other thing is I don't think that they [government agencies] are there for the learners. They go out and they check out the market and they see where these jobs need to be, you know, where they would like people trained. Then they come back and they say, "Providers we want you to have these type of programs available." Now you tell me where are the learners [trainees] in that? They don't go to see what the learners are like. I mean it's like when you go down to WINZ, they say to you, "Give me five jobs that you want to go into." How the bloody hell does anybody know when the market is so unstable? As far as this organisation is concerned, we want to be informed, we want to be part of the policy. We don't want to be part of their policy that's already written, we want to be part of the policy design stuff. We want to be saying to government because we work with the people down there, the people tell us what they need, we want to be saying that to them, well that policy sucks!

A recommendation made by Peter (interview 3, 1/05/02) is that providers such as himself should be able to "have a go at case management" (see page 205). While understandable as a survival strategy, Peter's response is largely a consequence of agencies working at cross-purposes. It would be better if the conflicts of interest between Work and Income and providers were reduced. Effective planning, consultation, and communication between Work and Income, TEC and providers could ensure that there is less duplication of courses. The relationship between Work and Income and providers might improve if WINZ liaison and case management staff are allocated sufficient time to become fully informed of all the courses offered by providers in their localities. Then, case managers might be more likely to pass such information on to their clients, the unemployed people. As discussed in Chapter 6 (see page 207), Work and Income case managers are under pressure to direct the unemployed to in-house courses rather than to providers. This conflict of interest between Work and Income and the providers, creates tensions that further erode relationships.

Relationships with employers and industry representatives are currently inconsistent and less than ideal. Providers maintain that unless an industry sector risks significant skills shortages, there is little impetus from employers, industry leaders, or the State to become involved in training or to support the providers. Only in rare cases, are training schemes for adults operating in a meaningful partnership with employers, and are

trainees assured direct access to new or existing jobs.¹⁵³ Providers feel they are largely dealing with training, unemployment and local skills shortage issues on their own. Wider recognition and ongoing support from the State and the private sector could significantly improve morale in the training sector.

My ongoing contact with staff at the Arrow indicates that relationships between the providers and funders of Youth Corps have deteriorated since MOYA was restructured and renamed MYD in 2004. In an informal exchange, Robert (personal communication, 23 September 2004) comments that MYD staff now seldom offer positive encouragement and the tendency is only to hear from the Ministry when things go wrong. He surmises that MYD staff are under order to operate on a strictly ‘need to know basis’ in their relationships with providers. Robert’s suspicion is that this newly created distance means the Ministry faces less provider opposition if they decide to cut programmes or contracts in the future.

Outcomes: changing the system

Providers state repeatedly that the outcomes measures used to evaluate Training Opportunities and Youth Corps¹⁵⁴ courses do not reflect the social context, exogenous factors, or the variability of trainees’ needs. The outcomes are crude measures that do not take any account of the context in which training providers operate. This means funding decisions are made on the basis of incomplete and inadequate information. Training practice occurs in a social context, but the only information that feeds back to the policy level is in the form of decontextualised outcomes, which are the primary evidence that guides future funding decisions. This dilemma is portrayed in Figure 7.1.

¹⁵³ The Gateway programme is the main integrated youth initiative, which involves education, training and workplace experience. Gateway is supported by the State, secondary schools and transition educators with incentives for employer input. However, such schemes tend to focus on youth and school leavers and often have age limits. In comparison, there is a relative absence of integrated labour market schemes for adults over 25 years of age.

¹⁵⁴ During the course of this research, MYD have placed increasing emphasis on the destination outcomes, which means Youth Corps providers are beginning to experience the same conflicts and pressures as occur with the Training Opportunities policy.

Figure 7.1: The outcome dilemma

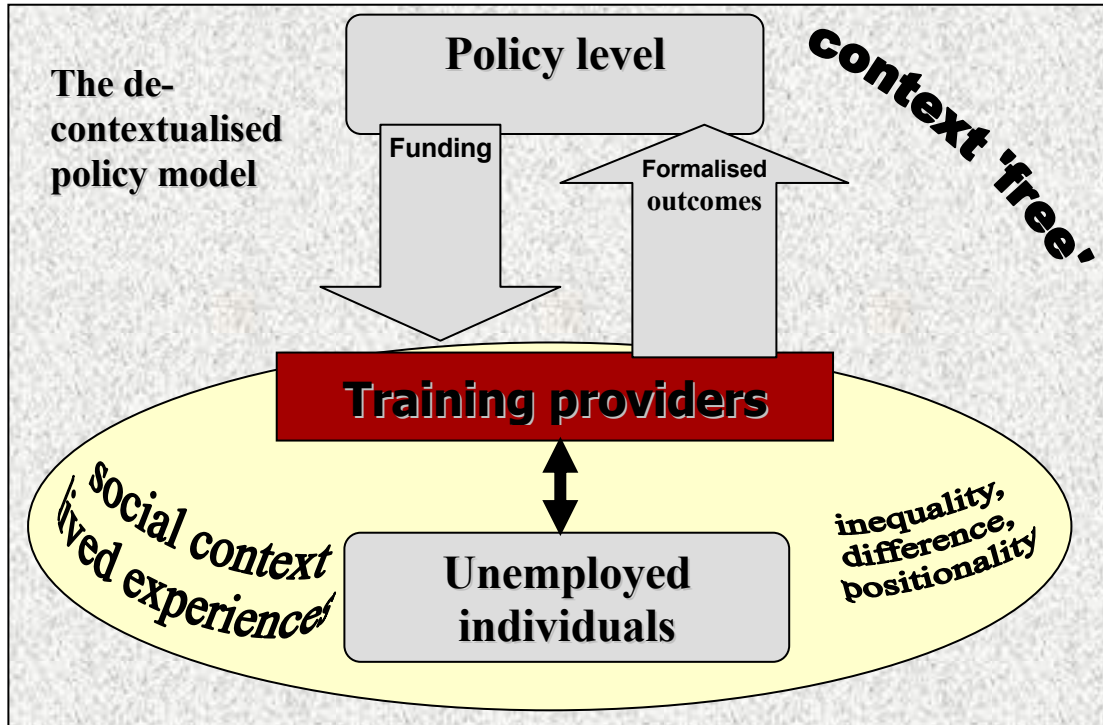


Figure 7.1 demonstrates how the current (decontextualised) policy model creates a separation between providers and the policy level (i.e., policy-makers and funders). The outcome measures are the only information that connects the providers and the policy-level. Therefore the social realities of training provision and the situations of disadvantaged unemployed people are omitted from policy decision-making. Source: Author.

Providers suggest that incremental measures of the trainees' progress would give a better reflection of the work they do. Currently, the providers do record how many unit standards each trainee achieves while on a course. While it is useful and reassuring to see the trainees achieve certificates, providers maintain that their most challenging work is to help the trainees with personal issues. It is an immense achievement to effect positive changes in a trainee who previously did not bother to get out of bed, or to stop someone going back to prison, or to assist a trainee to overcome addictions or personal difficulties. Such achievements are not measured or documented, unless they result in employment or education type outcomes.

The providers argue that the outcomes should only be viewed as crude measures and, therefore, they should be accompanied by qualitative information, regular feedback mechanisms and cooperative provider-funder relationships. Currently, the bulk of providers' work and what they achieve with the trainees is unrecognised. Providers compile substantial qualitative reports for NZQA audits and contractual requirements,

but snap-shot outcomes remain the principal decision-making tool. Qualitative reporting does require a considerable workload. Yet, a focus on incremental improvements, rather than snap-shot outcomes, could be positive for the trainees because then providers could focus on building the trainees' sense of personal achievement regardless of whether, or not they get a job. Addressing the range of issues which trainees present with is fundamental to making positive long-term changes for these individuals and their families and where possible, achieving outcomes that actually reflect the progress made and are beneficial for all concerned.

All the providers spoken with are concerned about outcomes and how these affect the survival of their organisations. The Koru respondents, Pam (interview 4, 17/01/02) and Darryl (personal communication, 4 June 2002) providers from Opotiki, say they are uncomfortable with the pressure the outcomes put on the trainees, especially in situations where there are limited employment possibilities. These providers admitted that the pressure to produce the required outcomes, creates undercurrents felt by the trainees. The trainees are well aware that their efforts to improve themselves do not count unless they meet outcome expectations. This pressure may be especially counterproductive for individuals who are less likely to appeal to employers. The experience of unemployment and labour market disadvantage can make an individual particularly sensitive to being labelled as a 'failure'. The two-month outcome measurement date is a reminder to the trainee of their label as a success, or failure, following a programme. There will be some trainees who do get jobs, but by only measuring these as the 'successes', the progress made by the other trainees at a variety of levels goes unnoticed and is not supported. An ex-trainer, Pam explained that, in effect, all the trainees are given a negative label as soon as they attend a Training Opportunities course and the emphasis on narrow outcome measures, perpetuates the labelling.

Targeted assistance and 'suitable' applicants

The idea of targeted assistance is intended to ensure policies operate according to need. The eligibility criteria are based on indicators of relative disadvantage and they are designed to ensure that only the more 'needy' individuals can gain entry to the courses. Conversely, the pressure to produce good outcomes means providers end up screening

potential trainees to select the most work-ready (often the less needy) individuals from the pool of disadvantaged individuals. Meanwhile, many providers lament that they do not obtain enough suitable applicants for their courses and Peter actively lobbies to have some of the eligibility criteria changed (see page 205). Peter's stance is understandable, given the importance of outcomes and the difficulties providers encounter. Nevertheless, within the current framework, providers are forced to respond to arbitrary outcome categories, rather than the needs of the individuals for whom the policies are intended. The greater the needs of the trainees, the less likely providers will meet their outcome targets and contractual obligations.

Training providers are ultimately answerable to their company boards or trustees and therefore, at some point, they are bound by the decisions that affect their organisation's economic survival. Under the current systems for Training Opportunities, most providers are only likely to remain economically viable if they only offer assistance to the more work-ready trainees. It is conceivable that many Training Opportunities trainees could gain employment without training, and that their unemployment is largely a matter of timing. Admittedly, these less disadvantaged individuals may still derive additional benefits from being on a course. Although the Youth Corps are underpinned by a holistic youth development framework, the providers spoken with (who have had experience with Training Opportunities but now operate Youth Corps) claim that they are beginning to see the emergence of the same types of policy approaches that eventually eroded the viability of Training Opportunities.

Most Hamilton-based Training Opportunity providers have adjusted their promotional material and website information to communicate that they only accept work-ready trainees onto their courses (see Table 6.1 page 217). The primacy of employment-type outcomes creates the pre-conditions for the emergence of the providers' work-ready criterion. In spite of this, an Annual Report (TEC 2003a, 19) still states that the Training Opportunities courses are, "Opportunities to develop foundation skills [that] are available to people who are disadvantaged in terms of employment and educational achievement."

A restrained critique

Despite the complications associated with Training Opportunities, providers are often restrained in their critiques of the system and of training policies. Training schemes are regularly the topic of media reports. Journalistic and political analysis, however, tends to focus on (and blame) individual training providers, rather than offer a broader assessment of the challenges involved in assisting disadvantaged individuals in the context of competitive labour markets. The providers in this research admit to fears that political agents could capitalise on the situation to strengthen a case for abolishing training schemes altogether. These providers are well aware that the survival of their organisations is dependent on a precarious political balance. Clearly, there is a risk that this research, and anything published from it, could also have this effect. Even so, the providers offered cautious support especially those at the Arrow, with whom I had the most contact. Robert and some of the other staff read drafts of a report, the journal article and gave feedback and approval before these were submitted.

The providers all express the sentiment that unemployment and labour market disadvantage can harm individuals, families and communities. The socially-motivated providers tend not to lay the blame for unemployment solely with the unemployed individuals. They maintain that there are many socio-cultural, historical and economic reasons why certain groups are more likely to be unemployed, or become 'unemployable'. These providers believe that (regardless of historically low unemployment rates) the prevalence of un(der)employment and labour market disadvantage is still detrimental to society as a whole. They are concerned about what happens to disenfranchised groups without positive and empowering interventions.

Most of the providers in the study disclose feelings of empathy towards the unemployed, and feel a responsibility to at least try to do something positive for them. These sentiments are very similar to my own views about the effects of unemployment and labour market disadvantage on individuals and communities. Possibly these common understandings helped me to build trust and rapport with respondents. This may also be a reason why respondents encouraged me to speak out, on behalf of their organisations and the training sector, even if there is a risk that some of what I say, or write could be appropriated in unintended ways.

Accountability – to what end?

The providers in the study are all keen to demonstrate that they operate professional and financially competent organisations. These providers believe some form of accountability is necessary to sort the ‘good’ providers from the ‘cowboys’. For example, Peter (interview 3, 1/5/02) expresses concern that within the current system it is possible for cowboys to operate, who meet outcomes, but do not offer quality training.

Peter: I think there has to be a real, real, real high level of accountability with providers. Because otherwise - and it depends who is running them, and who owns them, and the staff - it is easy to receive government funding and not perform. And that's where I'm fairly anti that - that's where the cowboys and the wild-west comes in.

Ottilie: And how does that happen?

Peter: Just taking the money, and it staying at the top, and it hardly ever getting to the tutors and resources. Students don't get the money. Yeah.

Ottilie: So low-quality courses? But how would they still get the outcomes though?

Peter: You could do it! I was being silly in a workshop about a month ago we did with the staff, and it was about how we as a team get our outcomes. What if I told you, you were not a trainer anymore and you were not to do any training. You just get people in, and get them a job. I was just being silly...

Ottilie: So you could just have a really narrow focus on employment outcomes and not provide anything else?

Peter: Yep, I wouldn't want to because I'm a trainer. But that's me personally, you see.

The providers are in agreement that there is a need for educational standards and accountability requirements, but these should not conflict with the providers' ability to be responsive to the needs of the unemployed, however these needs arise. In the end, this is what training is for – to assist the unemployed in ways that are relevant to their needs and situations. All the providers interviewed implied that they feel it is somewhat unrealistic to expect that training providers alone can reduce unemployment. Training courses should be one aspect of a broad scale effort to combat unemployment by increasing productive and labour intensive economic activity, improving educational achievement, job creation and assisting the unemployed with social or personal issues. Training providers feel it is a reasonable expectation that they do their utmost to offer

high quality training courses to help unemployed people increase their chance of employment. The so-called success or failure of a trainee (in the two-month period), however, depends not only on the quality of training received, but also on many exogenous factors and on the choices made by the individual trainees themselves. It is unreasonable to expect providers to be responsible for things they have little control over.

A common argument expressed in policy documents and by funders is that training providers would get better outcomes if they offered training that is more relevant to the local labour market (TEC 2003b). Admittedly, providers can develop networks with potential employers, but it is still unrealistic to expect providers to be able to predict the scale and scope of future employment trends. Providers are funded to train people and their ability to study local labour markets is limited. Providers could benefit from having comprehensive and accessible local labour market summaries available to them on a regular basis; however, the expectation that training courses are constantly adjusted to meet local labour market demands imposes significant costs and constraints on organisations already running on tight budgets. A further complication is that while providers can advise their trainees, they cannot force the trainees to do as they instruct. The best training providers can do is to present information about various career directions and local employment opportunities to the trainees, and then hope that the choices made by the trainees will eventuate in positive outcomes within the specified time-frame.

The training providers in the study proudly recounted instances where their trainees did obtain jobs, or succeeded in education. Tom (focus group, 16/4/02) commented that his organisation uses the networks they have developed over seventeen years to try to place trainees. However, this networking has not been sufficient to guarantee good outcomes all the time and they have therefore lost their contracts to run Training Opportunities courses. Although many of the Koru trainees do find jobs eventually, the Koru staff agreed that the State has some responsibility to ensure that there are suitable jobs to employ the majority of unemployed people. Tom referred back to the early 1980s and the Muldoon government's "Think Big" projects. Tom recounted how he had worked on such projects, which gave him the opportunity to learn a trade hence, he was always

able to find work (until the time of his accident). Since then, the lack of public sector investment in job creation and nation-wide opportunities for trade training has had a particularly negative impact on Māori and rural communities. I asked Tom if he thought job creation is still possible:

Oh, I mean, there's work, but there's no money in it. There's no physical pay. You go out helping old people, work on a reserve, government work for nothing, or council work for nothing, or clean up waterways, but it's actually getting them out there working. So it's all work that was like you know, work for the public good.

During the focus group discussion, Tom (focus group, 16/4/02) made the point that for many of the difficult young people, the problems are already embedded by their experiences in the school environment:

You know, teachers are set up to fail our kids because of the teacher student ratio. You know, we know it is, and teachers are saying it. They're there to teach the subject if nothing else. If a kid walks in, who, he got a bash from his Dad because he wouldn't fucking put the right shoes on this morning, he wanted his sand-shoes. His Dad gave him a hiding and the kid comes to school with fucking bruises. You know, the teacher hasn't got time to stop and say, "What happened my boy? Why are you pissed off, why are you throwing pens, or why are you picking on students? You're out, detention! Go and sit in the Principal's office." And then he keeps on doing that. Two or three detentions and he's just a bad kid by schoolteachers, by school deans, by the Principal and so on and so on until he gets a hearing in front of the board and so on. But no one stops to deal with the kid's issue! The teachers aren't at fault. It's the system that's at fault. It's overloading our teachers and it doesn't deal with the problems.

Other focus group respondents reinforce the point that many welfare, education and training policies are flawed because they deal only with the individual. Anne (focus group, 16/04/02) comments:

Systems can do the most damage when they only deal with the individual. When an individual fails it doesn't affect just them, it has a whole domino effect through their immediate family, their connections and their communities. The community effects of failure need to be recognised and people should not be set up to fail.

In contrast to an individualised approach, the Koru staff draw on their whānaungatanga philosophy to improve the situation of the individual in relation to their home

environment, their family and personal relationships. One problem is that most government policies only provide funding to work with individuals. The Koru staff argue that they obtain much better results if they work with a holistic approach that includes the family and home environment of the unemployed person. Their recommendation is that the funding for training needs to cover the assistance required by the individual, but funding must also take account of wider family issues. Carol (focus group, 16/04/02) explains:

Our kids here all come from very different backgrounds for whatever reason. But we can't just expect to teach [them] without having their family involved. In a real non-threatening, incidental way, the more success we're going to get for that student in the long-term. So yeah, but you have to figure out ways of working with families and innovative ways at minimal cost to be able to support the whole of, of growth for a whole family for that whole process. And that's a concern but for us. One of the things [we suggest] is that in whatever funding you're given, is that there's recognition a family is involved. No matter whether we're talking about the kids in the classroom, whether we're talking about a crim [criminal] whether we're talking about training - that a whole family is involved. One of the guys in the last program with him, I mean he had a wife and one child and another one on the way. And our concern was them as well you know. But we don't have the resources, either financial or time-wise, to be able to support her. And she needed the support more than he did.

Funding and continuity

All the providers made the suggestion that their organisations could work much better if they had greater security and continuity in their contracts and funding. The current contractual system creates an atmosphere of insecurity and uncertainty, which affects staff morale and limits planning and capital investment. Mary (focus group, 16/4/02) comments:

At the end of the day at some point, there are things that we have to say no to because we haven't got the finances to be able to do that [and] to survive for the next twelve months. And I mean there's no guarantee we're going to get funded next year for goodness sake! So for us, the things that we would like to see are longer contracts.

Peter (interview 3, 1/5/02) discusses how the lack of continuous funding means his staff have to be open to constant change. In some cases, it may not be possible for staff to teach completely unrelated courses. In the previous year, the overall budget was

down (because of inadequate outcomes) which meant Peter could not renew contracts for some of his staff. Such a funding shortfall affects the staff, trainees and the continuity of courses. Peter's comments indicate the disruption that results:

Yeah, moving people [trainees] across. Saying well we would like you [the tutor] to have 12 people instead of 10 because we are down. And talking it through, and we are going to have to wind this [course] up. When is the best time to wind it up? Making sure they [the tutors] are secure in their job, or ah them knowing right from the start. I had to make two people redundant last year – crappiest thing I've ever done!

The providers are concerned about the effects of insecurity on their staff. They all make comments about the challenging nature of the work and the relatively low pay. Providers have difficulty attracting and retaining quality staff. It is a rare person who can teach practical vocational skills, act as an employment broker, administrator, and motivator and deal with all the complex personal and interpersonal issues. Providers comment that financial gain is usually not a motivation for being involved in Training Opportunities. The following is a written response supplied by Peter:

You will find different motivations for different types of PTE's. Some are non-profit organisations, others owned by corporate, and the majority are owner-operators. The staff involved with any PTE have to be in it for the opportunity to help trainees get from where they are to their next step(s). They are generally dedicated and passionate people who get satisfaction from their's and other's success through training and employment. If money is the only motivating factor it is my belief that it would be at the management/owner level. The staff that I know and have worked with could earn a better income and possibly have more security/stability elsewhere. Especially the industry tutors who are professionals, and in high demand in their industry (personal communication, 3 May 2002).

In contrast, the Koru and the Arrow staff say they will not run Training Opportunities courses unless the policy is changed to take some of their concerns and challenges into account. While the Youth Corps courses are a much more positive experience for these providers, they do mention some constraints. The Youth Corps courses operate on an even lower budget, which means the providers need to make up the difference by drawing on a range of strategies. These include increasing the demands on their existing staff, economising and retrenchment, drawing on voluntary or community input, expanding commercial activities, or finding other means to subsidise the courses.

Many of these strategies come at a high personal cost to the providers, affect the quality of training and may not be sustainable in the long-term. The providers also mention the Youth Corps courses do not meet the needs of unemployed adults. The age limits and the meagre budget for the Youth Corps mean providers can only offer their services to restricted groups of youth, and this does not come close to meeting the needs of their communities.

The majority of the providers spoken with had, after losing their contracts to run Training Opportunities courses, managed to secure contracts for Youth Corps courses for the Ministry of Youth Affairs. All these providers spoke highly of the MOYA staff and of the Ministry's management style and accountability mechanisms. Robert said he wished all government departments could operate like MOYA.¹⁵⁵

The best socially-motivated providers can do

The current frameworks for the Training Opportunities operate to assist those individuals who are basically employable, or nearly employable. The training schemes may help resolve minor barriers, and bring the trainees into contact with employers and industry networks. The frameworks are not set up to accommodate disadvantaged unemployed individuals with significant, compounded barriers to employment. The providers simply cannot afford the outcome risk of admitting individuals who are identifiably disadvantaged in the labour market.

In the current New Zealand context, the best socially-motivated providers can do is meet the bureaucratic requirements and perhaps, to a lesser extent, implement some of their social objectives. The Koru and the Arrow staff show considerable determination to find ways to remain responsive to the needs of unemployed people. These providers engage in a precarious process of negotiating the conflicting demands. Their attempt to construct a space that is empowering and enabling for disadvantaged unemployed people is routinely constrained by the practical necessity to secure funding.

¹⁵⁵ Since the 2004 restructuring, MYD has placed greater emphasis on employment-education outcome measures, and cooperative relationships have not been maintained. Approximately two-thirds of the original MOYA staff have left the organisation either through, redundancy or of their own accord (Robert, personal communication, 4 April 2005).

Conceivably, a society where all citizens can meet their basic needs and contribute positively to society through work, or other meaningful activities, may have less need for training schemes or similar services. Unfortunately, current trends point towards increasing polarisation and segmentation between the work/income rich and work/income poor, in New Zealand and in international contexts (Callister 1997; Peck 2001a; Stephens *et al.*, 2000). The disadvantaged unemployed are unlikely to disappear anytime soon, thus various policies targeting this group will continue. At the local level, the hardships and complexities will also continue for the disadvantaged unemployed people concerned, and the organisations attempting to respond to their needs.

Despite historically low unemployment rates and proclaimed skills shortages, many unemployed and disadvantaged people find that (even after a training course) there are too few jobs that they can realistically apply for, and too many other competing jobseekers. In the post-industrial context, the lower end of the labour market is frequently characterised by the oversupply of labour and undersupply of reasonable jobs. This creates a labour surplus, which tends to dis-empower individual workers and increase the relative power of employers to dictate working conditions and wages. Given the current predominance of neoliberal economic imperatives, macro-economic concerns such free-trade agreements and monetary policy take precedence, even if they lead to the demise of jobs and livelihoods at a local level.

The situation for the disadvantaged unemployed tends to worsen with each generation, as hardship, stigma and a lack of 'real' choices become more entrenched. It therefore becomes harder to alter the negative behaviours and lifestyles adopted by those who exist at the margins of society. The training providers in the study all commented that their work with the trainees has become much more challenging, due to the intergenerational effects of entrenched disadvantage. A 16-week course teaching a few work-related skills is simply not enough to address the complex and compounded issues that the most disadvantaged unemployed individuals present with. My concern is that this disadvantage will become further entrenched because rigid outcome measures prevent providers from offering appropriate services for this group.

Official policy recommendations: the 2001-2002 Review

The government review that impacted on the case studies of the Training Opportunities began with a consultation exercise. A document titled, *Building Futures: Te Aro Whakamu: A Review of Training Opportunities and Youth Training* went out to providers in December 2001, calling for submissions (Ministry of Education 2001). Eight consultation meetings for training providers were held in Skill New Zealand offices in Auckland, Manukau, Rotorua, Gisborne, Palmerston North, Wellington, Christchurch and Dunedin. All of the 90-minute meetings occurred from 23-30 January 2002. The deadline for submissions was 31 January 2002, which meant there was little or no time for providers to incorporate anything from the consultation meetings in their submissions. The initial review document, which set the headings and agenda for discussion, was also the framework for the meetings and the electronic submission form.

The Ministerial Review Team released the final report in May 2002. The final report recommends raising the foundation skills across the population as a key priority for, “enabling more New Zealanders to participate in our society and economy” (Ministry of Education 2002, 5). The term foundation skills is adopted in both review documents to refer to the generic set of skills and competencies which a person needs for a job in contemporary labour markets. For example, the consultation document (Ministry of Education 2001, 10) states:

Foundation education is about learning to learn. Foundation skills enable someone to continue to learn and acquire the skills they need throughout their life. In practice this means skills in areas such as literacy, numeracy, technological literacy, self-confidence, resilience, the ability to work with others and communication skills... People who lack foundation skills are likely to find it increasingly difficult to participate in employment or in further education.

Improving foundation skills therefore remains a central objective of programmes such as Training Opportunities. The final report (Ministry of Education 2002, 13) also re-emphasises the importance of eligibility criteria.

Eligibility for the programmes should prioritise those learners who, due to their lack of foundations skills, face significant barriers to further education and sustaining themselves over time through employment.

The final report clearly indicates that the foremost aim of Training Opportunities is still to provide opportunities for the most disadvantaged (i.e., those with a foundation skills deficit). Thus, Training Opportunities courses should build foundation skills and reduce obstacles to participation in the labour market, such as illiteracy.

The review team also acknowledged that there are difficulties with the outcome measures and conclude:

The review team also considers that the current two-month employment and education outcome measures do not provide adequate evidence that learners are effectively moving toward independence. There is no indication that the employment they [the ex-trainee] have gained is sustainable, or of the nature of the further learning they are undertaking (Ministry of Education 2002, 44).

The first issue is that there is no way to determine whether the current narrow outcome measures reflect ongoing employment, or low-quality, temporary employment. The second concern is whether the further education outcomes reflect career development which actually leads to employment, or reflects a short-term, or ‘inappropriate’ educational involvement. The final review report argues that the goal of training courses should not just be jobs, but “sustainable employment”, where an individual develops the ability to move within and between jobs, and maintains social and economic independence over the long-term. According to the report, jobseekers need to acquire an adequate set of foundation skills and develop “the ability to learn new skills and adapt to change” (ibid, 24). The main suggestion for establishing whether ex-trainees have entered sustainable employment is to match data about ex-trainees with MSD’s benefit registry to determine whether ex-trainees go back on a benefit again in the future.

Similarly, the review team also questions the other main outcome measure, the credit achievement measure, which is based on a national target for the average amount of credits achieved by each learner. The main problem is it “does not adequately convey a sense of average achievement” or reflect “whether learners have gained any foundation skills” (ibid, 45). Despite the conclusion that current measures are inadequate, the review team recommends retaining the current two-month measure. The only changes

are first, a dual-focus for outcomes, so that both employment and further education outcomes are considered good outcomes. Secondly, outcome sheets now include additional categories for various types of post-course education and training.

The final review report also frequently refers to the need for a *learner focus*, which involves recognising barriers and the diverse range of learners' needs, especially of Māori and Pacific peoples. The training programmes should be flexible to meet all these different needs, take full account of what motivates learners, minimise barriers to employability and offer clear pathways before, during and after courses. At the same time, the report acknowledges that:

For some learners the current outcomes are exceedingly difficult to reach, and providers have expressed their concern to the review team that the personal development learners gain on their courses is not recognised (ibid, 46).

The final report mentions that there may be a case for more specifically tailored assessment tools that measure generic life-skills. At the same time, the report also warns that a measure, such as “shows improved self-esteem”, is too subjective and varies according to cultural identity. Yet, all forms of measuring (including the current snap-shot outcome measure) carry a degree of subjective interpretation. Moreover, providers claim that improving the self-esteem of trainees is a crucial component of their work. The ways in which people experience and express improved self-esteem does vary, but the common element of self-esteem is whether people feel better about themselves and their place in society. Overall, feeling valued, or a sense of belonging, is an important, cross-cultural aspect of social and/or community development that tends to precede the good outcomes providers are expected to deliver. The Arrow staff often emphasise how creating an inclusive whānau atmosphere can offer trainees a sense of belonging, which is often the first step in the development of their self-esteem and their ability to envision new possibilities for their lives.

Other government responses and recommendations

From 1999 to 2004, the Labour-coalition government instituted four major labour market policy directives as responses to professed skills shortages. The low unemployment rates have largely reduced concern for unemployment and job

insecurity. There is, however, much more concern about skills shortages, which are said to occur when public and private sector employers are unable to recruit appropriately skilled employees when, and where they need them. Particular occupational groups may also be characterised as experiencing a skills shortage if the demand for their services is high, and this can increase competition and costs to consumers.¹⁵⁶

The Labour-coalition government has responded by articulating the need for “boosting the skill acquisition by New Zealanders” (Maharey 2002, 1) and thus, initiating policies for more work-ready unemployed people such as increasing funding for on-the-job training, reinstating the apprenticeship scheme and restructuring the tertiary sector. There has also been an attempt to increase the availability of information about different occupations with the aim of, “assisting people to make better decisions about participating in (or providing) education and training” (ibid). Partnerships between the State and particular industry sectors, such as forestry, agriculture and horticulture, aim to ease recurrent skills shortages. The preferred response (which is considered to offer an immediate solution) is easing immigration requirements for skilled migrants¹⁵⁷ to settle in New Zealand and policies such as the Talent Visa (introduced in April 2002). This allows employers to recruit skilled people in the global labour market. The emphasis on immigration, as a ‘quick fix’ for skills shortages means the disadvantaged unemployed face even greater competition for jobs and training. There is less onus on employers (with, or without State assistance) to select from the domestic labour pool, or to assist New Zealand workers with their skills acquisition.

Overall, these directives do not acknowledge the continuing disadvantage faced by significant groups of unemployed people. As this research demonstrates, disadvantaged people may not be able to access the services that are purportedly targeting their needs. Policy decision-makers usually have less time to immerse themselves in the social

¹⁵⁶ The Department of Labour reports that New Zealand’s long-term skills shortages include occupations such as food technologists, engineers, social workers, university lecturers, medical specialists, general practitioners, nurses, electricians, mechanics, fitter and turners, carpenters and IT professionals (DOL 2005). This list is utilised principally for the recruitment of skilled migrants.

¹⁵⁷ The definition of who is a “skilled migrant” is continually redefined by Immigration New Zealand. This reflects a degree of disconnection in the domestic labour market between labour supply and demand, and attempts by the State to address this disconnection by attracting people with the desired skills from other countries.

context of the policies they are developing, which means fundamental issues and tensions are overlooked.

Work and Income is the main government agency in direct contact with unemployed people (or at least unemployed people who meet eligibility criteria for welfare benefits). The department's view of skills shortages focuses on the recruitment difficulties of employers in particular industries, but it also extends to factors that impact negatively on unemployed people and the decisions they make. A Work and Income report on skills shortages acknowledges factors affecting unemployed people's decisions:

The regions face challenges in addressing recruitment difficulties including low wages, poor working conditions, or poor perceptions of particular industries that can contribute to jobseekers not wanting to take up a particular job. Lack of transport or childcare can also be barriers to people's ability to take up work (WINZ 2003, 2).

In response, Work and Income is emphasising its coordinating role with other government agencies and between employers, trainers and jobseekers in each region. The aim is to identify demand for specific skills, facilitate training provision to meet this demand and to match suitable jobseekers to areas where jobs are plentiful (ibid). Regional initiatives include programmes such as Project Wheels in Northland, which assists jobseekers to gain driver licenses and develop responsible driving habits. Other projects include employment skills surveys, to collect information from local employers about vacancies and projected skills needs. Work and Income have employed additional liaison personnel to link jobseekers to jobs in the horticulture industry and where necessary offer transport to and from the work sites. There are also internships and cadetships in the construction and healthcare sectors but these involve relatively low numbers.¹⁵⁸

The main objective for the department of Work and Income continues to be "assisting people into employment with enhanced case management" (New Zealand Government 2002). The government view is that the case management system is the best vehicle for

addressing the varying needs of the unemployed. This reflects the assumption that unemployment is singularly a consequence of individual barriers or an individual employability deficit. Moreover, the assigned case manager is presumed to be the best person to facilitate (or impose) a career plan for the jobseeker.

In its first two terms, the current Labour-led government has consolidated a particular labour market policy response that advocates a high degree of State involvement in the lives of unemployed people through an intensive case management for the unemployed. Jobseekers are expected to meet case managers regularly, sign jobseeker contracts, design a career plan and meet specific jobseeker expectations, such as the expectation that they either get a job, or enter training or education within a specified period. Opposition parties claim that this is a ‘soft touch’ that encourages welfare dependency as a lifestyle rather than ensuring that welfare operates as a genuine safety net.¹⁵⁹

While New Zealand’s labour market policies are referred to as a form of soft workfare, conservative and right-wing political agents routinely argue that hard(er) workfare policies are needed (Higgins 1999). Hard workfare is regularly presented as the only way to reduce benefit dependency, reduce welfare rolls and improve the lives of unemployed people and especially sole-parent families (Green, D.G. 2001; Newman 2004, 2005; Rich 2004). Their claims of a possible correlation between sole-parenthood and crime is offered as further evidence that tougher policies are needed. Yet, correlation is not causation. Tougher welfare is more likely to increase poverty and disadvantage, which is also associated with an increased likelihood of crime. In the 2005 pre-election build-up, coercive work-for-the-dole policies were advanced again by opposition parties, who proposed implementing work schemes where young people and the long-term unemployed engage in activities, such as “planting trees, removing graffiti and patrolling the streets to catch shoplifters and kids dodging school”, as a condition of receiving a benefit (*NZ Herald* 2005).

¹⁵⁸ Partnerships between Work and Income and Wanganui and Taranaki Hospital Boards resulted in only eight Māori healthcare cadetships (WINZ 2003, 11).

¹⁵⁹ Ironically, right-wing opposition politicians appear to condone an even higher level of state interference in order to ensure that the unemployed are cajoled into work.

Lessons from overseas

International examples and trends are a significant influence on the design of New Zealand labour market policy. Currently, there is considerable political pressure to draw on international examples that place a greater obligation on the unemployed to enter employment. The low unemployment rates and employer complaints about skills shortages means there is currently less tolerance towards individuals who ‘choose’ to remain unemployed. Nonetheless, the Labour-led government’s concerns about social exclusion and inequality underpins their commitment towards ensuring all citizens have the opportunity (through training and education) to become more employable (Maharey 2000c).

A detailed study of active labour market policy settings in other countries is not undertaken here. Even so, international sources (mostly Anglophone and Dutch) offer examples of policy initiatives in Britain, the United States and some European countries and recommendations that could be applied in New Zealand. In particular, Dutch and Danish sources offer examples of labour market policies for disadvantaged unemployed people that are distinct from the prevailing hard workfare trends.

Western European countries, such as Denmark and the Netherlands, have a relatively long history of social democratic ideals. More recently, in the Netherlands vocal groups have emerged who perceive Dutch welfare as being too liberal, generous and lenient, and there is increasing political pressure for neoliberal reforms in the Dutch public sector (Moerkamp 2003). At the time of this research, however, Dutch and Danish labour market policies are still largely cooperative, rather than coercive; they operate via tripartite negotiations, acknowledge structural unemployment and recognise the relative disadvantage of particular marginalised groups.

Meijers and te Reile’s (2004) comparative study concludes that Australian labour market policies for unemployed youth operate from an adversarial control perspective, whereas the Dutch policies are more constructive. Australian schemes are considered *ad hoc* due to the historical legacy of conflict, which fragments relations between employers, the State and unions. In comparison, Dutch programs offer greater

continuity and coherence because they are underpinned by legislation that enshrines a social democratic commitment to address the social and economic needs of all citizens.¹⁶⁰ Moreover, Dutch (and Danish) training schemes are set alongside cooperative tripartite relations between the State, employers and trade unions. The historical background of consensual negotiation is based on agreements around wage moderation. This shared goal leads to a greater sense of responsibility by all parties for increasing the supply of, and access to jobs, training and workplace experience.

European labour market analyses, such as the work of Nicaise *et al.*, (1995), acknowledges that the disadvantaged unemployed face a wide range of issues, which may not be captured or addressed by universal approaches, measures and criteria. Torfing (1999b) notes that in Denmark training is not considered a suitable option for all unemployed individuals. Often training tends not to meet the needs of the most marginal unemployed. Instead, sheltered work and *work rehabilitation* schemes are implemented to offer assistance that specifically meets the needs of individuals facing serious disadvantages or personal issues.

To date, Danish active labour market policies emphasise long-term social and economic benefits. Such emphases have led to approaches that empower individuals through education and training and long-term career development. According to Torfing (1999b, 5) Danish workfare is distinct from neoliberal, or hard workfare because it emphasises:

- activation, rather than minimum wages and benefit reduction,
- improving the skills and work experience of the unemployed, rather than merely increasing their mobility and job-searching efficiency,
- training and education, rather than work-for-the-benefit,
- empowerment, rather than social control and punishment, and
- broad workfare programmes, rather than programmes that only target the unemployed.

¹⁶⁰ This commitment to social democracy does not mean there are no disadvantaged unemployed in the Netherlands. Meijers and te Riele (2004) note that sizeable groups of disadvantaged youth are marginalised due to structural changes, ethnic divisions and an increasing “control perspective.”

One strength of the Danish system is that there seems to be a greater acceptance of the different needs and work-readiness of the unemployed. Rather than designing a rigid overarching system, the Danish have adopted a wider range of policies for the unemployed that aim to be appropriate, in relation to the needs and capabilities of the work-ready social clients, rehabilitation programmes (for those who are identified as not being work-ready) high quality training and education programmes and job placements (which must include an education component).

European labour market policy literature includes analyses where the emphasis is not only on the unemployed as either victims or a ‘problem’, but also on the imbalances in society that exacerbate unemployment. Nicaise *et al.*, (1995, 35) argue that dominant trends in labour market policy have “lost their problem solving power” because they merely “redistribute *probabilities* of employment, but are not really increasing employment for all” (ibid, emphasis in original). They suggest that targeted policies are incomplete without a:

Powerful macro-economic policy mix of employment creating measures, which stimulate labour *demand* without boosting inflation. This may include alternative social security funding methods, as well as a general redistribution of labour and income. The latter is obviously not a simple strategy because it requires a new social consensus, a new equilibrium of power, a greater solidarity (ibid, 35-36, emphasis in original).

While the political consensus for European labour market policies is constrained, there are instances where policy initiatives are specifically designed to increase the overall supply of jobs. Torfing (1999b) discusses a Danish job rotation policy, where workers are encouraged to take paid leave to further education or to assume parenting responsibilities. This not only provides (temporary) job opportunities for the unemployed, but it also has the effect of fostering a higher-skilled and more resilient workforce.

Where to from here?

At present, the State continues to support participation in education and training, so that the New Zealand workforce becomes more employable and attractive for local employers and international investment. The most disadvantaged unemployed are

expected to become educated, skilled and employable (with limited or inappropriate assistance) and this is assumed to increase their chance of employment. While increased knowledge and skill levels are helpful, there are usually many other reasons why the most disadvantaged unemployed do not secure reasonable employment. Currently, political leaders argue that an innovative knowledge society and an expanding free-market economy form the best platform for a prosperous and equitable society. For the most disadvantaged unemployed there has, however, been little progress. The goal of a job is even more remote in the context of highly competitive labour markets and the disadvantaged unemployed are less likely to possess the resources or capacity to keep pace with technological advancements in the knowledge society.

I have studied New Zealand training policies for disadvantaged unemployed people for at least five years. Since, the early 1980s the major political-economic frameworks (neoliberalism and State Active Neoliberalism) informing the labour market policy arena have tended to worsen the situation for the most disadvantaged unemployed in New Zealand (and elsewhere) and narrowed the possibilities for locally-based policies that respond to their needs (Higgins 1997b, 1999; Lawless *et al.*, 1998; O'Brien 1994; Peck 2001a). According to Diesendorf and Hamilton (1997), economic growth alone is unlikely to reduce unemployment, inequality or poverty, although higher rates of growth may increase optimism and thereby garner political support for the introduction of more progressive policies.

As Cullen and Hodgetts (2001) point out, the representation of unemployment as an illness or deficit leads to a continuing emphasis on individualised explanations, rather than considering the broader societal dimensions. In spite of the construction of unemployment as an illness, empathy and support for the unemployed is limited, in contrast to people who are (visibly) too ill to work.¹⁶¹ In New Zealand, unemployment benefit levels are deliberately set below the poverty line in an effort to force the unemployed into low-quality jobs. Such punitive measures increase material hardship

¹⁶¹ Many people on a sickness benefit also find they have to justify their non-working state especially if their illness is less obvious to others.

and weaken the ability, and resolve of the unemployed to improve their lives. Cullen and Hodgetts (2001) argue that participative (not punitive) responses are the best way to improve the lives of the unemployed, which in turn depends on a new construction of unemployment that does not pathologise the unemployed. Addressing unemployment, especially long-term unemployment, requires extending beyond individualised causes, or supply-side policies to consider structural causes, labour market imbalances, employer preferences and discrimination, information deficits, *hysteresis*¹⁶² and the practical, everyday constraints faced by disadvantaged individuals.

Neoliberal discourses tend to ‘talk up’ the ability of the free-market to generate jobs and tend to view labour-shedding and casualisation as acceptable practices, both within the public sector and the wider economy. Neoliberal and other right-leaning proponents argue that there are always plenty of jobs and/or business opportunities for individuals who display the ‘right’ attitudes, make ‘sensible’ career choices, or are innovative and entrepreneurial. The low New Zealand unemployment figures for 2004-2005 and the reports of skills shortages are often presented as further evidence of an increased job supply, which further erodes sympathy for those unable to find work.

Unemployment rates do not, however, tell the full story due to their arbitrary definition (see page 17). Under the current training policy framework, the disadvantaged unemployed are obligated to find a job, or become socially excluded, even while there is little realistic prospect of a job. Training is usually not connected with policies to increase the supply of jobs, or to ensure suitable and reasonable employment for all trainees at appropriate times and/or geographical locations. The current emphasis on participation in paid work in competitive labour markets is particularly unsustainable and inequitable in relation to the disadvantaged unemployed. According to Handy (1985, 15):

If a society makes jobs the pivot of existence and then cannot provide enough jobs, or share out the available jobs more fairly, or find alternative pivots for life, it is practicing deceit.

¹⁶² For a definition see the glossary or page 64.

At present, the training schemes are still the main policy directed towards assisting disadvantaged unemployed adults, even though the most disadvantaged cannot access them. There have been few other significant policy developments to address the needs of this group. The 2002 Review of Training Opportunities and Youth Training made some recommendations, but these are unlikely to benefit the most disadvantaged unemployed or to improve the capability of providers to meet the needs identified.

A community development framework for training policy

The remainder of this chapter, builds on the recommendations from providers, the official review and international literature to present recommendations made on the basis of a community development framework. This framework takes account of political and labour market policy concerns, but also fits more closely with the aims and objectives of organisations who respond to the needs of disadvantaged unemployed people at the local level. Then, I outline the main theoretical underpinnings of the alternative framework and explain how it might operate.

As discussed in Chapter 3, concepts of training evolved since the 1980s to become more narrowly entwined with neoliberal strands of thought. Under the current State Active Neoliberal framework, Training Opportunities (and increasingly the Youth Corps) operate as an individualised treatment for ‘deficient’ individuals in the context of competitive labour markets. The main tensions relating to training practice include the individualised focus and the predominance of deficit thinking, the absence of other services for disadvantaged unemployed adults and the narrow definition of trainees’ needs and the expectation that equality can be achieved through competition. At the same time, neoliberal theories have also come to dominate the public administration framework and have been instrumental in shaping the competitive quasi-market for training course implementation (as discussed in Chapter 4 on page 114). This framework also constructs providers as competitors who are expected to meet narrow measures rather than the complex and varying needs of the disadvantaged unemployed.

Under the current State Active Neoliberal framework, both the trainees and training providers are constructed in ways that reinforce competitive, market-driven behaviours. While such behaviours fit within neoliberal political-economic contexts and alongside commercial objectives, they do not align with the objective of assisting the most disadvantaged unemployed. On the basis of this research, it is argued that a community development framework allowing policies to extend beyond individual competitiveness and profit-motives, would be useful for considering the broader issues and processes. Such a framework is more likely to align with community-led initiatives that actually address the needs of the disadvantaged unemployed.

The proposed community development framework draws from the same sources that inform my theoretical perspective and methodological approaches in this research (see Chapters 2 and 5), and also more widely from community development and neo-Marxist theories. First, the emphasis on community development reflects my recognition of the grassroots, community and local levels of policy implementation and service provision. Most community development literature is written by people who have considerable first-hand knowledge of issues at the grassroots level. The literature spans both academic and non-academic accounts, experiences and grassroots knowledges. Many writers have been (or are) involved in some form of development, usually as implementers. These theories, and the literatures that have emerged from them, offer a complementary view to the more established disciplines currently informing policy such as neoclassical economics.

The strength of community development literature and theories is that they emerge from the actuality of lived experiences, and not from a theoretical abstraction, such as the neoclassical “rational man”. They recognise that lived experiences are complex, interconnected and in constant flux, so it is not useful to attempt to capture an overarching ‘truth’ or fixed theoretical suppositions, such as those that drive most economic models. Community development has a range of common theoretical positions that are helpful as a methodological guide and for envisioning alternatives. The methodological approaches in community development are commensurate with contemporary qualitative human geography, by demonstrating a concern with being located in places, communities and contexts. Such grounded and contextualised

approaches offer a distinct alternative to the decontextualised and ‘depoliticised’ tendencies of neoliberal and neoclassical economic theories.¹⁶³ Another central theme is the vision of sustainable, community-led, place-based development, which stands in stark contrast to the neoliberal development theories such as structural adjustment and free-market, or corporate-led development.

This thesis supports the proposition that to build a just and viable society it is essential that all individuals, families and communities are able to maintain their livelihoods and meet their basic material needs. The myopia of the 21st century is that the free-market is presented as the only vehicle to achieve these ends. The omnipresence of free-markets, and the priority afforded to them through neoliberal policies, tends to obscure the fact that the capitalist economy is utterly dependent on the background of social, cultural and environmental infrastructure, relations and exchanges. We all participate in the social economy to some degree and, in many instances, this activity forms the most meaningful aspect of our lives. Although the ubiquity of free-market and neoliberal mechanisms are acknowledged, by adopting a community development framework I aim to highlight the limitations and the unfeasibility of reconciling competition and equality. As Douthwaite (1996, 362) comments, the individualistic competitive model is flawed because “there is no such thing as individual achievement.” Humans are fundamentally interconnected, interdependent social beings and the primary goal of human endeavour is to build a society not simply an economy.

If the current neoliberal orientation is maintained, then it is likely that labour markets and labour market policies will continue to exclude and dis-empower poorer and disadvantaged people. It is impossible to have both competition and inclusion at the same time. Instead of perpetuating the illusion of social inclusion, one suggestion is to implement policies that provide opportunities that provide a basic level of material support for the most disadvantaged unemployed, while encouraging them to participate

¹⁶³ Although most neoliberals present their agendas as apolitical common sense approaches, neoliberalism, in all its forms, is in effect an intensely political process whereby a specific political discourse is normalised.

productively in the social economy. Such policies could form a platform for a more inclusive and viable model for releasing the human capital potential of disadvantaged people, which not only offers benefits to the individuals concerned, but also supports the wider (capitalist) frameworks of society. Moreover, this inclusive model could be more effective in reducing the burdens that entrenched disadvantage imposes on marginalised individuals and wider society.

Most neo-Marxist literature centres on a critique of late capitalism and the neoliberal political project. Such critiques expose the inequalities that are an inherent component of current political-economic systems. From a neo-Marxist viewpoint a societal route that is wedded to free-markets and the blind pursuit of economic growth cannot beget society-wide liberty, equality and societal progress, because it is founded on division and exploitation. Neo-Marxist sources can offer a way to destabilise the attempts to embed a neoliberal common sense. Neo-Marxist discourses compel a social consciousness that rejects the acceptance of political-economic, productive and societal relations that are exploitative, operating in ways that benefit a privileged few while simultaneously damaging communities, livelihoods and environments.

Training and workforce rehabilitation

A continued emphasis on short-term outcomes, competition and economic imperatives is unlikely to support and develop a sustainable and responsive training sector. Current training policies divide the unemployed into two broad groups; the disadvantaged but nearly employable (i.e., work-ready individuals) and the disadvantaged but unemployable (i.e., the outcome risks). First of all, there needs to be an open acknowledgement that the policy mechanisms for Training Opportunities have the effect of excluding the most disadvantaged unemployed. One option is to change the policy framework, so providers are not forced to make 'business decisions' and turn the people with the greatest needs away. The second option is to devise a new policy for the individuals who are rejected. This could take the form of workforce rehabilitation schemes similar to those operating in Denmark (Torfing 1999b).

Workforce rehabilitation programmes are distinct from training, in that they focus less on vocational, workplace or jobseeker priorities and the courses have a longer time-

frame. The first goal of workforce rehabilitation is to support the participants through significant issues and processes, such as substance abuse, disability, health or domestic issues. The second objective is to support a transformational process towards self-knowledge and self-respect, so individuals can explore their options for a direction, or purpose in life. Workforce rehabilitation requires a sufficient length of time (1-2 years) and should occur without undue pressure to find a job and to allow the process of positive human development to unfold. Such schemes emphasise incremental improvements, rather than job placements. Factors taken into account are the individuals' literacy, computer and language skills, their family and/or ethnic background and their degree of inclusiveness in the local community. These schemes are considered worthwhile because of the indirect and long-term cost savings in health care and crime prevention.

Positive participation in workforce rehabilitation policies can be enhanced if the schemes are inclusive, culturally appropriate and include enjoyable, creative and sporting activities. While the schemes require a degree of structure, there should also be some flexibility to cater for different needs and time-frames. Once participants are making clear progress towards self-actualisation, it is possible to start building a life plan and to consider the next steps beyond the scheme. Instigating workforce rehabilitation schemes requires a significant shift in thinking away from a preoccupation with individual blame, the stigmatisation of the unemployed or the mistrust of providers, towards a more supportive and empowering framework.

Integrated policies and practices

Development of a community development approach needs also to improve integration of policy design and operational levels. The decontextualised, simplified market exchange model is an inadequate conceptual base for integrated training policies. The integrated model places social justice, cooperation and collaboration at its core, instead of competitive, individualised self-interest and differentiation. Integrated approaches are neither based solely on market mechanisms and commercial imperatives, nor on hierarchical power relations and institutional structures. Instead, information, responsibilities and access to resources tend to be shared and facilitated by open communication and consensus building. Integrated approaches are not reducible to a

fixed set of processes, although they have the common aims of building mutual respect, trust, empathy and tolerance. At their core, integrated approaches validate the public good over individual self-interest. This does not mean a naive form of collective altruism, because self-interest is still taken into account. Self-interest is not, however, viewed or positioned as the primary driver behind human behaviour. Integrated policy processes consider issues/individuals in a societal context; in terms of how they affect others and how they alter the social environments in which we live.

Improved integration of labour market policy could also begin with a clear and open acknowledgement that training schemes and providers cannot resolve unemployment on their own. Training can improve the overall labour market position of the trainees, but this is of little consequence if there are too few jobs for which they can realistically apply. The assumption that job growth will occur on the basis of economic growth, individual choice and the knowledge economy is too vague and unreliable. This realisation requires the State to work alongside communities to ensure that there are incentives for employment creation not only at the high-value end of the labour market, but also at the lower end. Training policies need to be closely aligned with locally-based initiatives to expand job supply for trainees. There is no shortage of potential work in New Zealand society, just a reduced ability and/or political will to pay people for particular kinds of work. Local job creation initiatives are more effective if they seek to integrate (and balance) the interests of communities giving equal attention to employers, unemployed people, and public and third sector organisations.

A second aim of an integrated labour market policy approach is to ensure that the providers' on-the-ground knowledge of local labour markets is exchanged with the policy-makers' macro-level analyses and vice versa. Market signals and individual preferences alone do not offer optimal information to guide individual career decisions, or to ensure an even occupational spread and thus prevent future labour market mismatches. Relying on immigrants to fill skill shortages is a fairly short-sighted and socially negligent option, especially if New Zealand draws skilled people away from developing countries. Instead, an integrated approach suggests that the State, employers and unions need to make a stronger commitment towards ensuring New Zealanders

have the incentives and opportunity to become trained or educated, in a wide range of occupations.

The efforts by training providers to operate as local labour market brokers rely on time-consuming face-to-face communications and this should be recognised and adequately resourced. Additionally, an integrated approach would encourage (and possibly expect) employers to take greater responsibility for knowledge transfer between older and newer workers and training of future workers. Unemployment and skills shortages are two sides of the same coin. Skills shortages frequently indicate insufficient labour market planning, a history of poor retention of New Zealand educated workers and inadequate wages and/or working conditions.

At the operational level, the State needs to ensure policy processes facilitate (rather than thwart) adequate integration between workforce rehabilitation, training providers, community organisations, funding and other relevant government agencies and job supply and/or labour demand initiatives. Such integration depends on genuine attempts to develop working partnerships between providers, the State and employers, where information, power and decision-making occur on the basis of reciprocal communication processes. To this end, it is essential to reduce reliance on abstract, misdirected measuring tools, as this diverts energy to ritualised and artificial forms of accountability and further erodes rapport and trust.

An integrated approach is based on accountability mechanisms that first, reflect the needs a policy seeks to address not only at the generic policy level, but also from grassroots perspectives. Outcome measuring should not stand in the place of effective communication and partnerships. Secondly, accountability should focus on the core activity of a policy. It makes sense to monitor and evaluate training policies and providers in terms of what they can do well. Thirdly, accountability systems need to acknowledge the variety of unemployment situations of diverse groups and different contexts. Relying too heavily on simplistic measuring systems for the design and implementation of social services is problematic, due to the many unspecified exogenous factors involved.

Revaluing trust, continuity and cooperation

Training the disadvantaged unemployed is a complex activity with long-term effects and implications not easily captured by current policy measuring tools. The quasi-market for training policy delivery is particularly unsuitable, due to its competitive, low trust and short-term mechanisms. Competition and an overall lack of trust reduce the ability of providers in a locality (and their funders) to work together and to share information and resources. The over-stated importance of the crude snap-shot outcome measures increases the likelihood of disingenuous or dishonest reporting and diverts attention away from the core activity of training schemes and overall policy objectives. The MOYA example demonstrates that it is possible to have meticulous accountability systems as well as trust, respect and cooperation.

The Youth Corps courses receive less than half the Training Opportunities funding. While it could be said that Youth Corps are more 'efficient' in reality, they are severely under-funded which imposes significant personal costs on the organisations and people involved. Despite the low funding levels, most of the Youth Corps courses are delivered by a relatively stable group of long-term community and/or educational organisations. This continuity builds capacity in the training organisations and the sector as a whole, while the long-term partnerships reduce administrative costs. Training policies are likely to be more effective in the long and short-term, if they are based on cooperative partnerships (rather than competition) and prioritise respect, trust and fairness to ensure all parties are satisfied.

Trust and continuity are important at the operational, as well as at the individual levels. In the promotion of rights and obligations between different groups, there are two main possibilities; either a forced approach, or a cooperative approach. The former low-trust approach prioritises control, at the expense of rights. Obligations are enforced through increased surveillance and sanctions. This increases power imbalances and potential for conflict. The latter approach prioritises fairness and goodwill, while responsibility, obligations and rights are acknowledged and shared by all parties.

The low-trust forced approach assumes people need to be controlled or disciplined to prevent them behaving in deleterious ways. This approach treats people with general

distrust and is pre-emptive in that it sets up restraints in case people stray off the path. The purpose of this approach is to catch potential opportunists. The risk is that all those concerned become less trusting, more defensive and self-interested at the expense of cooperation and goodwill. A high trust approach does not mean a naïve rose-coloured view, as all parties must operate with impeccable financial management practices, adopt a professional code of ethics and demonstrate accountability to all concerned and to the wider community.

The cooperative approach assumes that, if treated fairly and with respect, most people will operate fairly and show respect. The risk that a minority of individuals might abuse the system is generally outweighed by lower compliance costs and multiplier effects of cooperation and goodwill. Frequently trust-based systems come under attack because they appear to have failed. In most cases, however, there are other, less immediately obvious factors involved, such as miscommunication, the breakdown of relationships, or a lack of understanding and forward planning. One of the main challenges of working in a trust-based consensual system is that discussion and disagreements can be more protracted. It often takes a greater investment of time to reach agreement, and most agreements require all parties to accept a degree of compromise.

Revaluing the operational context

An important aspect of rebuilding trust and rapport with service providers is to revalue the practical level of training scheme operation. The expertise and insights of providers and community organisations should be recognised as an invaluable source of information for policy-makers. This contextual information is not considered important because the formalised outcomes are the only information that the funders require to decide which providers are engaging in best practice and should have their contracts extended.

While providers have decision-making power over day-to-day aspects of implementation, and are ‘free’ to operate how they wish, this freedom is constrained by the constant pressure to meet narrowly defined outcomes. The quasi-market devolves and distances responsibility for (and awareness of) unemployment away from the State. There is no process to regularly ensure that information about issues and constraints

informs higher policy decision-making levels. The emphasis on outcomes and competitive contracts obstructs the flow of information between providers, funders and policy-makers. It also dis-empowers the providers and reduces their ability to bargain for additional resources, or leniency in instances where outcomes are affected by unspecified exogenous factors or an increased complexity of trainee needs.

An alternative approach would encourage ongoing, multidirectional dialogue between training policy design and implementation and delivery levels. This could ensure constraints, expectations and possibilities are not just judged from one level or perspective, but remain open to input, feedback, suggestion and debate. While this may initially appear to take more time, it is likely to save time and future complications. Perhaps, it also reduces reliance on (expensive) international policy experts who may be eminent and theoretically skilful, but lack detailed knowledge of local operational contexts.

Empowering the unemployed

Instead of being driven by the narrow outcomes, an alternative focus for training policies could be the empowerment of the unemployed; by first, supporting the realisation of their potentials and skills; and secondly, by assuring a meaningful niche in society regardless of job availability. Such an empowerment framework would draw from community development ideas and practices, which advocate facilitative and empowering approaches to make the best of all people and resources in a given community. The socially-motivated providers studied in this research incorporated community development principles in their practice, such as mutual respect, trust, consensus, belonging and shared ownership. The emphasis is on developing consensual and mutually beneficial processes for addressing issues and shared responsibilities. Community development models advocate equal rights for all citizens in terms of a basic foundation of income, wellbeing and belonging, regardless of individual attributes or effort. A fundamental community development tool is to facilitate education as an emancipatory pedagogy, where learning is not merely a ticket to a job, but has the purpose of empowering and informing, so all can have active citizenship, political engagement and meaningful lives.

Viewing training or workforce rehabilitation as a process of empowerment is a more effective way to move people from welfare dependence to independence. Unemployed individuals are typically subjected to a barrage of social disapproval, which is detrimental and counterproductive to their development. In order to empower, training schemes should avoid perpetuating negative stereotypes of unemployed people. The primary goals of training should be instilling self-respect and hope, which are essential ingredients for developing self-determination and self-responsible behaviour. Such training is not merely concerned with administering workplace skills to unemployed individuals with perceived barriers or deficiencies.

Empowering forms of training depend on the ability of providers to build rapport with the trainees and their families, so they can move towards achievable goals. The efforts of such providers will fail, however, unless they are accompanied by policy frameworks that distribute power and responsibility right through to the lowest levels of an organisation, community, or society. As Handy (1994) affirms:

If we want to reconcile our humanity with economics, we have to find a way to give more influence to what is personal and local, so that we each feel that we have a chance to make a difference.

For the disadvantaged unemployed individual, empowerment may not be achieved simply through training or education. The disadvantaged unemployed are more likely to play their part and 'buy into' the broader political project, if it holds some genuine promise of a reasonable level of job security and income. They are less likely to become empowered if they, and their needs, are routinely ignored. The retraction of payment levels and allocation of benefits simply drives discouraged unemployed individuals further into marginal existence, poverty, survival modes and (il)legal subcultures. This marginalisation can severely compromise their health and wellbeing, as well as that of their children and communities. Britton (1994 in Eichbaum 2001, 21) remarks:

In the property market a building can stand empty for years; in the market for consumer goods some of the stock has to be written off. If we treat labour as simply another commodity to be bought and sold, then it is human lives that will sometimes be written off and declared to be redundant.

Training alongside improved job supply/distribution?

Training Opportunities could work more effectively if the efforts of training providers were matched with an increased supply of suitable jobs. Preparing the trainees for employment makes a lot more sense if the trainees and providers can picture realisable options rather than vague promises. Peter mentioned how he favours developing courses in partnership with employers. Only in rare instances are local employers prepared to take some responsibility for pre-employment training of their potential employees (see page 207). Meanwhile, business lobby groups frequently alert the government to the shortage of skilled staff and the skills deficit of the existing workforce. Their main concerns are the quality of education/training systems and the disincentive effects of welfare dependency.

In the current political economic context, there is a general lack of political will for tripartite cooperation and leadership to prevent, resolve or minimise labour market issues and imbalances. State-subsidised employment creation and regulation to promote a more equitable distribution of employment hours and job opportunities, are largely discredited options. The trend is for the State to support the free-market in the hope that the market will resolve social-economic issues itself, or provide sufficient revenue to pay for mitigating policies. The current policy package favours education, technological innovation and entrepreneurial activity, in the hope that this will translate into economic growth and jobs. Simply relying on the “invisible hand” of the market is unlikely to translate into a material increase, or equilibrium in the supply or distribution of employment. There is no guarantee that employers will invest in training local labour forces. Employers may use profits to invest in expensive labour-saving machinery instead. There are many factors which prevent greater economic growth from translating into more jobs, such as the increased consumption of imported goods and the relocation of industry to lower-wage countries.

While the State could lead the effort to restore the disjunctures between supply, demand and distribution in the labour market and the economy, Hazledine (1998) notes that only a society-wide awareness, understanding and resolve can stem the negative

effects of un(der)employment and income polarisation.¹⁶⁴ The State could utilise its regulatory powers, or provide a range of incentives to ensure economic growth does translate into more jobs, and that this growth in employment is distributed more evenly across the country and amongst different population groups. This might include incentives for labour intensive industries, or to reward employers with supportive working environments and sound labour practices (i.e., employers who avoid understaffing and overwork). Training schemes and other active labour market policies will be compromised, as long as key players in the labour market (i.e., the State, employers, unions or workers) defer their responsibility for the maintenance of the labour force. Training can only be successful and equitable if all parties work together and assume some responsibility for skill shortages, un(der)employment and labour market disadvantage.

The right-wing critiques of job creation and subsidies are that they interfere with market signals and create wage pressures. Ironically, the right-wing critics of government interference tend to support the implementation of (interfering) hard workfare policies that give the unemployed no option but to enter low-paid work. As Gorz (1999) notes, having a “reserve army” of un(der)employed workers, or workfare drones might restrain wage costs and inflation, but the societal costs are high and compound with each generation. Hazledine (1998, 169) questions whether “those inventories of idle and often wretched people are necessary” and claims it is more efficient, productive and ethical both in the short and long-term to “bring supply and demand together.”

If there is no political will for job creation and maintenance incentives or subsidies, then it is unlikely that there will be an adequate supply of jobs which disadvantaged unemployed people can realistically apply for. In this context, training schemes alone cannot be expected to remedy unemployment. The best training providers can do for the disadvantaged unemployed is to offer meaningful activities and pedagogical content to ensure that the trainees are better equipped to live their lives whether or not they find

¹⁶⁴ While I agree with Hazledine’s commitment to a wider societal view of unemployment, I find full-employment an impracticable and unstable basis for full citizenship.

a job. Given this context, there is even more reason for the training scheme policy framework to extend its narrow focus beyond employability, barriers and deficits. In the context of an uneven and inadequate job supply, it is unreasonable for disadvantaged unemployed individuals (or the providers who genuinely seek to help them) to shoulder the full responsibility for their situation.

Overall, a progressive labour market policy framework involves designing and implementing *plus-sum* (rather than *zero-sum*) policies to optimise the interests of the main individuals or groups concerned (Torfing 1999b). Plus-sum strategies include processes to facilitate good labour practices and labour intensive industries, as well as direct incentives for job creation and staff retention. Such incentives not only allow businesses to hire more employees (thereby increasing overall labour opportunities and productivity) they also change the economics of labour reduction/shedding. This is an example of a plus-sum strategy because it strives to balance the interests of employers, employees, unemployed people and the State.

Successive governments have frequently portrayed a narrow view of improved circumstances for the disadvantaged unemployed (especially for sole parents) as (low) paid jobs. Social development has more chance of occurring when all citizens have their fundamental needs met (i.e., housing, health, education and income). The first priority of social development is to ensure people are no longer in ‘survival mode’ and suffering hardship. Ferrera *et al.*, (2002) argue that it is equally important for the State to introduce policies that ensure that all jobs (especially low-paid and contingent jobs) become more viable and secure. These authors claim that *flexicurity*¹⁶⁵ is a pragmatic response to the contingent labour market and *flexi-jobs* which are now integral features of late-capitalist societies. Given these realities, the State should not only provide incentives to encourage employers to create quality jobs, but also the State should compensate employees who are unable to secure a reasonable income, despite working in one or more contingent jobs.

¹⁶⁵ For further detail refer to Chapter 2 page 51.

Late-capitalist societies such as New Zealand, Britain and in Western Europe face a complex mix of pressures arising from international competition, demographic shifts and sociological changes. The one common theme in almost every context, however, is that the disadvantaged unemployed are usually not benefiting from economic growth and they are all too frequently, slipping between the cracks of policy initiatives. This means that their disadvantage becomes further entrenched and they risk becoming trapped as an underclass. The underclass, or lumpenproletariat are considered to have no function in society, and they are assumed to impose risks and burdens on the rest of society. It is clear that the free-market and most current policy frameworks are inadequate to ensure that the disadvantaged unemployed are able to access paid work and/or reasonable livelihoods and to participate in wider society. This means that it is necessary to look beyond the claim that the disadvantaged unemployed are failing and consider that, perhaps, societal structures are also failing the disadvantaged unemployed.

Beyond paid work

Labour market policy frameworks are based on specific understandings of work and the relationships between workers, employers and the rest of society. Therefore, a progressive re-visioning of labour market policy frameworks requires the consideration of the various forms of work; the extent, presence or absence of economic rewards; who has access to work with varying economic rewards and who is responsible for unpaid work. As a general concept, work includes any activity where individuals or groups apply their effort, abilities and capabilities towards achieving an end that leads to a positive outcome for themselves or for others. Work includes all the routine activities whereby individuals maintain their physical survival and that of the people they are responsible for. This aspect of work is clearly visible at the household level, while the aggregate efforts of all individual workers underpins the viability of the economy.

Societal expectations are that most people should participate in paid work, so they can consume, which, in turn, provides more work. Yet, so much of the work that needs to be done (i.e., caring for other people, other species, and even ourselves) is not directly related to a saleable product. Wellbeing does not come in a coke bottle. As Briar (2000)

and Waring (1990) demonstrate, late-capitalist societies privilege paid work, or work that has a commercial outcome and contributes to an increased measurable component of GDP. Any other forms of work that are meaningful, creative or socially necessary are only included in the formal economy if the commercial or political viability can be established in monetary terms. Yet, a broader vision of work is particularly relevant for the most disadvantaged unemployed, and it could include any activity that utilises an individual's abilities and talents, increases their knowledge and skills, is beneficial for other people or society, and provides a sense of meaning or belonging.

One of the options for extending the concept of work is to create full-wage third sector jobs for disadvantaged unemployed. This is one way to extend the right to a basic level of income and meaningful work to people who might otherwise be excluded. Although there are costs involved in creating third sector jobs, the benefits are that the productive potential of the disadvantaged unemployed is realised, and the underclass burden or risk to themselves and society is reduced. Such third sector employment, however, does little to challenge the dichotomy between paid and unpaid work, even though it might not always be perceived as 'real' work.

The current direction of globalised late capitalism fails to provide adequate responses to unemployment especially that of marginalised workers. Current economic processes focus on short-term, private economic gain and tend to overlook the fact that long-term productivity depends on social infrastructure. Unless one adopts the Thatcherite line that, "here is no such thing as society", it is clear that our individual responsibility does not end with our own interests and financial viability, or that of our immediate family or social grouping (1987 cited in Hursh 2005). As Gorz (1999, 52) observes, we are leaving work-based society behind without replacing it with any other form. Yet simultaneously "each person's right to an adequate income, to full citizenship – indeed his/her very right to have rights – is still made to depend on his/her accomplishment of some measurable, classifiable, saleable work" (ibid, 53).

The majority of people in paid work would probably disagree with Gorz because, in New Zealand, average working hours have increased to one of the highest in the OECD (Callister 1997). As Callister points out, the New Zealand labour market has bifurcated

into “work rich and work poor” groupings. The advent of post-industrial society could have opened social spaces for a broader experience of citizenship. Instead, the power of capital over labour, and the narrow pursuit of financial profitability, have trapped the majority of workers under ever-increasing workloads, work-related stress and consumerism, and simultaneously burdened disadvantaged groups with un(der)employment, poverty and a marginalised existence.

The multiactivity society

A radical option proposed by Gorz (1999) is the concept of the *multiactivity society* which seeks to reduce the social space occupied by waged work and instead, increases the spaces for meaningful and constructive activity beyond the marketplace. Gorz rejects the construction of people simply as autonomous individuals, consumers and capitalist automatons. The multiactivity society reduces reliance on the capitalist wage-based consumer economy, while redistributing income and freeing existing workers to engage in meaningful social activities, such as parenting, caring, creative pursuits and community service. As a result, it becomes possible to envision livelihoods, economic and social relations, and systems of exchange beyond the wage-labour nexus, which could give individuals, families and communities greater self-determination. This proposal entails a move towards a more interdependent, interconnected and self-reliant society, with decentralised, locally-based economies that utilise small-scale production systems. The multiactivity society also involves encouraging individuals, communities and nation States to reduce their reliance on de-territorised global financiers and consumerist cultures, and replacing these with locally-based systems of production and exchange that are determined and organised by locally-based individuals and communities.

The overall purpose of the multiactivity society is to make the attainment of wellbeing the main goal of society, ahead of the single-minded pursuit of economic growth, profit and greed. Gorz argues that a multiactivity society is socially just, but it can also be more productive and economically efficient, especially in the longer term, if environmental and social costs are factored in. The multiactivity society not only utilises human capital more effectively, but it is also a platform for the inclusion of all citizens (and not only those lucky enough to find a reasonable job).

Gorz argues that full-employment is an unattainable myth and therefore it is no longer a viable basis for participation in society. Instead, an alternative means of wealth distribution is necessary to take account of the fact that not all citizens will be able to find full-time jobs and, indeed, it is not desirable for all citizens to do so. Therefore, Gorz recommends some form of universal basic income or guaranteed minimum social wage alongside a redistribution of paid and unpaid work. The main advantage of a basic income is that marginalised segments of the population are supported to participate in unpaid socially or environmentally useful work, which might not otherwise occur. Such work often benefits the quality of life of the individuals concerned, but also wider society. Moreover, the introduction of a universal basic income could improve the ability of low-income workers to participate and bargain in the labour market and thereby reduce exploitation.

The main objections to universal basic income are the belief that it would erode the incentive to work, and the fear that many people would choose not to work at all. However, there are a wide range of reasons why people chose to participate in paid work including the desire to apply talents and abilities, to form social networks, or to experience the satisfaction of creating a product or delivering a service. These motivations would still exist if a universal income policy was introduced, along with the motivation towards extra earning.

The case for a universal basic income has been extensively researched and debated (Goldsmith 1997; Pixley 1993; Rankin 1997; Tomlinson 1991; van Parijs 1992). Such a system is unlikely to be implemented while neoliberal ideas and neoclassical economic theories dominate policy debates. For neoclassical economists, liberty, or the utilitarian objective of the greatest good for the greatest number, is narrowly interpreted to mean the freedom and/or equality of all individuals to participate in intense individualised competition and consumerism. A universal income would remove the intensity of competition that drives free-market capitalism. In the neoliberal context, disadvantage and inequality are not considered a wider societal responsibility, but are viewed as evidence of individual failure in terms of effort, ability or merit.

Individuals and communities can only become more self-reliant if they have an adequate economic base, and preferably a degree of ownership and control over land, infrastructure and resources. Neoliberal political discourses emphasise the importance of private ownership, enterprise and self-reliance, but would probably balk at a social wage, viewing it as a form of government interference or a 'hand-out'. Centre-left or State Active Neoliberal standpoints may not support a universal income because it involves a considerable transfer of economic resources and power away from the State. One way to enact a small part of the multiactivity society is to recognise that paid work is not the only valid way to participate in society and that there are other skills that are valuable beyond workplace skills. This could create space, beyond narrow vocational options, for a range of educational options and voluntary, care-giving or parenting roles. Such unpaid activities are only a viable option if benefit levels and minimum wages are raised, so that the disadvantaged unemployed are not living on, or below the poverty line.

Other options that may articulate with the multiactivity society include initiatives that involve a transfer of land ownership and resources, so that individuals and communities can build their own livelihoods, networks and capacities to ensure a reasonable standard of living. In New Zealand, Treaty of Waitangi claims have created a platform for Māori self-determination and provided economic bases and possibilities for some Māori tribal groups to experiment with forming sustainable and inclusive economies.¹⁶⁶

At the risk of sounding patronising, disadvantaged unemployed people and other interested individuals might be interested in learning skills to reduce consumerism and debt. This may include free and impartial budgeting advice. Many adult education and community centres throughout New Zealand already run initiatives on car or bicycle repairs/maintenance, how to build and renovate furniture, how to grow vegetables, or how to make clothes, crafts and gifts. Further collaboration between community centres and training providers is possible, depending on additional resources and funding. The

¹⁶⁶ Māori land claims have been advanced by both right and left-wing governments. Interestingly, neoliberals frequently show support for Māori self-determination if it increases self-reliance, entrepreneurialism and reduces welfare dependency.

incidence amongst professional workers of ‘down-shifting’ demonstrates that even so-called successful free-market citizens are questioning the expectations and stresses of a modern job, and are instead seeking ways to reduce their reliance on higher incomes and consumerism (Drake 2001).¹⁶⁷

In general, the current State Active Neoliberal framework champions neoliberal free-market economic growth, and privileges economic interpretations of other societal concerns and issues. In New Zealand, the State demonstrates a relatively high level of (somewhat paternalistic) intervention in the economy, policy arena and society. It is unlikely that the idea of the multiactivity society could have a high degree of currency within the current political context. The multiactivity society may contribute little to Gross Domestic Product (GDP) (which is a primary concern for a State Active Neoliberal regime), however, it might significantly increase the health and well-being of individuals and communities. Aspects of the multiactivity society could inform an alternative approach for the most disadvantaged unemployed, in order to create a positive societal role or function for them, rather than leaving them to be discarded and discouraged by competitive labour markets, free-market economies and consumption-driven societies.

Conclusion – practical and progressive suggestions?

The recommendations discussed in this chapter began with the providers’ practical suggestions for improving outcome measurement, provider feedback mechanisms and relationships, and moved on to their broader ideas about the effects of unemployment, the needs of disadvantaged unemployed people and their role as service providers. The government review (Ministry of Education 2002) contained vague recommendations such as emphasising foundation skills. Alongside the continued emphasis on the two-month outcome measures, the only notable change was the “dual outcome focus” which purportedly recognises both education and employment as ‘good’ outcomes. The current low unemployment rates and employers’ complaints about skills shortages construct unemployment as an involuntary and inexcusable situation. Even so, it is still

¹⁶⁷ Admittedly, professional workers have many advantages over the disadvantaged unemployed which means down-shifting is a much more appealing option for them.

possible to garner political and public support for policies that identify and address the reasons for continued unemployment, and which present disadvantaged unemployment as a development and human rights concern. Such progressive frameworks need not follow a rigid formula, but could be place and context specific responses and may draw from a range of plus-sum, tripartite and community-based strategies. The overall goal of progressive labour market policies is to offer a more sustainable and just platform for society that distributes all forms of work, economic activity and community participation more equitably and productively.

Chapter 8

Conclusion

“Justice is not spelt just-us” Laura Flanders 2002

A highlight of this study is that in-depth qualitative and ethnographic methodology has widespread applications for the evaluation of policies, policy frameworks and public administration practices. An in-depth qualitative methodology creates possibilities to explore core issues and understand the (dis)connections between theory and practice, to examine different scales and contexts and build the connections between them. The main strength of this form of research is that it provides insights from the implementation level that have the potential to improve the understanding of how policies are (not) working. This approach stands in stark contrast to the dominant trends in policy administration towards the increased reliance on simplified measures to represent complex processes.

Although government policy discourses repeatedly state that a “best practice model” is being followed, there is still considerable disagreement surrounding the administration of training policies targeting the disadvantaged unemployed. These debates vary from those dominated by the State sector, to those community-led, to those where market-led neoliberal notions of what constitutes “best practice” dominate. In Aotearoa/New Zealand, from 1999 to 2005, political agents have adopted a theoretical framework that can best be described as State Active Neoliberalism. This framework maintains a neoliberal quasi-market that involves the application of business principles (such as competition, outcome measurement and contracts) to the delivery of public services. The main aim in this research was to examine a specific case to establish the ways in which theoretical frameworks operating at the macro-policy level impact on the delivery of training for the disadvantaged unemployed. In particular, the thesis addressed the following questions:

1. Are there tensions between the frameworks and the practice of State-funded training schemes for disadvantaged unemployed people, and if so, what are these tensions?
2. How do the issues faced by providers enable, and/or constrain the delivery of training policies for disadvantaged unemployed?

The answers to these questions can be summarised as - Tensions and Consequences. I conclude that the proposed community development framework is a more appropriate platform from which to address the needs of the most disadvantaged unemployed. A further conclusion is that it is necessary to look beyond training simply for employment because (even high quality) training schemes are unlikely to increase the participation of the most disadvantaged unemployed people in the labour market. Finally, future research possibilities are discussed.

Tensions and consequences

Problems with outcomes

The most distinctive hallmark of the quasi-market model is the increased reliance on ritualised outcome measurement as ‘evidence’ of ‘good’ practice. New Zealand government officials advise that quantifiable outcome measures are necessary to monitor and manage providers, and to impede “provider capture” which is presumed to lead to anti-competitive behaviour and inefficiency (see page 121). A consistent finding in this research is that, in relation to the training policies, the current emphasis on formalised outcome measurement creates displacement effects that are in direct opposition to policy intentions. The Training Opportunities (and increasingly Youth Corps) course outcomes are crude, snap-shot measures that should not be viewed in isolation from more in-depth understandings of the possibilities and constraints at the policy implementation level. These outcomes have gained an authority that far outstrips their methodological efficacy or validity. Outcome measurement is presented as an objective tool used by funders to make ‘impartial’ decisions on ways to allocate funding and manage contracts. Not only are current outcome measurement systems far too simplistic, they also measure the wrong things because the outcomes are not aligned with the main objectives of the training policies.

Training providers are funded to train unemployed people and, in the case of Training Opportunities, they are funded to train the most disadvantaged unemployed people. The emphasis in the training sector on employment and further educational outcomes, however, does not encourage training providers to assist unemployed people with disabilities, health issues or other barriers to employment. Why would providers expend time and resources on disadvantaged individuals (as opposed to less disadvantaged individuals) when they are less likely to secure employment and may need a longer time period to become ready for work or further education? The focus on ritualised outcome measurement deflects attention away from the principal educative role of training. Providers end up striving to adhere to outcomes (as narrow indicators) rather than creatively and sustainably addressing the needs of their trainees.

Instead of relying on current outcomes measures, it would be more appropriate to measure the value of training schemes based on the quality of the educational content, the professional capacity of staff, and a wide range of incremental improvements made by trainees. These are all aspects training providers can realistically be expected to influence. Providers have limited control over the capacity and/or willingness of the trainees to engage in the developmental processes. Furthermore, providers can neither predict, nor control the individual choices trainees make when they leave training schemes. The success of the providers' and trainees' efforts also depends ultimately on whether individual trainees can access jobs or further education. Providers have little control over the availability and accessibility of jobs, or educational opportunities, at different times and in different contexts. Whether or not a trainee registers a successful outcome depends not only on the individual trainees' 'choices' and possibilities, but also on their family and peer influences, local labour markets, employer preferences, tertiary education enrolment dates, the (inter)national economy and other political or societal contexts.

While simple measures may be useful for measuring straightforward activities, assisting disadvantaged unemployed people is a highly complex process. The varying needs, issues and responses of disadvantaged unemployed people cannot be reduced to a series of discrete ticks on a one-page sheet of boxes. Trainees can present many needs beyond a workplace skills deficit. Addressing these various needs can be critical to

achieving a sufficient level of wellbeing, so that the unemployed are able to create a solid social and vocational base for their lives. Most of the providers in the fieldwork commented that the most disadvantaged unemployed risk becoming an entrenched underclass with needs and issues that even the highest quality 16-week work-focused training courses cannot address.

Commercial survival versus social motivations

The training providers researched routinely face difficult trade-offs between commercial survival and social or pedagogical motivations, which has generally resulted in the demise of appropriate training courses for disadvantaged adults. The competitive quasi-market model is predicated on short-term contracts and price incentives. Individual providers must compete with other providers and constantly find ways to maximise efficiency and cut costs, even though funding has never been particularly generous. Providers are also haunted by the possibility that other more business-minded providers could appropriate a greater share of the funding by being single-minded about commercial objectives and outcome measures. These pressures have implications for relationships, cooperation and knowledge, or resource sharing between providers in a locality. In the competitive quasi-market, providers become more guarded and are less likely to talk openly with each other, which can increase the risk of course duplication and other inefficiencies.

Training organisations can only secure contracts for six months and up to a maximum of two years at a time and thus, staff salaries, capital investment, budgets and strategic planning proceed on an insecure and non-committal basis. Strathdee (2004) argues this climate of insecurity is a deliberate, arms-length mechanism to discipline providers. In the case studies, it was apparent that insecurity has had the effect of undermining (and in a majority of cases destroying) socially-motivated organisations and their efforts to assist the disadvantaged unemployed. Strathdee's argument leads to a somewhat cynical supposition that, in this instance, that the quasi-market allows the State to steer training providers towards becoming more commercially-motivated rather than socially-motivated. At the same time, the State maintains the Training Opportunities policy rhetoric and deflects criticism by putting the onus on training providers and

trainees. In effect, market competition is co-opted as an indirect disciplinary tool that limits the State's responsibility for, and spending on, the disadvantaged unemployed.

In this research, I observed that the mechanisms of the quasi-market generate two distinct provider responses. These responses are generalised to distinguish providers who become (relatively) more commercially-driven from those who retain a predominant social motivation. The socially-motivated providers are more likely to have lost the funding to run Training Opportunities courses. Providers, such as those working at the Arrow and the Koru, say they are unlikely to reapply for Training Opportunities funding, unless there are considerable changes to the policy which take full account of the complexities involved. Although socially-motivated providers maintain an ongoing concern for the disadvantaged unemployed, this is in effect, what prevents them from accessing the funding for the main policy initiative targeting disadvantaged unemployed adults.

In contrast to socially-motivated agencies, the tendency for commercially-orientated providers is to readjust their objectives in order to find ways to thrive in the current context. Commercially-driven providers tend to adopt a deliberate strategy to reduce outcome risks by only admitting trainees deemed to be as closely work-ready as possible. The main concerns revolve around the eligibility constraints and not the needs of disadvantaged unemployed people. Ironically, commercially-motivated organisations (such as the Ark) are considerably more successful in attracting funding and are more likely to offer Training Opportunities courses. Overall, the providers' reluctance to accept the most disadvantaged unemployed on to courses is understandable, given that such organisations must remain economically viable if they want to be able to deliver any services at all. This economic viability also extends to the responsibility of securing wages for staff and investing in the capacity of training organisations to maintain a sufficiently high standard of service delivery to meet the outcome criteria of the funding agency.

My empirical research demonstrates that the requirement that the providers' meet administrative demands (or face funding cuts) is frequently in direct opposition to their intention to meet the needs of the most disadvantaged unemployed. Offering services to

the most disadvantaged unemployed people can be challenging work. High quality, responsive training course delivery is only possible in a stable and supportive context that consolidates long-term sustainable organisational capacity. The current framework for the training policies examined creates processes that undermine socially-motivated providers and exclude the most disadvantaged unemployed. In this context, only commercially-driven providers and work-ready trainees are endorsed and empowered.

(Dis)Empowering the disadvantaged unemployed

The tensions discussed above result in the exclusion of the very individuals that the policies purport to include. This further dis-empowers the most disadvantaged unemployed because they cannot access this service. Because their needs are perceived as being met, no other services are provided. A major purpose of training is to (re)construct trainees as self-responsible, enterprising and confident jobseekers in a constant work-ready state. Yet, the selecting and sorting mechanisms of training policies operate to undermine individuals' agency, especially for the disadvantaged unemployed who are denied access. Turning these individuals away reinforces their feelings of worthlessness. Being turned away from a course designed for disadvantaged people because you are considered to be too disadvantaged carries a considerable social cost. Unfortunately, there seems to be no overarching commitment to ensure all disadvantaged unemployed youth and adults retain their access to services, or that these services are in any way relevant to their needs.

Also shown is that training schemes dis-empower individuals by dictating a limited set of 'approved' behaviours or attributes and sanctioning, or ignoring the needs of individuals who do not fit the work-ready mould. The constant pressure of outcome requirements can lead to a reduced acceptance of difference amongst risk-averse providers. In their selection of potential trainees, providers may tend towards staying with what is safe and known, rather than selecting trainees who might (in their view) pose an outcome risk such as people who are disabled or belong to an ethnic minority.

The emphasis on employability, deficits and barriers reinforces unrealistic expectations for disadvantaged unemployed individuals and training providers. In many cases, the trainees may well benefit from life-skills, goal setting, increasing their motivation and

learning about workplace expectations. Raising the employment expectations of the trainees means they have further to fall if they cannot find work, which is often the case because the underlying reasons for their disadvantaged situation remains largely unaddressed.

A community development framework

Although training providers are constantly under scrutiny by the funding agency, and must comply with narrowly defined systems of practice, the policy frameworks are less often called into question. Most policy evaluation processes focus only on implementation. This study indicates that it is equally important to evaluate the directives and assumptions of the overarching macro-frameworks. While my research has largely involved an on-the-ground assessment and critique of existing training policies, it also involved theoretical work to establish the ideas and assumptions that drive policy development design and implementation models.

The tensions detailed in Chapter 6 and 7, demonstrate the incongruence between the neoliberal ideals and the practical operations and experiences of the training providers. As discussed in Chapters 2, 3 and 4, neoliberal thought has had a significant influence on the design and delivery of training schemes in New Zealand. Moreover, neoliberal theories about competition, free-markets and individual utility underlie the creation of a quasi-market for training scheme implementation. Research has highlighted that the State Active Neoliberal model fails to provide effective training for the most disadvantaged unemployed. A community development framework offers more appropriate insights and approaches that might be more closely aligned with efforts to meet the needs of the most marginalised unemployed.

As McCarthy (2005) demonstrates there are instances where certain forms of neoliberalism can articulate with aspects of community development (such as self-sufficiency) to create new possibilities for viable locally-based economies. However in relation to this research, State Active Neoliberalism has created few such possibilities for the disadvantaged unemployed who usually lack ownership of land, resources or capital. Moreover, the competitive quasi-market relations in the delivery of training

have made it very difficult to sustain grassroots locally-based organisations which offer services to the most disadvantaged unemployed. A State Active Neoliberal regime maintains a high degree of control over the allocation of resources to the community sector, the policy process and the various forms of consultation or policy evaluation.

The value of a community development framework for the implementation of (training) policies for disadvantaged unemployed people emerged in the course of this study and is developed in Chapter 7 (see page 261). Community development theories and approaches emerge from, and recognise the importance of, grassroots practitioners and community level knowledges and viewpoints. Community development approaches tend not to separate social and economic concerns and instead, build on a direct engagement with the local level. It is much harder to overlook the suffering of people and communities if you live amongst, or interact directly with, them.

The locally engaged and holistic approaches in community development also mean that it fits more closely with the lived-realities and efforts of the socially-motivated training providers. A community development framework could endorse policies that are responsive not only to the needs of the labour market but also to the needs of disadvantaged unemployed people, their families and communities, as well as supporting the organisations that carry out this challenging work.

A community development framework could support socially-motivated providers in all aspects of their work irrespective of how well they meet the formal outcome measures. The current framework does not allow providers to connect their activities and concerns to wider societal processes occurring around them. Many of the socially-motivated training providers are troubled by the effects of unemployment on their families, local communities and future generations. There is also an awareness that the excluded or dismissed trainees do not disappear from the community but their issues tend to reappear in more compounded and entrenched ways. While these providers would like to see their trainees succeed in the labour market, they are equally concerned about the wellbeing of those trainees who do not obtain employment. The holistic nature of community development offers a broader platform for considering what trainees need in order to participate positively in society.

Beyond training

Even if training, workforce rehabilitation and labour market information exchanges are improved to align more closely with the needs of the most disadvantaged unemployed, there is no guarantee that this will translate into ‘good’ outcomes. In particular, employment-related outcomes are dependent on whether there are sufficient suitable jobs that are commensurate with the needs, abilities and expectations of the unemployed. There are few indications that the neoliberal project can, or will, provide adequate and reasonable jobs for all sectors of the labour market. In particular, the lower end of the labour market, which is the most likely entry point for disadvantaged unemployed people, is characterised by wages and conditions that keep many of these workers in poverty and hardship.

Numerous researchers and academics question the (im)possibility of attaining full-employment in the context of post-industrial societies. Although contemporary labour markets are characterised by intermittent labour shortages, especially in specialised or highly skilled occupations, overall, low(er) skilled jobs (particularly those offering reasonable pay and conditions) are in short supply relative to the numbers of individuals who seek such work. This means that the disadvantaged unemployed have much less bargaining power in the labour market. While upward mobility is still theoretically possible, it is less likely given that the most disadvantaged unemployed do not usually succeed in mainstream education and are effectively unable to access employment assistance initiatives such as Training Opportunities courses.

At present, political thought on the situation of the disadvantaged unemployed presents two opposing strands. The more right-leaning neoliberal message is that the disadvantaged unemployed need more incentives (or coercion) to enter work and that welfare dependency is the main obstacle. Therefore, right-wing parties advocate the introduction of work-for-the-dole schemes, minimising labour market rigidities (i.e., minimum wages, health and safety regulations and dismissal procedures) and the reduction of union power. Such hard neoliberal policies do indeed appear to reduce the numbers on welfare rolls, but at a cost of increasing poverty, ill health, homelessness and crime among the disadvantaged (Ehrenreich 2001; Peck 2001a).

Centrist, or Third Way political agents, and the current State Active Neoliberal framework adopted by the two New Zealand Labour-led governments (from 1999 to 2005) share a common rhetoric in their claims that the government should prioritise economic growth and ensure that all citizens have access to career information and suitable education or training. Left-wing critics, however, argue that such commitments are insufficient unless they are accompanied by policies that can guarantee that the objectives of a reasonable job and income are achievable for all those involved. In the current context, the most disadvantaged unemployed people effectively stand outside the labour market because they are unlikely to secure jobs or even training opportunities.

Future research possibilities

The issues explored in this research are linked to the international political economy, and the trends and tensions emerging from late capitalism, globalisation and neoliberalisation. While focussing my research mainly on the impacts of policy decisions on the people concerned my research findings have demonstrated, in one specific local context, that the broad agenda of the neoliberal project does not enhance the social inclusion and wellbeing of the most disadvantaged unemployed people. Future research possibilities include studying similar questions in different local and national contexts, or in comparative studies.

There is also scope within human geography to do more research and theoretical work to gain a deeper understanding of the specific impacts, consequences and trade-offs that occur in different locations whenever harder or softer versions of the neoliberal project are advanced. Such research could complement Peck and Tickell's efforts to situate human geographic analyses within broader political-economic theoretical accounts of the generic neoliberal project (Peck 2001b; Peck and Tickell 2002; Tickell and Peck 2003). Larner (2005) observes that while neoliberalism may exist as a generic political theory or project, there are multiple expressions of neoliberalism that reflect complex geographic and socio-cultural processes. Thus, more research is needed to demonstrate that the process of embedding the neoliberal project is not a seamless top-down

inevitability, but instead neoliberal objectives are contested, subverted and co-opted at all levels.

More research could be done from theoretical perspective that combines the viewpoints offered by Larner (2005), Peck (2001b) and Tickell and Peck (2003). While it is important to demonstrate that there are a plethora of place-specific neoliberalisms, and a multitude of differing experiences and subjectivities within them, it is equally important to interrogate the norms and values articulated at an overarching political level and how these are operationalised via broad policy objectives, government (in)activity, legislation and policy frameworks. At each point in a nation's political history it is possible to identify an unsteady but powerful composition of assumptions and theories that are discursively articulated and moulded into formal prescriptions for each area where the State interacts with the social and economic realms.

Two very broad categories of unemployed people can be distinguished - the almost work-ready and the most disadvantaged unemployed. These categories can be used in the New Zealand context as labels for the two main groups who are targeted by training policies. This study builds on this distinction and explores how these labels operate in the construction of training and/or workfare policies, and the social consequences of this act of labelling especially for the disadvantaged unemployed. More research is needed to explore the main distinctions between the so-called work-ready and most disadvantaged unemployed and to explore how these categories are constructed (culturally, socially, and politically) as new societal groupings in the various contexts of neoliberalising societies.

Research constantly invites more questions and possibilities. Most existing research on training discusses whether training does or does not facilitate a transition into employment and tends to focus on the more work-ready individuals. There is a general absence of research examining disadvantaged unemployed people, their needs, and the failure of most active labour market policies (including training) to meet these needs. Questions that could lead to further study include: What are the long-term effects on the disadvantaged unemployed, especially when they are denied access to training? How do disadvantaged unemployed people view their situation? How different are their

needs to those defined by the State and providers? How might an equitable and effective method of outcome assessment be developed? Related research topics could explore the wider societal processes that cause labour market disadvantage in New Zealand, and the changes or initiatives required to reduce its occurrence.

Further research is required to connect the operational issues and outcomes of training schemes to broader political and institutional developments. There is still scope for research that does not take a narrow view of training and unemployment as isolated issues of concern only to the unemployed individuals, or the training providers. There is already considerable research on the skills which unemployed people have, as well as the barriers faced by them when seeking employment, or seeking to improve their employability. The effects of long-term unemployment at the individual level are also well-researched and evident in terms of the (mostly negative) impacts on the health, domestic and personal dimensions of the people concerned. There is, however, a need to pursue research that shifts away from the individualised focus to consider the community and societal implications of un(der)employment and the possibilities for leadership and collective action at the community level. Nevertheless, an in-depth study of the reasons for long-term unemployment, from the unemployed person's point of view, could offer a new perspective. Such research would explore and develop the positive agency of unemployed people, instead of assuming that the main causes of unemployment are the barriers they face, or the lack of a work ethic.

The field research revealed that it has become more difficult to offer worthwhile services to disadvantaged unemployed people in New Zealand. Indeed, all the organisations studied have either greatly scaled down, or terminated, training for the most disadvantaged unemployed adults. Another research exercise could involve collating quantitative or historical assessments of the organisations (past and present) offering services to the most disadvantaged unemployed via Training Opportunities or similar policies. Future research could provide further insights into the reasons why community organisations offering services to the disadvantaged unemployed have not been sustained, and what is required to sustain viable community-based organisations that offer high quality and responsive services. A worldwide study of policies and/or

community initiatives that operate on the basis of different frameworks and approaches would also be useful.

Te Wānanga o Aotearoa (see page 229) is currently New Zealand's largest tertiary provider, but it is also the largest organisation to offer courses specifically for disadvantaged and marginalised groups. Possible research topics include documenting the extraordinary growth of this organisation, the challenges it has faced (both internal and external) and how the organisation is perceived. Such research could provide some indication of the future viability of the Wānanga and whether it can continue to offer educational opportunities to Māori and other groups who are less likely to succeed in mainstream education. It could also offer insights into whether it is still possible for smaller community-based organisations to emerge and survive while the overarching theoretical frameworks remain firmly wedded to human capital theory, quasi-markets and ritualised outcome measurement.

Another area of research is to assess the viability of alternatives to current practices and policies. What is the feasibility of work-force rehabilitation in New Zealand? Research on this topic could draw on continental European literature and experiences, provider suggestions, political and wider public or community responses. Further questions include; what might New Zealand workforce rehabilitation schemes look like, how would they operate, who would run them, is there a need for specialisation to address different needs and how would such programmes be measured?

Training schemes, no matter how well directed, do little to increase the supply of (reasonable) jobs which disadvantaged unemployed people can realistically apply for. At best, they can increase the relative employability of some individuals over others. If current political-economic frameworks and policy-makers are unwilling, or unable to include the disadvantaged unemployed then it will be necessary to consider other options to prevent their (further) entrenchment as an underclass. More research is needed to consider the suitability of introducing a social wage and/or third sector employment for the disadvantaged unemployed. Despite the fears of hard-line neoliberal proponents, creating jobs and other opportunities in the community sector for the disadvantaged unemployed would cause little or no disturbance to existing

labour market dynamics. The disadvantaged unemployed would simply have the opportunity to engage in socially or environmentally useful work, instead of having no legitimate function in society and becoming an entrenched underclass.

Future research could also involve examining the full range of available options from work-for-the-dole, flexicurity, full-wage third-sector employment creation, multiactivity initiatives and universal income, in terms of the long-term benefits, the immediate costs, and the costs of not doing anything. Such research could take into account that policies that are less stigmatising and coercive are more likely to encourage cooperation, which improves labour productivity and reduces the need for surveillance and sanctions. There is little to lose in experimenting with a wider range of alternatives for the most disadvantaged unemployed, such as third sector job subsidies or a social wage. The disadvantaged unemployed would not replace other workers if they were engaged in activities where the free-market economy does not normally apply. The challenge for future research is to create options which do not discourage or demean the disadvantaged unemployed.

Over the period of this research, the reliance on the narrow, snap-shot outcomes by policy decision-makers has become more entrenched and the alternative model utilised by MOYA for the administration of Youth Corps courses has been largely ignored and discarded. The recommendations documented in Chapter 7 offer various strategies for overcoming the pitfalls of the current system. More research on the inadequacy of outcomes measurement may not be what is needed. Perhaps it is more appropriate to explore the political reasons for maintaining the current inadequate system. Why are policy decision-makers persisting with this inadequate approach? Is this a deliberate attempt to narrow the scope for training? Either way, the fact remains that the most disadvantaged unemployed are often jettisoned by a system claiming to be operating for their benefit.

The importance of linking macro frameworks with implementation at the local level is accentuated by this study. Although the government emphasises the importance of evidence-based policy decision-making, the outcome measurements offer only a narrow and simplistic method for assessing the effectiveness of policies at the coalface.

The increased reliance on narrow, formalised outcomes to the exclusion of all other forms of evidence has had the effect of further distancing the macro-policy decision-makers from the consequences and effects of particular policies at the local level.

The in-depth qualitative approach adopted for this research is one way to counter the widening divisions between providers, funders and strategic policy objectives. Further documentation of grassroots issues and critical political-economic analyses are needed because these types of knowledge are largely ignored by neoliberal discourses, but also because the pressures faced by community organisations are increasing. The community workers who are in daily contact with the poor, disadvantaged or unemployed face ever increasing workloads and have little time to reflect on their practice or lobby central government.

Beyond a critique of outcomes, it could be useful to examine the factors creating or destroying cooperative partnerships between the State, funding agencies, training providers and communities. A study of non-profit organisations in other sectors, as well as training (e.g., environmental organisations) could help to identify the factors essential for building organisational resilience and sustainability.

Concluding remarks

At the end of this project, the sombre conclusion is that the most disadvantaged unemployed and the socially-motivated providers of training schemes are further disempowered and disadvantaged by the current political-economic framework and the public administration model. Nonetheless, that these individuals and groups do have agency and may be finding ways to subvert the system, or to open up new spaces and possibilities is also acknowledged. The concern is that, despite the wide variety of neoliberalisms around the world and currently held in New Zealand, in each situation, the disadvantaged unemployed are becoming more marginalised. The emphasis on short-term results and cost-efficiency and the absence of social-auditing processes means that the situation of many disadvantaged unemployed remains out-of-sight and out-of-mind.

The various neoliberal frameworks are similar in the way that they intensify labour market competition and impose limits on what community-based organisations can do to address social needs, especially the needs of the most maligned groups considered not to have any productive purpose. At the generic level, the neoliberal project does not recognise or address the needs of the disadvantaged unemployed. As a result, the capacity and experience of existing community infrastructure is being eroded while the disadvantaged unemployed and their needs are largely obscured or considered irrelevant.

Despite the general right-wing and business lobbyists' protestations about the use of taxpayer resources, the current training schemes do provide a useful mechanism for neoliberal proponents to divert blame for market-failure on to the individual unemployed. The schemes also prepare trainees for low-paid, precarious work, thereby maintaining a pool of work-ready jobless workers in close proximity to the labour market. This, in turn, means that some of the costs and risks, faced by employers and businesses, in recruiting, selecting and training low-paid workers are reduced.

The most disadvantaged unemployed do have agency and may demonstrate various degrees of resourcefulness and proficiency in coping with their situations. However, unless they can enlist additional support it is less likely that they will find innovative (in preference to illegal or harmful) ways to subvert current societal systems and (somehow) live marginal but satisfactory lives.

From the research conducted, the specific tensions between policy frameworks and the practice of training schemes are identified. The current training policy framework only enables the provision of training for the nearly work-ready unemployed. Moreover, the current State Active Neoliberal political model and the quasi-market for training scheme implementation erode the socially-motivated providers' efforts to meet the needs of the most disadvantaged unemployed. As a result, the most disadvantaged unemployed are relegated to the margins of society which increases the risk of social harm. The current framework for the training schemes is an inadequate platform from which to address the un(der)employment, social exclusion and relative poverty of significant groups of New Zealanders. Nonetheless, there are alternative frameworks

that could be applied to attempt to improve the livelihoods and participation of such marginalised groups.

One such framework draws on community development to build on the capacities and capabilities of disadvantaged unemployed people and community organisations in progressive and inclusive ways. The community development framework proposed here extends beyond the reductionism of neoliberal understandings (of individuals, neighbourhoods and communities as little more than economic actors and markets) to reiterate that vibrant local economies depend on a sound social base. The unique feature of community development is that it extends beyond the narrow individualised focus on the deficits of the disadvantaged unemployed towards thought and action that challenges the social and economic conditions that maintain and entrench unemployment and disadvantage.

Also highlighted is the fact that current training policies for the disadvantaged unemployed are not working as intended, but in effect obstruct the ability of the individuals and communities concerned to build on their own strengths and capacities. Narrowly focused training policies and the overarching State Active Neoliberal framework lead not only to social harm, but also result in many lost opportunities. The subsequent impacts this has on people's lives shows are best-revealed using in-depth qualitative research approaches. Community development can be more closely aligned with the most disadvantaged unemployed and locally-based community-led efforts to assist them.

In practice, the current training schemes are neither socially equitable, nor economically rational as this thesis shows. While the measurement of formalised 'outcomes' is not necessarily an inevitable characteristic of State Active Neoliberalism, it is clear that, in the case of training schemes, this form of accountability does not meet the needs of the unemployed, nor the stated aims of the government.

The recommendations and conclusions may not fit comfortably alongside free-market and neoliberal worldviews. Yet, there are only two ways to provide effective solutions for the situation of the entrenched unemployed. If the training schemes do not, and

cannot mould these marginalised individuals to fit the demands of the job market, then the only socially-equitable solution may be to shape the job-market to fit them. The State could oversee job-creation, or the redistribution of existing paid work to ensure that the disadvantaged unemployed people have a reasonable chance of a job. Without such policies, the disadvantaged unemployed will remain outside the labour market and then, the most socially equitable thing to do is to provide a social wage.

The main reason why training schemes are unable to meet their stated policy objectives is because the current frameworks and policy mechanisms are not aligned with the day-to-day practice of training providers who actually seek to assist the most disadvantaged unemployed. The providers who persevere and try to do this challenging work are frequently portrayed as ‘failed’ providers, because they do not meet the dictates of the narrow outcome measures. Current policy decision-making processes and funder-provider communications are based almost entirely on outcome statistics, audits, and the occasional formalised consultation or evaluation exercise. Central government and funding agency representatives, fearing provider capture or bias, prefer maintaining their distance from the grassroots, and instead draw on the expert knowledge of ‘neutral’ international policy experts and quantitative evaluations, rather than drawing on the knowledge of the people involved at the local level.

Surely, a thorough understanding of the issues surrounding training schemes requires an assessment of all levels of practice from international ‘best practice’ examples to an in-depth appreciation of the issues and constraints at the grassroots level. As the case study of the MOYA approach has indicated, it is possible to manage the relationships between providers, funders and policy-makers in a more constructive way. The evaluation and assessment of training practice should ultimately lead to mutually beneficial, plus-sum approaches to problem solving, while seeking to support training practices and organisations that meet the needs of individuals and communities in professional, accountable and socially ethical ways. If such comprehensive methodologies were an inbuilt fixture of routine policy practice then there would be no need for research such as this.

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Appendices

Appendix 1: Information obtained under the *Official Information Act (1982)*



MINISTRY OF SOCIAL DEVELOPMENT

Te Manatū Whakahiato Ora

Bowen State Building, Bowen Street, PO Box 12 136, Wellington • Telephone: 0-4-916 3300 • Facsimile: 0-4-918 0099

0 2 MAY 2005

Ms Ottilie Stolte
oes@waikato.ac.nz

Dear Ms Stolte

Thank you for your request of 9 March 2005, under the Official Information Act 1982, in which you sought a range of statistical data in regard to registered jobseekers for your work towards a PhD. Your request was for:

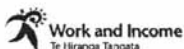
- "Number registered 6 months or more
- Numbers registered 1 year or more
- Numbers of jobseekers considered to be at risk of long-term unemployment
- Number of jobseekers assessed by MSD as lacking in foundation skills
- Ethnicity of long-term jobseekers (i.e. percentage Maori, Pacific Island, Pakeha and other)
- Number of school leavers with low qualifications
- Number of jobseekers that are eligible for Training Opportunities
- Number of long-term jobseekers who also have low qualifications
- Numbers with refugee status and MSD registered
- Number of long-term jobseekers with literacy/numeracy issues."

You also requested whether a long-term jobseeker is someone who has been registered for 6 months or more, and the current definition of "low qualifications". Your request was treated in accordance with the Official Information Act 1982.

All clients are assessed to determine their barriers to employment. The Ministry works with each client to address these barriers and provide training that is suitable for their individual circumstances.

The Training Opportunities Programme is focused on assisting people with no or low qualifications to acquire foundation skills to sustain themselves in employment, to continue to learn over the course of their lives, and to participate in society to the fullest extent. A range of interacting criteria are considered by case managers who consider client's eligibility for the programme. These include lacking foundation skills, having no or low qualifications, being at risk of long term unemployment, and being enrolled as a jobseeker for 26 weeks or more. The results of this assessment are not recorded as statistical data.

Clients are considered to be at risk of long term unemployment if they are disadvantaged against other job seekers in the local labour market. These clients may for example have a disability, numeracy, literacy or language barrier to employment. Because each client's circumstances are different not all jobseekers will be assessed to determine if they are at risk of long term unemployment. This information is intended to be useful in the



management of that client rather than across clients in aggregate, and the results of this assessment are not recorded as statistical data.

I am therefore unable to provide statistical data for:

- Number of jobseekers considered to be at risk of long-term unemployment
- Number of jobseekers assessed by MSD as lacking foundation skills.
- Number of jobseekers that are eligible for Training Opportunities.

I have however provided the following information that I trust is of use to you. Please let me know if there is any further information that you require for the purposes of your doctorate. If you would like to receive a briefing from the Ministry I would be happy to arrange this for you if it could be of assistance.

• **Definitions**

Registered Jobseeker

The definition of long term registered jobseeker is someone who has been on the Register of Jobseekers for 26 weeks or more.

The number of registered jobseekers includes all those required by the Government to look for work as a condition of receiving income support and all those who are seeking Government assistance to find work. These people may be on benefits other than the Unemployment Benefit, or may not be receiving a benefit at all. The number of registered jobseekers is an administrative count which includes people who are seeking more hours of work as well as those who are not employed. This count therefore includes some people who are not counted as officially unemployed. As an administrative measure, the rules governing the count of registered jobseekers may change from time to time.

Low Qualifications

Clients are considered to have low qualifications for eligibility for Training Opportunities if their recorded education level is:

- No formal school qualifications or have spent less than 3 years at school
- Less than 3 School Certificate passes or the equivalent
- (NCEA) Level 1: 1-79 credits.

• **Number Registered 6 Months or More and the Number Registered 1 Year Or More**

Registered 6 months or more is defined as registered 26 weeks or more. This includes those registered for a duration of 52 weeks or more. Registered 1 year or more is defined as registered 52 weeks or more. This includes those registered for a duration of 26 weeks or more.

These two questions are answered in the one table below which shows Register Duration by duration groups.

- **Registered Jobseekers (26 weeks or More)**

The number of those Registered Jobseekers by Register duration, as at 28 February 2005;

Register Duration	Total
26 - 51 Weeks	17,127
52 - 103 Weeks	15,381
104 - 207 Weeks	12,062
208 + Weeks	10,598
Total	55,168

- **Ethnicity of long-term jobseekers (i.e. percentage Maori, Pacific Island, Pakeha and other)**

The number of Long-term Registered Job Seekers by broad ethnicity as at 28 February 2005;

Broad Ethnicity	No.	Percent of 26 weeks or more
NZ		
European/Pakeha	20,313	36.8%
Maori	20,911	37.9%
Pacific Peoples	6,191	11.2%
Other	7,066	12.8%
Not stated	687	1.2%
Total	55,168	100.0%

Please note that 'not stated' is a category of those who decline to answer the question of their ethnicity when providing information to the Ministry.

- **Number of school leavers with low qualifications**

A school leaver is defined by the Ministry as someone who is under 18 years of age who has left school within the last 6 months.

There is no school leaving date recorded on the Ministry's statistical system. This means that while a person may have been tagged as a school leaver, it is difficult to determine for any particular reporting date whether their leaving date is within the previous six months.

The following table shows Total Registered Jobseekers under the age of 18 years with low qualifications, as at 28 February 2005;

AgeGroup	No Formal School Quals or < 3 yrs	Less than 3 SC passes or Equiv.	(NCEA) Level 1: 1- 79 credits	Total
15 yrs	29	16	7	52
16 yrs	548	145	85	778
17 yrs	1,089	364	144	1,597
Total under 18 years	1,666	525	236	2,427

- **Number of long-term jobseekers who also have low qualifications**

The following table shows Long-term (26 weeks or more) Registered Jobseekers with Low Qualifications, as at 28 February 2005;

Education Level	Total
No Formal School Quals or < 3 yrs	28,543
Less than 3 SC passes or Equiv.	9,074
(NCEA) Level 1: 1-79 credits	279
Total	37,896

- **Number with refugee status and MSD registered**

There is no reliable or consistent way of extracting this information. The information is based upon benefit data using specific Special Needs Grants to identify Refugees.

This information on refugees relates to people who are currently registered job seekers who have had a specific Special Needs Grant, relating to refugee resettlement, recorded at some time in the past. The information does not cover all refugees in New Zealand. Many refugees are not registered as job seekers and have never been on a benefit.

This information is not an official measure of refugees. Because it is based on administrative systems, there may be some inconsistencies in the way people are coded. The information should be regarded as indicative rather than exact.

The following table shows Registered Jobseekers identified as having Refugee Status as at 28 February 2005;

Years in NZ	Quota	Spontaneous	Total
0 < 2 yrs	183	17	200
2 < 5 yrs	442	55	497
5 < 10 yrs	370	14	384
10 < 15 yrs	84		84
15 + yrs	6		6
Unspecified	32		32
TOTAL	1,117	86	1,203

• **Number of long-term jobseekers with literacy/numeracy issues**

Those who have problems with literacy or numeracy may be recorded by the Ministry as an employment barrier following a structured interview. The following table relates to jobseekers for whom literacy/numeracy has been identified as a barrier to employment, and where this barrier has yet to be overcome at the date the counts were extracted.

Numbers of those Long-term (26 weeks or more) Registered Jobseekers with literacy/numeracy recorded as an Employment Barrier, as at 28 February 2005;


Register Duration	Total
26 - 51 Weeks	385
52 - 103 Weeks	368
104 - 207 Weeks	314
208 + Weeks	295
Total	1,362

I hope you find this information helpful.

Under section 28(3) of the Official Information Act 1982, you have the right to seek an investigation and review of my response from the Ombudsman, whose address for contact purposes is:

The Ombudsman
Office of the Ombudsmen
PO Box 10-152
WELLINGTON

Yours sincerely

PP 

Peter Hughes
Chief Executive

Appendix 2: Background letter

Department of Geography
Te Wānanga Aro Whenua

School of Social Sciences
University of Waikato
Private Bag 3105
Hamilton, New Zealand

oes@waikato.ac.nz
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8314



The
University
of Waikato
*Te Whare Wānanga
o Waikato*

27 March 2002

RE: Unemployment and training programmes - reconciling business accountability with social development

Dear Sir or Madam,

I am contacting your organisation as a PhD researcher with an interest employment schemes and training courses. I am keen to document the experiences and insights of people working directly with the issues at the 'coal-face', as currently there is a shortage of this type of information reaching the policy decision-making level.

The key research questions for the PhD are what do training courses and employment schemes achieve, in terms of addressing unemployment or labour market disadvantage, and preventing social exclusion? How could policy procedures for such training initiatives change to provide effective 'outcomes' that foster social development as well as financial accountability?

This research has the endorsement of a Foundation of Research Science and Technology scholarship and I aim to publish the research findings. I have enclosed excerpts from my proposal to give you some indication of the type of research I intend to do.

Your agency is one of the longstanding training providers in the Waikato region and therefore your input would be valuable. I am aware that training providers are extremely busy people, so I hope that the research would be of value to your organisation also. Please contact me if you have any further questions or comments.

Yours sincerely,

Otilie Stolte
PhD candidate
Department of Geography
University of Waikato

Appendix 3: Conversation agenda

Department of Geography
Te Wānanga Aro Whenua

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The
University
of Waikato
Te Whare Wānanga
o Waikato

Unemployment and Employment Assistance in Hamilton and Waikato

CONVERSATION AGENDA

The following are general topic areas we could discuss:

Unemployment - What causes unemployment? What are the effects of unemployment on individuals and on society in general?

Employment Assistance - Do you think this is important? What in your view are the best ways to help people to gain employment?

Training Provision - How would you rate the success of the training courses you are offering?

Relationships - How would you describe the relationships between your staff, and other community and government organisations?

Training Courses and the 'Outcomes' - How do you think this training course will help trainees to gain employment? In what other ways benefit do the courses benefit trainees?

Suggestions – How could training courses be improved? What ideas or suggestions do you have for improving 'employment assistance'?

THANK YOU VERY MUCH FOR YOUR TIME AND COOPERATION
Otilie Stolte

Appendix 4: Consent form



CONSENT FORM

Unemployment and training programmes: reconciling business accountability with social development

I agree to participate in the research being conducted by Otilie Stolte, a student at the University of Waikato. The purpose of this research is to look at the role and function of training initiatives alongside the problems of unemployment and underemployment.

As the participant I agree to the following rights and activities in this research:

The Interview/Questionnaire -The right to withdraw from any part of the interview, withhold information and request the removal of any information given in the interview.

Confidentiality - My name will not be directly connected to any field-notes or audio recordings, unless I specifically give permission. The information collected will be kept secure and not used for any purpose other than this research project.

Tape Recording - I agree to the tape recording of the interview when required. This assists the researcher and reduces the need for note-taking. At any time, I may request that the recorder be turned off.

Ongoing Ethical Concerns - I can discuss the research protocols with the researcher and suggest changes at any time during the research.

Signature of researcher

Date:

THANK YOU VERY MUCH FOR YOUR TIME AND COOPERATION
Otilie Stolte

Appendix 5: Memorandum of understanding



Memorandum of Understanding

Unemployment and training programmes: reconciling business accountability with social development

The researcher appreciates your concerns about research protocols. It is important that we collectively create a situation where you feel comfortable to share your views, or experiences without this backfiring on you in any way, and where you feel the exchange is of benefit to you and your organisation. This memorandum is a draft of key ethical issues that are of importance to the researcher and the participant(s).

confidentiality

ownership of the information

use of the information

responsibilities of the researcher

future contact

other

THANK YOU VERY MUCH FOR YOUR TIME AND COOPERATION

Otilie Stolte

Appendix 6: Identifying the main issues in the fieldwork

Interview 3: The Arrow – 1 May 2002

The TO/YT Review:

- 1) First time providers have been included
- 2) Good process, but time consuming, would like to see more of this.
- 3) Relationships – important! Good relationships essential. Has to come from the PTE – as a priority, and the right attitude.
- 4) Skills Advisor – assigned to each PTE, have a lot of influence.
- 5) Regional manager – next port of call
- 6) DWI/MSD problems:
- 7) High staff turnover affects relationships and institutional knowledge
- 8) Caseloads too high
- 9) Relationships between SkillNZ/MSD:
- 10) Overlap of courses and competition for the best referrals (i.e. good outcome prospects)
- 11) Interviewee: would like to be the first port of call for jobseekers. Would like to do some interviewing and case management for MSD to ease the logjam at the DWI case management level and to get people through the door, so that he can increase his chances of recruiting suitable trainees.
- 12) Ways to improve current situation:
 - a) PTE s offer to do some of the case management work (i.e. just send a steady stream to us and we will sort them out). A way to be at the front with securing placements.
 - b) Employers – programmes run in combination with big employers are much favoured but rare. Takes a lot of the onus and risk off the providers in terms of securing employment. Allows the providers to focus on the training.
 - c) Technically every TO course should have an industry advisory panel, but this is not occurring unless there is a dramatic labour shortage in the industry sector.
 - d) Employers need to be involved to help solve some of the practical problems for the trainees, but only a few see this as being a priority or a responsibility (healthcare workers example).
 - e) Wages: if wages are too low then it is very hard and often impractical to motivate trainees into work, due to added costs of working (e.g. transport, childcare etc).
 - i) Providers end up being responsible for solving many of the problems for the trainees, but also problem solving, and brokering etc within the industry sectors.

Interviewee: “In an ideal world, PTEs would design every course alongside employers.” Currently many employers refuse to engage in a collective process because:

1. of an actual or perceived fear of losing competitive advantage
2. poor industry relationships – historical tension and disagreements between employers in an industry sector
3. of a lack of concern or a sense that it is not their responsibility
4. employers only engage if there is a critical staff shortage

Current emphasis on unspecified employment outcome creates disincentives for the providers to invest time and resources into ensuring high quality training. The system also creates gaps for ‘cowboys’ to come in and offer low quality courses that are only geared towards pushing their trainees into low quality, low paid, temporary employment.

Funding and outcomes

- 1) Importance of employment outcomes and renewal of contracts. Difficulty in maintaining good outcomes; many internal and external factors. Never a single cause for not meeting the contract – multiple causes
- 2) Multiple provision and flexi-placing: Providers deal with the variations of labour market outcomes and the need to maintain some kind of continuity in their organisation (i.e. staffing, resourcing, capital development) by ‘juggling’ – or moving their staff and students around (i.e. flexibilisation).
- 3) Creaming or reducing business risk - Cannot afford to take on the more problematic cases. Entry requirements: if you lower these – “the poor statistics just flow through”
- 4) Contracts and funding cycles are rigid; do not take seasonal variations of the labour market or the supply of students (i.e. school year) into account.
- 5) The business risks are carried entirely by the PTEs
- 6) Periods of low unemployment - problems:
- 7) Students get jobs before finishing the courses and need to be replaced by new students in order to maintain the funding continuity
- 8) The better employment prospects are already in employment – leaving only the residual pool of difficult people for providers to draw from
- 9) Post-placement support critical to securing better outcomes – no direct funding for this.
- 10) Trainees can blackmail providers by not cooperating and providing information about their whereabouts or employment status
- 11) Providers need to be like detectives to track ex-trainees down at outcome measurement time

Interviewee’s Opinion on Outcomes: Does not have a problem with employment outcomes, but does worry about inconsistencies and problems with maintaining high levels of occupancy. Thinks a six-month period before the last measurement is better because for most people it takes 6 months to become settled into a job and be an asset to an employer. Suggested three measurements: one on the day of exit (include reason for leaving), two at two months, three at six months. There is recognition at the national level of the additional work PTEs do, but it is not measured. What is measured (i.e. employment stats) is driven by a nationally based hierarchical model.

Main Interviewee concern: Occupancy - Eligibility

Interviewee’s pet topic is eligibility – how he can maintain a steady stream of motivated and (almost) work ready trainees to feed through the courses, to have stable levels of occupancy thus securing the contracts. School-leavers with no place to go, have to sit around for 26 weeks before they can do anything. This creates bad habits and problems for their parents. Is training an ‘ambulance-at-the-bottom-of-the-cliff’ approach to addressing unemployment?

Interviewee suggestions:

- 1) There should be some kind of incentive to bypass the eligibility criteria, and a 'pro-active approach'
- 2) Understands eligibility criteria are a result of policy decision-makers having to minimise spending and target problem groups. Their critical measures are the numbers of long-term unemployed, which acts as a further incentive to focus on this group rather than more widely.
- 3) Cannot open TOP courses to all jobseekers, because otherwise the providers would not take the long-term unemployed – "who would you take them given the choice?!"
- 4) Quotas: set nationally, monitored regionally to allocate course placements to specific groups (e.g. Workbridge clients, Justice clients, DPB recipients). Why are these quotas not linked to actual assessments of the fluctuations in need at the local level? (see page 15 of transcript). The necessity for marketing, recruiting, work-brokering and securing good outcomes takes time and resources away from actually working with the trainees.

Staffing

- 1) Need to be multi-skilled tutors – so they can be flexible.
- 2) Main staff roles: Major roles: Motivator/Facilitator and Work Broker; Other roles: Content Expert and Trainer, Counsellor, Social Worker
- 3) Impossible to write a job description – reflects the broad range of demands
- 4) Staff support essential – relationships and staff development are priorities; need to value staff, and help them in their work.
- 5) Cannot pay the staff market rates: hard to get staff and retain them; they usually move on.
- 6) Staff are central to delivering training.
- 7) High staff turnovers and high level of movement in the sector.
- 8) Critical period for new staff 0-3 months
- 9) Staff changes, or any other changes to the composition of the group creates relationship tensions and adjustments
- 10) Many staff functions and activities critical to the survival of a PTE such as work-brokering, post placement support, networking etc are not funded adequately by the contracts.

Recruiting trainees

- 1) Problems with the supply of eligible and suitable trainees
- 2) Before admitting to a training course: "Trainees are asked directly: do you actually want a job?" Trainees must be close to being work-ready. Further education outcomes are a less favoured option, unless it is a clearly marked career path that takes a fairly direct route to employment. Trainees must respond to job offers and put jobs before their goals of completing the training and achieving credits.
- 3) Providers do a large proportion of the recruiting themselves and must spend time and dollars on marketing and networking.
- 4) Referrals from DWI are too few and inconsistent. Sometime PTE courses are in direct competition with DWI, and DWI have first option on referrals.

Trainees' issues

- 1) Social issues (e.g. self confidence) and family issues (e.g. childcare or transport problems) are frequent obstacles to employment
- 2) Attendance problems: trainees cannot be away for over 5 consecutive days - school holidays are often problematic

Key Questions

- 1) Why do you do this work as a training provider?
 - a) Interviewee: Belief that: 'training changes lives' and the satisfaction of seeing this happen for people.
 - b) Helping people who have had a few knocks in life to regain self-confidence and improve their lives through success in training and employment.
 - c) Money should not be the only motivating factor, although perhaps only at the management level, as business sense.
- 2) Why do your staff do this work?
 - a) Interviewee: "I have not yet come across people who grew up wanting to be a TOPs tutor. People fall into this kind of work.
 - b) The staff are generally people who are gifted with creating positive human relationships. This is a fundamental prerequisite.

Appendix 7: Overall fieldwork themes

Main themes

1. Measurement problems
2. Outcomes – inaccurate and inappropriate
3. Measurement and causality problems
4. Disincentives – cheating, creaming – undermines ‘good’ providers
5. Competitiveness eroded cooperation
6. Communication breakdowns
7. Good providers are weeded out – many leave the sector
8. Moral issues: with turning people away
9. Providers who survive are “business focused”
10. Accountability necessary, but should not conflict with social goals

Main conflicts tensions and paradoxes are between:

1. Accountability and social goals
2. Policy objectives and policy mechanisms
3. Discourse and practice
4. Partnership and contractual relations – issues of trust
5. Individual and collective responsibility for social problems
6. ‘Causes’ and ‘cures’ for unemployment
7. Different notions of society, progress or development

Social damage - providers

Confirmation of the continuing and increasing social damage costs of unemployment.

“...But these nasty issues and the social problems have just sort of percolated away there and you know every two, three, five, ten years you know 15, people, yeah, life goes on, they have babies, they have no money... yeah...”

Providers talked about...

1. Problems when unemployment is down, and the residual group
2. That the social issues they are dealing with are much more complex than they were
3. Problems of dealing with individuals only versus whānaunatanga
4. Difficulty in retaining good staff with both training and social skills
5. Length of programmes unrealistic given the social damage

Māori provider and kaupapa

1. Whānaungatanga
2. how to instil self-esteem
3. positive reinforcement
4. collective responsibility

Key quotes: What are the key issues in working with the trainees?

Tutor on how to assist the trainees to change or overcome social obstacles:

“We’re not saying what you are is wrong but what you’re doing is wrong. So how do we change the behaviours that impact on the way that you feel about yourself and others?”

“Ultimately we’re asking for our kids, the most difficult thing we find to measure is the respect, the ability to respect themselves or each other. And give them options to make the decisions. I mean that’s probably the most empowering thing, is that yeah half the kids have low self-esteem simply because they don’t know how to make a decision. You know, like because there’s a whole lot of reasons, I mean their backgrounds, the way that they have been brought up, their values of their families that they’ve come through with, but also because of ... merely of their age, you know. I mean they’re sixteen, seventeen, eighteen, nineteen, all egotistical you know, it’s just quite normal so you’ve got all the impact of normality as well as a arse-hole of a background to deal with.”

Issues for trainees

Participant observation with 10 trainees who shared their life histories -

Themes:

Complex lives: The overwhelming aspect was the complexity and in some cases tragic events and circumstances, many of the trainees had encountered in their relatively short life histories. All these trainees had experienced significant and distressing life events/situations. For this group training was not simply about getting a job, but learning to live with their past and building strength and confidence in a better future.

Role of training? Training is not merely about teaching people vocational skills. In the absence of job creation, training does not ensure people get jobs. Furthermore, training is concerned with the effects of social damage on future generations; reviving the resilience of young people and countering the erosion of the social/economic possibilities and health of the next generation. Training can offer a starting point for change and prevent or stall a cycle of disadvantage.

Importance of social dimensions: for marginalised groups training needs to address the social dimensions of the trainees’ lives. Training has a broader role especially in the absence of other social assistance to marginalised groups who are more likely to end up being unemployed or disadvantaged in the labour market and thus less likely to be able to ‘help themselves’.

Appendix 8: Summary of participant observation exercise

The Ark - 22 April 2002

I arrived at the training course site and the director (who I had an appointment with) was busy so I went into the textiles workroom and chatted with the tutors and trainees. To begin I just ‘hung-out’ and then was invited by the trainees to join in the activities. I offered to help one of the trainees with her project. While we worked, we chatted socially. It seemed that this particular group of trainees were quite close and there was a good dynamic between them. They were welcoming and friendly and did not seem to mind a stranger in their midst. Later when speaking with the tutors about the positive atmosphere in this particular group, the tutors agreed and commented that it had been easier to work with this group because it was a smaller group than usual (only 6 trainees, instead of 12). The tutor said one reason for the small group was because WINZ had not referred clients. I asked whether this affected their funding situation. They said that at present they were fine, because they had a 2 year contract (as a longstanding ‘good’ provider) based on predicted trainee numbers. However, in the next funding round the problem would need to be rectified if they wanted to maintain the funding levels.

The trainees were quite forward in asking me who I was, and what I did. I mentioned that I was an ex-trainee of this particular training programme. This really sparked their interest and they asked me which year I was on the training course and what I was doing now. I explained that I was a student. They kept asking questions so I explained what a PhD was and why I was doing one – that I was researching training courses because I was concerned to see what the government was doing about unemployment in NZ. One day I hoped to advise the government on what works and what doesn’t. I asked them, “Maybe you guys have some ideas about what you need and what would work for you.” This question sparked their interest. They made the following comments:

Raewyn: “It is hard for us to find jobs”

Mandy: “I want a job, because I want to be rich”

Craig: “Employers want people with experience, but how can you get experience if you can’t get a job”.

I asked the trainees if they would be prepared to work for lower wages while they were being trained, and to get experience. They said they would, but that employers had to give them a chance and most employers don’t think youth are any good. “They think we are unreliable” “People think that we are unmotivated”

Jim said: “We want jobs, but it is hard” and I asked what he meant by this and he replied, “I turn up for an interview and they always make an excuse that they don’t need me. I think that they only want to hire Kiwis” (this young man Jim was the second generation of a refugee family). Jim seemed to have compounded disadvantage in the labour market due to being young, inexperienced and looking like a ‘foreigner’ (even though he had grown up in NZ and had a Kiwi accent).

Later on the group began a discussion themselves about Jim's different cultural background and made friendly jokes about him. One comment made by a fellow trainee in Jim's presence was "He hates Cambodians"¹⁶⁸. I said that one good thing about Cambodians was their cooking! Jim said he didn't like Cambodian food, he was sick of it. This rejection and denigration of his own culture is hardly surprising given the way in which his cultural difference hampers his integration into New Zealand society.

While I was helping the young woman, Mandy we were also chatting. I asked her if she enjoyed the course and if she had done art at school. Mandy said she did, because she liked doing art, but that she didn't think she was any good at it, even though other people thought she was, "My Mum says she likes my art, but she's just saying that". Mandy did comment further that she did not know what she would do after the course. Although they were only halfway through the course, it seemed that Mandy was already quite worried about what she would do afterwards. The tutor asked the trainees if they wanted to work in the field of art, and all of them said yes, they would like to be artists, but not sure what jobs they could get. Jim suggested working as a DJ at night so he could support being an artist during the day. Another idea was graphic design. I suggested that another area of work was working with groups of people such as children, the elderly teaching art activities. It seemed that they felt that jobs were a pretty distant and unattainable goal.

As we talked, Mandy seemed troubled and asked me how I knew what to do. I said that to begin I didn't, and it took me a long time, and that things didn't come right for me until I had tried lots of things to help me realise what I was good at and what I was passionate about. I had to stop worrying about just getting a job and focus instead on that. I saw Helen, the tutor nodding her head in agreement, "Yes you need passion for something... oh well not that kind of passion!" There were lots of jokes about passion. I continued by saying that it was important to try many different things so you learn about yourself through trial and error. The trainees and the tutor discussed mainstream schools and how they can only provide a limited range of experiences and that not everybody fits into that system.

At this point, I had to leave the room because the director was ready for the appointment. The 30 minutes with the trainees had been a spontaneous and unmediated fieldwork opportunity.

¹⁶⁸ I have changed the ethnic identity of this person to protect anonymity.

Appendix 9: Field diary entry at youth camp

Te Tari Tiohi. The Ministry of Youth Affairs Youth Shield Challenge.

June 4-7 2002

Host town: Wanganui

The following are summaries of the life experiences of individual trainees which were revealed through informal communications and participant observation when I spent four nights (not) sleeping in the same hut with them.

Beth: Lost her mother to cancer when she was in her early teens. Her father was paralysed in a car crash as he saved his friend's life, by throwing his body in front of him to prevent him going through the windscreen. Beth nursed her father until his death from a stroke when she was sixteen. On the last night of the camp when I was lying in bed resting from the day and waiting for everyone in our cabin to settle in for the night, I was listening to Beth who was in the bunk above me playing guitar and singing quietly to herself. Most of her songs were church songs that she had learnt in the Mormon Church. One song caught me with its unbearably sad resonance listening to the words and I began to understand, "Daddy, Daddy Daddy, where are you now? I'm so lonely without you... Daddy Daddy Daddy we loved you so... You were my Daddy Daddy Daddy; why did you have to go? I know you are in heaven, but I still miss you so."

This young woman had spent her entire youth nursing her parents and grieving their deaths. And it wasn't over yet, because she mentioned her concerns about her Auntie who was at home by herself. When I queried her, she said that she was the primary caregiver for her Auntie who had an intellectual disability. I had no idea when I met this quiet young woman what life experiences lay behind the sadness in her noticeably beautiful dark eyes. I did comment earlier to the tutors that Beth seemed to have a stabilising effect on the group with her lack of pretension, responsible nature and quiet leadership.

Richard: Was adopted into a family. He appeared to be rather scattered and restless. It became clear from his conversations that he lived in environments where drug and alcohol abuse were the norm. His interests in music, skate-boarding, etc and his appearance and demeanour radiated 'coolness' and he was invariably popular. One of the nights, Richard was sitting opposite me at one end of the cabin. He was doodling and talking with the other trainees. At one stage, the conversation went a bit flat and Mandy exclaimed out loud whether there was anything more interesting to talk about. I pitched in by suggesting talking about ghost stories. They all seemed to like that idea and the conversation turned to a ghost story that one of the tutors had told them about an ex-student who had had a makatu [curse] put on him. As I listened to the details of the story, I realised that I knew this person as I had met him in another context. I commented that meeting this person had opened my mind because I had never come across someone who had experienced such a thing and this poor guy was terrified of the incredible coincidences that had happened to him after he had been cursed. I said that this along with other strange incidences had meant that I had a lot more respect for

such stories about psychic phenomena. Following this, Richard started to open up and tell me of whole range of strange experiences that his sister had. He said several times that he did not normally talk about such things because most people thought them too strange. I shared stories of my own and gave encouragement. He told me that his sister was a witch, that she could tell the future, heal people and talk with spirits. He also said that these psychic gifts were a curse as his sister was often overwhelmed and at times was so traumatised that she would slit her wrists. He said that he was often worried about her safety. If I had seen this young man hanging out at a street corner, I would most likely have written him off as an uninformed homie or gangster. However, over the four days I realised that this guy despite his image and his problems at high school had a surprising amount of general knowledge and was well informed particularly about scientific topics. He said that he did not fit in at high school but, from his interest in science, I could tell that this was not due to a lack of an interest in learning. Perhaps his teachers just did not have confidence in the abilities of a Māori boy. I mentioned the Māori bridging course at University. He asked if it had a Māori kaupapa as he said he wanted also to learn more about his culture.

Craig: Pākehā, 20 rather quiet and at times aloof. Had become a foster child after his parents were sent to jail for running a large-scale ecstasy and speed drugs operation. He now flatted with his girlfriend and they were considering the adoption of his sister's baby due to her drugs involvement. He attended the course during the day and worked in the evening. He said that he was a Playstation addict and that he was keen to design his own games.

Mandy: Around 18, was flatting with her boyfriend who worked as a labourer. Mandy was a bubbly friendly, girl who could talk your ears off. She spoke whatever was on her mind, and I came to like the refreshing frankness of her opinions. She said things others would never say for fear of not being cool. Most of the time her language was far from polite, but I her language was probably a habit acquired from her living environments. She said that she had been raised by her Dad, because her Mum was a 'slut' (prostitute). Her Mum had had about eight children, most of whom she did not look after. Mandy said that she was routinely neglected by her mother and did not even receive a birthday card from her, while some of her other siblings got expensive gifts. Mandy had an impulsive and hyperactive nature and she would give a foul mouth to anyone who crossed her. Nevertheless, she was also caring and attentive of the needs of people in the group. Her sociable nature made her rather popular with the boys, but she was constantly talking to everyone about her 'mister' (boyfriend) which demonstrated her commitment to him while she simultaneously chatted and laughed with everyone regardless of their gender. I admired her ease of character but I could see how her sociability could be interpreted as flirtatiousness, her chattiness as gossipy irrelevance, her bad language as disrespect and a bad attitude. Under all this exterior it seemed that there was caring and devoted young woman who had done the bulk of the housework for her father from a young age, because as she said, "My Dad had to work to support us and my Mum didn't do anything for us." Mandy mentioned that recently her Mum had been trying to ring her and talk to her. "It's like she is trying to be my friend, but I can't forget what she has done to me and my Dad." In conversations Mandy revealed that she did most of the housework in her flat, because, "boys can't clean properly."

Maybe she is unemployed and frivolous but she obviously does not have an aversion to work.

Raewyn: was one of seven children. Raewyn was much more reserved and all I found out was that she lived with her mother who worked in several part-time jobs and was studying.

Jim: a refugee who had come to NZ with his Mother when he was two. His father was still in Asia and he talked of how he wanted to make sure he would see his father before he died. Jim was trying in every way to be an ordinary Kiwi kid. He said he liked burgers and did not like Asian food. He did not have much money but he was keen to be seen wearing the right clothes. He was right into music and American pop culture. The other trainees said that Jim was a wizz with the computer and could easily spend a day on the internet.