

SHRINKING GOVERNMENT - A NEW ZEALAND STORY

The effects on Volunteers, Voluntary Organizations and their Clients.

Mary Woods

Basis of a workshop given at ICVA Conference October 18, 1996

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Abstract:

Since 1984 the New Zealand economy and public service sector have undergone much needed reform. Public spending and national debt have been reduced. Public service is more efficient and government is more transparent. All are desirable outcomes, but the cost has been borne by the voluntary sector and the people it serves. This article examines the effects of these changes on voluntary organizations, their clients and volunteers and suggests what is needed for the future.

New Zealand is being heralded as a model for economic reform. A high price is being paid for this reform by the voluntary sector in New Zealand. To understand the situation first it is necessary to describe the New Zealand context.

New Zealand is a small island country in the South Pacific with a temperate climate and an economy that has traditionally been dominated by agriculture, although that is changing. It has a total population of 3.6 million people. New Zealand is a bi-cultural nation based on the 1840 Treaty of Waitangi between the Maori (the indigenous people) and Queen Victoria on behalf of the British colonialists. This treaty was variously abused over a period of 140 years. Efforts now are being made to honour the treaty in law and practice and to recognize the equality of the two cultures. New Zealand has a central government and a single legislative chamber, but has no state or provincial government. It does have local body government

Over the past 12 years New Zealand has been subject to continuous change.

In 1984 New Zealand was distinguished by a "cradle to the grave" welfare system, over-regulated economy and increasing budget deficit and overseas debt. It had a large number of inefficient public service sector where government departments delivered services that in other countries were delivered by private enterprise. These features were not all desirable or in the best interests of New Zealanders, so the prospect of reform was welcomed.

The changes over the last 12 years have been both structural and economic. There were changes to the structure and management systems of government departments to bring about better performance, accountability, fiscal management and transparency. Certain commercial activities such as telephone, banking, and railways, were separated off from government departments to form state owned enterprises. Some of these were eventually sold to private enterprise. There were overall funding reductions by central government and the requirement that government departments recover their costs from users.

The purpose for these changes was to cut public spending and reduce debt. This goal has been achieved. New Zealand has a greatly decreased national debt, much less wastage in government departments than previously and structures are in place for them to provide better service. The privatization of state owned enterprises such as the telephone service and the national airline has allowed competition which has benefited the public. But there have been costs associated with these changes. New Zealand's health and welfare services have eroded and while some people are richer, many are poorer. The welfare state is gone.

Support for the changes can be heard in value statements that seem to come from the philosophy of the New Right. We hear that the welfare state brings about dependency, and therefore is undesirable; that economic value supersedes all other values; there is a climate of individualism implying that people should be able to look after themselves and be self sufficient; and it is desirable to return to the charity

model where the rich help the poor in a paternalistic manner. The author does not accept any of these statements.

THE HISTORY OF VOLUNTARY WORK IN NEW ZEALAND

British colonialists brought their model of voluntary work with them when they settled New Zealand in the nineteenth century. They tried to produce copies of British charities doing good works for the poor. One's association with these charities became a way of to "demarcate the respectable from the unrespectable and to establish status"(Tennant,1993). Inevitably, however, the New Zealand voluntary sector took on its own distinctive identity, which was shaped by the social, political and racial climate of that place and time. Many settlers had left the British class system and wanted to establish an egalitarian society in their new land. The presence of charitable organisations and volunteers working in the community gave rise to ambivalence about the concept of volunteering as the colonialists were loathe to acknowledge the presence of needy people in this new society.

The unique pattern of public assistance in New Zealand has been shaped by development of the welfare state that seemed to reduce the need for much volunteer activity in this area until the middle of this century. The government was seen as the provider of health and welfare needs. By the 1950s and 60s, however, people were realising that there were needs beyond those that could be met only by the state. Voluntary groups proliferated. They provided for other than the material requirements of specific groups such as battered women, violent men, pregnant women, street kids, single parents etc. These voluntary groups were focused on the needs of their particular client group and structured to be flexible enough to respond to specific needs. Those decades also saw the rise of the "self-help" movement where groups of people come together to assist their own members.

During this time the government and voluntary sector worked side-by-side to meet the economic and social needs of the NZ community. Government helped support the voluntary sector by providing some funding for their work. It was a time when a voluntary organisation could quickly respond to an observed need in the community by providing an appropriate service and expect to get a limited measure of financial support from government.

RECENT GOVERNMENT CUTBACKS IN SERVICES PROVIDED

As it moved to carry out its economic and structural reforms government's dealings with voluntary agencies changed. Some of the reforms included: a reduction in the range of services provided by the Department of Social Welfare; contracting out specific government services to voluntary organisations and private providers; a reduction in money available for government and voluntary social services; the formation of state owned enterprises and selling some of these to private enterprise; government funded institutions, which had previously provided low cost adult education in skills used by volunteers, were required to recoup their costs from their students. Government contracts with the voluntary sector were for outputs eg hours of counselling, rather than results.

In the late 1980's funding of voluntary welfare organizations was shifted from being national to regional. One of the goals of this move was to increase accountability. It was thought that local social welfare offices would have greater knowledge of the quality of local services and the need for them. However, since funds were distributed unevenly from year to year, the agencies became increasingly insecure.

At the same time government began to sell off its assets to private enterprise. It took a totally new approach to the delivery of health and welfare services. It chose a new set of criteria that recognised only what was measurable. It began a new way of delivering funds and services. In doing so, the

government altered the nature of the welfare services it provided and reduced its own direct delivery of them. It moved from giving loosely specified grants to organizations, to contracting with voluntary organizations to provide particular services.

These changes had a dramatic effect on voluntary social service organizations. Instead of receiving grants that allowed relative freedom in allocation between their various services, organizations now only could apply to government for funding for particular services chosen not by them but by the government. To secure the funding they needed to continue to exist, organizations began to develop the services the government deemed important at the expense of meeting community needs the organization was established to serve. Needs for which there was no government funding and went unmet. A new climate of competition developed between agencies as they competed against each other for the same government contracts.

In addition a new set of requirements was being imposed on organizations: they were being asked to produce measurable outputs. Much of the service traditionally provided by volunteers is preventative but the outcomes of preventative work are hard to measure are so these services are attracting less funding. In return for contracts, agencies were asked to produce evidence of outputs. Developing this information took time away from the service to the community. Government appeared to be demanding more information in exchange for less funds.

Changes in health care also impinged on the social service sector. People who previously were cared for in hospital now were being cared for in the community. In many situations this was a much better option, but as funding to care for these people did not follow them into the community, voluntary agencies were left trying to care for the most needy without adequate resources or staffing.

Changes in the delivery of adult education have also taken their toll. Partial government withdrawal has meant higher tuition fees, making it more expensive for adults to attend courses, particularly part-time adult students. This makes it harder for voluntary organisations to provide their paid and volunteer staff with suitable continuing education.

THE EFFECT OF GOVERNMENT RETRENCHMENT ON CLIENTS

Many in New Zealand society are beset by one or a combination of economic, social, psychological, emotional or physical needs. Unemployment has taken a toll for some time. Despite the difficulty of proving cause and effect in a complex situation, there is no denying that day-to-day living is harder for the most vulnerable in the population.

Particular changes that have affected the lives of those in need are: Reduction in the level of many benefits they counted on; Raising age at which young people are able to receive benefits which particularly hits young mothers; Having to pay a portion of hospital bills; Having to pay something towards the cost of medicines, which like hospital stays were previously free; Loss of rural hospitals, post offices and banks; social welfare department workers seeing their job to save government money rather than help the person in front of them; and reduction in free counselling and other social work services, such as advocacy, previously provided by government.

It should be pointed out that many of the changes did not affect people on full benefits but hit hardest those who work for low wages creating a new group of poor people.

A scan of local newspapers early this year produced headlines that said:

An intellectually disabled teenager released from the Court with nowhere to go is just one of many

City Mission say requests for help from families who have work, but are on low incomes, has been increasing all year....

Child poverty 'alarming'

There have been sad stories reported in the media of psychiatric patients killing themselves or others or being killed by police when the care they needed was not available.

Many agency staff members say the needs are growing and the problems are getting more intractable. As services stop, people who need them have fewer places to turn to resulting in more people with urgent and difficult to solve problems.

It has been argued by government ministers that researchers are using the wrong figures to measure poverty in New Zealand. To many a government minister's disputing the results of research effectively says "Your poverty doesn't matter" which easily converts to "You don't matter".

It is clear that government's withdrawal from service provision and selling the country's assets to private enterprise has contributed to increasing poverty. Eva Cox (1995) explained the dilemma:

Take away the public services, and many people will feel a clear sense of desertion and loss, as the fragile forms of private life try to make do with their own resources. Selling off publicly owned assets is also a problem. In the eyes of some citizens, probably the poorer ones, public ownership is part of the "family silver"..... As citizens, (many families) see public services and public ownership of resources as extensions of their personal property to which they have right of access.

To the wealthy, access to public services may not seem very important, but people who have little see the loss of public services as far more significant. When people are needy they are disadvantaged. When their need is denied and their access to public utilities is reduced they become even more handicapped. When they have to pay for what previously was provided through taxation their feeling of being disadvantaged increases yet again. When people are in a difficult situation, the reality of that situation and the individual's perception of that reality, contribute to whether they can deal with the situation at all. Even if economists report an improvement in New Zealand's economy, if the country's most vulnerable populations feel abandoned by government, their ability to cope will be impaired.

HOW AGENCIES HAVE BEEN AFFECTED

In a world that increasingly values only what can be measured and produces money, the voluntary sector must provide what the market economy cannot. Emphasis on measurability creates a value conflict for many voluntary agencies. By their nature these agencies are not-for-profit and so do not measure success in monetary terms yet they are being asked to behave like businesses producing measurable outputs and financial returns. Concepts such as caring, giving, fostering healthy relationships and respecting different cultures are fundamental to voluntarism yet hard to measure. Turning these concepts into action takes time and can be difficult to achieve but they make a difference to people's lives. When people find themselves in a society that devalues what they cherish and that should be an integral part of human nature, they lose self esteem and the ability to function effectively. The same happens to voluntary organisations.

The changes in how social services are delivered have had an unsettling and destabilising effect on many New Zealand voluntary agencies. None have been left untouched.

Agencies have responded to the new climate in different ways. Many reduced their budgets by cutting services and laying off staff. Some adjusted to the new situation by developing services in line with government thinking. Some tried to change themselves into quasi-government agencies by changing their mission statement or their goals and objectives, thereby hoping to attract government funding. A few have held on to their identities and negotiated contracts of mutual benefit with government. Some have joined with others to undertake joint contracts. Some have sought and received sponsorship from the business world. Some have closed their doors.

HOW VOLUNTEERS HAVE BEEN AFFECTED

Another group of people who feel the impact of these changes are individual volunteers. These are people who, for various reasons, are willing to give their time without monetary payment to work in the community. They feel the impact of having to deal with increasingly difficult situations. They also feel the impact on the organizations for which they work that have less money to spend on their training, supervision and support. Some may have come to feel that appreciation only comes where there is a monetary reward, and begin to regard their unpaid work as less worthy.

A volunteer who feels undervalued, who is doing increasingly difficult work with a deprived client group, is likely to experience burn-out. Burn-out affects the individual volunteer's ability to function effectively and hurts the individual personally. The community also loses the contribution of this worker.

People who volunteer are not motivated by money. This immediately places them outside the market economy. They are motivated by personal needs which have to be met if they are to continue to volunteer successfully. McLelland (1970) names these needs as achievement, affiliation and power. It is

interesting to look at how different motivational needs will lead people to respond in different ways to different situations.

Achievement motivated people like to see a job well done. They may respond well to the need to produce measurable results. They like to be able to see progress and recording measured outputs allows them to do this. They may also be frustrated by having to spend time doing seemingly useless tasks at the expense of the organization's "real" work.

Affiliation motivated people want to be with other people. They are sensitive to their own and others' needs. They are concerned with how they are seen by others. For these volunteers the market economy is devastating. They feel it downgrades the values that they consider to be important. They may believe that "efficiency" rules out the connections, conversations and relationships that make their volunteer work worth doing.

Personal power volunteers seek power for themselves. They thrive in the new system. They feel justified in holding onto power and aligning themselves with the powerful group, in this case is the government. They enjoy the atmosphere of competition. They can be destructive to group cohesiveness.

Social power people seek power for the mission of their organization. They are the ones who plan ahead and lobby for the cause. Just as the achievement motivated people like to see short-term results, so the social power people will look towards the long-run outcomes. They are likely to be frustrated in the current climate. They see their dreams die as a powerful monetarist group replaces the values of giving and caring with those of pay-for-use.

Yet it is this group of volunteers who have the power to transcend their short-term disappointment and find fresh creative ways of mending the fabric of society in a new economic reality.

In New Zealand volunteers, voluntary organisations and the people they both serve have taken a battering from the juggernaut of government policies. Government has introduced the market economy into the voluntary sector at the expense of society's fragile fabric.

An analogy is a brick wall in need of repair. The bricks are the government institutions. The mortar connects people, makes life worth living and holds things together. The mortar is provided largely by the voluntary sector. In New Zealand the wall has been dismantled, the bricks have been cleaned, and the wall rebuilt without the mortar. This is the New Zealand story. It does not seem to be too different from what is currently happening in parts of Canada and the USA.

Recently New Zealand has seen the rise of new players on the volunteer scene. Businesses are starting to get more involved in the voluntary sector through corporate sponsorship and employee volunteering. These are new developments in New Zealand that potentially can have a positive or negative effect on the voluntary sector depending on who holds the power and who makes the decisions. If the private sector takes some responsibility for the well being of the community, it has much to offer. If the private sector seeks to use the voluntary sector for its own benefit, there is potential for further decline.

THE FUTURE

The first step towards the future is to understand what is happening. To remain viable it is necessary for the voluntary sector to analyse the effect of change on people, not just on the economy. What works for New Zealand's bottom line may be devastating for those who are most vulnerable.

There is a need for continuing dialogue between the voluntary sector and government, the voluntary sector and business, and the voluntary sector and research institutions.

There is a need to forge a new partnership with government where there is respect for the voluntary sector's needs as well as those of government. There must be openness to collaboration with private enterprise. The time has come for the voluntary sector to again work effectively to meet the whole person needs of the most vulnerable in society and regain its rightful status among New Zealand's citizens.

A voluntary group with a strong self image, and support for its mission, staff and clients will demand high standards of service for its clients and provide appropriate support for its workers, both paid and volunteer. Just as people do as individuals, the groups that succeed are the ones who believe in themselves. They are true to their own ideals and identity which is not easy in a world that devalues these ideals. It is only by knowing and believing in their own self worth and mission that voluntary organisations will effectively meet the needs of their clients.

The best delivery of services to those in need comes from a partnership that combines the resources of the private sector and government with the responsiveness of the voluntary organisation. As in other countries there is a need for partnership with indigenous people that in New Zealand means Maori and non-Maori working together. It is time to move forward to new partnerships. The private sector has a role to play here provided it is prepared to be a sensitive contributor, honoring the needs of service recipients.

CONCLUSION

There is no question that the New Zealand economy and public service sectors needed to change. During the past 12 years there has been a reduction in national debt, improved fiscal accountability and effective reform of government departments. But the changes have been carried out without concern for or dialogue with the voluntary sector and people in need, where numbers and problems are increasing.

Voluntary welfare agencies have suffered cuts in funding and a reduction in the range of services funded. Volunteers have to pay more for part-time adult education. Both voluntary agencies and volunteers have felt devalued by the market economy. This has resulted in lowered self esteem and impaired ability to provide the "social fabric" that binds us together.

If voluntary organisations and volunteers are effectively to make their vital contribution by providing the services to society that make life worth living, they must believe in themselves. Through hard work the image of the voluntary sector must be improved. The sector must be in continuous dialogue with government at all levels so that its voice is heard and taken into account. The future delivery of services must come from a partnership between the resources of government and the responsiveness of the voluntary sector to those most vulnerable of New Zealand's citizens.

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New Zealand is being heralded as a model for economic reform. A high price is being paid for this reform by the voluntary sector in New Zealand. To understand the situation first it is necessary to describe the New Zealand context.

New Zealand is a small island country in the South Pacific with a temperate climate and an economy that has traditionally been dominated by agriculture, although that is changing. It has a total population of 3.6 million people. New Zealand is a bi-cultural nation based on the 1840 Treaty of Waitangi between the Maori (the indigenous people) and Queen Victoria on behalf of the British colonialists. This treaty was variously abused over a period of 140 years. Efforts now are being made to honour the treaty in law and practice and to recognize the equality of the two cultures. New Zealand has a central government and a single legislative chamber, but has no state or provincial government. It does have local body government

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The unique pattern of public assistance in New Zealand has been shaped by development of the welfare state that seemed to reduce the need for much volunteer activity in this area until the middle of this century. The government was seen as the provider of health and welfare needs. By the 1950s and 60s, however, people were realising that there were needs beyond those that could be met only by the state. Voluntary groups proliferated. They provided for other than the material requirements of specific groups such as battered women, violent men, pregnant women, street kids, single parents etc. These voluntary groups were focused on the needs of their particular client group and structured to be flexible enough to respond to specific needs. Those decades also saw the rise of the "self-help" movement where groups of people come together to assist their own members.

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RECENT GOVERNMENT CUTBACKS IN SERVICES PROVIDED

As it moved to carry out its economic and structural reforms government's dealings with voluntary agencies changed. Some of the reforms included: a reduction in the range of services provided by the Department of Social Welfare; contracting out specific government services to voluntary organisations and private providers; a reduction in money available for government and voluntary social services; the formation of state owned enterprises and selling some of these to private enterprise; government funded institutions, which had previously provided low cost adult education in skills used by volunteers, were required to recoup their costs from their students. Government contracts with the voluntary sector were for outputs eg hours of counselling, rather than results.

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Another group of people who feel the impact of these changes are individual volunteers. These are people who, for various reasons, are willing to give their time without monetary payment to work in the community. They feel the impact of having to deal with increasingly difficult situations. They also feel the impact on the organizations for which they work that have less money to spend on their training, supervision and support. Some may have come to feel that appreciation only comes where there is a monetary reward, and begin to regard their unpaid work as less worthy.

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People who volunteer are not motivated by money. This immediately places them outside the market economy. They are motivated by personal needs which have to be met if they are to continue to volunteer successfully. McLelland (1970) names these needs as achievement, affiliation and power. It is

interesting to look at how different motivational needs will lead people to respond in different ways to different situations.

Achievement motivated people like to see a job well done. They may respond well to the need to produce measurable results. They like to be able to see progress and recording measured outputs allows them to do this. They may also be frustrated by having to spend time doing seemingly useless tasks at the expense of the organization's "real" work.

Affiliation motivated people want to be with other people. They are sensitive to their own and others' needs. They are concerned with how they are seen by others. For these volunteers the market economy is devastating. They feel it downgrades the values that they consider to be important. They may believe that "efficiency" rules out the connections, conversations and relationships that make their volunteer work worth doing.

Personal power volunteers seek power for themselves. They thrive in the new system. They feel justified in holding onto power and aligning themselves with the powerful group, in this case is the government. They enjoy the atmosphere of competition. They can be destructive to group cohesiveness.

Social power people seek power for the mission of their organization. They are the ones who plan ahead and lobby for the cause. Just as the achievement motivated people like to see short-term results, so the social power people will look towards the long-run outcomes. They are likely to be frustrated in the current climate. They see their dreams die as a powerful monetarist group replaces the values of giving and caring with those of pay-for-use.

Yet it is this group of volunteers who have the power to transcend their short-term disappointment and find fresh creative ways of mending the fabric of society in a new economic reality.

In New Zealand volunteers, voluntary organisations and the people they both serve have taken a battering from the juggernaut of government policies. Government has introduced the market economy into the voluntary sector at the expense of society's fragile fabric.

An analogy is a brick wall in need of repair. The bricks are the government institutions. The mortar connects people, makes life worth living and holds things together. The mortar is provided largely by the voluntary sector. In New Zealand the wall has been dismantled, the bricks have been cleaned, and the wall rebuilt without the mortar. This is the New Zealand story. It does not seem to be too different from what is currently happening in parts of Canada and the USA.

Recently New Zealand has seen the rise of new players on the volunteer scene. Businesses are starting to get more involved in the voluntary sector through corporate sponsorship and employee volunteering. These are new developments in New Zealand that potentially can have a positive or negative effect on the voluntary sector depending on who holds the power and who makes the decisions. If the private sector takes some responsibility for the well being of the community, it has much to offer. If the private sector seeks to use the voluntary sector for its own benefit, there is potential for further decline.

THE FUTURE

The first step towards the future is to understand what is happening. To remain viable it is necessary for the voluntary sector to analyse the effect of change on people, not just on the economy. What works for New Zealand's bottom line may be devastating for those who are most vulnerable.

There is a need for continuing dialogue between the voluntary sector and government, the voluntary sector and business, and the voluntary sector and research institutions.

There is a need to forge a new partnership with government where there is respect for the voluntary sector's needs as well as those of government. There must be openness to collaboration with private enterprise. The time has come for the voluntary sector to again work effectively to meet the whole person needs of the most vulnerable in society and regain its rightful status among New Zealand's citizens.

A voluntary group with a strong self image, and support for its mission, staff and clients will demand high standards of service for its clients and provide appropriate support for its workers, both paid and volunteer. Just as people do as individuals, the groups that succeed are the ones who believe in themselves. They are true to their own ideals and identity which is not easy in a world that devalues these ideals. It is only by knowing and believing in their own self worth and mission that voluntary organisations will effectively meet the needs of their clients.

The best delivery of services to those in need comes from a partnership that combines the resources of the private sector and government with the responsiveness of the voluntary organisation. As in other countries there is a need for partnership with indigenous people that in New Zealand means Maori and non-Maori working together. It is time to move forward to new partnerships. The private sector has a role to play here provided it is prepared to be a sensitive contributor, honoring the needs of service recipients.

CONCLUSION

There is no question that the New Zealand economy and public service sectors needed to change. During the past 12 years there has been a reduction in national debt, improved fiscal accountability and effective reform of government departments. But the changes have been carried out without concern for or dialogue with the voluntary sector and people in need, where numbers and problems are increasing.

Voluntary welfare agencies have suffered cuts in funding and a reduction in the range of services funded. Volunteers have to pay more for part-time adult education. Both voluntary agencies and volunteers have felt devalued by the market economy. This has resulted in lowered self esteem and impaired ability to provide the "social fabric" that binds us together.

If voluntary organisations and volunteers are effectively to make their vital contribution by providing the services to society that make life worth living, they must believe in themselves. Through hard work the image of the voluntary sector must be improved. The sector must be in continuous dialogue with government at all levels so that its voice is heard and taken into account. The future delivery of services must come from a partnership between the resources of government and the responsiveness of the voluntary sector to those most vulnerable of New Zealand's citizens.

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