



COMMUNITY WAGE AND THE REGIONS

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Abstract

Unemployment is a national problem that nevertheless manifests differently in different regions. Despite evidence for a regional focus active labour market policies and programmes are mainly targeted to individuals rather than to individuals in their geographic context. The Community Wage initiative together with the appointment of regional commissioners illustrates an increasing awareness that local labour market issues need to be addressed by labour market programmes. This paper examines the evidence for a regional focus and suggests a research programme, which looks at the benefits of labour market programmes on communities rather than individuals.

Keywords: labour market programmes, regions, community, community wage

Local and international evaluations of labour market programmes show different results when applied to different groups of people. The literature therefore recommends that such programmes be targeted to specific groups. This paper argues that not only should programmes be targeted to particular groups of people, but that they should be tailored to particular geographic contexts as well. This is because some targeted groups are likely to fare better in some local labour markets than others. Hence, as well as being targeted to individuals with particular characteristics, labour market programmes also need to be tailored to particular places. Individuals requiring employment and training assistance need to be considered in their own particular geographic and economic setting.

In many countries unemployment policy is framed solely as a national problem. As a consequence the policies address people removed from rather than embedded in their geographic settings. In this paper I make a case for the targeting of labour market programmes to specific groups in particular places precisely because the experiences of the unemployed can be heavily influenced by the characteristics of their local labour market. This in turn has implications for both the organisation, delivery and for the assessment of labour market programmes themselves.

This attention to place as a critical variable in active labour market policy is timely given the current government focus on the Community Wage initiative. The appointment of regional commissioners to administer the application of employment policy and programmes in regions marks an important formal recognition of the potential role of the regional context.

The paper begins in section one by explaining the role of labour market policy and programmes. In section two, I

will examine the New Zealand experience with labour market policy and programmes and discuss how the Community Wage initiative differs from previous programmes. Section three makes a case for the importance of a regional context in active labour market policy and programmes. It focuses particularly on the low-skill low-wage end of the market. It also examines the potential mismatch between supply and demand of labour in particular regions and hence the need for programmes which can be adapted to suit their different requirements. Section four calls for a review of existing labour market evaluation process to enable focus to shift to benefits for regions and communities rather than benefits to individuals. The paper concludes by arguing for the need for further research into current labour market policy, programmes and the incorporation of the regional focus that the Community Wage initiative has introduced. It proposes research comparing different New Zealand regions to establish supply and demand needs and programme response capabilities to these needs. Evaluations of programmes should incorporate economic structure, institutional structure and local labour market needs as well as individual earnings potential.

Labour market policies and programmes

Mabbett recognised two types of labour market policy. The first, competitive labour market policies, are designed to help clear the labour market and result in programmes that operate primarily by facilitating labour cost reduction. This is achieved either by promoting wage reductions or by reducing labour cost to employers by providing wage subsidies. Such programmes stem from the belief that people will only not be able to get a job if they set wage expectations too high. The second, active labour market policies, attempt to achieve improvements in the distribution of jobs and in the ability of the unemployed to secure work

(Mabbett, 1988). This is achieved through training, work sharing and early retirement schemes. Such programmes stem from the belief that market failure exists taking the form of long-term unemployment through insider outsider competition and wage fixing (Mabbett 1988). It is widely agreed that some form of intervention is needed in order to assist the long-term unemployed, however what form such intervention should take is hotly debated. Competitive programmes are often criticised for creating increased employment at the cost of increased casualisation. Programmes such as wage substitutions tend to lead to large numbers of substitution and displacement.

Martin recognises that both active and competitive labour market programmes usually operate in conjunction with passive labour market programmes. While active policies are wide ranging and aimed at increasing the access of the unemployed to the labour market and jobs, passive measures cover spending on unemployment and related social benefits. Those arguing for competitive measures accept that markets may not clear instantly thus benefits must be paid providing they are at such levels that they do not interfere with the downward movement of wages. Nevertheless, the common theme in current political debate is for governments to shift spending from passive and competitive to active programmes, but rising unemployment levels and consequent increased spending on passive measures have limited the success of this shift (Martin, 1998). Despite this, the last two decades have seen an increased focus on active labour market programmes comprising government intervention to change the functioning of the labour market in order to alter the level and or composition of unemployment (Jelicich and Lynch, 1994).

In summary, active labour market programmes seek to affect demand for labour by maintaining or creating jobs, to increase the supply of labour via training and rehabilitation and to encourage labour mobility via placement counselling mobility incentives (Jelicich and Lynch, 1994). Competitive programmes seek to decrease the cost of labour to employers by either creating a downward movement of wages or by implementing wage subsidies. Passive measures provide support to those affected by unemployment in the form of unemployment or other social benefits. As a result labour market programmes are many and varied and can include such measures as training, job creation at going wages, job splitting, work sharing, early retirement schemes, private sector employment creation, subsidised labour, public and voluntary sector job creation schemes including community placements, employment services, enterprise development, and direct job creation. The majority of these measures have been applied at some time in New Zealand as a mixture of competitive, active and passive programmes.

The Community Wage initiative

New Zealand began its foray into direct intervention in the labour market through labour market programmes relatively late. Full employment had been a policy goal since the 1950's. However, no quantitative standards for full employ-

ment were ever set. While raising the level of employment was for a long period compatible with both more investment and more consumption, it only lead to slow economic growth. During the 1950's this was acceptable as rapid growth was seen as leading to insecurity and instability. However, New Zealand's membership of the International Monetary Fund in 1961 signalled a new period in which economic policies not necessarily compatible with the goal of full employment were to take precedence. Rapid export led growth became the major economic goal in response to a balance of payment crisis in 1967. By 1968 the emergence of unemployment was taken for granted by government officials. Some frictional unemployment was seen as necessary, even beneficial to the economy and by 1978 New Zealand found itself in a period of high unemployment (Endres, 1984).

Successive governments responded to the increasing levels of unemployment with the first forays into active labour market policy since the 1930's depression. The resulting unemployment policy was oriented towards interventionist job creation including employment subsidies. However, the mid, 1980's saw a move away from large scale fully subsidised public job creation for the unemployed. The emphasis switched from the demand side to the supply side of the labour market - from providing jobs to assisting labour compete for existing jobs. This led to a more active role for job placement services and an increased emphasis on skill. There was also a shift towards programmes targeted to the long-term unemployed as well as attempts to limit the role of passive measures through limiting expenditure on benefits. However, changes to income support between 1984 and 1990 were motivated chiefly by budgets and, rather than attacking eligibility and benefit levels, occurred mostly by tax reforms.

By 1991 the National Government faced with increasing unemployment and budgetary constraints perceived a voluntary unemployment problem. Prior to 1991 the unemployment benefit had the potential to discourage people from taking up employment because in some cases it was possible for the benefit to exceed the earnings available to some individuals in the market place (Maloney and Savage, 1996). As a result work testing began in 1991. Requirements were breached if a person turned down a second offer of suitable employment without good reason or refused to attend a second job interview. Recipients were also required to take part in "activities likely to enhance their prospects of employment" and if requested participate in the community taskforce scheme (McKenzie, 1997).

Changes to active measures were accompanied by changes to passive measures in the form of benefit reforms including reduced benefit rates, tightened eligibility criteria, and an initiated a review of the targeting of social assistance generally. The minimum age for the unemployment benefit was raised from 16 to 18 and the lower teenage benefit was extended to cover 20 to 24 year olds. All benefits were reduced in nominal terms. At the same time the non-entitlement period also increased from 6 to 26 weeks (Maloney and Savage, 1996). The objectives of the reforms were: to

enhance the skills and employment earnings and or prospects of the unemployed; to improve the flow of information to job seekers and employers; to maintain the workforce attachment of the unemployed; and to reduce the attractiveness of unemployment for those who were otherwise able to support themselves (McKenzie, 1997). Each were designed to shift the emphasis from acceptance of unemployment to making the unemployed more competitive in the labour market.

The Community Wage initiative came into effect on October 1st 1998 and is an extension of this philosophy. But the Community Wage is not itself an active labour market programme. Rather, it is the name for moneys received by beneficiaries including the unemployed whether they are partaking in active labour market programmes or not. As part of the Community Wage initiative the unemployed are required to sign a contract which states their availability for community work and or training should it be required of them. Because of the considerable media coverage the Community Wage initiative is seen as marking a change in thinking, particularly about the interconnection between passive and active labour market programmes: the linking of the benefit with the requirement to work. However, this perception is incorrect as the signing of such a contract has been a requirement of the receipt of a benefit since the work-testing and benefit reforms were introduced in 1991.

Thus far no new labour market programmes have been added with the inception of the Community Wage scheme. Existing programmes such as those detailed in Table 1, remain in force and continue to be targeted at the long-term unemployed as assessed by the individual's case worker. WINZ staff have not had a large influx of community work since October 1st. Given these circumstances, it is unlikely even improbable that any majority of the unemployed will be required to do community work in the near future.

While there is little that is new in terms of active labour market programmes or beneficiary responsibility, the Community Wage does mark a change in thinking about the delivery of employment services to people and places. The Community Wage is administered by a new agency which was formed by the amalgamation of Income Support, the Employment Service and the Community Employment Group: Work and Income New Zealand (WINZ). The amalgamations of the three key services of income support, assistance with job search and training is designed to enable WINZ to focus on labour market programmes for those at risk of long term unemployment. However, this explicit integration of income support, community service, and training only addresses problems perceived in the supply side, that is the lack of competitiveness of certain members of the labour force. An essential complement is state intervention in the demand side, that is in stimulating demand for labour. This type of intervention has proved particularly hard to argue since 1984. Competitive programmes especially have been attacked for creating high dead-weight and substitution effects. Both Mabbett and Jelich and Lynch argue however that there is a case for interfering in

the market on behalf of the long-term unemployed. The latter go as far as to say that some dead-weight effects may be acceptable provided the target group is benefited.

Despite these arguments the Treasury's brief from policy makers has been particularly narrow in recent years. Treasury identified three goals at which labour market policy could aim: increasing the labour intensity of production, increasing aggregate employment, and targeting assistance to disadvantaged workers in finding jobs. The first of these goals had been compromised by the countervailing impact of subsidies on capital cost. The second goal was seen to be unobtainable because of the high cost of subsidies in terms of displacement and substitution. Having dismissed the first two goals Treasury concluded that the primary role of programmes was to redistribute employment opportunities. Treasury has committed to a view that unemployment is a problem originating on the supply side of the market. As such Treasury has a profound influence on whittling down labour market policy options (Bertram 1988).

What we are left with initially is no means or instruments to deal with demand, only a set of macro economic policies designed to stimulate overall growth. This is hardly a targeted policy and is one that in fact can be shown to actually discriminate against the least competitive and those in disadvantaged regions. It is for this reason amongst others that the relationship between the Community Wage initiative and the regions becomes so important.

The appointment of Regional Commissioners and regional employment committees with the flexibility to develop community work strategies suited to local conditions is an acknowledgement by policymakers that geography has a role to play in determining the possible success of these efforts (McCardle, 1998).

With the support of their committee and the professionals of the integrated employment service, regional employment commissioners will be accountable for the delivery of services to job seekers, a reduction of long-term unemployment and the involvement of job seekers in community work and training in their regions. They will have the expertise and the resources to determine how best to achieve the governments outcomes given the unique labour market conditions prevailing in their particular region (McCardle, 1997: 6).

The importance of regions under a community wage based policy

To date organisations administering labour market programmes in New Zealand have had difficulty adapting them to suit local labour markets. Previous attempts to incorporate a regional focus into active labour market policy highlighted the conflict between national policy and regional needs. For instance, local councils administered the PEP scheme in the early 1980's. However, many councils were criticised (often unfairly) by central government for using PEP workers instead of increasing permanent staff thus leading to substitution and displacement effects. Programmes

Table 1. Current labour market programmes

Programme Name	Type	Targets	Notes
Tane Atawhai	Active	Maori Men	Run by Maori Men for Maori Men. Marae based. Aims to build self esteem.
Wahine Ahuru / Turning Point	Active	Women returning to work.	Esteem building, some skills and networking.
Hikoi Ki Pae-rangi / New horizons	Active	Women Sole Parents	Esteem building, some skills and networking.
Tama Tane o le Pasifika	Active	Pacific Island Men over the age of 35.	Job search seminars.
TOP Training	Active	Unskilled low qualification long term unemployed, Youth under 20 with low skills and qualifications, Refugees, Workbridge clients, ex prisoners with low qualifications, DPB and widows benefit beneficiaries with low qualifications.	Basic skill training for particular positions. Approved by NZQA.
Job Intro	Active	Youth under 25	Work Experience.
Outdoor Education Programme.	Active	Youth under 25	Esteem building.
Conservation Corps	Active	Youth under 25	Esteem building. Some skill building.
Youth Service Corps	Active	Youth under 25	Community Work
Job Plus	Competitive	Youth under 25	Wage or training subsidies for permanent positions.
Community Work or Taskforce Green	Active	Long term unemployed (6 months or more)	Community Work. Six month term which can be extended to a year.
Wahine Pakari	Active	Maori Women	Business management training.
Stepping Stones	Active	Women returning to work	1-2 day seminars. Esteem building plus some basic skill building.
Job Link	Active	Long term unemployed (6 months or more).	Four-week work experience.
Community Task force.	Active	Long term unemployed (6 months or more).	Community work with a higher level of skills than Task force green.

Source: WINZ Website 1998

initiated by councils were hampered by inflexibilities at central government level. Funding shortage and an unwillingness of central government to let go of the reins led to a lack of real regional autonomy (Bevin, 1997).

Despite the limited success of past attempts to create a regional focus to dealing with the unemployment problem, government departments including the Department of Labour are increasingly pushing for a more regional approach to active labour market programmes (Anderson, 1997). The

appointment of Regional Commissioners, Regional Committees and the resulting move of resources from central control to regional control are the first signs of tangible evidence of government recognition of the importance of regions.

Regional commissioners are appointed by WINZ to administer policy and programmes in particular regions. In turn the Regional commissioners appoint regional committees which may be made up of representatives of government

and community agencies, local authorities, business representatives, and employer and worker representatives.

The purpose of the Regional Commissioners position is "[t]o implement at regional and local levels the government's employment and income support strategies. The emphasis is on providing a range of services, including responsive local solutions, and agreed nationally consistent services which together will contribute to individual, family and community self sufficiency" (WINZ, 1998: 1).

Within the framework set by WINZ the Regional Commissioner has limited autonomy to set and or approve regional standards for quality outcomes. While, regional service delivery has become the primary focus it will involve delivering nationally prescribed services as well as more flexible, local labour market interventions.

Such renewed emphasis on the regions is supported by local and international research both on labour market programmes and on local labour markets. US evaluations of active labour market programmes show there are regional variations in the success of active labour market programmes even though these evaluations fall short of ex-

plaining why some programmes do better in some regions than others (McKenzie, 1997, Burton, 1988). For instance within national programmes such as JOBSTART in the United States, it is possible to identify specific sites where the programme appeared to work more effectively. One such location was San Jose, California which was the particularly successful site out of thirteen locations. However, it is not known why that particular site was more successful than others or how to replicate that success (Martin 1998).

There are at least six good reasons why the contemporary Community Wage initiative needs to be tailored to different regions. Firstly, the spatial extent of the market for low skill or secondary labour is considerably more confined than for primary labour (Morrison, 1995). This argument is well supported by research around social polarisation (eg. Pinch, 1993; Hannett, 1994), uneven development (eg. Stubbs and Barnett, 1992), and the redesign of the welfare state (LeGrand and Robinson, 1984). Whereas, the 'local' labour market for a neurosurgeon can encompass the globe, the local labour market for unskilled labour is generally restricted to a much smaller geographic location. Secondly, mobility of unskilled labour within localities is restricted in particular by lack of access to transport and childcare. It

Table 2. Selected labour market measures by region, New Zealand, 1991

Region:	Labour Force Participation Rate	Unemployment Rate	Full Time Work Rate	Per Capita Income \$
Northland	55.8	14.3	80.5	19,656
Auckland	62.0	10.4	83.6	22,320
Waikato	61.3	10.7	82.4	20,796
Bay of Plenty	57.8	13.2	80.7	20,331
Gisborne	56.2	13.3	81.3	17,157
Hawke's Bay	59.0	11.0	80.6	18,912
Taranaki	60.0	10.6	81.7	20,616
Manawatu-Wanganui	58.7	10.9	81.0	20,163
Wellington	63.9	9.0	83.9	23,231
Nelson-Marlborough	59.9	8.6	80.6	18,786
West Coast	58.5	10.7	82.0	20,289
Canterbury	58.8	9.7	80.7	20,007
Otago	57.1	10.5	80.9	19,424
Southland	62.8	8.7	82.0	19,893
Not Applicable	75.8	4.5	76.6	
New Zealand	60.4	10.4	82.2	
Statistics				
Minimum	55.8	8.6	80.5	17,157
Maximum	63.9	14.3	83.9	23,231
Range	8.1	5.7	3.4	6,074
Median	58.9	10.7	81.1	20,085
Mean	59.4	10.8	81.6	20,113
Standard Deviation	2.4	1.7	1.7	1,470
Coefficient of Var.	4.1	15.9	15.9	7.3

Adapted from: Morrison P.S. 1997.

has been documented that lack of access to transport and childcare facilities are the major problems in the US that prevent beneficiaries from partaking in active labour market programmes and employment (Extra! 1995; Olson and Pavetti, 1996). Thirdly, the lower wages this group competes for often make long distance moves between regions in order to procure employment financially unviable. For these reasons local labour market conditions become relatively more important the lower the education and skill level of workers.

Fourthly, being much smaller, open economies, regional labour markets differ markedly in their ability to match individuals with local jobs. It has already been shown for New Zealand that regions with high unemployment rates not only experience low labour force participation rates but that when members of the labour force in such regions do find work they work fewer hours. Even when full time employment is obtained levels of remuneration are lower than those in more buoyant regions (Morrison, 1997:77): see Table 2. below.

Fifthly, some less buoyant regions will never be helped by economic growth despite arguments to the contrary. Free market economists feel that declining areas are necessary for any revival. They argue that lower property values and cheaper labour in such regions will attract new firms at some point and to attempt to arrest this process by public spending would merely prevent it working. In reality, the economic tide is reversed by the application of tight monetary policy before the expansion reaches such regions. Consequently, people in these areas tend to lose touch with employment networks, tend to compete for stretched resources and tend to have relatively lower skill levels than those in other areas. Lastly, those people with the skills and resources to move to a 'better' area do so thus compounding the problem of area inequality. Thus areas need to be targeted in order to ensure they do not always stay above the high tide line (Glenester, Noden, Power, 1998, Green, 1996).

With increasing unemployment and emerging evidence that spatial inequality has also increased and unemployment has become more geographically concentrated. It is imperative that regions become a greater focus of employment policy. However, it is important to acknowledge the constraints faced by regional authorities in their attempts to conquer regional problems. The Treasury imposed conditions that no programme may compete with the private sector or affect the free working of the labour market has severely limited the options available. Depending on the goal of the policy, some substitution or displacement may be acceptable if those targeted are found positions. The other major constraint is the need for community support for programmes. As we have already seen the initiative does not have the support of many voluntary agencies who believe it is either inhumane or that it will devalue the work of voluntary services. Without the support of communities the regional approach will be no more successful than previous approaches.

I have thus far argued in this paper for the inclusion of regions into labour market policy decisions. I have also examined the current status of employment programmes in New Zealand. To see whether programmes are meeting policy goals they have to be continually monitored and evaluated.

The role of evaluation

The success of labour market programmes is evaluated by comparing outcomes with goals. Evaluation of active labour market programmes to date has been somewhat piecemeal and arbitrary. The unsatisfactory level of evaluation of active labour market programmes tends to be world-wide phenomena (Bertram, 1988). Findings tend to be limited to individuals and their earning capabilities prior to and after participation in a programme. Where particular programmes were found to have varying levels of success for different groups of people in different areas little or no explanation was attempted. The most extensive research has been done in the US, but because most programmes there are focused on single mothers on welfare, findings there are generally not comparable to the more heterogeneous New Zealand case. Within New Zealand there was little evaluation of programmes until 1992 (Anderson, 1998). Since then up to 35 evaluations have been carried out but by different agencies and with different levels of accuracy and relevance (Anderson, 1998). Researchers both in New Zealand as well as internationally have called for evaluations to be built into programmes from the start in order to obtain more accurate and effective results (Anderson, 1998; Martin, 1998; Jelichich and Lynch, 1994). At present the Department of Labour attempts to obtain funding for monitoring and evaluation to be built into programme design however this is not consistently achieved.

The majority of existing evaluation methodologies seek to discover the incremental effects of a policy programme in financial or economic terms. Several evaluation methods are used including; before and after studies; quasi-experiments with constructed controls, quasi-experiments with statistical controls, and classical experiments. Before and after studies are not very useful by themselves as it is not possible to assess whether the effects are due to the programme or whether they are incidental. Quasi-experiments with constructed controls compare participant outcomes with a composition group of non-participants matched as closely as possible by relevant characteristics such as age and gender. The key weakness of this type of evaluation is selection bias, those participating in a programme may be more motivated and more attractive to employers than those who are not, again it becomes difficult to assess whether outcomes are due to the programme. Quasi-experiments with statistical controls use econometric techniques to hold constant the differences between the two groups. Classical experiments use random allocation for participants and control. Researchers outside the US are reluctant to use this evaluation method due to cost, length of time it takes to do studies, and a reluctance to exclude people from potential benefits of programmes (Jelichich and Jencks, 1995).

One such study that used random assignment methods in New Zealand for example was severely criticised by the media on ethical grounds.

One role of this paper is to argue the case for new evaluation methodologies, which take into account the renewed focus on regions. The regional focus introduces some new elements into the evaluation. For example the focus of most evaluations in the past has been on programme impact on individuals in the regional setting. There is a need to pay closer attention a programme's impact on communities, that collection of individuals and households living in a region who are linked directly and indirectly by the programmes under investigation. Of particular interest is whether programmes are catering to fill the community (including employer) demand for particular skills? Furthermore what has been the impact on crime, health and general well being in the community as a result of employment programmes. More focus needs to be put on societal gains as opposed to cost gains (St John, 1997).

Conclusions

In this paper I have argued for the targeting of labour market programs to specific groups of people in particular places. I have examined the options available to policymakers in terms of active, competitive and passive programmes and have outlined the historical context of labour market policy and programmes in New Zealand.

Labour market policy and programs tend to originate from two different view points. Those adhering to the market clearing view who advocate competitive labour market programmes facilitating labour cost reduction, and those adhering to the market failure view who advocate active labour market programmes which achieve improvements in the distribution of jobs and of the ability of the unemployed to seek work. Treasury officials in New Zealand have increasingly attacked programmes originating from the former framework for interfering with the natural workings of the labour market. Hence, labour market programs have tended increasingly to be of the active variety dealing only with the supply side of the labour market. What we are left with is initially no means of dealing with the demand side.

The inception of the Community Wage and the appointment of Regional Commissioners and Regional Employment Committees has signalled a new policy focus which recognises the importance of area. The increase in regional autonomy has the potential to improve targeting of labour market programmes to ensure issues of both demand and supply are addressed within regions. The effectiveness of such targeting however depends on the real autonomy given to regional commissioners and regional commissions and the nature of the treasury brief to policy makers.

The renewed interest in regions by government and government agencies is supported by contemporary research on local labour markets, social polarisation and uneven development. In this paper I have identified six main points

supporting the inclusion of a regional focus in labour market policy:

1. The spatial extent of the market for low skill or secondary labour is considerably more confined than for primary labour.
2. Mobility of unskilled labour within localities is restricted in particular by lack of access to transport and childcare.
3. The lower wages this group competes for often make long distance moves between regions in order to procure employment financially unviable.
4. Being much smaller, open economies, regional labour markets differ markedly in their ability to match individuals with local jobs.
5. Some less buoyant regions will never be helped by economic growth because the economic tide is reversed by the application of tight monetary policy before the expansion reaches such regions.
6. Those people with the skills and resources to move to a 'better' area do so thus compounding the problem of area inequality.

Given the academic and political recognition of the need to focus on regions and the recent changes to labour market policy in New Zealand it becomes imperative that the nature of programme evaluation is examined.

Evaluation in New Zealand to date has been somewhat piecemeal and arbitrary. There have been no consistent evaluations of past and present programs and funding for evaluation is not necessarily a given at the inception of a program. Existing evaluations of labour market programmes are not adequate in terms of explaining regional differentiation in programme outcomes. It is therefore argued that the focus of evaluation change from effects on individuals to encompass effects on regions and communities. It must be acknowledged that there may be several local labour markets within a region. It is imperative that programme objectives are clearly set out in order to be able to test them effectively (McKenzie, 1997).

The recent changes to labour market policy in New Zealand must be accompanied by real changes to programs and program administration, which will be able to make differences in regions in terms of the needs of the community and the local labour markets existing in such regions. For this to occur programmes must be targeted to groups of people in locations. Regional commissioners must have the autonomy to create programs which will address both supply and demand issues in their regions.

Future research

It has been the purpose of this paper to argue the need for further research on the interaction of labour market policy, programmes and regions. Since a regional focus is now embedded in current New Zealand employment policy, it is important to evaluate the effectiveness of the Regional Commissioners and Regional Committees with respect to

Table 3. Research framework

Labour Markets	Examines New Zealand Regions in terms of labour market indicators and economic structure. Draws a supply and demand profile for research regions. Identifies local labour markets present in region.
Range of Options	Examines range of available programmes to combat perceived differences in supply and demand patterns in research regions.
Community Wage	Examines what is being administered in research regions under the Community Wage initiative and how successful existing programmes are. Identifies limits to existing programmes.
Deficits	Examines what is not being implemented under the Community Wage initiative and why. Looks at structural limitations in policy and programmes, which prevent area focus.

ameliorating regional problems. It is also imperative to evaluate the means of identifying regional problems and the means used to combat them.

This paper was written to outline the need for my proposed PhD. research. This research will use the framework outlined in Table 3. to answer a number of research questions.

Regions for study will be selected based on a range of dissimilarities in their labour market indicators in order to discover whether different types of programmes are more effective in different types of local labour market. The research expects to find that each region selected will have several local labour markets. Furthermore the research will examine the experience of individuals partaking in similar active labour market programmes in different regions. The research will be framed in the economic and institutional structure of place.

While the research questions have not at this stage been finalised it is hoped that this paper has illustrated the need for labour market policy and programmes to be tailored more closely to the supply and demand needs of regions.

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