

**‘Outcomes, Outliers and Outcasts’:
Unemployment, Policy and Training in Hamilton, Aotearoa/New Zealand**

Otilie Stolte
Masters student

Department of Geography,
University of Waikato
Private Bag 3105
Hamilton
New Zealand

oees@waikato.ac.nz

Abstract

Unemployment is regarded as the social justice issue of our times. The entrenchment of unemployment in Aotearoa/New Zealand society since the 1970s set the context for the emergence of particular employment assistance policies directed at ‘the unemployed’. The delivery of training courses is determined by contracts that specify fixed criteria in the form of ‘outcome’ measurement systems. This paper examines TOP (Training Opportunities Programme) courses in Hamilton to consider the use of the ‘business accountability model’ for the funding and implementation of employment assistance. The simplistic ‘snap shot’ measurement of trainees as successes or non-successes belies the complexity of human social experience, and the resultant policies fail to build on human capability and social capital. Furthermore, the reductive measurement of outcomes reinforces the rigid categorisation of employed/unemployed as successes/failures, and thereby legitimises the inclusion and exclusion of groups in society. This paper identifies the need for greater integration and contextualisation of research and policy-making.

Introduction

This paper is a response to a research gap in the analysis of unemployment for policy purposes in Aotearoa/New Zealand¹. This research is part of a masters thesis (in progress) that questions the effectiveness of the current quantitative measurement system as the basis for policy decisions for employment assistance and training. To begin, I outline the significant policy changes. Second, a critical discussion of training provision in Hamilton demonstrates how and why the current measurement system for policy implementation fails. Third, I suggest a reconstruction of the relationships between research and policy decision-making in the consideration of unemployment. The goal of this research is not merely to critique, but to consider co-operative and collaborative processes for addressing unemployment, poverty and social justice issues (Kaufman and Alfonso, 1997; Mohanty et al, 1991; Shuman, 1998; Sklar, 1995).

Public Sector Changes

¹ My research has involved an extensive literature review of unemployment in the context of Aotearoa/New Zealand. In my thesis, I acknowledge the importance of historical information in highlighting the particularity of the institutions and society that are in evidence today (Bedford and Pool, 1996; Dalziel and Lattimore, 1996; Davey, 2000; Easton, 1989; 1997; Green, 1994; Kelsey, 1993, 1995; Lerner, 1997, 1998; Neilson, 1998; O’Brien, 1994; Pool, 1991, 1996; Savage, 1990; Schwartz, 1994; Waldegrave and Coventry, 2000).

Over the 1990s the operating environment for employment assistance and training has changed dramatically due to the increasing influence of policies inspired by business accountability principles. The State Sector Act (1988) introduced the ‘model of business accountability’ for service delivery across the entire public sector, along the principles of competition, efficiency, devolution and non-bureaucratic administration. Following the Act, all government entities became either the buyers or sellers of services through contracts within a quasi-market situation. The concept of the ‘outcome’ was instituted as the exchange mechanism for the transactions of the public sector (i.e. funding and service delivery) (Office of the Auditor General of Canada, 1995; State Services Commission, 2000).

The Training Opportunity

The Training Opportunities Programme (TOP) courses launched in the early 1990s are a form of targeted employment assistance² for people who represent a long-term ‘unemployment risk’. The initial vision of the TOP courses was to provide a stepping stone for people who had not succeeded well in mainstream education, or had experienced some kind of obstacle to participating fully in the labour market (Maharey, 1999; Nielson, 1999). The providers of TOP courses offer an adult learning environment for the acquisition of skills and adopt a variety of subtle pedagogical tools for building self-esteem and confidence.

Initially the TOP courses were administered by the Education Training and Support Agency (ETSA), within the Department of Labour. In 1998, a separate crown entity Skill New Zealand, Pukenga Aotearoa (SkillNZ) was formed to replace ETSA. The new name, identity and vision of SkillNZ were devised from business accountability model principles.

The first major change with the emergence of SkillNZ was a stronger (and somewhat narrower) focus on vocational skills training, rather than overall development and education. Their mission is “to make a leading contribution to skills development to increase New Zealand’s prosperity and well-being” (SkillNZ, 2000a).

The second change is the increased emphasis on a competitive commercial purchasing environment for training. Every year SkillNZ goes hunting for the best bargains, rather than building long term relationships with individual training providers. The contracting environment claims to ensure that the quality of training is upheld, but long term planning, staffing and capital development are made more difficult for the providers. The training providers consulted in the research³ mentioned that the work of their tutors is very demanding, and that it takes a special person to deal with both the training and the social issues. There was concern about how it was becoming increasingly difficult to find and keep good staff especially when they are unable to offer secure positions.

During the 1990s, a third change gained momentum involving the more rigorous application by SkillNZ of the outcome measurement system. Like many other areas of social policy, the outcome has become the ‘lynchpin’ between policy and implementation for the provision of employment assistance through training programmes (State Services Commission, 2000). The

² The TOP courses are targeted in the sense that they have strict entry criteria. Trainees must have low qualifications (no more than two B2 School Certificate passes), and be enrolled with DWI for a minimum of 26 consecutive weeks. Other groups that may be waived are Workbridge clients, refugees and ex-prisoners, widows or DPB recipients who must also have low qualifications (WINZ, 2000).

³ The case study of training providers in Hamilton included five in-depth interviews, several informal discussions and participant observation over a three-month period. I was also attended a training provider workshop, and a meeting hosted by an agency for all training providers in the Waikato region.

training providers spoken to felt overwhelmed by the continued push for change. They were also disappointed that there had been little consideration of their needs in the re-visioning of training and employment assistance policy. One provider summed up the general feeling of despondence:

We rely on government funding. It's not as if we have much choice. No matter how silly the changes seem to us, we still have to go through them (Interview 3; 11/5/00).

Training and Measuring 'Outcomes'

The outcome measurement system was the 'hottest' topic for all the training providers interviewed. The outcome system requires that the provider contact the ex-trainee exactly two months after course completion to ask what they are doing. Once (and if) the ex-trainees are contacted successfully, the reply given needs to be coded according to the pre-set outcome categories determined by the funding agency. The outcome categories are organised in a hierarchy with the 'in employment' category at the top of the scale and the 'back on the unemployment register' at the bottom. The category classifications are very rigid⁴. With each TOP course the provider must achieve a fixed quota of employment outcomes and some education or further training outcomes. Although providers maintain extensive narrative accounts of the progress of trainees, the 'snap-shot' two-month outcome results are the crucial determinant of the 'quality' of the training programme. Thus, the outcomes are the single deciding factor for the purchase of the courses.

The Rhetoric of Social Participation

The current Labour government claims that "the key to social security is social participation", the main aim of which is "to ensure that individuals have the opportunity to earn income over their lifetime sufficient to meet their needs" (Labour, 1999: 5). A major policy concern is the removal of obstacles to employment:

One of the most frustrating aspects of the current welfare system is the way in which it creates barriers to unemployed people taking up work. If a beneficiary takes up part-time work their benefit is cut. Despite recent Government rhetoric there are still too many incentives not to work (Labour, 1999: 6).

This comment reveals core assumptions and underlying beliefs of unemployment that 'the unemployed' could find work, and that unemployment is the result of individual misfortune or misdemeanour. This is significant as employment assistance in the form of training is also founded on these beliefs. Based on these beliefs the administration of training programmes occupies a narrow focus on reducing barriers/incentives and unemployment numbers, rather than human development, education and inclusion.

The rhetoric of social participation envisages a system that encourages diversity and expression, where individuals can excel and extend themselves and discover latent potentials. On the one hand, party manifestos, public policy documents and mission statements mention social participation and social inclusion, but on the other hand the policy mechanisms actually obstruct the possibility for these things to occur⁵. The model of business accountability may be useful for fiscal prudence and transparency, but it is an appropriate model for achieving human development and social participation? One training provider really summarised:

⁴ For instance, to register as a 'further education' outcome the individual must be in course on the exact day they were contacted. If the individual was enrolled but the course had not started yet they would be classed as a non-successful outcome.

⁵ My thesis has involved a critical reading of a variety of public sector documents and information on government websites (Maharey, 1999; 2000; Nielson, 1999; SkillNZ, 2000a,b; WINZ, 2000).

It goes right back to the beginning. That is we are using the wrong models. We have these global objectives, which have high-minded vision and philosophical what-have-you. But we are using tools, which just don't let it happen. No, - so that's got to change (Interview, 5; 2000).

First, the business accountability model does not recognise difference and diversity. Second, it relies on a segmented view of human existence that separates the economic, from the social from the cultural. Furthermore, the model is a reductive view that defines and divides according to rigid categories. While some simplification of social data is useful for interpreting broad trends, the current system does little to inform appropriate policy decisions on the level of human interaction and experience.

The Social Commitment of the Training Providers

Optimism and encouragement are essential to helping people develop and provide a more effective incentive than threats, stigmatisation and blaming. The people who offer training are fully aware of the potential of human development and education. One provider with a higher degree and 20 years experience in community education commented: "You have to believe that people will want to do well for themselves otherwise you could not do this work!" (Interview 5; 2/8/2000).

The training providers interviewed were all practical people with extensive community experience and networks, and a strong commitment to improving the social issues in Hamilton and the Waikato region. One training provider with a background in the New Zealand Employment Service commented:

Generally, I think employment assistance is necessary. A lot of economists and New Right people will say, if there is a need for it a lot of people will go and do it no matter what the cost. But that simply does not happen (Interview 3; 11/5/00).

Social Barriers

The training providers mentioned that their trainees had frequently suffered setbacks or issues that resulted in a downward spiral of disadvantage, low self-esteem, stigma and blame. Central government policy documents on unemployment refer to the problem of 'social barriers' (Nielson, 1999;). The government agency employees interviewed also inferred that many trainees had social problems. One employee had the following outlook:

Lets face it, a large percentage, of people our providers have on courses **are**⁶ in trouble with the law, **are** on drugs, you know. **That** is why I would not go back to being a tutor. That is - you know - it is extremely difficult to make a difference in those circumstances (Interview 2; 8/5/00).

This particular employee was responsible for contracts with providers and has been involved in closing down providers who did not meet the outcome specifications. When this employee first worked for the government agency, addressing social issues was an integral element of providing training. During the 1990s, the policy focus changed towards the 'skills development for global competition' maxim. According to this employee these policy changes meant that:

We lost a large portion of ah, work that we did with a social sense where things like Te Reo and Tikanga make a difference. And they **do** make a difference, but it is too long term for what our expectations are. So we have to consciously make a decision to purchase for **outcomes** into employment and further training. So

⁶ The bolded words were instances where the interviewee put particular emphasis, usually by speaking louder, pausing or leaning forward. The researcher transcribed all of the interviews, and particular changes in the intonation were noted, as were the features of the context or setting of the interview.

we've lost all, apart from one, in this region just because they do not get the employment outcomes (Interview 2; 8/5/00).

By definition TOP trainees have some kind of social barrier to attaining employment otherwise they would not qualify. Nevertheless, the overall policy vision for training as espoused by SkillNZ omits any reference to social issues, as though the simple act of attending a course and learning a skill immediately transforms 'the unemployed' into work-ready jobseekers, who automatically slot into the presumably available jobs. There is frequently a lot of work to be done before the trainees can even begin to consider a job application, yet there is little recognition of this.

Accountability and Goals for Employment Assistance

The overall effects of the 'accountable' administration of training rest on the idea of striving for the maximum results with the minimum of money. The primary goal appears to be the immediate reduction of employment statistics.

I don't think I am being controversial by saying this but the government has an interest in getting people off the register... Yes job means, Aha! Off the register, we don't have to give any government assistance to this person anymore, and they are paying tax! But there is no measurement of the quality of jobs (Interview 1; 3/5/00).

All of the training providers mentioned that they would prefer their trainees not to jump at the first 'MacJob'⁷ but to perhaps consider further education, training, voluntary work and other strategies that could lead to long term career development. With the rigid two-month post-course outcome measurement such a goal often becomes unrealistic. Training providers feel they are being forced to push their trainees into any old job (to stay afloat themselves) rather than being able to stretch the imaginations and potentials of their trainees a little further. For example, at the completion of one course an individual who went to work for an escort agency was measured as a successful outcome. In contrast, the individuals who enrolled at University/Polytech, but whose courses had not started were measured as failed outcomes. Another individual who had spent two months cold-calling and applying for jobs was also a failed outcome. It is obvious that what is required to satisfy outcome measurements is not necessarily beneficial for the individual trainees or training providers.

My research has highlighted many peculiarities and problems occurring due and the lack of flexibility and responsiveness of the outcome measurement system. It seems timely to reconsider what the fundamental goals of employment assistance actually are. Are we blindly seeking unemployment statistics triumphs or is there a real commitment to working with unemployment issues? Is the primary goal fixing numbers rather than fixing people?

The social researcher Mike O'Brien (1994: 128) made the simple but compelling comment that "unemployment and poverty are not merely technical issues"⁸. Statistical data of unemployment rates and technical definitions such as the poverty line and levels of deprivation dominate the media and policy discourses. While this is important information there is a tendency to view the effects of unemployment and poverty as normative issues. Are we becoming as accustomed to

⁷ This term was used in conversation, but it is also appearing in the literature to refer the growing number of casual, temporary and low paid jobs, which offer very little in terms of personal fulfilment, security and advancement (Sklar, 1995).

⁸ In a Chapter titled "Ideology Poverty and Unemployment" O'Brien (1994) argues for the interconnections between 'the poor' and 'the unemployed'. I agree that there is overlap between the two terms, but recognise that the direct substitution of the one term for the other is problematic.

hearing about the fluctuations in unemployment levels as we are to hearing a weather forecast? Consequently, the idea of the ‘inevitability’ of unemployment is reinforced and the constitutive role of power and ideology are downplayed (Derrick, 1997; Laclau and Mouffe, 1985). The social sciences and in particular human geography have provided a wide context for a critical positioning and understanding of experiences and observations of unemployment and underemployment in relation to issues of poverty and social justice (Larner, 1997; McDowell, 1992; Wallace, 2000; Young, 1990). A closing comment by one provider, elucidates the paradox between policy rhetoric and the actual mechanisms of employment assistance:

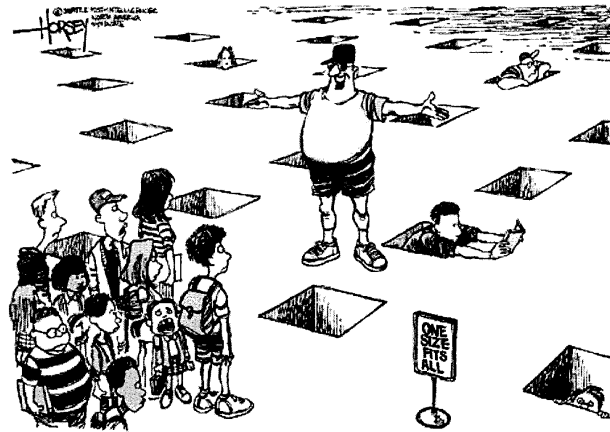
They [SkillNZ] say welcome everybody, let’s let everybody in. Let’s all be enabling and empowering, but let’s get these outcomes! So, where does that leave the training provider? Either to go with the objective and to go out of business, or to compromise and stay in business, and jettison people who are a liability (Interview 5, 2000).

Conclusion

The title of my thesis ‘Outcomes, Outliers Outcasts’: Unemployment, Policy and Training in Hamilton, Aotearoa/New Zealand encapsulates the critiques of my research, that people and situations are reduced by the narrow framework of the outcome measurement system. In this process, valuable information is lost and replaced by an exchange unit that has little bearing on social reality. This simplified unit the outcome is then used to make important policy decisions. The result is that the data/people that do not fit the rigid system are considered irrelevant ‘outliers’ and non-essential to the primary obsession of balancing numbers on a page. Perhaps this type of process provides the cost effective sweeping ‘solutions’ all too frequently sought by the political pundits. The unemployed who do slip through the cracks, however, are in danger of becoming ‘outcasts’ as they are jettisoned by a system that favours dogged adherence to the business accountability model.

Glossary

DWI	Department of Work and Income - formally WINZ
ETSA	Education Training and Support Agency - a division of the Department of Labour that administered training and education until 1998.
Outcome	The State Sector Act 1988, introduced the outcome as the fundamental unit for the measurement and evaluation of service delivery across the entire public sector. All agencies and entities in the public sector are either the buyers or sellers of services. The outcome is the exchange mechanism through which the transactions of the public sector operate (i.e. funding and service delivery).
PTE	Private Training Provider - Organisations that offer training courses. They may be public institutions (e.g. Polytechnics) or private companies and/or organisations run by Trusts, churches or Iwi.
SkillNZ	Skill New Zealand Pukenga Aotearoa - a crown entity formed in 1998 to replace ETSA
TOP	Training Opportunities Programme - government funded courses designed for unemployed individuals who are disadvantaged in the labour market.
Workbridge	Agency to assist people with disAbilities to enter training, education or employment.



"SUMMER'S OVER, KIDS! NOW, ALL YOU ROUND PEGS GET BACK INTO YOUR SQUARE HOLES!"

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