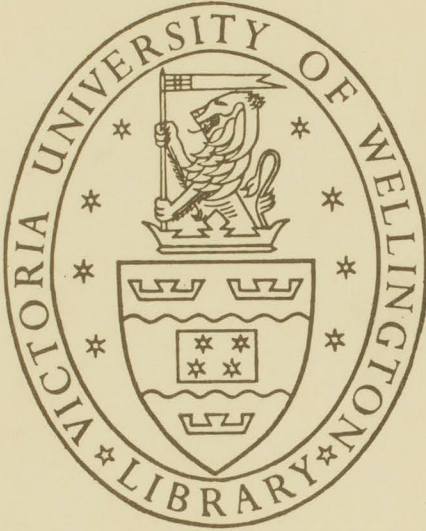


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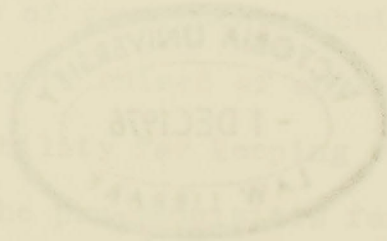




LAW AND SOCIAL POLICY
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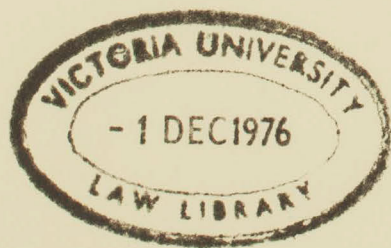
"THE DEVELOPMENT AND DIRECTION OF THE ROLE
OF THE DEPARTMENT OF LABOUR IN ASSISTANCE
FOR UNEMPLOYED PEOPLE."

Rosemary Te Heu Heu



1976

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I.

Introduction.

Everyone who is seeking employment, whether currently unemployed or wanting a change of job, is entitled to enrol for employment with the Department of Labour's Employment Service. They may enrol irrespective of age, marital status or eligibility for unemployment benefit. In practice however several classes of people do not use the Employment Service at all. The functions of the Employment Service in registration of the unemployed has given it a popular image of being an unemployment service rather than an employment service.

This paper examines the development and present functions of the Department of Labour's Employment Service in relation to unemployment and in looking at the future of the Employment Service raises the question of whether its unemployment function could not be better removed.

The Department has two principle functions connected with unemployment - finding jobs for those who use the Service and registering those who cannot be found jobs; and administering the special government works schemes. The relationship of the Department of Labour with the Department of Social Welfare over unemployment benefit eligibility is discussed here as is the development of another form of assistance for unemployed people in the form of government subsidised work.

The dichotomy is raised of an Employment Service still retaining responsibility for keeping registers of unemployed people as one of the pre-requisites for the Department of Social Welfare granting unemployment benefits, while at the same time the Department of Labour is attempting to upgrade and expand the Employment Service to provide a comprehensive employment advisory and placement service for a wider range of occupations than at present.

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Sustenance Payments And Unemployment Benefits.

Prior to 1930 relief for the unemployed was shared between the government and local bodies and before 1926 there was little public sense of responsibility for the welfare of people unemployed, although various relief schemes were provided in times of higher than usual unemployment, such as the late 1880's and early 1890's (Christchurch's Hagley Park for example was formed by relief labour during this period) and following the First World War. However most unemployment up to the 1920's was of a seasonal nature. Rising unemployment in 1926 led to the government and local bodies providing relief work on ordinary public works, for which the latter received a government subsidy. There was no such thing as an unemployment benefit.

In 1930 the Unemployment Act was passed setting up an Unemployment Board and Fund. The Board was to establish labour exchanges, encourage training and the promotion of employment in industry and provide sustenance for the unemployed. By the end of 1930, when the Board commenced operation, there were about 10,000 men registered as unemployed rising to 57,033 by July 1933 (exclusive of 18,000 employed on full-time work with the assistance of the Board). The Board was financed from a registration fee of £1 payable by all males over 20 years old plus an emergency unemployment charge of 1 $\frac{1}{4}$ % on incomes (of both men and women) which was raised to 3 $\frac{1}{3}$ % between 1935 and 1939.

In fact the notion of "no relief payment without work" prevailed through the early part of the 1930's. The consequent provision of work was not always of the productive nature intended although some useful public works were continued or initiated during this period. Work schemes in the 1930's are outlined elsewhere in this paper. With a lack of work available

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"sustenance" payments were granted on a more general basis only in 1934 without the work requirement. The Unemployment Board went out of existence in May of 1936 with the coming into operation of the Employment Promotion Act which placed the administration of unemployment on a departmental basis as at present. From 1939 unemployment benefit payments were made through the Social Security Department after the passing of the Social Security Act 1938.

Thus legislative provision for unemployment benefits came a number of years after the early social welfare provisions of the late nineteenth and early twentieth centuries for old-age pensions (1899), widows' pensions (1911) and miners' pensions (1911). (In 1846 the government had required near relatives to be responsible for the needy and in 1877 this was extended to include more distant relatives. Hospitals were given the responsibility for relief and charitable work in 1885 which was gradually removed in later legislation.)

The 1938 Act provided for unemployment benefits on a similar basis to the later 1964 Act. Social security benefits are based on what is officially seen as the minimum standard necessary to maintain a reasonable standard of living in New Zealand when the individual or family is unable to provide its own income. The 1938 legislation was described as the "embodiment of the public conscience as to the community's responsibilities for those who have been deprived of the means of fending for themselves." (1) It is generally accepted that the modern state has a responsibility to provide some form of social security through income maintenance of one kind or another. International Labour Organisation's Convention 102 on Social Security (Minimum Standards) of 1952 embodied the

(1) as quoted on p.4 of the report of the Royal Commission of inquiry on Social Security.

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following principles;

comprehensive cover of all no fault contingencies causing the wage earner temporary or permanent loss of earnings;

extension of this protection to all adults and their dependants;

benefits to be moderate but sufficient to maintain a socially acceptable standard of living; and

financing by fair means.

Sections 58 to 60 of the Social Security Act 1964 give the requirements for eligibility for an unemployment benefit. S.58(I) provides for people aged sixteen and over who are not eligible for an age benefit to receive an unemployment benefit if they are unemployed; are capable of and willing to undertake suitable work; have taken reasonable steps to find work, and have resided continuously in NZ for at least twelve months.

"Taken reasonable steps to find work" in practice means registering with the Department of Labour, through the Employment Service, for work. The Department of Social Welfare can require applicants to produce further evidence of job-seeking by the applicant producing the signatures of several employers from whom he or she has sought work. This provision has recently been made mandatory. "Capable and willing to work" is interpreted in practice as being available for full-time employment for which the applicant has the necessary skills. "Suitable work" does not necessarily mean a job specifically in the applicant's usual or previous occupation. Refusal to take a job which the applicant is capable of doing can result in him or her being declared voluntarily

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unemployed, and therefore ineligible for the benefit for six weeks. This particular point is obviously open to the subjective judgment of officers from both departments, despite departmental manual instructions. The Employment Service sends regular returns to Social Welfare giving information on whether people registered as unemployed are regularly reporting to the Employment Service (a condition of receiving the benefit) and of those considered to be voluntarily unemployed. Social Welfare is not bound to act on this notification from the Employment Service but it obviously will take it seriously. An applicant may consider refusal to take a particular job offered by the Employment Service as valid - this is where conflict can and does arise. Difficulties can arise over physical capacity to do a job, such as the applicant claiming to have a bad back, although in such cases a medical certificate can be required. These however are not always conclusive - "suitable for light work only" can be rather vague in deciding whether a job is suitable.

Section 58(2) is a reflection of the breadwinner concept prevalent in other areas of income maintenance - "a married woman shall be entitled to receive a benefit under this section only if the Commission is satisfied that her husband is unable to maintain her." The application of the incomes test to determine payment of the benefit is on the basis of the incomes of the husband and wife together. Where the husband is not working he is likely to be receiving a benefit of some kind at the married rate. There would be few instances except for the still rare house-husband where a married woman would be eligible under present provisions.

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A separated woman could be eligible for the benefit provided she takes steps to sue her husband for maintenance. This would be about the only area where a woman who has previously been a housewife would be paid an unemployment benefit, provided she meets the other requirements of being able to work full-time etc. Recent changes (in 1975) allowing married women to be eligible for the sickness benefit in their own rights (albeit at half the married rate rather than at the higher single rate) are a small start in changing the concept of the husband as the breadwinner. If this were to be extended to include the unemployment benefit far more married women would surely register with the Employment Service than at present.

Section 58 also excludes under sixteen year olds from eligibility for the benefit, presumably on the grounds that they will be supported by their parents. With the increased flexibility in school leaving ages young school leavers constitute another disadvantaged group in relation to the unemployment benefit. All under twenty year olds are also at a disadvantage financially when on the benefit (and other benefits) with the difference in the rates payable from those over twenty.

Section 59 prescribes the rates for the benefit. Section 60 stipulates that the benefit is not payable for the first seven days of any period of unemployment, though there is discretion for this to be waived; and the commission can postpone for up to six weeks, or terminate, a benefit where the person is declared to be voluntarily unemployed.

Social security benefits policy appears to contain the assumption that some people are determined to take advantage of the system and get something for nothing. This gives rise to different officers and districts of both departments involved having differing interpretations of who is eligible,

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even within departmental instructions. At times there is also public debate on whether beneficiaries are abusing the system or on whether genuine cases are being denied benefits. The feeling amongst some that people on the unemployment benefit, in particular, are being supported in idleness by the taxpayer gives rise to letters to Ministers of Social Welfare and Labour, letters to newspaper editors and demands that "something be done". This kind of feeling towards unemployment beneficiaries may be partly influenced by their lack of physical or mental handicaps and with a fair number of jobs being advertised in newspapers - why are they not in employment? Assumptions such as these fail to take into account the skills needed for many of the positions advertised and the lack of relevant vocational skills of many of those on the unemployment benefit; immobility or unwillingness to move to another area; or age.

Some of these assumptions are reflected by politicians and changes in government policy such as the Minister of Social Welfare's announcement this year that supplementary benefits for those on some benefits including unemployment, would be limited by not being payable until the beneficiary has been on the ordinary benefit for four weeks (married) or six weeks (single). This was claimed to be necessary to prevent abuses of the social system (and to save some government money) but may have had more to do with the fact that some people are better off financially on the benefit than in their regular employment. At the same time the requirement for beneficiaries to produce to Social Welfare extra evidence of their job

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seeking efforts than previously (as discussed in an earlier section) was announced.

The problem of some people being better off financially on the benefit plus supplementaries than in paid employment is obviously an unpopular notion to the government and sections of the public service alike. Cases such as these are more readily apparent in a recession when the availability of overtime is reduced and more people are receiving only the basic award rates. Such discrepancies can be eased from other directions such as greater tax relief for those with dependants. This has been recognised in general by the progressive tax system and more specifically by the recent provisions for tax rebate for families' main breadwinners on relatively low incomes.

The following table gives comparisons of some award rates with the contemporary unemployment and supplementary benefit rates:

Date	U.B. Married Rate (Dollars)	Supplementary Benefits	U.B. Under 20 (Dollars)	Minimum Wage Order (Dollars)	Award Rates (Gross)	
					Local Body Labourers (Dollars)	Drivers (Under 10 Ton) (Dollars)
1972 31/3	31	Income exemption \$13 Additional benefit for children \$3 for first & \$1.25 for others	13.50	27	49.68	51.73
1974 1/7	44.70	Income exemption increased to \$17	20.50	48.40	59.70	62.17
1975 2/7		New additional benefit (on limited income & wealth) with max. of \$10 (married) & \$6 (single) plus \$6 for housing costs.	23.50	54.88	69.06	71.93
1976	55.32	Deferred for 4 to 6 weeks.	25.35	60.76	77.32	78.82

(1) Department of Employment Gazette-April 1976-p. 347.

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Measuring Unemployment

9.

Being registered as unemployed means registration by the Department of Labour's Employment Service as unemployed following failure to find a job after enrolling for employment with the Service. As registration with the Department is voluntary our unemployment figures do not include several classes of people out of work, such as those who prefer to find their own employment (particularly in the first week or so of unemployment) and those who see no advantage in becoming registered unemployed (e.g. married women and fifteen year old school leavers ineligible for the unemployment benefit).

In assessing the percentage of unemployment in the workforce several statistical methods are used e.g. registration with a government agency (as in NZ) or household surveys on a regular basis (such as in the USA and Sweden). Thus direct comparison of the percentage of the workforce or population who are unemployed from one country to another can be misleading. Even within a country comparisons from different data will show discrepancies; for instance census figures show a higher number of unemployed than do Labour Department statistics for the same period.

Other problems in defining unemployment can occur with groups who have never worked in full-time employment previously, such as school leavers and tertiary students, or not worked for a number of years, such as housewives or people who have been unable to work through sickness but are now able to do so. Present Labour Department unemployment figures include a category for school leavers and full time university students but not for housewives seeking employment. Despite the ineligibility of most married women for the unemployment benefit there is no prohibition on their being registered as unemployed and therefore would be no reason why a separate category

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for housewives seeking to return to work could not be included. At present they would be simply classified under "all other occupations". The tie-up in many people's minds between the Employment Service and the Department of Social Welfare would lead many housewives not to bother going to the Employment Service and perhaps similarly in the case of fifteen year old school leavers who would not be eligible for a benefit until they turn sixteen.

Who Are Registered As Unemployed?

In general people registered as unemployed are those with few, if any, useful vocational skills, with unstable work histories or in areas with little industry. Thus people in any of these categories can encounter difficulties in finding employment, more so in a recessionary period. Age and sex can also be handicaps in seeking employment.

Looking at the unemployment registration figures for the end of August 1976, amongst male registrants the largest single group listed their previous or normal occupation as general labourers and in descending order freezing workers (although this a seasonal indication); process, factory workers; drivers; farm workers; storemen, packers; porters etc; and building labourers. Occupational groups with the lowest absolute numbers registered were seamen, electricians and motor engineers.

Occupations of females registered as unemployed at the same date were in descending order - process, factory workers; domestic workers; sales workers; school-leavers; and clerical workers. Those occupations with the lowest numbers were in the traditional male areas of driving, labouring and engineering (trade), so little inference can be drawn from the latter about the security of women's employment in those occupations.

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However female school-leavers registered as unemployed with no previous full-time job were significantly higher than for males - 230 as compared to 88 - reflecting the problems of girls leaving school with fewer vocational skills than boys. Large numbers of boys leaving school enter apprenticeships while only about two percent of girls do so and then predominantly into ladies' hairdressing.

An analysis of males and females registered unemployed on the basis of marital status could be misleading if taken to indicate the proportion of married male and female workers unemployed, with the assumption among many married women that there is no point in seeking the Employment Service's assistance because of their ineligibility for unemployment benefit. As at the end of August 65 of the 2130 registered unemployed females were married, compared to 1315 of the 3709 males, a considerable proportionate difference. Another influencing factor is the much lower labour force participation rate of married women than men at all ages.

For both males and females single people comprise the largest group - 2146 male and 1851 female. A higher percentage of females were widowed or divorced than males. This is in part a reflection of the marital status composition of female registrants. Widowed and divorced women frequently have employment difficulties arising from child-care problems, and lack of vocational skills after a period spent out of the workforce. These problems are of course not restricted to widowed and divorced women but can be compounded in their cases.

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Differences in male and female registrants show up again in a breakdown of age-groups. Labour force participation rate differences are also shown up here. Other factors can include unequal opportunity for women in the workforce, time spent out of the workforce, narrower job aspirations, and married women's reluctance to register. Amongst female registered unemployed the largest single group was the under 18 year olds with a descending order corresponding to chronological age, while for males the largest single group was in the 20 to 29 age group, followed by the 18 and 19 year olds and the under-18's.

The end of August figures show a total of 5839 people registered as unemployed. These figures, as do earlier ones for the last year or so, show a disproportionately high percentage of females registered unemployed when compared to the percentage of the workforce that is female i.e. slightly over a third. However the figures exclude those on special work, where women form a low percentage of the total in comparison to their percentage in the workforce, with 1060 women on special work and 6775 men. Taking the two totals together (i.e. registered unemployed plus special work) we find that women's percentage of the total (3190 out of 13674) is far lower than the percentage of the workforce that is female. On the surface this tends to belie the assumption that women have been worst affected by the recession. However there are no accurate figures available of the numbers of married women out of work but unregistered. Conversely the former is also supported by the Department of Labour's Half-Yearly Surveys of Employment. In recent years these surveys have shown the

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female workforce as increasing more rapidly than the male in an economic upturn and decreasing (or increasing at a lower rate) in recessionary periods. It would be expected that over the last year the female workforce would have decreased

more than the male or increased less. However the female workforce from October 1975 to April 1976 (the latest survey available) increased slightly more than the male. This is seen as a reflection of the industry areas most affected by the recession e.g. private sector construction - a predominantly male industry - and the least affected i.e. the tertiary, service sector where many women are employed. This shows up a similar pattern to that in the USA and some other OECD countries.

Unfortunately separate figures on registrants' ethnic or racial origins are no longer recorded. It would be useful for a number of purposes to know what percentage of the registered unemployed were from minority groups such as Maoris and Pacific Islanders, along with their age groups, marital status and normal occupations. It could be assumed that on the basis of the generally lower socio-economic status of these groups in general they are over-represented on a population basis amongst the unemployed.

The average number of weeks people are enrolled with the Department of Labour has varied over the last three years from a high of 13.3 in October 1973 to a low of 3.7 in January 1975, although this does not reflect the absolute numbers registered, which for the two months given above were 1254 and 3135 respectively. Currently the average enrolment is six to seven weeks.

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Costs of Unemployment.

Fewer people in employment has a number of effects in economic and social terms to a country as a whole. From the economic point of view fewer goods and services are produced (although if demand for goods and services has declined and thus a cause of a drop in demand for labour then this factor in the short-term would be less relevant) and a consequent lowering of the national income and gross national product. With fewer people in employment, demand for goods and services will decrease simply with fewer people having money to spend.

Unemployment has a direct cost to government in two ways - a decrease in government revenue from income tax (assuming little or no change in income tax rates of those still in employment) and an increase in government expenditure through social security benefits. Estimating the costs of paying unemployment benefits is generally more difficult than of other benefits, as unemployment in the community fluctuates more than other disabilities such as sickness.

The initial costs of unemployment to the individual or the family in foregone earnings are the most obvious but possibly the most insidious is the loss in social status and individual sense of worth. An article in the April 1976 issue of the (British) Department of Employment Gazette ("The Demoralising Effect of Long-Term Unemployment") lists the stages of the effect of unemployment on an individual - first, shock at losing a job; second, an active job hunt and still optimistic; third, if no job has been found after a period, pessimism and active distress; and finally adoption of a fatalistic attitude and adaptation to a new state but with narrower horizons and a broken attitude. Most of the unemployed studied

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went through these stages especially those in the 25 to 45 age-group who had previously had a past history of steady employment. Factors such as boredom, stigma attached to being unemployed and the difficulties of obtaining new employment the longer the person is out of work all add to the pressures on an unemployed person. "Prolonged unemployment is for most people a profoundly corrosive experience, undermining personality and atrophying work capacities. And it is an experience some of the worst disadvantaged groups in our society are particularly vulnerable."^(I)

Not all people are financially worse off when unemployed than in paid employment and the concern expressed at a situation such as this has been discussed earlier. Now unemployment beneficiaries are not to receive more than they were being paid when in employment - a miniscule first step towards an earnings related benefit?

Provision of Government Subsidised Work For The Unemployed.

Payment of unemployment benefits is not however the only way for the government to provide assistance for the unemployed. Provision of temporary government subsidised work is another measure now commonly used although its origins are relatively recent. Special government work is provided as a response to rising unemployment. It has obvious short-term advantages in providing (supposedly) useful paid employment and may have a more widespread positive results in leading to job creation of a more permanent nature although it should not be seen as a substitute for long-term employment promotion measures under an active employment policy.

(I) Department of Employment Gazette - April 1976

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A number of relief work schemes were subsidised by the Unemployment Board in the 1930's, the first major effort by a New Zealand government to provide temporary work for the unemployed. Scheme 1 provided subsidies to local bodies for employment on capital work or special maintenance. Scheme 2 provided subsidies for work such as draining, fencing, clearing noxious weeds etc. Under scheme 3 local bodies were able to provide two days work as a Christmas relief measure. Farm labour and farm development work were subsidised under scheme 4 and in 1932 provision was made for the settlement of unemployed men and their families on small leased holdings of ten acres or more, where casual labour could be obtained on surrounding farms. This and schemes one to four were not able to cope with the levels of unemployment being experienced and so in 1931 the Board introduced scheme 5, which developed into the mainstay of the system.

Scheme 5 involved work of a national or local character by local bodies (who provided materials, tools, transport and supervision) with the money for wages from the Board. This was also extended to include work on private properties. After a few months there was little money left in the Fund and so work was rationed to three out of four weeks, with men working up to four days in the working weeks according to the number of dependents. Rationing of work caused considerable discontent and with more revenue from an emergency charge work was provided for each week but at reduced rates of pay

Other efforts to provide work included single men's camps in rural areas for highway maintenance, drainage, reclamation and forestry; gold-mining (Scheme 15); Maori land development;†

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building. Women were not included in any of the above schemes but Women's Employment Committees in the four main centres and some other towns, with finance from the Fund, established placement centres and training centres for women to learn domestic work. They were placed in private domestic employment.

In 1937 a subsidy of up to one hundred percent was granted to local bodies to provide full-time work for 7000 men for up to four months, and employment on public works was provided as well where possible in place of part-time relief work

Small scale winter work schemes were introduced in 1948, despite virtually full employment, mainly for seasonal workers in areas experiencing seasonal unemployment such as Gisborne. Scheme 13 was continued after the Second World War (it had been introduced in the 1930's) providing a wages subsidy for employing a small number of men unable to obtain ordinary employment if they had to be paid a full wage. Men employed under this scheme were usually in poor health and capable of light work only. These schemes were the only ones in operation from the 1940's up to the late 1960's. The numbers employed varied according to the levels of unemployment.

During 1967 and 1968 the winter work scheme was expanded to cope with a significant rise in unemployment. The expanded scheme covered a wider range of work in more government departments than previously. A total of 5358 men were placed under this scheme during the 1967/68 financial year. By 31 March 1968 the number remaining on the special government works jobs was 289.

During 1968 local authorities were invited to participate in a subsidised scheme employing registered unemployed men on labour intensive work. The government subsidised the wages to 75%. Some fifty-seven local authorities took part in the scheme

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in which a total of 655 men were placed with a maximum at any one time of 251. Six local authorities participated in 1969 in a further subsidised scheme, similar to the previous one.

With a higher general demand for labour in 1970 and 1971 the numbers of men employed on special works dropped. By 1972 the numbers had again increased to a total of 3171 in 1971/72. During 1972/73 the total was 7901. Because of an above average level of unemployment the scheme was run down but not terminated (as in previous years) in 1973 and 1974.

In February 1975 the full operation of the special work scheme was reintroduced by the government. Two notable developments were included in the revived scheme viz. the inclusion of women and the extension of the scheme to include hospital boards as well as government departments and local authorities.

Work carried out under these schemes has to be of a useful nature and those employed are paid the going rate for the job on the same basis as permanent workers. Work provided varies from tree planting to clerical work in government departments to upgrading maraes. To be eligible for special work people must be registered as unemployed. The time employed depends on the nature of the work being carried out and some special workers are then taken on to the permanent staff. Priority is given to those with dependants to support, or no other source of income - a further confirmation of the breadwinner concept.

Apart from providing temporary work for unemployed people job creation can have a beneficial spin-off effect in the community with the creation of further job opportunities, as part of an active employment policy. Job creation measures have been taken in a number of other countries, both for permanent and temporary work.

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In Australia the use of special projects as an unemployment relief scheme in country areas has given way to the concept of using similar projects as a valuable means of upgrading the skills of unemployed Aboriginals. Preference is now given to projects of special value to their communities such as provision of community facilities or generating further employment opportunities. In Sweden a 75% government subsidy is provided for general relief work for disadvantaged groups such as women, the elderly & the handicapped. A number of programmes have been introduced in the USA to provide temporary or permanent work for the disadvantaged eg the Neighbourhood Youth Corps. Active employment Policy measures usually include similar concepts to these ones.

Present and Future Roles of the Employment Service.

A comprehensive employment and advisory service is generally regarded as being an essential part of an active employment (or labour market) policy. The Employment Service is currently being upgraded and expanded to make it available for a wider variety of occupations and to provide employment counselling (the latter when the Vocational Guidance Service is amalgamated with the Employment Service next year). On the employment side this involves the recruitment of more employment officers, better training for them and improved accommodation. Employment officers are generally expected to have a reasonable knowledge of private sector employment or at least be capable of doing so. They come from a variety of employment backgrounds.

Staff training courses emphasise the official philosophy of employment promotion rather than simply dealing with unemployment although this is difficult in a period of higher than normal unemployment. Prevailing attitudes

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towards unemployment and to the ²⁰ people using the Employment Service, who tend to be mainly unskilled or semiskilled workers, mean that the officially laid down "line" does not always work in practice. Some employment officers seem to believe their main aim should be to keep their register of unemployed low by taking a very narrow view of who should be registered and thereby establish eligibility for the benefit.

Departmental manuals of instruction go into some detail on procedure for enrolling for employment, consequent registration as unemployed if no suitable work is found and notification to Social Welfare of those registered. The Employment Service is expected to give priority in placement to people on the benefit or at least registered as unemployed. Once on the unemployment register, in order to maintain their registration (and their benefits) people have to report to the Employment Service regularly, usually once a week although they can be required to report more often. Some districts set aside a specific time or day for reporting while others spread reporting over a longer period. If reporting is not maintained the unemployment registration is considered to have lapsed, which is reported to Social Welfare who then cease paying the benefit. From the point of view of someone seeking a benefit it must seem to involve unnecessary bureaucratic red-tape to have to deal with two government departments in order to receive a benefit. From another point of view the Employment Service is useful as a way of applicants fulfilling the requirement of taking reasonable steps to find work, although this need not be the only method, as discussed below.

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The expansion, or rather the planned expansion, of the Employment Service is following patterns developed in a number of other countries' government run employment centres where vacancies in a wide spectrum of occupations are offered such as in Sweden and Britain. Is this necessary when there are a number of private employment agencies already in existence which usually specialise in one or two areas of employment? This raises the issue of the extent of government activity - should it simply be in the areas not provided for in the private sector along the lines of the residual welfare model of social policy examined by Titmuss? (I) From the point of view of the cost to the taxpayer the old system would be the cheapest, but not necessarily the best.

In attempting to have a wider variety of vacancies available than at present the Employment Service is faced with two problems - firstly persuading employers that the Service can find suitable applicants for the positions and secondly by persuading potential job seekers that the Service has such jobs available. Expansion in this area has been limited through the traditional image of the Employment Service as the place to go to apply for the "dole" and also by the concentration of much of the staff's efforts at present on seeking work for those registered as unemployed, who are mainly unskilled. Employment promotion by employment officers i.e. by maintaining regular contact with local employers, tends to be diminished when unemployment rises.

(I) "Social Policy - an introduction" - R.M. Titmuss - pp 30 - 31

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An expanded Employment Service with employment and vocational counselling available may not be able to fulfill new functions if it continues to maintain its traditional ones of registering people as unemployed and having influence through this on who receives an unemployment benefit, and who is not eligible. There is no mention in the Labour Department Act or the Social Security Act of the Labour Department's role in relation to the unemployment benefit - it is simply accepted practice. Hence there would be no legislative obstacles to remove this function from the Labour Department to Social Welfare. This has in one way been made easier by Social Welfare's requirement of employers' signatures as proof of an applicant's job seeking efforts and could in effect over-ride the necessity for registration of unemployed people with both Social Welfare and Labour Departments.

An unemployed person could go straight to Social Welfare, apply for a benefit, be required to prove he or she has applied for job vacancies (which could be done by the applicant's own efforts or by seeking the assistance of the Employment Service at the applicant's own choice) and from there establish eligibility for the benefit. This would remove the "dole" image from an upgraded and expanded Employment Service and allow it to concentrate on normal placement activities and on employment promotion, which it is unable to carry out properly at present and which the private sector agencies would not have the resources

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to do.

This leaves out the question of administration of the special works schemes. If the Employment Service were to continue its responsibility in this area Social Welfare would have to notify the names of those people suitable for such work. This again raises the necessity for unemployed people to be dealing with two different government departments although at least it would be for a job, albeit temporary, rather than for the benefit. It could have the advantage of separating out the job finding from benefit application although close liaison would still be necessary between the Employment Service and Social Welfare.

Separation of any influence in determining eligibility for the unemployment benefit from the Employment Service would leave the Service with more resources to carry out its functions in the employment promotion area and to continue its present specialist work in finding jobs for various disadvantaged groups such as the physically and mentally handicapped. Other disadvantaged groups in employment e.g. women and members of minority ethnic groups could also benefit from this re-allocation of resources.

Support for the idea of an extended employment service has come from various sources. It is perhaps best summed up by the 1969 report of the NDC's Labour Committee -

"Experience abroad, particularly Sweden, indicates that the successful implementation of a labour market policy is greatly assisted through an employment service which appeals to, and is used by, employees and employers in all industrial and occupational groups." (I)

(I) NDC Labour Committee report 1969 - p. 36.

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