

RESEARCH INTO LABOUR, EMPLOYMENT AND WORK IN NEW ZEALAND: AN OVERVIEW¹

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Research into labour, employment and work now occupies a prominent place in New Zealand research alongside other major areas of enquiry such as the family, education and health. Like these other concerns, systematic enquiry spans several disciplines, is represented in each of this country's major research institutions and is a major category in public good science funding.

Despite the growth of labour market research over the last decade, there remains the problem of communicating and sharing research ideas within what is still a small research community. The publication outlets are quite diverse and sometimes surprising. Much New Zealand work remains unpublished either because it is in-house or it is student work. The best work is often published overseas in specialist journals long after the research has been completed.

This set of 44 papers presented to the Sixth Conference on Labour, Employment and Work spanned the field and involved both staff and graduate students from the universities, government policy and analysis units, private research organisations, consultants and practitioners. It was particularly encouraging to see the number of graduate students presenting the results of their research - not an easy task in a specialist conference where you feel everyone knows more than you do.

The following overview is a personal but sympathetic summary of key ideas presented in November 1994. The papers are addressed under the twelve headings in the order in which they are listed in the contents. The implicit assumption in the title of this overview is that this collation of papers is a fair reflection of contemporary research. There may be room for debate here, but this conference came closer than the previous five in reflecting the variety of work in the field although an overlap with the annual conference of the Sociological Association of New Zealand being held at the same time may have reduced contributions from that discipline.

In addition to identifying contemporary trends in labour research in New Zealand, this overview tries to identify directions and point out gaps which new researchers can pick up and develop either as funded topics and/or as

student theses. This task is made easier by having all authors suggest directions for future research at the end of their paper.

Overview

Now that unemployment rates and the number of unemployed appear to be falling there is a certain incentive to look back over the postwar period to how economists themselves have viewed unemployment and at the way in which institutionally we have responded to the problem. The first three papers in part 1 of the proceedings offer that perspective. At the same time, the labour market update which are offered should quell any suggestion that unemployment is now mainly of historical interest.

Simon Chapple's review of the way in which post-war economists have approached their interpretation of employment and unemployment in New Zealand raises a number of intriguing issues, not the least of which is the role which intellectual fashion and ideology play in our interpretation of events. Chapple approaches his review from the perspective of the theory of competing claims. Such a theory seeks to explain unemployment as a means of reconciling conflicting claims on output by workers (through their wage setting) and firms (through their price setting). The contrasts he draws are with the Keynesians who emphasised the demand side but did not consider inflationary pressures and those who devoted greater attention to the supply side such as Grimes and Mabbett. In other contrasts he notes how Gould focuses on structural unemployment, Hawke on external constraints and the transmission of external shocks to the New Zealand economy, and others, such as Grimes, who focus more explicitly on the interaction between terms of trade, wage-setting and employment.

It is one thing to compare what others have said about unemployment, but quite another to offer a defensible account of one's own. What intrigues **Tim Hazledine** in his paper on employment in New Zealand is how an economy of the 1970s, overlaid with controls and 'rigidities' of many sorts could still deliver zero unemployment without inflation. All the rhetoric to the contrary, it appears to Hazledine that the more market we have, the worse mar-

kets themselves have performed. Hazledine turns to what he sees as a basic flaw in our conception of the labour market, notably its assumption of separability of supply and demand and the assumption that agents do not consider the welfare of others when they act. Hazledine points out that as workers we cannot actually assume anonymity in the labour market since most of us work in teams (organisations) which means we develop feelings for each other and perceive the benefits of cooperation and of empathy. Technically empathy means that the utility or well-being of others enters our own utility function and therefore the demand and supply side of the employment relation are not separate: one responds to the other. A prime example is what happens when demand turns down and empathy, as well as self interest, encourages the labour hoarding to maintain employment levels in the workplace until demand picks up. In addition to serving the needs of both employers and employees such 'hoarding' maintains aggregate incomes and hence demand. Unfortunately, change in the economic environment and economic culture of the 1980s (leading to the 1991 Employment Contracts Act) have eroded 'mutuality' so that it has now Hazledine argues it has become too costly to indulge in empathetic behaviour and to maintain labour levels in the face of an onslaught of cut-price import competition.

While in many minds there is a connection in the long run between economic policy and labour market policy, in the short run the two remain remarkably separate. So when **Anishka Jelicich** and **Colin Lynch** refer in their paper to active labour market policy they are talking about a set of largely makeshift wage subsidies, welfare-to-work and placement services being used to address characteristics of the unemployment register. What is striking about their review is how poorly designed research into alternative programmes has been, not just in New Zealand but throughout the OECD. As a result there are very few examples of research designs which allow clear conclusions to be drawn. Jelicich and Lynch note that relatively little evaluation of active labour market policies has been carried out in New Zealand. In an important message from their review they point out how, "the most useful evaluations have taken place when the procedures for evaluation and monitoring are put in place when a new active labour market programme is being developed." What can be gleaned from the overseas studies is that there are comparative benefits to targeting assistance, to linking programmes (e.g. training followed by wage subsidy) and that the long term unemployed benefit most from more intensive programmes (job search assistance and training). The shifts apparent in New Zealand programmes appear to be consistent with these observations.

A recent Dominion editorial (Feb 21, 1995) noted that recent figures showing the 75,000 increase in number employed in 1994 and drops in the unemployment rate 7.7 to 7.5% in the final quarter of 1994 were "proof yet again that the government is heading in the right economic direction". The paper by **Darren Gibbs**, which updates the statistics delivered to the Ministerial Task Force on

Employment, puts such claims into sobering perspective. In particular Gibbs shows that recent economic growth has *not* been accompanied by an increase in labour force participation (with two minor age group exceptions). What this and later papers looking at employment dynamics show is that reductions in unemployment are being accompanied by withdrawal into the household economy rather than any transfer to paid employment. When the later does occur it is more likely to be into non-standard work. (This is particularly true of the Maori and Polynesian Island population, both of which have very low labour force participation rates.) As a result, the burden of unemployment continues to be shared very unevenly. As employment picks up it absorbs those most recently registered unemployed, making little impact on the long term unemployment. Indeed, "around two-thirds of the additional jobs being created in any given quarter (in the year to Sept 1994) are taken by people who were *not* in the labour force (including the unemployed) during the previous quarter." The previously unemployed only took one third.

This last finding is important when it is considered that much of the growth in unemployment in recent years has been due to the increase in the proportion of long-term unemployed. Given the low levels of unemployment now beginning to be seen in some sections of the labour force - particularly among the European and those with qualifications Gibbs emphasises the point that further substantial declines in aggregate unemployment will heavily depend on reducing the excessive burden of unemployment amongst youth, Maori, Pacific Island's people, and the long-term unemployed more generally.

Dynamics

Although many of the key problems in the labour market persist, we do know more about the functioning of the New Zealand labour market in 1994 than we did in 1984 when the first of this series of conferences were held. One of the areas in which greatest progress has been made is in the understanding of the dynamics of the market. This has come about through long term strategic decisions to assemble the relevant data bases: the household labour force survey on one hand and the unemployment register on the other. Each allows estimates to be made of the number of people moving between states such as unemployment, employment and not in the labour force. There are many technical issues and caveats associated with this type of analysis of course and these are covered in the first three papers of this section.

The essential message of all three papers is that the number unemployed (surveyed or registered) are the result of thousands of individual decisions to enter or leave that state each quarter. Despite the rise in long term unemployed, the majority will only recently have become unemployed and will not remain unemployed for very long. What we now need to understand are the triggers that cause movement into unemployment both from outside the la-

bour force and from unemployment back to the not-in-the-labour force category.

Indeed, as **Brian Silverstone and Susi Gorbey** observe with respect to the 1993/4 year, "retirements and withdrawals from employment and unemployment into non-participation were significantly greater than quits, layoffs and redundancies." It is this movement from non-participation to participation (unemployment and employment) that we know least about and constitutes a major research frontier.

The unemployment experience is clearly different for different people. Drawing on the Household Labour Force Survey from each quarter of 1993/94, Silverstone and Gorbey also explore how flows differ by gender and age. In addition to showing greater movement out of unemployment than males, unemployed females were also more likely to leave the labour force during recessions but to re-enter again during the recovery when they felt their chances of getting a job were higher, an outcome which is consistent with the discouraged worker effect. Age groups also exhibited different dynamics. While each shows the same likelihood of staying in unemployment across the quarters, youth (15-26) are far more likely to enter unemployment and, since mid 1991, to then find employment mainly in retailing, hotels, construction and fabricated metal manufacture.

Stuart Irvine extends the list of employee attributes for the same data base and examines how flows vary by occupation sought, job search method, length of time since last employment and educational attainment. Using the two periods (17 quarters March 1986 to March 1990 and 16 quarters Sept 1990 to June 1994) allows Irvine to observe how the probability of an unemployed person moving to employment has fallen significantly in the past eight years. What is most important in guiding labour market programmes, Irvine argues, is the identification of a strong relationship between personal characteristics and movements between the labour market states. He finds that while part-timers are just as likely to find employment as full timers they are also more likely to withdraw earlier and remain unemployed longer. Skills and education also play an important role in moving into employment.

That attributes make a difference to how long is spent in unemployment is also confirmed by **Paul Gardiner** who uses registration data. A number of findings support those of the previous two authors, for example that females spend less time registered as unemployed than men, that older entrants spend longer on the register and that less time is spent by the register by the educated. Possibly most importantly, even after controlling for the above variables, **Maori and Polynesian** still show much longer durations on the unemployment register.

At the same time, even after controlling for characteristics of those in the labour force, much of the statistical variation in unemployment duration remains to be explained. While

we know more about the patterns of the flows than we used to, we are still far from explaining them. Perhaps one of the values of this research is that it has more clearly exposed this gap in our knowledge.

One area where some progress in modelling dynamic behaviour has been made is in understanding temporary patterns of employment in particular industries. **Bob Buckle and Julian Peters** estimate a model based on certain assumptions about the way manufacturers make decisions on how many employees to hire. Firms are continually having to adjust their labour requirements and the problem is to know how much and what future additional hiring (or firing) to make. These authors argue that decisions on present hiring are made with respect to the expected future number of workers. These depend, in turn, on expectations about output. The aim of their paper is to construct and estimate a model that relates expected output to labour hiring.

Their results confirm established views in the literature that manufacturers will hoard labour because large changes to employment later will be more costly than small ones. Part of this cost may well be those less tangible but important personal ties that **Tim Hazledine** refers to above and **Manuka Henare** alludes to in his paper below.

The Workplace

Quantitative adjustments in the labour market are complemented by ongoing quality adjustments in the workplace. Improving productivity through workplace reform links management notions of quality and continuous improvement to union concerns about shared decision making and joint responsibility between management and labour. The application of these ideas to **BHP New Zealand Steel's Glenbrook plant** have been explored by **Roberta Hill, Carl Davidson and Martin Perry**. Between 1990 and 1994, they found that significant changes were required in workplace organisation to cope with customer demand for cost and price reductions as well as quality improvement. Their team found that while reorganisation was achieved through the involvement of workers, really significant progress could only be made when joint management and union programmes were developed that facilitated genuine participation and information sharing.

Research into workplace practices can require complex and sometimes unusual research designs. In a comparison project on the skills formation process within firms undergoing restructuring, a team from the (then) **New Zealand Institute for Social Research and Development** developed a particular methodology. Its purpose was to understand how an increasing number of New Zealand enterprises are experiencing the introduction of a range of Japanese and American production systems and work practices. They argue that the rate at which companies become competitive reflects their ability to learn quickly. Therefore how firms modify their organisation and culture to facilitate that learning was of considerable significance. Their

enquiry into seven 'leading edge' New Zealand companies showed that the necessary change to create a 'learning organisation' is most likely to occur with a team-based organisational structure (particularly if they are self managing). However team-based work demands more multiskilling which in turn puts pressure on traditional skill acquisition. The particular case study approach reported here allows the researcher to work with the subject organisation to help it clarify and develop its own learning environment so that such issues can be addressed.

The growing recognition of the 'learning organisation' notwithstanding, many workplaces still do not develop or formalise their own learning process, as **Marie Wilson** found in her study of shift work. Far from recognising the deleterious consequences of rostering shiftwork, an increasing number of New Zealand firms are actually exacerbating social, psychological and productivity problems by failing to appreciate the human costs of maintaining shiftwork in its present form. From a twelve year longitudinal study of New Zealand process manufacturers, Wilson reports on the relationship between shift work, shift patterns and health. Her study documents the close linkage between the eight-hour, reverse rotating shift and an increase in sleeping disorders, digestive problems and the use of prescription and non-prescription drugs, as well as problems resulting from the disruption of family life. Shiftworkers reported higher divorce rates, increased industrial accident rates and high levels of absenteeism due to illness. This evidence stands in contrast to the view of many employers that shiftwork generates no harmful effects, indeed, that it has positive effects on employment creation, production, standard of living and daytime leisure. Twenty four hour operation is an economic necessity for process manufacturing. It is surprising, therefore, that there has been relatively limited experimentation with alternative shift work patterns in New Zealand compared with overseas. Given the human cost of such (existing) procedures, the re-evaluation which Wilson calls for appears well overdue.

The management of the workplace also receives attention from **Baljinder Sagoo** who undertook her research for the Ministry of Research, Science and Technology. The study results from two assumptions, first that New Zealand's competitive advantage will rest increasingly on its ability to introduce new technology to the workplace and secondly that this introduction will be correlated with the educational qualifications of key decision makers. Given these assumptions, her research then explores the formal qualifications of key decision makers in both the private and public sectors. Sagoo finds that over half of all key decision makers had some form of university or equivalent qualifications and that accounting was the most popular, followed by science and engineering. The latter two predominated on management teams as compared to boards. There were distinct differences between public and private sectors with key decision makers the former more likely have arts degrees as well as being more likely to have university qualifications of any kind than their private

sector counterparts. As Sagoo admits, any study of qualifications without taking age and period of qualification into account compounds the difficulty of drawing inferences. Nevertheless, the challenge to researchers in this area is to look more closely at the educational, experience contexts of those decision makers who have adopted new technologies and the degree to which such adoption has actually stimulated firm growth.

Families

This set of papers remind us again of the fact that the study of the household and the labour market cannot really be separated and that there are important interactive dynamic adjustments within both which we are only just beginning to understand. These papers show that greater attention needs to be paid to the simultaneous and sequential (re)allocation of resources within both spheres as conditions in the economy and government support policy change.

Families alter their composition as economic conditions change. They also alter the nature of their labour force participation. This is particularly important given the flows between 'not in the labour force' unemployment and employment reported under 'dynamics'. **Prue Hyman** takes a close look at the meaning of the family in the Year of the Family and relates its varied structure and mix to women's participation in the labour force. The two are intimately related. Marriage rates and the incidence of the nuclear family is negatively related to the increasing ability of women to secure independence in the workplace. This, in turn, requires a recognition of the positive features of the alternative forms of the family that result (rather than a conservative concern over family form that has as much to do with lack of woman's economic independence as it has to do with what is 'natural' and 'right' in patterns of child raising).

It is not just the form of the family that changes with economic conditions but the way in which it functions internally. It is appropriate therefore that **Paul Callister** examines labour force participation of parents during the first five years of a child's life (as well as the possible impacts of a policy shift such as the introduction of paid parental leave). Callister found that 11 percent of such partners are in full time work and the same percentage in part-time work leaving less than eighty percent of parents looking after their children on a fulltime basis during their first 24 months of life. The proportion of mothers in paid work rises steadily over the child's first two years. While there has been an increase in the number of men looking after children, this would appear to be more a result of unemployment than a positive choice to undertake childcare. Here Callister discusses the Swedish experience of paid parental leave.

At the other end of the work spectrum is the effect of long hours of paid work on families. This is one of the questions **Valerie Podmore** investigates from interviews with 60

families with 5 year old children. Each year at least one third of fathers were working over 50 hours per week. While Podmore was unable to establish any marked general discordance between childcare and work hours, there was as wide a dispersion of satisfaction levels with hours as there were attitudes to mothers in paid work. For most people, work was a necessity and the real issue was gaining the flexibility to decide when and when not to work.

Women

The four papers in this section are about women in the context of two institutions: the state and the trade unions and the way in which these institutions have moulded and constrained the opportunities and behaviour of women. In each case the authors are laying the ground work for action. **Celia Briar** questions the role of the state given gender inequality in paid and unpaid work. She questions whose interests are served by women's subordination at work (patriarchal and/or capitalist interests) and who has the greater power to promote these interests at the state level. It is in the interests of both women and men, Briar argues, to form an alliance to create an agenda for change which benefits both. She suggests that the state itself should take the lead in alleviating the present impediments on many women by including a universal basic income and with a shorter working week.

Linda Hill is concerned with the way in which deals struck between capital and labour affect women. She draws on models of corporatism which views capital-labour relations at three different levels: the enterprise, the level of bargaining agents and the national level. The ECA (1991) shifted the basis of bargaining from occupation to the enterprise, a system which, on the USA evidence, at least, did little to benefit women. By contrast women have done well out of the pre-ECA industrial relations environment. The key question was whether their position would deteriorate under the ECA. Hill observes how "micro-level bargaining disproportionately decollectivised and deunionised women in private sector clerical, sales and service work". By 1993 deunionisation and amalgamations had reduced women's representation in union leadership. Bargaining by occupation, which characterised the pre ECA environment, offered a collective strength. The ECA, with its emphasis on enterprise bargaining, weakened the bargaining position of women in those areas in which they are disproportionately employed - sales, clerical and services. The loss of occupation based union strength from fragmented and geographically scattered work forces removed the very numbers necessary for effective action.

In light of these developments it is instructive for **Rae Nicholl** to seek a greater understanding of women's historical place within the trade union movement. She asked five older trade union women to reflect on their experience with male trade unionists and their attitude towards feminism and the feminist movement. Why did

such women become actively involved despite male unionist indifference and open hostility? Why did they stay? Nicholl's interviews reveal a strong commitment among all the women to social justice. In each case she traced these feelings to the experiences and influences in their childhood.

Kate McKegg deals with a different type of institutional context - those institutions which seeks to measure society and have the power to include or exclude. As a case study McKegg examines evidence on women's work as collected by the census and registrar of births and deaths. McKegg argues that the historical legacy of categorisation and construction of identity in 'official' data collection constrains the scope and influence of policy parameters and decisions about the 'worth' of women's work particular if it is unpaid. Statistical counting, McKegg reminds us, cannot be separated from political representation.

Youth

Statistical conventions can also disguise the reality of youth participation in the labour market. **Natalie Jackson** argues that commonly used measures, such as unemployment and labour force participation rates, lead to superficial interpretations of the causes of unemployment among youth as well as the the degree to which they are exposed to unemployment. This, in turn, can lead to inappropriate policy responses. It is necessary to appreciate the way in which the relative size of population cohorts introduces pressure on its members. This is particularly relevant in understanding the relative participation rates of Maori, Pacific Island, Polynesian and Pakeha populations. Whereas the Pakeha birth rates were at their lowest when those currently aged 15-24 were born (in the 1970s), for Maori and Pacific Island Polynesians, the largest cohorts are still arriving. In 1991, Maori 15-24 year olds were 22 percent larger than in 1976, while for Pacific Islanders it was 130 percent. Different ethnic groups show different phasing of population and economic cycles and this must be recognised when the impacts of particular policies are considered.

The fact that there are much larger proportions of youth in the Maori and Pacific Island Polynesian population exaggerates the effect of the high youth specific unemployment rates. Jackson goes on to show how under these constraints, raising of the age of eligibility for the adult rates of unemployment was unduly discriminatory for Maori and Pacific Islanders. This imbalance was compounded by the fact that many of the young were also parents with young children.

One of the ways in which families cope with diminished income resulting from unemployment and underemployment is to reduce expenditure on their children. This, together with the need to supplement family incomes, means increased pressure for school children to find part-time employment. **Debbie Peterson's** research throws a welcome light on this growing phenomenon. This work

became focussed after minimum wage protection was lost for under 20 year olds with the abolition of awards under the Employment Contracts Act and when the Minimum Youth Wage was introduced in March 1994 for 16-19 year olds at the rate of \$3.68 per hour. However Peterson found that only about 5 of the 219 student interviewed were paid below the statutory minimum wage and none of these paid tax. Work in retailing provided most employment opportunities for youth, employing them for about 8 hours a week at a median rate of \$6.00 per hour. At the same time, and of concern to the author was the fact that only about half received no paid sick leave or holidays and few became union members.

Jane Higgins addresses the training response to youth unemployment. She makes the point that any discussion of skills shortage and training responses must be situated in historical and geographical context as well as the relations of production in the industry concerned. She argues that past discussion of skill in New Zealand is flawed not only because discussion based on national aggregates ignores what is happening within the workplace but also because local labour markets differ from one another. Her study of the changing presence of 15-19 and 20-24 year old men and women in a range of occupational groups in different sectors in Christchurch over the four censuses between 1976 and 1991 is used to suggest degrees to which the gender and age groups have been able to compete and maintain their occupational share. This is complemented by in-depth analysis of particular work situations. Higgins concludes that for many workers and their organisations, training is crucial to the maintenance of skill recognition and occupational closure. The young within occupations which involved regular upgrading are not those in difficulty. The real problem is with those in occupations, especially retailing, clerical and apparel, where no formal training exists and where many young workers have become trapped. Low level training programmes, Higgins observes, are unlikely to prevent this from happening and are not sufficiently comprehensive to allow movement of the youth from the secondary to primary labour markets.

Maori

It is quite clear from contemporary reports provided by Gibbs and Irvine, as it has been for decades now, that the central problem of unemployment and underemployment result from lack of qualifications and participation in the secondary labour market. The issue of Maori employment is qualitatively and quantitatively quite different from the European yet there is relatively little systematic research into the relationship between the Maori and the labour market that goes beyond simply tabulating the inequalities. The three papers in this section therefore address a crucial research need.

Brian Easton uses the 1991 census to document the way in which the contemporary Maori is in quite a different position to the non-Maori in the labour force. He then goes

on to show statistically that factors such as age, gender, qualifications, skills and family situations as well as region of residence, do help explain some of the different participation rates of Maori and non-Maori. However much of the difference remains unexplained by the readily available measures. There are a set of variables which we still have not identified and Easton refers to this gap as a the 'Maoriness' factor and notes that identifying these more clearly constitutes an important area of future research.

In pondering this issue Easton stresses the considerable flux in the labour market i.e. a continual flow of people into and out of unemployment. This means that while a certain proportion are measured as unemployed we are not dealing with the same group of individuals year after year or even month after month. At the same time the role that the secondary labour market plays in the employment experience of the Maori means that there are high levels of movement between the various employment states, particularly not -in- the -labour force and employment. The inability of many Maori to break out of this pattern of short term employment, interspersed with periods of unemployment, is of major policy concern. One area that has received relatively little attention in this context is the job search. The relative ineffectiveness of the Maori family and social networks to transmit information about jobs, particularly primary jobs could, Easton argues, be a feature of Maoriness which helps account for their relatively lower labour participation rates.

Part of the difficulty in specifying a well performing statistical model of Maori labour force participation, may lie in the fact that Easton was using a wholly European based data collection instrument namely the census. There are numerous instances of indigenous concepts of kinship, work and residence which do not fit easily into the internationally agreed categories for the collection of census data. But it goes deeper than that, as **Manuka Henare** shows, to a fundamental lack of understanding of the degree to which the concept of labour is foreign to Maori philosophy and ethics. Historically, settler governments assumed and planned that Maori be the skilled and unskilled labour for the settler economy. Traditionally, however, this is not how Maori understood the nature and purpose of economy and therefore they had to develop a cultural buffer in order to handle the dissonance.

Henare argues that in face of competing concepts of economy, the Maori developed an invisible economy involving affective ties based on common descent and common residence. This 'economy of affection' performs an important welfare function because within the social networks that develop a significant unofficial redistribution takes place. This unofficial economy protects the individual from the negative effects of the capitalist economy which by contrast is an 'economy of exploitation,' an atomised society consisting of individuals presuming their own self interests. It is important for employers in particular to appreciate these competing views of the world. In the second half of his paper, Henare introduces

a number of Maori concepts which readers are invited to consider, "as a basis for theorizing on values and ethnics appropriate to economic well being and notions of work and employment".

In light of the above two papers, it is important to note the continuation of trends which have tended to disadvantage Maori ever since their rural-urban migration in the 1950s. The forecasts by **Grant Andrews** and **Dennis Rose** suggest that Maori can take advantage of relative increases in production of more sophisticated goods and services over basic commodity production but this can only occur if they develop appropriate educational and training strategies. At the same time, **Easton's** results, which highlight factors other than education, and **Henare's** call for alternative treatment of the Maori in the workplace, suggest that the steps required may be considerably greater than the formal education and job training proposed. It is no accident, for example, that Maori women have been able to adapt to changing economic circumstances more successfully than Maori men. **BERL's** forecasts are that growth in Maori employment will continue to be more concentrated than average in transformative industries such as trade sales and service where growth is concentrated rather than in manual occupations.

International, regional and urban labour markets

Labour markets can be separated for analysis in many different ways: ethnicity, gender and age being among the more common. Another way of dividing up the market is geographically and an important component of the domestic labour market is the wider international context in which it must function. **Richard Bedford** and **Jacqueline Lidgard** remind us that gains and losses to the labour force age groups are affected by patterns of international migration. Gains through net migration have occurred each year since 1990 and these gains are expected to reach 30,000 for the year ending 31 March 1995.

It is a testament to change in the New Zealand labour market that, for the first time since their accelerated migration to New Zealand in the 1960s, there has been a reduction in net migration from the Pacific Islands. Economic restructuring and changes to the points system has meant a shift in the skill mix of immigrants away from manual labour to greater emphasis on qualifications, financial and human capital. A major part of this flow now comes from Asians who now comprise a growing proportion of the total net gain especially to the younger, school age groups.

Despite the age selectivity of migration there is no simple correspondence between these immigration flows and changes to the age structure of the overall population. Gains and decline feature in both young and old. Older age groups showed marked gains over previous periods, reflecting return migration of older men in particular. For most age groups, net losses of New Zealanders are being

replaced by much larger new immigration gains but to young and old rather than to core working age groups.

Although dividing the market up spatially, **Fraser Jackson** takes a quite different approach in his study of regional labour markets. Using electorates (1987) as regional units in order to examine the behaviour of the labour market under different conditions Jackson shows how part-timers substitute for fulltimers, and women substitute for men, and how this process is common over all the regional labour markets. The period used is the intercensal five years 1986 to 1991. Jackson then uses his findings to question the assumption that the demand for variable factors of production vary directly with the level of output. The evidence of the marked substitution between different types of labour within the New Zealand labour market challenges such assumptions.

Philip Morrison's paper employs yet another perspective from which to view the New Zealand labour market. His concern is with the way in which the geographical organisation of the urban labour market reflects both the market conditions and the forces which determine the division of labour itself. He suggests that the division of labour at work is becoming increasingly expressed in a 'division of consumption' as reflected in the residential separation of occupational groups. He argues that the decentralisation of both employment and residence away from the central city may be encouraging the different social classes to function in increasingly different spatial realms. Census journey to work data from Wellington is used to explore this 'disintegration of the city' thesis and the social consequences it implies.

Unions

Concern over the Employment Contracts Act (ECA) motivated many papers at this conference and none more so than those dealing with the role of unions. **Brian Roper** argues that ever since its establishment in 1987 the New Zealand Council of Trade Unions (NZCTU) has consistently failed to successfully oppose and defeat any of the major policy initiatives of the Fourth Labour government or the current National Government, even though these policies have been detrimental to the interests of workers. To account for these leadership traits of the NZCTU, Roper draws on a model of the 'contingent bureaucratic conservatism'. The model appears useful and, by recognising that the bureaucratic conservatism of officials is contingent, the theory does provide a quite flexible framework for interpreting events.

Taking up the same theme, **Sarah Heal** addresses a specific instance of this conservatism, namely why, given the widespread opposition to the proposed ECA legislation, a general strike was not held. The failure of the NZCTU leadership to support such action reflects the elements of the above theory. Heal argues that as intermediaries between capital and labour, trade union officials with their dependence on the sustainability of the trade union move-

ment have little interest in jeopardising the *status quo* despite there being in this case majority support for strike action among workers.

Since its introduction, the ECA has significantly changed the nature and dynamics of the relationship between employers, workers and unions. **Suze Wilson** describes how the New Zealand Engineers Union in particular has become very involved in enterprise level bargaining, having negotiated 600 enterprise contracts in the 12 months to November 1994. Wilson observes that while many employers have worked with workers under the ECA to bring about significant change within the workplace, others have used the ECA primarily as a tool for reducing wages, conditions and union influence. By drawing on her experience, Wilson is able to use anecdotal evidence to pinpoint a number of key deficiencies in the Act, most notably its failure to provide a framework for advancing good quality industrial relations and to constrain or guide bargaining behaviour in a given direction. In particular it would appear that the government has lost an opportunity to use the Act as a tool for achieving industry wide change. The lack of research on the effect of ECA on productivity, quality, customer satisfaction as well as many workplaces issues is noteworthy.

Industrial relations - international comparisons

It is instructive in light of the criticism of the Employment Contracts Act to look at the way others handle their industrial relations legislation. **Chris Turner** uses the Swedish industrial relations legislation to highlight features of the New Zealand experience. The Swedish equivalent of the ECA, the Co-Determination Act (C-D Act), provides a general statutory framework for conducting negotiations of collective employment contracts. The inclusion of such causes are non-mandatory but they encourage discussion which enhances employee participation. The New Zealand equivalent has no such provision and, as Wilson also points out, it does little to promote a better workplace.

Several other contrasts are instructive. Whereas the C-D Act offers the freedom to disassociate rather than to associate with a union, the ECA, "leaves each individual to enforce their right to join a union style organisation and effectively discourages such membership." Whereas there is no guarantee in the ECA Act that both parties have to bargain under the C-D Act, employees and employers are both obliged to negotiate. This difference, in addition to the fact that New Zealand unions (or other employee organisation) are not guaranteed access to company records, places New Zealand employee representation in a much weaker bargaining position. Clearly, the overall balance of power within the C-D Act favour employees whereas the ECA favours employers (although there is the continuing influence of the Employment Court to "protect" employees). The framework adopted by the Swedish act suggests some alternatives that may be adopted by New

Zealand policy makers and Turner makes a number of recommendations.

Addressing a slightly different issue, **David Neilson** asks why New Zealand and Australian industrial relations appear to have diverged during the 1980s given their common institutional heritage. Although New Zealand's simpler unicameral structure plays a role, Neilson suggests that it was, "probably New Zealand's worse economic situation and its comparative [economic] disadvantage" which lead to its adoption of New Right methods of gaining greater labour market flexibility. The key cause of the difference sees a New Zealand "government with high levels of state autonomy seeking to enhance its autonomy over labour still further, and an [Australian, federal] government which had agreed to work with the union movement". The divergence of the 1980s, Neilson suggests, may be followed by a convergence as the pressure for greater labour market flexibility in both countries to "pursue an 'export regulation' model and to seek international competitiveness".

Employment and the law

In the first of this set of three papers, **Gordon Anderson** and **Cary Davis** draw our attention to the precarious position many employees are in with respect to redundancies. By reviewing a recent case, they bring us up to date on the relative rights of employers and employees. Particularly valuable is their analysis of the way in which current laws and their interpretation can influence the strategies adopted by employers. Breaking the firm into smaller legal units for example takes advantage of the fact that liquidating enterprises can avoid paying redundancies. The authors argue there is insufficient protection for workers against these kinds of strategies. Most are "left to cope as they can" and statutory reform would ensure employers implemented redundancy decisions that are fair and sensitive. As they point out, redundancy provisions are central to the effective operation of labour market flexibility. Workers who become redundant in one area must be eased by redundancy provisions into employment in another. Whether present redundancy provisions actually inhibit employers in making *their* adjustments to the market is a moot point which could benefit from further research.

John Hughes illustrates the way in which changes made to social security law have impacted on employment law following the election of the National Government in 1990. Using the example of the stand-down period, he illustrates the way in which changes made to facilitate the operation of the labour market show considerable ambiguity in interpretation. Much of the argument is over the application of stand-down provisions following voluntary unemployment. What constitutes the voluntary leaving of a job, and its relationship to conduct of the job itself (as opposed to circumstances deemed external to the job such as family matters) is one of the issues traced. His paper offers considerable insight into the complicated state of the

various laws relating to employment and their competing interpretations.

The other law of considerable interest concerns privacy, that is, the values we hold about autonomy, individuality, personal space, intimacy, anonymity and related concerns. In the workplace they include protection of reputation and the confidentiality of personal information. In his paper, **Paul Roth** notes how the 1993 Privacy Act seeks to protect job applicants or employees who are by definition in positions of relative weakness. Many of the issues are about the relative ability of applicants and employees to assert their privacy. Noting that the Ford Motor Company was among the first to send inspectors to investigate the personal lives of its workers in the 1920s, Roth underscores the ongoing vulnerability of employees in the face of employers' search for information to gain better control over the workplace. In the past two decades, the surveillance, monitoring and testing of employees has become an increasingly accessible option for most employers and the future holds more in store. The Privacy Act 1993 addresses the imbalance of power by ensuring, for example, that personal information be relevant only for the function or activity of the agency. Here Roth discusses the important overlap with the Human Rights Act and emphasises the need for employers to become much more sensitive to privacy issues affecting the workplace.

Trends and commentary

Extending their report to the fifth conference on Labour, Employment and Work, **Raymond Harbridge** and **Anthony Honeybone** provide further results from their sample of employment contracts. Covering 22 percent of the total employed labour force, their database suggests that there has been little change to the length of the working week, penal rates have been removed from key sectors, particularly those which employ a high proportion of women: retailing, restaurants and hotels, public and community services. Furthermore, there is some evidence that in those sectors where penal rates continue to apply, women are attracting lower premium rates than men. Clearly the negative impacts of the ECA on employees have been quite selective in their effect, reducing the earning potential in some sectors while maintaining the position of those in others, notably manufacturing, energy, construction, wholesale trade, transport and finance sectors. The reasons for these differentials must now stand as an important areas of future research.

It is not just contemporary information which is scarce and in need of vigilant collecting. As **Keith Rankin** points out, New Zealand does not have a consistent set of employment and unemployment data for interwar years despite their obvious relevance for understanding the past workings of the labour market. By estimating the work force from a variety of other series Rankin is able to show how the 1930s New Zealand economy moved from a state of mass unemployment to full employment in just six years despite a rise in labour force participation - a recovery unique

among comparable English speaking countries. Unemployment during the interwar years was significantly higher than officially estimated at the time and subsequently by social and economic historians. "We can learn", says Rankin, "from the way the 1920s labour market was evolving before being hit by the Great Depression, from the fact that the majority of households had gained discretion over how family members spent their time. That period was characterised by low participation rates, rising leisure and socialization through voluntary activities, and large scale transfer payments (although within households)."

In his paper, **Richard Willis** draws on the recent literature on the New Zealand manufacturing sector together with selected statistics to suggest that, after 10 years of unprecedented restructuring, New Zealand industry may be finally getting out of the 'commodity trap': an export led economy with an over-dependence on commodity exports in which the elasticities of demand tend to be low and fluctuating. However despite greater downstream processing, Willis suggests that total exports are continuing to feature commodities like sawn timber and logs which remain vulnerable to commodity market price swings. Furthermore despite a general commentary which suggests a shift towards the use of more skilled labour in manufacturing Willis cites evidence showing reduction in value added to manufactured goods over the last decade.

One of the manifestations of structural change in the New Zealand labour market has been the relative growth of what **Richard Whatman** refers to as non-standard work. This is work which is not full time, permanent and with regular hours for employers on their premises and which may last less than the whole year. The result is a heterogeneous mix of various conditions of work which include part-time, casual, self employment and the 'underground' economy. It is the absence of legal rights, coverage and clear provisions invoking rights that makes such labour particularly vulnerable and subject to exploitation in what is often a buyer's market. In short, they are 'precarious workers'.

The conceptual difficulty facing those trying to understand non-standard work is matched by an empirical one. Few satisfactory series allow the degree or level of non-standard work to be measured. As a result, Whatman has to rely largely on statistics detailing trends in part-time work. A key area of concern is the potential for entrapment within non-standard work because of the absence of training opportunities. This is an argument which lies at the heart of concerns over the dual labour market, largely because duality perpetuates and deepens labour market disadvantage rather than offering means of personal advancement within it.

This issue of the dual labour market is picked up by **Chandra Dixon** who explores the plastics and hotel industries in an attempt to examine the utility of the segmented labour market hypothesis in the post-ECA environment.

Her findings on training are salient with 48 percent of plastics workers but only 23 percent of hotel/restaurant/tearoom workers having received workplace training in their current job. The link between this and mobility in the workplace, however, is unclear. With only a 27 percent response rate from 500 questionnaires sent to (unionised) employees in the two industries, Dixon admits her findings can only be indicative. She believes that that "segmentation in all its complexity has intensified in New Zealand" and is currently working on a research design to test and document this.

Robyn Hunt draws our attention to the place of people with disabilities in the workplace by drawing on three models. The charity model requires that the assisted give up something as opposed to the rights approach which requires that everyone gives up something. This is reinforced by the medical model which assumes disability is caused by some physiological or physiological abnormality which must be addressed and cured. Rather than focussing on disability of the individual, the third, social model, views the surrounding physical and social environment or context as being deficient in failing to address the needs of the disabled. Different countries implicitly weight these models differently depending in their policies. Drawing on her visit to the UK as a Nuffield Travel Bursar, Robyn then raises questions about the New Zealand case and the extent to which benefits, demographic change and technology will create conditions for higher labour force participation of those with disabilities.

Alan Levett synthesizes a refreshingly wide literature to argue that we have been too narrow in our thinking about employment and unemployment and that by recognising a wider range of experience we open up an expanded set of possible employment policies. At the centre of this perspective is the concept of life-long learning. Presently confined to the better off, there is a real need to open up such ongoing opportunities to those from less advantaged socio-economic groups. In this way unemployment can be regarded not as an unfortunate end but as a transition in the life cycle during which new kinds of work and contribution to society can be explored. Levett refers to research which identifies particular types of unemployed: the conformists, ritualists, retreatists, the enterprising, calculating and autonomous. These categories highlight the wide variety of ways in which individuals handle unemployment. What we need, argues Levett, are the measures and institutions to address each group and provide for the particular requirements of their life long learning.

Dennis Trewin reviews the steps taken to appraise the state of New Zealand labour market statistics and introduces the priority order for work on their improvement. Given other claims on resources, it was helpful to note what Statistics New Zealand can definitely do and to note that again the forthcoming census will serve as the major source of contemporary data on the labour force. An enhanced capability will also be given the Household Labour Force Survey. Productivity measures will be

introduced, integrated data bases will be developed and further attention will be given improved access to official data by researchers. Depending on funding, other options could include a labour market upgrade and supplementary household surveys, contract surveys and the use of IRD data for wages and salaries.

Future Research

Notwithstanding the emergence of several themes in this set of 44 papers, the overwhelming impression is of an *ad hoc* approach to an interrelated set of issues grouped as labour, employment and work. With no external coordination individuals select ideas they think are worth investigating. Agencies contract work addressing their own information needs and government departments try, where time and resources allow, to monitor trends and draw conclusions. There is still little communication among these different research bodies and very little regular discussion, let alone agreement on what questions we should be asking.

Some may consider this situation to be the kind of flexibility necessary to allow intellectual enquiry to flourish. Others will see it is a wasteful dispersion of energy and talent. What is obvious is the lack of a clear agenda within which different researchers can position and direct their own work.

Perhaps the most significant feature is the relatively small amount of policy directed research. As Hazledine observes in his paper: "A disturbing feature of the economic policy debate in New Zealand - apart from its lopsidedness in favour of the reformers - is its lack of empirical foundations. Arguments are made and policy formulated on the basis of fairly simple *a priori* reasoning leavened sometimes with selective citing of overseas research." Whatman too urged that "research which provides statistically robust data is essential to counter the influence of anecdote on policy development."

That contemporary research in New Zealand is largely *ad hoc* does not mean that progress is not being made. Each of the 44 papers represent progress in its own part of the field. At the same time, there appear to be several key areas where concerted research attention will yield particular improvements in our understanding. Probably the most important of these lies at the interface between the household, the informal economy and the labour market. It is not simply a question of analysing labour supply functions or understanding the dual role of women and their coping with paid and unpaid work. It is a case of better understanding the way households organise their joint resources in order to combine their revenue earning capabilities with the domestic demands on their time and resources.

The gaps in our understanding of this interface become quite clear in the research on dynamics in which the not-in-the-labour force category emerged as an important plat-

form from which individuals entered employment and as a sanctuary for those withdrawing from the labour market. Rather like the firm, the household too may be viewed as an alternative non-market based way of allocating resources to meet certain ends. We each draw on both the labour market and the household economy to meet our complex set of daily needs. When and how we choose these different institutions (together with the other suppliers like the state and community welfare) varies substantially for individual and circumstances. As researchers we do not know very much about the nature of these choices nor the patterns they form let alone being able to specify and estimate appropriate models of the selection process. Whatman's exposure of how little we know about non-standard work is part of this same gap and he exposes a real world that does not divide itself neatly into our somewhat outdated labour market categories including those used to conceptualise the segmented labour market.

The second, and very closely related area of urgent research needed in New Zealand, is to better understand the particular circumstances of the Maori and Pacific Island relationship to the labour market. It is pleasing to see that this will be a high priority on the research programme of the Department of Labour's Labour Market Analysis Unit. Easton's econometric identification of a huge unexplained set of factors he calls 'Maoriness' is indicative of our collective ignorance of the strands that link the market and non-market institutions. And clearly some of these have a great deal to do with wide gap which Henare exposes between the cultural demands of the European workplace and the values underlying the operation of the Maori community. The juxtaposition of the 'economy of affection' and the 'economy of exploitation' poses an important intellectual as well as a policy challenge to our understanding. So too does Hazledine's concern over the diminished scope for the operation of empathy and mutuality in the relationship between employers and employees

Final Reflections

In closing the 1994 conference, Brian Easton made a number of reflective comments. He noted how, despite many of us having participated in several of these conferences, we are still reluctant to think collectively as evidenced for example by the few cross-references to other participants in the 1992 conference proceedings. We are still much more likely to reference overseas material than research by our New Zealand colleagues.

Easton's point is just as valid a comment on the way we prepared papers for this 1994 conference. Several papers in this volume deal with the same ideas, but show little evidence or awareness of parallel or relevant work being conducted in other New Zealand centres or other disciplines. Clearly, we must read each other's work and show we have done so by discussing the ideas and findings in a spirit of constructive and positive cooperation. This overview is a tentative start.

1. I wish to thank Paul Callister, Brian Silverstone, and Pat Walsh for reading and commenting on a draft of this overview. Needless to say any errors of interpretation are mine.