

**“It’s about community” – Finding Local Solutions to
Local Problems: Exploring Responses to the Social
Problem of Youth Unemployment**

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Abstract

The purpose of this research is to explore the policies and practices associated with the social ‘problem’ of youth unemployment. A major focus of this research is a case study of the employment programme being utilised in Otorohanga to address this problem. This is an initiative consisting of 11 key projects to reduce youth unemployment. The projects have consistently created a situation in Otorohanga where nobody under the age of 25 is registered with Work and Income New Zealand as unemployed. This outcome has been achieved by ensuring that local youth are either in local training programmes, in employment or in apprenticeships. The research project uses both qualitative and quantitative research methods and provides a thematic analysis, from a labour studies perspective, of both literature and empirical findings from a range of interviews. In order to undertake this research, the thesis firstly provides a review of the literature on youth, unemployment, engagement and policies. Secondly, it highlights the employment policies utilised within New Zealand from the late 1990s through to 2011 and in order to examine the changes in political ideology between the Labour-led and National-led central government policies. Thirdly, the study incorporates interviews with a selection of key stakeholders involved in the successes of the Otorohanga projects.

The central arguments in this thesis are: 1) that youth are a significant and poorly understood demographic; and that youth unemployment is perceived to be a social problem due to the economic and social disadvantages for youth which are exacerbated by structural inequalities; 2) that the current policies for dealing with youth unemployment, especially the emphasis on education and the impact of neo-liberal ideologies only have limited success in dealing with the issue of youth unemployment; 3) that no current policy understands or addresses the needs of youth specifically, therefore the social problem of youth unemployment will continue to be perpetuated; and, 4) that policies which draw on local, community driven solutions, grounded in labour market realities can be successful.

On this basis, the research provides good practice solutions which highlight the importance of incorporating community support, passionate leadership and

employment-led training options in projects designed to address youth unemployment. By identifying these good practice solutions the policy aspects that led to the success of the Otorohanga projects can be shared with other regional initiatives in New Zealand. Should this occur, the thesis aims of contributing towards reducing youth unemployment in New Zealand can be achieved and have the potential to reduce youth unemployment in other centres.

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Acronyms

ALMP	Active Labour Market Policies
CIA	Central Intelligence Agency
CV	Curriculum Vitae
DoL	Department of Labour
EU	European Union
FAO	Food and Agriculture Organisation
GER	Global Economic Recession
GST	Goods and Services Tax
HCT	Human Capital Theory
ILO	International Labour Organisation
IT	Information Technology
ITO	Industry Training Organisation
LGA	Local Government Act
MITO	Motor Industry Training Organisation
MSD	Ministry of Social Development
MTFJ	Mayors' Taskforce For Jobs
NCEA	National Certificate of Educational Achievement
NEET	Neither in Employment, Education or Training
NZQA	New Zealand Qualification Authority
OECD	Organisation of Economic Co-Operation and Development
ODDB	Otorohanga District Development Board
Oto	Colloquialism of Otorohanga (used in quotes)
OTTC	Otorohanga Trade Training Centre
PTE	Private Training Establishment
SJS	Student Job Search
StatsNZ	Statistics New Zealand
TA	Te Awamutu
TEC	Tertiary Education Commission
TES	Tertiary Education Strategy
UK	United Kingdom
UN	United Nations
USA	United States of America
VAT	Value Added Tax

Wintec Waikato Institute of Technology
WINZ Work and Income New Zealand

Chapter 1

Introduction

At the time of writing this I am a 25 year old male who has never been employed full-time in New Zealand, however, my lack of employment (currently) is of my own choosing. Unfortunately, being unemployed is an experience that for many young people is not a choice, which leaves them in a vulnerable and sometimes marginalising position. While I have never been employed in New Zealand to work full time, I have worked part time since age 14. I have studied every year since leaving high school, aged 18 – with the exception of a two year hiatus overseas (during which I did work full time). The allure of education and training has always outweighed my desire to work full time, however, as this qualification draws to a close I will now welcome full time employment with open arms.

Why this change of heart? On completion of this qualification I have reached my personal goal of obtaining a master's degree and now wish to utilise the knowledge in a workplace. As noted in the literature review chapter (Chapter 3), being a student, means not being counted as unemployed. However, when this current qualification is completed, if I am unsuccessful in obtaining a job, I will join the 6.3% of the New Zealand's population currently unemployed (Department of Labour [DoL], 2012). 6.3% of the population may not seem dramatic, and on a global scale, it is below the current global average unemployment level. However, those who are under the age of 25 are two to three times more likely to be unemployed than their adult counterparts (International Labour Organisation [ILO], 2010; 2011).

Youth are overrepresented in a number of negative statistics connected to the labour market, such as their high unemployment rate and low participation rate. This lack of engagement in employment is a problem because youth unemployment can lead to youth becoming alienated and socially excluded, amongst other negative consequences (see chapter 3). Given the wider impacts of this social problem, youth urgently need to be better understood and

accommodated. It is for this reason that my research focuses on this age demographic.

The importance of youth to social, cultural, economic and political spheres of any community is not one that should be ignored because youth are a growing demographic globally who need support as they transition from childhood to adulthood. They require the skills and experiences to support them as they grow to be responsible for the economy, and for building and maintaining future national and global relationships.

In addition to this, I have worked with young people throughout my working life in the retail environment. I have worked alongside youth, trained them, supervised them and hired them during my employment experience. The vibrancy, enthusiasm and opportunities for innovation that youth bring to any business are immeasurable. Given these experiences, I believe it is my responsibility to ensure that a debilitating experience such as youth unemployment is researched and understood in such a way as to and reduce it as much as possible.

Research Purpose

In focussing on unemployment of the 24-and-under (youth) demographic, literature was sought that focussed on youth, employment, unemployment and education. These categories form a thematic basis for the research project. The thesis examines the significance of youth as a cohort, the effects of being unemployed at a young age, and what is being done at both an international and national level to alleviate the problem of youth unemployment.

In order to address the purpose of this thesis, which is to provide insight into how youth unemployment can be reduced, specific policies and practices will be investigated. One policy initiative being utilised in the rural New Zealand town of Otorohanga is held up as an example of a successful set of projects addressing youth unemployment. It is successful in that it has consistently achieved no youth registered as unemployed since 2006. This thesis uses Otorohanga's youth initiative as a case study to investigate which key aspects of this policy have contributed to their success. The goal is that by highlighting these aspects, they

could be modelled and reproduced in other communities seeking to solve the same problem. Thus the research question being asked in this thesis is:

‘Using Otorohanga’s youth employment initiative as an example of success, what aspects of that successful policy should and can be reproduced elsewhere in order to reduce youth unemployment?’

The aims of this thesis in relation to answering that question and fulfilling its purpose are therefore to:

- Explore, with an emphasis on New Zealand, the nature of youth and youth unemployment
- Examine the policies and practices utilised in New Zealand and globally since the turn of the 21st century to resolve the problem of youth unemployment, and
- Discover and define good practice elements of the Otorohanga scheme that reduce unemployment and can then be integrated into programmes in other communities.

In order to answer the research question and meet those purposes the thesis establishes a number of central arguments based on the literature, theory, and the findings from empirical interviews.

Central Arguments

The first central argument in this thesis claims that youth are a significant and poorly understood demographic. This is demonstrated by the number of agencies and policies which identify and advocate for youth as a demographic but fail to alleviate the social and structural inequalities of this cohort. This argument also describes the ways in which youth unemployment is perceived to be a social problem. For example, this thesis argues that youth unemployment leads to economic and social disadvantages for youth such as reduced earnings, insecure or unstable employment, increased crime, and civil disengagement.

The second central argument addressed in this thesis examines the ways in which the problem of youth unemployment is currently addressed. The thesis argues that

the role of neo-liberalism as a political ideology contributes to the inability of current policy to alleviate the social problem of youth unemployment identified in the first central argument. Neo-liberalism does this by limiting the types of policies which can be implemented and therefore limiting their effectiveness in alleviating the problem. For example, the neo-liberal focus on individual responsibility ignores structural inequality and assumes youth have the agency to resolve their problems. This is often not the case due to youths' more vulnerable position in society that stems from their lack of skills, knowledge and experience. In addition, within the neo-liberal agenda, access to education is largely used as a solution to address the problem of youth unemployment. The focus on education stems from human capital theory (HCT) and the idea espoused by governments that increasing skill levels (education) will improve productivity and growth, thus increasing employment opportunities. This thesis argues that the road to improved employment options may well lie in education, however, this 'solution' is limited. These limitations stem from the fact that educated people may remain unemployed or underemployed if job opportunities are not available or poor matching occurs.

Based on these two central arguments, this thesis claims that no current policy understands or specifically addresses the needs of youth directly therefore the social problem of youth unemployment will continue to be perpetuated.

In order to alter this undesirable situation, based on the success of the Otorohanga policy initiative, this thesis argues that policy should be proportional to the extent of the social problem. For example, policy should match the type and level of unemployment, where it occurs at a community or regional level. If this step is taken, then the policy requirements of unemployed youth can more specifically be met. This is in line with the third way argument that local, community driven solutions, grounded in labour market realities can be successful in reducing the social problem of youth unemployment. Local, grass-root initiatives can best develop tailored labour market policies, and therefore programmes should be regionally based. This pushes policy away from a one-size-fits-all approach and provides a basis by which youth can become more involved with their local social networks which has potential to increase their social engagement. If these measures are followed the social problems associated with youth unemployment

can be addressed which further leads to greater social cohesion at a community level.

In addressing these central arguments, the thesis is broken into eight chapters, including the current introduction. The next part of this chapter is used to provide an outline of each of the following chapters.

Thesis Overview

Chapter one provides an introduction to the topic of youth unemployment and the motivation for this research project. Chapter two explains the methodology used to undertake this research. It outlines the methodological approach and states the process that was followed in order to obtain secondary information from the literature and the method of procuring the primary information through the qualitative interviews and focus group.

Chapters three and four are used to provide a grounding and context for the thesis and form the basis of the literature review. The third chapter examines the importance of youth, provides an explanation of the significance of employment and education to youth, and explores global policies dealing with youth unemployment. Although this chapter is by no means an exhaustive review of the literature, it does provide an overview of the research in this area to enable an understanding of the topic and provides the theoretical lens applied in the thesis. The theoretical lens of this thesis encompasses an examination of the influence of human capital theory (HCT) and the different political ideologies that have shaped policy responses to youth unemployment.

The fourth chapter narrows in focus to provide an outline of the New Zealand policy response to the problem of youth unemployment. It examines youth employment and unemployment policies and trends in New Zealand during the last decade of the 20th and the first decade of the 21st centuries. Within this fourth chapter, regionally based initiatives are examined with particular emphasis placed on Otorohanga as a case study. The Otorohanga policy, as the thesis' case study is explained in this chapter.

In order to get the best understanding of the policy in Otorohanga and the projects that are offered there, interviews were held with some of the key stakeholders. These key stakeholders were responsible for the creation, implementation and continuation of the projects. A focus group was also conducted with three students from one of the projects. Chapters five and six present the key findings from the interviews and the focus group respectively. These chapters are used to complement the information presented in chapter four, and lead into the discussion in chapter seven.

Chapter seven provides the discussion section of this thesis. It draws together the material from the literature review (chapters 3 and 4) and the findings (chapters 5 and 6) to explain the overall picture of youth unemployment in relation to the case study. This is done in order to present the thesis' central arguments in more detail. It discusses the relationships between the theory and the practical application of the Otorohanga youth programme and evaluates the aspects which make this programme a success. This thesis does not make concrete recommendations for future policy due to the thesis' limitations of not fully examining and comparing other regional initiatives and policies. Instead, it highlights aspects of Otorohanga's policy which have proven to be successful in reducing youth unemployment which can be used as guidelines to policy makers on how to improve practice.

Chapter eight concludes the thesis. It presents a summary of the main points made throughout the thesis. This chapter also acknowledges the limitations of the thesis and provides ideas for further study for future researchers that were not able to be examined within the scope of this research project.

Chapter 2

Methodology

The purpose of this chapter is to explain the methodological approach that frames this thesis' research and the specific methods used to gather empirical information in the fieldwork phase of this research. In order to do this, first this chapter will outline the main focus of this research and the key research questions. Second, the key techniques of each method will be defined and a case will be made illustrating why this specific approach was selected.

Methodology and Research Approach

The main focus of this thesis is the nature of youth unemployment in New Zealand. Within this focus, it provides some insight on good practice alternatives within the current policy framework to the ever increasing problem of youth unemployment. This area will be explored and analysed by first completing a literature review to establish a context and second, by getting personal perspectives through a series of one on one interviews and a focus group. The review of the literature and the empirical research was to ensure the following questions were adequately answered as part of this thesis:

- How does youth unemployment differ from general unemployment in New Zealand?
- Why is it important to have policies which focus on youth unemployment?
- Why do regional level projects, like the ones undertaken by the Mayoral Task Force for Jobs, work better than policies prescribed from a central government level?
- What is Otorohanga doing so differently to other regions that enable it to continually have minimal unemployed youth?
- What key elements of Otorohanga's work schemes can be reproduced in other regions or rolled out nationally to reduce youth unemployment?

The approach taken throughout this thesis is to use both qualitative and quantitative techniques in order to gain a thorough understanding of the topic and to provide different levels of analysis in the findings of the project (Cresswell, 2003). This approach included canvassing relevant literature and gathering data on labour market trends, sourced from international and national statistics (qualitative and quantitative) – see chapters 3 and 4 – as well as semi-structured interviews and a focus group (qualitative), – see chapters 5 and 6. By using both approaches the thesis provides a broad introduction to the topic of youth unemployment, both internationally and within New Zealand, and draws on empirical material to more deeply understand a specific, successful, regionally based employment policy within New Zealand. It is this material that is used to identify good practice aspects of youth unemployment policy.

The use of statistics (quantitative approach) helped to answer the key research questions of how youth unemployment differs from general unemployment, and contributed to identifying why it is a problem that requires specific policies and tools to address it. This material established the context of this thesis by presenting the rates of youth employment, under-employment and unemployment both internationally and here in New Zealand. These rates were used to describe the levels of unemployment in different geographic and socio-economic areas and different age groups. Also, the ways in which education levels affect employment, and how under employment and unemployment levels have changed internationally and domestically over the last 11 years were examined.

The qualitative approach used allowed a deeper understanding of the literature and the context under examination to be gained. The approach that was used, (semi-structured questioning) ensured the style of interviewing was not restricted by data scales and estimations but instead enabled participants to provide full and descriptive answers (Sofaer, 1999). The empirical information gained from the in-depth interviews and the focus group enabled the exploration, at a personal or grass-roots level, of one of New Zealand's leading regional initiatives that seeks to solve the problem of youth unemployment.

Secondary Sources

Defining the key terms of this thesis, particularly what is meant by “youth” and ‘their place in society’ begins the literature review. The literature review also investigated past research undertaken on policies, practices and trends related to youth employment and unemployment. By reviewing the historical literature, key changes in this area of policy development were traced and defined. Further, the ideologies shaping the political economy at an international and domestic level were identified through literature. This provided a theoretical lens to explain the particular motivations and aims behind each of the key changes in policy development. The role of Human Capital Theory (HCT) in particular was highlighted to demonstrate the rising importance of education as a leading aspect of the policy solutions to youth unemployment.

The quantitative statistics illustrated the levels of employment, unemployment, and disengagement of youth prior to and after the 2008 global economic recession in order to illustrate more recent changes. The significance of this is indicated by the International Labour Organisation (ILO) and Organisation for Economic Co-Operation and Development (OECD), who have paid great attention to the problem of youth unemployment since the 2008 recession. Their published statistics were used to provide a basis for international comparisons. New Zealand data were sourced from the Department of Labour, Ministry of Education, and Statistics New Zealand websites to provide a basis for comparison of the different labour market trends.

This quantitative data does not make up a large portion of this thesis and is mainly used to emphasise certain points, as such there is no chapter explicitly set aside for statistical analysis. Instead, this information is woven into the literature review (chapter three), the case study (chapter four) and the discussion chapters (chapter seven).

Thus, the literature review explores and discusses policies, statistics, academic and news articles, as well as other sources in the investigation of this topic. More specifically, for the case study, policies and practices put in place regionally by

the Mayoral Taskforce for Jobs (MTFJ)¹ were examined alongside the changes made at a national level to youth employment policies between the MTFJ's commencement in 2000, and 2011. This close examination was to allow comparisons to be made between the Clarke, Labour-led government of 1999 - 2007 and the first term of the Key, National-led government (2008 - 2011). The impact of this broader policy context was explored by focussing on the small South Waikato town of Otorohanga as a case study that serves as an exemplary site of good practice. By focussing on a success story rather than critiquing current practice, this research drew out and analysed the basis of such success to provide insight to other programmes initiated by the MTFJ. By doing this, the case study contributed to the primary aim of this thesis: the provision of some good practice guidelines for dealing with youth unemployment post the 2008 global economic recession.

Primary Sources

The information gained through the secondary sources was used as the first approach to identify a key informant for the primary, empirical research. Approaching a key informant was found to be a useful technique because it enabled the research to gain valuable contextual knowledge quickly from key stakeholders in the community. Utilising semi-structured interviews ensured that the information was provided accurately and in a flexible manner, which may not have been possible if using formal questionnaires or undertaking short periods of observational research techniques (Tremblay, 1957; Davidson & Tolich, 1999). In order to deepen the understanding of why the Otorohanga initiative is such a success story, a series of in-depth interviews with some of the key stakeholders of the youth policy were held. The semi-structured, in-depth interviews were held in order to gain a first-hand account of why they thought their youth employment policy was successful and to find out how the policy's combination of projects works. By interviewing a varying range of stakeholders, the thesis was able to examine the policy from all angles and get influencing and impacting information from a broad selection of the community (Sofaer, 1999; Innes & Booher, 2003)

¹The MTFJ is a national organisation of mayors whose main focus is youth employment.

As with any policy there are numerous stakeholders ranging from government departments, to business owners, to local individuals, however, for the purposes of this thesis, the key stakeholders were as follows: Dale Williams, the Mayor of Otorohanga; Marlene Perry, the manager of the Waikato Institute of Technology (Wintec) Otorohanga Regional Campus; Ray Haley, a local apprentice co-ordinator for Otorohanga; Raymond Hall, a tutor from the Otorohanga Trade Training Centre; and three students from the 2011 intake of one of the programmes' successful projects, who took part in a focus group.

While only a small number of interviews were conducted, these community members held differing viewpoints of the youth employment initiative thus painting a broad picture of the scheme. Mayor Dale Williams provided insight into the instigation of - and reasons behind - the policy. Due to his existing networks in the community, his interview served a second purpose as it was used to springboard into the snowball sampling method² in order to provide the names of the other key informant participants: Marlene Perry, Ray Haley and Raymond Hall. Due to his relationship with the students, Raymond Hall's interview also served a second purpose as it too was used as the springboard into the snowball technique, this time in order to get names of students in the scheme that may be willing to participate in this research. The youth interviewed provided insights around their experiences of participating in the scheme and how they think the policy affects them.

The snowball technique was used due to the researcher's lack of understanding and familiarity with the case study site, Otorohanga. This is why the decision was made to use the key informant interviews of Dale Williams and Raymond Hall to identify and gain access to further interview participants. It is important to note that this method can create a bias in the sample as those people who are provided as potential participants are from the same social group and may hold similar perspectives having been identified by the one key informant (Davidson & Tolich, 1999). However, for the purposes of this research, this recruitment method was the best way of locating further participants for this study.

²The snowball technique uses existing social networks to attract participants; for example, one participant names a few potential participants who in turn name others and so on and so forth until the sample quota is reached (Davidson & Tolich, 1999).

Case Study

South Waikato Town of Otorohanga

Interviews

In the initial fieldwork phase, two techniques were utilised in order to begin the research process. Based on research conducted during the literature review on policy and practice in New Zealand, the programme in the South Waikato town of Otorohanga was selected as an example of success and good practice. This was because of its ability to reduce youth unemployment in a very short timeframe and sustain the reduction. This is evidenced by how the Otorohanga region has been able to keep youth unemployment well beneath the national average consistently from 2006 to 2011 (Otorohanga District Council, 2011).

The programme in Otorohanga is split into eleven different initiatives ranging from Christian youth groups to public graduation ceremonies, from personal support to financial scholarships. The facet of the youth employment programme which this thesis focuses on is the pre-trade automotive and engineering qualification/programme. This was the original course offered in Otorohanga through the Otorohanga Trade Training Centre (OTTC) in conjunction with Wintec, and has been running since the inception of the policy. A separate building in Otorohanga houses other Wintec courses operating in Otorohanga, however, these courses have not been running as long as the automotive and engineering course. As the automotive and engineering pre-trade qualification has more points of difference than any other qualification run in Otorohanga to Wintec's main Hamilton campus courses, it provides a comparator allowing measurable regional difference to be determined. It is for this reason, along with its longevity, that the OTTC and Wintec employees were interviewed and why these specific students were asked to participate in the focus group.

The purpose of these interviews and the focus group was to get an understanding of the experience each of the participants had in setting up and/or running the programme and to ascertain if they believe that the Otorohanga example can be modelled in other regions. Prior to going into each of the interviews the questions

were modified slightly to reflect the role of the person being interviewed. Although a set guide of interview questions was not used, information was gathered on each of the following topics in order to get a comprehensive understanding of the town, the youth projects, and the participants' experiences with employment and education. The main topics of conversation with all participants were as follows:

- their experiences of the programme, including what they enjoyed, what they did not enjoy, and how the programme has changed them;
- how they became involved. For example, what was their previous work or training history, why did they want to become involved, what they hoped (or had hoped) to get out of the scheme;
- their role within the programme, for instance, were they an organiser, teacher/mentor, employer, or student and what that entailed
- anecdotal information relating to employment, training, or the Otorohanga district including any further information relating to their education, training or life experiences before or during their association with the employment scheme and,
- why they insist on living, working, training in and belonging to the Otorohanga community.

The first interview was with Mayor Dale Williams; due to his three-fold role as the Mayor of Otorohanga, as one of the principle agents in setting up the Otorohanga Youth Programme, and as the chairman of the MTFJ. Given these three roles, he was well placed to answer questions relating to youth employment in the district. He was also able to give further information about other regional initiatives used around the country.

The next interview to be held was with the manager of the Otorohanga Wintec Campus, Marlene Perry. She explained about the ties between Otorohanga and Wintec. She was also able to provide details of the qualifications offered through the policy initiative, as well as her experience as the educational co-ordinator for Wintec in Otorohanga. The key purpose of the interview with Marlene Perry was to gain an understanding of the educational link between the Otorohanga youth policy and Wintec as their education provider. The third informant interview was with Ray Haley, from the OTTC. He is the unofficial local apprentice co-ordinator

who, due to the level of support he offers, is affectionately known amongst the students and key informants as “Camp Mother”. The key purpose of his interview was to establish how the apprentice aspect of the programme is run. Ray Haley was chosen as a key informant because of his relationship with the students, his knowledge of the training and policy objectives and his experience with local industries. Part of Haley’s role is being responsible for finding apprenticeships, employment or further training opportunities for the youth who have finished their training. During the interview with Ray Haley, Raymond Hall, a tutor from Wintec who teaches the students at the OTTC in the automotive and engineering classes joined the interview. Raymond Hall was able to provide further insight into the course and the relationship between the course and their current education provider, Wintec.

The social networks of Ray Hayley and Raymond Hall were used to provide three training centre students. The youth were interviewed together about their experiences in the automotive and engineering course, their previous schooling and work experiences and their life in Otorohanga. Rather than one-on-one interviews with the youth, these interviews were done simultaneously as a focus group. By utilising a focus group the research was able to be completed more timely and allowed for differing opinions about the topics to be explored as each participant told their story and the climate in the room could be used to expand their answers (Kitzinger, 1994; Davidson & Tolich, 1999).

In addition, the decision to conduct a focus group with the younger participants was taken because it allowed them to feel more at ease, knowing that the other participants were in the same room and their opinions were similar. Due to their familiarity with each other, having been in the same training course for 8 months prior to the focus group taking place, conversation between the participants and feedback around the training course was able to flow more freely than a one-on-one interview with an unknown researcher. The questioning was able to build on the excitement from each individual’s answer and the participants were able to bounce ideas off each other’s responses (Kitzinger, 1994).

The purpose of the focus group with the students was to identify how the students feel about the youth programme, to get their experiences with employment,

education, and training in Otorohanga and to be able to provide a full reflection on the programme. Being able to interview youth about their previous education and employment, and their future aspirations enabled the research to include personal anecdotes from the people who are primarily affected by youth employment and training policies.

The issue of confidentiality had to be carefully considered in relation to this project. This was due to the population size of Otorohanga and more specifically the size of the specific initiative that was used – the pre-trade automotive and engineering course. Based on this concern, the participants were informed that their identities may not remain confidential. Permission was sought and gained from the participants to be able to identify them in this thesis. Given the significance of this concern around confidentiality and the movement away from standard practice, each participant was also invited to ask any questions or clarify points at any time through the interview. They were also told that they were entitled to change their answers or withdraw entirely from the study within the first two weeks after the interviews. The steps taken throughout the interviews were in conjunction with guidelines set out by the University of Waikato and had been approved by the Faculty of Arts and Social Sciences Ethics committee.

Extra steps were taken with the focus group participants. This was because when dealing with young people, as Kirk (2004) suggests, extra care needs to be taken to ensure they are aware of the scope of the research and that they are not exploited or taken advantage of because of inexperience or lack of understanding. This was dealt with by allowing questioning at any stage of the focus group interview and ensuring the research intentions were explained fully and in plain English.

The interviews were all held in Otorohanga, in places easily and readily available to the participants. Each of the approximately hour long interviews – and the focus group – were held between mid-September and early October 2011, were digitally recorded and then transcribed verbatim by the researcher. Following the transcription, the interviews were thematically analysed and put into this thesis – see chapters five and six for findings and chapter seven for discussion. By thematically analysing the findings, ideas, keywords and phrases were identified

in the transcripts and grouped together into categories. The ideas, keywords and phrases were selected based on three elements: the first was how often the idea was expressed, for example, consistency across the informants. The second was the extent to which they connected to keywords in the research questions. The third was the level that they reflected the ideas which were expressed in the literature review. The categories created from the key informant interviews were: community, funding, support, and passion. The categories created from the focus group were desire to succeed, choice and flexibility, support and expectations, and differences. These categories were further analysed then turned into themes presented in the findings chapters (chapters 5 and 6). These in turn are evaluated by making comparisons between the literature and the empirical evidence gathered from the interviews in the discussion chapter (chapter eight).

Chapter Summary

This chapter outlined the method of collecting information used for this research. It explained in detail the main research questions and the approaches that were used to get information. The chapter also explained how and why each of the interview participants was chosen and what was asked of them. By following this methodology, this thesis is able to provide an understanding of youth employment, unemployment, training and education internationally and in New Zealand. Further, it illustrates a specific exemplary model of a youth employment scheme which has kept youth unemployment in the Otorohanga region considerably lower than the national average.

Chapter 3

Literature Review

Youth are said to be the future of society. They are the link between present and future and can be seen as the personification of the economic, political, cultural, and most importantly the social potential for the next generation (Sheahan, 2005). Carl, Baker, Scott, Hillman and Lawrence reinforce this sentiment by noting “that youth is often treated as a key indicator of the state of the nation” (2012, p.66). Because of the importance of the youth demographic to society they require investment of both time and money from the government and policy makers to ensure they are employable and well developed members of society. This investment in most Western countries is expressed in two ways; the first is that of financial investment in the form of public funding for youth. The second way is via social policies which seek to mould the upcoming generation into members of a morally upstanding society. In terms of financial investment, when investing in citizens from a young age, the return on investment can to be maximised for both the individual on a personal level and for society (Coleman, 1994; OECD, 2010; Ministry of Education, 2010). In terms of investment via policies, changes can be made to alter the social, cultural and political landscape and therefore can shape youth to have characteristics that fit with ideological goals and ambitions.

In New Zealand, investment in the education and the subsequent employment of youth is expressed through policies which include, a publicly funded education system, which enables all those aged 5 – 18 access to free primary, secondary and selected tertiary education (Parliamentary Counsel Office. n.d.; New Zealand Now, 2012), and a youth employment service which encompasses careers advice, training options and job search agencies (Work and Income New Zealand [WINZ], 2011). As well as these government policies, further investment in tertiary education is demonstrated through a policy of interest free student loans and subsidised tuition fees to public institutions, and services aimed at transitioning youth from school to work. Furthermore youth in New Zealand receive subsidised healthcare and are represented at government level by youth representatives on a number of government agencies and by the Ministry of Youth Development (MYD) (MYD, 2012; Ministry of Health, 2012). This investment provides not

only an economic return, but also contributes to preventing and resolving social problems connected to youth.

The purpose of this chapter is to explore why youth are seen as important and to outline the significance of youth unemployment as a social problem. This chapter contains a review of literature ranging from academic journals and articles to books and websites from a number of academic strands. Also, press releases and media segments are used to provide evidence and demonstrate why the issue of youth employment is important to society and why governments need to acknowledge the importance of investing in their country's future. By using a diverse range of authors as well as both formal and informal publications, this chapter is able to provide a rounded review of some of the available literature.

This chapter is split into six sections: section one will outline the basis of literature, and explain the 'theoretical lens' by which the literature is considered; sections two, three and four will each illustrate a main theme found in the literature. The themes are: 1) The importance of youth; 2) Youth and the labour market; and, 3) The problem of unemployment. The fifth section provides material to describe the context of the economic and political landscape of the 21st century and gives examples of policies that are used to combat unemployment globally throughout the first 11 years of this century. Finally, in the last section, the chapter will provide caveats in the literature and concluding statements which summarise and reiterate the chapter's main points.

Each of these themes was chosen as they each represent ideas that have been identified in the literature as being important to the topic of youth unemployment. Furthermore, acknowledging the types of policies utilised in the 21st century to address the issue of youth unemployment provides context to the policy environment of employment internationally and in New Zealand in terms of how the policy makers seek to solve this social problem.

Theoretical Lens and Global Context

In writing this thesis and analysing the literature and empirical material from the interviews and focus group, a political economy, 'labour studies' lens is used.

This lens identifies the different political ideologies, their accompanying values and the key arguments which underpin the political climate and policy making in place in recent years. By identifying these ideologies, the extent to which the policy making reflects the principles of neo-liberalism or social democracy/social justice can be highlighted. This in turn provides a basis by which these policies can be evaluated in terms of their consistency with global ideological ideas and also in terms of their ability to address social problems connected with inequality like youth unemployment.

The next part of this section chronologically outlines New Zealand's political climate from the mid-20th century and into the current time.

Currently we are in a neo-liberal, socially conservative political environment with a central government that historically sits on the right of the political sphere, however, on the other end is the left, socialist, social democratic politics. As the dominant ideology for many western countries in the mid-20th century (Giddens, 1998; Sullivan, 2003) it is based on the idea of state intervention to improve community, equality and equity. Government and public ownership play a big role in shaping society and welfare is provided to enable an equal and equitable environment under a socialist or social democratic regime (Duncan, 2004; Cheyne, O'Brien & Belgrave, 2008).

One of the features of social democracy is that of collectivism. Collectivism is seen as a major influencing construct for social democratic ideology and is "defined as a set of feelings, beliefs, behavioural intentions, and behaviours related to solidarity and concern for others" (Hui, 1988, i).

Although radical and extreme socialism is not generally seen as an appropriate or achievable goal in the present political climate, supporters of this ideology now strive to achieve social goals through people-elected (democratic) principles and government policies which promote equality under the banner of the third way (Giddens, 1994; Duncan, 2004; Cheyne, O'Brien & Belgrave, 2008).

The concepts of the individual, individual responsibility and appropriating blame, in part reflect the values of neo-liberal ideology and the economic policies that

have dominated the political and economic spectrum since the demise of social democratic policy of the 1970s and 80s. For the purposes of this thesis, neo-liberalism incorporates three main themes. Firstly, a minimal role of government – as the ideology assumes that state intervention prevents economic success. Instead the argument is that government exists to ensure that regular market forces can create success and economic prosperity. Secondly, individual responsibility, individual choice and competition – the ideological principle that assumes each person can and should fend for him/herself and that individuals and businesses should compete for financial superiority in their respective fields. Thirdly, business profits and ‘earned’ money are the cornerstones of success in a neo-liberal society (Giddens, 1994; Olssen, 2002; Duncan, 2004).

The neo-liberal agenda aims to reduce state intervention from society. It argues that market forces are the fairest way to distribute resources through the mechanism of competition. This is expressed by the concept of the free market and this is how equality is pursued under the neo-liberal ideology as this ideology argues that there is a strong correlation between effort and outcomes (Jessop, 2002; Carl et al., 2012). Further within this ideology, a deep seated assumption is that “individuals are rational utility maximisers” (Duncan, 2004, p 194) and will make choices “which balance costs and benefits in the pursuit of achieving the greatest possible outcome.” In line with the theory of rational utility is the idea human capital theory (HCT) which has created economic formulas to measure the costs and benefits associated with education and employment. Under the construct of HCT, it is assumed that investment in education will ultimately provide greater gains in income. Because of the presumed capacity to increase individuals’ earnings and the socio-economic rewards that are gained through education such as increased productivity, education is seen as a tool which can enhance both the individual and society. However, in a neo-liberal context, HTC is primarily focussed on the economic, rather than the social outcomes of education (Marginson, 1993; Olssen, 2002).

These ideas have reshaped the policies and practices of the welfare state. For example, due to this ideological backdrop, unemployment and welfare dependency are seen as negative personal attributes more so than under a social democratic regime and as such, are problems that should be remedied. In order to

'remedy' the situation, unemployment data has been analysed, and employment policies have been created to encourage job seeking and individual responsibility. Employment policies have utilised the concept of HCT, reshaping education to focus more on meeting the needs of employability (Krause & Vonken, 2009). These policies have also been aimed at creating jobs through stimulating business growth with reduced corporate taxes and financial subsidies.

After the excesses of neo-liberal policy, the political spectrum witnessed third way ideology being enacted in the late 1990s early 2000s which drew some of the social democratic values back into policy making. The third way has "been hyped as a new kind of politics" it is neither left nor right on the continuum of political space and is a highly contested concept (Eichbaum, 1999; Kelsey, 2002). The third way ideology can be characterized as encompassing aspects of both the left and the right discourse, (Neilson, 2001). Giddens' mid 1990s' third way' which incorporates the ideas of globalisation, partnership, and a centre-left ideological approach is closer to the basis of New Zealand's third way ideology. The third way is not a politically left, socialist discourse nor does it encourage the full market principles of neo-liberalism, it sits somewhere in the centre where its intentions seem to be to create a partnership of social democratic ideas positioned in a neoliberal political environment. For example, the creation of a tripartite relationship between government, businesses and unions, occurs which assumes an ideological understanding for balancing the needs of the economy with that of the needs of society (Giddens, 1998, 2002; Eichbaum, 1999; Harris, 1999; Piercy, 2005).

When informing third way policy, Harris (1999) states that 'subsidiarity' is a key concept that needs to be included. Subsidiarity is the "notion that inter-dependent human society operates at various levels" and that "a decision should not be taken at a higher level if it can more appropriately be taken at a lower level" (Harris, 1999, p. 27, as cited in Batters, 2010). In relation to this research, this concept of subsidiarity incorporates utilising regional initiatives and grass roots policy and community partnerships rather than a controlling central government prescriptive. Harris (1999) states central government "should not be *expected* to do everything" (p.27), rather citizens should take some responsibility.

The United Nations (UN) noted, in the first decade of the 21st century, globally, economic trends boomed, peaked and receded (UN, 2009). From the late 1990s and more so the early 2000s, internationally and in New Zealand, employment levels were high and economically, individuals and the Western nations they resided in, were well situated. In 2007, internationally, financial markets and national economies began to ‘crash’ (UN, 2009; Elliot, 2012). This has affected employment levels, economic stability, credit ratings, housing and social benefits (Bell & Blanchflower, 2009; UN, 2009; Hurd & Rohwedder, 2010). As the world sinks into a recession of proportions comparable only to that of the great depression in the 20th century (Bell & Blanchflower, 2009), austerity measures and ‘belt tightening’ have been key phrases in media, economic and political circles.

The present central government in New Zealand could be considered an economically neo-liberal, socially conservative one. They have used the global economic climate and domestic natural disasters to defend taking austerity measures to produce a second consecutive ‘Zero-Budget’ which ensures current funding levels are readjusted and there is limited or no increase in government expenditure (New Zealand Treasury, 2012). Some of these changes have undermined community responsibility and subsidiarity – a concept found in this thesis to strengthen good policy and practise (see chapter 7).

International organisations such as the International Labour Organisation (ILO), the Organisation of Economic Co-Operation and Development (OECD), and the United Nations (UN) have placed an emphasis on the importance of employment, especially employment of youth since the neo-liberal 1970s. Each of these organisations embraces the values of social democracy, neo-liberalism and the third way to different extents. This is reflected in their organisational goals and policy recommendations. Across the board, increased efforts consistent with the neo-liberal ideology have been made since the 2008 recession. As such, most of the literature reviewed, from both the international and national stages have a very neo-liberal, pro-employment undercurrent.

Importance of Youth

The purpose of this section is to examine the theme found in the literature on the importance of youth. This theme defines the context of youth and demonstrates the significance of the youth demographic for social policy makers as a specific target group. This theme is split into three parts. Firstly, it will describe the different ways in which the youth identity is defined and which attributes encompass the youth demographic. Secondly, it will illustrate why it is important to study and understand youth in order to ensure better informed policy solutions. Finally, it provides an overview of the negative implications that can result from having policies which do not support provisions for the youth demographic.

Describing Youth

In popular culture and media circles, the current grouping of youth is often known as Generation Y or Gen Y (Sheahan, 2005; Huntley, 2006). Although this current youth cohort are labelled Generation Y, it must be noted that this label does not denote youth and as this group age out of the traditional youth age range, they will continue to be labelled Gen Y just as the generational cohorts before them are known as Generation X or the Baby Boomer Generation (Wyn & Woodman, 2006). A broader category as defined by the OECD is that youth are those who are aged between 15 and 24 years old (2010). However, depending on the context of the literature, the term ‘youth’ can mean anyone under the age of 17, as in the case of youth crimes (Hendrick, 2006), anyone in their teenage years between 13 and 19, as in the case with some health studies (Search for Diabetes in Youth Group, 2006), or anyone as young as 10 or as old as 26 (Mizen, 2002). Youth make up a large proportion of the world’s population and using the OECD age parameters, in a 2010 UN estimate, they number at more than 1.2 billion people (UN Department of Economic and Social affairs, 2011). The OECD/UN definition will be used to define the youth demographic in this thesis.

However, the concept of youth is more than just an age range; it is a socio-cultural construct encompassing transition, belonging, and social behaviours often constructed by the economic and political links of the time (O’Higgins, 2001; Quintini & Martin, 2006; Wyn & Woodman, 2006). As a socio-cultural group,

the term 'youth' is predominantly associated with the transitional phase in life between being a child and being an adult (Bynner, 2001; Wyn & Woodman, 2006). The transitional phase includes more than a shift from one identity to another. It can include transitioning from compulsory to post-compulsory education or into the workforce, or perhaps transitioning from the family home to independent living arrangements. Youth growth and their experiences can vary considerably. This is by no means a linear transition (Mizen, 2002; Coles, 2006; Wyn & Woodman, 2006), and seems to be getting longer, more 'destandardised' and fragmented as the socio-political and economic environments change (Brannen & Nilson, 2002; Coles, 2006; Walther, 2006). The significance of this demonstrates the youth demographic, in a short space of time, make many important life changes. They transition from being part of the future to being current participants of the world, as they grow more independent and take control of their own lives (Higgins, 2002) and grow into adult members of society. The desire for higher educational attainment and the changing employment patterns and lifestyles are changing the socio-culture aspects of youth. Consequently, this is altering the transition period from childhood to adulthood (Brannen & Nilson, 2002; Walther, 2006).

An additional and significant aspect of the youth identity is the fluid possibilities that reflect and shape their existence. For example, youth are often flexible in their living and work arrangements because they are opting for independence, more experiences and differing lifestyles and are increasingly rejecting long term liabilities and expenses such as a mortgage and are delaying marriage and children (Chisholm, 2007). Further identifying characteristics can include youth being indecisive and flexible in their beliefs (see Marcia, 1966; Erikson, 1968) and due to being supported by and living with family, youth may often have more expendable income relative to total income when compared to their older counterparts (Muir, Mullan, Flaxman, Powell, Thompson & Griffiths, 2009). These characteristics allow for youth to have more choice and flexibility in their decisions, relating to the choice/flexibility theme evident in the student focus group findings. Further, this relates to second and third central arguments regarding policy limitations and policy makers lack of understanding of the youth demographic respectively.

Youth and Research

Youth demographic encompasses a range of different ethnicities, religions, sexualities, genders, educational attainment, political and socio-economic backgrounds and yet in that 10 year period (15 – 25) they all make the transition from child to adult. When that transition occurs depends on the youths' experiences and social capital (Raffo & Reeves, 2000; Walther, 2006). Making an effort to research and understand youth and to ensure policies are in place which accommodate and engage them is vital. As with any generational categorisation, youth, and in this case, generation Y'ers, are subject to a number of stereotypes which if not correctly aligned could affect policy decisions. Some stereotypes of generation Y include: youth being described as lazy, fickle, entitled, optimistic, and technologically intelligent (Sheahan, 2005; Huntley, 2006). Researching youth will ensure that assumptions and stereotypes are not the basis for policy decisions and instead more informed decisions are made to support and accommodate the next generation.

Currently the proportion of youth is the largest it has been in history with more than 1.2 billion people in the world fitting into this category. By 2050, this figure is estimated to increase by another fifty million (UN Department of Economic and Social Affairs, 2011). Youth are a growing demographic in society and policies which accommodate the needs of the current and future generations of youth are necessary in order to continue the wellbeing of society.

If youth are not accommodated and supported by policy instruments, they may disengage from society. Consequences of disengaging from employment, for the individual, can include lost income and psychological impairment (Giddens, 2002; Green, 2010) and for society, increases in social deviance and crime (albeit small) (Raphael & Winter-Ember, 2001) or a reduction in productivity (Bräuninger & Pannenberg, 2002). Therefore, it can be costly both financially and socially if youth disengage.

In order for youth to remain socially engaged, an understanding of their culture and habits must be gained through sociological research and education. For example, Groeger, Zijlstra and Dijk (2004) have found that youth spend more

time asleep than any other age group. By investing time and resources into researching the activities youth are partaking in and how they are interacting with society when they are awake, (whether it be in the spheres of employment, education, health or social interactions) conclusions can be drawn and policy instruments can be utilised to retain youth engagement as they transition through life. Research enables products and services, strategies and policies, infrastructure and public investment to be tailored to the needs of the young people and to future proof society to ensure that what is needed in the future can be planned for today. There are certain benchmarks and measures used by policy makers and academics to get an indication of engagement and potential successes in a range of fields.

These benchmarks can include: levels of employment and levels of educational attainment, as well as the standards of healthcare, crime rates or personal security within society (Salvaris, Burke, Pidgeon & Kelman, 2000; de la Porte, Pochet & Room, 2001).

Employment is seen as a good indicator of both social cohesion and social engagement as it tends to incorporate several social cohesive themes such as belonging, inclusion, participation and recognition (Berger-Schmitt, 2000) and can improve economic growth. In contrast however, higher unemployment levels show correlations with the social problems of crime, deviance and social unrest evidenced by an increase in the number of 'low-level' crimes (Britt, 1997; Raphael & Winter-Ember, 2001). It is the benchmark of employment levels as they relate to youth that is most relevant to this thesis. As such this indicator is examined further in this chapter.

Neglecting Youth in Policy

When youth are not accommodated by social policies they may become disenfranchised and disengaged with some parts, or all, of society (Burns, Collin, Blanchard, De-Freitas & Lloyd, 2008). As mentioned above, when disengagement occurs, the negative implications affect both the individual and society in a number of ways. People can be disengaged from employment or the labour market, from the education system, from politics, or their social environment.

This section examines what some of the negative consequences can be when youth become disengaged; focussing on education and employment policies.

Sefa Dei, (2003) argues that when disengaged from employment and education policies youth may ‘fall off the rails’, withdraw from a school environment. As a consequence of the lower educational achievement caused by disengagement, disengaged people are less employable and may be unemployed longer (Kraus & Vonken, 2009). Such processes can lead youth to be disconnected from their community and positive coming of age opportunities. For example, when youth are disengaged from the education sector they often do not reach their full educational potential. They may also subsequently have lower earnings and not be as financially productive within society as those with higher educational attainment (Barro & Lee, 1993; 2000).

The consequences for the individual can be that they may develop what Gregg and Tominey call “wage scarring” (2005). Wage scarring is caused by prolonged unemployment at a young age which can lead to lower wages later in life (Gregg and Tominey, 2005; Mroz, 2006). Lower wages are not the only consequence of prolonged unemployment at a young age (Mroz, 2006). Further implications of unemployment and disengagement can lead to social disadvantages, exclusion, and changes in psychological well-being (Jobs Research Trust, 1995; Creed & Evans, 2001; Giddens, 2002).

The consequences to society for having a disengaged youth sector can include increases in crime, and social unrest as previously mentioned. However, fiscally, disengagement and unemployment cause changes to economic growth, increases in the cost of welfare, and further increases in other remedial programmes (ILO, 2010). These programmes are an expense that can be reduced by engaging youth in education and employment. The next section of this chapter examines the labour market for youth and explores how education is used as a tool to improve one’s ability to be employed (employability) and labour market prospects.

Employment, Education and Labour Market for Youth

Employment and unemployment cannot be fully understood if the labour market is not also examined and considered. This section of the chapter is of three-fold importance as it examines youth employment and how youth interact with the labour market. Firstly, it explores the relationship between youth and the general employment and labour environment. Secondly, due to the type of relationship between employment, labour markets, and education created by the neo-liberal ideology³. This section also explores those youth who are in the latter part of that relationship, education. Whilst exploring education, this subsection focuses on the differences between academic and vocational training and how government funding for education encourages employment through the concept of employability. Thirdly, this section examines research on youth who are neither in employment, education or training (NEET) and are therefore considered most at risk of disengaging from the employment market.

Youth and the General Labour Market

The labour force consists of people who are either employed or those who are recognised as unemployed and are actively looking for work (Department of Labour [DoL], 2010). ‘Looking for work’ is the key term in this definition. As such, those who are students, unable to work due to illness or disability, too young, or are retired are not often included as part of the active labour market.

The labour market is constantly changing as economies shrink and grow, due to people shifting in and out of employment and/or education, growing older and changing location. Measures at certain points in time are used to show a number of different things and can provide data for analysis. Some measures that are used to provide data are⁴:

- changes in employment levels,
- population to employment ratios,

³ The neo-liberal ideology theorises that education is a tool solely to improve employment and the labour market. This is in line with HCT which assumes that an increase in skills will positively correlate to an increase in employability and by consequence, an improved economy.

⁴ Although this thesis focuses on age as the defining characteristic, labour market analysis and employment and unemployment levels can also be broken down by gender, educational attainment, or race.

- total population to labour market ratios,
- youth to general population ratios,
- labour market participation rates, and,
- rates of youth who are ‘not in employment, education or training’ (NEET).

(Statistics New Zealand [StatsNZ], n.d.; ILO, 2006)

In New Zealand, youth under perform in the labour market. Of the 637,700 people aged between 15 and 24, only 60.6% or 386,300 people were considered to be in the labour market in 2011, which is considerably lower than the overall labour market participation rate of 68.3% (DoL, 2011). As well as a lower market participation rate, youth also have a lower employment rate than the overall population. The employment rate is calculated by the percentage of people employed out of the total population for that age group, i.e. 15 – 24 year olds for youth and 15 – 64 year olds for the general population. The employment rate is only 50.1% of youth in employment and is 63.8% for the general population. In the unemployment statistics, youth are substantially over-represented, youth have an unemployment rate of 17.3% which is 2.6 times higher than the unemployment rate for the general population which, using a 2011 estimate, is 6.6% (DoL, 2011)⁵.

Compared to their international counterparts, New Zealand youth could be considered to be in a slightly better position within the labour market when examining some statistics. Although the youth unemployment rate in New Zealand was 17.3% in 2010 and the global youth unemployment rate was 12.7%, these rates reflected a ratio of 2.6 youth unemployed for every 1 adult in New Zealand and a ratio of 2.8 to 1 globally (ILO, 2011). Thus the global rate is worse. A further statistic showed that the global youth labour force participation rate for 2008 was 50.8%. The labour force participation rate shows only those who are currently employed or actively looking for work, therefore this statistic demonstrated that on average only about half of the world’s population aged between 15 and 24 were employed or actively looking for work (ILO, 2011). By comparison, nearly 61% of New Zealand youth fit that criterion (DoL, 2009).

⁵ 2011 estimates are used due to the time frames used in this thesis which focus on policy in the first decade of the 21st century.

Youth are more likely to be unemployed than the general population because they often lack experience in both the workforce in general and with their current employer (ILO, 2006). Further, when companies are downsizing they have a propensity to take a last in- first out approach to reducing employee numbers (ILO, 2006). Often the industries of the labour market in which youth are predominantly employed, such as hospitality and retail, do not provide security, stability and permanent working environments (Roan & Diamond, 2003; DoL, 2012). Because long term unemployment and the subsequent disengagement with employment can have lasting effects, especially for youth, solutions are needed to address this demographic so they are not over represented in unemployment statistics when these events occur as has been the case in the global financial crisis of 2008.

The number of youth employed since the beginning of the 21st century has increased. However, the population growth rate has been faster than the increases in employment demonstrating that the problem of youth unemployment had continued to worsen (ILO, 2004). This is reflected in how throughout the last 10 years the youth ‘population- to-employment’ levels have been decreasing.

Education to Employment

Education and training is seen by policy makers and governments as a viable alternative to employment as it increases future employment potential. The ILO stated the decreasing trend of youth in employment is due mainly to the increase in young people engaging in or extending their stay in education (2010, p.9). The youth demographic are encouraged via a range of policy instruments to participate in education and consequently represent the largest demographic participating in the education sector overall. Youth who are studying, in New Zealand and in most other parts of the world, are often not considered to be employed or unemployed, as they are considered to be outside the labour market (DoL, 2011; O’Higgins, 2001). This is important to note because it explains that a decrease in employment (or unemployment) is not necessarily due to an increase in unemployment (or employment) but merely a change in labour market dynamics or the policy mechanisms that shape it.

Education and training has long been hailed as a preferred pathway to increase ones' employability as it reduces barriers to employment through increased skills and knowledge, and expanded social networks (Hillage & Pollard, 2008; Kraus & Vonken, 2009). Many studies have shown that youth who remain engaged in education are more likely to be employable and also remain engaged in employment (Bynner & Parsons, 2002; Bynner, 2004). Due to the social advantages of an educated and employed society, public funding for education occurs throughout the world to different extents with most governments financing schools, tertiary institutes and vocational training schemes either in full or in partnership with private establishments or individuals (Arnove, 2003; Strehl, Reisinger & Kalatschan, 2007). Globally, education programmes that focus on the needs of society, job creation, or are stepping stones to further education receive increased public funding and attention (Krause & Vonken, 2006; OECD, 2012). In contrast, funding for programmes which are seen to provide less economic potential is deteriorating (Strathdee, 2009). This reflects the neo-liberal values associated with HCT mentioned previously in this chapter. In order to elaborate on this, a New Zealand policy example will be outlined next.

In New Zealand, the Tertiary Education Strategy (TES) 2010-2015 is the policy document which provides an outline of the government's direction for education (Ministry of Education, 2010). It outlines how education and training will help society prosper through increased educational opportunities and the subsequent employability. As part of the strategy, places are made available each year for students to improve literacy and numeracy standards, to increase trade apprenticeship numbers and to increase enrolment in both vocational and academic courses. The TES also emphasises a focus on young people achieving employment and economic prosperity through education; the argument for each of these strategies is outlined below.

First, literacy and numeracy skills are now considered to be important as a worldwide measure of educational achievement and can be used to measure the foundation skill base and social and employment potential (Ministry of Education, 2010; UNESCO, 2012).

Second, vocational training increases employability as it is training provided specifically for a job (Richardson & Van den Berg, 2002). This means that the training received is job or industry specific and enables the recipient to gain the skills required to be employed in a specific role or be promoted into higher level roles. Vocational training can be done in a classroom situation, on-the-job, or as a combination of both. Trades certifications are often considered vocational as are some 'white collar-profession-specific qualifications such as teaching, law or accounting.

Third, academic study is often more broadly based learning and may not lead to a specific industry or occupation. Academic study provides the recipient with what are often called 'soft' or 'transferable' such as research and analytical skills which may be used across many occupations (Kemp & Seagraves, 1995).

All three options increase employability as all options increase the skill and knowledge base of a person through education. These goals reflect similar values to other third way or neo-liberal nations such as the United Kingdom (UK), Australia and the United States of America (USA). Although the goal of all three education strategies is increased employment through increased educational attainment, many nations, including New Zealand have encountered underemployment. This is where people are working in a job for which they are over qualified or have qualified people who remain unemployed (Livingstone, 2004). Although underemployment is sometimes considered not as big an issue as unemployment because it still allows the person to be in work, it can negatively affect the individual (disengagement) in terms of how they identify themselves, and more broadly it can lower the productivity and efficiency of an economy (McArdle, Waters, Briscoe & Hall, 2007). This suggests that while education can contribute positively to employability, it does not necessarily follow that it will resolve the issues of under and unemployment. This kind of limitation is even more acute when young people are not even engaged in education. It is this much more vulnerable group that is addressed next.

Youth Not in Employment, Education or Training

Employment levels are often used to illustrate levels of engagement within society so it is imperative that they portray the information as accurately as possible. It cannot be assumed that all those who are unemployed are disengaged with the labour market or disenfranchised with society. As mentioned in the above subtheme, people who are studying are not counted as part of the labour market because they are assumed to be still engaged and active within society. When analysing labour market data which solely examines employment and unemployment levels, to identify at risk or disengaged youth, the data may be skewed as it does not take into account education participation rates, and employment sabbaticals for education or other voluntary reasons for unemployment (Bynner & Parsons, 2002; Yates & Payne, 2006). Rather than using the unemployment statistic (i.e. the total number of unemployed people as a percentage of total population in labour force) as the sole measure to identify vulnerable and at risk youth, a measure which illustrates youth who are not in employment, education or training (NEET) was introduced in the 1970s. This was developed to help analyse trends and to make, (what are perceived to be), better informed policy decisions.

NEET statistics were introduced to provide a more specific account of youth who were not employed and not in education and who were therefore considered to be disengaged with society. Whilst the definition of NEET by and large covers youth who are not in employment, education or training, internationally the definition is slightly ambiguous in terms of establishing an age range and who is included (Furlong, 2006; Yates & Payne, 2006). In New Zealand, NEET statistics encompass 15 – 24 year olds who are not in employment, education or training unless they are undertaking a caregiving role, (as this is seen as a benefit to society) (DoL, 2009). A report from the Department of Labour in 2009 showed New Zealand youth aged 15 – 19 had a NEET rate of 7.3% whilst those aged 20-24 had a rate of 8.7% (DoL, 2009).

NEET statistics are often used to portray youth who are most vulnerable of “slipping through the cracks” and to show the level of disengagement of youth in society (Bynner & Parsons, 2002; Yates & Payne, 2006). – See ‘Neglecting Youth

in Policy' section for more information on the negative consequences of disengagement. However, the expansive nature of the definition of NEET means there is no differentiation between those youth who are vulnerable, disadvantaged, and disengaged and those who volunteer to be unemployed, are holidaying or focusing their efforts on personal, unpaid creative outlets (Furlong, 2006). Therefore, although NEET statistics do provide a measure of those who are not undertaking an activity which benefits society, the broad nature of NEET needs to also be addressed before a more accurate statistic of the amount of disengaged youth can be calculated (Furlong, 2006). This is a limitation because of the way this statistic is used to inform policy decisions and as stated previously, badly informed policy can create negative or undesirable outcomes.

It should be noted that from this point on, in the thesis, when unemployed youth are being referred to, it is to the NEET grouping. The reason for this is that the NEET category of unemployed youth, despite the issues with accuracy, are the group which policy makers are most concerned about in regards to the social problem of youth unemployment.

Problem of Unemployment of Youth

This section of the chapter defines the problem of unemployment overall and then goes on to explore why youth unemployment is of particular importance to contemporary western society as a social problem.

Unemployment as a Problem

In the neo-liberal world of the 'west,' being able to provide for oneself without state welfare or dependence is of paramount importance. Since the industrial age and the commencement of urbanisation, in order to survive economically, the majority of people have to undertake paid employment. Global unemployment, however, is estimated to be at 207 million people (ILO, 2011a). This corresponds to approximately 8.8% of the world's population looking for work (CIA, 2011). Neo-liberalism's key theories surrounding the individual and the reliance on market forces can cause a number of problems for those who are unemployed. When someone is unemployed, they have a decreased ability to interact positively

with the economic market. Because of this a myriad of problems can occur for the individual, their immediate community and support structures, as well as their country and due to globalisation, increasingly, unemployment problems can ultimately affect the world (Ukpere & Slabbert, 2009).

On an individual level, unemployment problems can include:

- loss of personal income and further repercussions associated with money and wealth (Edgell, 2006; Giddens, 2002)
- changes in mental and physical health including, feelings of loss, low self-esteem, (Hoare & Machin, 2009), and
- disengagement from society, (Wadsworth, Montgomery & Bartley, 1999; Clark, Knabe & Ratzel, 2010)
- increases in social inequalities and 'disadvantage-ness' (Edgell, 2006)

A number of these consequences of unemployment that impact on the individual can also be observed at a societal or class level (Yang & Lester, 2000). Thus when considering unemployment as a social problem, inequalities associated with societal structures must also be taken into account. Furthermore, some of the reasons why unemployment is a social problem are associated with problems and issues that occur at a meso and micro level of society. For example, on a community level, increased crime rates and an increase in deviant behaviour within the community can be associated with unemployment. Cook (2006) argues that although unemployment may not be the cause of crime, the poverty which stems from long-term unemployment, and the subsequent increasing divide between those with means and those without, may cause an increase crime. (Coles, 2006) states, a decrease in family and community unity can also occur as the unemployed are viewed negatively by prominent members of society and often even within the family structure.

On a national level unemployment has repercussions for commerce, taxes, welfare, education, law, health and immigration (Jean & Jimenez, 2011). Business productivity goes down, tax revenue from businesses and individuals decreases due to decreases in income and spending, whilst welfare payments, the cost of education subsidies, crime rates, and the cost of health provision all increase

(Coles, 2006). Thus, unemployment can play havoc on the economic, political and social environments of any country.

National unemployment levels are not just an issue of domestic importance. Due to the increase in globalisation and global mobility, unemployment can lead to changes in immigration patterns. This in turn can affect political relationships, and can create infrastructure issues and further labour displacement for both the losing and gaining countries (Jean & Jimenez, 2011). As such, unemployment levels and the policies used to combat them need to be examined at an international level, and not merely as a closed, domestic issue.

Unemployment of Youth

The individual, familial, community and national problems with unemployment mentioned in the above sub-theme are examples which can affect the general population, however, these and extra difficulties, can also be manifested in the youth demographic. Extra difficulties can come from the fact that youth often do not have the work experience required by employers and will take lesser conditions and lower wages to get “a foot in the door.” Further, because of this reason, youth can have lower wages and fewer conditions which they may not recuperate throughout the majority of their working life (Neumark & Nizalova, 2007).

In terms of labour market policies that encourage youth employment, the OECD found that public spending towards active labour market policies is not proportional to the social problem of youth unemployment, noting that:

Frequently less than a fifth of public spending on active labour market programmes is in programmes targeted *specifically at youths* facing difficulties in the labour market, (however) partial data for EU countries suggest that up to two-fifths of participants in these programmes, including subsidised apprenticeships, are aged under 25 (OECD, 2002, p.13, emphasis added).

The significance of this point is to demonstrate that measures being taken throughout the OECD to reduce youth unemployment are not adequately funded and that tools and policy instruments are not in proportion to the social problem of youth unemployment. Labour market policies and programmes need to be adapted to proportionately reflect the nature of the labour market and the outcomes that policy makers wish to achieve. As the next paragraphs elaborate, understanding youth unemployment in more detail can ensure more targeted measures can be taken.

Youth unemployment appears to be concentrated, but not exclusively, in poor and disadvantaged communities more so than the general unemployment rates, (Hunter, 1998; Godfrey, 2003). This demonstrates the point made previously that class and other social structures contribute to the social problem youth unemployment. For example, Australian studies have shown that the unemployment levels of those aged 15-19 is linked to family background and location as much as to personal characteristics and labour market outcomes. Because of family ties, and the often limited social networks of youth, their education and subsequent employment opportunities are liable or likely to be linked to familial or peer support, and/or the structural disadvantages they face (Payne, 1987; Hunter, 1998; Raffo & Reeves, 2000).

Creating policies which address structural disadvantage and acknowledge the current employment climate is essential. Education based support and engaging youth in education and employment early can lead onto further training and thus further career opportunities. However, given the seriousness of youth unemployment currently, youth that disengage from education or give up job seeking are becoming increasingly detached from the labour market (ILO, 2012). This demonstrates that policies which do not respond to the current situation may result in inefficiencies in the labour market.

The next section focuses on global policies and statistics to show the international efforts that have been made in order to combat youth unemployment, examining policies both pre and post the global economic recession of 2008.

Global Policies for Unemployment

This part of the chapter focuses on global trends and unemployment changes over the 10 year period from 2000 – 2010. In order to examine the effect of the global economic recession (GER) on unemployment this part is broken into 3 sections. The first section examines at literature and policies that were in place from 2000 to 2007, during an economic boom. The second section examines the GER and highlights the repercussions of the recession to the global environment during 2007 - 2009. Third, it focusses on policies that are recommended or in place around the world to encourage employment and growth into the future, post 2010.

Global Employment 2000- 2007

This section identifies aspects of the global employment environment leading into the boom period of the 21st century. It also explains how the economic and employment policies of that time supported economic growth that lasted until 2007 when the economies began to experience slower growth, leading up to the 2008 recession.

Due to high unemployment levels in the late 1980s and early 1990s the OECD set about making recommendations to reduce unemployment. In 1994, a job report was published for member countries with a number of recommendations which aimed to reduce unemployment and improve economic outlook. This report was particularly important for New Zealand because its recommendations were taken on board by policy makers who were also struggling with a high unemployment rate⁶. The report stated:

“the most positive and cost-effective results occur with job search assistance and aid for business start-ups by the unemployed, particularly when they can rely on *local support networks*” whilst training may only work “if carefully targeted to the needs” of employers (1996, p.7, emphasis added). Furthermore, it noted that large scale programmes which

⁶ This is a report from an OECD study which aimed to improve economic outlooks and reform employment policies within member countries. The overarching recommendation was “to set macroeconomic policy such that it will both encourage growth and, in conjunction with good structural policies, make it sustainable, *i.e.* non-inflationary” (OECD, 1996, p.6).

do not correspond to labour market needs should be avoided (OECD, 1996).

Spurred on by the OECD jobs strategy in May 1994, many countries in the OECD were able to improve their economic outlook and reduce unemployment by the late 1990s (OECD, 2006). This heralded a long economic boom in most western development nations in the early 2000s. Policies within individual countries from the mid-90s to 2007 enhanced their prospective economies' growth. However, employment growth is not necessarily correlated to economic growth (OECD, 2002; Harasty, 2004). For example, Japan, Poland and North America were countries which had either, a stagnant or contracting employment growth period in 2001, and the OECD overall also had a decrease in employment of 0.3% for that year, even though their perspective economies still experienced growth at this time (OECD, 2002).

Harasty (2004) argues that the best policies for employment during this decade were those adapted to suit the political and social environment in which they were being used. This argument is in line with, and connects with third way ideology. For instance, in parts of Europe, social protection and social cohesion policies were adapted using a generous welfare scheme, as were practices which included flexible, part-time or temporary work. As well as this, a "learnfare" model which ensures long term welfare recipients have access to training was established (Harasty, 2004). In order to achieve these measures, a tripartite effort involving commercial business, employee unions and governments was established in the late 20th century at the level of the European Union (EU).

Furthermore, in Spain, an emphasis on temporary employment opportunities lowered long-term unemployment numbers, whilst vocational training reforms enabled the country to increase both nominal employment and employment participation rates in the period of mid 1990s to mid-2000s. Closer to home, Australia provided a different policy based firmly in providing unemployed people with government funded job skilling, matching, and networking, as well as "intensive assistance" for training. However, none of these policies was targeted directly on youth as a cohort. This is a key limitation that perhaps explains why in the post-GER world, the youth unemployment rate is so much higher.

Global Economic Recession 2007-2009

During the economic recession, unemployment hit levels that had not been seen since the great depression in the 20th century (Bell & Blanchflower, 2009). This section examines the years of the recession (2007 -2009), identifies policies and guidelines adhered to around the world, and illustrates the effects of this economic downturn on employment levels.

Whilst some definitions of 'economic recession' can include a sharp decline in employment, a recession is often defined as a decline in economic activity over an extended period of time. In New Zealand a recession occurs when the economy declines over two successive quarters (Statistics New Zealand, 2012).

“The financial crisis, which has intensified since fall 2008, has led to deteriorated funding conditions, a decline in the confidence of economic players and a dramatic slump in world trade, thereby unleashing a global recession” (Breitenfellner, Schneider & Schreiner, 2009, p. 10)

Although all countries in the OECD were affected by the recession, some countries were hit harder than others. Australia, Austria, Japan, Korea, Luxembourg, Norway, and Switzerland were all able to keep unemployment between 3.5 and 5.5% during this time. In contrast, Estonia, Greece, Ireland, Portugal, Slovak Republic and Spain were hit hardest and even in the first quarter of 2011 had an unemployment rate in double figures (OECD, 2011). Within each of these countries, the youth demographic was also hit disproportionately hard (Hurley, Storrie & Jungblut, 2011), with the youth unemployment rate jumping to 17.4% whilst those aged over 25 sat at 7% (OECD, 2011).

In order to try and minimise the long-term impacts of the recession such as high unemployment, a number of policies were utilised. A number of governments utilised policy based on Keynesian economics (Tcherneva, 2011; Hart, 2011). Keynes' theory, which is associated with social democratic ideology, promotes full employment through the concept that government/public funds can and

should be used to provide subsidies which increase demand and consequently increasing supply thus creating a cycle of growth (Tcherneva, 2011).

Under the theory of using public funds to stimulate the economy, many countries, including New Zealand (see Chapter 4), provided tax cuts to individuals and subsidies for businesses to increase consumer spending and capital investment. Australia outlined a 10.4 billion Australian dollar stimulus package in 2008 and a second stimulus package of 42 billion Australian dollars in early 2009 which included lump-sum payments to pensioners, low and middle income earners and families, increased subsidies and financial benefits for first home buyers and builders and rescheduling-forward infrastructure plans (Australian Politics, 2008; TheAge.com, 2008; Reuters, 2009), whilst the United States of America (USA) provided two 700-plus billion dollar injections into the economy to increase welfare spending and provide financial investment in private companies such as General Motors, Citigroup and AIG insurance (Tcherneva, 2011). In Germany, investment in infrastructure and in underdeveloped communities was increased. Promotion of 'short-time' (temporary) employment and a reduction in Value Added Tax (VAT), similar to New Zealand's goods and services tax (GST), was implemented, costing 77 billion euros over the two years (Tcherneva, 2011). Temporary employment and reduced full-time hours were also encouraged as measures to stem the trend of increasing unemployment as were pay cuts, provisions for taking leave and reductions of fringe benefits in private sector companies (OECD, 2010; Boeri & Bruecker, 2011).

Unemployment was not the only problem that needed to be addressed during this time. In most countries, the emphasis was not only on promoting employment but reducing government financial deficits. Austerity measures within the government were used to reduce public deficit, however this further increased unemployment and reduced investment in higher education and other departments, a counter-productive measure to employment and an effort which did not help low-skilled people who, along with youth, were the hardest hit demographic during this period.

Global Recovery into the Future

The final section identified in this theme is employment into the future. This section examines the global climate in a post-recession environment and identifies how the employment landscape for youth has changed and what needs to be done to recover from the recession and reduce unemployment.

A number of the recession proofing initiatives mentioned in the above section are only temporary solutions to a problem that will have on-going repercussions. The reduction in VAT levels in Europe is only temporary, as are the increased welfare benefits and corporate subsidies in the USA. (Tcherneva, 2011) argues that a longer term strategy needs to be initiated in line with Active Labour Market Policies (ALMP) which promotes long term employment. Furthermore, investing in youth and giving them a better start in the world of work should be a key policy objective. Otherwise, there is an increased risk of growth in the hard-core group of youth who are left behind, facing poor employment and earnings prospects (OECD, 2012).

By June 2011 the OECD unemployment rate had dropped only 0.6% from the peak in 2009 of 8.8% whilst youth remained two to three times higher than their older counterparts. Youth have always had a higher rate of unemployment than those over 25 and this is evidenced by the OECD's reflections over the last 50 years (OECD, 2011). However, to combat this, it has been theorised that youth employment and engagement levels could be improved by "reducing a skills mismatch and creating a more responsive education system" which better adapts the local skill base to its needs and provides better opportunities for vocational education and training (OECD, 2011). By ensuring the skills of society better match the jobs available, greater economic efficiencies can be gained through the education sector. Consequently, unemployment may be reduced and then continue to remain lower than the current levels. Providing education in an environment that is more fluid and responsive ensures that qualifications and courses can be more easily adapted to the changes in the economic climate.

Against these recommendations however, a strand of neo-liberal and conservative thinking remains in place. This is reflected in statements which place emphasis

on austerity and cost-effectiveness. An example of this is the OECD's statement that it is important that although austerity measures continue to be in place, and government budgets are limited, priority must be given to cost-effective labour market interventions in order to improve youth labour market outcomes and promote continued employment for those transitioning into the workforce (2011)

Caveats

In exploring the literature during this study, the focus has been on defining and explaining important information and arguments concerning employment policy, youth and unemployment. However, this literature can also be used to challenge underlying assumptions about these three areas. This section looks at these areas. Firstly, the literature deals with unemployment as if it is involuntary and forced, however this is not always the case. Secondly, it is assumed that unemployment is solely a negative problem that needs to be addressed and does not take into account positive outcomes of unemployment or the issues associated with the practicalities of full employment. Thirdly, it must be noted that employment options, employability and the employment environment are all contextual; political, environmental, economic, and geographical changes affect employment so one policy is never going to work one hundred per cent of the time in one hundred per cent of locations.

The negative repercussions of unemployment are mentioned throughout the chapter but there are positive outcomes from unemployment. These positive outcomes as well as the negative consequences of full employment need to be noted. The positive outcomes of unemployment can be: increased birth rates (although in a recession, this statistic declines (Haub, 2011), increased entrepreneurship as displaced workers create their own employment opportunities (Bosma & Levie, 2010), increased rate of change for social issues that arise from the social unrest caused by mass unemployment and decreased serious crime (Raphael & Winter-Ebmer, 2001). Furthermore, full employment can lead to a shortage of workers in some areas, inflation, and a false high or bubble economy.

Finally, employment and the problem of unemployment are both contextual thus as stated in the theoretical lens section, they need to be analysed using the political, environmental, economic and geographical environments of time and space. Throughout the 21st century changes, in political ideology have occurred in New Zealand and changes in the economic situation have occurred worldwide. These changes all need to be taken into account when analysing data and recommending trends and policy initiatives as solutions. As mentioned above, one solution will not work for everyone. Solutions, just like the specifics of the problem, cannot be one size fits all but must include an acknowledgement of the environment in which it is being implemented.

Chapter Summary

The youth age and transitioning period brings new experiences which can be exciting, anxiety-ridden, happy, or a combination of emotions. It is important academics, policy makers, and strategists operating within a neo-liberal context ensure that as youth journey through life, they are honed into being productive members of society. At the moment, the statistics suggest this is not occurring for all groups of youth. This chapter has provided an overview of the literature which focusses on who youth are and how they can experience employment and unemployment. Following this, the chapter described the subculture of youth and focussed on how they interact with the labour market, as well as the employment and education sectors. Towards the end of this chapter, literature which explains the problem of unemployment was reviewed and the global effort that has been, and continues to be, made to combat unemployment, was outlined. Finally, this chapter specified some caveats to the literature and further underlined the rhetoric of this thesis which is that youth unemployment is indeed something that should be critically analysed to a greater extent and reduced, using proven successful measures.

Chapter 4

Case Study: The New Zealand Context

The purpose of this chapter is to provide a context to the New Zealand unemployment environment. It does this by exploring the central government policies towards youth employment and then describing in detail, the regional initiatives that have driven the policy focussed on in the case study which forms the basis for this thesis. In order to provide a thorough understanding of the New Zealand environment, this chapter will first outline how the Local Government Act 2002 (LGA) and the Tertiary Education Strategies (TES) have been key drivers to regional successes and youth education attainment respectively. Second, this chapter will examine New Zealand's policy initiatives directly aimed at reducing youth unemployment, first by analysing the central government employment policies of the 21st century, then by providing information on some of the regional programmes being utilised around the country. The case study that was undertaken using Otorohanga's Zero Youth Wasted initiative forms the concluding section of this chapter. This regional programme is described in detail in order to outline what specific attributes are claimed to have made it such a success.

Relevant Legislation and Policy

The overarching law which enabled these regional initiatives to be implemented, receive central funding and thereby be successful is the Local Government Act 2002. It is this Act which “provides a framework and powers for local authorities to decide which activities they undertake and the manner in which they undertake them” and “provides for local authorities to play a broad role in promoting the social, economic, environmental, and cultural wellbeing of their communities...” (Local Government Act, 2002). In line with third way thinking the social and economic wellbeing of the community is the cornerstones of any successful regional policy. This Act provides the underlying legal framework for any

regional based policy and provides guidelines for any initiative implemented by a regional and district council⁷.

Due to the importance of education and training to the 11 initiatives in the Otorohanga youth programme (explained in detail below) and the overwhelming international support (see chapter 3) of education leading to employment, it is vital to understand the TES. As indicated in chapter 3, the TES outlines the government's strategy for tertiary education, from foundation skills to doctoral studies, and is the policy document which sets out the priorities for tertiary education's goals and strategies in New Zealand (Ministry of Education, 2005; Piercy, 2005). Both the TES for 2007-2012 and 2010-2015 emphasise the importance of young people under 25 attaining tertiary qualifications and also emphasise reducing "skill shortages through improving the relevance of tertiary education to the needs of the labour market" (Ministry of Education 2007, p.6). By focussing on youth and increasing their skills through qualifications that directly contribute the community, Otorohanga's scheme encompasses both of these priorities. This also has positioned the scheme to receive support from the Tertiary Education Commission (TEC) and other parts of the tertiary education sector in New Zealand

Domestic Policies for Youth Employment in the 21st Century

The domestic policies subsection of this chapter is separated into multiple parts; firstly, it examines literature surrounding the central government unemployment policies under the Labour-led government from 1999 to 2008. After which, the government's employment policies from the first term of the current National-led government are examined. The different policies will be compared in order to highlight ideological differences embedded in the policy directions. The final part of this section will cover regional policy linked to the Mayors' Taskforce for Jobs (MTFJ). After defining the MTFJ, this part will then examine initiatives utilised throughout different regions of New Zealand.

⁷ As of May 2012 this aspect of the LGA is currently under review (Garbett, 2012; Department of Internal Affairs, 2012)

Labour Policies 1999-2008

The New Zealand Labour Party is historically – and currently – a left leaning political party steeped in social democratic ideals (New Zealand Labour Party, 2011). However, this has not always been the case. In the early years, Labour governments focussed on ‘first way’ politics which are identified by socialist and democratic values. The fourth labour government, however, introduced neo-liberal ideologies - or ‘second way’ rhetoric - into New Zealand’s political arena (Eichbaum, 1999; Strathdee, 2003). During the fifth labour government, in power between 1999 and 2008, they utilised ‘third way’ rhetoric as the basis for many policies returning more to their leftist origins (Cochrane, Law & Piercy, 2004; Nolan, 2004).

Based on the United Kingdom’s Blair-led Labour government and sociologist, Anthony Giddens’ ideological theory, third way politics are ambiguous and contextual (Eichbaum, 1999; Piercy, 2003; Giddens, 2004). However, the general consensus is that the third way ideology in New Zealand “combine[s] social justice (Old Left aims) with economic efficiency and hard-headed realism (New Right objectives)” (Eichbaum, 1999; Nolan, 2004 p.4; Batters, 2010) and combines notions of third way politics that are socially and culturally adaptive to the New Zealand environment not merely adopted from western European definitions (Eichbaum, 1999; Piercy, 2005).

In a shift from neo-liberal ideals of the 1990s National party government, Labour government policy surrounding employment relations was radically changed to reincorporate ideas similar to that of the European Union (EU) of collective bargaining and social partnerships. This was led by an acknowledgement that the employment relationship is an inherently unequal one. A number of other central employment and training policies were altered demonstrating a shift from the previous politically right, National led government (1990-99) to Labour’s “New Left” one (Strathdee, 2003; Cochrane, Law & Piercy, 2004).

Policies that were initiated by this government to combat unemployment included reforms to the industry training and tertiary education sectors. These reforms included:

- providing extra funding for modern apprenticeships which taught skills relevant to New Zealand's economy,
- providing interest free student loans for tertiary education, and
- creating one organisation (TEC) which encompasses all post-compulsory education to be run by the state (Batters, 2010).

These initiatives encouraged employment through education and skill development, a major focus for the fifth labour government (Piercy, 2011) and were able to decrease unemployment, however, it is important to note that youth unemployment rates did not drop significantly (Statistics New Zealand, 2011). Unemployment in general decreased from 6.3% in the December 1999 quarter and varied between 4.3 and 3.3% in Labour's last full year in government, 2007 (Statistics New Zealand, 2011). Youth saw the same three-percent drop for unemployment but they dropped from 13.2% to 10.1%, a base level more than 3 times that of their older counterparts.

Directly associated with employment, programmes such as the Training Opportunities and Training incentive allowances were utilised; Youth Employment Service programmes, work and life skills training policies, as well as programmes which enabled access to services such as Student Job Search (SJS) were also used in order to reach zero youth unemployment (Johri et al., 2004). The training programmes aimed to address unemployment by providing broad based skills that were not just vocational and linked to work but also enhanced the wellbeing and social potential of the participant. This reflects the rhetoric of third way politics, exemplified by the vales of economic efficiency whist encouraging social engagement (Eichbaum, 1999; Piercy, 2005). Work and Income New Zealand (WINZ) work brokers and subsidised wages for employers were utilised in the latter half of the 1990's and were continued by the fifth Labour government (Johri et al., 2004). Matching the skills of people with the jobs available provided employment opportunities to those who had the necessary ability to do a job; WINZ work brokers and SJS were utilised to provide matching services and aimed to create employment through networks. Under Labour these programmes were provided with more funding to operate more effectively at a regional level (Lunt, 2006)

National Policies 2008-2011

After the 2008 election, a National government swept into power in coalition with ACT, and the Maori and United Future parties. Subsequently, New Zealand's policy began going in a different direction (Batters & Piercy, 2011). The National party sits on the right of the political spectrum ideologically and is influenced historically by a conservative agenda which evolved into a neo-liberal agenda in the 1990s. The 2008 government has tried to distance itself from its neo-liberal traditions with leader John Key, in particular preferring his government be seen as a 'practically oriented' one (du Chateau, Oliver & Bingham, 2008; Armstrong, 2009; Hubbard, 2010; Batters, 2010) that is "interested in what works, not ideology" (Key, 2009 as cited in Batters, 2010). However, some of the policies introduced can still be perceived as having ties to National's right-wing, conservative history and their 1990s neo-liberal stance.

A focus on work and the idea that "those who can work should" is the mantra for this government (MSD, 2010). This right wing emphasis on employment contrasts with the previous Labour government which also encouraged employment but did so as part of a holistic approach to a better, more socially inclusive society. This emphasis reflected the third way understanding that those who are unemployed could be contributing to society in other forms (Levitas, 1996; Land, 1999; Lister, 1999; Powell, 2000). An example of which could be those in creative industries or in unpaid work, such as caregiving (Statistics New Zealand, 1999).

One of the first measures of this government in relation to employment was the job summit. The job summit in February 2009 was a meeting of New Zealand's top 200 business, banking, government and union leaders to discuss development and employment in response to the global financial crisis (Braddock, 2009). As a result of the job summit, a support scheme was set up to help businesses employing more than 100 staff. The government subsidised the cost of employees by paying up to 5 hours per fortnight at minimum wage in order to prevent mass redundancies. A programme of wage subsidies was also set up for employers of

young people in order to get young people into entry level positions or community programmes (Beehive, 2009).

In September 2010 a policy called 'Future Focus' was enacted which aims to encourage employment by creating a workfare rather than a welfare environment (MSD, 2010). This is an environment where welfare is not a 'given' but something that must be earned (Peck & Theodore, 2000). The government hopes that this approach will make long term benefit dependency a thing of the past with stricter criteria for benefit applicants. This does not address unemployment directly instead it focuses on encouraging stronger job seeking behaviour on the part of the welfare recipient. A particular focus has been those groups who have not necessarily had to engage in job seeking behaviour in the past, for example, solo mothers and sickness beneficiaries (MSD, 2010).

In education, more funded places were made available in formal tertiary institutes as education was seen as a way to reduce future unemployment. Also, free education is provided for unemployed youth, not in secondary school up to age 18 years through a 'youth guarantee' scheme which ensures no youth under the age of 18 is without free secondary schooling or vocational training (WINZ, 2011). This scheme was set up by the Labour-led government (1999-2008) and has been continued by the National-led government (2008 -) (New Zealand Qualifications Authority, n.d.).

In employment relations, the most controversial policies enacted by this government in their first term (2008-2011) were a '90 day probationary period' policy and a number changes to the rights of film industry workers. The 90 day policy enables employers with 20 or fewer employees, to end new employees' employment within 90 days without further negative repercussions for either the employee or employer. This essentially 'fire at will' policy removes the ability of employees to pursue a personal grievance if they think their dismissal is unfair. It was hoped that this would encourage hiring and business growth for businesses who might not otherwise risk employing someone, particularly young people who, as established in chapter 3, employers are less likely to take a risk on (Trevett, 2008; Kaye-Blake, 2011).

There is little relevance of the film industry workers policy to this thesis as it does not directly affect youth or employment levels. However, it does diminish workers' rights and panders to multi-national corporations, which provides evidence of National's stance on employment and their focus on economic prosperity through market systems and the neo-liberal disregard of government intervention.

National's continuation of parts of the programmes implemented by the fifth labour government focussing on training and education means that National also thinks increased training and education levels is a key driver towards employment. This stance reflects the assumptions of HCT as outlined in Chapter 3. However, studies by Bowers, Sonnet and Bardone (1999) and Lerman (2000) illustrate that focussing only on education and training is not suitable for all those struggling to get stable employment in the labour market and something more must be done. Focussing on education alone does not automatically create employment. Education does not create jobs, it increases the skill set of society. Highly trained and qualified individuals may find themselves out of work if their skills and attributes do not match their employer's needs or the government does not provide them with self-employment opportunities. Employment opportunities are not created just because of a more highly trained society but instead they are created by a myriad of reasons, including increased demand for the products and services (Giddens, 2002).

The current government has not just pursued central policy practices. The regional initiatives that were set up in by the MTFJ as a response to the failure of central government to reach the millennium goals prescribed during the Prime Ministers Taskforce for Jobs (1994) have remained in place. These initiatives and policies aim to combat youth unemployment at a local level. The next section of this chapter will shift away from a focus on national policy to examine the policy operating at this regional level.

Regional initiatives

This section begins by first, providing a historical context and describing what led to the impetus for local solutions and then second, names and outlines some local

initiatives that have been implemented throughout the country with varying success in reducing youth unemployment from a local, community, grass-roots level.

In order to understand how From 1991 to 1994 New Zealand had a youth unemployment rate that did not drop lower than 15.5%, and in 1991 the highest youth unemployment figure of the last 23 years with 19.3% was experienced under a National government (United Nations, 2009). These statistics led to an enquiry into employment in 1994 which resulted in the 'Prime Ministerial Task Force on Employment' which aimed to have nobody under the age of 25 unemployed or out of training for longer than 6 months by year 2000 (MTFJ, n.d.; Jobs Research Trust, 1994). The failure of the central government to meet this objective by the "feasible" deadline resulted in a group of regional mayors to form the MTFJ in February 2000. The main focus of this group is on building youth leadership skills, encouraging positive growth and transitions of youth into work, education and training at a community, regional level (MFTJ, n.d.).

Through the MTFJ a number of regional, grass-roots employment initiatives were set up around the country during the Labour-led governments' tenure (1999-2008). These initiatives made significant impacts on youth employment levels. The funding for these initiatives came from the Ministry of Social Development (MSD), non-government organisations, the MTFJ itself and other community and business groups, and through local funding bodies such as district councils, trusts and charity groups. Some of the MTFJ initiatives include: the Otorohanga Youth Programme (Otorohanga), Work'n it Out (Southland), Link'D (Masterton), Solomon Group (Manukau) and WhaiMarama Youth Connex in (Hamilton). Although all the programmes are different they all utilise a mixture of youth support, training, work experience and local guidance to help young people transition into the workforce. Each of these regions provides community support aimed to help local youth into education or employment. They also facilitate access to the nationwide youth support services such as Youthline and 'Youth Transition Services', which are WINZ initiatives available in all regions, nationwide (WINZ, 2011).

Otorohanga – Zero Youth Wasted

This section of the chapter describes the Otorohanga Youth programme in detail and describes why this policy was the inspiration for this thesis. This section consists of two parts, the first, describes the demographics of Otorohanga and provides the context of the case study. The second examines the policy and explains how the initiative started, how it has been run, and the successes the town has had with the programme.

Otorohanga – The District

The Otorohanga district consists of two main centres, the rural township of Otorohanga and the west coast village of Kawhia. Just 45 minutes south of Hamilton – or 2 hours south of Auckland – Otorohanga is centrally located in south Waikato and has a thriving farming, and “Kiwiana” tourism industry (Otorohanga District Development Board (ODDB), 2009). The 2006 census had a count of 9,075 people in the Otorohanga district. Of which, 70.6% identified as being European and 27% as Maori. Both measures are higher than the national average of 67.6% and 14.6% reflecting a bi-cultural rather than a multi-cultural population (Statistics New Zealand, 2006). Otorohanga has one secondary school with approximately 375 students, a Waikato Institute of Technology (Wintec) regional campus, and the Otorohanga Trade Training Centre (OTTC) which provide formal post-compulsory education to the region. The youth population includes 1300 people aged between 15-24 years old (ODDB, 2009; Statistics New Zealand, 2006), the median age in Otorohanga is 35.9 years and those over the age of 65 make up 10.3% of the population (Statistics New Zealand, 2006). As mentioned in the literature review (Chapter 3) unemployment and crime are closely correlated statistics. Otorohanga is proof that these statistics are indeed closely correlated. In 2005, at the start of the youth programme, nearly half (48%) of all resolved crimes involved someone under the age of 25, (Williams, 2005) however, by 2007, when 100% of youth were in employment and training, crime had been reduced by 75% and “currently less than one in five (19%) or resolved crimes” involve someone under 25 (ODDB, 2011).

The global economic recession, which peaked in 2009, seemed to have little to no effect on youth unemployment in the district seemingly due to the youth

programmes promoted in the region. The 2010 Business and Economic Research Limited (BERL) report shows Otorohanga climbed the most in terms of overall rankings from 64th in 2009 to 17th in 2010 out of the 72 regions. Dustow, Dixon and Nana (2011) believe this to be due mainly to their increase in the percentage of full time employed. Part of increasing employment levels is the MTFJ initiative which is described below.

Otorohanga – The Youth Initiative

The Otorohanga Zero Youth Wasted policy consists of 11 projects which range from providing education and education support, to promoting trades and the Otorohanga area as having desirable career and living options, to positive reinforcement for achievement, high-school transition support, and community support and awareness. All of these projects are primarily aimed at 15-24 year olds. As described by the ODDB, the projects are as follows:

- Wintec Otorohanga Trade Training Centre: a workshop and study area for students undertaking pre-trade apprenticeship training in Otorohanga
- Trade Apprentice Co-ordinator: a person employed to train and support students and liaise with local businesses to support the apprenticeship scheme
- Careers Expos: Careers and training expo supporting local training and careers options
- Trade Brochures: Locally developed brochures and marketing information
- McDonald's Lime Student Scholarships: Training funding provided by McDonald's Lime for fees, travel and accommodation needs
- Mayoral Graduation Ceremony: Recognition and award ceremony for completion of apprenticeships and pre-trade qualifications gained in the programme
- Young Achievers Awards: Acknowledging young people for sporting, cultural or academic excellence
- Otorohanga College Gateway: Support and education work transition programme offered through Otorohanga college

- ‘MPowa’ School leavers connection programme: Database of school leavers and community jobs to help ensure youth enter further training or employment
- Harvest Rock Youth Centre: youth centre for offering leadership development, peer support and rock climbing facilities
- Project Grow Oto: provides inspiration to the people in Otorohanga through the harvest centre (ODDB, 2009).

Because Otorohanga is located in the Waikato region, it is within the Hamilton catchment area for a number of central government employment initiatives such as the Youth Transition Service (YTS) and the modern apprentice co-ordinators. The geographical distance from Hamilton, however, is what created the need for, and initiated a number of these projects at the local level (see chapter 5).

The 11 programmes work together to ensure that Otorohanga’s goal of zero youth wasted is achieved. This success is demonstrated by how apprentices in the programme have a higher completion rate than other trades in other localities. Also pre-trade graduates are consistently supported into either, an apprenticeship, employment or onto further study facilitated by the apprentice co-ordinator or other aspects of the youth initiative, such as MPowa (Williams, 2011a).

The success of Otorohanga’s youth programme and media coverage that has surrounded their initiatives has helped develop the aim of this thesis and its central arguments. Due to the abovementioned failure of central government policies to reduce and consistently keep youth unemployment down, this thesis argues that local solutions should be utilised to address national and international problems, in this case, the social problem of youth unemployment. It should be noted that “overall there is no golden bullet or single programme” that will be successful to all job seekers (Johri et al., 2004, p.2). Otorohanga’s programme works for that region, however, just because a programme works in one location does not mean that programme will have the same effect in a different location (Higgins, 2003).

Chapter Summary

This chapter has focussed on the domestic issue of unemployment and the policies utilised throughout the 21st century to address youth unemployment. By initially examining the LGA and TES as key drivers of regional and educational success in New Zealand, and then exploring the central government politics of the 21st century, the New Zealand context was able to be understood. The third way policies of the 1999-2008 Labour-led government and their holistic approach training and employment were addressed. The policies and traditions of the proceeding and now governing National-led government were also outlined. After addressing the national environment, the chapter narrowed down to examine regional initiatives utilised throughout the country, then further narrowed the chapter's focus to address and explore the Otorohanga community. The chapter described the youth employment initiatives of the town, what is being done and why it is successful according to the literature. The following two chapters explore this programme's success from a personal point of view gathered from key informant interviews (chapter 5) and a focus group of students (chapter 6).

Chapter 5

Case Study: Findings – Key Informant Interviews

As mentioned in the methodology (chapter two), the interviews and focus group which were held with two distinct groups of the Otorohanga community associated with the Zero Youth Wasted policy initiative. The two groups were a selection of instigators of the policy, including those charged with ensuring its continued success, and the students taking part in the programme. In order to understand the factors that underpin Otorohanga's success at a deeper level than that presented in chapter four, the next two chapters, (chapters five and six) present the findings from the interviews and the focus group. These chapters aim to provide a human element to complement the literature canvassed in the earlier chapters, providing grass roots insights on how the interviewees see their community, the policy and the successes of the programme.

This chapter presents the findings from the interviews held with the instigators and co-ordinators of Otorohanga's youth programmes: Mayor Dale Williams, Wintec Otorohanga Campus Manager, Marlene Perry, Otorohanga Apprentice Co-Ordinator, Ray Haley and Otorohanga Trade Training Centre (OTTC) tutor, Raymond Hall⁸. Broken into four sections, this chapter draws on material from the interview transcripts to explore the themes of: the Otorohanga context, policy and funding, people and practice, and community spirit. These themes are used to portray the breadth of the findings of the case study.

“What works here, only works here...”

This section explains how the context of Otorohanga is such an influential aspect to the creation and implementation of this policy. For example, the unique demographic characteristics of Otorohanga were mentioned by all interviewees as a key motivation for the implementation and success of the programme.

⁸ The interviewees all provided informed consent as part of the research process. This consent included a specific clause which enables them to be identified in the report.

It was during the “skills shortage days” in the early 2000s, that the then-incoming Mayor, Dale Williams, wanted to drive economic development in the community and create a town which had thriving businesses and an engaged society (D. Williams, 2011). Marlene Perry explained, businesses wanted to stay in the community yet were spending “20 grand-plus a year to import people from elsewhere” due to a shortage of skilled workers. This was occurring because Otorohanga was a community where over 40% of the local population had no formal qualifications and 5.5% were unemployed (Census Data, 2001). After speaking to local businesses and a number of youth groups, Williams and others got together to think of ways to get skilled people in the community, and in turn, ensure that businesses and industries continued in the region.

We were in the middle of skill shortage days back then and I had a number of my large employers say to me socially they might consider relocating if they couldn't get access to more staff, particularly youngsters...and I said “we've got a pool of young people here who want to stay here”... and they said “[but] they're just not ready for work, (Williams, 2011).

It was this conversation between Williams and the local employers that started the programme. The business community needed skilled workers and “the community decided, led by me, (Dale), that it would step into that space between the school and the employers,” (Williams, 2011). Otorohanga has one high school, is a farming community, with a thriving tourism industry and a number of larger engineering and automotive businesses. As Mayor Williams explained:

[T]he main businesses in Oto are owned by tradespeople... they don't want people with a BA or a – or degrees, they want people who have got trade certificates... we've got 5 or 6 *huge* employers that employ about 1000 people and most businesses have a 5% turnover – even in good times (Williams, 2011).

The “pretty much, white predominant place” had a very transient adult population, “some people do settle but their longevity wasn't long... they only stayed as a CV gatherer to get to the next place...that is the (historical) pattern (of the labour

market)” (M. Perry, 2011). For those that stayed in the community, education and finishing their trade qualifications did not seem to be a top priority for many employees or potential employees in the area. For example, Marlene Perry stated:

There were about 30 apprentices in the area, 15 of them were still attending polytechnics... [Some] were in their 6th, 7th or 8th year... and still hadn't achieved their apprenticeship... The other 50% had stopped (2011).

The biggest question for Mayor Williams and the community was “how do we stop our businesses leaving and how do we give our kids who wanna stay a chance?” get their qualifications completed and get them into those jobs. Otorohanga is a small rural town in South Waikato with “about 85 school leavers a year” (Williams, 2011). Marlene Perry explained that original research was carried out before creating the policy to assist in the thinking process. This research had found that “the young people answered ‘there is nothing here for us’ when asked about their future in town”. She continued on to state that they (the school leavers), could not see the jobs or opportunities in Otorohanga, “they were going to jail... having their cars confiscated and people were angry” (Perry, 2011). To address the issues in Otorohanga, Mayor Williams noted that “rather than thinking about it for 5 years... we said, stuff it, it's a problem, we've gotta fix it”. Based on these arguments, the programme started to take shape.

“Local solutions to local problems...”

This section of the chapter highlights the actual policy initiative from the interviewees' perspective. It identifies two linked key ideas. Firstly, how the policy was developed, implemented and funded, and secondly, what the policy entails for those in the community. This allows the exemplary aspects that make it such a special and successful initiative to be identified.

As stated above, the problem in Otorohanga was two-fold, firstly, there was a cultural assumption that there is nothing for youth in Otorohanga – even amongst the youth group – and secondly, businesses wanted to leave town because the local labour market was “not ready” for employment and costs of importing

international workers were too expensive and unfeasible in the long term. “The drivers have to be right” explained Marlene Perry, “every town need(s) a catalyst” and long-standing companies’ leaving the community was Otorohanga’s catalyst. In order to try and fix the issues, as previously mentioned, research was undertaken – funded by the North King Country Development Board – to investigate what the local employers required, what the apprentices were doing and what training gaps existed. This research enabled the instigators to know, with confidence, what the businesses in Otorohanga needed from the community and its leaders and what the community’s assets were in terms of trained and qualified people.

The external research carried out was complemented by Mayor Williams taking an active role holding meetings with local businesses and groups of youth to find the best possible solutions. Williams’ passion for youth and his community meant that he guided a community process of decision making that would not:

focus on finding an easy pathway or a cheap pathway or a convenient pathway but [instead] decided we would own that space and do *whatever is necessary* to bridge the gap” and get local youth employed locally (emphasis added) (Williams 2011).

Doing whatever is necessary comes at a cost; Williams explains the initiative is “successful now, we’ve got a lot of support and we have great partnerships” but the hurdles were huge “in the first three years” (Williams, 2011). Ray Haley further explained the funding was “like shotgun pellets.” This was reference to the piecemeal way the initiative was funded, for example, the costs of the programme are funded using contracts with Wintec, and the Motor Industry Training Organisation (MITO) and well as funds provided by the ODDB and MSD, “Rotary, Lions clubs [and] *a lot* of donations.” With the ODDB:

The idea is that they’ll start up a project... then it will become self-sustainable and carry on... The Trade Training Centre (OTTC) was one of their projects and now its run by Wintec, so it’s pretty much self-sustainable” (Haley, 2011).

Due to the commitment from Wintec and the other contracts within the community, the OTTC is recognised as a self-sustainable project. Along with the OTTC, the other major initiative within this policy was employing someone locally to act as an apprentice co-ordinator (Ray Haley) “who basically camp mothers them” and does “whatever they (the students) need specifically,” (Williams, 2011). This is to address the negative consequences of the geographic distance between Otorohanga and the Hamilton arm of the Youth Transition Service (YTS) and modern apprenticeship co-ordinators designated to service the region. The ‘apprentice co-ordinator support’ initiative in Otorohanga is successful in getting the students through their apprenticeships and into employment “on time” (within five years). However, the co-ordinator support is not currently self-sustainable after 6 years due to the unstable nature of the varying funding contracts and on-going payments from the ODDB. Haley acknowledges this funding process is “going to be a problem” in the future (R. Haley, 2011).

There are a number of projects linked into this policy but not all of them are successful. For example, “the art centre didn’t work” explained Williams, so it was abandoned whilst many other projects were altered to accommodate the changing environment and funding levels. However, Mayor Williams went on to describe how the current policy initiative operates, focussing on what has survived:

we’ve got 11 programmes currently and they’re changing all the time... most of what we do is around our trade training centre where the employers design the courses... we get our employers to approve [the courses] then we put pressure on them to employ the graduates and run employment guarantees (Williams, 2011).

The initiative consists of more than just the OTTC, as mentioned by Williams and explained in chapter four. 11 programmes are currently running because “every time we encountered what we saw as a gap we then thought about it... and set out to (fix) them”

In Williams’ opinion, “the key components to this (initiative) is to constantly stocktake any asset we have in our community” (Williams, 2011). Haley

understands that in order to best utilise the ‘assets,’ “through the year, we start matching them (the students) up with the jobs that are getting created” (Haley, 2011). The second aspect is identifying what the community needs in terms of training:

We don’t allow them to teach anything in our polytech that is airy-fairy or that doesn’t lead to something... our [courses] are endorsed by the local economy

The needs of a community vary from one location to the next, so “government programmes or schemes (which) operate on a one-size-fits-all” agenda do not work as that approach “doesn’t fit anybody... What works here, works only here... I’m a very strong advocate for local solutions to local problems” (Williams, 2011). This statement is echoed by Perry who suggests that “what government forgets when it’s deciding, what fits a city, doesn’t fit a rural [location].”

This programme is proven to be successful in dealing with the social problems associated with disengaged youth is demonstrated in the following quote from Dale Williams:

The results we’re achieving, not just in employment, but in the whole disengaged young people demographic around crime, around graffiti, around vandalism, around thuggary, thefts, all of that has completely turned a corner (2011)

“Passion, passion, passion...”

This section of the chapter identifies the theme of people and practice as being an important part of the success of Otorohanga’s initiative. The passion, commitment and support offered by the facilitators and co-ordinators, as well as the relationships forged within the community are recognised by the interviewees as the defining characteristics which allow this district to excel beyond other regions. Thus it is the context and the people that provide the point of difference.

Marlene Perry explains the core aspect of any successful initiative is “passion, passion, passion... a passion for the marketing, passion for the money and passion for the content...” she goes on to explain that the co-ordinators of this initiative all have something in common:

“We’re not nine to fivers, we’ve always taken a project view of this, and we’ve all got a passion for it... we want to see it through” (M. Perry 2011).

The passion is illustrated by the dedication and commitment that the interviewees show towards the goal. Mayor Williams explained “I’m the first full time mayor we’ve ever had... I (have) had a lot of spare time to throw into this *because I enjoy it,*” (emphasis added). Marlene Perry expresses the same sentiment:

“I didn’t have any holidays and I worked most nights and weekends...I’m doing it because I want – my passion is to get (myself and others) further ahead... some people get up to paint, some people knit, some people garden - *I grow people,*” (emphasis added).

Ray Haley further defines the necessity for passion, “if you don’t get the people that have the passion [to run the programmes] then it’s just never going to work.” The passion that the co-ordinators exude comes through in the support that they are offering the students, as Ray Haley explains:

“I’m not an official apprentice co-ordinator. I’m called a local apprentice co-ordinator... They operate at a different level to what I do. So what I do, I help them with study; nights they come in here, I give them literacy, numeracy support, I go into their jobs. And I help them gather all the practical evidence so all the things they can’t do themselves or nobody’s trained them to do – I help them with that. It’s a lower level apprentice co-ordinator, really. It’s more of a support role.”

On top of the support Haley offers to the students completing the pre-trade qualification, he explained that:

It's about making sure I can build the relationship with them (the students), get them into jobs and then I support them for the next 3 or 4 years while they're in their apprenticeships.

However, when Raymond Hall was asked what makes everything so special, he downplays his part and expresses the deeper community humility, "I don't think I'm doing anything special... [I just] make sure the students don't fall off the wagon," alluding that this community has not achieved just short-term success but has changed the culture and fabric of the community. This is further discussed in the following section.

"It's a community thing..."

The final theme taken from the interviews was the importance of community. This section explains the role of the community and illustrates the importance of community inclusion in this policy.

Mayor Williams stated, "in communities, people just expect what they expect" and he wanted to change that. After having meetings with local groups, Williams realised:

People were saying different things but wanting the same outcome... it was simply, how do we stop our businesses leaving and how do we give out kids who wanna stay a chance?

In order to answer that question, this policy was set up. As stated earlier (chapter four), the policy involves collaboration from different groups in the community. The local high school provides leavers' details to the local youth support initiative, MPowa, and employs people specifically to provide careers advice. The local church leaders provide a youth group and social setting for youth and maintain the school leavers' database through the Mpowa initiative. Recognition ceremonies and scholarships have been set up by the district council and local community groups. Finally, the relationships with the employers and local businesses mean that even if the:

employer might not have any work or might not be looking for someone, they'll agree to it (employing someone) 'cause *they know this is what we do* and it's a bit of short term pain for long term gain (Williams, 2011).

This community appears very close knit and its success comes from the community's commitment to its youth and their employment. "Everything we've designed here, I've copied from other districts" stated Williams during his interview. He further explained, "almost every community has a youth centre... some have a polytech or a PTE ...some have graduation ceremonies" however, Williams then goes on to say "what is a little bit unique here is that ours (the initiative projects) are all connected... It's very much a whole of community awareness."

Due to this response, questioning continued into why Otorohanga was the only district which could consistently keep youth unemployment down and why, if it is so successfully connecting the projects, is this exact initiative not being utilised elsewhere. Haley provided the best answer to this as he explained:

Lots of people are copying *the concept* – you can't copy exactly the same thing because, one, it's *about the community* and two, it's about why, what is needed in the community... ya have to have the businesses and the community behind you as well 'cause you can't just do it on your own... [but] you can make it work anywhere.

Williams qualifies this statement and notes that "commitment and leadership is huge. A lot of councils have got committed leaders but are committed in different areas." Williams' passion and charisma has enabled him to lead his community and produce results with youth employment and a cultural shift within the district. Ray Haley confirms:

There is great community spirit. As you've probably heard and seen, you don't have kids kicking around the streets and gangs and things, ya don't have graffiti all over the place, you have huge amount of support with whatever you want to do in the local area

The low and rural population of the district – approximately 10,000 people – may be part of what helps keep the community spirit alive and enable the district to support and connect with the main players due to the reduced bureaucracy. However, when asked if this policy could work in the larger cities of Hamilton (the closest main centre) or Auckland (the country’s biggest city) a resounding and unanimous “yes” comes from all interviewees. Williams describes big cities as “collections of suburbs the same size as Oto, if you break it down into bite-size chunks... it’s doable.” He later goes on to say that “if you understand you’re employers and your community’s needs, then there’s a place for everyone.”

Throughout the interview Williams reiterated time and time again, “This isn’t rocket science... its real basic: community ownership of community problems.” When the community gets involved they can make a difference to the local economic, cultural and social climate as has happened in Otorohanga.

Chapter Summary

This chapter provided key findings from the interviews undertaken with a selection of key officials involved in the implementation and continuation of the Zero Youth Wasted policy in Otorohanga. The community groups represented through these interviews were the district council – with Mayor Dale Williams; the education provider – with Regional Campus Manager, Marlene Perry and student tutor, Raymond Hall; and the business community with industry networker and training supporter Ray Haley. The findings were grouped in themes of context, policy and funding, people and practice and community involvement which together portray the key role of support, community inclusion, and provision of local solutions to achieve success in reducing youth unemployment. The next chapter provides the key findings from the focus group held with the students involved in this initiative to provide the much needed understanding that only youth can provide.

Chapter 6

Case Study: Findings – Students Focus Group

After holding one-on-one interviews with a selection of the people responsible for instigating and running parts of the Otorohanga Youth Programme, a focus group was held with three of the students undertaking the 2011 pre-trade course, in order to get their perspective on the initiative. As mentioned in chapters four (Case Study: The New Zealand Context) and five (Case Study: Findings – Key Informant Interviews) the youth programme consists of 11 different projects aimed to reduce unemployment and reward achievement. However, the biggest point of difference between the Otorohanga programme and other initiatives around the country is the way the pre-trade qualification for automotive and engineering is run. As such, the interviews and focus group undertaken for this thesis reflect the importance of this course/programme to the policy's success. Thus this chapter aims to further enhance the findings from the previous chapter (see chapter 5) by including a students' perspective.

The focus group was made up of two males aged 17 and one female, aged 19. They were completing their pre-trade certificates at the time of the interviews and were not yet employed as apprentices. Caleb⁹ was born and raised in Otorohanga and left school at 16 without gaining National Certificate of Educational Achievement (NCEA) level 2 qualifications. Eric is from England but went to high school in Te Kuiti – a town approximately 15 minutes' drive from Otorohanga – and left school after obtaining NCEA level 2. Judy is 19 and entered into the course after completing high school in Te Kuiti. Having missed out on a placement in the New Zealand Navy, she repeated year 13 a second time and after again being unsuccessful with the Navy recruitment, entered this programme.

⁹ Consent was given by students to use names and identifying characteristics, however, the decision was later made to create pseudonyms for the students used in this chapter and throughout the thesis, to provide a degree of anonymity (albeit a minimal one).

There were many ideas and themes presented throughout the focus group discussion, however, the four most evident themes are: support and pressure, flexibility and choice, points of difference, and, the desire to succeed. These themes highlight the level of support that the students believe they receive, and they portray the flexibility that youth have in relation to their lives as well as the flexibility of the programme. Furthermore, the theme of difference outlines the differences between the pre-trade course offered in Otorohanga and what the student's believe the Hamilton campus offers. The theme of success illustrates the students' desire to be successful, employed and socially included members of society. The first theme that will be considered in the following section is the desire for success.

Desire to Do Better

The theme highlights the students' desire to be successful as productive members of the community and to better themselves through training and employment. Under this theme, each of the students' personalities demonstrates a different take on this theme but also indicates key points made in common. What these commonalities reflect is how their desire to succeed reflects the neo-liberal assumptions that shape contemporary New Zealand society. Part of becoming productive includes taking on these values.

When asked why they were in this course Caleb explained, "I just wanted to do something more than just school." Eric also announced, "I was learning stuff I didn't really wanna learn [at school] and I came up here to do something I wanted to do." In answer to this question, Judy (2011) explained:

I originally wanted to go to the Navy and be a marine tech but, umm, for 3 years I tried to get in and at the end of every year they kept saying "oh we noticed you need to get this now, ah you need to get this now" and that's the reason I went back for a second-year seventh form... [Then] I'd heard about this course so I had two options and when the Navy said "you need to get this now" it was like "nah stuff it" – came to this course and it's been good

Eric, who works part-time at the local McDonalds' Restaurant, was the first to recognise "no one wants to work at McDonalds' for the rest of their life... *you can get a better job* if you do this course," (emphasis added). Caleb admitted "[I] didn't really think about it when I started this course, I didn't really look at getting a job at McDonalds' anyway" but if unsuccessful in getting an apprenticeship after this course, rather than getting the unemployment benefit (the dole) or working at McDonalds', Caleb stated that he would "go farming for a year... just to get me on my feet, get a bit of money behind me and then start looking for an apprenticeship." This yearning to be better, "do something more" and to take control of their lives seems to stem from the neo-liberal principles of human capital theory (HCT) and self-reliance.

In further recognition of HCT's is the students' emphasis on qualifications, "getting something under my belt to go back to" is important to Caleb. He explained that he is both pressured to do by this by parents, and wanting to do it as part of his innate desire to be better. Caleb elaborated:

my dad didn't really have any apprenticeship or get any – get anything under his belt so now he can't just go to a workplace and say 'this is what I've done' because he hasn't really done anything like this before... (However, I like this course because) if you don't get a job at the end of the year, you've still got the certificate so you can go to other places

As self-reliance is a second key aspect of neo-liberalism, being on the dole is not an option that sits comfortably with these students, - a further acknowledgement of the current neo-liberal context- Judy explains "why be on the dole and do nothing when you can be doing something and actually earning the money," Eric re-iterated, "you don't get much on the dole anyway" Judy continued:

The way I look at it is like (Eric) said, ya get bare minimum so what's the point of scraping. Just scraping by, sitting around doing nothing, just scraping by when you can be working and earning more money so you've got more to spend on say what you want... If you're sitting at home getting the dole you've only got money for your needs.

Multiple Options and Decisions

The second theme highlighted in the focus group was that of ‘choice.’ The students were all in a position to choose how what they want to do and the locations they want to go in the future. The course is very closely monitored to ensure a curriculum is met and the work experience is carried out, however, prior to entering the programme, each of the students in the focus group were in a position to choose what they are doing, and at its completion will have the choice of what to do and where to go. Although the programme is geared to helping the local community, the students are by no means restricted to staying in the district. The choices for these students are just as open and varied – if not more so – than those in other towns and districts.

Before entering this course, Caleb could have continued on with compulsory education – year 12 – at high school. Eric had been offered an apprenticeship with an IT company and a place in Wintec’s pre-trade course at the Hamilton campus, and Judy could have continued working in her current part-time employment, reapplied for the New Zealand Navy or “tr(ied) to find a job until I could find a workshop place that would take me on.” However, each chose to undertake the qualification offered in Otorohanga instead.

“I got offered an apprenticeship (in IT) a week before I started this course” explained Eric, “I said no... I just wanted to do more hands-on stuff and I thought I’d get bored doing computer stuff.”

Caleb stated, “I’d be doing NCEA level 2 this year,” however, he also had other options such as “stay at school, get a job or do this course”

As far as location and course specialisation, the students are also given a choice. The Wintec campus in Hamilton offers a pre-trade qualification which provides similar training that they can apply for, but as Eric explains, “that course (in Hamilton) is different, you only do automotive and down here you do engineering as well, you get two diplomas.” He continues on to say, “I actually applied for the Hamilton course and I got accepted but that was before my interview here.” Judy

also has links to the Hamilton course, “my brother did the course in Hamilton” she explained, “[but] from my understanding it’s a lot different.”

Entry into the course on one campus does not provide automatic entry into the other – they are run as two separate and distinct courses. The differences between the two courses is explained in further detail in the next section, however, it is important to note here as well as it provides a context for the choices made by the interviewees.

As mentioned previously, through the course, the students gain a pre-trade qualification in both automotive and engineering in the one year and then, if offered, they can choose what to specialise in during the apprenticeship. Judy explains,

You can have a look at both (automotive and engineering industries) and have an introduction to both and say well it’s either for you or it’s not. So you can say well I’ve spent only a year doing this course and you get to have a look at two (subjects) rather than wasting two years.

After the pre-trade course the students are free to choose what they want to do, as Eric explains, “it’s all up to you, like, if you wanna do nothing then you can do nothing.” With goals to avoid that situation however, apprenticeship options are often found for them by Ray Haley in “Te Awamutu, Otorohanga and Te Kuiti.” However, Ray also made it clear that the students are free to leave the district and progress how they wish.

Their answers to what they want to do when the course finishes provides further insight into the choices and options that are available to them: “Somewhere bigger’s better...I wanna maybe be an aeroplane mechanic” states Eric. “Smaller towns are better if you start off...I wanna do petrol, diesel and auto electrical” announced Judy. Caleb is “sort of leaning towards motorbikes... motorbikes or cars” The choices for these students are endless, because while the qualifications they receive in Otorohanga are personalised around the local economy, they are not hindered in their training or confined to the area because the qualifications still also contains generic material as well.

The next two sections, will first illustrate the support that the students receive and the pressures that they deal with, then the second goes on to identify some of the differences between how the students view their qualifications against the certificates offered elsewhere.

Social Support and Expectations

The third theme highlighted was the amount of support offered to these students and the amount of pressure they are under to achieve. This section illustrates how the young people view the community's involvement and how they feel the support they are receiving is helping them at a community, family, and programme level.

Community

Judy explains her interpretation of the community's commitment:

I think the reason why they started this in Otorohanga is because most of the young people are going and doing a course outside of Otorohanga and getting jobs outside of Otorohanga so they're not coming back...

The pressure to help out the community so committed to her as well as her loyalty to the town that has helped her get qualified without having to "worry about getting a student loan" means she is willing to stay in the area. "I'd definitely pay back [the community]," explained Judy, "say, if I did an apprenticeship and it took me three years then I'd pay two back, two years back to the place where I had my apprenticeship at ... [as a way of] saying thank you"

When asked if they are recognised as 'the kids from the training centre' Eric answered "you get that every now and then but not all the time" and Judy elaborated by saying:

our, Otorohanga's mayor (Dale Williams) is always around town and everyone knows him, he makes himself known and every time he sees us

in town or something like that he goes 'how are you' and whoever he's with [he tells them] 'these are the kids from the training centre.'

Finally, when the students were asked if the programme could be reproduced in other places, Judy mused that "it all depends on the people," then continued on to state, "we all want to be here. I think [having good leaders] plus our willingness to be here makes it all work." Caleb echoes, "everyone wants to be here, we all enjoy it, we all get along with each other." Eric suggested, "it could work (anywhere) but I just think there is less initiative to set something up."

Family

Although many youth adults would balk under the pressure of being recognised as 'the kids from the training centre,' the support they receive from family and the apprentice co-ordinator and tutor help make this transition period easy.

In terms of family, all three students explain that the family support has helped them immensely; Eric noted "I've got family here so it's easier [than travelling out of town]." Judy's family and upbringing have helped shape her and provide both support to achieve and pressure to do so. For example she explained: "my whole family are into hot rods...it took my brother four years to get qualified... I definitely wanna try and do it [faster than him]... I've got family here, so it's good because I can stay with family here and go home (to Te Kuiti) whenever I like."

Programme

The amount of support they receive from the training centre is praised by all three students. Eric is the first to explain:

Ray (Haley) is always looking for apprenticeships and jobs and places for us to work after we've finished all this stuff, and Raymond (Hall) is just teaching us all the basics and stuff before we do it... all that organising stuff.

Judy confirmed, “I think half of us would fall over and sort of go and get a job where they don’t really want” without the support from Hall and Haley. She continued:

The thing is, even if we don’t get an apprenticeship after this course we do still have a lot to do with, with especially with Ray Haley. Because say, even if we did get an apprenticeship even up in Hamilton or Te Kuiti or TA (Te Awamutu) he still helps us with our apprenticeship so umm, yea, if we go anywhere he’d still help us with our apprenticeship and books and that sort of thing.

It is clear from the students’ statements that Ray Haley’s support makes it a lot easier for them to succeed. As Eric explains the difference in support between the OTTC and the Wintec course at the Hamilton campus, is that he believes “the guys in Hamilton, on their course, they have to find their own work experience place whereas here, Ray supplies it.” In the close knit community “everyone knows everyone” explains Eric, “it’s up to you if you want to get help” within the local district, it seems all the support and help is there.

OTTC Points of Differences

As noted previously in the thesis, the policy initiative in Otorohanga is a combination of different aspects that are also used in other regions around New Zealand. However, having the correct mixture of community support, training options and programme structure has resulted in an initiative whose success has made it distinct and separate from anywhere else. This section highlights how the students view the programme in which they are participating in terms of this difference¹⁰ in two key areas. 1) Time spent in workplaces and the closer relationship between the programme and the local workplaces, and, 2) Community support and the passion to be successful.

¹⁰ The views expressed in this section are based on the students’ views, not necessarily an accurate portrayal of the Hamilton campus’ course structure

During the interview Judy describes the differences between the OTTC course and the equivalent offered at Wintec's Hamilton campus based on her brothers experiences:

my brother did the course in Hamilton and from my understanding it's a lot different because in their workshop they have a lot more stuff to work with (and) when they go for work placement they only go for one day a week... whereas here we go for a whole week.

Caleb adds that going for a week is "probably" better: "you get a whole week there (at the workshop) and you see how they work... and how everything works there ...and what it's like for a week [rather than just one day]." Aside from the pre-trade qualifications which as Eric notes is "like, the biggest course in the local area", the overall policy in Otorohanga to reduce youth unemployment works "because all the businesses are involved in it (the policy)... [And] 'cause everyone knows everyone."

Eric goes on to state:

"I think one of the main reasons it (this policy) wouldn't work in a bigger town is 'cause there's a lot of people already looking for apprenticeships... So, like down here, employers are trying to get people into apprenticeships here, which is why this course is set up. Whereas in a bigger town there is already people looking for apprenticeships," – thus providing an oversupply of workers.

Judy counteracts this statement by noting that "up in Hamilton they have a lot more businesses... so there is a lot more opportunities for employment" which parallels Dale Williams' statement about cities being "a collection of suburbs the size of Otorohanga," however, economies of scale and capitalist business sense alters the demand for workers and therefore creates the level of unemployment that Otorohanga has kept at bay.

Subsidiarity: Community Support

‘Everyone knows everyone’ and ‘people are willing to give you a hand if you ask for help’ are sentiments which the students believe differ from big cities. The willingness of the community and the students’ own individual desire to help out the community has helped them enable the programme and the policy to be a success

Like the key informants, the young people also identified ‘community involvement’ as being imperative for the success of Otorohanga’s policy, in particular this specific programme. As Eric states, “the whole town, the actual whole town is working as a team to sort of do this course, all the businesses pitch in like, money and stuff.” He goes on to say, “the careers advisor down there (in Te Kuiti) told me [about the course]... all the businesses are involved.” Judy confirms, “I heard it through my work experience Gateway tutor” and Caleb echoes, “everyone knows.”

Chapter Summary

This chapter presented the findings from the focus group held with three students studying towards a level 2 pre-apprenticeship certificate through the Otorohanga Trade Training Centre in October 2011. The students represented a mixture of ages and gender, and provided valuable insight into the pre-apprenticeship course being offered through the OTTC as well as a personal, insiders’ view into the Otorohanga’s youth policy’s significance to young people. The chapter focussed on themes taken from the students’ statements incorporating ‘desire for success’, ‘multiple options and choices’, ‘community support and expectations’, and the ‘OTTC’s points of difference.’

Chapter 7

Discussion

Based on the findings from the interviews and focus group, an observation can be made that the success of Otorohanga's policy initiative is driven by focussing on employment opportunities relevant to the local economy's conditions. The catalyst of local businesses threatening to leave the Otorohanga district jolted the district council into action. By stocktaking the "local assets" (the young people) and the available jobs, a policy was created to best utilise youth in the local labour market and reduce the town's youth unemployment levels. This success is achieved, in part, through job/skill matching facilitated by consistently taking into account and analysing local labour market trends, and the number of unemployed persons. By doing this, it ensures that additional programmes can be added to the existing policy and current programmes can be changed to fit the fluid labour market trends and ensure unemployment remains low.

Another successful element of this matching process is utilising education to train local youth for *actual* jobs within the community. "Nothing that is taught in our polytech is airy-fairy. It all leads somewhere," stated Williams, in regards to the courses offered through the OTTC or Otorohanga Regional Wintec campus. In line with this emphasis on education and as a result of utilising local support networks, Otorohanga has been able to improve their apprenticeship completion rates. As these newly qualified apprentices enter the labour market, businesses are encouraged to employ them, further reducing the unemployment rate.

Within the community, due to the encouragement to hire apprentices, local employers take a stance contrary to the competitive nature of capitalism and the neo-liberal ideals which have a sole focus on profit. Instead they adopt a more Keynesian, full employment attitude of over employment to ensure the youth of their community have jobs after completing their training. Thus the support offered by the people within the community is at the epicentre of the programme's success. The support provided by the key informants and community stakeholders to encourage youth has "change(ed) the fabric of the community." The leadership

and funding from the district council to achieve “whatever is necessary” as well as the community support that has been fostered through the community networks provides a grass-roots approach to the policy and programmes.

This commitment to community is the key to the policy initiative’s success. All the interview and focus group participants believe that having a support network of passionate community members, has enabled this initiative to thrive. Being proactive and taking ownership of the problem at the local level and identifying people within the community who are passionate about reducing youth unemployment, creating jobs and improving the local community has ensured that the initiative did not fail when things got hard (“as they were in the beginning” (Williams, 2011)). By utilising community networks for funding, employment vacancies, and other advice and skills, this initiative became an all-of-community success. The support that is offered by all aspects of the community, from the school, to the apprentice co-ordinator, to the mayor and the business community and the connectedness and combination of these aspects has been what helps drives this success.

A different distinguishing factor mentioned within the interviews which enables this policy to be successful is the geographical isolation of the Otorohanga district from urban centres. This limits access to educational facilities and central government services for young people and job seekers. This isolation provided Otorohanga with a reason to set up their own facilities which cater to local needs rather than utilising a “one-size-fits-all” government prescribed approach.

The purpose of this chapter is to take the insights mentioned above and weave the different parts of this thesis together. Using this material, the chapter will highlight key aspects of the study to present the thesis’ overall purpose, central arguments and answer the overarching research question:

Using Otorohanga’s youth employment initiative as an example of success, what aspects of that successful policy should and can be reproduced elsewhere in order to reduce youth unemployment?

Part One: Youth Unemployment: A Social Issue

Youth Demographic: Poorly Understood

Youth as “a key indicator to the state of the nation” (Carl et al., 2012) are very important and need to be understood. Furthermore, because youth are a growing demographic, greater research is required to ensure that as a cohort they are understood. Policies are needed which focus on how to best enhance the ability of youth and thereby improve “the state of the nation” for the present and future. From the literature review, it was found that youth are a disadvantaged sector of society. They often lack not only work experience but also life experience due to their age. This vulnerability is exacerbated by structural inequality, such as their educational attainment, financial status and/or ‘social class’, and ability to be independent. An example of this inequality is reflected in the notion that youth are supported by family even though this is not always the case, however, due to their age, youth can be denied access to or are restricted with, the amount of government funding which is available to them. This thesis argues that with youth in this marginalised position, it is imperative that policies exist to ensure they do not ‘fall through the cracks’. To ensure that this growing demographic is not unfairly disadvantaged by society, especially within the spheres of employment and education, government intervention is needed which addresses the actual difficulties faced by this cohort. This is because, as this thesis argues, current youth oriented policy has failed to alleviate the social and structural inequalities, demonstrated most clearly by the current high levels of youth unemployment.

Hunter (1998) and Godfrey (2003) both noted that youth unemployment appears to be concentrated, though not exclusively, in lower socio-economic areas and disadvantaged communities. They also argue that youth unemployment is linked to peer, familial and social support as much as personal characteristics or labour market outcomes. Based on these structural limitations, youth are likely to accept lesser conditions than their older counterparts when starting a new job in order to get a ‘foot in the door’ and often do not recuperate the lower wage difference throughout the rest of their working life. This is a consequence often called ‘wage scarring’. Further, due to their lack of experience, youth are often the first to be ‘let go’ when the economic environment weakens, as has happened during the 2008 global economic recession. Although the youth unemployment rate is often

at least twice as bad as the general unemployment rate, economic downturns and in particular, the 2008 global recession, saw youth unemployment deteriorate to approximately three times worse than general unemployment. This thesis argues that if the youth demographic was better understood, and supported into the labour market, these inequalities could be reduced.

At a community and national level, unemployment reflects a poor return on investment. Due to the large investment by central government on education, youth employment and transition services, youth who do not gain employment from this investment do not provide a great economic return. Instead they require further funding as a recipient of welfare or as a participant in further skill training or return to work initiatives. In addition, from a purely economic outlook youth unemployment reflects a poor return on investment, a loss of revenue (taxes) and an increase in costs (welfare payments). Although youth are seen as a good investment because of the length of time they are expected to be able to provide a return, the longer youth experience unemployment the quality of that return is reduced. This is due to the fact that unemployment reduces the amount of time that the youth is contributing through income tax and greater spending power in the short term. In the long term, the consequences from the wage scarring effect can also exacerbate this lower return on the government's investment. If the youth demographic were better understood, the social problem of unemployment could be reduced, a better return on investment would occur, and social and structural inequalities could be removed.

Youth Unemployment: A Social Problem

As outlined above this thesis argues that youth unemployment leads to economic and social disadvantages for youth which relate to reduced earnings, insecure or unstable employment. Given these negative consequences youth unemployment can be seen as a serious social problem. As described in the literature review, individuals who are unemployed face many other negative consequences which further exacerbate the social problem of youth unemployment. Some of these negative repercussions can include: a feeling of social exclusion, as well as disengagement from the community, employment and education spheres. Social exclusion can lead to a loss of identity, a feeling of isolation and a reduction in

social interactions and networks. As disengagement occurs, the effects on the community from youth unemployment become more noticeable. For example, as the literature states, how youth are more likely to partake in crime or deviant behaviour, contributing to an increase in the level of social unrest within a community.

These consequences of youth unemployment held true in relation to how the social problems within the Otorohanga district were described by the key informants. For example, prior to the implementation of this policy, the youth relationship with those in the community was strained. During the interviews Ray Haley noted that before he stepped into the programme, “[businesses] said they would never take apprentices again because they were too much trouble,” and Marlene Perry claimed that “old folk were going to Dale (to say) ‘I want to retire in Otorohanga, ya know, but I’m scared to walk down the street’ [because of youth crime].” These perceptions stemmed from the community opinion that youth were disengaged with employment and the community and were instead turning towards crime and social deviance. Prior to the policy, youth were involved in half of all resolved crime; however, within five years of the policy’s implementation, the youth crime rate was reduced to approximately one in five resolved crimes. This reduction in the crime rate is evidence that in addressing one social issue adequately, such as youth unemployment, can have a positive and lasting effect on other social problems. By understanding the problem of youth unemployment, as this policy seems to, enables a flow-on effect for other social issues like crime and can therefore have lasting and positive effects.

Neo-Liberalism: A Hindrance to Success

The second central argument of this thesis claims that the current ways of addressing youth unemployment is hindered by the influence of neo-liberalism as a political ideology. Within this argument the thesis contends that the ideology of neo-liberalism contributes to the social problem of youth unemployment by limiting both the types of policies which can be implemented and, their effectiveness in alleviating this problem. For example, the neo-liberal focus on individual responsibility ignores structural inequality and assumes youth have the agency to resolve their problems. More often than not, youth do not have the

necessary agency and due to their more vulnerable position in society that stems from their lack of skills, knowledge and experience.

With nearly 75 million youth unemployed worldwide, the youth unemployment rate has remained close to the crisis peak in 2009, and medium-term projections suggest little improvement. Particularly worrisome is the increase in those youth who have withdrawn from the workforce, and in those who are neither in education nor in employment (ILO, 2012a).

The high global youth unemployment rate of 12.6% in 2011 (ILO, 2012b) demonstrates that the current neo-liberal direction of youth employment policies are ineffective.

This thesis argues that these policy limitations are intensified by the neo-liberal emphasis on individual responsibility. The ideological framework in the 'west' has increasingly focused on neo-liberalism and the idea that people are to provide for themselves without state welfare, dependence or any other central mechanism/structure. This concept of individual responsibility creates a blaming mentality in society which further restricts the different potential policy options.

An example of the types of policy implemented under a right-leaning neo-liberal based ideology which alters the power relationship between employers and employees was mentioned in the literature review. The 90 day probationary policy initiated by the current New Zealand government is a policy in which new employees are in a vulnerable position. The policy allows employers to take on employees without fear of the employees taking legal action if they believe they are unfairly dismissed within the first 90 days. Although it is supposed to improve employment prospects for those who would otherwise not be employed, it further removes the employee's job stability, thus increasing the inequality of power between employer and employee and in particular youth, who remain unfairly disadvantaged. This thesis argues that this type of policy does not adequately address the social problem of youth unemployment.

New Zealand has in place the policy of corporate tax cuts used to expand businesses thus creating vacancies, and policies which encourage job sharing and part time employment to enable an environment where employers can hire

employees for less than permanent full time positions. This enables greater flexibility in the labour market. This in turn allows employers to adjust employment positions as businesses need and provides part time employment options for workers with other commitments who may otherwise have not been hired. However, these policies do not provide job security for the workers, thus creating a silo of precarious work that young people (especially) can fall into and reducing long term employment prospects. This lack of decent work opportunities is another problem that contributes to youth disengagement.

By implementing policies in an individualistic, neo-liberal environment where youth employment programmes are driven by assumptions linked to corporate growth and employee self-sufficiency, limitations emerge. These can include underemployment, unequal power relationships between employers and employees, a lack of social partnerships and an increase in the wealth distribution gap. One of the successes of the Otorohanga policy has been due their departure from neo-liberalism and this blaming mentality. *As a community*, they came together and took ownership of the problems that they were faced with: local businesses were leaving, the town had a high crime rate, high unemployment, and low community engagement amongst the youth cohort. Rather than blame the youth sector or place blame on individuals, the community came together and said “stuff it, it’s a problem, let’s fix it.” This community connectedness aspect of this policy which focuses on partnership and a collaborative effort reflects ideals closer to a third way policy rather than the neo-liberal agenda of limited intervention in the market. This thesis argues that by ensuring a community-based policy, utilising connectedness, partnership and social responsibility, unemployment levels can decrease and remain low as has happened for the five years to 2011 in Otorohanga.

Neo- Liberalism: Employability through Education

Within the neo-liberal agenda, access to education is largely used as a solution to address the problem of youth unemployment. The focus on education stems from human capital theory (HCT) and the idea espoused by governments that increasing skill levels (education) will improve productivity and growth, thus increasing employment opportunities. This thesis argues that the road to improved

employment options may well lie in education, however, this ‘solution’ is limited. The limitations stem from the fact that educated people may remain unemployed or underemployed if job opportunities are not available or poor matching between the skill set of potential employees and the available jobs occurs.

Although there are limitations associated with this policy solution to unemployment, the literature reviewed demonstrates that education remains a good approach to employment because it up-skills the participants and enables them to undertake a greater range of positions which may require a higher skill set. Furthermore, education can reduce the impact of structural inequalities because improved education can lead to upward social mobility (Giddens, 2002), thus decreasing the level of vulnerability and marginalisation within society. However, this thesis argues that education in and of itself cannot completely resolve the problem of youth unemployment because while it improves employability and an individual’s employment options, it does not create jobs. This is a problem because education attained may not necessarily correspond to specific labour market needs and, as such many educated people are under employed or unemployed.

By focussing on HCT as a policy driver, the assumptions that it presents will not adequately address the social problem of youth unemployment. Instead this thesis argues that by up-skilling in relation to identified industries and sectors at a local or regional level, in line with actual labour market requirements allows youth unemployment to be addressed effectively at a community level. This is in contrast to addressing employability only via education, where training and up-skilling can occur for jobs that are not required in the local labour market.

Otorohanga is in a position where they can adapt the courses they provide for the local labour market. As such they are ensuring that they are training for jobs that are present in the region and connecting those with the correct skills to reliable employment options. As Mayor Williams noted in his interview that Otorohanga did not want graduates with bachelor degrees and instead they wanted trades people. Those educated with qualifications that do not match the labour market remain unemployed.

This thesis argues that in order for policies to be successful they need to be adapted to the local environment and the ever changing labour market landscape. Otorohanga's success is an example of effective skill and job matching. When used in conjunction with actual local labour market requirements, this policy has proven to be successful for youth. For it to remain successful, however, the skill acquisition or training mechanisms in the community are required to be adaptable to keep on par with the community's and the labour market's changing needs. As a further extension of this, both those charged with ensuring a good (skill to job) match and with providing the training options must be locally based, have strong social networks and be willing to be flexible.

Addressing Youth Specifically

The third central argument of this thesis argues that no current policy understands or specifically addresses the needs of youth directly. Because of this the social problem of youth unemployment will continue to be perpetuated. This argument draws on aspects of the first two central arguments. Firstly, in relation to youth being a poorly understood demographic, and secondly, in relation to the inadequate policies currently being used to address the youth related problems of marginalisation and vulnerability linked to their high unemployment rate.

As evidenced in the literature review, the youth demographic has been identified as a marginalised sector of society. With international organisations such as the OECD, ILO and UN reflecting on youth statistics and policies for education, employment and general wellbeing, the youth demographic is provided with agency on a global level. Within individual countries and indeed in New Zealand, youth advocates represent the demographic in a number of government departments and ministries. Most notably, within New Zealand, youth are represented within the Ministries of Youth Development and of Social Development, and have advocates within the Tertiary Education Commission amongst others.

Although policies and agencies do exist to help youth succeed and to reduce social problems for the cohort, many policies are not created in consultation with youth and consequently do not effectively support them specifically. The

Otorohanga initiative provides evidence that youth need to be understood, and included in policy, planning, and development. Prior to the implementation of the policy in Otorohanga, Mayor Williams held meetings with community members including youth and research was undertaken to understand the respective groups needs. This thesis argues that this evidence based policy development ensured the initiative reflected a deeper understanding of the needs of the youth demographic and it is this aspect that has contributed to the success of the Otorohanga initiative. Realising that “everybody has something to add,” harnessing their potential, and by specifically understanding the problem and those who are affected by it, is an effective way to reduce and resolve the youth unemployment problem.

The fourth central argument, argues that the social problem of youth unemployment can be more successfully reduced when tackled on a regional level with policies grounded in local labour market structures and trends. The next section of this chapter discusses community, local partnerships and connectedness as key aspects in arguing the fourth and final central argument of this thesis.

Part Two: Youth Unemployment: Finding Local Solutions

Based on the findings from both the empirical research and the literature review, this thesis’s fourth central argument is grounded in the notion that policy needs to be proportional to the extent of the social problem, for example, the type and level of unemployment. If this is done then the policy requirements of unemployed youth can be more specifically met. As a conclusion to this section, a number of limitations are discussed which provide evidence that Otorohanga’s policy may not be able to be replicated exactly. This thesis does not recommend that the policy in Otorohanga be copied exactly in other regions but instead for aspects of their policy to be utilised and tailored to work in other communities based on clearly identified local needs.

Local Problems: Community Driven Solutions

Within the fourth central argument, the thesis contends that local, community driven solutions, grounded in labour market realities can be successful in reducing the social problem of youth unemployment. Local, grass-root initiatives can best

develop tailored labour market policies, and therefore programmes should be regionally based.

The goals of the 1994 Prime Ministers Task Force for Jobs of getting all those under 25 into training or employment within 6 months by the year 2000 were not met. Consequently the MTFJ aimed to rectify this situation when they commenced in 2000. The Mayoral Taskforce For Jobs was organised to ensure that local pathways and solutions could be used to tackle the problem. Since the initiation of the MTFJ a number of policies have been set up in different regions which have been successful in reducing local unemployment. This thesis argues that by addressing the issue on a regional level and linking policies to the community context, the MTFJ appear to be more successful than trying to address the issue then the central government policies of access to education, tax breaks and increased labour market flexibility.

During the interview Mayor Williams, who is a “very strong advocate for local solutions to local problems” and is also the chairman for the MTFJ, noted that central government “one-size-fits-all” policies do not tend to work. This point is based on the argument that central government policies are worked out on a national average and then imposed top down, on communities. Rather than realising that different people and different communities have varying needs and wants, top-down central policies assume a general basis of need and hope that the policy works. Mayor Williams noted that “[Policy is created by] a group of bureaucrats [who] will design it, roll it out and try and impose it on communities like this, and [then] wonder why that model, worked out on an average demographic, doesn’t fit anybody! [It is] (be)cause it’s average...”.

This thesis argues that by utilising a grass-roots policy approach, policies can be altered to fit the needs and wants of the local region. It is the community who knows what is needed in their district and they are better able to appropriate funding to ensure their needs are met. Marlene Perry said it best during her interview when she mentioned that “what government forgets when it’s deciding, [is that] what fits a city, doesn’t fit a rural [location].” This thesis argues that by addressing local problems with local solutions and utilising grass-roots policy initiatives works best because those closer to the problem can know the best way

to fix it. This argument is in line with the concept of subsidiarity, in which central government relinquishes some control to communities and regions in order to allow different levels of society to operate effectively. As Harris (1999) stated, governments “should not be expected to do everything” (p. 27), instead, communities should take ownership, responsibility and work in partnership to provide the best solutions.

Local Solutions: Ownership and a New Approach

By utilising local solutions as a remedy for the social problem of youth unemployment, pushes policy away from a one-size-fits-all approach. This provides a basis by which, along with the training and employment, youth can become more involved with their local social networks which has potential to increase their social engagement. If these measures are followed the social problems associated with youth generally can be addressed which leads to greater social cohesion at a community level.

This thesis argues that addressing the problem of youth unemployment cannot be done by utilising a tunnel-vision approach and focussing solely on this one problem out of context. Unemployment figures and the social problem of youth unemployment need to be addressed in context to the political, geographical, social and economic landscape that the youth live in. Unemployment rates vary globally because of the varying political, social and economic landscapes; their geographical location affects competitive advantage and the types of employment available and national legislation prescribes the rules and guidelines for employment and its measurements. Within New Zealand, different regions have varying bylaws, competitive advantages for production, different skillsets, and populations, and therefore require different ways of approaching the youth unemployment problem. For example, surf-life savers are of very limited need in Hamilton, having policies that encourage this occupation would be of limited success in reducing youth unemployment in Hamilton but may be effective in a beach town during the summer months. “Average” one-size-fits-all approaches do not take into account these variances and thus tend to be ineffective in reducing the problem of unemployment.

As an alternative to this approach, this thesis argues that, utilising community partnerships, promoting subsidiarity, and strengthening existing social networks through funding is a better tactic to address the problem. This tactic utilises third way ideological policies by incorporating central and local government, public and privately-owned businesses and community connected individuals as an alternative policy response to this social problem. The Otorohanga initiative has successfully utilised central and local government funding and community educational institutions to create a successful policy initiative. This initiative led by the district council and funded from a range of sources to create an environment where nobody under the age of 25 has been registered with WINZ (long term) for more than five years. As well as this, the Otorohanga district has reduced the crime rate of their region, and has youth who are more engaged with those around them. Based on Otorohanga's success, this thesis argues that understanding the social problem of youth unemployment from a regional, local level and basing its policies firmly in current labour market trends and in the context in which it is operating, is an effective way and should be encouraged in other districts.

Limitations of the Policy

Otorohanga has been very successful in reducing youth unemployment. However there are some limitations which enable the policy to work in Otorohanga which may reduce its effectiveness in other locations.

Firstly, the geographical location of Otorohanga means they are a rural town that primarily needs to be self-sufficient. Being 45 minutes from the nearest urban centre (Hamilton) provides an access disadvantage to a number of facilities and services such as large scale tertiary education facilities, and central government services (as mentioned in chapter 4). This has helped drive Otorohanga to create their own local services and identity. This drive may not manifest in rural locations that are in closer proximity to urban centres.

Secondly, economies of scale tend to operate in larger regions which hinder the creation and success of small businesses. For example, in the interviews, the students informed there were four mechanics in the region which take on

apprentices and have a catchment area with approximately 10, 000 people. When there are more businesses in a larger location, often there are better economies of scale meaning that services are better able to more efficiently service the population. The unemployed population can also more often outstrip the number of jobs, training places or apprenticeships available. However, if a constant stocktaking of people, employment vacancies and skills were to happen similarly to what is done in Otorohanga, this limitation could be reduced.

Finally, the pressures of capitalism amongst other regions could be a limitation of this policy working in other areas. A number of the businesses in Otorohanga will, if necessary and possible, over employ to ensure that youth are not unemployed based on community goodwill. They will employ extras because the policy initiative has engrained this impulse in the community psyche. This attitude is also reflected in the long-term awareness that the employment market and economy is constantly shifting and changing. The businesses still need to make a profit in order to be sustainable, however, in Otorohanga they are also socially aware and make arrangements to ensure they are future proofed when the economy is strong and when older workers retire. This social responsibility is at odds with the neo-liberal emphasis on individual responsibility. Given neo-liberalism is hegemonic in New Zealand transferring this sense of social responsibility may not be possible.

Regardless of these potential issues the limitations of this policy are all something that can be addressed. As mentioned all interviewees believe this is a policy which can work anywhere, that it is the people, and their passion that makes the success possible. They do not believe the policy can be replicated exactly, and this thesis concurs that, different locations have different requirements, however, the principles of community, support, and matching skills with what is needed in the community is something that can be replicated. According to Williams, “larger cities are just collections of suburbs the same size as Otorohanga,” if it can work there, it can work anywhere.

Chapter Summary

This chapter brought together all the aspects of the thesis. It utilised the literature review to expand, and critique the findings from the interviews and the focus group and discuss similarities, differences and peculiarities. This chapter was broken into two parts, the first discussed the first three central arguments: that youth are a poorly understood demographic; that the current neo-liberal based policies create limitations around resolving the social problem of youth unemployment; and that policies need to address the needs of youth and the complexities of youth unemployment specifically. The second part of this chapter highlighted and discussed the necessity of local solutions for youth unemployment. This second section argued that successful policies are those based firmly in grass-roots, locally, community driven initiatives that focus on actual labour market trends and creating skillsets that specifically match available jobs in the community.

As a conclusion to this chapter, the limitations of Otorohanga's policy initiative being implemented in other regions was discussed.

Chapter 8 - Conclusion

This thesis has focussed on youth and placed them in the context of employment. This has been done for a number of reasons, some of which is personal, such as my ability to relate this age group, being that I was in it at the beginning of the research process, whilst other reasons include bringing to light the difficulties youth have in obtaining employment even though the goals of a number of policies – both nationally and internationally – is to enable a reduction of the disparities in employment levels between youth and adults. This thesis has identified youth unemployment as a problem and has provided a case study which has been successful in reducing youth unemployment. The aim of doing this is so the case study can be modelled to reduce youth unemployment in other locations.

In concluding this thesis, the purpose of this chapter is two-fold. Firstly it will provide a quick summary of each of the previous chapters and secondly it will outline the limitations of this research and offer areas where further research may be appropriate.

Thesis Summary

This thesis was split into 7 chapters not including the current conclusion chapter. Chapter one provided an introduction to the thesis, it introduced the topic, my interest in it and why I believe the topic of youth unemployment is one worth studying. Chapter one also provided an outline for the remainder of the thesis. Chapter two acknowledged the way the research was carried out and explained the methodology that was used in fulfilling the requirements of this research. By utilising a qualitative method and a thematic analysis of the literature, the interviews and the case study, themes were highlighted and analysed as part of this study. Chapter 3 provided the context and understanding of the topic. Although chapter 3 did not provide an exhaustive literature review it explored the topics of youth, youth unemployment, education, and ways of dealing with the problem of youth unemployment. As well as this, chapter 3 also provided caveats to the assumption that youth unemployment is a social problem by noting that

employment is not necessarily desirable to the individual nor is full employment a desirable goal for society.

Chapters four, five and six, focus almost exclusively on New Zealand. Chapter four examines national employment policies under two differing political ideologies. First, it briefly examines youth employment during the Clarke, Labour-led coalition government from 1999-2007 and then it explores the youth employment strategies during the Key, National-led coalition government's first term from 2008-2011. After examining employment policies at a national level, a brief section provides a list of a number of regionally based initiatives for dealing with youth unemployment before introducing the case study and going into detail about the regionally based initiative utilised in Otorohanga. Chapters five and six highlight key findings from the primary research that was undertaken in this project. Chapter five highlights findings from the interviews with those involved in the instigation and the continuation of the youth employment initiative in Otorohanga whilst chapter six highlights findings from a focus group that was held with a selection of students partaking in one of the initiative's core programme.

Chapter seven provides a discussion of the research. It highlights key findings from the thesis, bringing together information from the literature review and the interview findings. Chapter seven discusses the thesis in terms of its central arguments then provides limitations of utilising Otorohanga's initiative in other regions.

This study has highlighted the problem of youth unemployment in New Zealand and examined and critiqued a case study of a successful initiative being utilised in the South Waikato town of Otorohanga. It has explained why youth are important, and why educating and employing them is beneficial for themselves and society. This thesis has added to the knowledge base of youth unemployment, has provided examples of successful policies, programmes and initiatives being utilised in New Zealand and around the world and has provided some good practice solutions for reducing youth unemployment to a low level and sustaining it at that level.

Limitations of the Thesis

With this study there are a number of limitations. First and foremost, the regulations and restrictions applied to a University of Waikato (Faculty of Arts and Social Science) 90 point Masters' thesis has meant that the word count does not allow for the depth analysis needed to fully explore the subject. Secondly, due to using only one case study, comparisons could not be made between the strengths and weaknesses of different initiatives or how different locations could affect the success ratio of any particular policy or programme. If a comparative study had been done, different conclusions may be drawn about the policy's success. This in turn, could provide different successful options which may be suitable in bigger (or smaller), urban (or rural) locations. Thirdly, although this thesis includes policy initiatives from overseas, these are used to provide a global context to unemployment rather than alluding that they could be successful in New Zealand; any recommendations or conclusions drawn from this study may not be suitable outside of the New Zealand context and should not necessarily be considered as such. Finally the sample size of the interviewees does not allow any substantial quantitative claims to be made however this has been addressed by highlighting their answers as themes which allow for broad assumptions to be made.

The limitations of this study do not detract from the value that this thesis adds to the knowledge base on youth unemployment in New Zealand. However, further study which involves measuring the success of this initiative on a different location would show the value and further cement these good practice claims. As well as this, a longitudinal study which follows the 'students' out of the youth sector and into mature working employees may show the value of their education and long-term employability which would further increase the understanding of the youth employment environment.

As far as good practice solutions for youth employment: support, education, providing skills for the community and community ownership are the keys, in the words of Mayor Williams, "it's not rocket science".

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Incorrect Citations

Local Government Act (see page 53) is incorrectly cited; the correction is: Parliamentary Counsel Office (n.d.a) as per the original reference list

Williams (2005) is incorrectly cited in text and should be dated Williams (2011a)

Kirk (2004) is incorrectly cited/referenced the correct date is Kirk (2007) as per the original reference list