

The Jobs Letter

No. 125

2 June 2000

Essential Information on an Essential Issue

KEY

WEBEDUCATION

THE HOT JOBS FOR 2025

SKILL SHORTAGES

MAYORS FOR JOBS

TAIRAWHITI TASKFORCE

TIME USE SURVEY

CONFERENCES

DIARY

11 May 2000

The Post Primary Teachers Association declares today Sam Parnell Day, after the man considered to be the founder of the eight hour working day in NZ. The PPTA says that its members commonly work 11 – 12 hours and is encouraging teachers to mark the day by stopping work after eight hours.

13 May 2000

Dairy farm staff are in short supply. Tom Lambie of Federated Farmers says that dairy labour shortages are a nation-wide problem and are a result of more and more dry-stock farms converting to milk production. NZ's milk production has increased 50% over the last ten years.

15 May 2000

In light of the Hunn report, the government asks the Ministry of Social Policy, the Department of Labour and the State Services Commission to prepare a forward strategy for Winz. The government also asks the State Services Commission to prepare a paper for cabinet on a comprehensive strategy for the public service.

16 May 2000

The government is in discussion with polytechs and universities about a deal to freeze student fees next year. All details are not yet public, but it is believed that Minister of Tertiary Education Steve Maharey has proposed to

- With “business confidence” the talk of the country (see *Diary*), the need to address **skills shortages in the economy** is becoming one of the key concerns of the government.

Example: **Forestry**. This industry generates \$2.3 billion in export earnings and directly employs 23,000 people. But, while maturing forests mean that this sector is poised to grow considerably over the next decade ... industry sources report that growth in this sector will be hampered by **the lack of skilled workers available** to log the trees.

Speaking to a meeting at the Forestry Industries Training and Education Council last week, Employment Minister **Steve Maharey** noted that forests are being locked up until enough skilled workers are available to maintain them. Maharey: “It would be a tragedy if this potential was nipped in the bud because we are not giving people the chance to be part of the skilled workforce...”

But Maharey also says that the situation in the forestry sector is **typical of many skilled industries** in New Zealand.

- What is the government going to do about the skills shortages? Maharey points to the recent announcements on the new **Modern Apprenticeships Programme**, which will increase the numbers involved in on-the-job training. He has also announced that **additional funds** will be made available to meet the costs of increased demand for training run through Industry Training Organisations (ITOs).

Maharey also says that he will be making it a requirement of the **Winz Regional Commissioners** to work with local industry to identify and plug the skills gaps in the local economy. This requirement will be **written into the new purchase agreements** with the Department of Work and Income.

- Earlier in the month, Steve Maharey and Economic Development Minister Jim Anderton met with representatives of the **Mayors Taskforce for Jobs** to discuss how local and central government can achieve a better partnership in addressing employment issues.

The Mayors at the meeting included Garry Moore (Christchurch), Frana Cardno (Southland), Jenny Brash (Porirua), John Chaffey (Hurunui), Sukhi Turner (Dunedin), Graeme Ramsey (Kaipara), Tim Shadbolt (Invercargill), and Derek Fox (Wairoa).

- The Mayors report that there was “**complete commitment**” from the Ministers to the objectives of the Mayors Taskforce for Jobs. The Ministers acknowledged the need for strong local leadership as a way of **strengthening regional communities** ... and said that central government is committed to working collaboratively with the local government sector, probably with joint ventures.

Specific points arising from the meeting included:

— there will be a requirement for all government Chief Executives, and their departments, to consult with local communities.

— there is a review planned of all money currently spent on industry development, with the aim of ensuring investment is being put in the right places.

The Jobs Letter : ESSENTIAL INFORMATION and MEDIA WATCH on JOBS

EMPLOYMENT, UNEMPLOYMENT, the FUTURE of WORK, and related EDUCATION and ECONOMIC issues

The Jobs Letter , P.O.Box 428, New Plymouth, New Zealand. ph 06-753-4434, fax 06-758-3928, email editor@jobsletter.org.nz

The Jobs Letter

DIARY

give institutions a 2.3% rise in funding if they agree not to raise student course fees.

Corrections Minister Matt Robson confirms that Ngawha, near Kaikohe, will be the site of a new prison. Robson says the Ngawha prison will run the best rehabilitation programmes available, will be designed in partnership with the community and will keep Northland offenders in the North ... near the support of their whanau/families. Robson believes it is important to see jobs available in Northland for prisoners once they are released, and says that the new prison goes hand-in-hand with regional development.

Green Party justice spokesperson Nandor Tanczos says the proposed prison at Ngawha does not have the support of Northlanders and that Matt Robson has been captured by corrections officials. Tanczos says locals want small scale rehabilitative units with a focus on crime prevention, not a 350-bed prison.

17 May 2000

Shortages of experienced theatre nurses in Wellington Hospital has resulted in 19 operations being postponed last month.

Business confidence sags after the announcement of interest rate rises. Finance minister Michael Cullen says he expects economic growth to have been very low or even negative for the first quarter of this year.

18 May 2000

The international value of the NZ dollar hits a 15-year low against the US dollar. A low dollar encourages foreign tourism and commodity exports but will lift the prices of imported goods, as reflected in the recent petrol price rises.

20 May 2000

Women in retirement are more than twice as likely to live in poverty as men are. A report from the Retirement Commissioner says that women earn less and therefore save less than men do. The report also says that women live longer and their savings have to stretch further.

— all government employment and economic development initiatives will look at closing the gaps with regard to Maori disadvantage, and also be focussed on turning around rural decline.

— the Mayors Taskforce for Jobs could be involved in providing a “compact” with the economic development and employment sector similar to the “compact” with the voluntary sector, which is due to be announced shortly.

— there was agreement on the importance of a national debate on the future of work. The Department of Labour reported to the meeting that they will be working on these issues within the Labour Market Policy Group (LMPG).

- The Mayors have also asked the government to consider supporting a **programme of public works** to create local jobs. Christchurch Mayor Garry Moore says that while economic growth will be fundamental for the jobs of the future ... it will not deliver the jobs that we need immediately. Moore: “There will have to be a public projects element put in place ... which will probably be local government projects.”

Moore describes such public works projects as “appropriate intervention”, and says they can be achieved without displacing existing jobs.

- One model for how government will work in partnership with the regions is starting to take shape on the East Coast — and it will be the first visible **test of the new “jobs machine”** promised by Jim Anderton.

Wairoa Mayor Derek Fox and Gisborne Mayor John Clarke have challenged the government to start implementing its development ideas in their region. They have set up the **Tairawhiti Development Taskforce** which brings together central and local government leaders, local Maori runanga, and representatives from the private sector ... all with the aim of providing leadership and direction to the economic and social development of the East Coast.

Economic Development Minister Jim Anderton has **agreed to chair** the Taskforce for six months — to give a sign of good faith in this venture, and also to help develop a model for collaboration that may also work in other regions.

Anderton: “This taskforce will ensure that all government agencies work together and develop local solutions for local problems. This “whole-of-government” approach is a new way of dealing with the issues of social, environmental and economic development...”

The Tairawhiti Taskforce is **establishing action teams** to focus on creating job opportunities, building life skills, addressing acute housing conditions, seizing opportunities in land and resource-based industries, and developing an electronic communications plan. It will have an executive and offices on the East Coast.

- Anderton is being joined on the Taskforce by the Associate Minister of Maori Affairs **Parekura Horomia**, and East Coast MP **Janet Mackey**. Horomia told a hui at Te Poho o Rawiri Marae earlier this month that the government will especially listen to the concerns, ideas and solutions suggested by **Maori groups** in the region. Horomia: “This government is serious about going forward and working together, but we don’t have all the answers, and solutions need to be found in partnership with the community. I’ve listened to governments come into this area and make promises before. This time its about true partnership and this coalition government is committed to making sure that happens.”

(continued on page five)

TRENDS

The WEBEDUCATION of KNOWLEDGE WORKERS

Triggered by the internet, continuing adult education looks set become a major growth industry. **PETER DRUCKER**, America's leading corporate management guru, now 90 years of age, has just produced ten teaching programmes to be marketed on the internet by Corpedia.

Writing in this month's *Forbes* magazine, Drucker says that online continuing education is creating a new and distinct educational realm, and it will be the future of education. American educational institutions now have their eye on a global education market that is potentially worth hundreds of billions of dollars.

In this special feature, we present a summary of Drucker's thoughts on the future of online adult education.

- Education is already grabbing a major chunk of the gross national product. The US now spends around \$1 trillion on education and training. This number will increase rapidly, but the growth won't be in traditional schools, which currently take about 10% of the GNP (kindergarten through high school, 6%; colleges and universities, 4%). The growth will be in continuing adult education.

Online delivery is the trigger for this growth, but the demand for lifetime education stems from profound changes in society. In simplest terms, people who are already highly educated and high achievers increasingly sense that they are not keeping up.

Men and women in their mid-forties are going back to school because they want and need new ways of looking at things outside of their competencies. They want to learn to see things whole. Many of them are there to reflect on their experiences, to see them in a broader perspective.

They need this perspective to cope with today's bewildering technological and economic changes. Engineers tell me that they need a thorough refresher course in their specialties at least every other year and a "reimmersion" — their word — in the basics at least every four years.

So do millions of other knowledge workers. The market for continuing education is already much bigger than most people realize. A good guess is that it already accounts for 6% of GNP in the US and is rapidly getting there in other developed countries. It is going to get a lot higher.

- Why this explosion of demand? We live in an economy where knowledge, not buildings and machinery, is the chief resource and where knowledge-workers make up the biggest part of the work force. Until well into the 20th century, most workers were manual workers. Today in the US, only about 20% do manual work. Of the remainder, nearly half, 40% of our total work force, are knowledge-workers. The proportions are roughly similar for other developed countries.

"The means are finally at hand to improve productivity in education..."

— Peter Drucker

- Workers have always had to gain skills, but knowledge is different from skill. Skills change very slowly. If Socrates were to return to the world and resume his trade as a stonemason, he would recognize every tool and would know how to use it. His finished product would be identical for practical purposes with the steles he hewed for a living 2,400 years ago. My Dutch ancestors ran a print shop in Amsterdam from 1517 until around 1730. In all those centuries none of them had to learn a new skill. It was the same in most industries.

For most of human history a skilled worker had learned what he needed to learn by the time his apprenticeship was finished at 18 or 19. Not so with the modern knowledge-worker. Physicians, medical technicians in the pathology lab, computer-repair people, lawyers and human resource managers can scarcely keep up with developments in their fields. This is why so many professional associations put continuing education among their highest priorities.

The Jobs Letter

- Keeping up with knowledge and seeing the world whole mattered less in the days of lifetime employment. When young people took a job at Metropolitan Life or the telephone company or General Motors or Royal Dutch/Shell or Mitsubishi, they often expected to remain there until retirement.

That assumed that the company would be around for the rest of one's career. In fact, few companies remain successful for more than two to three decades, and that organisational life span is shrinking. And not just in declining industries. In 1990 Digital Equipment Corp. was

"A great thing about knowledge is that it is mobile and transferable. It belongs to you, not to your employer or the state. And it is highly marketable today..."

— Peter Drucker

the second-biggest company in the computer industry; a decade later it no longer exists as an independent company. In the early 1980s nothing could stop IBM; in the 1990s it shed more than 100,000 jobs. Does anyone remember the once-great British motorcar industry?

As giant companies spin off manufacturing operations in favor of outsourcing, job turnover mounts. A young person entering the work force in 2000, with a possible working life of 50 years, has little expectation and almost no chance of working for the same company even a decade hence. In this world people must take responsibility for their own futures. They cannot simply count on ascending a career ladder.

- A great thing about knowledge is that it is mobile and transferable. It belongs to you, not to your employer or the state. And it is highly marketable today.
- With a potential market for continuing adult education thus embracing at least 40% of the typical developed-country's work force, conventional institutions no longer suffice. They are too expensive and insufficiently accessible in a physical sense. In Southern California, where I teach, the highways are clogged. People who have families and are already working a full day can ill afford the commuting time to get to a traditional school. They need accessible and flexible ways of learning.

Already colleges and universities are putting some of their best teachers and their best courses on the Internet. Students can access this sort of material from their homes at their own convenience. Or the learning can be digitized and sent to satellite learning centers, where small groups of students can meet after working hours.

Imagine the potential in online learning for the world's poor countries to leapfrog their way up the development ladder. Assuming that their politicians do not try to control the Internet's content and delivery systems, people in the developing countries will be able to use the Internet to access the developed-world's best brains and valuable data, without the expense of building and staffing great universities.

Bright and ambitious young men and women of the emerging-market countries will get first-class educations without leaving home—thereby addressing the brain-drain problem that has helped to widen the gap between rich and poor nations.

- Judging by historical experience, the new online continuing education of the already well-educated will not replace traditional education. New channels of distribution are typically additions and complements rather than replacements.

Television, for example, did not kill radio or magazines or books. The new medium, TV, walked off with much of the growth, but the other media continued to thrive and grow, too.

Online teaching, however, is more than just time-efficient and cost-efficient. It is more flexible than the classroom in that the student not getting the point right away can replay the material. The interactivity of online education, its facility for blending graphics and pictures with the spoken word, give it an advantage over the typical classroom.

With the interactivity of the Internet, we get the equivalent of a one-to-one teacher-student ratio. Around the world, chat rooms or study groups can easily be formed to discuss how best to apply global ideas to local businesses or health or other organizations.

In short, the means are finally at hand to improve productivity in education.

The Jobs Letter

DIARY

23 May 2000

Income-related rents for state housing tenants will be re-established on December 1st. Over 40,000 state tenants will have their rents reduced to 25% of their income. Other low income tenants will continue to receive the accommodation supplement. For a family of five in a state house, this will mean about \$40 per week more to live on.

As business confidence dips to 1998 levels, Ministers Michael Cullen and Margaret Wilson say they are open minded about the feedback they are getting to the Employment Relations Bill. The select committee hearing public submissions on the Bill will report back on June 20th.

Helen Clark says the investment package into the arts will result in more jobs. Clark says that a strong and vibrant creative industry sector can provide sustainable employment and economic growth.

25 May 2000

Massey University proposes to drop 116 staff over the next two years, primarily in Palmerston North. Vice-chancellor James McWha says the university intends to discontinue courses that do not attract enough students. Staff losses will be in sciences, humanities, social sciences, and business.

In December, same-sex couples will be recognised as having equal status to heterosexual couples in regards to some state services. Same-sex couples, who are both on a benefit, will be able to qualify for state housing. The change will also see same-sex couples benefit levels based on the existing couples rate, rather than for two singles. For people over 25yrs, this could result in a combined reduction of their benefits of \$49/wk.

26 May 2000

Massey University students dispute the vice-chancellor's statement that cutting classes is because of dropping student demand. Student president Matt Davies says that students were not consulted about the changes, and he blames the drained resources on Massey's aggressive expansion throughout NZ and to Singapore, Fiji and onto the internet. Davies: "We believe that Massey are stretching their resources too thinly and are not responsive to the needs of students at all Massey campuses."

- **Caring for household members** (— from the **Time Use Survey**, conducted in 1999 by *Statistics NZ*). New Zealanders aged 12 and over spend an average of 31 minutes per person per day doing caring work for other household members as a primary activity. This caring includes physical care, teaching and playing with household members, but does not include housework or household shopping.

Mothers spend more time caring for other household members than fathers, particularly when the children being cared for are aged 4 years and under. The group that spends the most time in caring, however, is Maori women, who spend an average 58 minutes a day caring as a primary activity, and 8.7 hours caring as a simultaneous activity (eg child-minding while studying). By contrast non-Maori women spend a corresponding 42 minutes and 5.7 hours respectively.

Compared to the time spent caring for children, caring for adults as a primary activity is relatively low — a per person average of 3.5 minutes a day.

- **Conference One. The Future of Work and Income Conference** — Palmerston North Council Chambers 22 September 2000 8:30am-4:30pm. This conference is a follow-up from the successful Employment Summit held in March 1999. It will be co-chaired by Minister of Employment Steve Maharey and Palmerston North Mayor Jill White.

From the conference flyer: "For about the last two decades, real average wages have fallen for most people. The young people of today are the first generation to be worse off than their parents. Careers as we knew them are a thing of the past. Probably half the workforce are in part-time or non-permanent jobs with many people wanting but unable to get more paid work. Unemployment and underemployment is probably 2.5 times the official rate, with Maori and Pacific Island rates at least double the average, yet the economy continues to grow. There appears to be a down-skilling in many sectors and the new jobs tend to be insecure and low paid. Will jobs meet the income needs of the majority in the future? What are the options, both nationally and locally? What are the issues? How do we deal with them?"

For further information contact Dennis Morgan 06-356-8199 or Ian Ritchie 06-328-9618 or write to The Future of Work and Income Conference, Palmerston North City Council, Private Bag 11-034, Palmerston North.

- **Conference Two. The Sustainable Work Conference** — Wellington 27-29 October 2000, organised by the Workers Educational Association (WEA). This conference will start with Ministers Steve Maharey and Tariana Turia discussing the question: Does the focus on economic growth create an uncivil society and widen the gaps? The rest of the weekend will involve presentations and workshops around the theme of "working for a sustainable world where everyone's contribution to society is recognised and valued..."

For further information contact Katherine Peet C/- WEA P.O.Box 12-013 Wellington 04-473-6623

- **Conference Three. The Ninth Conference on Labour Employment and Work** — Victoria University of Wellington 23-24 November 2000. These conferences have been held since 1984, with the aim of offering academic researchers an opportunity to meet and discuss their work. Papers to this conference are invited from any university discipline, Crown Research Institute, or other public or private organisation or individual undertaking research into labour, employment or work issues in NZ. For more information, contact Philip Morrison, Victoria University, P.O.Box 600 Wellington, or visit their website at <http://www.geo.vuw.ac.nz/conferences/lew9>

DIARY

The police inquiry into the Waipareira Trust finds no evidence of criminal wrong-doing. Labour MP and former Waipareira CEO John Tamihere says any further inquiry into Waipareira's affairs would be a waste of public money.

29 May 2000

Four out of five dental graduates have student debts of over \$80,000 and say their debts are inhibiting them from getting home loans or setting up a practice. Most dental graduates earn between \$45,000 and \$70,000, although those earning the higher amount tended to be working overseas.

The BNZ predicts that economic growth figures will be above what had been predicted for the first quarter. Although the dollar has dropped substantially, the BNZ says that economy is on a 'firm foundation' and predicts that when the figures are out, NZ will have had 1% quarterly growth.

Minister of Labour Margaret Wilson says paid parental leave has now become "a low legislative priority".

30 May 2000

The National Bank's monthly survey of business confidence reveals the biggest business confidence slump in the survey's history. The survey shows that a net 21% of firms expect general business conditions to deteriorate over the next year, a sharp reversal from the net 15% expecting an improvement in April. For the first time in two years, pessimists accounted for more replies to the survey (36%) than optimists (15%).

Editor

Vivian Hutchinson

Associates

Dave Owens

Jo Howard

Rodger Smith

TRENDS

The HOT JOBS in 2025

"For the brave, a new world indeed"
— Time editors

"Our World, Our Work" is the latest installment of Time magazine's "Visions of the 21st Century" series, and it features the magazine's predictions on the future of work in the next 25 years. The Time report (available in its US print edition only, or on the internet) includes articles by management guru Tom Peters, US General Wesley Clark, corporate philosopher Francis Fukuyama and Nobel prizewinning economist Amartya Sen, among others.

Time predicts that the internet will become "a great nexus of efficiency" over the next 25 years, with "white collar robots" handling all manner of tasks that white-collar humans used to do. The 21st century worker will be a multi-talented freelancer, hooked up to faceless co-workers around the world and "...living on his reputation, not his relationship with the boss."

What will be the 10 hottest jobs in 2025?

Here's a summary of the Time list:

1. Tissue Engineers.

Man-made skin is already on the market and artificial cartilage not far behind. Researchers have successfully grown new intestines and bladders inside animals' abdominal cavities, and work has begun on building liver, heart and kidney tissue.

2. Gene Programmers.

Digital genome maps will allow lab technicians to create customized prescriptions, altering individual genes by rewriting lines of computer code. After scanning your DNA for defects, doctors will use gene therapy and "smart" molecules to prevent a variety of diseases, including certain cancers.

3. Pharmers.

New-age farmers will raise crops and livestock that have been genetically engineered to produce therapeutic proteins. Works in progress include a vaccine-carrying tomato and drug-laden milk from cows, sheep and goats.

4. Frankenfood Monitors.

Genetically engineered fast-growing fish and freeze-resistant fruits will help feed an

overpopulated planet ... but such hybrids could also unwittingly wipe out the food chain. Eco-scouts will be on the lookout for so-called Trojan gene effects, and bounty hunters will help environmental authorities eliminate transgenic species that get out of hand.

5. Data Miners.

Research gurus will be needed to extract useful tidbits from mountains of data.

6. Hot-line Handymen.

Remote diagnostics will take care of most of your home electronics, but a few repairmen will still make house calls ... via video phone.

7. Virtual-reality Actors.

Pay-per-view will become pay-per-play, allowing these actors to interact with you in cyberspace dramas.

8. Narrowcasters.

Today's broadcasting industry will become increasingly personalized, working with advertisers to create content (read: product placement) just for you.

9. Turing Testers.

Computer engineers will continue to measure their efforts to mimic human intelligence, as British mathematician Alan Turing suggested 50 years ago, by asking you whether you're talking to a person or a machine. By the time you can't tell the difference, these human simulators will be used as unflappable customer service reps as well as Internet attaches who can summarize your e-mails and even write back.

10. Knowledge Engineers.

Artificial-intelligence brokers will translate your expertise into software, then downsize you.

... and what jobs will disappear?

Time says farewell to **Stockbrokers, Auto Dealers, Mail Carriers, Insurance and Real Estate Agents** (the Internet will eradicate middlemen by the millions); **Teachers** (it will be webeducation); **Printers** (Xerox hopes to produce a material that's as flexible as regular paper and as versatile as a computer screen); **Stenographers** (replaced by sophisticated voice-recognition software); **Prison Guards** (criminals will be restrained by microscopic implants) and **Truckers** (roads will have "smart" lanes enabling computer-driven vehicles to travel bumper to bumper at high speeds).

Source — Time Magazine (US edition) 22 May 2000. The Visions 21 series is available on the internet at <http://www.time.com/time/reports/v21/>