

A HISTORY OF APPRENTICESHIP IN NEW ZEALAND

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This Master's thesis is a history of apprenticeship in New Zealand. Apprenticeship has traditionally been the main route for entry into the skilled trades. At one level apprenticeship is a way of training people to do a particular job. The apprentice acquires, in a variety of formal and informal ways, the skills necessary to carry out their trade. The skills involved with each trade, tied inextricably to the technology that is used, are seen as the 'property' of the tradesperson. Learning the technical aspects of the job, however, is only a part of what goes on during an apprenticeship. The apprentice is also socialised into the customs and practices of the trade, learning implicitly and explicitly the hierarchies within the workplace, and gaining an appreciation of the status of his or her trade. Apprenticeship must also be viewed in the wider context of the relationship between labour and capital. The use of apprenticeship as an exclusionary device has implications for both worker and employer. Definitions of skill, and the ways in which technological advances are negotiated, are both dependent on the social setting of the workplace, which is mediated by social arrangements such as apprenticeship.

This thesis thus traces the development of apprenticeship policies over the years, and examines within a theoretical context the debate surrounding those policies. Several themes emerge including the inadequacy of the market to deliver sustained training, the tension between educators and employers, and the importance of a tripartite accord to support efficient and equitable training. Apprenticeship has proved to be a remarkably resilient system in New Zealand. This thesis identifies factors that have challenged this resilience, such as changes in work practices and technology, and the historically small wage differentials between skilled and unskilled work. It also identifies the characteristics that have encouraged the retention of apprenticeship, such as the small-scale nature of industry in New Zealand, and the latter's distinctive industrial relations system. It is argued that benefits to both employer and worker, and the strength of the socialisation process embodied in apprenticeship, will ensure that some form of apprenticeship remains a favored means of training young people for many of the skilled trades.

KEY WORDS

apprenticeship, skill, labour, employment, industrial relations, trades, education and training, industry training, labour market, Industrial Conciliation and Arbitration Act, craft unions, technical education, technology, 'positive action', vocational training, qualifications, New Zealand.

PREFACE

My mother delights in informing me that I come from an ‘apprenticeship’ family. Mum served her time as a tailoress; her father and one of her brothers were engineers, and another brother a carpenter. I am considered ‘lucky’ enough to have married an electrician. It is quite clear that my brother, who is ‘in’ computers, and myself, as a university student, while both worthy of a degree of pride, do not quite have ‘real’ jobs. To Mum, to have served an apprenticeship, and to have a skilled trade, is a ‘Good Thing’. My interest in this topic is thus both at a personal and an academic level. In this thesis, I want to explore apprenticeship in New Zealand and to ask why an institution that has its roots in medieval Europe has persisted in a modern society. I want to examine both the economic and social implications of apprenticeship as a means of training young people. In order to do this, it is necessary to trace the historical development of the apprenticeship system, and to look at the changes and continuities in that system. This thesis thus offers a detailed survey of apprenticeship policy in New Zealand.

In the first chapter, I define apprenticeship and discuss its historical precedents and significance. The wider context of industrial relations in New Zealand is discussed, as is the form that apprenticeship has taken in other countries. The second chapter examines some of the theoretical perspectives that inform this thesis. The remainder of the thesis charts in chronological order the changes in New Zealand’s apprenticeship policy. Chapter Three looks at how the apprenticeship system became formalised in New Zealand through the award system that was developed under the labour legislation of the 1890s. It shows how apprenticeship became an issue as work practices changed at the beginning of the twentieth century, and how it was one of the factors under contest within the arbitration system as the labour movement gained strength. Chapter Four traces the lead up to the development of a ‘modern’ apprenticeship system in 1923, and the pressures that the Depression and World War Two placed upon that system.

The years of the post-war boom were the height of apprenticeship in New Zealand, with a burgeoning economy and acute labour shortages ensuring that entering a skilled trade was the first option for around 30 per cent of male school leavers throughout the late 1940s and 1950s. Chapter Five thus examines the changes to the legislation and administration that governed this growing number of apprentices. Chapter Six traces the pressures for reform to the apprenticeship system that mounted as the ‘golden weather’ ended and New Zealand faced

growing economic pressure. Chapters Seven and Eight examine the gradual dismantling of much of the economic and social basis for apprenticeship, as neo-liberal policies were developed and took hold. Chapter Nine looks at women and apprenticeship, concentrating in particular on the efforts made by 'second-wave' feminists to ensure more equal participation by women in the workforce. Chapter Ten assesses the framework for industry training put into place by the 1990 National government. The concluding chapter, Chapter Eleven, draws out several themes that run through the preceding chapters, and attempts to account for the resilience of the apprenticeship system.

I would like to thank many people who have helped me in one way or another with this thesis. Lincoln University, and the Human Sciences Division in particular, has provided academic and financial support. The camaraderie and support of staff and fellow post-graduates has been an essential component of my work in the last two years (you all know who you are!). My grateful thanks to Alison Kuiper and Alison Kagen, for giving so freely of their experience, knowledge and support. I thank my associate supervisor, Bob Gidlow, for his thoughtful comments. And to Jim McAloon, my supervisor, my immense gratitude for his unstinting generosity with his time, knowledge and enthusiasm.

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ABBREVIATIONS

AAIS	Additional Apprenticeship Incentive Scheme
ABCS	Apprentice Block Course Subsidy
ARTT	Apprenticeship and Related Trade Training
ASRS	Amalgamated Society of Railway Servants
ATCC	Apprenticeship Training Co-ordinating Committee
BCITO	Building and Construction Industry Training Organisation
BPWC	Business and Professional Women's Club
CRAFT	Commonwealth Rebate for Apprenticeship Full-Time Training
DACUM	Developing or Designing a Curriculum
ETITO	ElectroTechnology Industry Training Organisation
ETSA	Education and Training Support Agency
FAIR	Female Apprentice Incentive for Recruitment
GPO	Government Printing Office
IC&A Act	Industrial Conciliation and Arbitration Act
ITB	Industry Training Board
ITF	Industry Training Fund
ITO	Industry Training Organisation
MITO	Motor Industry Training Organisation
NACEW	National Advisory Council on the Employment of Women
NEQA	National Education Qualifications Authority
NQF	National Qualifications Framework
NZCER	New Zealand Council for Educational Research
NZCTU	New Zealand Council of Trade Unions
NZEF	New Zealand Employers' Federation
NZFP	New Zealand Forest Products
NZMTCB	New Zealand Motor Trade Certification Board
NZPC	New Zealand Planning Council
NZQA	New Zealand Qualifications Authority
OECD	Organisation for Economic Co-operation and Development
RTA	Railway Tradesmen's Association
SEATS	Special Engineering Apprentice Training Scheme

SOE	State Owned Enterprise
SROW	Society for Research on Women
TAFE	Technical and Further Education
TCB	Trades Certification Board
TIA	Technical Institute Association
TOP	Training Opportunities Programme
VTC	Vocational Training Council
YWCA	Young Women's Christian Association

CHAPTER ONE

THE INSTITUTION OF APPRENTICESHIP: WHAT IS IT, WHERE DID IT COME FROM, AND WHY STUDY IT?

The apprenticeship system in New Zealand has traditionally been the main route for entry into the skilled trades. It is surprising that a system that evolved in pre-industrial times has retained its relevance in a modern capitalist society. This resilience can be accounted for by factors within the apprenticeship system, and by the way in which apprenticeship has suited (often for different reasons) both worker and employer. In this first chapter, then, I define apprenticeship, and describe the early roots of the institution. I provide a brief summary of labour history in New Zealand, which illustrates the lack of any study that focuses specifically on apprenticeship, and sketch the wider picture of industrial relations in New Zealand. The current apprenticeship situation is discussed and I outline the development of apprenticeship in some other countries. The chapter ends with a rationale for studying apprenticeship; an explanation of how this institution can serve as a lens to focus on some of the crucial elements of New Zealand society.

Definition of Apprenticeship

The institution of apprenticeship has evolved greatly from its origins. A useful starting point is the following definition provided by Gospel:

a method of employment and on-the-job training which involves a set of reciprocal rights and duties between an employer and a trainee (usually a young person): the employer agrees to teach a range of skills, usually of a broad occupational nature; in return the apprentice agrees to work for an extended period at a training wage which is low compared with the qualified workers' rate, but which rises periodically as the apprenticeship nears completion... productive work and on-the-job training [may] alternate with off-the-job training in an educational institution often partly financed by the state.¹

While this definition sets out the mechanics of apprenticeship, it only hints at the complexity of the institution. Deeper understandings of the idea of 'skill', and of the hierarchical nature of apprenticeship, will be explored later in this thesis.

¹ Howard Gospel, "The Revival of Apprenticeship Training in Britain?," *British Journal of Industrial Relations* 36, no. 3 (1998): 436.

The Language of Apprenticeship

It is only comparatively recently that much of the terminology of apprenticeship that originated in medieval times has ceased to be used.² As these terms will be used in this research, some explanation is in order:

Indentures: legally binding agreement attaching an apprentice to a master for a specific number of years (originally as an unpaid worker).³

Journeyman: a person who has served their apprenticeship and is a fully qualified employee; derived from the French '*journée*' (a day) because journeymen were paid daily.⁴

Master: a journeyman with his own business, employing apprentices and other journeymen.⁵

Premium: a sum of money paid by the family or guardians of a young person to a master, to secure an apprenticeship.

Early History of Apprenticeship

The concept of apprenticeship goes back to the civilisations of ancient Egypt and Babylonia.⁶ In Britain, the early roots of apprenticeship had developed in the medieval guilds, associations that were granted monopoly rights by municipal by-laws or royal charter to produce a commodity. The guilds were responsible for regulating standards, practices and prices relating to the commodity. They were powerful organisations in many towns, playing an important role in civic life. Guilds maintained their exclusiveness by restricting the right to produce a commodity to their members, who needed to have served an apprenticeship with a master. Apprenticeship was traditionally domiciliary, with the youth (usually male) living-in with the employer, who agreed to teach the trade in return for productive labour.⁷ The influence and strength of craft guilds gradually waned, undermined by urban growth and industrialisation, and by the 18th century their importance had been considerably reduced.⁸

² It is clear that contemporary concerns about the use of sexist language will prove a challenge in this thesis. The language of apprenticeship is male, and, until comparatively recently, this was an accurate reflection of the almost exclusively male nature of the institution. Thus, particularly in the earlier chapters, I will use 'journeyman(men)' or (occasionally) 'journeywoman(women)', rather than the anachronistic 'journeyperson'. The term 'tradesperson' came into usage in the 1970s; thus, I will not note as sexist the use of 'tradesman(men)' before that time.

³ *Collins Dictionary of Sociology*. 2nd ed., s.v. "craft apprentice."

⁴ *Hutchinson Encyclopedia*. 3rd ed., s.v. "journeyman".

⁵ *Ibid.*

⁶ Vocational Training Council (VTC). *Current Developments in Apprenticeship*. (Wellington: VTC, 1975), 13.

⁷ Howard Gospel, "The Survival of Apprenticeship Training: A British, American, Australian Comparison," *British Journal of Industrial Relations* 32 (1994) : 505-523.

⁸ M. Daunt, *Progress and Poverty: An Economic and Social History of Britain 1700-1850* (Britain: Oxford University Press, 1995).

The British state also played a role in the control of apprenticeship. The 1563 Statute of Artificers aimed to control the movement of labour throughout the country, requiring that many types of workers should be hired for at least one year. This statute also established a national system of apprenticeship, regulated by legal indentures, as an alternative to guild control. While these apprenticeship clauses were abandoned in practice in many trades long before the repeal of the statute in 1814, apprenticeship survived in many of the crafts, and as a means for parishes to deal with orphan and pauper children. To meet their responsibilities under the Poor Law, parish authorities could place destitute children with an employer, who would supply board, lodging and a small wage, in return for a premium of between three to five pounds. This practice was often a source of cheap labour.⁹

Apprenticeship nevertheless remained an important facet of some professional and commercial occupations, and of the established crafts. Dauntton claimed that “the struggle over apprenticeship was central to trade disputes in the 1800s and 1810s”.¹⁰ The breakdown of the guild system, and the lack of any incentive for the state to maintain apprenticeship, meant that journeymen themselves became the main pillars of the apprenticeship system, as unions of craft workers grew in strength and importance.¹¹ As industrialisation increased “artisans could no longer follow the traditional sequence, from apprentice, to journeyman, and then to the status of master and married man”.¹² Journeymen thus had good reason to support the apprenticeship system in order to limit the labour supply and thereby maintain their wages.¹³ They also wished to preserve their ‘property right’ in their skill.

Employers sought the ability to take on more apprentices to reduce skilled wages and to subdivide jobs to allow cheaper, semi-skilled labour to be employed.¹⁴ There were, however, also advantages to employers from the apprenticeship system. Restrictions on the number of apprentices were an effective means to exclude competitors and keep prices high. There were also financial benefits to be gained from older apprentices; the apprentice was trained and basically able to perform the work of a journeyman, but still was only paid apprentice wages.¹⁵ Thus, despite the erosion of apprenticeship in many skilled trades, particularly in London and other large urban areas, apprenticeship remained a defining issue in

⁹ Ibid.

¹⁰ Ibid., 276.

¹¹ V. Griffin, “*Getting a Good Trade...*” *Apprenticeship, Industrial Relations & the Labour Market*. Discussion Paper No. 8. (Brisbane: Business Research Centre, North Brisbane College of Advanced Education, 1981), 11.

¹² Anna Clark, *The Struggle for the Breeches: Gender and the Making of the British Working Class* (London: University of California Press, 1995), 5.

¹³ Griffin, “*Getting a Good Trade...*”, 11.

¹⁴ Dauntton, *Progress and Poverty*, 276.

¹⁵ Griffin, “*Getting a Good Trade...*”.

the relationship between labour and capital.¹⁶ Hobsbawm argued that in Britain in the 1850s and 1860s there was in most industries “a tacit system of arrangements and accommodations between masters and skilled labour which satisfied both sides”, apprenticeship being one of those arrangements.¹⁷

Palmer summarised studies that traced changes in apprenticeship in Canada in the late eighteenth and early nineteenth centuries.¹⁸ These indicated that significant changes in work relations had begun by this time, and that apprenticeship was moving from an intimate, personalised form of training to a more impersonal, economically-based relationship. One symptom of this change was an increased number of desertions by apprentices “as masters accumulated capital, stepped up production demands because of market considerations, and hired increasing numbers of apprentices to do the heavy and often unskilled labour needed in the shop”.¹⁹ New forms of apprenticeship emerged after the 1860s, as new technology engendered new skills and trade groupings. Palmer argued that:

apprenticeship became less craft training supplemented by moral and educational supervision and more a form of bound labour... the protections once offered by masters disappeared, but the proprietary and authoritative aspects of apprenticeship remained.²⁰

The 1860s and early 1870s were the peak of the strength of craft unionism in nineteenth century Britain. Skilled workers rode the economic wave that the expansion and stabilisation of British industrial capitalism created, able to counter the growing effects of mechanisation because of a strong demand for skilled labour. However, the depression that began in the mid 1870s “threw into bold relief long-term structural transformations in industry”.²¹ New technologies and the rationalisation of production meant that the nature of work changed, and definitions of skill had to be renegotiated. The strength of many of the craft unions gave them the power to restrict the use of new machinery to their members, and to ensure that serving an apprenticeship was still the only route to many occupations, regardless of how the skill levels may have altered. This, then, was the shape of the apprenticeship system that was exported to the new colony of New Zealand in the mid nineteenth century.

¹⁶ R. Harrison & J. Zeitlin, *Divisions of Labour*. (Sussex: The Harvester Press, 1985).

¹⁷ E.J. Hobsbawm, “Artisan or Labour Aristocrat?,” *Economic History Review* (1984), 356.

¹⁸ Bryan D. Palmer, *Working-class Experience* (Canada: Butterworth & Co., 1983), 29.

¹⁹ *Ibid.*, 29.

²⁰ *Ibid.*, 29.

²¹ *Ibid.*, 33.

New Zealand Labour History

This study must be viewed in the wider context of the labour history of New Zealand. While apprenticeship receives a mention in many works that examine this area, it is often only a peripheral concern, with the issues not being fully developed. The skilled trades, and the protection of the exclusive nature of those trades, are often discussed. What is not considered so fully is the role of the apprenticeship system in maintaining that exclusivity, and in socialising the young worker into the mores and expectations surrounding the trade.

Literature that examines the labour legislation enacted in the 1890s' Liberal government's burst of reforming zeal tends to concentrate on the idea of New Zealand as a 'social laboratory'. Primary sources confirm that apprenticeship was certainly an issue throughout this period, but it is often only dealt with implicitly in the literature. Holt's 1986 *Compulsory Arbitration in New Zealand*, the definitive analysis of the Industrial Conciliation and Arbitration Act 1894, barely mentions apprenticeship, although apprenticeship conditions were regulated on an award-by-award basis from the late 1890s.

The new century brought fundamental changes in work practices, and the reactions to these changes have proved a fertile ground for New Zealand labour historians. Olssen (*The Red Feds*, 1988) and Richardson (*Coal, Class and Community*, 1995) have examined the evolution of sectors of the union movement. The concurrent growth of a political labour movement has been the subject of works by Gustafson (*Labour's Path to Political Independence*, 1980), and several theses, including Plumridge's 'Labour in Christchurch: Community and Consciousness, 1914-1919' (1979), Nolan's 'Jack McCullough: Worker's Representative on the Arbitration Court' (1985) and McAloon's 'Working Class Politics in Christchurch 1904-1914' (1986), much of which is summarised in Olssen ('The Origins of the Labour Party: A Reconsideration', 1987).

Labour history in New Zealand has tended to focus largely on institutions, particularly the arbitration system, and organisations.²² Authors such as Bert Roth have written union histories, and some articulate biographies of those involved in the labour movement have been penned. Recent developments, however, emphasised the importance of the 'cultural' aspect of labour history, and Martin and Taylor attempted to redress the balance with their edited collection, *Culture and the Labour Movement: Essays in New Zealand Labour History* (1991). In *Building the New World* (1995), Olssen embedded in the culture of the Dunedin suburb of

²² J. Martin & K. Taylor, eds., *Culture and the Labour Movement* (Palmerston North: The Dunmore Press, 1991); Melanie Nolan and Pat Walsh, "Labour's Leg-iron? Assessing Trade Unions and Arbitration in New Zealand," in *Trade Unions, Work and Society*, ed. Pat Walsh (Palmerston North: The Dunmore Press, 1994), 25.

Caversham the story of how the skilled workers of Caversham organised their daily working lives, and of how they retained the exclusiveness of their trades through their defence of the apprenticeship system. Recognition of the role of women in labour history has also been encouraged by the wider focus of 'cultural' works. Women were not often prominent in labour organisations; marginalised in fact, and in the reporting of that fact. But when labour history is widened to examine the social setting, then studies such as Nolan's *Breadwinning: New Zealand Women and the State* (2000) result.

At the intersection of the institutional and the cultural approach to labour history is an examination of what actually happens in the workplace. The reality of working-class experience has been analysed in E.P. Thompson's masterful work on the English working class, and by David Montgomery in the USA and Bryan Palmer in Canada.²³ It is in the workplace that macro-level ideas and understandings are translated into daily lived experiences. For example, Hill and Gidlow's 1988 study of the introduction of new technology into the printing industry showed how the notion of skill was negotiated and reconstituted at the point of production, bounded by the organisational power of the union and employer groups involved, and reinforced by cultural understandings of gendered roles.²⁴ A study of the apprenticeship system has the potential to offer similar understandings; apprenticeship has been both a powerful component of the institutional side of labour relations, and an important vehicle for reproducing the social relations of the workplace.

Industrial Relations in New Zealand

Regulation of apprenticeship in the new colony was essentially on an informal basis, with the first legislation being the Master and Apprentice Act 1865. The provisions of this Act, which largely dealt with apprenticing destitute children, became outdated as New Zealand moved out of the colonial phase towards the end of the nineteenth century. Attempts to revise apprenticeship legislation were made, but the administration of apprenticeship became subsumed in the bigger picture of industrial relations, with apprenticeship regulated on an award-by-award basis from 1894. By the time that specialist apprenticeship legislation was passed in 1923, the institution was firmly entrenched within the system of compulsory arbitration, and was a crucial component of the negotiating process. It is thus necessary to

²³ E.P. Thompson, *The Making of the English Working Class* (England: Pelican Books, 1968); David Montgomery, *Workers' Control in America* (Cambridge University Press, 1979); Bryan D. Palmer, *Working-class Experience* (Canada: Butterworth & Co., 1983).

²⁴ Roberta Hill and Bob Gidlow, *From Hot Metal to Cold Type* (Wellington: DSIR Publishing, 1988).

understand the shape of industrial relations in New Zealand to grasp the role of apprenticeship, and to understand why it persisted.

Bloxall argued that New Zealand and Australia developed a distinctive framework for industrial relations because of:

the need to shape a stable economic system in the face of the typical difficulties encountered by agricultural or commodities exporters, disillusionment with the social consequences of strike action and a faith in the value of state initiatives in creating fairer societies (which) led to a willingness to substitute free collective bargaining with a system of state registration of unions and final resolution of disputes through compulsory arbitration.²⁵

Thus, in New Zealand, the Industrial Conciliation and Arbitration (IC&A) Act, advocated by William Pember Reeves, was passed in 1894. Under the Act, the country was divided into districts, each with a conciliation board, which was the first port of call for any industrial disputes. As disputes were settled, the results were incorporated into awards that applied to all workers in a particular industry in the district, and were ratified by the Arbitration Court. If the dispute could not be settled at conciliation, the case went to the Arbitration Court, where a binding ruling would be made. Support for this process was by default, rather than from preference, and came from an uneasy coalition of unionists, who had been roundly defeated in the 1890 maritime strike; rural interests, who wished to see troublesome urban unions quelled; and employers, who lacked the political power to insist upon a different system.²⁶

There were many ramifications of compulsory arbitration. The union movement was fragmentary, with a few large unions and many small unions, usually organised on an occupational and regional basis.²⁷ This can be illustrated by union names; the New Zealand Carpenters, Joiners, Joiners' Machinists, and (except Otago & Southland) Plasterers and (except Auckland) Bricklayers and Related Trades Industrial Union of Workers, for instance. While union members were sometimes granted employment preference, the unions were restricted by the Act in what they could do for their members. They were permitted to represent only on 'industrial matters', limited by the court to wages, hours and conditions of

²⁵ Peter Bloxall, "Towards the Wagner Framework: Change in New Zealand Industrial Relations," *The Journal of Industrial Relations* 32 (1990) : 523.

²⁶ Len Richardson, "Parties and Political Change," in *The Oxford History of New Zealand*, 2nd ed., ed. G.W. Rice (Auckland: Oxford University Press, 1996), 207.

²⁷ John E. Martin, "The Removal of Compulsory Arbitration and the Depression of the 1930s," *NZJH*, 28 (1994), 143: Nation-wide unions were permitted by the IC&A Amendment Act 1936.

work. The right to strike was severely restricted, and (after 1939) the Minister of Labour could deregister a union.²⁸

The decisions of the Arbitration Court were based on precedent. Initially, the Court had largely legitimised existing conditions, winning the unions' favour by reinforcing favourable proportions of apprentices to journeymen and establishing 'closed shops' in some awards. Declining wages and the "growing legalism and delays of the Court" in the early twentieth century, however, led to increasing union disillusionment with the arbitration system.²⁹ This was expressed most clearly by the formation in 1909 of the radical Red Federation, which advocated industrial action outside the arbitration system. The defeat of the 'Red Feds' in the 1912 Waihi mine strike, however, led radical unionists to an uneasy coalition with skilled workers' unions that resulted in the growth of an independent labour movement. The fact that craft unions remained the "most enduring and staunchest defenders of arbitration" reinforced the deep-seated ambiguity with which the union movement regarded the arbitration system.³⁰

Despite the ambiguity with which arbitration was regarded, attacks on the system by other parties could rouse and unite the union movement. Attempts by rural interests throughout the late 1920s to substantially amend the system were strongly resisted by unions, including the Alliance of Labour, which was traditionally opposed to arbitration. Changes to the IC&A Act through the Depression were also hard fought by unions and the Labour members of parliament. The IC&A Act was amended in April 1932, with conciliation remaining compulsory, but arbitration to be used only if both parties agreed. Compulsory arbitration was restored in 1936, together with compulsory union membership for those covered by awards.³¹

The post-war years saw the increasing bureaucratisation of the union movement. Full employment and the blanket coverage of arbitration system meant little differentiation between wages for skilled and unskilled work: "the arbitration system (delivered) a compressed wage structure and a high degree of uniformity in wage increases".³² There was sufficient support for the system to withstand the bitterness of the 1951 watersiders' dispute

²⁸ Melanie Nolan and Pat Walsh, "Labour's Leg-iron? Assessing Trade Unions and Arbitration in New Zealand," in *Trade Unions, Work and Society*, ed. Pat Walsh (Palmerston North: The Dunmore Press, 1994), 13.

²⁹ Richardson, "Parties and Political Change", 211.

³⁰ Nolan & Walsh, "Labour's Leg-iron?", 23.

³¹ Martin, "The Removal of Compulsory Arbitration and the Depression of the 1930s".

³² Nolan & Walsh, "Labour's Leg-iron?", 22.

and, until the 1960s: “the arbitral system suited a sequence of changing coalitions of interest sufficiently to retain its dominance. Then it began to fall apart”.³³ Unions that were powerful numerically or through market position wished to extend this power with second tier bargaining outside the system. The ability of the arbitration system to moderate the effect of the labour market on wages was no longer regarded as desirable by less militant unions and craft unions became disillusioned with arbitration throughout the 1960s as margins for skill were eroded. Thus, “unions started their slow walk away from the arbitration system in the 1960s”.³⁴ Dissatisfaction came to a head with the 1968 nil wage order, which sealed the fate of the arbitration system and “acted as a stimulus for the first substantive reform of the legal framework”, resulting in the Industrial Relations Act 1973.³⁵

Industrial relations in New Zealand were thus marked by the handing over to the state, via the arbitration system, of much of the power (actual or potential) of the parties involved, limiting their strategic options. Judgements of the fairness and value of that covenant varied according to time and circumstance.³⁶ The tension between the security offered by the system, and the desire by some unions to exercise their power outside of arbitration, was a constant theme of industrial relations in New Zealand. The relativity of wages between occupations became one of the mainstays of the arbitration system, building a historically constructed ‘code’ that often defied the need for wages to be responsive to changes in particular industries, or skill levels in particular occupations.³⁷ For similar reasons, the regulation of apprenticeship wages and conditions provided a crucial bargaining point for unions and employers, and the debates and negotiations that took place over apprenticeship were often symptomatic of deeper concerns that were unable to be articulated in the circumscribed industrial arena.

It is no coincidence that as pressure mounted on the arbitration system from the 1960s, the apprenticeship system also began to be questioned. The move from centralised and prescriptive, to deregulated and voluntaristic industrial relations over the 25 years from (roughly) 1965 to 1991 was mirrored in the changes to apprenticeship over the same period. This period is characterised as a ‘crisis of consensus’ by Armstrong.³⁸ The post-war consensus may have been uneasy at times, but growing economic pressures, and a changing social ethos,

³³ Bloxall, “Towards the Wagner Framework”, 524.

³⁴ Nolan & Walsh, “Labour’s Leg-iron?”, 36.

³⁵ Bloxall, “Towards the Wagner Framework”, 526.

³⁶ Nolan & Walsh, “Labour’s Leg-iron?”, 10, 14.

³⁷ Ibid., 16.

³⁸ Nicola Armstrong, “State,” in *New Zealand Society*, 2nd ed., ed. P. Spoonley, D. Pearson & I. Shirley (Palmerston North: The Dunmore Press Ltd, 1994), 121.

unravelling commonly-held understandings of the role of the state in New Zealand society, and of how the relationship between labour and capital was best organised.

The Contemporary Shape of Apprenticeship in New Zealand

Despite the common misconception that ‘apprenticeships are a thing of the past’, the system is alive and well in New Zealand. Apprenticeship (or industry training) is administered by the Education and Training Support Agency (ETSA) (renamed Skill New Zealand in 1998) under the Industry Training Act 1992. Apprenticeship contracts have been replaced by a Training Agreement between each employer and apprentice, with wages and conditions determined according to the Employment Contracts Act 1991³⁹. The development and monitoring of training standards has become the function of the New Zealand Qualification Authority (NZQA), through a system of unit standards. Industry Training Organisations (ITOs) were gradually established from 1991 for both traditional apprenticeship industries, and other industries that could see the advantage of systematic training. At 30 June 1999 there were 52 recognised ITOs and 49,577 industry trainees.⁴⁰

There are, however, wide variations in training provision between industries. Some industries have retained a high level of commitment to training. In recognition of the difficulties that smaller employers face in taking on apprentices, some industry training organisations have set up training companies, which ‘employ’ apprentices, seconding them out to various firms to achieve balanced on-job experience. Other industries, however, have adopted a ‘head in the sand’ approach, with an aging workforce, and little or no training taking place. This is particularly a problem in areas where the government provision of services has been withdrawn, such as the telecommunications industry. Large government departments have been often been replaced with former employees who now subcontract to small administrative units. Tight margins and lack of continuity of work give little incentive to take on trainees. Access to training is also circumscribed for some groups. Despite the high numbers of industry trainees, as at 30 June 2000 only 20 per cent of those trainees were female.⁴¹ This figure includes hairdressing apprentices, and is indicative of the relatively insignificant growth in the breadth of women’s labour force participation (see Chapter 9, pp.207-208, for a more detailed discussion). In December 1999, only 10 per cent of industry

³⁹ This Act has recently been repealed, and replaced with the Employment Relations Act 2000. The implications of this change for apprenticeship are yet to be revealed.

⁴⁰ Education and Training Support Agency (ETSA), *Annual Reports*, 1991-1999

⁴¹ Skill New Zealand, “Vital Statistics,” *Skills*, September 2000, 15.

trainees were aged 16 to 19 and only 24 per cent were aged 20 to 24.⁴² Using these percentages as a guide, this means that of the 49,577 people taking part in structured industry training as at June 1999, only approximately 5000 were in the traditional apprenticeship age group (16 to 19). This compares with peaks of nearly 30,000 apprenticeship contracts in force during the mid 1970s. The Labour-Alliance government elected in 1999 hopes to address some of these issues with its Modern Apprenticeship programme.

International Comparisons

While the basis for the development of apprenticeship in New Zealand has been the British system, it is important for three reasons to examine the recent history of apprenticeship in other countries. First, comparisons with countries where apprenticeship either did not survive, or where its development has taken a different path to New Zealand, may allow the features about our society which both fostered apprenticeship, and contributed to its evolution, to be identified. Second, apprenticeship schemes in other countries are sometimes held up as examples for New Zealand to follow. It is useful to understand how these schemes differ from ours, and also the differences in the countries where they are in place. Third, Thorns argued that in order to understand 'big picture' explanations of societal changes:

it is necessary to appreciate that changes are mediated through the social structures which have emerged within nation states over time, leading to modifications to global processes and the emergence of varied forms of local resistance to change.⁴³

The 'social structure' of apprenticeship has been used in varying ways in different countries to resist and modify processes that may seem to be imperatives, such as the deskilling of much of the workforce.

In Britain, changes in the international economy in the mid 1960s exacerbated the decline of the manufacturing sector that had begun in the mid 1950s.⁴⁴ This prompted criticisms of the traditional apprenticeship system. Its narrow, exclusive nature was seen as unsuitable for modern industries, and the notion of timeserving, rather than training to standards, was regarded as unnecessary and wasteful. Reforms were attempted, but were insufficient to counter the effects of rising unemployment in the mid 1970s. Youth training schemes introduced at this time had a contradictory effect on apprenticeship, supporting it

⁴² Skill New Zealand, "Prime Minister Launches Modern Apprenticeships," *Skills*, April 2000, 3.

⁴³ David Thorns, *Fragmenting Societies?* (London: Routledge, 1992), 274.

⁴⁴ Thorns, *Fragmenting Societies?*, 63.

through the provision of subsidies, but also undermining the system because of the provision of state-funded alternatives for training.

The market deregulatory approach of the Thatcher government had a “profound” effect on the British training system.⁴⁵ At the macro-economic level, many of the traditional apprenticeship industries were decimated throughout the 1980s. With regard to industry training, ‘new right’ policies saw the mandatory tripartite Industry Training Boards abolished and replaced with voluntary, employer-led Training and Enterprise Councils, reducing the opportunity for union involvement. There was downward pressure on youth wages. In 1986, moves began towards the development of a national qualification framework. From the 1960s, apprenticeship numbers showed a long-term downward trend, with dramatic falls in the early and mid 1990s.⁴⁶ Gospel argued that Britain:

found itself with a very mixed and uncertain system of skill formation: deteriorating occupational labour market training; a move towards unregulated markets... and a move towards greater state intervention in terms of funding and compulsion to take up training places, but without any commensurate compulsion on employers.⁴⁷

Gospel claimed that the traditional apprenticeship system did not get a foothold in the United States because of the high levels of geographical mobility and employment opportunities. There was also less incentive to train because of the large numbers of skilled immigrants entering the country.⁴⁸ For example, in the first decade of the twentieth century 26 per cent of all carpenters were immigrants, a large enough number to discourage urban employers from training apprentices. Many skilled immigrants, however, did not practice their trade in their new home, working instead in factories: “the skill and knowledge required by the manufacturing occupations in which they were engaged were embodied not in their training but in the technical organization of the factory itself”.⁴⁹ The predominance of mass production systems was thus another barrier to the retention of traditional craft trades. The union movement was also generally weaker in the United States than in countries where apprenticeship persisted; therefore an important institutional support for apprenticeship training was not in place.⁵⁰

⁴⁵ Gospel, “The Survival of Apprenticeship Training”, 509.

⁴⁶ Gospel, “The Revival of Apprenticeship Training”, 438.

⁴⁷ Gospel, “The Survival of Apprenticeship Training”, 510.

⁴⁸ Ibid.

⁴⁹ David Montgomery, *Workers' Control in America* (Cambridge University Press, 1979).

⁵⁰ Gospel, “The Survival of Apprenticeship Training”, 510.

In Germany, the ‘dual system’ of apprenticeship (Austria and Switzerland have similar systems) was developed as the existing apprenticeship system was modernised in the 1960s.⁵¹ It involves training in both the workplace and at state-financed vocational schools.⁵² The dual system is used to both improve the skills of the work force, and as a buffer against youth unemployment. In the late 1970s, Germany kept its youth unemployment rate to five per cent or less, one of the lowest rates in the Organisation for Economic Co-operation and Development (OECD) countries.⁵³ A 1993 study showed that five years after leaving secondary education, only 1.9 per cent of a representative cohort were unemployed in Germany, compared with 8.2 per cent of a similar cohort in the United States.⁵⁴ Apprenticeship in Germany covers a wide range of occupations, with more than 350 apprenticeships in existence, and a large proportion of each age cohort taking advantage of this. In 1991, for example, 72 per cent of the labour force had participated in an apprenticeship. The main features of the system are that it is company-based, voluntary and “generates, portable, occupation-specific skills”.⁵⁵

While employers are not required to participate in the system, there is a strong ethos, backed by employers’ organisations, encouraging them to do so. Workers are involved through trade unions and works councils.⁵⁶ This collective approach to training is underpinned by state support; “an institutional framework that creates an incentive structure able to resolve the standard market failure problems involved in generating marketable skills”.⁵⁷ As well as this tripartite commitment to apprentice training, flexibility within the structure of the system itself has contributed to its resilience. High-quality apprenticeships, which offer employment security through highly portable skills, co-exist with low-quality apprenticeships in the *Handwerk* (crafts) sector. The system is organised at the regional level, with a co-operative approach to curriculum content and delivery.⁵⁸ There is scope for further training within industry, whereby tradespeople can study for *Meister* (master) certification.⁵⁹

⁵¹ Organisation for Economic Co-operation and Development (OECD), *Apprenticeship: Which Way Forward?* (Paris: OECD, 1994).

⁵² Rainer Winkelmann, *Apprenticeship and After: Does it Really Matter?* Discussion Paper No. 9508 (Department of Economics, University of Canterbury, 1995).

⁵³ V. Catherwood, *Young People, Education and Employment* Planning Paper No. 23 (New Zealand Planning Council, 1985).

⁵⁴ Winkelmann, *Apprenticeship and After*, 1.

⁵⁵ *Ibid.*, 1.

⁵⁶ Gospel, “The Revival of Apprenticeship Training”.

⁵⁷ Winkelmann, *Apprenticeship and After*, 1.

⁵⁸ *Ibid.*

⁵⁹ OECD, *Apprenticeship: Which Way Forward?*

Despite the evident strength of the dual system, it has come under pressure in recent years. Young people are less willing to enter certain types of apprenticeships, preferring in some cases university level programmes. Changes in the way work is organised means that the notion of an ‘occupation’, requiring specialised training, has become problematic. It is argued that apprenticeship discourages flexibility and prevents the development of new qualifications. Strong, stable internal labour markets that provide security of employment are also under threat from economic restructuring and the shorter life cycles of some companies. Nevertheless, the German dual system “provides a structure for the whole education system and organises the relationship between education (both general and vocational) and employment”.⁶⁰

Given the contribution of the German apprenticeship system to the competitiveness of the country’s industrial companies, and the oft-heard call for a more skilled work force in New Zealand, why has a similar system not evolved in New Zealand?⁶¹ Clearly, the population base and economic structure of the two countries are completely different. Taking this into account, however, there are still three major factors that underpin the German system that would be difficult to imagine happening in contemporary New Zealand. Firstly, the structuring of the education system around the dual system means that children are streamed early (at around the age of ten) into general or academic courses.⁶² Secondly, the breadth of the dual system prevents a narrow definition of ‘apprenticeship’ as being associated with manual work, thereby removing possible class-based connotations of a ‘trade’ apprenticeship as a less attractive option than a ‘profession’. Finally, the strength and persistence of the tripartite approach and the “laborious negotiations between the social partners, federal authorities and the educational authorities” would be difficult to translate to a contemporary New Zealand setting.⁶³ This type of consensus depends upon a degree of government involvement, committed employers, and a labour movement with enough strength to be an effective partner in negotiations, all factors that have been compromised by the changes in New Zealand that have occurred during the last fifteen years.

It is reasonable to assume that there would be similarities in the organisation of training between Australia and New Zealand, given the similarities in population size, economies and history. Indeed, Gospel’s discussion of the path of apprenticeship in Australia

⁶⁰ Ibid., 12.

⁶¹ Ibid.

⁶² Winkelmann, *Apprenticeship and After*, 2.

⁶³ OECD, *Apprenticeship: Which Way Forward?*, 10.

could equally apply to New Zealand until recently. He argued that the apprenticeship system persisted in Australia because it suited both the product and labour market system of Australian employers. Relatively small product markets and the small-batch, jobbing nature of much of the work called for tradespeople with all-round skills. Although a large number of skilled migrants arrived in Australia, there was less mass immigration than to the United States, and skill shortages remained. The state was heavily involved in labour relations:

the creation of a system of compulsory arbitration and legally binding awards served to restore and codify apprenticeship rules and make them legally enforceable on employers... the awards system strengthened trade unions and thus provided further institutional support for apprenticeship⁶⁴

In recent years, however, the Australian and New Zealand apprenticeship systems have followed different paths. While the Australian system has been subject to many of the same pressures as the New Zealand system, reform of apprenticeship has “been very much driven by broader industrial relations and collective bargaining reform”.⁶⁵ Australia, since the election of the 1983 Labor government, has favoured a corporatist approach, with the Price and Income Accord between unions and the government mediating industrial relations.⁶⁶ There is a high degree of government involvement in apprenticeship. The Commonwealth Rebate for Apprenticeship Full-Time Training (CRAFT) subsidy was introduced in 1970. Although its value and form have varied over the years, in general, employers receive a payment (\$1500 in 1998) upon taking on an apprentice, and a similar further payment when the apprentice completes their time.⁶⁷ There is a strong system of state technical institutions; Technical and Further Education (TAFE) colleges and the 1990 Training Guarantee Act compelled employers to spend a certain amount of their payroll on training.⁶⁸ Attempts to further increase the range and flexibility of the apprenticeship system, and to move to a national qualifications framework, have recently been introduced, under the 1996-97 heading of Modern Australian Apprenticeship and Trainee System (MAATS) (renamed the New Apprenticeship System in 1997-98).⁶⁹ Trade unions are closely involved in the development of the qualifications framework. Thus, Gospel argued that:

⁶⁴ Gospel, “The Survival of Apprenticeship Training”, 513.

⁶⁵ Ibid., 515.

⁶⁶ Thorns, *Fragmenting Societies?*, 120.

⁶⁷ A.M. Dockery, Keith Norris and Thorsten Stromback, “The Social Return to Apprenticeship Training”, *The Australian Economic Review* 31, no.1 (1998) : 37.

⁶⁸ Gospel, “The Survival of Apprenticeship Training”, 515.

⁶⁹ Dockery et al, “The Social Return to Apprenticeship Training”.

Australia has not gone down the free-market, deregulatory road... the award system, supportive legislation and a tripartite approach to industrial relations generally have been significant supports (for the apprenticeship system).⁷⁰

This brief survey has shown how a 'social structure' such as apprenticeship can be adapted and moulded by the wider social, economic and political environment, and how, in turn, understandings that are derived from that structure feed into and help shape the wider context. That apprenticeship, essentially a pre-industrial institution, has survived through the throes of industrial capitalism to (arguably) the post-industrial age, or (more defensibly) late capitalism, is astonishing. Equally interesting are the variations and accommodations to the system, and the state interventions of some very different countries, that have allowed the apprenticeship system to persist.

The goals of this thesis are thus to attempt to piece together the many references to apprenticeship in New Zealand into a coherent whole, to trace the changes in apprenticeship policy and to outline the economic, political and social background to those changes. At one level, then, apprenticeship is a way of training people to do a particular job. The apprentice acquires, in a variety of formal and informal ways, the skills necessary to carry out their trade. The skills involved with each trade, tied inextricably with the technology that is used, are seen as the 'property' of the tradesperson. Learning the technical aspects of the job, however, is only a small part of what goes on during an apprenticeship. The apprentice is also socialised into the customs and practices of the trade, learning implicitly and explicitly the hierarchies within the workplace, and gaining an appreciation of the standing of their trade.

Apprenticeship must also be viewed in the wider context of the relationship between labour and capital. The use of apprenticeship as an exclusionary device has implications for both worker and employer. Definitions of skill, and the ways in which technological advances are negotiated, are both dependent on the social setting of the workplace, which is mediated by social arrangements such as apprenticeship. The call for a skilled workforce is an enduring theme of capitalism, yet it raises two questions, which are both in part directly relevant to a study of apprenticeship. First, how can the call for increased skill levels be reconciled with the indisputable deskilling of many occupations? And secondly, a skilled workforce costs money; who should pay for this, and in what way?

⁷⁰ Gospel, "The Survival of Apprenticeship Training", 517.

An examination of apprenticeship in New Zealand illuminates much about our society. The institution of apprenticeship did not survive in all the countries where it was originally practiced, nor was it always transferred to colonies of those countries. The culture of colonial New Zealand, however, with its artisan notions of egalitarianism, followed by the forward-thinking labour legislation of the 1890s, encouraged the retention of the practice and the eventual development of a modern apprenticeship system. The debates surrounding apprenticeship highlight wider social and economic issues, notably the system of industrial relations that developed in New Zealand and the role of the state in mediating between labour and capital. The aim of this research is thus to provide an historical survey of apprenticeship in New Zealand, tracing the development of government policies over the years, and examining within a theoretical context the debate surrounding those policies.

CHAPTER TWO

THEORETICAL PERSPECTIVES ON APPRENTICESHIP

There is a dearth of theoretical work directly concerned with apprenticeship. It is therefore necessary to examine ideas related to apprenticeship that are often implicit in broader theoretical perspectives. This chapter thus first looks at some sociological understandings pertaining to apprenticeship that were developed in the late nineteenth century. Then the place of apprenticeship in a Marxist understanding of the relationship between capital and labour is discussed. In particular, Braverman's (1974) model of changes in the labour process, which extended Marx's ideas and applied them to twentieth century industrial capitalism, is explained and critiqued. Third, the broader Weberian perspective, which emphasises the "differentiation of labour and the limitations of the capitalist/worker dichotomy", will be assessed.¹ Fourth, apprenticeship as a socialisation process is discussed and, finally, some ideas about the purpose of education are examined. These theoretical perspectives are not set up in opposition to each other in this thesis; rather, together they may each help explain some of the facets of the apprenticeship system.

A starting point is the late nineteenth century work of Sidney and Beatrice Webb, *Industrial Sociology*.² The Webbs predicted the eventual demise of apprenticeship, based on their understanding of the evolution of trade unions due to social, economic and political changes, and developments in the productive process. Their argument was that the actions and policies of trade unions, which impacted directly on apprenticeship, were based on one of three assumptions. At one end of the spectrum was the assumption based upon the 'doctrine of vested interests'. This assumed that the skills and rewards of a trade formed a 'right', which should be recognised by law. As the state did not offer this protection, unions would use the 'device of the restriction of numbers' to defend their rights. The mechanism used to restrict numbers was the apprenticeship system, with its lengthy period of indenture and proportion regulations to control the numbers entering the trade.³

According to the Webbs, as craft skills and abilities were eroded by the increase of the technical division of labour, and growing mechanisation, the 'doctrine of supply and demand' began to inform union action. While restriction of numbers was still a valuable bargaining

¹ Olssen, *Building the New World*, 10.

² Griffin, 'Getting a Good Trade...', 8.

³ *Ibid.*, 9.

tool, the strength of the union's position was determined more by market forces. Therefore, it was to the union's advantage to have a greater number of members, leading to policies of inclusion, rather than exclusion. The 'doctrine of a living wage' was the final assumption made by the Webbs. This was the view that wages and conditions must not fall below subsistence levels, and that this was only achievable by state intervention. Thus, the success of union pressure on the state to realise this aim depended upon numerical strength; union tactics therefore would shift from exclusion to the 'device of a common rule', a completely inclusive strategy that left little room for an elite group of apprenticed skilled workers.⁴

Indeed, it could be argued that the early history of New Zealand unions followed to some extent this evolutionary model, culminating in the rise of the encompassing 'labour' movement in the second decade of the twentieth century. Yet, the 'skilled worker' did not disappear, and apprenticeship remained the means to enter that category. The Webbs acknowledged that some groups of workers retained the ability to regulate their industries because of apprenticeship's "primary relationship with the Doctrine of Vested Interests", despite the union, in practice, being guided by other assumptions.⁵ Their claim was illustrated by the example of the restrictive practices of British boilermakers, which they argued could only be maintained in 'gigantic' establishments, with a certain type of employer. This type of industrial environment was clearly less of a factor in the New Zealand setting. It could be argued, therefore (supporting Gospel's claims about the shape of the apprenticeship system in Australia, discussed in the previous chapter) that in New Zealand, the role of the state in industrial relations, and the distinctive nature of the industrial sector, were key factors in the persistence of the apprenticeship system.

A Labour Aristocracy?

The idea of a select group of skilled workers, corresponding largely with the apprenticed trades, was used by thinkers such as Engels and Marx in the late nineteenth century to explain the lack of progress of the English working-class in "realising its revolutionary destiny".⁶ According to the concept, this privileged 'aristocracy' of workers was differentiated by such characteristics as higher wages, respectability, political moderation, distinctive leisure pursuits, and support for unionism and cooperative societies. This select group supposedly blunted working-class hostility to capitalism by providing a "conduit for the

⁴ Ibid., 10.

⁵ Ibid., 11.

⁶ Olssen, *Building the New World*, 6.

transmission of ‘bourgeois values’”.⁷ The ‘aristocracy of labour’ theory has been critiqued both at the theoretical and empirical level. The idea is seen as having currency only in Britain prior to 1850, and of being particularly inapplicable to New Zealand because of the historically small wage differentials between skilled and unskilled work.⁸

Hobsbawm, while leaving aside an assessment of an ‘aristocracy of labour’ as such, analysed the world of British skilled tradesmen or artisans. He argued that the “characteristics, values, interests and, indeed, protective devices [of these workers], had their roots deep in the pre-industrial past of the “crafts” which provided the model even for skilled trades which could not have existed before the industrial revolution”.⁹ The strength of the ‘craft’ ethic helped the exclusive nature of these trades to be maintained. There were, however, other factors than the solidarity of the trade that contributed to the privileged position of skilled workers. Hobsbawm argued that up until the Second World War, British industry relied to a certain extent on the objective manual skill of tradesmen; that skilled labour was an effective substitute for technological and management expertise; and that there was seen to be only limited benefit in attempting to eliminate skilled workers because the level of profit secured with their labour was acceptable. The ease with which the tradesman fitted into the economy of industrial capitalism, “once that economy decided to accept his modest claims to skill, respect and relative privilege” also helped.¹⁰ But Hobsbawm made it clear on which side of the great divide of capitalism tradesmen found themselves: “artisan traditions and values in this country [Britain] became proletarianized, as nowhere else”.¹¹

While it would be unrealistic to categorise skilled workers in New Zealand as forming any sort of ‘aristocracy’, there is little doubt that they differentiated themselves from other workers. Olssen described the notion of the skilled trade as a ‘moral’ category in his detailed study of skilled workers in Caversham in the early decades of the twentieth century. He argued that skilled workers believed they had a property right in their skill and labour, with labour being the “fundamental source of value in society”.¹² Fairness, respectability and ‘civilised’ behaviour characterised the skilled workers’ view of themselves, and of their role in society. The relationship between employer and worker was reciprocal, rather than exploitative: ‘the

⁷ *Collins Dictionary of Sociology*. 2nd ed., s.v. “labour aristocracy”.

⁸ Olssen, *Building the New World*, 7.

⁹ Hobsbawm, “Artisan or Labour Aristocrat?”, 355.

¹⁰ *Ibid.*, 362.

¹¹ *Ibid.*, 356.

¹² Olssen, *Building the New World*, 227.

idea of a trade also embodied the idea of a community of interests, an arena of reciprocal rights and duties, which defined a kind of partnership”.¹³

Alongside this notion of partnership, however, was a clear understanding of the difference between worker and employer. Illustrating this, McAloon cited William Tanner of Christchurch, a journeyman shoemaker who had emigrated from Britain. Speaking at a mass meeting of 2000 unionists during the 1890 Maritime Strike, Tanner defended “the existence of Unionism, which was the only safeguard of the artisan against the capitalist”.¹⁴ McAloon argued that British artisan radicalism had influenced the growth in New Zealand of the unionism of the 1880s: “unionism was to maintain living standards and, for skilled men and women, the standards of the trade. Workplace relationships had to reflect workers’ independence and sense of their own worth”.¹⁵ Thus, the skilled worker clearly held, by both self-definition and actual skill levels, a privileged position. The extent to which this position was used within New Zealand to challenge the nature of capitalist relations or, conversely, to blunt the impact of capitalist domination by creating divisions within the working class, has fluctuated both historically and geographically.

A Marxist Framework

Much of this thesis is either informed by, or examines exceptions to, a Marxist understanding of economic and social relations. It is thus necessary to outline some of the major tenets of Marx’s theories. Marx argued that the way that material production is organised is of fundamental importance in understanding human society. This ‘mode of production’ depends upon the point the society has reached in an evolutionary process of development. The mode of production has three components. The first of these is the *forces of production*, broad developments in human knowledge that affect productive activity; the second is the *means of production*, the technology that is used to produce, and the final component is the *social relations of production*.¹⁶

The technological and social aspects of production together form the labour process, which is comprised of purposeful activity (work); the object on which the work is performed;

¹³ Ibid., 227.

¹⁴ Jim McAloon, “Radical Christchurch,” in *Southern Capital: Essays in Christchurch History* (University of Canterbury, 2000), 169.

¹⁵ Ibid.

¹⁶ D. Lee and H. Newby, *The Problem of Sociology* (U.K.: Century Hutchinson Ltd., 1987).

and the instruments of that work.¹⁷ Marx designated the mode of production as the ‘base’ of society, and he argued that it ultimately determines the cultural and ideological ‘superstructure’ of the society. Marx used the dialectic, the process of contradiction and resolution, as the method of analysis of human social development. Each “mode of production contains inherent contradictions which produce its transformation and ensure the continuity of social evolution”.¹⁸ Thus, there is logic in the progression from one form of mode of production to another.

Marx saw the chronological order of the progression through modes of production as beginning with a movement from tribal society to an ancient society based on slavery. Following this was feudalism, then capitalism, which would eventually be doomed by its internal contradictions and be transformed into socialism. The transformations between different modes of production are achieved through the struggle between classes. In the case of capitalism, it is brought about by the economic crisis that results from the inevitable decline in the rate of profit. Classes in capitalist society are formed by the relationship of the “agents of production” to the surplus value created by production.¹⁹ Thus, “classes...are defined in terms of ownership (or non-ownership) of productive property which makes the taking of the surplus possible”.²⁰

This use of the notion of class, although materially determined, is relational rather than descriptive. A class is thus ‘not a thing’; it is constructed out of its relationship with another class, based on the position of each in the production process. Thompson, in *The Making of the English Working Class*, emphasised the dynamic and symbiotic nature of class:

class entails the notion of a historical relationship... it is a fluency... class happens when some men [sic], as a result of common experiences (inherited or shared), feel and articulate the identity of their interests as between themselves, and as against other men [sic] whose interests are different from (and usually opposed to) theirs.²¹

Marx saw these class relationships as being inherently antagonistic and exploitative; the conflict engendered “provides the driving force of social and economic development”.²² Marx also argued that because in the capitalist system the means of production are controlled by a

¹⁷ Collins Dictionary of Sociology. 2nd ed., s.v. “labour process”.

¹⁸ Lee & Newby, *The Problem of Sociology*, 119.

¹⁹ Althusser & Balibar, 1968; cited in J. Scott, *Sociological Theory* (U.K.: Edward Elgar Publishing Ltd., 1995), 163.

²⁰ Collins Dictionary of Sociology. 2nd ed., s.v. “class”.

²¹ Thompson, *The Making of the English Working Class*, 9.

²² Lee & Newby, *The Problem of Sociology*, 121.

minority, the majority who own only their labour power are alienated from the quintessential human characteristic of producing their means of subsistence.²³

Although class relationships are a feature of all modes of production, the bulk of Marx's work concentrates on those classes created by the capitalist mode of production. Capitalist society is distinguished from its predecessors by the fact that surplus labour, provided by propertyless workers through their labour power, is appropriated by the property owners through the creation of surplus value. This is defined as the "difference between the value of capital at the start of the capitalist production process and the additional value of commodities which are produced".²⁴ The creation and extraction of surplus value is the "essential social mechanism which forms the key to capitalist development" and creates the "fundamental antagonism (conflict, contradiction) in capitalist class relations".²⁵ For surplus value to be realised, the commodity that has generated it must be converted into exchange-value, that is, what is produced is to be exchanged for other commodities, usually through money, rather than being used directly. Thus, production is no longer carried out merely to meet subsistence needs. Capitalist production allows the property owners to appropriate the excess value created by the labour of the workers.²⁶

The rate at which the surplus value is extracted determines the rate of exploitation of those who sell their labour. This level of exploitation is not, however, related to the value of the commodity, but rather to the value of the labour power. Marx's analysis of this process is known as the labour theory of value. Based on the ideas of Locke, Marx argued that labour is the source of all value:

That labour alone is productive, who produces surplus value for the capitalist, and thus works for the self-expansion of capital.... Hence the notion of a productive labourer implies not merely a relation between work and useful effect... but also a specific, social relation of production, a relation that has sprung up historically and stamps the labourer as the direct means of creating surplus value.²⁷

The condition and control of the labour market is thus a critical facet of capitalist relations because the value of commodities is directly related to the amount of labour required in their production. When labour power is in turn sold as a commodity on the labour market:

²³ Grint, *The Sociology of Work*, 91.

²⁴ *Collins Dictionary of Sociology*, 2nd ed., s.v. "surplus value".

²⁵ Lee & Newby, *The Problem of Sociology*, 125-126.

²⁶ *Ibid.*

²⁷ Karl Marx, *Capital*, Vol. 1, 509; cited in David Harvey, *Limits to Capital*, 2nd ed. (London: Verso, 1999), 104.

what is exchanged is the value of labour power for the means of subsistence necessary to keep the labour alive and functioning. Wages are related to *this* and not to the value of the commodity eventually produced... it is the condition of the labour market ... which determines wages and thus the rate of exploitation.²⁸

Because of the competitive nature of capitalism, each capitalist tries to undercut the other and secure a larger share of the surplus value once new markets become exhausted. This is mainly done through reducing the costs of production. Costs may be reduced by producing more efficiently through the development of new technologies or more stream-lined work practices, or they may be lowered by paying less for the labour power required. There are limitations on these measures, however. Technological advances are not unbounded and some developments may not be cost-effective. The reorganisation of work practices cannot always be imposed; it requires negotiation. Wages cannot fall below subsistence level; a dead work force is not of much use. Thus, “eventually, inexorably, the rate of profit will begin to fall”.²⁹ The conflict caused by the imperative to reduce costs is illustrated clearly by many of the debates, both historical and contemporary, about apprenticeship.

The apprenticeship system can be seen as a ‘cost’, or barrier to ‘efficiency’, to the capitalist in three ways. First, there is the expense of paying (albeit at a reduced rate) a worker who is largely unproductive for a significant proportion of the apprenticeship. This expense is further increased by the need to have a tradesperson spend some of his or her productive time teaching the apprentice. Compounding this (depending on how the formal aspect of the apprentice’s training is organised) there may be an expectation that the employer will fund or subsidise off-job training. Indeed, evidence from an Australian study suggests that, under the contemporary apprenticeship regime in Australia, 53 per cent of the costs of training apprentices are borne by the employer, 28 per cent by the state and only 19 per cent by the apprentice.³⁰ Second, the exclusive nature of apprenticeship stands in the way of direct capitalist control of the cost of labour involved in production. The capitalist is forced to pay for a qualified worker regardless of the direct relevance of those qualifications to the skill required.

Finally, the ethos of the trade, reinforced and reproduced through apprenticeship, ensures that skills and knowledge required to perform the trade are kept (to a varying degree) with the tradesperson:

²⁸ Lee & Newby, *The Problem of Sociology*, 127.

²⁹ *Ibid.*, 130.

³⁰ Dockery et al, *The Social Return to Apprenticeship Training*, 37.

Such skills are anathema to capital. They can act as a barrier to the accumulation of capital... and prevent the penetration of capitalist social relations of domination and subordination within production. These are the skills that have to be eliminated if capitalism is to survive.³¹

Thus, through traditional craft and artisan skills the capitalist is denied direct access to all of the components of the production process, and therefore knowledge of how costs can be reduced. Historically, the 'first principle' of craft unionism - exclusiveness, "was informed by a belief which held that legally-apprenticed men had an inviolable right to participate in making the rules which governed the work place".³² These included determining wages and prices, controlling the labour market by limiting the number of apprentices and demanding that the quality of craftsmanship be kept at the highest level.

New technologies and the rationalisation of production, however, meant profound changes to work, which increased the ability of the capitalist to exercise control over the production process. This was done through deskilling: "a process of job degradation in which work is progressively fragmented, and stripped of its complexity, discretionary content and knowledge base".³³ Alongside this process, however, was the increase of "managerial, conceptual and technical (engineering) skills" required to organise the new production methods.³⁴ Thus, while deskilling clearly challenged the very heart of the apprenticeship system, there were "compensations and contradictions" within the process that were open to exploitation by organised groups of workers.³⁵

Deskilling: Braverman Re-examines the Labour Process

The process of deskilling is described in Braverman's (1974) seminal model of the development of industrial capitalism, which stimulated renewed interest in the labour process. Braverman argued that the distinguishing feature of industrial capitalism is the purchase and sale of labour power that begins the labour process. The worker must sell his or her labour power because the social conditions (engendered by "the extraordinary power of the tendency of capitalist economies to convert all other forms of labour into hired labour") mean that this is the only way to generate a livelihood.³⁶ The capitalist must purchase that labour power in order to enlarge the amount of capital that they own. Braverman, following Marx,

³¹ Harvey, *Limits to Capital*, 109.

³² Harrison & Zeitlin, *Divisions of Labour*, 88.

³³ *Collins Dictionary of Sociology*. 2nd ed., s.v. "deskilling."

³⁴ Harvey, *Limits to Capital*, 108.

³⁵ *Ibid.*

³⁶ Harry Braverman, *Labour and Monopoly Capital* (New York: Monthly Review Press, 1974), 53.

distinguished between labour, which is bound to the individual, and labour power, the power to labour for an agreed period of time, which is able to be sold. It is the labour power that is the key to capitalist accumulation:

Human labor... because it is informed and directed by an understanding which has been socially and culturally developed, is capable of a vast range of productive activities... the capitalist finds in this infinitely malleable character of human labor the essential resource for the expansion of his [sic] capital.³⁷

To harness this powerful resource, however, the capitalist must take control of the labour process. What has been bought is merely the potential to labour; the capitalist must use all the means at his or her disposal to channel that power in the most efficient way. Braverman argued that the tendency of capitalist development is to use new technologies to fragment skills, separating the conception and execution of production, and thereby allowing the capitalist to control every facet of the labour process.³⁸ There are three interrelated elements to this deskilling process: the break down of craft work into its essential components; the mechanisation of as many of those tasks as possible; and the application of 'scientific management' to the execution of the tasks.³⁹ This allows management to have control of the workplace, removing autonomy and knowledge from the craft worker, and producing "increased output from a cheaper, more manageable, less skilled workforce".⁴⁰ Braverman also argued that the labour involved in management itself was not immune from degradation and deskilling, and indeed, that the process may extend into the community and family life.⁴¹

While Braverman's ideas offer a compelling explanation of many changes in modern society, the deskilling thesis has been thoroughly critiqued. First, the idea of unilateral employer control may ignore both worker resistance, and possible worker consent. This is illustrated clearly in Hill and Gidlow's 1988 study of technological upheaval in the printing industry.⁴² Second, state intervention and mediation must be taken into account. This is particularly important in the context of the New Zealand system of industrial relations (and it must be remembered that what the state chooses not to do is also a form of intervention). Third, "the assumption of universal, unilinear skill degradation" ignores the wide range of

³⁷ Ibid., 55.

³⁸ Ibid., 57.

³⁹ John Shields, "Deskilling Revisited: Continuity and Change in Craft Work and Apprenticeship in Late Nineteenth Century New South Wales," *Labour History*, 68 (1995): 1-29.

⁴⁰ Terry Austrin, "Work," in *New Zealand Society*, 2nd ed., edited by P. Spoonley, D. Pearson & I. Shirley (Palmerston North: The Dunmore Press Ltd., 1994), 239.

⁴¹ Harvey, *Limits to Capital*, 110.

⁴² Hill & Gidlow, *From Hot Metal to Cold Type*.

structural and technological differences within and between industries. In hand with this, Braverman's notion of an increasingly homogenised workforce seems to overlook the "importance of labour market segmentation, the growth of internal labour markets, and associated divisions within the working class".⁴³

The linear and deterministic nature of Braverman's thesis has been also been questioned. For example, in his examination of the transformation to mechanised factory production, Penn questioned Braverman's deskilling model and argued that the process of the deskilling of the workforce was not as pervasive or as uncontested as Braverman had suggested. Organised resistance by certain occupational groups, notably those who had a strong history of craft unionism, allowed them to establish a "high degree of social control over the utilisation and operation of machinery".⁴⁴ Penn argued that mechanisms of social exclusion, such as apprenticeship, were used to give workers a degree of control over the supply of labour, and of the negotiation of the skill content required to operate new machinery. Thus, the notion of deskilling was not determined merely by technology, but was contested at the social level of the workplace, illustrating how the capitalist imperative to reduce production costs can be limited and controlled at the point of production.

Social Closure: a Weberian Perspective on Apprenticeship

Penn's work illustrates well the Weberian concept of social closure. Weber agreed with Marx in viewing economic interests as the primary determinant of social structure, but did not agree that this resulted in ultimately only two antagonistic classes formed by their relationship to productive property. Instead, Weber argued that there are a larger number of classes, which are determined by market relationships (including credentials and skills as well as property relations), and whose members share similar life chances. Thus, variables such as status and power also bind and differentiate classes.⁴⁵ These classes or groups will attempt to consolidate or improve their position and access to life chances by the process of social closure. This is defined by Parkin, a neo-Weberian, as: "the process by which social collectivities seek to maximise rewards by restricting access to resources and opportunities to a limited circle of eligibles".⁴⁶

⁴³ Shields, "Deskilling Revisited", 1.

⁴⁴ R. Penn, "Skilled Manual Workers in the Labour Process, 1856-1964 I," in *The Degradation of Work? Skill, Deskilling and the Labour Process*, ed. S. Woods (London: Hutchinson & Co., 1982), 105.

⁴⁵ *Collins Dictionary of Sociology*, 2nd ed., s.v. "class" & "Weber".

⁴⁶ Frank Parkin, *Marxism and Class Theory: A Bourgeois Critique* (Great Britain: Tavistock Publications, 1979), 44.

There are two components to social closure; exclusion, whereby one group attempts to “secure for itself a privileged position at the expense of some other group through a process of subordination”, and usurpation, whereby the group excluded, the ‘ineligibles’, fights back in an attempt to regain some of the position conceded. Exclusion is not limited to an economic basis; ethnicity, gender or religion, for example, can all provide grounds for the process.⁴⁷ Apprenticeship, then, is the means used by skilled tradespeople to maintain the exclusive nature of their group, and the justification for the exclusion is the notion of ‘skill’.

Skill

Much of the debate about apprenticeship centres on the notion of skill, and of how that skill is acquired, maintained, reproduced, recognised and protected. The term is patently problematic, overlaid with historical, social and economic meanings that complicate understanding. Ideas about skill can be conceptualised as a continuum. At one end is the ‘technicist’ approach, which informed Braverman’s ideas, whereby “skill is regarded as an objective characteristic of technology and work organisation”.⁴⁸ Skills are thus able to be broken down into their essential components, and are quantifiable, with the dimensions of skill being seen as task range, task competency and discretionary content. One of the criticisms of Braverman’s thesis argued that “the deskilling paradigm draws on an objectivist conception of ‘skill’ which is said to overlook the social, cultural, ideological and, in particular, patriarchal dimensions of job definition and the division of labour”. The paradigm also overlooked the possibility of new, unchanged or increasing skill levels.⁴⁹

At the other end of the continuum is the ‘social constructionist’ approach. The ‘strong’ version of this approach argues that the classification of an occupation as ‘skilled’ is arbitrary, decided by power of those within that occupation to have it classified as such. This power may come from exclusionary devices such as apprenticeship or from the gendered division of labour, whereby the patriarchal structure of society reinforces the definition of men’s work as skilled and women’s as unskilled.⁵⁰ The ‘weak’ version of the social constructionist approach, however, acknowledges that:

⁴⁷ Ibid.

⁴⁸ Shields, “Deskilling Revisited”, 1-2.

⁴⁹ Ibid.

⁵⁰ Ibid.

...nearly all skilled jobs have some objective skill content but that it is strategic position within the production process combined with collective organisation which gains the occupation a skill label. According to this view, some so-called unskilled or semi-skilled jobs also have a significant skill content which goes unrecognised and unrewarded.⁵¹

Shields, however, rejects the objective/subjective dichotomy, arguing that the 'weak' version of social constructionism allows "recognition that far from being mutually exclusive categories, objective skill and skilled status and, more generally technology and the social division of labour, exist in a dialectical and historical relationship".⁵²

The Function of Apprenticeship

Apprenticeship can perhaps be best understood as a reciprocal system, where the balance between advantage and disadvantage is finely tuned through an on-going process of negotiation, both at the individual and societal level. This negotiation is clearly set within the framework of capitalist relations, but it is simplistic to consider apprenticeship merely as a tool used by employers to exploit, or by workers to attempt to thwart that exploitation. This type of understanding ignores the benefits that both parties accrue from the power associated with serving an apprenticeship, and of having a trade. Thus, while it is important to understand the deep processes that 'drive' apprenticeship, and the wider labour market, it is also useful to take a static view of the institution, and to see how apprenticeship functions and is perpetuated.

Functionalist theory is one means of examining the strength and persistence of the apprenticeship system in New Zealand. It allows us to understand the way in which apprenticeship functions as a social system with a degree of order and stability. The way in which an apprentice is socialised into the trade is a crucial vehicle for the reproduction of this system. A social system such as apprenticeship can be thought of as having 'common values', which includes such things as norms, roles and institutions.⁵³ For a system to persist there must be a "shared basis of normative order" - normative choices must be made on the basis of shared values.⁵⁴ One of the basic elements of a social system is the role; the normative behavioural expectations attached to a particular social position. The role provides the link between the actor and the wider social institution. The role is specified as a "series of *norms* or

⁵¹ C. Littler, *The Development of the Labour Process in Capitalist Societies* (London: Heinemann, 1982), 9.

⁵² Shields, "Deskilling Revisited", 3.

⁵³ Scott, *Sociological Theory*.

⁵⁴ Handel, *Contemporary Social Theory* (USA: Prentice Hall: 1993), 18.

verbal expressions of the rights and obligations of the actor”, with sanctions, rewards and punishments also specified.⁵⁵ Roles, as a fundamental part of a social system, can serve ‘situational’ or ‘integrative’ functions; that is, they may either concern the relationship of the system to the environment, or work to maintain internal cohesion.⁵⁶

The internal cohesiveness of the system is described as social integration.⁵⁷ As apprentices begin their ‘time’, they take on the role that is specific to their position in the system, performing the tasks that are necessary for the efficient running of the ‘system’. The actual tasks involved in the role will vary with the length of time served and the nature of the apprenticeship. Thus the apprentice may move from tea-maker to cheap labour to instructor of younger apprentices. These functions obviously differ, but all serve to maintain the integrity of the institution, and to ensure the ‘common values’ are perpetuated. A first-year apprentice, for example, will generally be expected to ‘listen and learn’, to be the ‘gofer’, to sweep the floor and to show respect to all who are senior. These expectations will be articulated, explicitly or implicitly, by employers, workers out of their time, and by more senior apprentices. This is known as socialisation: “the process through which people learn those means and ends of action that are enjoined by the common values of their society”.⁵⁸ By the second or third year the apprentice will have internalised some of these values and will both act upon them and pass them on to new recruits.

The ‘situational’ level of analysis is described as system integration. Roles are seen as being formed into institutions, which become the fundamental ‘parts’ of the wider social system: the “overall stability [of the social system] depends upon the degree of integration or malintegration among its institutions”.⁵⁹ It is at this level that we can examine the institution of apprenticeship as a part of the bigger ‘social system’ of labour relations. The socialisation of apprentices into a particular view of how the employer-worker relationship functions ensures the continued integration of the apprenticeship system within the wider labour market. Pattern maintenance, the passing on of the ‘culture’ of the trade, ensures that notions of skill and the value of the trade and its practices are perpetuated. Apprenticeship, therefore, can be seen as fulfilling some of the important ‘functional needs’ necessary for the labour market to exist and persist.

⁵⁵ Handel, *Contemporary Social Theory*, 19.

⁵⁶ Scott, *Sociological Theory*.

⁵⁷ Ibid.

⁵⁸ Ibid., 45.

⁵⁹ Ibid., 46.

It is also possible to distinguish between manifest and latent functions; manifest functions being 'intended and recognised' consequences for the adjustment and adaptation of the system, and latent functions being unintended and unrecognised.⁶⁰ This type of analysis is useful when applied to the apprenticeship system. For example, considering the relationship of apprenticeship to the wider system in which it is set, we can argue that the manifest function is to ensure a continued supply of well-trained workers. The latent function, however, could be seen as providing workers who do not question the worker/employer relationship too much, and who accept the 'common values', such as skill construction and the standing of the trade, with which they have been inculcated. Some of the manifest functions relating to the internal cohesion of the apprenticeship system are the passing on of skills, the fulfilling of a firm's obligation to the industry and ensuring a flow of tradespeople trained to the firm's specifications. The latent functions may include the passing on of attitudes towards senior tradespeople, employers, customers and work-practices; an understanding of unwritten hierarchies of respect.

The strength of the socialisation process embodied in apprenticeship, and of the status ascribed through this process, becomes clear in discussion with apprentices, tradespeople and employers. The status of the 'skilled worker' is underpinned by the hierarchical nature of apprenticeship. These hierarchies operate at three levels; within the apprenticeship itself, between trades, and between the 'skilled' worker and other categories of workers. Within the apprenticeship, there is a clear distinction based on the time the apprentice has served. This is marked in several ways. The nature of the tasks given to newer apprentices is the most obvious. The boundaries are clearly set, with the apprentice needing 'permission', formal or implied, to move to the next stage. Tolich describes these tasks as forming part of a 'rite of passage' through the apprenticeship years.⁶¹ Other rites that mark the progression up the hierarchy include being allowed to perform a skill 'for real' instead of practicing, and being given a degree of responsibility (albeit well supervised). In the trades with an examination structure, passing of the various stages is also a clear marker of progression. Perhaps the strongest mark of progression, however, is to have working 'under' you a younger apprentice.

⁶⁰ A. Swingewood, *A Short History of Sociological Thought*, 2nd ed. (London: The Macmillan Press Ltd, 1991).

⁶¹ M. Tolich, "Breaking the Mould: External Forces Subverting the Racing Stable as a Total Institution," *Australia and New Zealand Journal of Sociology*, 31 (1995) : 100-114.

The second level of status concerns the rankings of various trades. Tradespeople have a finely tuned understanding, fluid and contestable, of where their trade 'fits' in the scale of things. This may be based upon a variety of criteria, both subjective and objective. The entrance requirements and the length of training are factors, as is the perceived technical difficulty of the training. Trades may be classified as 'clean' or 'dirty', with tradespeople in 'clean' trades regarding themselves as superior to those in 'dirty' trades. The level of skill involved in the trade is also the subject of classification, with high levels of manual competency, or high technical ability, being rated more highly than repetitive, mechanistic skills or skills more dependent on brute strength. The level of remuneration that tradespeople earn is another factor, but is generally not sufficient alone to confer status to a trade.

The third level of status is that of 'having a trade'. To have a trade is to belong to an exclusive group. The identity of this group is forged through a long and sometimes thankless training; there are financial sacrifices and members must accept a turn at the bottom of the heap. The cohesiveness of the group is maintained through camaraderie and humour; members form bonds based on similar experiences as they move through the hierarchical layers. The integrity of the group is affirmed through a deep respect for the skills of the trade, and the technology surrounding those skills. In some ways, then, the apprenticed trades may complicate a Marxist understanding of class divisions based on the relationship to the means of production. If a worker has a 'property right' in his or her skill, then the distinction between worker and employer blurs, particularly in the New Zealand setting where small enterprises prevail.

Yet, in other ways the very strength of the socialisation process of apprenticeship reinforces and perpetuates capitalist relations. The apprenticeship system, although formed in pre-industrial times, has evolved to function within capitalist society. Thus, the roles and values of that system are imbued with the antagonisms and tensions inherent in the capitalist mode of production. Apprenticeship is clearly an example of the function of control in education and training; it reproduces at one level the "skills necessary to maintain the means of production, and at another, [sustains] the affectual skills which underpin the social relations of production".⁶² Again, the hierarchical nature of apprenticeship provides a mechanism that is ideally suited to transmitting acquiescence and deference; 'knowing your place' is one of the first lessons to be learnt, both within the trade and in the relationship between worker and employer. While much of the learning that takes place during an apprenticeship is informal or

⁶² D. Gleeson & G. Mardle, *Further Education or Training?* (London: Routledge & Kegan Paul, 1980), 5.

carried out on-the-job, the formal component of training has become increasingly important. It is here that ideas about 'work' and 'education' intersect (and often collide).

Some Thoughts About Education

Since the Second World War the formal educational component of many apprenticeships has greatly increased. Apprenticeship has moved over the last fifty years from being largely a labour market issue to, by the late 1980s, becoming an integral part of the education system. Higgins argued that the "maintenance of formal training pathways in skilled occupations... has generally been in the interests of both employers and workers".⁶³ Employers get the benefit of a skilled workforce, and workers gain an important bargaining tool. The formal recognition of skills also helps workers to retain a privileged position compared with other workers: "the admission of new entrants into an occupational labour market through formalised training provides the basis for occupational closure and some control over skill definitions".⁶⁴

The educational component of apprenticeship raises two important (and interconnected) theoretical issues. The first issue is the tension between the social and economic goals of education. This is a constant theme throughout the following chapters, be it the disdain expressed by some employers at 'liberal studies' being taught during apprenticeship block courses, or, more significantly, the recurring call for the education system to service more appropriately the needs of the economy. The crux of this demand in recent times has been the 'skills discourse', the belief that "skill requirements in industrial societies are increasing in complexity due to technological change... the need for unskilled labour declines as a corresponding demand for a more expert labour force increases".⁶⁵ Gleeson and Mardle (while their research is British, the findings are equally applicable to New Zealand) observed that "with recurring predictability government reports, research papers and academic texts have re-emphasised the functional necessity of synchronising the relations between further education, technical training and the occupational structure" (in spite of increasing levels of unemployment and lack of occupational choice).⁶⁶

⁶³ Jane Higgins, "Skills and Schemes: the Training Response to Youth Unemployment," *Labour, Employment and Work in New Zealand*, 6th Conference Proceedings (Wellington: Victoria University, 1994), 201-202.

⁶⁴ *Ibid.*, 202.

⁶⁵ Gleeson & Mardle, *Further Education or Training?*, 4.

⁶⁶ *Ibid.*, 3.

The origins of this 'skills discourse' are found in the broader theoretical assumptions within the 'human-capital' approach of Becker (1975). This theory argues that people rationally invest in their education to secure the best return from their abilities. Embodied within this theory are "liberal democratic and meritocratic ideals which equate the pursuit of economic advantage with that of equality of opportunity thereby acting as a legitimisation of greater investment in education".⁶⁷ Challenging the assumptions of this theory, however, is the indisputable deskilling of many existing occupations, coupled with the low skill levels required in many of the 'new' occupations created by technological advances. One consequence of these trends is credentialism: "an inflationary effect set in motion by the vast upgrading of skills and qualifications in society which bear little actual resemblance to the work performed".⁶⁸

Also calling into question the tenets of the human capital approach are limits to the extent to which people are able to make rational decisions. Choices are constrained by the resources and the amount of information that are available, and by the time frame that can be envisaged. There is also not an unlimited choice of occupations set before people; the 'myth' of the synchronisation between the educational system and the occupational structure "ignores the ways in which different forms of capital (economic, social and cultural) set limits to the types of employment available in the economy".⁶⁹ Thus, the ability of people to make 'rational' educational and occupational choices is clearly influenced by the often irrational and historically specific "network of social relationships that structure the labour process and the labour market through activities such as employer recruitment practices, workers' strategies of occupational closure and control, the social construction of skill and so forth".⁷⁰

The second theoretical issue is the question of whether education is a public or private good. This has become particularly pertinent with the growing prominence of neo-liberal ideology during the last twenty years. Within the 'New Right' perspective:

education is viewed primarily in economic terms: as a means of providing trained human resources to 'meet the needs of the economy', and as a commodity to be chosen and consumed by individuals.⁷¹

This view was illustrated clearly in the 1987 Treasury *Briefing to the Incoming Government*,

⁶⁷ Ibid., 4.

⁶⁸ Ibid.

⁶⁹ Ibid., 5.

⁷⁰ Higgins, "Skills and Schemes: the Training Response to Youth Unemployment", 197.

⁷¹ John Codd, "Educational Policy and the Crisis of the New Zealand State," in *New Zealand Educational Policy Today*, ed. Sue Middleton, John Codd & Alison Jones (Wellington: Allen & Unwin NZ, 1990), ix.

which attempted to discredit the idea of education as a public good. Treasury claimed that the economist's definition of a public good was that it is 'non-exclusive, non-competitive, and non-positional (that its value does not lie in a restricted supply of the good)'. As education (according to Treasury) did not fall into those categories, it was merely another commodity and as such should be traded in the market place.⁷² There is thus a correlation between giving precedence to the economic goals of education and regarding that education as primarily a private good (although this is not a logical necessity, the goal of a strong economy being surely as collectively desirable as that of an equitable and cohesive society). Although only the most hard-bitten Treasury analysts claimed that the state should not play a large role in the provision of compulsory education, many felt that post-compulsory education and training should certainly be exposed to the rigours of the market.

There are two arguments against the idea of education as a private good. First, if the social role of education is acknowledged, including its place in personal enrichment and the development of citizenship, then education clearly remains an essential public good.⁷³ Second, education, and in particular, the acquisition of skills, is not something that is amenable to organisation through the market. Streeck argued that "market failure in skill formation is endemic and inevitable" for two fundamental reasons. At the level of the individual, basic work skills are generally acquired at a young age, when the long-term ramifications of choices are the most difficult to imagine, and the "deferral of gratification that is the essence of 'investing'" is the most difficult.⁷⁴ At the level of the firm, the free labour contract, whereby workers have the right to move freely between firms, taking with them expensively-acquired skills, means that "most firms will most of the time have a tendency to invest less in training than they should in their own interest".⁷⁵

There seems, therefore, to be clear case for some level of state involvement in the development of a skilled workforce. While the state must strike a balance between the need for economic efficiency, and social cohesion and equity, there are three reasons why the state is in a position to mitigate the market failures described above. First, the state is able to take a broader view of the costs and benefits of skill formation. Therefore, the notion of efficiency can be widened to include, for example, the social benefits of having young people in training

⁷² Gerald Grace, "The New Zealand Treasury and the Commodification of Education," in *New Zealand Educational Policy Today*, ed. Sue Middleton, John Codd & Alison Jones (Wellington: Allen & Unwin NZ, 1990), 27-39.

⁷³ Ibid.

⁷⁴ W. Streeck, "Skills and the Limits of Neo-liberalism: The Enterprise of the Future as a Place of Learning," *Work, Employment & Society*, 3 (1989) : 89-104.

⁷⁵ Ibid., 93.

rather than on income support. Second, the state can (to a debatable extent) consider the benefits from skill formation for both worker and employer and, finally, the state is able to take a longer-term view than either firms or individuals.⁷⁶

Streek cautioned, nevertheless, that the state is not always the best provider of skills training: “the state provision of industrial training is neither attuned to the dynamics of the training process nor conducive to the kind of skills that are needed for successful upward restructuring”.⁷⁷ The reasons given for this are that first, many young people have had enough of the formal school setting by the time they begin training for a job. Second, many skills are more effectively learnt by ‘doing’ them in the reality of the work place. Finally,

industrial training is not just the acquisition of manual or mental skills but it is also... a process of socialization in work-related values, in a culture and community of work in which extra-functional skills like reliability, the ability to hold up under pressure, and solidarity with others working at the same tasks are highly regarded and rewarded. To internalize value orientations... people need role models;... work-related skills and orientations are acquired not from professional teachers but from more experienced peers in a place of work where technical competence can be blended into, and transmitted together with, attitudinal discipline and diligence.⁷⁸

Streek thus argued for the integration of education and training (another common theme in the following chapters), but placed this integration firmly in the world of work: “enterprises... have to become *places of learning in addition to being places of production*”.⁷⁹ If this is to be successful, however, there must be regulation, and this is where the role of the state becomes crucial:

If society wants skills, enterprises have to be drafted and mandated by regulating agencies to produce them... institutions are needed in Western societies that constrain the rational self-seeking behaviour of firms and make the enterprise do its duty as a cultural institution. Just as skill formation in individuals requires education, skill formation in firms requires regulation.⁸⁰

This argument, however appealing, presupposes ‘regulating agencies’ that are both neutral and powerful, ignoring the reality that the tendency of capitalism is to concentrate power exactly where it provides the most advantage for capitalists.

⁷⁶ Organisation for Economic Co-operation and Development (OECD), *Industry Training in Australia, Sweden and the United States* (Paris: OECD, 1993), 43.

⁷⁷ Streek, “Skills and the Limits of Neo-liberalism”, 98.

⁷⁸ Ibid.

⁷⁹ Ibid., 99.

⁸⁰ Ibid., 100.

This chapter has thus surveyed some of the theoretical understandings that underpin the following chapters. While this is predominantly an historical thesis, a theoretical basis is essential to an understanding of the deeper processes underlying the changes and continuities in the apprenticeship system in New Zealand. Discussion about why and how individuals are to be trained to work occurs at the intersection of wider debates about work and education in society. The way in which those debates are structured reveals much about competing ideologies in New Zealand, and allows an understanding of how power is controlled, contested and manipulated between groups. The theoretical perspectives discussed in this chapter will illuminate various aspects of what follows, each perspective providing different tools to assist in digging below the superficial changes in apprenticeship policy.

CHAPTER THREE

THE EARLY DAYS OF APPRENTICESHIP IN NEW ZEALAND: HOW JACK GOT TO BE AS GOOD AS HIS MASTER

This chapter will trace the early history of the apprenticeship system in New Zealand. In tracing the progress of apprenticeship, it will become clear that much of the debate that took place reflected many of the wider issues that were prominent in New Zealand during this time. Indeed, apprenticeship was at the heart of some of the most highly contested social and economic issues of the day. Despite this, there was a surprising amount of consensus over many of the concerns about apprenticeship. This consensus, together with the prevailing social and economic background, allowed the development of a particularly 'New Zealand' resolution to the question of the role of the apprenticeship system in a 'modern' country.

The Master and Apprentice Act 1865

An understanding of apprenticeship in highly industrial Britain clearly has limited relevance to the early days of colonial New Zealand. The population of New Zealand at that time was largely rural, with only 33.8 per cent living in urban areas (of over 1000 people) in 1861, and the bulk of the work force being engaged in primary production.¹ In fact, a desire to leave behind the class-based struggles of Britain was a factor in the decision to migrate of many of the settlers: "New Zealand was to be the classless utopia in which there would be found all of the benefits of industrialisation...without any of its disadvantages".² There was a perception that the egalitarian nature of the new colony; 'Jack being as good as his master', would mean a less confrontational relationship between employers and workers and, by extension, apprentices. Indeed, when the Master and Apprentice Bill was introduced in 1865, its main purpose was to enable destitute children to be apprenticed by charitable institutions.³ Even so, concern was expressed that the bill would tend to upset the existing relations between masters and apprentices. It was felt that the bill, in attempting to regulate apprenticeship,

¹ J. Graham, "Settler Society," in *The Oxford History of New Zealand*, 2nd ed., ed. G.W. Rice (Auckland: Oxford University Press, 1996), 280.

² D. Hamer, "Sir Robert Stout and the Labour Question, 1870-1893," in *Studies of a Small Democracy*, ed. R. Chapman & K. Sinclair (Auckland: University of Auckland, 1963), 80.

³ *New Zealand Parliamentary Debates* (NZPD), 1864-1866.

sought to introduce “a state of things which existed in England, and which could not be introduced in the colony, such as customs of trade”.⁴

The bill, which was passed on October 24, 1865, was an extension of the English law, adapted from legislation passed in Victoria.⁵ It made provision for government apprentices, but its main focus was to allow orphanages to bind children in their care to masters who had been approved by the Colonial Secretary. To facilitate this, indentures could be executed by a parent or guardian, or by two Justices of the Peace. Institutions could bind children above the age of twelve to any “farmer, householder, tradesman or any other person exercising any art or manual occupation” for up to five years.⁶ The master was to provide “sufficient and suitable” food, clothing and bedding, and to ensure that the apprentice “attend divine service when practicable at least once on every Sunday and...have particular attention paid to his morals”.⁷ Masters were able to resort to the law to punish defaulting apprentices, the penalty being up to three months imprisonment, and penalties were also specified for the mistreatment of apprentices. The master was obliged to set aside two pounds (or 30 shillings for females) for each of the last three years of the apprenticeship, and pay this to the apprentice at the expiry of the apprenticeship.⁸

A ‘Settled’ Society

By the late nineteenth century, the 1865 Act had become outdated as the society in which it had been passed moved out of the settlement phase.⁹ Central government began to over-ride the strength of the provincial centres, helped by the ten-year expansionist spending programme that Vogel, first as Colonial Treasurer and, from 1873, as Premier, implemented throughout the 1870s. The programme, financed by heavy overseas borrowing, was designed to stimulate the economy through public works and immigration.¹⁰ The resulting urbanisation, growth of state bureaucracy, industrialisation and the accompanying specialisation of work changed the social structure of New Zealand. The 1880s are characterised by Olssen as the beginning of a distinct phase in the shift from a pre-industrial to a modern society.¹¹ Thus, by

⁴ Ward, NZPD, 1864-1866, 657.

⁵ Australia.

⁶ *New Zealand Statutes*, 1865, Master and Apprentice Act, 142.

⁷ *Ibid.*, 142.

⁸ *Ibid.*, 144.

⁹ John Martin, *Holding the Balance* (Christchurch: Canterbury University Press, 1996).

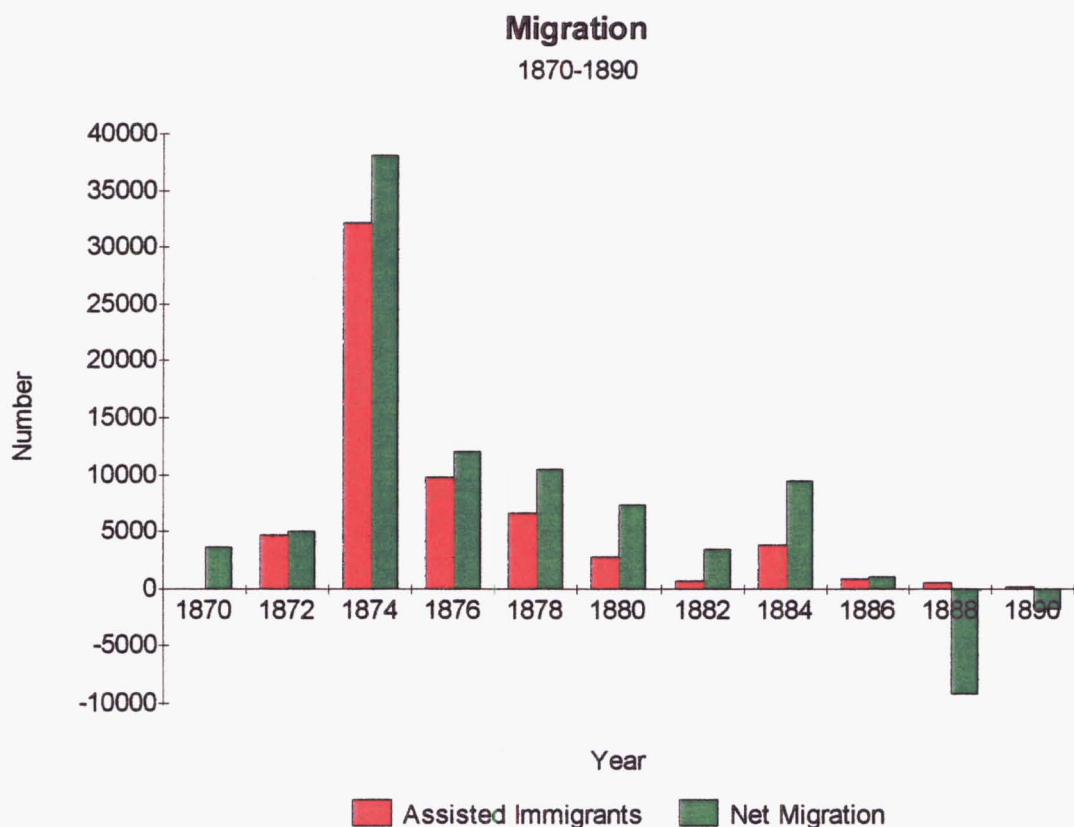
¹⁰ Raewyn Dalziel, “The Politics of Settlement”, in *The Oxford History of New Zealand*, 2nd ed., ed. G.W. Rice (Auckland: Oxford University Press, 1996), 102-104.

¹¹ Erik Olssen, “Women, Work and Family: 1880-1926,” in *Women in New Zealand Society*, ed. P. Bunkle and B. Hughes (Auckland: Allen & Unwin, 1980), 159-183.

the last two decades of the nineteenth century, “New Zealanders were stepping out of the spare, tough life of settlement...into a society which...had in miniature the features of most other Western nations”.¹²

Industrialisation was encouraged by four factors. The volatility of returns for agricultural products made diversification attractive. Labour was cheap, readily available and included many skilled immigrants (See Figure 1 for migration figures). The internal market had grown over the expansionist 1870s and there was an increasing recognition that “secondary industry was now essential to the colonial economy”.¹³ Thus, over the first half of the 1880s, there was a marked growth in light industry. The industrial labour force expanded by 36.8 per cent between 1881 and 1886, increasing to 39,000 workers.¹⁴

Figure 1: Assisted and Net Migration, 1870-1890¹⁵



¹² Jessie Munro, *The Story of Suzanne Aubert* (Auckland: Auckland University Press, 1996), 213.

¹³ W. Gardner, “A Colonial Economy,” in *The Oxford History of New Zealand*, 2nd ed., ed. G.W. Rice (Auckland: Oxford University Press, 1996), 83.

¹⁴ *Ibid.*

¹⁵ Martin, *Holding the Balance*, 387.

The Long Depression

Accompanying these changes, however, was a period of recession that began in 1879 and lasted well into the 1890s. Increased competition forced employers to cut costs and the employment of women, girls and boys increased.¹⁶ Poverty and its effects became visible in a manner that challenged the idea of New Zealand as a land of plenty. Increases in prostitution, drunkenness, sweated labour and slum dwellings were apparent.¹⁷ There was widespread concern that the ills and divisions of the 'Old World' had come to New Zealand. One effect of these pressures was the growth of a fledgling union movement as working people became united in the pursuit of higher wages and the need to improve working conditions.

McAloon tells of the formation of the Christchurch Tailors, Tailoresses and Pressers Union in June 1889. Four hundred people attended the initial meeting of the union, with the primary object being the abolition of sweating. The workers called for regulated hours, uniform wages and blanket union coverage of workers in the clothing trade. Apprenticeship conditions were another rallying call, with the union demanding a fixed ratio of apprentices, to ensure both that apprentices were properly trained and to protect the jobs of skilled workers.¹⁸ The bottom line of the union's demands was a closed shop and a log of standard prices. The union committee, comprising equal numbers of men and women in recognition of the need to organise women workers, reinforced the need for these measures to end sweating. The committee received the support of most employers; however, the refusal of the Kaiapoi Woollen Company to agree resulted in a three-week strike. Countrywide support for the union's demands pressured the company into conceding most of the points, and the strike was ended in November 1889.¹⁹

The role of women in this process, both as victims and as the agents of change, is of great importance, moving them for a short period from the periphery to the heart of labour issues, and emphasising the double-edged power of the apprenticeship system. The practice of 'sweating' was first introduced into the clothing industry in the 1880s as contractors took on fixed price contracts from the large clothing manufacturers. Intense competition and the need to maximise their profits meant that the contractors forced down the rates paid to their largely female workforce. 'Sweating' soon became a generic term for all exploitation of workers, but

¹⁶ Gardner, "A Colonial Economy".

¹⁷ R. Nicholls, *The Women's Parliament* (Wellington: Victoria University Press, 1996).

¹⁸ Jimmy McAloon, "Working Class Politics in Christchurch 1905-1914" (MA thesis, University of Canterbury, 1986), 10.

¹⁹ McAloon, "Radical Christchurch".

it was women who were the most vulnerable to the practice. The high levels of unemployment ensured a pool of workers willing to take on work if the pay offered was not acceptable. Many women were out-workers, making up the various garments in their homes, often supplying their own needles and thread, and in many cases working at home in the evenings after completing a full day's work in a factory.²⁰ Women employed in the clothing industry, the vast majority of women industrial workers (see Figure 2), earned little more than half the average wage of men.²¹

Figure 2: Percentage of Women in Clothing Trade in New Zealand as a Proportion of Total Number of Women in Industry, 1886-1936²²



The apprenticeship system itself could be exploited by employers to lower the cost of wages even further.²³ Women were taken on as apprentices, often with no pay, with the promise of a job in the future. When the women reached a level of competency that required payment, they were in many cases either sacked, or moved to a different area, with the employer claiming that they were still apprentices and therefore to be paid at a low rate or not

²⁰ Maryan Street, *Scarlet Runners: Women and Industrial Action 1889-1913* (Wellington: Working Life Communications, 1993), 2.

²¹ Ibid., 8.

²² Ibid., 8.

²³ Ibid.

at all. Although the conditions that many women faced were mentioned at the first New Zealand Trades and Labour Congress held in Dunedin in 1885, it was not until late in 1888 that the wider public were made aware of the shocking working conditions and exploitation to which the women were exposed. A sermon by the Reverend Rutherford Waddell, a Presbyterian minister in Dunedin, triggered an investigation by the *Otago Daily Times*. The subsequent outcry ensured that ‘sweating’ would become a cause “which became the measure of the newly developing colonial society: the wages and conditions afforded to women workers became the standard against which the civilisation of the new colony was to be measured”.²⁴

The amelioration of those wages and conditions was very much in the hands of the Tailoresses’ Union. The inaugural branch of the union was initiated at a fiery public meeting held in Dunedin on 7 June 1889. Along with the proposal to unionise was a call for a government commission of inquiry into sweating. The commission was duly formed, but much of its investigation found that where the various branches of the tailoresses’ unions had been active, conditions had already improved immensely. Nevertheless, the commission still heard evidence of long hours, poor working conditions, child labour and inadequate wages.²⁵ Illustration 1 portrays Harriet Morrison of the Dunedin Tailoresses’ Union as St George slaying the sweating dragon.

Illustration 1: ‘The Sweating Crusade’, *New Zealand Observer*, 25 January 1892²⁶



²⁴ Ibid., 1.

²⁵ Ibid., 15.

²⁶ Martin, *Holding the Balance*, 14.

The concerns about working conditions for women and children were exposed and highlighted by the report of the Sweating Commission, delivered in May 1890, which also revealed the weaknesses in the Master and Apprentice Act 1865. There was still provision for children to be apprenticed at the age of twelve, but no compulsion for the employer to teach the trade. Many apprentices were dismissed as soon as they had served their time, or put on piecework at the earliest opportunity. Although the Employment of Females and Others Act 1881 had limited the hours of work for females and children under fourteen, boys aged between fourteen and eighteen could be expected to work adult hours without being paid an adult wage. Submissions to the commission told of 'boy-labour' in many different trades and gave evidence of widespread abuse of apprenticeship provisions. The commission recommended an improved system of indenture, fourteen years as the minimum age for employment and a maximum 48-hour week for fourteen to eighteen year olds.²⁷ The aims were to ensure a 'living wage' and that trades were taught properly.²⁸

The Liberal Government

The coalescing of organised labour and the emergent Liberal party into the 1891 Liberal government provided the political means for many of the Sweating Commission's recommendations to be enacted.²⁹ The Factories Act 1891 made a 48-hour week mandatory for young workers and placed other restrictions on their employment. The legislation, however, did not extend to smaller establishments employing fewer than three workers, allowing the exploitation of children to continue. This was addressed in the Factories Act 1894, which also introduced a fourteen-year minimum age for employment and required workers aged under sixteen to have passed Standard Four. No legislative reform of the apprenticeship system itself was attempted until 1894, when William Pember Reeves introduced the first draft of the new Master and Apprentice Bill.³⁰ Graham suggests that the delay in introducing apprenticeship legislation may have resulted from a feeling that "employers were already under sufficient pressure to reform their labour conditions".³¹ Indeed, the first reading of the bill on 26 June 1894 was accompanied by readings of the

²⁷ J. Graham, "Child Employment in New Zealand," NZJH 21 (1987) : 62-78.

²⁸ Olssen, *Building the New World*.

²⁹ Richardson, "Parties and Political Change", 197-225.

³⁰ Graham, "Child Employment in New Zealand".

³¹ Ibid., 67.

Industrial Conciliation and Arbitration Bill, the Factories Bill and the Eight Hours Bill, all radical labour legislation.³²

Reeves's first attempt at apprenticeship legislation, based on a measure drafted by the 1891 Conference of the Trades and Labour Councils, did not survive its first reading.³³ The Master and Apprentice Bill (No.2), drafted by the 'labour' members of the House, was more acceptable and was sent to the Labour Bills Committee after its second reading on 24 August 1894.³⁴ The main features of the bill were a minimum education qualification of a Standard Four pass before a young person could be apprenticed, maximum terms of three years for girls and five years for boys and a ratio limiting the number of apprentices to journeymen. The most controversial clauses specified a minimum starting wage of five shillings per week, and that no young person could be employed at any handicraft unless they were apprenticed under the Act.³⁵ Reeves saw the main object of the bill as that "an employer of boys or girls should not reckon so much on the amount of earnings he can get out of them, but that they should be instructed thoroughly in a trade".³⁶

The report of the Labour Bills Committee is an eloquent synopsis of the concerns of employers, workers and the government of the day. There was general agreement that the 'evil of boy-labour' was resulting in low wages and contributing to the poor standard of workmanship of the colony's tradespeople. There was a consensus between all parties that some restriction on the number of apprentices to journeymen was essential to solve the problem of boy-labour. The employers' evidence, however, reveals doubts about the ability of the proposed legislation to achieve this without seriously damaging their businesses. John Blair, a printer, stated: "so far as my establishment is concerned, the provisions of this Bill...will simply close it...I could not carry out this law under any circumstances under these provisions."³⁷ Blair's business was highly mechanised and he argued that an obligation to apprentice machine-hands was 'absolutely impracticable'. Employers thought the remuneration suggested for apprentices excessive, and argued that it would lead to employers demanding premiums from apprentices. There was also a concern about indenturing. It was

³² NZPD, 1894, 83.

³³ *Bills Thrown Out*, 1894; Olssen, *Building the New World*.

³³ NZPD, 1894, 85; Olssen, *Building the New World*.

³⁴ *Bills Thrown Out*, 1894.

³⁵ Report of the Labour Bills Committee on the Master and Apprentice Bill (No. 2), AJHR, 1894, I-13, 13.

³⁶ *Ibid.*, 12.

³⁷ *Ibid.*, 12.

felt that compulsory indenturing was too restrictive, and that it could allow the apprentice to become complacent.³⁸

The Labour Bills Committee ran out of time for its deliberations in the 1894 session of the House. The bill was held over until the next year, but was not reintroduced in the 1895 session. The change of leadership of the Liberal government to Seddon, combined with the considerable gains the party made in country areas in the 1893 election, meant that by 1894 the Liberal party began “a slow but inexorable move to the rural right”.³⁹ This translated into a growing displeasure with Reeves, and his labour legislation, both from the country and his own Liberal party. Reeves’s public image had altered from being the champion of the poor against the rich in the heady days of 1891 to, by 1895, that of a dangerous radical who would lead the urban unions against small capitalists, shop-keepers and small farmers.⁴⁰ Reeves managed nevertheless to secure enough support for his Industrial Conciliation and Arbitration (IC&A) Act 1894. The unlikely bedfellows of unionists, dispirited by their defeat in the 1890 maritime strike, and country interests, who viewed the Act as taming the unions, allowed the Act to pass, despite the opposition of employers.⁴¹ The passing of the IC&A Act, however, essentially marked the end of radical labour reform. After bitter public controversy throughout 1895, Reeves was appointed Agent-General in early 1896, and left the colony for London.⁴²

Seddon took over the role of Minister of Labour from Reeves. Under his auspices, a Master and Apprentice Bill was introduced into the House in 1896, 1897, and 1898. On each occasion, the Legislative Council shelved it.⁴³ The last mention of the bill was in 1899, when the Hon. Mr McGregor moved in the Legislative Council that if the Bill was to be introduced in that session, it should be done early enough for the Labour Bills Committee to take evidence. The motion was defeated and the idea of apprentice legislation abandoned.⁴⁴ There were several reasons for the failure of the legislation. Public opinion was still hostile to measures with Reeves’s stamp on them.⁴⁵ Howe points to the difficulties of getting any innovative labour legislation through Parliament if it seemed likely to affect employers too much, and uses the Master and Apprentice Bill to illustrate this.⁴⁶ Graham argues that political

³⁸ Ibid.

³⁹ K. Howe, *Singer in a Songless Land: A Life of Edward Tregear 1846-1931*. (Auckland: Auckland University Press, 1991), 95.

⁴⁰ Keith Sinclair, *William Pember Reeves* (Oxford: Clarendon Press, 1965).

⁴¹ Richardson, “Parties and Political Change”.

⁴² Howe, *Singer in a Songless Land*.

⁴³ NZPD, 92-105.

⁴⁴ NZPD, 1899, 107.

⁴⁵ Sinclair, *William Pember Reeves*.

⁴⁶ Howe, *Singer in a Songless Land*.

arguments against apprenticeship legislation had changed ground over the 1890s. She points to low wages, educational reforms and union activity as contributing to a decline in the number of apprentices. Some public opinion, reflected in the 1898 report of the Labour Bills Committee, saw compulsory indenture and limitation of apprentices as threatening to displace young people already in work and as restricting the employment opportunities of the 'rising generation'.⁴⁷ It has also been suggested that Seddon was not unhappy with the status quo, and was content to use the Upper House embargo to maintain it, whilst keeping up the appearance of legislating to improve working conditions.⁴⁸

Apprenticeship Under the Compulsory Arbitration System

No doubt all of these factors contributed to specialist apprentice legislation being abandoned. At a more pragmatic level, however, the pressure to reform apprentice conditions eased as the Arbitration Court, set up by the IC&A Act, began regulating the conditions of the skilled trades on a trade-by-trade basis. This level of flexibility met with a degree of approval from all parties concerned. The court adopted the key features of the 1898 bill, applying minimum wages, apprenticeship ratios and five to seven year apprenticeships to many of the skilled trades.⁴⁹ Accompanying the court's rulings was a bottom-line wage for young workers, enacted in the Employment of Boys or Girls without Payment Prevention Act 1899. This ensured that any youth aged under eighteen who was employed in any factory or workroom was entitled to receive four shillings per week for females and five shillings per week for males. It also outlawed the payment of premiums for employment.⁵⁰

An examination of the initial awards of two of the skilled trades clearly shows how the Arbitration Court applied the principles of the Master and Apprentice Bill. The award for the Christchurch Tailoring Trade Industrial Union of Workers was settled on 1 November 1898. The award specified one apprentice to four journeymen or women. Male apprentices were to be bound for not less than five years, female coat makers for four years and female trouser and vest makers for three years. Male apprentices were to be paid 2s.6d for the first six months (this award was prior to the aforementioned 1899 Act), increasing at six-month intervals to £1.10s in the last six months of the apprenticeship. This compared with a minimum wage for a journeyman tailor of £2.15s. Female apprentices also began on 2s.6d. This was increased at the rate of 1s.8d per week at each succeeding six-month period, until the first six months of

⁴⁷ Graham, "Child Employment in New Zealand".

⁴⁸ J. McAloon, pers. comm., 1999.

⁴⁹ Olssen, *Building the New World*.

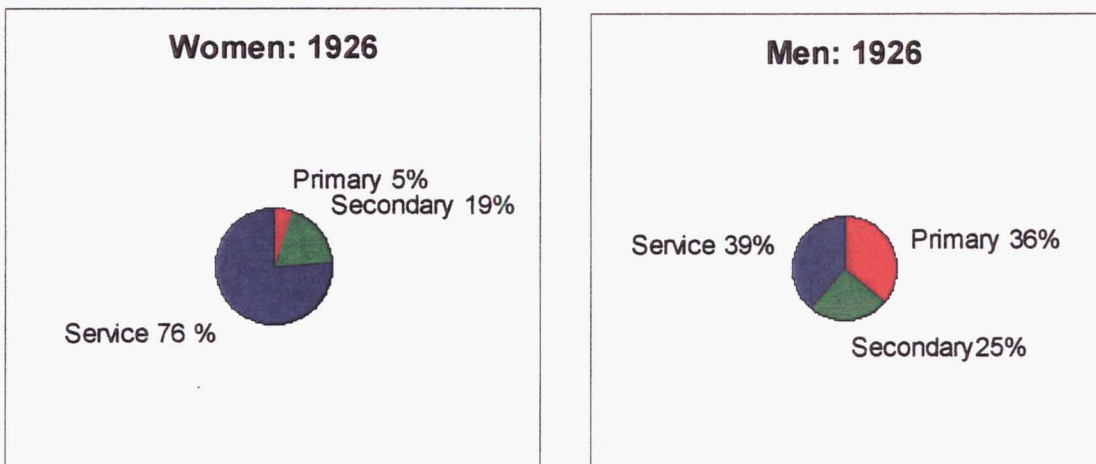
⁵⁰ Howe, *Singer in a Songless Land*.

the third year, when the six-monthly increase became 3s.4d per week. This compared with a minimum wage of £1.5s for tailoresses. The award also forbade the use of the 'team system' and specified that all work was to be done on the premises. Provision was made for a Conciliation Board to be set up, composed of three workers and three employers.⁵¹

The Christchurch Iron & Brass Moulders award, settled in 1900, secured a minimum wage for journeymen of 1s.3d per hour. The proportion of apprentices to journeymen was to be one to three, with all apprentices to be indentured for six years. Apprentice wages were set at 6s per week, with a yearly rise of 5s per week, until the beginning of the sixth year, when the rise would be 10s per week. All piecework and sub-contracting were strictly prohibited, and preference was extended to union members. The award stated that only two classes of workers were to be recognised; apprentices and journeymen.⁵²

The legitimisation of the status quo worked mainly to the advantage of male workers, however. Although women entered the paid workforce in increasing numbers during this time, many of their 'favoured' occupations were not under the jurisdiction of the arbitration system. Figure 3 illustrates the different sectoral distributions of male and female workers in 1926; award coverage for women would have been mainly concentrated in the nineteen per cent involved in the secondary sector.

Figure 3: Sectoral Distribution of Women and Men in the Labour Force, 1926⁵³



⁵¹ *Book of Awards*, 1898, I, p.240

⁵² *Book of Awards*, 1900, II, p.183

⁵³ Lisa Davies, *Women's Labour Force Participation in New Zealand: the Past 100 Years* (Wellington: Social Policy Agency, 1993), 89.

Thus, although the percentage of all women in paid employment increased from 11.1 per cent in 1874 to 20.7 per cent in 1921, female domestic workers, clerks and many shop assistants, who made up the bulk of female workers, were not covered by awards, nor did those occupations have apprenticeships.⁵⁴

The arbitration system proved to be something of a double-edged sword to those women to whom it did apply. Robertson argues that award regulations worked in the favour of women in that they promoted a uniform standard, and tended to legitimise the generally accepted norms of the occupation. The Tailoresses' awards, for example, provided a minimum standard rate that every employer was obliged to pay. There were, however, ways to get around such rules. For example, permits could be issued for workers to be paid under-award rates on the grounds of age, infirmity or incompetence. At one large factory, 76 (32 per cent) of the 234 mostly female workers were classified as 'incompetent'. The height of the use of this tool for the reduction of wages was in 1906: "this was the largest single assault on workers' wages in this period, and the victims were almost entirely women".⁵⁵ Firms could also arrange for young female immigrant workers to be brought in, displacing more highly-paid journeywomen.⁵⁶ Thus, often the arbitration system "systematised, structured and sustained the segmentation of the labour force", allowing male workers to protect their jobs, their skilled status and their pay rates from the threat of cheaper female labour.⁵⁷

Although women were rarely directly excluded from an occupation, the butcher's unions being a notable exception, other strategies were used to restrict their employment. Some unions insisted on equal pay for women workers; the employers' reluctance to engage women when they had to be paid at the male rate was an effective exclusionary device. In some awards the number of women who could be employed in proportion to the number of men was restricted, and in others the type of work women were permitted to carry out was limited. In some cases, these restrictions were based upon protecting women from heavy work, but usually the restrictions focused on the skill involved in the job: "awards restricted women to repetitive work on highly subdivided tasks, to 'unskilled work'".⁵⁸ Conversely, the award

⁵⁴ Stephen Robertson, "Women Workers and the New Zealand Arbitration Court," in *Women, Work and the Labour Movement in Australia and Aotearoa/New Zealand*, eds. Raelene Frances & Bruce Scates (Sydney: The Australian Society for the Study of Labour History, 1991), 30-41.

⁵⁵ Jim McAloon, "Rise of Political Labour in Christchurch," in *Culture and the Labour Movement*, ed. J. Martin & K. Taylor (Palmerston North: The Dunmore Press Ltd, 1991), 148.

⁵⁶ *Ibid.*, 149.

⁵⁷ Robertson, "Women Workers and the New Zealand Arbitration Court", 33.

⁵⁸ *Ibid.*, 35.

system reinforced the association of women with unskilled work by generally regarding any work that women did as unskilled.

The End of the 'Remarkable Consensus'

The initial success of the IC&A Act helped promote the ideology of 'labourism' as a basic component of New Zealand society.⁵⁹ That is, the labour legislation of New Zealand allowed "the pursuit of reforms within the existing forms and methods of...government and conventional collective bargaining".⁶⁰ For the last part of the nineteenth century and the first decade of the twentieth, Grint's description of labourism seems pertinent: "where conflicts generated at the point of production can be resolved... through the bargaining of unions and employers then the conflict tends to remain contained and a disjunction is erected between industrial and political action".⁶¹ As changes in the definition of 'work' began to occur after 1900, however, traditional notions of skill and work place control were challenged and the relevance of the arbitration system was increasingly questioned.

Holt's 'remarkable consensus' of the 1890s between employers and workers was thus broken by the emergence of factory methods of production, the idea of payment for time rather than task, and the increasing role of management in controlling the work process. There were "two profound transformations occurring on work-sites around the country...one involved the definition of work; the other who would control work".⁶² There was a wide variation in the ways in which work place changes manifested themselves. The relative strength of the unions involved, the location of the industry (both geographically and economically), the degree of technological innovation and the workshop culture all played a part in the way change was negotiated. For example, Olssen argued that workers in the state-owned railway workshops were "able to successfully resist many of the implications of the second industrial revolution".⁶³ He claims that the unity and power of the workshop culture that allowed this resistance were largely attributable to the apprenticeship system. This system "socialised everybody on the shop floor into the practices, customs and conventions of the trade and the sub-culture of skilled men".⁶⁴

⁵⁹ Erik Olssen, *Building the New World* (Auckland: Auckland University Press, 1995), 199.

⁶⁰ K. Grint, *The Sociology of Work* (Cambridge: Polity Press, 1991), 168.

⁶¹ *Ibid.*, 168.

⁶² Erik Olssen, "The Origins of the Labour Party: A Reconsideration." *NZJH*, 21(1), 1987 : 79-96.

⁶³ Erik Olssen, "Railway Workers and Scientific Management." in *Culture and the Labour Movement*, ed. J. Martin & K. Taylor (Palmerston North: The Dunmore Press Ltd, 1991), 129.

⁶⁴ *Ibid.*, 130.

McAloon argued, however, that trades that were not under the wing of the state often had less success in resisting managerial changes.⁶⁵ Some of these issues are illustrated by changes in the Christchurch moulders' award. While the initial award specified indenturing of apprentices and imposed restrictions on their numbers, the 1902 award removed the need for indentures and lifted the apprenticeship restrictions in some parts of the trade, that is, in plate-moulding, range or agricultural implement work and core-making.⁶⁶ The 1905 award included as a third class of worker 'under-rate men' (again based upon on the grounds of age, infirmity or incompetence) and allowed piecework by negotiation.⁶⁷ In the 1908 award, the court ignored the union's request to prohibit all premium and bonus work, stating that: "if worked under fair conditions, [it] is in the interests of both employers and workers, and instead of being abolished should be encouraged".⁶⁸ By 1912, the proportion of apprentices to journeymen was set at one to two, and a further new class of worker was added. 'Improvers' were in the first or second year after the completion of their apprenticeship. They were permitted to be employed at 11d per hour for the first year, and 1s.3d for the second, compared with the minimum wage for a journeyman of 1s.41/2d.⁶⁹ Thus, it can be seen that there was a gradual watering-down of the union's ideals.

Unionists had welcomed the first round of Arbitration Court decisions. The awards generally legitimised existing conditions, as well as incorporating features that had been hard fought, such as apprenticeship restrictions. After 1900, however, the court became "slower and more parsimonious in its deliberations".⁷⁰ The perception among unionists was that real wages were falling, and that the court was favouring employers. Olssen argues that many of the accusations against the court were unfounded. Nevertheless, the perception was enough to unify workers, with the Arbitration Court becoming a "symbol...of the worker's subordinate position".⁷¹

A clear illustration of the roots of dissatisfaction is provided by Figure 4, which shows the minimum hourly rates of Canterbury moulders between 1900 and 1924.⁷² It can be seen that there was little movement in the hourly rate in the 1900s. In the 'Reasons' accompanying the 1902 award, the court stated: "conditions of trade are no better than in July 1899...if anything less prosperous...the union has therefore failed to establish a case justifying the Court

⁶⁵ McAloon, "Rise of Political Labour in Christchurch".

⁶⁶ *Book of Awards*, 1902, III.

⁶⁷ *Book of Awards*, 1905, VI.

⁶⁸ *Book of Awards*, 1908, VII, p.449.

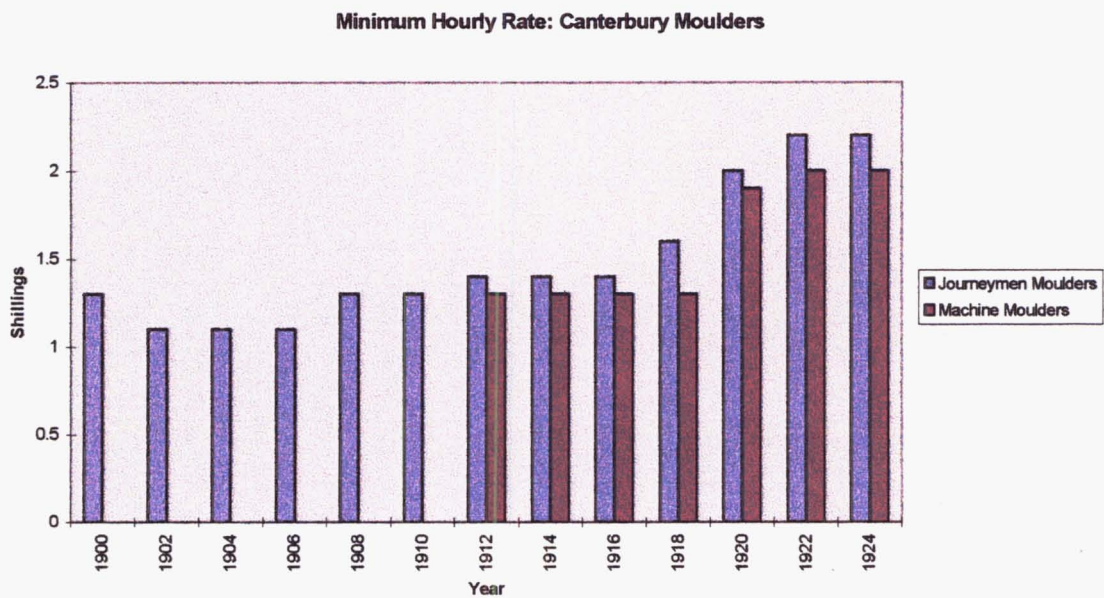
⁶⁹ *Book of Awards*, 1912, XIII

⁷⁰ Richardson, "Parties and Political Change", 207.

⁷¹ Olssen, "The Origins of the Labour Party: A Reconsideration", 95.

increasing the minimum wage fixed in 1899”. Again, in 1905: “we have not found reasons for altering the wages under this award. The evidence has satisfied us that the condition of the trade does not warrant this”.⁷³

Figure 4: Minimum Hourly Rate, Canterbury Moulders, 1900-1924⁷⁴



The Growth of an Independent Labour Movement

There was also a growing dissatisfaction of urban wage earners with the Liberal party. While Seddon was able to retain the loyalty of many wage workers through his strength of personality and rhetorical gifts, he “paid little real attention to labour matters”.⁷⁵ The Old Age Pension Act 1898 was an attempt to appease workers, but other legislation was less favourable. Amendments to the IC&A Act generally penalised unions. An example of this was the 1898 amendment allowing ‘under-rate permits’. While this was designed to allow old, infirm or slow workers to work at a lower rate, in fact it was used to enable partially qualified workers to do the work of tradesmen.⁷⁶ The dissatisfaction was allied to an increasing perception that the arbitration system was not serving the interests of workers. This malaise

⁷² *Book of Awards*, 1900-24, I-XXV.
⁷³ *Book of Awards*, 1902, III, p.492; 1905, VI, p.224.
⁷⁴ *Book of Awards*, 1900-1924.
⁷⁵ Richardson, “Parties and Political Change”, 207.
⁷⁶ J. Holt, *Compulsory Arbitration in New Zealand* (Auckland: Auckland University Press, 1986).

provided a fertile breeding ground for the development of an independent labour movement. Growing union dissatisfaction with the Liberal party, fueled by the actions of the Arbitration Court, led to the establishment of the Political Labour League in 1904, and to the growth of a more radical labour movement, particularly among unskilled workers.⁷⁷ The death of Seddon in 1906 dissolved the remaining shreds of loyalty of many workers to the Liberal Party.

The ongoing struggles over the definition and control of work played a large part in unifying (and unionising) the 'working-class' of New Zealand.⁷⁸ Divisions were clear in the 1900s, between support for the radical 'Red Feds' who, through shunning the arbitration system, appealed to unskilled workers, and the craft unions whose sectional interests appeared to be better served by the existing system. Ironically, it was the defeat of the Red Feds in the 1912 Waihi gold mine and 1913 Wellington waterfront strikes that paved the way for labour unity. These defeats discredited radical industrial action, but at the same time Massey's heavy-handed reaction politicised moderate unionists, and "provided the final impetus towards the formation of a working-class party".⁷⁹

Thus, by the outbreak of World War One in 1914, the wings of the labour movement were moving towards an uneasy coalition, united by a dislike of Massey. A common disgust with wartime profiteering and military conscription cemented the coalition and resulted in the formation of the New Zealand Labour Party in July 1916.⁸⁰ The common ground between the skilled 'craft' unions, whose basis was the notion of exclusiveness, and the unions representing the numerical 'muscle' of unskilled workers, reflected the changes in the way work was organised. At a deeper level, ideas of class began to permeate the social structure; workers saw they had more in common than there were differences between them. These transformations were thrown into relief by the debates surrounding apprenticeship that resurfaced as the War ended.⁸¹

This chapter has shown that as New Zealand moved from being a colonial settlement to a more urbanised, industrialised nation, the institution of apprenticeship became an integral part of the society. It was quite feasible that apprenticeship would not have persisted in New Zealand. The new settlers were determined to begin afresh, without the trappings of the 'old world'. New Zealand did not become a highly industrialised society, nor did it have large numbers of big workshops, conditions that could foster apprenticeship. Fundamental changes

⁷⁷ Richardson, "Parties and Political Change".

⁷⁸ Olssen, "The Origins of the Labour Party: A Reconsideration".

⁷⁹ Richardson, "Parties and Political Change", 212.

⁸⁰ Ibid.

⁸¹ Olssen, *Building the New World*.

in the nature of work threatened the apprenticeship system, and apprenticeship could also have become a casualty of the rapprochement between craft and 'unskilled' unions. Yet, apprenticeship survived as a strong and largely 'taken-for-granted' component of the way work was organised.

There were five main reasons for this. First, the notion of apprenticeship was deeply embedded in the psyche of many of the colonists. It was an element of their 'cultural baggage' that they chose to keep; not unquestioningly, but with recognition both that the new colony needed skilled workers, and that apprenticeship was a time-honoured way to initiate young people into work and adulthood. Second, the privations of the Long Depression of the 1880s made it clear that the training of workers must be organised with some degree of formality. The vulnerability of young people and women to exploitation during these years shocked the new society and reinforced the need for the sort of protection that the apprenticeship system (albeit less than perfect) could offer. Third, and partly as a consequence of the previous point, the labour legislation of the 1890s, particularly the compulsory arbitration system, cemented the apprenticeship system into place. The lack of specialist apprenticeship legislation in fact gave all parties to the system enough flexibility to maintain a degree of consensus, and to mould the system to the special needs of New Zealand. The circumscribed nature of industrial relations under the IC&A Act also gave apprenticeship a special significance in the bargaining process. Fourth, changes in the nature of work reinforced the importance of apprenticeship. The exclusionary nature of the apprenticeship system allowed the new work practices and changes in skill requirements engendered by technological advances to be negotiated (to varying degrees), rather than being imposed on workers. Finally, from the employers' point of view, the reasons suggested by Hobsbawm for the persistence of the apprenticed trades in Britain applied equally to New Zealand. The objective manual skill of tradesmen; the ability to substitute skilled labour for technological and management expertise; and the adequate profit levels secured with skilled labour meant an (albeit grudging at times) acceptance from employers of the importance of skilled labour and the apprenticeship system.⁸²

⁸² Hobsbawm, "Artisan or Labour Aristocrat?", 362.

CHAPTER FOUR

THE DEVELOPMENT OF A 'MODERN' APPRENTICESHIP SYSTEM

This chapter outlines the consolidation of the apprenticeship system in New Zealand during the years after the First World War. Both employers and unions recognised the need for specialist apprenticeship legislation in order to formalise the system. The importance of technical education to complement on-job training was acknowledged, and a network of voluntary apprenticeship committees was established. These committees, with employer and union representatives, became responsible for the day-to-day running of apprenticeship; the vehicle for the delivery of Arbitration Court decisions. While the members of the committees were not always in agreement over all issues, there was a consensus over the fundamental importance of apprenticeship. This consensus helped the apprenticeship system to survive the loosening of regulation during the Depression. The strength of the apprenticeship system also permitted the compromises required to supply the skilled manpower needed during the Second World War.

New Zealand's contribution of personnel to the First World War resulted in a shortage of skilled workers and low numbers of apprentices.¹ This lack was compounded by the small differential between the wages for skilled and unskilled work, which called into question the worth of serving a long, poorly paid apprenticeship. Concern was expressed about 'blind alley jobs'; that is, unskilled jobs that commanded a higher hourly rate than skilled occupations, without the requirement of serving a long apprenticeship:

those in important less-skilled occupations such as wharf labouring and mining obtained a higher hourly rate than most skilled labourers...it could take nearly a lifetime of work to make up the wages lost during an apprenticeship".²

There was also a growing realisation of the need for formal training and technical education, particularly in new industries, such as electrical engineering and the chemical industry. The Department of Labour, "worried about the declining number of apprentices in certain trades and the Arbitration Court's unwillingness to grapple with the issue", began discussions in 1915 with the Education Department's Director of Technical Education.³

¹ AJHR, 1919, I-12.

² Martin, *Holding the Balance*, 137.

³ Olssen, *Building the New World*, 239.

Apprenticeship was still governed by the hopelessly outdated Master and Apprentice Act 1865. Although this had been combined with the Government Apprentices Act 1872 to form the Master and Apprentices Act 1908, the nineteenth century conditions still applied.⁴ The Act was tinkered with in 1920, when an Amendment was passed that allowed farm apprentices emigrating from England to be bound by an indenture signed by the High Commissioner in London.⁵ The main issues, however, still remained unresolved. The Secretary of Labour, F.W.T. Rowley, drafted a bill in 1918 that broadly followed ideas submitted by the Wellington Trades and Labour Council. These ideas were largely based on apprenticeship measures adopted in Switzerland.⁶ Despite Prime Minister Massey's endorsement, the draft was shelved after resistance from the National Efficiency Board and the Employer's Federation.⁷

An updated Master and Apprentices bill was presented in 1920 by Frederick Bartram, the Labour Member of Parliament for Grey Lynn,⁸ after the Department of Labour had surveyed industries and inquired into the status of apprenticeship in other countries.⁹ The bill provided for a more specific apprenticeship contract. Hours were limited to eight per day, with four hours permitted on Saturday. Only apprentices aged over eighteen were to work overtime. The employer was to allow not less than fifteen hours per week, within work time, for the apprentice to attend classes. The maximum term of the apprenticeship was to be three years, and there were to be yearly examinations.¹⁰ The bill was a private member's bill, presented by an opposition member and as such was thrown out. Nevertheless, the debate surrounding the bill showed a great deal of consensus, with many of the provisions receiving support from both sides of the House. Bartram, in introducing the bill, pointed to the shortages of skilled labour resulting from the war, and argued for the need for apprenticeship to be more attractive, with a shorter term and higher payment. He claimed that this would also result in the diversion of young people from 'blind-alley' occupations: "one of the great reasons why the boys and girls refuse to get apprenticed to skilled trades is that they can get more money at unskilled labour".¹¹

⁴ *Public Acts of New Zealand, 1908-1935*, 5.

⁵ *Ibid.*

⁶ Martin, *Holding the Balance*, 412.

⁷ *Ibid.*, 137.

⁸ B. Gustafson, *From the Cradle to the Grave: A Biography of Michael Joseph Savage* (Auckland: Reed Methuen, 1986).

⁹ Martin, *Holding the Balance*.

¹⁰ *Bills Thrown Out*, 1920.

¹¹ NZPD, 1920, 186, p.628.

The push by the Department of Labour to achieve updated apprenticeship legislation was thus initially unsuccessful. It required the impetus provided by the economic downturn of 1921-22 to make urgent a revamp of the apprenticeship system. Increased unemployment at this time highlighted the vulnerability of less skilled occupations.¹² The Minister of Labour, G.J. Anderson, convened a conference in May 1923, between representatives of employers, unions, and the Departments of Labour and Education. In his introductory speech, he emphasised the importance of the apprenticeship system to building strong industries. He acknowledged, however, the transformed post-war world:

The apprenticeships of the future will, it seems to me, have to be upon a different basis from those that have existed up to the present time. The altered conditions owing to the introduction of machinery, the competition between one country and another, and the utter impossibility of selling goods in this country or any other country when competing with another one in which the conditions are altogether different, have to be faced.¹³

There were several areas of strong disagreement between unions and employers at the conference, although both were grateful for the opportunity the conference provided for discussion. The unions wanted the proposed Act to override the arbitration system. They argued that specifying apprenticeship conditions via the award system had resulted in “very wide and very divergent rates of wages being paid...from 10s to 30s a week in the first year, according to the particular industry”.¹⁴ Thus, the unions argued for regulation of apprentice wages, conditions and training at government, rather than industry, level. The question of training also aroused much debate, with employers generally opposed to the idea of ‘daylight training’, that is, classes to be attended during work-hours. There were also concerns about the ability of some employers to honour legislation that required them to train apprentices in all facets of a particular trade. The ‘hard and fast’ nature of the legislation was also questioned:

what is the duty of a boy when he goes into the shop? The first thing...that the boy has to do is to learn to sweep out that shop...order and discipline are to the benefit of a boy. You will never succeed by laying down hard and fast rules.¹⁵

The Apprenticeship Act 1923

The debate continued as a second conference was called in August 1923 to receive the report from the first conference. There was enough common ground between all parties at this

¹² Martin, *Holding the Balance*.

¹³ *Apprenticeship Question (New Zealand)* (Wellington: Government Printer, 1923), 4.

¹⁴ *Ibid.*, 7.

¹⁵ *Ibid.*, 17

point to enable the Apprenticeship Act 1923 to be passed reasonably quickly, with little discussion in the House. Members from both sides considered that the measure had received a stamp of approval from both the employer and labour representatives at the conference.¹⁶ The Act “preserved the apprentice-based crafts but created a more flexible system for regulating training”.¹⁷

The main features of the Act were first the establishment of voluntary district apprenticeship committees for each industry, consisting of equal numbers of employer and worker representatives.¹⁸ Second, the Arbitration Court was empowered to make orders regarding wages, hours and conditions; the proportions of apprentices to journeymen; the period of apprenticeship; and the minimum age of apprentices in any industry. The court could also require employers to take on apprentices to ensure an adequate supply of journeymen. Third, the court controlled, through the Committees, the training and examination of apprentices, and could compel employers in a particular area to contribute to the costs of establishing a training institute for their industry in that area. The Act applied only to males, although there was provision to incorporate female apprentices on a case-by-case basis.¹⁹ The first case of this was in 1926, when female apprenticeships for hairdressing were recognised.²⁰ Female apprentices in the chemistry and baking trades were recognised in 1927.²¹

The training provisions of the Act encouraged attendance at technical schools. Technical education had been offered in the main cities since the 1890s, but the provision was piecemeal and there was a constant struggle for funding and students. The Manual and Technical Instruction Act 1902 provided more certain funding for technical education, with payments at every educational level for pupils who received instruction in approved crafts.²² The Wellington Technical School was established in 1905 and pioneered links with industries, particularly the plumbing and electrical industries. This provided a model for technical training under the Apprentices Act, and there was a “noticeable expansion in classes from the building and engineering trades in 1924 and subsequent years”.²³ Employers, who, in some cases, donated the equipment and material necessary for practical training, met some of the

¹⁶ NZPD, 1923, 202, p.646.

¹⁷ Olssen, *Building the New World*, 239.

¹⁸ Martin, *Holding the Balance*, 138.

¹⁹ *New Zealand Statutes*, 1923, 41.

²⁰ Martin, *Holding the Balance*, 138.

²¹ AJHR, H-11, 1928; *Book of Awards*, XXVII, 1927.

²² *Report of the Commission on Education in New Zealand* (Wellington: Government Printer, 1962), 379.

²³ J. Nichol, *The Technical Schools of New Zealand: A Historical Survey* (New Zealand: New Zealand Council for Educational Research, 1940), 217.

cost of training. For example, in Auckland, printing trade employers donated three linotype machines to the town's technical school.²⁴

The new Act was publicised by Rowley on a nation-wide tour. His aim was to explain the provisions of the Act, and to encourage the formation of local apprenticeship committees. The Secretary of Labour had been made the Registrar of Apprentices by the Act, with regional factory inspectors becoming District Registrars. The role of the Department of Labour in placing apprentices was also strengthened, with school leavers filling in departmental forms, which were to be accompanied by school reports. The Department set up juvenile employment offices in the four main centres and in some smaller towns. These initiatives were suspended in 1926, however, because of declining interest from employers as economic conditions worsened.²⁵

Apprenticeship Committees

By 1925, many apprenticeship committees had been formed, and committees covered almost all the industries in which apprenticeships were offered.²⁶ Apprenticeship conditions for each trade were removed from the local award and set out in a separate apprenticeship award for each industry. For example, the Canterbury Engineering Trades Apprenticeship Order was made on 30 December 1924. It provided for an apprenticeship committee to cover engineering, boiler-making and moulding in the Canterbury Industrial Area. The minimum age was set at fourteen and the term of the apprenticeship at five years. Proportions of apprentices to journeymen were fixed for each branch of the trade, and minimum wages laid down. Compulsory attendance at classes was specified, with the employer to refund fees for apprentices who attended at least 75 per cent of the classes. Expectations for both apprentice and employer were made clear:

The apprentice will diligently and faithfully obey and serve the employer as his apprentice for the prescribed term... the employer will... to the best of his power, skill and knowledge, train and instruct the apprentice... as a competent journeyman in the branch or branches of the iron and metal working trade.²⁷

The devolution of the responsibility for apprenticeship to the committees continued throughout the 1920s. The committees had two major concerns. First, the long-standing issue of the proportion of apprentices to journeymen remained contentious. The committees were

²⁴ Ibid.

²⁵ Martin, *Holding the Balance*, 138; 412.

²⁶ Ibid.

²⁷ *Book of Awards*, XXIII, 1924, p.941.

delegated the power to decide the appropriate proportion based on the industry's locality. This allowed a decrease in the proportion of apprentices in some areas as the trades became overcrowded. For example, in three districts of the electrical trade, the proportions changed from one apprentice to one journeyman, to one apprentice to two journeymen.²⁸ This power also meant that some employers were refused permission to take on apprentices because of their lack of teaching facilities or the instability of their business.²⁹ This flexibility was further increased with the Apprentices Amendment Act 1927, which cancelled any existing Arbitration Court orders fixing proportions.³⁰

The second main concern of the apprenticeship committees was technical training. Committees were consulted about the setting up and content of technical classes. It was hoped that coordination between the committees and the technical schools would ensure that the formal training would be complementary to workshop training, and that employers would therefore encourage their apprentices to attend the classes.³¹ In 1925, the first action under Section 25 of the Apprenticeship Act 1923 was taken. This section permitted the Arbitration Court to order a levy on all employers in an industry's locality if the majority of the employers saw the need for technical training. Thus, all motor mechanics who employed apprentices in the Auckland area were ordered to contribute ten shillings per year for two years for each apprentice to allow the purchase of training equipment at the local technical colleges.³²

The mid 1920s were an hiatus between the turmoil of the war years and the subsequent boom and crash, and the Depression. Olssen describes the economy of these years as "sputtering".³³ Although there was a degree of unemployment, affecting mostly labourers and unskilled workers, there was a shortage of labour in the skilled trades, particularly in the building industry. A return prepared by the Department of Labour in 1924 showed that within the maximum proportions fixed by law another 8022 apprentices could have been employed on top of the 6901 already employed.³⁴ This can be explained in part by the relative stability of the size of the secondary sector of the economy, which employed just under a quarter of the workforce throughout the years 1911 to 1926.³⁵ Industrial relations were also reasonably stable throughout these years, with the wages of many apprentices increasing during this

²⁸ AJHR, 1927, H-11.

²⁹ AJHR, 1925, H-11.

³⁰ *New Zealand Statutes*, 1927.

³¹ AJHR, 1926, H-11.

³² AJHR, 1925, H-11.

³³ Erik Olssen, "Towards a New Society," in *The Oxford History of New Zealand*, 2nd ed., ed. G.W. Rice (Auckland: Oxford University Press, 1996), 280.

³⁴ AJHR, 1924, H-11.

³⁵ *Ibid.*

time.³⁶ For example, the range of wages for baking and pastry cook apprentices increased from 26s.6d to 64s per week, to 30s to 80s per week, and the range for tailoring apprentices from 13s.6d to 47s.6d per week, to 15s to 55s per week.³⁷ By 1928, there were 129 local apprentice committees, covering 28 industries. There were 10,227 apprentices under contract, and 29,943 journeymen, giving an average proportion of 1 apprentice to 2.9 journeymen.³⁸

By 1929, however, concern was expressed at the declining number of apprentices, and the Secretary of Labour, F.W.T. Rowley, asked the District Offices of the Labour Department to ascertain the reasons for the drop-off in numbers. The reasons given varied considerably between trades. In motor engineering, for example, the lack of equipment and the number of 'one-man' workshops were cited as being barriers to taking on apprentices. It was also felt that there was insufficient continuity of work to warrant many mechanics committing themselves to an apprentice. Representatives of the moulding trade argued that the trade was declining because of imports, and in the boot trade, the "odious" restrictions on the employment of apprentices were blamed.³⁹

With unemployment increasing, and the building trades declining, the Department of Labour voiced concerns about "the large number of boys being unable to secure suitable employment".⁴⁰ Conferences of interested parties held in the main centres throughout 1929 recommended altering the educational system to give a bias in favour of rural life and encouraging young people to take up rural occupations. It was suggested that vocational guidance officers be appointed at schools, and that apprentice proportion restrictions be relaxed to enable more young people to be employed in the skilled trades. The large number of young people entering "non-productive professional and commercial occupations" was also noted with concern.⁴¹ An example of this concern was a letter from W.S. Moxsom, the secretary of the Auckland Trades and Labour Council, to the Minister of Labour, W.A. Veitch, protesting against any attempt by Seddon Memorial College to place industrial training in the background so that the school could specialise in "high scholastic training".⁴² Moxsom argued that training for a professional occupation was already well catered for, as "shown by the overcrowding that is manifest in our legal and commercial offices".⁴³

³⁶ Holt, *Compulsory Arbitration in New Zealand*, 171.

³⁷ AJHR, 1925, H-11.

³⁸ AJHR, 1928, H-11.

³⁹ Department of Labour, Report on Apprentice Numbers, 26 August 1929, Box 106, 7/3/10, National Archives (NA), Wellington.

⁴⁰ AJHR, 1929, H-11, 11.

⁴¹ Ibid.

⁴² Moxsom to Veitch, 12 August 1929, Department of Labour, Box 106, 17/25/254, NA, Wellington.

⁴³ Ibid.

Technical Education

The issue of technical education was addressed at a national Apprenticeship Conference, which reported to the House in May 1929. The main thrust of the recommendations of the conference was to improve and formalise the training of apprentices. It was suggested that the Technical Schools Advisory Board be reconstituted, with the inclusion of four representatives of apprenticeship committees. This was recommended at the local level with a representative of the combined local apprenticeship committees to be added to individual Technical School Boards. The compulsory component of the apprentices' technical school training was to be free, and correspondence classes were recommended for country apprentices. The conference recommended that apprenticeship committees set up an examination system for each trade, with formal certification of the results.⁴⁴

A proposal that would end apprenticeship quotas was also discussed at the conference. The debate confirmed that the issues surrounding apprenticeship had changed little from those discussed in the 1890s, and indeed, the contemporary debate throws up much of the same rhetoric. The conference was chaired by Tom Bloodworth, a workers' representative, who argued that "apprenticeship should be the whole function of the State... the training of apprentices should be taken out of the hands of private employers... apprenticeship must be regarded as part of education, part of the work of training oneself for life".⁴⁵ Mr Winsor, an employer's representative, argued that apprentice restrictions were limiting the prospects of young people gaining employment and forcing them into 'dead-end' unskilled work. Mr Bradley, an employer's representative from Christchurch, derided the "suicidal policy" of importing cheaper goods from foreign countries.⁴⁶ Jim Roberts, speaking for the union movement, raised the prospect of the abuse of the removal of quotas, which would result in young people taking the place of tradespeople. Mr Hayward, a Dunedin employer, countered this by claiming that a 'free-market' in the employment of apprentices would soon balance out, with little change in the resulting level of unemployment. The vote regarding the proposal was tied, with the chairman not prepared to give a casting vote.⁴⁷

The conference was considered a success, with the Minister of Labour, W.A. Veitch, complimenting all the parties on the restraint and good will that had been exercised during discussion of some of the more contentious issues.⁴⁸ The findings of the conference resulted in

⁴⁴ *Apprenticeship Conference*, AJHR, 1929, H-11.

⁴⁵ *Ibid.*, 11.

⁴⁶ *Ibid.*, 11.

⁴⁷ *Ibid.*

⁴⁸ *Ibid.*, 18.

a report that was used to produce an amending Act in 1930. This Act aimed to improve the mechanics of the apprenticeship system and to facilitate better technical education.⁴⁹ The fine-tuning of the apprenticeship system, however, became less important as the effects of the worldwide depression began to bite in New Zealand.

The role of the technical school was also one of the concerns of the Atmore Report, presented in 1930 by the Minister of Education, Harry Atmore. The timing of the report, at the outset of the depression years, meant that its main recommendation of the unification of primary, secondary and technical schools into regional education authorities was not carried out. Nevertheless, the report highlighted the problems that the growth of secondary education, engendered by the free-place legislation of 1902-03, had raised. Despite that fact that the majority of secondary pupils found employment in industry, commerce or agriculture, the curriculum retained the academic bias of the days when secondary education was largely a preparation for university. Separate technical schools had been quickly set up in cities and large towns, offering a more practical curriculum. The demand for their services, however, meant that they gradually began to offer academic courses as well as technical training, causing the sorts of controversy highlighted in the correspondence regarding Seddon Memorial College. The Atmore Report called for the elimination of the differences between secondary and technical schools in all but the main centres, viewing this as “one of the last vestiges of objectionable social distinction”.⁵⁰

Arbitration under Threat

As the 1920s drew to an end, the vulnerability of the New Zealand economy became clearer. The large public works programme of the Coates Reform government, funded by increased borrowing, had disguised structural problems in the New Zealand economy. A significant proportion of export earnings was used to service high level of overseas debt, making New Zealand particularly vulnerable to the price decreases for primary products.⁵¹ When the price of New Zealand's export staples fell in 1926 and 1927, the perceived rigidity of the arbitration system came under concerted attack from farming interests. The primary sector had not historically been greatly interested in the arbitration system because many agricultural workers were not unionised. However, Court judgements that gave wage rises to

⁴⁹ Martin, *Holding the Balance*, 139.

⁵⁰ *Report of the Commission on Education in New Zealand*, 1962, 83.

⁵¹ Tom Brooking, “Economic Transformation”, in *The Oxford History of New Zealand*, 2nd ed., ed. G.W. Rice (Auckland: Oxford University Press, 1996), 252.

shearers in 1926, and freezing workers in March 1927, despite falling farm incomes, led to a sustained and vitriolic campaign against compulsory arbitration. Two papers from prominent academics,⁵² although not widely supported by urban employers, backed the attack and “thus the farmers’ assault on the Court generated a far-reaching and general debate about the nature and value of the arbitration system”.⁵³

The main points of the farmers’ argument were first that the industrial legislation produced awards that were rigid and incapable of taking into account individual or regional circumstances. Second, it was claimed that the inflexible nature of the Court’s wage policy created a wage-price spiral. Manufacturers in ‘sheltered’ industries simply passed wage increases on with price increases, an option not open to farmers because international markets dictated their returns. This factor was the crux of the lack of support for the farmers’ case by urban interests. Manufacturers saw the farmers’ argument as an attack on their pricing policies and as a threat to policies that protected their industries. Although unions periodically expressed a distrust of the arbitration system, the farmers’ attack on the system, clearly designed to reduce wages and lessen regulatory protection for workers, required the union movement to re-evaluate its support for compulsory arbitration.⁵⁴

In October 1927 the government introduced the Industrial Conciliation and Arbitration Amendment Bill. This was designed largely to appease farming interests, with farming and dairy factories being exempted from the arbitration process. The bill also included clauses that had the potential to alter the amount of control that skilled workers had over the labour process. There was a clause encouraging piecework, and provisions for either party to an award to apply for amendments to bring in “new methods of work”.⁵⁵ The bill proposed changes in the Court itself, with arbitrators to be chosen from within the industry concerned and the economic conditions of the industry to become a factor in the settling of awards. The pro-farming intent of the bill drew strong opposition from both unionists and urban employers, and resulted in a watered-down version of the bill, which still failed to be passed in the 1927 parliamentary session. In its place, a single clause was passed that exempted farming from any new awards for twelve months.⁵⁶ Given the vehemence of the debate, the Prime Minister, Gordon Coates, called a conference to be held in 1928 to discuss the arbitration system.⁵⁷

⁵² Professor A.H. Tocker, Canterbury College; Professor Murphy, Wellington.

⁵³ Holt, *Compulsory Arbitration in New Zealand*, 169.

⁵⁴ *Ibid.*, 172-3.

⁵⁵ *Ibid.*, 175.

⁵⁶ Martin, “The Removal of Compulsory Arbitration and the Depression of the 1930s”, 127.

⁵⁷ Holt, *Compulsory Arbitration in New Zealand*.

The National Industrial Conference, held in March 1928, was seen as a “national stock-taking of our industrial relations”.⁵⁸ The terms of reference for the conference were to discuss the effect of the current legislation on the welfare of the country and on the interests of employers and workers. Although Holt characterised the conference as “in some respects a remarkable affair”, much of the debate was merely a restating of implacably held positions.⁵⁹ The only major movement was a shift in the attitudes of urban employers. The strange experience of finding themselves as bedfellows with unionists caused the Employers’ Federation to attempt to find common ground with farming interests. This process was successful enough that there was little chance of any consensus at the conference, and the Reform government abandoned its attempt at radical reform of the arbitration system. The situation was further diffused by a change of government in November 1928 to a Labour-backed minority government headed by the United party’s Sir Joseph Ward, and by improved export prices in 1928 and 1929.⁶⁰

The Depression

The vulnerability of New Zealand to the world economy was again reinforced as the 1929 Wall Street crash precipitated a period of severe depression. The United States recalled its overseas investments and the European economy contracted. Countries struggled to protect their domestic economies. New Zealand was heavily indebted after World War One, dependent on a narrow range of export commodities, and largely restricted to the British market. The downturn in international trade led to a 40 per cent drop in New Zealand’s export performance, and the following economic crisis paved the way for a coalition between the United and Reform parties. The Coalition, led by G.W. Forbes, won the 1931 election, and began its “orthodox and somewhat dilatory response to the Depression”.⁶¹

⁵⁸ *National Industrial Conference*, AJHR, 1928, H-35, 2.

⁵⁹ Holt, *Compulsory Arbitration in New Zealand*, 180.

⁶⁰ *Ibid.*, 184.

⁶¹ Richardson, “Parties and Political Change”, 226.

The crux of the Coalition's policy was to protect farmers' incomes. This was done by cutting farmers' costs through lowering interest rates and reducing freight and wage costs, and by increasing their income through devaluing the currency in January 1933. Public spending was slashed, with civil service salaries cut by ten per cent, and public works programmes deferred or shrunk in size. Pressure was again applied from rural interests for the government to abolish compulsory arbitration. While Forbes's government was "unenthusiastic" about this, the Finance Act 1931 was passed to allow the Arbitration Court to make general wage orders, and a general wage cut of ten per cent was issued in June 1931.⁶² This reduction did not, however, apply to the wage rates for male and female apprentices.⁶³

The IC&A Act itself was amended in April 1932, with conciliation remaining compulsory, but arbitration to be used only if both parties agreed. Martin pointed to the mixed effect that voluntary arbitration had, arguing that some of the results of the suspension of compulsory arbitration may have occurred via the Court in any case, and that the worse hit sectors (such as farming, the building industry and public works) were outside of, or less central to, the arbitration system. Compulsory arbitration was restored in 1936, together with compulsory union membership for those covered by awards.⁶⁴

The deflationary policies of the Coalition government exacerbated unemployment and weakened the trade union movement.⁶⁵ Official unemployment increased from 3130 at 31 March 1930, to 51,529 by 1 April 1933.⁶⁶ Other estimates of unemployment put the number in July 1933 as high as 81,000, or twelve per cent of the workforce.⁶⁷ Over the same time-span, the number of apprentices dropped from 9826 to 5594, reaching a low-point of 3329 in 1935 (See Figure 5). The building industry was especially hard hit. In 1935 over all the skilled trades, 48 per cent of the number of apprentices employed in 1932 remained, whereas in the building trades (bricklaying, carpentry, painting, plumbing and plastering), only 33 per cent of the 1932 apprentice numbers remained.⁶⁸

⁶² Martin, "The Removal of Compulsory Arbitration and the Depression of the 1930s", 128.

⁶³ *Ibid.*, 129.

⁶⁴ Martin, "The Removal of Compulsory Arbitration and the Depression of the 1930s".

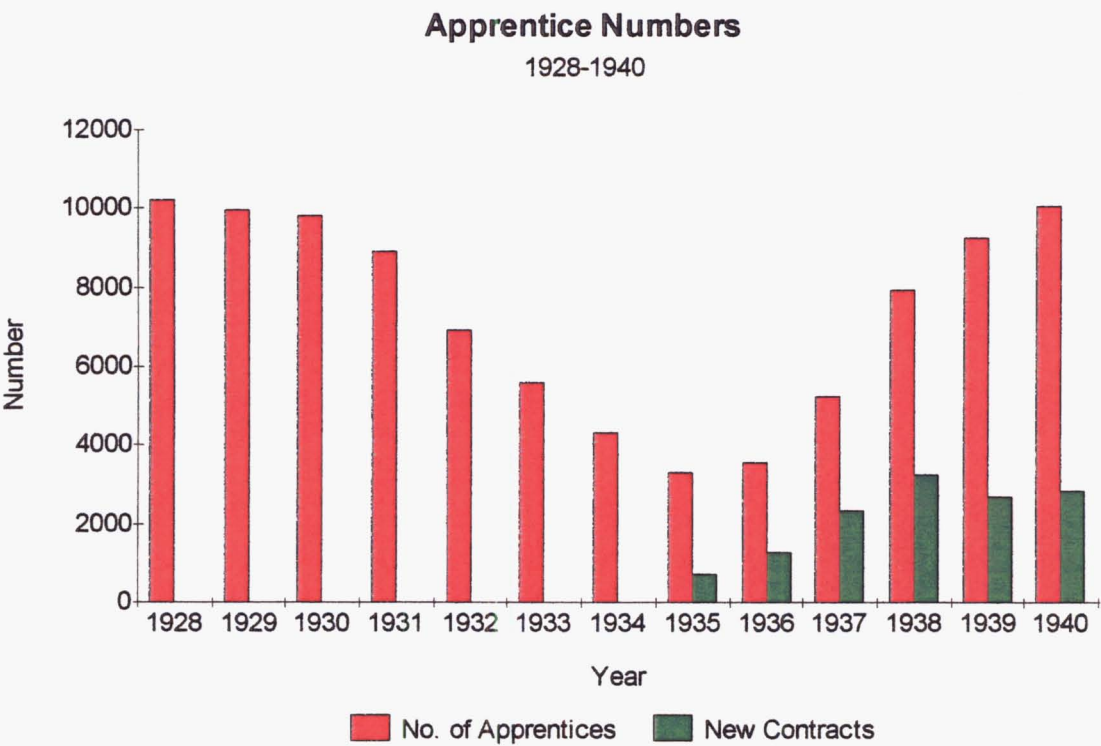
⁶⁵ Richardson, "Parties and Political Change", 224-227.

⁶⁶ AJHR, 1931-1933, H-11.

⁶⁷ Richardson, "Parties and Political Change", 226.

⁶⁸ AJHR, 1932-1935, H-11.

Figure 5: Apprentice Numbers, 1928-1940 ⁶⁹



In 1932, “owing to the great difficulty that was being experienced by employers in finding employment for their apprentices during the present economic crisis” the Finance Act 1932 made provision for contracts of apprenticeship to be amended, suspended or cancelled.⁷⁰ Applications to alter the apprenticeship contract were made to the Arbitration Court on the behalf of individual employers. Orders made included wage reductions ranging from five per cent to thirty-three and a half per cent. Rationing of work was also common, with apprentices working three out of four weeks, for example. In these cases, the Court instructed employers to employ apprentices on any additional work available on a proportional basis. Many informal arrangements were also made between employer and apprentice.⁷¹ In the two-year period up to 31 March 1934, 1295 applications were made for relief from the provisions of apprenticeship contracts. In the majority of cases (1154), contracts were amended to ration-

⁶⁹ AJHR, 1928-1940, H-11. (NB: Figures for new contracts entered into are only available from 1935).
⁷⁰ AJHR, 1932, H-11, 6.
⁷¹ Applications for Review of Court for Relief from Provisions, May - December 1932, Box 106, 17/25/334, NA, Wellington.

work, or suspended (70), rather than cancelled (35).⁷² Thus, the decline in the number of apprentices during this time was largely due to fewer apprentices being taken on.

By 1934, the number of functioning apprenticeship committees had dropped from 105 to 66. The Arbitration Court had ruled that if an award or industrial agreement was cancelled then the Apprentices Act ceased to apply to the industry and locality concerned. This decision was, however, reversed by the Supreme Court in 1935. Some of the apparently defunct committees began working again, and the number soon rose back to 94. Strong concerns were expressed by the Department of Labour in 1935 regarding the decline in the number of apprentices. There were two problems identified; firstly the lack of employment opportunities for 'boys', and secondly, the effect the small number of apprentices would have on the skilled trades in the future. The "extreme reluctance on the part of employers to take on apprentices under the existing provisions" was noted.⁷³

Improvements in the international economy and the election of the visionary 1935 Labour government saw an increase in the confidence of the country.⁷⁴ Attention was turned to increasing the number of apprentices, and to assisting young people who had missed the opportunity of serving an apprenticeship because of the economic conditions. The Statutes Amendment Act 1936 allowed the Minister of Labour to approve apprenticeship contracts for people aged eighteen years and over.⁷⁵ It was argued that the optimum number of apprentices required was approximately 10,000; therefore there was a shortfall of nearly 5000. It was decided to launch an "intensive campaign" to attract older people to apprenticeships. This strategy, along with the improvements in apprentice numbers that had already begun in 1937, would aid the recovery of the skilled trades. By July 1939, 1356 contracts had been approved under the Statutes Amendment Act, nearly half of these being in the carpentry and joinery trades.⁷⁶

An example of the importance of the recruitment and training of skilled labour, especially in the building trades, was Scheme No. 16. This was inaugurated in 1937 and offered short-term adult apprenticeships and traineeships in carpentry and bricklaying. The employers received a weekly subsidy, and the apprentices were provided with free tuition at a technical school, and assistance with the purchase of tools. There were 438 contracts in force under this scheme at 31 March 1939, although the actual number of apprentices who had been

⁷² AJHR, 1933-1934, H-11.

⁷³ AJHR, 1935, H-11, 7.

⁷⁴ Brooking, "Economic Transformation", 252.

⁷⁵ *New Zealand Statutes*, 1936.

⁷⁶ AJHR, 1937-1939, H-11.

put through the scheme was greater than this. The discrepancy was caused by contracts lapsing as “certain of the more adaptable adult apprentices [were able] to command a journeyman’s rate of pay before their full apprenticeship term had been served”.⁷⁷ The effectiveness of the scheme was also limited by the unwillingness of many building contractors to take on adult apprentices, and the time required to train some of them to the level of a journeyman. The decision was made in 1939 to supplement the scheme by importing “building artisans from other parts of the Empire”, with over 300 journeymen being brought in from Australia.⁷⁸ The scheme was terminated in April 1940, as the pool of suitable recruits dried up with the outbreak of war.⁷⁹

World War Two

The war had a major impact on the nature of industry in New Zealand. At the outset of the war, it appeared that the main contribution that the country would make, aside from its troops, would be the supply of food and clothing. With the fall of France and the entry of Japan into the war, however, the development of war-related industries became crucial to support the Allied effort. New Zealand could also no longer expect to import consumer goods, therefore local industries had to fill the gap. The “still immature” manufacturing sector expanded and diversified, with the manufacturing work-force growing on average 3.25 per cent over the war years (compared with a population growth of a little over one per cent).⁸⁰ Despite this level of growth, there was an ongoing shortage of labour, which worsened as the rate of mobilisation increased.

New Zealand’s factories were generally small-scale, and scattered throughout the country. The pressure to produce high-quality military equipment required the co-ordination of many small units, “out-of-date machines had to be turned into precision tools, equipment had to be improvised, sometimes with the aid only of rough sketches from other countries, and operatives and technicians had to be trained to use unfamiliar machines”.⁸¹ Factories were adapted to produce a wide range of military and support equipment. Over 500 ships were built during the war, with new shipyards built at Port Chalmers to construct steel minesweepers, and in Auckland to supply craft for the United States Forces. The Americans praised the

⁷⁷ AJHR, 1939, H-11A, 10.

⁷⁸ *Ibid.*, 11.

⁷⁹ AJHR, 1940, H-11A.

⁸⁰ J.V.T. Baker, *War Economy* (Wellington: Department of Internal Affairs, 1965), 147.

⁸¹ Prime Minister’s Department, *War Record* (Wellington: Government Printer, 1946), 45.

quality of the workmanship of New Zealand tradespeople. An officer of the United States Marine Corps was quoted as saying:

It is my considered opinion that the quality of the work performed by apprentice-trained artisans for the U.S. Marine Corps in New Zealand has been of a superior quality, unequalled elsewhere in the world.⁸²

One of the first requirements for the New Zealand war effort was the ability to direct manpower. The Labour Legislation Emergency Regulations 1939 gave the Minister of Labour “unprecedented and sweeping powers”.⁸³ The Industrial Emergency Council, a representative consultative body to advise on wartime working conditions in industry, was set up in 1939. The Council was headed by the Minister of Labour, P.C. Webb, and comprised equal numbers of worker and employer representatives. While employer organisations had argued that the Council should have ‘blanket coverage’, its brief was to recommend variation orders to the awards of specific industries, according to circumstances.⁸⁴ Although the government was reluctant to compromise its labour legislation, the scarcity of labour meant that inroads on the forty-hour week were necessary. The Hours Committee of the Industrial Emergency Council heard applications for longer hours, however, the need for employers to pay penal rates moderated the demand for extra overtime. Still, overtime in factories increased from four million hours in 1938-39 to over 17 million hours in 1943-44.⁸⁵ As an example, workers in some munitions factories worked up to seventy-seven hours per week once Japan had entered the war.⁸⁶

The Apprenticeship Committee of the Industrial Emergency Council was “especially active”.⁸⁷ Suspensions of apprenticeship contracts during service were made under the Suspension of Apprenticeship Emergency Regulations 1939. These regulations were amended several times throughout the war. They allowed apprentices to revive their contracts within six months after their return from service. The time spent in service was to be counted as time served under the apprenticeship for the purpose of calculating wages, but the time away had to be made up at the end of the apprenticeship. If the apprentice had performed “trade work of a similar class” while on service, however, this could be credited to the apprenticeship.⁸⁸ Those apprentices in the last year of their contract had their call-up deferred until the apprenticeship

⁸² Ibid., 48.

⁸³ Martin, *Holding the Balance*, 213.

⁸⁴ Ibid., 216.

⁸⁵ Baker, *War Economy*, 456.

⁸⁶ Prime Minister's Department, *War Record*, 48.

⁸⁷ Martin, *Holding the Balance*, 216.

⁸⁸ AJHR, 1942, H-11, 2.

was completed, unless they were to perform their trade in service.⁸⁹ Despite the wage protection offered, many apprentices were dissatisfied with their wage levels on their return from service. The temptation of well-paid unskilled work was strong; thus employers were often forced to pay journeyman's rate to returning apprentices to retain them in the trade.⁹⁰

The Apprenticeship Committee heard applications for new apprentices to replace those entering the armed services on a case-by-case basis. Individual employers petitioned the Committee via their local apprenticeship committees. It was decided that there would be a four-month delay between an apprentice going into camp and being replaced with another apprentice. This measure caused some confusion at first, with the Employers' Federation requesting a shortening of the period, as they were under the impression that steps to replace an apprentice could only be taken after they had been gone for four months. However, the Apprenticeship Committee reassured employers that the process could begin as soon as the apprentice left thus making the total delay around four months. There was also provision for the delay to be shortened for 'special reasons', at the discretion of the Committee.⁹¹

The conditions governing apprentices were established by a Conference set up in 1942 to consider the effect of military service on apprenticeship. The Conference comprised representatives from the Federation of Labour, the New Zealand Employers' Federation, the Armed Services, the Education and Labour Departments and the Rehabilitation Board. It was decided that until the full requirements of the armed services for manpower were met, "no general class of exemption for apprentices, students or other trainees would be entertained".⁹² It was acknowledged that industries would struggle with the need to train not only enough workers for their needs, but also sufficient to supply the armed forces. Thus, careful consideration of manpower requirements was called for.⁹³

The first session of the Conference was charged only with making short-term policy. As the war progressed, however, the return of apprentices from active service required the representatives to reconvene. A second conference in September 1943 considered amendments to the Emergency Regulations governing the rehabilitation of apprentices.⁹⁴ The workers' representatives argued that all apprentices on discharge from the armed services should be paid at journeyman's rates, but should be required to make up the time remaining to be served. While the employers' representatives agreed in principle, they argued that the Rehabilitation

⁸⁹ AJHR, 1940, H-11.

⁹⁰ Baker, *War Economy*, 506.

⁹¹ Industrial Emergency Council Minutes, May 1941, WA11, Series 21, 56A, NA, Wellington.

⁹² Report of Conference on the Effect of Military Service on Apprenticeships, October 1942, MB 26, A9, 3E.

⁹³ Ibid.

Board should pay the difference between the appropriate apprentice rate and the journeyman's rate.⁹⁵ An agreement was reached that, in most cases, the employer would pay one third of the difference between the maximum apprentice rate and the journeyman's rate, and the Rehabilitation Board would pay the remaining two thirds.⁹⁶

The Second World War exacerbated the shortage of skilled labour. The shortage was the most "widespread and serious in the engineering trades", with a 1940 report showing that a further 400 tradesmen and 120 apprentices could be absorbed.⁹⁷ Changes to the regulations as the war progressed allowed the Industrial Emergency Council to authorise an employer to take on a substitute apprentice for one in service, even if this would exceed the proportion clause. The chronic shortage of skilled tradesmen prompted the Auxiliary Workers Training Emergency Regulations in 1941, which set up short periods of intensive full-time training for selected workers who usually had some knowledge of the trade. Initially, the engineering industry was targeted, with 266 engineers trained and placed in the first intake. The Auxiliary Worker scheme was extended in 1943, with schools for instruction in carpentry and house-building set up in Mirimar, Petone, Auckland, Christchurch and Rotorua. These schools offered 18 weeks of theoretical instruction, followed by 18 weeks practical training. The scheme merged with the Trade Training Schools of the Rehabilitation Department in February 1944.⁹⁸ The Industrial Emergency Council was disbanded at its last meeting in July 1945.⁹⁹

Apprenticeship Issues During the War

The technical education of apprentices was a thorny issue during the war years. Employers and apprentices alike seemed to regard the formal educational component of the apprenticeship as less than important, given the circumstances. In September 1941, for example, the minutes of the Industrial Emergency Council recorded the unsatisfactory examination results of electrical apprentices. Employers were accused of taking little interest in their apprentices, as only 40 per cent had sat and passed their final examination. These concerns led to a conference of interested parties, which resulted in criticisms of the New Zealand education system and a suggestion that apprentices sit an examination at the end of each year, rather only one at the end of their apprenticeship.

⁹⁴ Industrial Emergency Council Minutes, September 1943, WA11, Series 21, 56A, NA, Wellington.

⁹⁵ Ibid.

⁹⁶ Baker, *War Economy*, 506.

⁹⁷ AJHR, 1941, H-11A, 11.

⁹⁸ AJHR, 1942-1945, H-11.

⁹⁹ AJHR, 1946, H-11.

Thus, in March 1942, the Apprenticeship Committee of the Council was asked to consider ways to provide training facilities for those trades that were worst affected by this problem.¹⁰⁰ The North Canterbury Carpentry and Joinery apprenticeship committee considered the problem of night school attendance levels serious enough to prepare a letter to be sent to the parents or guardians of all apprentices. The 1944 letter informed the parents or guardians that the committee needed to “take action owing to the alarming drop in the number of apprentices attending the evening classes at the Christchurch Technical College”.¹⁰¹ Disappointment was expressed at the lack of appreciation of the value of formal instruction, and parents or guardians were requested to encourage apprentices to attend evening classes.¹⁰²

As the war progressed, the decline in the number of journeymen affected the number of apprentices able to be trained. The declining number of journeymen also raised debate about proportions. For example, in 1941 the Apprenticeship Committee considered an application from electrical employers in three districts to vary the proportion from one apprentice to two journeymen, to one to one. The employers argued that the application for relief was only partly due to wartime conditions, but the members of the Industrial Emergency Council felt that they were the correct body to adjudicate, given the serious shortage of skilled workers. There was little common ground in the representations made by the employers’ and workers’ advocates. The Committee pointed out to the employers that altering proportions would have little immediate effect. The employers argued, however, that it would allow journeymen to be spread more thinly, as in many cases two workers were required for a job and current proportions meant that often this was two journeymen. The Apprenticeship Committee recommended that providing there was sufficient work and adequate training facilities, and the proportion did not exceed one to one, then applications for relief would be considered on a case-by-case basis.¹⁰³

The War Ends

The war years had permitted the consolidation and expansion of industry in New Zealand. While the Labour government had stabilised wages, costs and prices, and successfully reigned in inflation, manufacturers had:

¹⁰⁰ Industrial Emergency Council Minutes, March 1943, WA11, Series 21, 56A, NA, Wellington.

¹⁰¹ Letter to the Guardians of Apprentices to the Carpentry and Joinery Trades, 1944, MB 26 A9, 3E.

¹⁰² Ibid.

¹⁰³ Minutes of the Apprenticeship Committee of the Industrial Emergency Council, September 1941, WA11, Series 21, 56A, NA, Wellington.

guaranteed markets, sure sales, a disciplined labour force with set wages and conditions, and price margins which provided uninterrupted profitability, capital growth, and resources for further investment... stabilization froze the employed sector while freeing the employer sector for guaranteed expansion.¹⁰⁴

Not all workers had been compliant with the demands of the war effort. The powerful miners, seamen and watersiders unions had remained largely outside of the stabilisation regulations, with the watersiders and coalminers between them accounting for three-quarters of all working days lost during the war.¹⁰⁵ As the war drew to an end, the government faced increasing pressure from all groups of workers to relax the Stabilisation Regulations and improve wages. There was also pressure to ease manpower controls. More than 250,000 workers, or 40 per cent of the workforce, were in essential industries, with 175,000 workers under direction.¹⁰⁶ The Labour government, re-elected in the 1946 election, was forced to move very cautiously. Inflationary pressures reined in through the war threatened to break out, and rationing and import controls were still considered necessary.¹⁰⁷ Throughout the late 1940s, New Zealand was simmering with expectations of just rewards for the deprivations of the war years.

In this chapter, I have shown how the apprenticeship system moved from implicit regulation via the arbitration system, to become an allied institution, regulated by explicit legislation and governed by voluntary apprenticeship committees. There remained great debate over the details of apprenticeship. The constant preoccupation with the proportion of apprentices to journeymen was a reflection of the essentially exclusionary nature of the institution. Employers seemed to be content to work within the restrictions of controlled apprentice proportions, even if the detail was disputed, a tacit acknowledgment, perhaps, of the benefits that they also accrued from a restricted supply of skilled workers. Technical education was also the subject of much debate. There was a general acceptance that technological changes necessitated a more thorough theoretical training for apprentices. The questions of who should pay for this, and how it was best delivered, however, were less straightforward. Perhaps the most striking issue illustrated by this chapter is the vulnerability of the apprenticeship system to the economic state of the country. This fact defied political rhetoric, and attempts at intervention did little to smooth fluctuations in the supply of and demand for skilled labour.

¹⁰⁴ Robert Chapman, "From Labour to National," in *The Oxford History of New Zealand*, 2nd, ed. G.W. Rice (Auckland: Oxford University Press, 1996), 367-368.

¹⁰⁵ *Ibid.*, 371.

¹⁰⁶ Martin, *Holding the Balance*, 226.

¹⁰⁷ Chapman, "From Labour to National", 371.

CHAPTER FIVE

APPRENTICESHIP DURING THE POST WAR YEARS

The post-war years in New Zealand were in many ways the height of the apprenticeship system. Full employment, a booming construction industry, and large government departments encouraged around thirty per cent of male school leavers to take up apprenticeships. This chapter shows how the 1945 Commission of Inquiry into Apprenticeship validated the apprenticeship system as the accepted way to train skilled workers. The findings of this Commission led to the increased bureaucratisation of the apprenticeship system, with a formalised network of national and local committees. Technical education became an essential component of apprenticeship, with attendant changes in the scope and delivery of that education. A crucial aspect of the post-war years was the small wage differentials between skilled and unskilled work, and the threat that this posed to the viability of apprenticeship. By the 1960s, the margins-for-skill debate began the disillusionment of skilled workers with the arbitration system. This chapter also discusses the Maori trade training schemes, which were developed as a means to ease the transition to urban life that many Maori were making.

The post-war years saw the beginning of a lengthy and sustained period of economic growth for New Zealand. The country grew impatient with the cautious approach of the Labour government to lifting wartime restrictions and a National government was elected in 1949. This government gradually lifted stabilisation measures, but was also conscious of the potential threat of inflationary pressures that had been held in check by the war. The economic boom was intensified in 1950 by the rise in wool prices resulting from the Korean War. Secure in the knowledge that Britain provided a stable market for agricultural goods, the country began a time of economic development geared to meet the needs of an expanding population. The rehabilitation of service-people carried on apace, with many of them being absorbed into the burgeoning construction industry. Full employment and high consumption were the hallmarks of a society ready to move into a new era of prosperity and security after the ravages of depression and war.¹

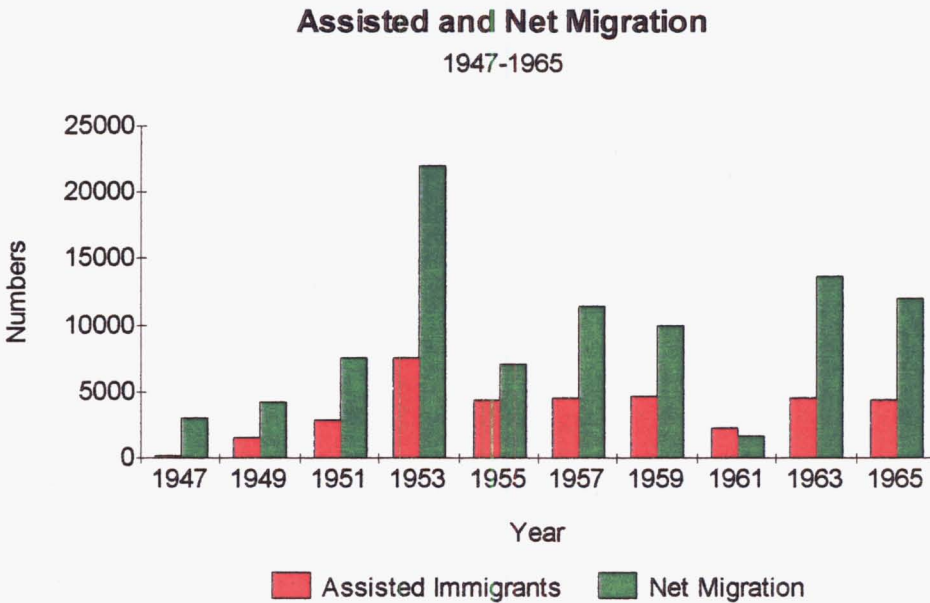
There were, however, problems with the booming economy. The early post-war years were marked by a severe labour shortage, leading to high levels of labour turnover. There were also critical shortages of housing and electric power supplies, and many consumer items

¹ Chapman, "From Labour to National".

were also in high demand. The manufacturing sector had expanded rapidly during the war, and factories, as well as the building and construction industry, were the hardest hit by the labour shortages. Immigration (see Figure 6) was the favoured solution to the labour shortage, particularly to meet the insatiable demand for skilled workers: “the ‘phone call to try to get a plumber or an electrician to repair some fault was an event a householder would regard with trepidation and little confidence’”.² Immigration strengthened the growing urbanisation of New Zealand society, with new arrivals settling mainly in the major urban areas, especially Auckland.

Baker argued that 1955 marked the end of the period of post-war recovery. By this time, most price controls had been lifted, building had largely caught up with demand, and shortages of consumer products, such as washing machines and refrigerators, had eased.³ Nevertheless, throughout these years construction and production continued to boom and the demand for skilled labour outstripped supply, despite high levels of immigration. It thus became crucial to attract apprentices, and to keep them in the trades. The apprenticeship system was placed on a more formal basis, and attempts were made raise the status of the trades, in order to stave off the attraction of high wages offered for unskilled work.

Figure 6: Assisted Immigration & Net Migration, 1947-1965 ⁴



² John Gould, *The Rake's Progress* (Wellington: Hodder and Stoughton, 1982), 57.

³ Baker, *War Economy*, 532.

⁴ Martin, *Holding the Balance*, 388.

Commission of Inquiry into Apprenticeship, 1945

As the war drew to a close, the Departments of Labour and Education convened a Commission of Inquiry into Apprenticeship.⁵ The Commission was chaired by Arthur Tyndall, Judge of the Court of Arbitration, and included amongst its twelve members C.E. Beeby, the Director of Education; E.B. Taylor, the Registrar of Apprentices; and various union, employer and technical education representatives. The Commission sat throughout the country to hear evidence. Its members visited factories, workshops and schools, and interviewed both apprentices and those who hoped to become apprenticed. H.C. McQueen, the research officer, also made a case study of forty apprentices for the Commission.⁶

The Commission's brief was to investigate vocational education and to examine the existing apprenticeship legislation. Working from the basis that the objectives of the post-war years would be increasing both the population and the standard of living of New Zealand, the Commission argued that "it is an inescapable fact that an adequate supply of efficiently trained artisans is essential to the industrial future of the Dominion".⁷ It was recognised that post-war immigration would be insufficient to supply the number of skilled tradespeople required, and that the apprenticeship system was the soundest means of providing a skilled workforce. The Commission also argued strongly that work and training were not separate processes, but that they must be integrated: "the representatives of industry and education must collaborate; their harmonious collaboration is vital to the national welfare".⁸

The main thrust of the Commission's report was to strengthen the administration of the apprenticeship system. It recommended the appointment of an Apprenticeship Commissioner, and four Deputy Commissioners of Apprenticeship to be based in the main centres. The Deputies, or their representatives, would become the chairperson of each local apprenticeship committee, providing administrative expertise to the voluntary committees. At the national level, it was suggested that there should be a Dominion Apprenticeship Committee for each broad-banded industry. These committees would consider details of training and examinations, wages and conditions, and the number of skilled workers required. This number was not easy to estimate because of difficulties in gathering details of the number of tradespeople already in the industry and in ascertaining the annual wastage of tradespeople. There was also an inevitable time lag in training an apprentice.⁹ The committees were also charged with

⁵ Ibid., 250.

⁶ *Commission of Inquiry into Apprenticeship and Related Matters*, AJHR, 1945, H-11B.

⁷ Ibid., 4.

⁸ Ibid., 4.

⁹ 'New Zealand Apprenticeship Committees', *Labour and Employment Gazette* (LEG), 1(1), February 1951.

developing industry-wide Dominion apprenticeship orders.¹⁰ The Commission found that one of the weaknesses in the apprenticeship system was the “multiplicity of local orders and the discrepancies between them”.¹¹

The question of the most appropriate means of training apprentices received a great deal of attention from the Commission. It was recognised that there was a variation in the amount of theoretical knowledge required for each trade, and that problems had arisen when apprentices were taken on who did not have the ability to cope with this type of knowledge. The Commission pointed to a “regrettable lack of co-operation between industry and the (technical) schools in the matter of the education of apprentices”.¹² It recommended a greater involvement of apprenticeship committees in the curriculum, staffing and equipping of technical schools. The debate about ‘day-light’ training was clearly heated, and the Commission stopped short of making a clear recommendation on this subject, suggesting instead that the relevant apprenticeship committee make a decision for each industry. It was also felt that decisions regarding examinations and the proposal to specify the term of apprenticeship in hours, rather than years, were better made at this level.¹³

A particularly interesting section of the Commission’s report focused on the suggestion that apprenticeship be ‘to the State’ or ‘to the industry’ rather than to an individual employer. Those in favour of this concept argued that increased specialisation and subdivision of labour prevented many apprentices from getting an ‘all-round’ training with one employer. The disruption of training that occurred during the Depression was also cited as a good reason for state involvement. Apprenticeship to the state would give continuity of employment and smooth out the usual drop in apprentice numbers when economic conditions were bad. It would also allow long-term manpower planning. Apprenticeship to industry, funded by a compulsory levy on all employers, would prevent ‘free-loading’, that is, the practice by employers who did not train apprentices of ‘poaching’ skilled labour from those who did. While the Commission did not advocate such extreme action, it did recommend more use of ‘joint’ apprenticeships, and suggested the transfer of apprentices to government departments if there was any difficulty with the initial employer.¹⁴

¹⁰ *Commission of Inquiry into Apprenticeship and Related Matters*.

¹¹ ‘New Zealand Apprenticeship Committees’, LEG, 1(1), February 1951, 17.

¹² *Commission of Inquiry into Apprenticeship and Related Matters*, 10.

¹³ Ibid.

¹⁴ Ibid.

New Zealand Apprenticeship Committees and Apprenticeship Orders

The Commission's recommendations were enacted in the Apprentices Amendment Act 1946, and consolidated in the Apprentices Act 1948. A Commissioner of Apprentices, H.C. McQueen, who had been the Research Officer attached to the Commission, was appointed in June 1948.¹⁵ New Zealand apprenticeship committees were set up in twelve industries, and this was extended to 22 in 1949. National apprenticeship orders replaced the often outdated local orders, and the setting of the wages of apprentices as a proportion of journeymen's rates became universal. The principle of daylight training was approved in some industries, with daylight classes starting in 1949 in motor engineering. These involved four hours each week during the first three years of the apprenticeship. Block courses were also started for the baking industry, with apprentices from all over New Zealand spending four weeks at the Wheat Research Institute in Christchurch. The employer paid the apprentices' wages for this time, with the travel costs paid for by the Department of Labour.¹⁶ By 1951, seven industries had in place various combinations of block courses, daylight classes and compulsory evening classes.¹⁷

It would be unreasonable to expect that all employers would be in favour of daylight training, given that wages had still to be paid for the essentially unproductive time spent at the technical institute by the apprentice. Indeed, proposals by the New Zealand Master Builders' Association to cut down on the daylight training provisions in the industry's apprenticeship order provoked an open letter from the New Zealand Carpenters and Joiners Union to all branches of the union and the local apprentices committees. In this letter, written in the late 1940s, the acting secretary of the union, W.F. Molineux, laid out the union's reply to the proposals. He argued that, in order to turn out skilled tradesmen, all apprentices must receive adequate technical training. If there was less training, tradesmen would have an inferior status, and employers would demand that they be paid less. The union argued for daylight training, as evening classes had proven to be "wasteful, inefficient and unsatisfactory".¹⁸

The minutes of the New Zealand General Engineering and Blacksmithing Apprenticeship Committee for 1948 and 1949 provide a clear example of the debates and issues surrounding the implementation of the new Apprentices Act. The first problem the committee faced was specifying explicitly which branches of the industry were to be included

¹⁵ Ibid.

¹⁶ AJHR, 1950, H-11.

¹⁷ 'Apprenticeship Classes in Working Hours', LEG, 1(2), August 1951.

¹⁸ New Zealand Carpenters and Joiners and Joiners Machinists Industrial Unions of Workers: Letter to Branches, Sub-branches and Delegates to Local Apprenticeship Committees, MB 26, A9, 3E.

in the new apprenticeship order. Part of this difficulty was caused by new technology; the classification of refrigeration engineers and servicemen, for example, raised concerns. The other difficulty pivoted upon the definition of a 'trade'. The Welding Institute, for example, was training workers in one skill, welding, but this was considered too narrow a training to be classified as a trade. Therefore, the committee decided that 'welding' *per se* could not be considered a branch of the industry. Mr McQueen, the Commissioner of Apprentices, ruled that the basic test of whether something could be considered a branch of an industry was "the amount of time it takes to train a man".¹⁹

Apprentice wages were set as a proportion of the minimum hourly rate of a journeyman. This, along with a three-month probation period, became a standard for most apprenticeship orders. Table 1 shows the proportions of the minimum hourly rate:

Table 1: Apprentice Wages, Engineering Trade, 1948²⁰

Number of Hours	Percentage of Minimum Journeyman's Wage
1 st 1000 hours	23%
2 nd 1000 hours	29%
3 rd 1000 hours	35%
4 th 1000 hours	41%
5 th 1000 hours	47%
6 th 1000 hours	54%
7 th 1000 hours	59%
8 th 1000 hours	65%
9 th 1000 hours	71%
10 th 1000 hours	77%

Two of the issues before the committee resulted in an impasse between the worker and employer representatives. The first was the measurement of the term of the apprenticeship. The employers wanted to retain the five-year term, while the workers pressed for the term to be measured in hours. They also called for a reduction in the hours for passing examinations,

¹⁹ New Zealand General Engineering and Blacksmithing Apprenticeship Committee Minutes, December 1948. ABVT, 7254/2, NA, Wellington.

²⁰ Ibid.

and for any overtime hours worked to be credited against the term of the apprenticeship. The second contentious issue was, as always, the proportion of apprentices to journeymen. The employers wanted a one-to-one proportion, while the workers fought for one apprentice to two journeymen. After much discussion, it was decided that there was no possibility of compromise on these issues, so the alternative proposals of the employers and the workers were set out side by side and sent to the Arbitration Court for a ruling on an award-by-award basis.²¹ The question of technical education was also the subject of much debate. It was suggested that a prerequisite of two years post-primary education be imposed, with fifteen years as a minimum age for an apprentice. Mr R. Jones, the Federation of Labour representative on the committee, argued that the degree of skill required in the metal trades had increased, and that apprentices needed the ability to absorb the requirements of the post-war environment: "Tradesmen of the future must have the flexibility that they lack today".²²

The New Zealand Engineering Industry apprenticeship order was ratified by the Arbitration Court in 1949. The branches of the industry were grouped into three classifications (shown in Table 2), with proportions varying dependent upon the group:

Table 2: Engineering Industry Classifications, 1949 ²³

Group A	Group B	Group C
Fitting and Turning	Aircraft Engineering	Brass-finishing
Pattern-making	Aircraft Radio Engineering	Engine-smithing
Engineering Draughting	Aircraft Instrument Engineering	Farrier-smithing
		Copper-smithing
		Armature Winding
		Mill Wrighting

The details of the order were generally more favourable to the arguments of the workers' representatives. The apprenticeship term was set at 10,000 hours, or 9000 hours for an apprentice aged seventeen or older who could present evidence of having completed three years post-primary education with engineering as a subject. The minimum age was set at fifteen, with two years of post-primary education, and a three-month probation period was to

²¹ Ibid, February 1949.
²² Ibid.
²³ *Book of Awards*, 49, Pt 4, 1949, p.3875.

be served. Provision was made for the apprentice to be ordered to attend compulsory evening or correspondence classes. Time spent at block courses and daylight training was to be paid for by the employer, and the hours spent at these classes within normal working hours was to be reckoned as time served. Apprentices who passed the examination at the end of the third year of the apprenticeship were to be paid five shillings per week extra, while those passing the examination at the end of the fourth year would receive an extra ten shillings per week. Any overtime worked was to be credited as time served, but there were restrictions on overtime permitted. Apprentices aged under sixteen were not permitted to work overtime, and no apprentice could be compelled to work overtime or shift-work, or to work more than six hours overtime per week.²⁴

The engineering apprenticeship order was typical of many other orders. The issues discussed above had proved thorny for many of the apprenticeship committees, and were the subject of strong advocacy at the Arbitration Court hearings. On the subject of the term of the apprenticeship, the majority of apprenticeship orders (twenty out of twenty-seven) fixed the term in 1000-hour periods, rather than years. This was seen as 'sensible'; stabilising the term of apprenticeship regardless of possible variations in the length of the working week. The normal term for most apprenticeship was 10,000 hours, or five years. In certain industries, provisions were made in the orders to shorten the length of the apprenticeship, with various time credits given for holding School Certificate, related experience and examination passes. In most industries, overtime worked (with some restrictions as to the amount allowable) could be counted as part of the apprentice's term.²⁵ Thus, by 1953, there were 27 New Zealand apprenticeship orders in force, with most of the subsequent amendments being less controversial.²⁶ The New Zealand apprenticeship committees were lauded in the *Labour and Employment Gazette* as:

admirable examples of a combination of 'democracy and bureaucracy... (an) arrangement which gives a body of laymen [sic] statutory powers and provides someone (the Commissioner of Apprentices) to act as an executive officer in the carrying out of those powers.²⁷

²⁴ *Book of Awards*, 49, Pt 4, 1949, p.3875.

²⁵ 'The Term of Apprenticeship', LEG, 6(3), August 1956

²⁶ 'The Making of Apprenticeship Orders', LEG, 3(2), August 1953

²⁷ 'New Zealand Apprenticeship Committees', LEG, 1(1), February 1951, 18.

Local Apprenticeship Committees

It is important to remember that a great deal of the administration of the apprenticeship system was carried out at the 'grass-roots' level of the voluntary local apprenticeship committees.²⁸ These committees, which met up to nine or ten times a year, were established under the Apprentices Act 1923, and were chaired by the District Commissioner of Apprenticeship. They comprised equal numbers of employer and worker representatives (three of each), and a representative conversant with technical education in the local area.²⁹ Their powers derived from three sources: the Apprentices Act 1948, apprenticeship orders and the Court of Arbitration.

The main functions of the committees were to handle the mechanics of entering and completing an apprenticeship, to supervise both apprentices and employees, and to examine any requests for variations from apprenticeship orders. The committees also reported to, and were consulted by, the New Zealand apprenticeship committees after their establishment in 1948.³⁰ The day-to-day work of the committees included hearing applications for consent for an employer to take on an apprentice, applications for transfer of apprentices and termination of apprenticeship contracts. An employer required the prior consent of the committee before he or she was permitted to take on an apprentice. The onus was on the employer to satisfy the committee that he or she was a suitable employer, that the business was sound and likely to continue and that suitable teaching facilities could be provided.³¹

The local apprenticeship committees also dealt with apprentices who had defaulted on the educational requirements of the apprenticeship.³² For example, the May 1965 minutes of the North Canterbury Carpentry and Joinery Industry Apprenticeship Committee recorded a number of cases of apprentices who were absent from day-release classes without explanation. The miscreants were each fined two weeks wages.³³ There were some problems with the local apprenticeship committees. They tended to be prescriptive, and concerned with maintaining the status quo. The extent of the coverage of the committees was also sometimes a cause for concern. They tended to be concentrated in the main centres,³⁴ and in trades with a commitment to technical education.³⁵

²⁸ 'Apprenticeship: Administration at the Local Level', LEG, 14(3), August 1964.

²⁹ *Commission of Inquiry into Vocational Training*, 1965, 64.

³⁰ 'Apprenticeship: Administration at the Local Level', LEG, 14(3), August 1964.

³¹ *Book of Awards*, 49, Part 4, 1949, p.3876.

³² *Commission of Inquiry into Vocational Training*, 1965, 64.

³³ North Canterbury Carpentry and Joinery Industry Apprenticeship Committee Minutes, April 1965, MB 27, A24, 3C.

³⁴ AJHR, 1939, H-11, 11.

³⁵ Martin, *Holding the Balance*, 138.

Nevertheless, the apprenticeship committees provided a forum for employers and unions to work together, with sectional differences usually put to one side. A former District Commissioner, who worked in Auckland during the industrial ferment of the early 1980s, recounted driving to an apprenticeship committee meeting. He picked up the union representative from the picket line, the employer representative from his office, took them to the meeting, which was non-confrontational and productive, and then dropped them back to their respective sides of the ongoing industrial dispute. The committees were viewed as independent bodies, and had a degree of control and authority over the minutiae of apprenticeship that would be difficult to replicate today.³⁶ Many of the members of the local committees served for long periods of time, and the work of the committees was regarded as extremely valuable.³⁷

Apprentice Numbers

Throughout the 1950s, the number of apprentices gradually increased, although “the demand for apprentices [was] still far from satisfied”.³⁸ The New Zealand apprenticeship committee for each industry reinforced recruitment at the national level. The low-birth rates of the depression years, however, meant a smaller number of young people were available for employment, especially in the early 1950s.³⁹ In some trades in particular, such as moulding and boilermaking, “the needs of the industry are by no means being met by the very limited number of lads [sic] willing to enter upon apprenticeship in them”.⁴⁰ Nevertheless, the proportion of those school-leavers entering apprenticeships grew steadily throughout the 1950s, from 25.2 per cent in 1950 to 33.7 per cent in 1957.⁴¹ This rate was one of the highest in the world, but was still not sufficient to meet the demand in some industries.⁴² Figure 7 shows the probable destination of male school leavers, illustrating that apprenticeship to one of the skilled trades was the favoured choice of school leavers, with farming the next most popular option.

³⁶ Kim Ulberg, Skill New Zealand, interview by author, 16 August 2000.

³⁷ AJHR, 1948, H-11, 29.

³⁸ AJHR, 1954, H-11, 23.

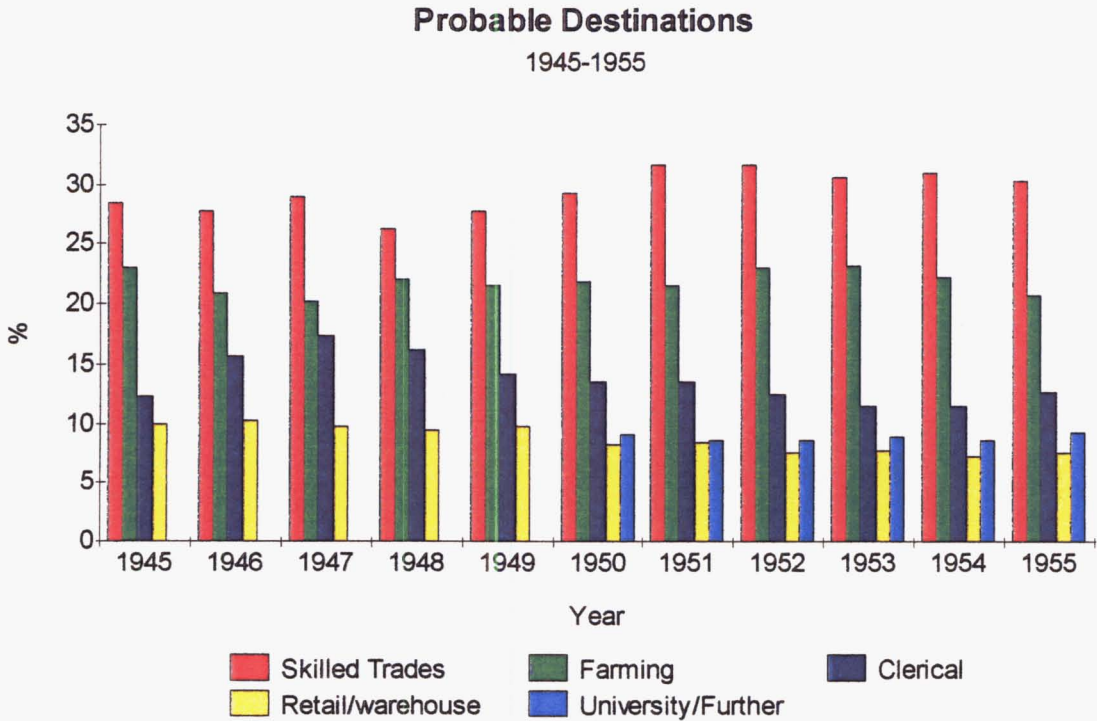
³⁹ ‘New Zealand Apprenticeship Committees’, LEG, 1(1), February 1951.

⁴⁰ AJHR, 1948, H-11, 30.

⁴¹ ‘Apprenticeship Trends in NZ’, LEG, 9(1), February 1959.

⁴² ‘Apprenticeship Trends 1955-1965’, LEG, 15(4), November 1965, 43.

Figure 7: Top Four Probable Destinations of Male School Leavers, 1945-1955 ⁴³



There was a steady increase in the number of apprentice contracts in force in each year from 1945, with the number of apprentices in the armed services gradually dropping as they returned to their trades (see Figure 8).⁴⁴ The *Labour and Employment Gazette* (LEG) claimed that there were three reasons for the increase in the number of apprentices. Firstly, a trade was a “permanent asset”, which gave the skilled worker security. Secondly, the rapid development taking place in New Zealand provided “great opportunities for those of a practical bent”, with trade skills at a premium. Lastly, the *Gazette* acknowledged the role of the Apprenticeship Division of the Department of Labour in promoting apprenticeship.⁴⁵ Because of the specific nature of the New Zealand economy at the time, the growth of the skilled trades was not uniform. Thus, trades that were essential to the construction industry, and those that supplied in-demand consumer goods and services, boomed. The carpentry and joinery trade accounted for nearly twenty-five per cent of the 3488 new apprentices in 1951, followed by motor

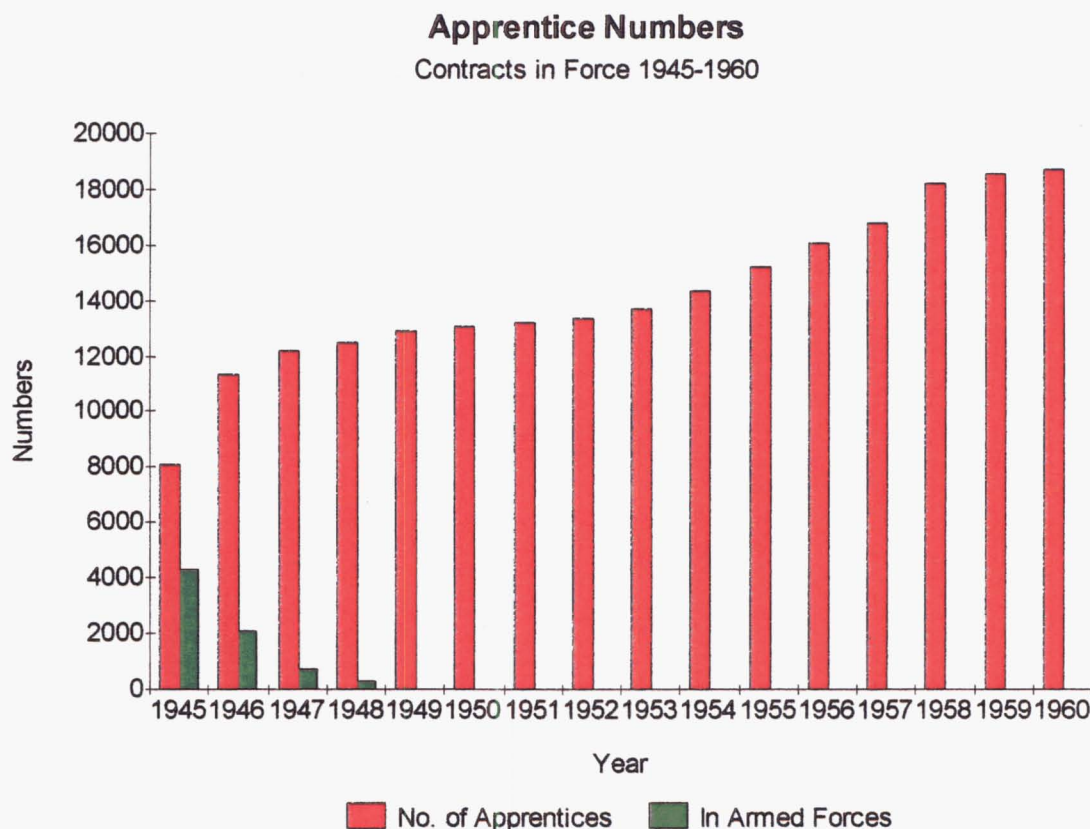
⁴³ AJHR, E-1, 1946-1956.

⁴⁴ ‘Apprenticeship in New Zealand’, LEG, 12(2), May 1962.

⁴⁵ ‘Apprenticeship Trends in NZ’, LEG, 9(1), February 1959, 21.

engineering (16.6 per cent), electrical (8.9 per cent), engineering (8.8 per cent) and the furniture trade (8 per cent).⁴⁶

Figure 8: Apprenticeship Numbers, 1945-1960 ⁴⁷



Apprenticeship Publicity

Apprenticeship Weeks, an initiative of the Wellington Metal Trades Employers' Association, were held in the mid-1950s to publicise apprenticeship. In Christchurch, an Apprenticeship Week was held in November 1956. The week was organised by a committee elected from interested parties, with donations to cover costs being sought from both worker and employer groups. The aim of the week was not seen as a full-scale recruitment drive, rather it was to "encourage boys [sic] to take up a number of trades in those industries where the numerical strength of the skilled labour force has become unbalanced".⁴⁸ Of particular

⁴⁶ 'Apprentice Trends in New Zealand Industries', LEG, 2(2), August 1952.

⁴⁷ AJHR, 1945-1960, H-11; "In Armed Forces" refers to those apprentices still serving in the armed forces.

⁴⁸ New Zealand Carpentry and Joinery Industry Apprenticeship Committee Minutes: Report on Apprenticeship Week held in Christchurch, 5-11 November 1965, MB 26, A9, 3E.

concern were the low numbers attracted to the related trades to carpentry and joinery: plumbing, electrical, plastering and bricklaying. The Commissioner of Apprenticeship, in an address to the Master Builders' Federation in March 1955, argued that the campaign to attract apprentices to the building industry had been too successful, and had disturbed the correct ratio between the trades.⁴⁹ It was hoped that the week would also promote a higher social status for apprentices and further the acceptance of the importance of craftsmanship, stressing also the higher standards of skill required for modern industry.⁵⁰

The week was marked with a large procession, incorporating three bands, 36 floats and 500 apprentices. There were window displays, an exhibit at the Agricultural and Pastoral Show and a variety concert. The Mayor of Christchurch and Sir Arthur Tyndall, Judge of the Court of Arbitration, addressed this concert. The concert featured a play written and produced by an apprentice, Mr L.R. Bloxham, which portrayed an ordinary working day in an apprentice's life.⁵¹ An Apprenticeship Week held in Taranaki in 1958 was described as "successful in drawing attention to the place of apprenticeship and craftsmanship in the community".⁵² Apprentices who studied at the Southland Technical College built a miniature house, which was exhibited at the Royal Agricultural and Pastoral Show. Apprenticeship was also brought to the attention of the country by Bank of New South Wales travel scholarships. These scholarships were established in 1958, and gave a top apprentice in the building trade and the plumbing trade each a trip to Australia. The apprentices were encouraged to study new construction methods, and to bring the knowledge back to their employers, and the industry in general, in New Zealand.⁵³

Technical Education

The emphasis on the technical education of apprentices continued, with attendance at classes becoming the norm. The small number of apprentices in many scattered settlements made technical education problematic, and centralised courses were developed in response to this. Block courses were introduced for the building and automotive trades and increasing use was made of the Education Department's Technical Correspondence School.⁵⁴ The school had developed from the study course unit of the Army Education and Welfare Service, which had

⁴⁹ 'Apprenticeships in the Building Industry', LEG 5(2), May 1955, 34.

⁵⁰ New Zealand Carpentry and Joinery Industry Apprenticeship Committee Minutes: Report on Apprenticeship Week held in Christchurch, 5-11 November 1965, MB 26, A9, 3E.

⁵¹ Ibid.

⁵² AJHR, 1959, H-11, 21.

⁵³ 'Apprentices' Scholarship', LEG, 15(4), February 1965.

⁵⁴ 'Daylight Training of Apprentices', LEG, 5(1), February 1955.

run correspondence courses in technical and agricultural subjects for service personnel during the war. In 1946, the unit became the Technical Correspondence School, incorporating the few existing correspondence trade courses run from Wellington.⁵⁵

Changes in the post-war period had a profound effect on the technical high schools. The school leaving age was raised to fifteen in 1944, bringing into high schools many young people who would otherwise have finished their schooling at the primary level. The introduction of School Certificate, with compulsory core subjects, required technical schools to move away from their purely vocational focus and offer some general courses. The compulsory vocational education component of the Apprenticeship Act 1948 meant that the technical schools were now obliged to conduct classes purely for apprentices in both the evening and, in some cases, during the day, while vocational instruction for intending apprentices became less relevant. Thus, the workload and scope of the technical schools changed dramatically.⁵⁶

By 1953, daylight technical classes were operating in eleven trades in a variety of centres, and in 1954 nearly 6000 apprentices, 40 per cent of all apprentices, attended daylight training or courses.⁵⁷ In 1956, over 5000 apprentices sat examinations prepared by the New Zealand Trades Certification Board.⁵⁸ The Board had been created in 1948 under the auspices of the New Zealand Trades Certification Act. The Act was initiated by a consultative committee set up by the Minister of Education in 1947, after the Commission of Inquiry into Apprenticeship had recommended the Education Department's technological examinations should be revised and more extensively used. The Trades Certification Board (TCB) met monthly and comprised representatives from the Education Department, worker and employer organisations, secondary and technical schools, and industry organisations.⁵⁹ The Plumbers, Drainlayers and Gasfitters Registration Board, the New Zealand Motor Trade Certification Board and the Electricians Registration Board, all of which were statutory bodies in existence when the TCB was set up, retained their power to set examinations and register the successful candidates in their respective trades.⁶⁰

⁵⁵ Vocational Training Council, *Apprenticeship and Related Trade Training in New Zealand: A Preliminary Report to the Vocational Training Council* (Wellington: VTC, August 1974), AAOC, 3478, Box 8, NA, Wellington, 8.

⁵⁶ *Report of the Commission on Education in New Zealand*, 1962, 380.

⁵⁷ *Ibid.*

⁵⁸ AJHR, 1956, H-11.

⁵⁹ 'Examinations for Apprentices', LEG, 4(3), August 1954.

⁶⁰ Vocational Training Council, *Review of Apprenticeship: Discussion Paper* (Wellington: VTC, 1978), 10.

The second Labour government, elected in 1957, had a strong focus on both education and industrial development. The government organised a conference on technical education 1958, and appointed in 1960 a Commission of Education to assess the state education system.⁶¹ The conference on technical education was held in Lower Hutt in April 1958. In his opening address, the Minister of Education, Phil Skoglund, argued that “the Department of Education and the business world should work together for one object – that was to increase the technical standing of the people of New Zealand and to ensure that New Zealand produced better tradesmen, better technicians and better technologists”.⁶²

The brief for the conference was to ascertain if there were any unsatisfied needs for technical education, and if so, to assess both the needs and the administrative machinery available to quantify them, and present those findings to the government. It had been suggested at an earlier conference that New Zealand should develop a tiered system of technical education, with local and regional institutes, and ‘central’ colleges that would cater for national courses. It was decided to develop the Hutt Valley Technical School into such a college. This was achieved by “the practical step of virtually closing all courses for girls in the day school (making) much needed space available for the development of further technical classes”.⁶³ The 1958 conference emphasised the need for industry to make its needs known to the technical schools:

Industry... is a somewhat loose aggregation of units which, with a few notable exceptions, lacks the means of assessing its own needs, or, having done so, of communicating them to the education service through an accredited mouthpiece.⁶⁴

The commitment to technical education was strengthened with establishment of the New Zealand Council for Technical Education, set up by the Minister of Education in 1958. The Commissioner of Apprenticeship was made an *ex officio* member of the Council, and of the New Zealand Trades Certification Board, ensuring a “close liaison between apprenticeship work and the authorities concerned with technical education and apprentice examinations”.⁶⁵ This liaison was cemented by attempting to have strong industry involvement in the development of examination prescriptions. Examinations were only instituted at the request of the industry involved, and employer and worker organisations worked closely with the

⁶¹ Graeme Dunstall, “The Social Pattern,” in *The Oxford History of New Zealand*, 2nd ed., ed. G.W. Rice (Auckland: Oxford University Press, 1996), 467.

⁶² Department of Education, *Report of the Conference on Technical Education* (Wellington: Department of Education, April 1958), 6. MS Papers 4962, Alexander Turnbull Library (AT), Wellington.

⁶³ *Ibid.*, 6.

⁶⁴ *Ibid.*, 6.

⁶⁵ AJHR, 1959, H-11, 21.

technical schools to ensure that the prescriptions were closely related to the need of the industry. As each new examination was developed, the Education Department abolished the old technological examination for that trade, although the Department still handled the machinery for setting the examinations. The examination format settled quickly into a system that is still used in many industries; First Qualification (at the end of the first or second year), Second Qualification, Trade Certificate (at the completion of the apprenticeship) and Advanced Trade Certificate (for study after the completion of the apprenticeship). Incentive payments were introduced in many trades. A typical rate in the early 1950s would have been an extra 2/6 shillings per week for passing First Qualification and an extra 5 shillings per week for Second Qualification.⁶⁶

Table 3 illustrates both the increases in the numbers of apprentices receiving some form of technical education, and the changes in the delivery of that education. The numbers receiving technical education had doubled over the decade. Day classes clearly fell out of favour during the 1960s, being replaced in the main with block courses of varying lengths. Correspondence courses also became a more popular option.

Table 3: Numbers of Apprentices Receiving Technical Education, 1959-1969⁶⁷

Type of Technical Education	1959	1969
Attending local day classes	3731	1585
Attending block courses	4616	13761
Attending compulsory evening classes	4098	7125
Taking technical correspondence courses	1972	5877
Total	14417	28348

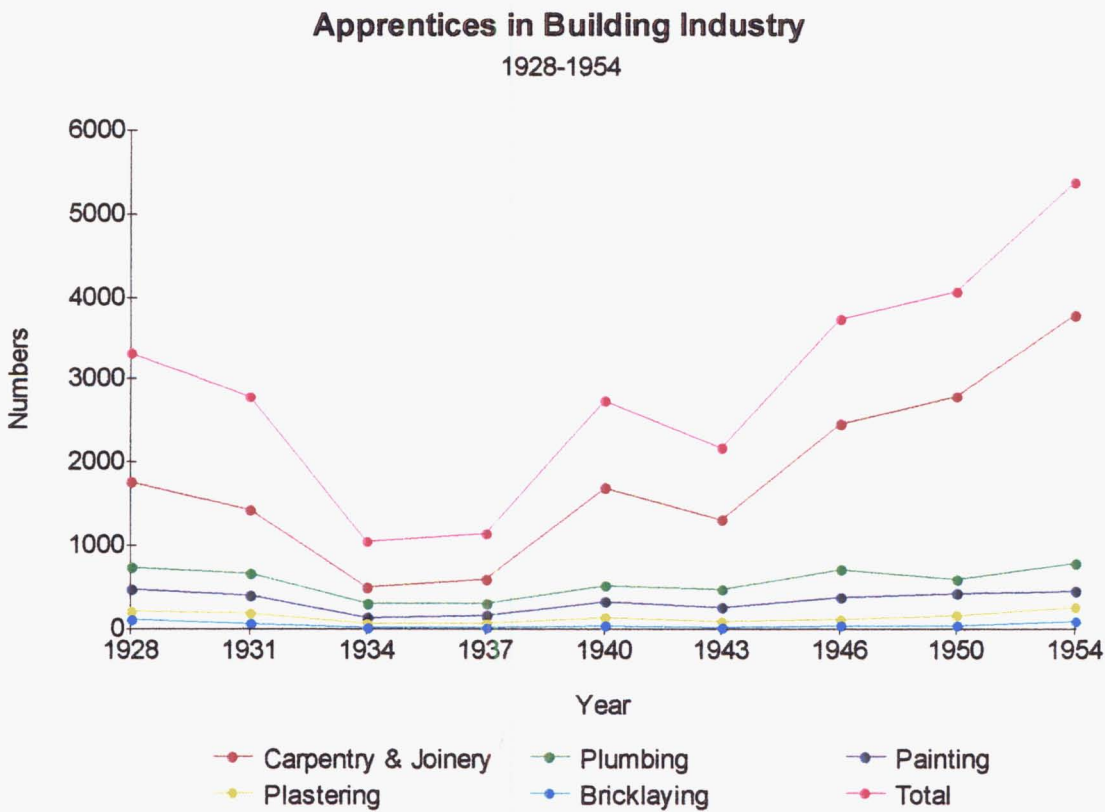
⁶⁶ 'Examinations for Apprentices', LEG, 4(3), August 1954, 30.

⁶⁷ AJHR, 1959 & 1969, H-11.

The Building Industry

The building industry is often regarded as a barometer of the well-being of the country’s economy. Thus, with the post-war boom years, the industry rapidly expanded as the demand for housing, schools, hospitals and other construction soared. This demand, coupled with reduced numbers of young people available to take up apprenticeships, resulted in a chronic shortage of labour in the industry. The building industry accounted for 43.5 per cent of all new apprentices in 1952 and 45.9 per cent in 1954.⁶⁸ Figure 9 illustrates clearly the connection between the state of the economy and the strength of the building industry, notably the ‘slump’ in the 1930s and the ‘boom’ in the post-war period.⁶⁹

Figure 9: Apprentices in the Building Industry, 1928-1954 ⁷⁰



⁶⁸ ‘Apprenticeships in the Building Industry’, LEG, 5(2), May 1955.

⁶⁹ Ibid., 34.

⁷⁰ Ibid., 34.

Apprentice Wages

A survey conducted by the Department of Labour in 1955 showed that actual rates paid to apprentices were not greatly above the minimum rated specified in apprenticeship orders. Five trades were surveyed, representing more than one third of the fifteen and a half thousand apprentices throughout New Zealand. The average margin above the minimum rate was 5.8 per cent when the figures for all of the trades, and the differing periods of service, were combined.⁷¹ A significant decision made by the Court of Arbitration in June 1957 increased the proportions of the journeyman's wage paid to motor industry apprentices. The new scale commenced at 32 per cent for the first 1000 hours, compared with 23 per cent, and rose in five per cent increments. This meant that the mean payment over the whole of the apprenticeship period became 54.5 per cent, compared with 50 per cent under the old regime.⁷²

The New Zealand Engineering, Coach-building, Aircraft and Related Trades Industrial Union of Workers had argued in support of this claim that more attractive rates were necessary to encourage apprentices. They claimed that rates had fallen behind the ruling journeyman rates (as opposed to the minimum rates), and the wages of public sector apprentices and unskilled workers.⁷³ The Union also argued that apprentices' starting wages should at least "adequately feed, clothe and shelter them without being subsidised by their parents".⁷⁴ The application was clearly a test case for other industries, and as such had the support of the Federation of Labour. While the Arbitration Court declined to grant the full terms of the Union's application (which would have generated an average rate of 57.5 per cent of a journeyman's wage), it found that "the contentions of the union are broadly supported, particularly in regard to commencing rates".⁷⁵ Thus, the scale agreed upon restored the differential between the commencing rates for apprenticed and unapprenticed workers that had existed in 1945.⁷⁶

Margins for Skill

The comparative rates of apprentices and journeymen were not the only cause for concern. The 'margin for skill', that is, "the amounts by which the wage rates for indentured tradesmen or workers with equivalent trade skills and experience exceed wage rates for

⁷¹ 'Ruling Rates of Apprentice Wages', LEG, 6(1), February 1956.

⁷² Ibid.

⁷³ Ibid.

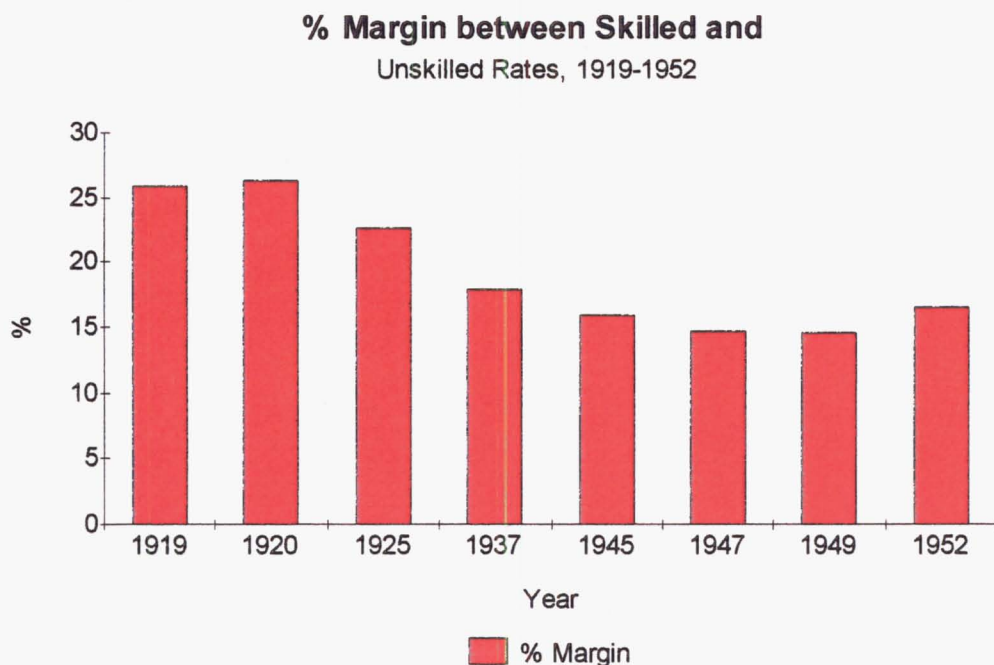
⁷⁴ Arbitration Court Order, NZ Motor Industry Apprenticeship Order, June 1957, MB 26, A9, 4A.

⁷⁵ Ibid.

⁷⁶ Ibid.

unskilled workers”, was a crucial component of maintaining the status and differentiation of the apprenticed trades.⁷⁷ The post-war labour shortages had translated into relatively high wages for all sectors of the labour market, and there was a perception that traditional ‘margins for skill’ had been eroded. Two reasons were suggested for this change; first, the “levelling effect exercised on incomes by our egalitarian thinking in New Zealand”, and second, the emphasis of trade union activity on lifting the incomes of the lowest paid workers, rather than maintaining margins for skilled workers.⁷⁸ The parameters of the margin for skill were set by the Arbitration Court’s Standard Wage Pronouncements. These indicated the wage levels the Court considered appropriate for skilled, semi-skilled and unskilled workers, and “fixed a stable hierarchy of relative wages which became the central consideration in all wage bargaining...and enabled the Court to exercise a high degree of control over wage negotiations.”⁷⁹ Figure 10 shows the margins specified by the Standard Wage Pronouncements from 1919 to 1952.

Figure 10: Percentage Margin between Skilled and Unskilled Rates Specified by Standard Wage Pronouncements, 1919 –1952⁸⁰



⁷⁷ ‘Margins for Skill’, LEG, 12(4), November 1962, 26.

⁷⁸ ‘The Margins-for-Skill Debate’, LEG, 15(4), November 1965, 9.

⁷⁹ Pat Walsh, “In Recognition of Skill: The Growth of Qualification Payments, 1960-1980,” *New Zealand Journal of Industrial Relations*, 81 (1984), 82.

⁸⁰ *Ibid*, 82.

Some trades had more success at retaining margins for skill. A study of the New Zealand Metal Trades Employees’ Award from 1938 to 1962 compared the cash and percentage margins between fitters and engineering labourers. This showed that, while during the war and immediate post-war years the margins fluctuated, narrowing slightly overall, from 1953 onward both the cash and percentage margins increased (see Figure 11).⁸¹ This was as the result of intense lobbying of the Court by the union, rather than any initiative of the Court itself.⁸² The union representatives claimed that the reduction in percentage margins had led to skilled workers leaving the trades for well-paid unskilled work, and that the margins were insufficient to attract the required number of young people to the engineering trade. The union also claimed that with lesser margins, it would take up to nineteen years before the total wages of a tradesman who had served an apprenticeship would reach the total wages of someone who had left school and been employed as an unskilled worker.⁸³

Figure 11: New Zealand Metal Trades Employees’ Award, Minimum Award Percentage Margins between Fitters and Engineering Labourers, 1938-1962⁸⁴



⁸¹ ‘Margins for Skill’, LEG, 12(4), November 1962, 26-28.
⁸² Walsh, “In Recognition of Skill: The Growth of Qualification Payments 1960-1980”, 83.
⁸³ ‘Margins for Skill’, LEG, 12(4), November 1962, 26-28.
⁸⁴ Ibid.

Concern was also expressed about margins for skill in the rapidly growing electrical industry. Mr Goosman, the Minister in Charge of the State Hydro-electric Department, argued as he introduced the 1952 Electrician's Bill that "people who go to the trouble and time to undergo training and become skilled should have their skill recognised".⁸⁵ The Bill proposed, among other things, increasing the term of an electrician's apprenticeship from three to five years, differentiating in registration between electricians and electrical servicemen and making provision for limited registration. Mr Dudfield, the member for Gisborne, in the same debate claimed that young people were discouraged from entering the trade because of the lengthy apprenticeship, the high starting wages of unskilled work, and the arbitrary nature of the completion of the apprenticeship being reliant upon passing one final examination. He also deplored the "stupid stigma attaching to the wearing of overalls, the stupid stigma of looking down upon people working with their hands and the glorification of the 'white collar' occupations".⁸⁶

Maori Trade Training

There is little doubt that the history of apprenticeship in New Zealand is predominantly a male, Pakeha, story. In the early 1950s, however, the rapidly growing Maori population came into consideration, both as a potential problem and as an under-utilised resource. The accelerating urbanisation of Maori, especially in the North Island, caused concern about possible crime and delinquency on the part of urban Maori. Many rural Maori were living a semi-subsistence existence, and there was a lack of employment opportunities for young Maori in country areas.⁸⁷ However, the "almost insuperable difficulty" of finding accommodation prevented them from getting jobs or training in towns.⁸⁸ In line with the assimilationist ethos of the time, the Secretary of Labour, H.L. Bockett, planned to absorb the Maori population into full employment. This would not only aid Maori but would also help counter the severe labour shortage New Zealand was facing. To this end, hostels were set up in Auckland and Wellington in 1951 and in Rotorua in 1955. These hostels catered for Maori apprentices, mainly employed in carpentry and joinery, and in motor engineering.⁸⁹

Despite these efforts the situation was little improved by 1959. The *Labour and Employment Gazette*, in an article entitled 'Maori Carpenters from the Back-blocks', stated

⁸⁵ NZPD, 298, 19-24 August 1952, p.1751.

⁸⁶ Ibid, 1757.

⁸⁷ Martin, *Holding the Balance*, 264.

⁸⁸ 'Special Hostels Help Maori Youths into Worthwhile Employment', LEG, 3(1), February 1953, 34.

⁸⁹ Martin, *Holding the Balance*, 266.

that of 1254 male Maori school leavers in 1959, only 187 (14.9 per cent) proposed to enter a skilled trade, compared with 25.5 per cent for school leavers as a whole. The isolation and limited employment opportunities of the 76 per cent of Maori who lived in rural areas was cited as the main reason for this, and in 1958 the Maori Affairs Department decided to open a carpentry training centre in Auckland. Accommodation, transport and tools were provided for the apprentices, with an intake of ten being selected from surrounding rural areas. The full-time, two-year course was designed to allow the apprentices to “experience all aspects of carpentry and joinery and to permit them to acquire a full and balanced range of tradesmen’s skills”.⁹⁰ (See Illustration 2). The Centre was pronounced a great success, with the intake being doubled in 1960).

Illustration 2: “Skilled Maori Workers Engaged on the War Memorial Museum, Auckland”
(February 1961)⁹¹



⁹⁰ ‘Maori Carpenters’ from the Back-blocks’, LEG, 11(1), February 1961, 1.

⁹¹ ‘Front Page Photo’, LEG, 11(1), February 1961.

The small numbers of recruits to the trade training schemes, however, could not disguise inequalities between Maori and Pakeha: “the quickening pace of social change heightened the awareness of disparities in housing, educational attainment, employment, and income”.⁹² These disparities were highlighted by the 1961 Hunn Report, which pointed to Department of Education policies that had kept Maori poorly educated: “the report identified a ‘statistical black-out of Maori at the higher levels of schooling’”.⁹³ This translated to a concentration of Maori in unskilled occupations. The Hunn Report recommended ‘integration’ (as opposed to assimilation), a change of emphasis that easily incorporated the trade training schemes.⁹⁴

Maori trade training schemes were described in 1967 as “a small manpower mobility scheme”; a sound model of how New Zealand’s labour needs could be met from internal, rather than external migration.⁹⁵ The Auckland centre had been expanded, with courses offered in plumbing, electrical wiring and motor mechanics, as well as carpentry. Training centres had also been opened in Christchurch and Wellington. There was a yearly intake of 156, with the apprentices being employed by the Department of Maori Affairs and receiving normal apprentice wages. The problems that had been identified in the 1950s were no closer to being solved, however. The already high rate of urbanisation was increasing, but new ‘migrants’ to the city were more likely to contribute ‘raw labour’ to the workforce than skill. Only ten per cent of Maori school-leavers took up apprenticeships, compared with about thirty per cent for all New Zealand male school leavers.⁹⁶

The role of the trade training schemes, then, was to ease the transition for young Maori from isolated rural areas to the ‘bustling’ cities. The schemes aimed to “transform potential labourers into skilled tradesmen... (providing them) with intensive theoretical and practical instruction... and helping them to adapt to the complexities of city life”.⁹⁷ By 1966 more than 600 Maori, predominantly from North Island rural areas, had passed through the centres, earning the general acclaim of employers and technical school staff. No doubt the centres were run with the best of intentions. The following passage, however, indicates the prevailing attitudes:

⁹² Dunstall, “The Social Pattern”, 477.

⁹³ Ranginui J. Walker, “Maori People Since 1950,” in *The Oxford History of New Zealand*, 2nd ed., ed. G.W. Rice (Auckland: Oxford University Press, 1996), 500.

⁹⁴ Dunstall, “The Social Pattern”, 478.

⁹⁵ ‘Maori Trade Training Schemes Tap a Labour Reservoir’, LEG, 17(1), February 1967, 11.

⁹⁶ Ibid., 12.

⁹⁷ Ibid., 14.

it is important to remember that the ancestors of the present-day Maori were skilled craftsmen and that Maoris [sic] tend to be good with their hands. All that most of them need is the right training, encouragement and opportunity to develop into first-class tradesmen. When they find a job in which they can be happy, Maoris [sic] tend to be loyal stable workers.⁹⁸

Throughout the 1960s concerns were periodically expressed about the Maori trade training scheme. These concerns revolved around two main issues; the number of hours served, and the recruitment of apprentices. The 1963 minutes of the New Zealand Carpentry and Joinery Apprenticeship Committee recorded that the New Zealand Carpenters' Union was in favour of the provisions for an 8000 hour term for Maori trainees, with 4000 hours spent at a technical institute and 4000 on the job. In fact, the union considered that "the good results of the scheme justified its adoption for all apprentices".⁹⁹ Some of the Builders' Associations, however, were concerned that the number of hours was not adequate, although this was not reflected in the ability of the apprentices to get jobs.¹⁰⁰ For example, the minutes of the November 1961 meeting of the committee showed that all of that year's graduates had been placed with Auckland firms. Concern was expressed, however, that this could deprive 'local boys' of apprenticeships.¹⁰¹

The recruitment of trainees was also an issue. In 1962, a letter to the Commissioner of Apprenticeships, H.C. McQueen, from the Secretary of the Christchurch Trades Hall, Frank Langley, accused the Maori Affairs Department of being "prone to disregard(ing) the conditions laid down by the New Zealand (Apprenticeship) Committee... there could be favours for certain City boys at the expense of those from remote areas".¹⁰² The May 1963 minutes of the New Zealand Carpentry and Joinery Apprenticeship Committee expressed concerns about the admittance of 'city boys' to the Maori trade training scheme. It was felt that the scheme was designed expressly for rural Maori, or in special cases disadvantaged urban Maori, who would not otherwise have the opportunity to take up an apprenticeship.¹⁰³ As late as 1970 the committee challenged a Maori and Island Affairs Department memorandum that pointed out that the 1969 National Development Conference had recommended that the Maori trade training scheme be open to urban as well as rural Maori.

⁹⁸ Ibid., 15.

⁹⁹ New Zealand Carpentry and Joinery Apprenticeship Committee Minutes, November 1963, MB 27, A24, 3C.

¹⁰⁰ Ibid.

¹⁰¹ New Zealand Carpentry and Joinery Apprenticeship Committee Minutes, November 1961, MB 13, A3, 1E.

¹⁰² F.L. Langley to H.C. McQueen, 19 December 1962, MB 13, A3, 1E.

¹⁰³ New Zealand Carpentry and Joinery Apprenticeship Committee Minutes, November 1963, MB 27, A24, 3C.

The committee declared itself “not in favour of this proposal – urban Maori should enter apprenticeships through the normal channels”.¹⁰⁴

The Maori trade training schemes were significant for three reasons. First, they set a precedent for targeted training schemes. Despite some of the questionable assumptions guiding the schemes, they dealt with the reality that many Maori were disadvantaged in the labour market. Second, the type of training offered by the schemes, a period of intensive theoretical education, followed by practical experience, would come to provide a model for later developments in the organisation of apprenticeship. Third, the schemes did provide a conduit to the urban, Pakeha world for a small number of Maori. Research into the long-term careers of graduates of the Maori trade training schemes would be very interesting, particularly (in terms of informal recruitment cycles) the number who went on to become self-employed.

Stability and a general consensus regarding apprenticeship training thus marked the post-war era. The finer details of apprenticeship orders may have been strongly contested, but there was little argument that it was the most appropriate way in which to ensure a skilled workforce. The 1962 *Report of the Commission on Education* labeled the changes in the apprenticeship system that had occurred in the late 1940s as “nothing less than revolutionary” and described them as “bold educational landmarks”, especially the adoption of two years post-primary education as a minimum requirement for most apprenticeships.¹⁰⁵ Although some difficulties were identified with apprenticeship, it was generally agreed that the system was well suited to conditions in New Zealand.¹⁰⁶

Economic and social changes from the mid 1960s, however, would highlight those difficulties inherent in the system. The length of time taken to train and the fixed nature of the skills taught would come to be seen as barriers to responsiveness to the demands of industry. The end of full employment would show the vulnerability of apprentice intakes to economic fluctuations, and the need for better planning would become a consistent theme. The two decades after the end of the Second World War thus cocooned the apprenticeship system. This allowed important changes to be made, such as the emphasis on technical education, but also meant that other aspects of the system solidified, and would prove impervious to change, regardless of increasing external pressures.

¹⁰⁴ New Zealand Carpentry and Joinery Apprenticeship Committee Minutes, May 1970, MB 13, A14, 1E.

¹⁰⁵ *Report of the Commission on Education in New Zealand*, 1962.

¹⁰⁶ Ibid.

CHAPTER SIX

THE END OF THE GOLDEN WEATHER: 1965-1977

This chapter traces the effect on the apprenticeship system of the gradual unravelling of much of the economic and social stability that had been taken for granted during the two decades after the Second World War. The vulnerability of apprentice intakes to economic conditions had become a distant memory with a strong economy and full employment. Thus, when intakes dropped in the 1967-68 recession, and again in the late 1970s, intervention was called for to smooth the cyclic fluctuations. Technological changes, and the reality of increasing skill levels in some occupations, and the deskilling of others, highlighted rigidities in the apprenticeship system. Technical education assumed a greater importance, and debates about the most effective way to deliver that education occurred throughout the period. Change was slow, however, constrained by the climate of industrial relations, the reluctance of the government to commit extra funding, and the desire of many of the participants in apprenticeship to maintain the status quo.

The late 1960s and early 1970s saw the end of what has been characterised as a 'social democratic consensus'.¹ Full employment, a relatively high standard of living and the general acceptance of a high degree of state involvement both in the economy and in the provision of services marked this consensus. The consensus was underpinned by a strong rate of economic growth, with little outward questioning of the basis of that economic security. Thus, when economic stability was threatened by Britain's entry into the European Common Market, the oil-price rises of the early 1970s, and inflation and rising unemployment (see Figure 12), the political scene also became volatile. The breakdown of consensus was also evident in the social fabric of New Zealand society. Issues that had simmered largely below the level of public awareness came to the boil; women's rights and the growing assertiveness of Maori, for example. Successive governments thus attempted to maintain the 'consensus', while trying to cope with enormous pressures, both internally and externally.²

¹ Nicola Armstrong, "State," in *New Zealand Society*, 2nd ed., ed. P. Spoonley, D. Pearson & I. Shirley (Palmerston North: The Dunmore Press Ltd, 1994).

² Ibid.

Figure 12: Monthly Average Registered Unemployed, 1965-1980³



The Commission of Inquiry into Vocational Training, 1965 (The Tyndall Commission)

A Commission of Inquiry was appointed by the Ministers of Labour and Education in 1965 to inquire into vocational training. It was to report on the need for “change, expansion or new developments” in vocational training, in light of the expected population growth and economic development of New Zealand over the following twenty-five years.⁴ Sir Arthur Tyndall, Judge of the Court of Arbitration chaired the Commission, and its members were H.L. Bockett, the Secretary of Labour; one technical education representative; two employer representatives; and two union representatives.⁵ H.C. McQueen serviced the Commission; thus, the positions of chair and secretary of the 1965 inquiry were filled by the same people who had run the 1945 Commission of Inquiry twenty years previously. The Commission met in Auckland, Hamilton, Wellington and Christchurch, visiting technical institutes and workshops in each city, before hearing submissions from over one hundred parties.⁶

³ Martin, *Holding the Balance*, 383.

⁴ *Report of Commission of Inquiry into Vocational Training*, (Wellington: Government Printer, 1965), 2.

⁵ Ibid. Both of the union representatives died during the course of the Commission’s proceedings and had to be replaced. One of these was Frank Langley, the long-standing secretary of the Carpenters and Joiners Union in Canterbury.

⁶ Ibid.

The introduction to the Commission's report highlighted the changes that new technology had brought to industry in New Zealand, and pointed to the growing demand for the 'recently evolved' class of worker, the technician. The Commission was generally happy with the way in which vocational training was delivered, and painted a picture of incremental changes and modifications to the system as being the most appropriate. It is interesting to compare their call for measured change with what occurred in the later years of the twentieth century:

Perhaps changes can be made more quickly than they have sometimes occurred. On the question of the rate of change we have some reservations. All changes in human institutions, other than those brought about by violent revolution, involve a process of persuasion applied to those affected by the changes. The most effective mode of persuasion is by demonstration that the change will work; New Zealanders are not often convinced by purely theoretical argument. Thus time is required for change.⁷

An example of submissions to the Commission was that of the New Zealand Carpenters and Joiners Union. The submission pointed to the unstable and chaotic state of the building industry, and argued strongly for industry planning. The union claimed that this was necessary to counter labour shortages, which had been exacerbated by the post-war construction boom, and the number of tradespeople seeking higher wages and job security in other areas. The union thus called for higher wages, both for tradespeople and apprentices, and for efficient and adequate training, with a suggestion that the Maori trade training concept of full-time training centres could be applied to the building industry as a whole. The union was vehemently opposed to employers' demands to end the quota system:

How can any country train the number of tradesmen needed by the industry without having a quota system and also a long term planned industry. The only alternative... is an unlimited intake, ten men for nine jobs, and the employers' Utopia [sic] of a pool of unemployed tradesmen, and the complete negation of the principle that young men must surely be entitled to expect some security in their chosen careers.⁸

Public sector apprenticeship was the subject of other submissions to the Commission. It was argued that the conditions for government apprentices were often 'old-fashioned' when compared with the private sector, with no time credits given for prior educational qualifications or examination passes, for example.⁹ While some government apprentices had similar syllabi to their private sector counterparts, there was a variation in the skills taught and

⁷ Ibid., 9.

⁸ New Zealand Carpenters, Joiners, Joiners' Machinists, and (except Otago & Southland) Plasterers and (except Auckland) Bricklayers and Related Trades Industrial Union of Workers, *Submissions to the Commission of Inquiry into Vocational Training*, 1965. MS Papers 4962, AT, Wellington.

⁹ *Report of Commission of Inquiry into Vocational Training in New Zealand*, 1965, 20.

examinations sat in some areas.¹⁰ Indeed, some trades existed only in the public sector, the electrical fitters trained by the New Zealand Electricity Department, for example.¹¹ However, suggestions that government apprentices should be incorporated into the Apprentices Act were considered inadvisable by the Commission, because of the close links between that Act and the Industrial Conciliation and Arbitration Act, with wage negotiations for government employees occurring in a different forum from the Arbitration Court.¹²

The Commission was convinced that the current apprenticeship system was basically sound, with any suggested modifications able to be put in place through the existing legislation.¹³ One of the main concerns of the Commission was the high termination rate of apprenticeships and it recommended that New Zealand apprenticeship committees consider the length of term of apprenticeships to help counter this.¹⁴ The submission made by the New Zealand Public Service Association also considered the period of apprenticeship to be too long. It argued for a substantial initial period of full-time training, with the use of specialist technical schools to compress the time taken to gain skills and knowledge. The Association called for free transfer of apprentices between employers to increase the breadth of training and better supervision of on-job training. The status of the trades should also be raised, according to the Association, with adequate margins for skill and rewards for merit.¹⁵ Following the Commission's findings, reduced terms were introduced in many trades (see Table 4).

Table 4: Examples of Reductions in Apprenticeship Hours from 1965¹⁶

Trade	Term Before 1965	Term after 1965	Further Possible Credits	Minimum Possible Term
Carpentry	10 000 hours	9000 hours	2000 hours	7000 hours
Furniture	10 000 hours	8000 hours	-	8000 hours
Engineering	10 000 hours	9000 hours	1000 hours	8000 hours
Plumbing	12 000 hours	10 000 hours	-	10 000 hours

¹⁰ *Apprenticeship for Tomorrow*, AJHR, 1981, G-39, 19.

¹¹ VTC, *Review of Apprenticeship: Discussion Paper*, 1978, 11.

¹² *Report of Commission of Inquiry into Vocational Training in New Zealand*, 1965, 20.

¹³ *Ibid.*, 11.

¹⁴ VTC, *Current Developments in Apprenticeship*, 1975, 19.

¹⁵ New Zealand Public Service Association, *Submissions to the Commission of Inquiry into Vocational Training*, 1965. MS Papers 1721 Folder 3, AT, Wellington.

¹⁶ Department of Labour, *Report to the Vocational Training Council's Committee on Apprenticeship* (Wellington: Manpower Planning Unit, Department of Labour, 1972), 31.

The Commission also argued, however, that some trades could require even longer apprenticeship terms than previously offered because of the expansion of skills, and believed that “there must be a minimum period of actual workshop experience for each apprentice”.¹⁷ The reasons given for this to a degree challenge the emphasis placed in later developments on competency, rather than time-serving. The Commission first argued that many apprentices were being trained in a maintenance and servicing capacity, rather than as actual manufacturing workers. Indeed, increasing levels of automation in factories caused the Commission to ask whether apprenticeship was necessary for production workers in some industries. Thus, if the main function of many apprentices was in servicing and maintenance, they needed sufficient workshop time to experience a variety of work, and to gain a wide range of skills. Second, the Commission acknowledged the social aspect of apprenticeship:

Apart from what he learns by way of formal instruction, there are some things that he can acquire only by a process of “rubbing-off” from experienced men. Some things, too, must become second nature by repetition, a process that takes time. To these aspects of strictly trade training there must be added the need for an apprentice... to become an adult, physically and socially... This process of growing up can go on most effectively in the real world of the workplace.¹⁸

The Commission was also concerned with improving the formal training components of apprenticeship, with calls for investigation into pre-apprenticeship courses (with the Maori trade training schemes being held up as a possible model) and improvements in the delivery of on-the-job training. It recommended that apprentice wages and lodging allowances be raised, and stressed the need for great care in the recruitment and selection of apprentices. The Commission was aware of the growing pace of technological change, and suggested a review and revision of the list of skills required for various trades.¹⁹

The Commission recommended the setting up of an independent organisation to co-ordinate vocational training. The Vocational Training Council (VTC) was established by statute in 1968 and charged with advising government, industry and business organisations on the delivery and improvement of training practices. The VTC was also to have a role in manpower planning by assisting industries to forecast their future labour requirements. The Council was chaired initially by P. Laing, a former Commissioner of Works, and comprised employer, worker and educational organisation representatives. The main focus of the Council was at the industry level, with industries encouraged to form industry training boards to

¹⁷ *Report of Commission of Inquiry into Vocational Training*, 1965, 12.

¹⁸ *Ibid.*, 12.

¹⁹ *Ibid.*, 15; 21.

delineate occupational classifications and organise training programmes. Training boards were funded by incentive grants, first approved in the 1971 budget, rather than by the compulsory, levy-based system introduced in Britain with the Industrial Training Act 1964.²⁰ The first Industry Training Board (ITB) to be approved was the Contracting and Waterfront ITB in 1971, and there were 24 ITBs in place by 1974.²¹

Margins for Skill: the Debate Continues

Concern about the compression of the percentage margin for skilled workers continued. Decreasing margins set by the Arbitration Court had worsened the erosion of margins for skill. This was compounded by award wages being increased by a monetary sum, rather than a percentage; the scarcity of semi and unskilled labour; and the “less aggressive bargaining approach of the craft unions”.²² Indeed, “the campaign to reverse the declining position of the skilled tradesmen became the central issue of concern to the craft unions during the 1960s”.²³ The means chosen by the Court to restore the margin for skill was payments for qualifications held by tradespeople. It was felt that as only the skilled trades had such qualifications, payment on this basis would enable recognition of skill without “triggering a relativity-based increase throughout the wage structure”.²⁴

The issue of margins for skill was tested by a case brought before the Court of Arbitration in September 1965. While in the past individual unions had argued for increased margins for skill, this was the first time that a general submission, organised by the Federation of Labour, had been made. The submission was made at the behest of the Court, which claimed reluctance to make such a far-reaching decision on the basis of individual awards.²⁵ The submission requested that, rather than making a pronouncement on a minimum wage, the Court “express the appropriate wage differential between skilled and unskilled workers”.²⁶ It was suggested that this differential should be about 36 per cent. The Court expressed sympathy with the FOL’s case:

²⁰ ‘The Role of the Vocational Training Council’, LEG, 21(4), November 1971.

²¹ L. Pearce & R. Stuart, “Impact of the Vocational Training Council and Industry Training Boards on New Zealand Industry,” A paper presented to the Second National Industry Training Committees Conference (Sydney, July 1978).

²² Walsh, “In Recognition of Skill: The Growth of Qualification Payments, 1960-1980”, 83.

²³ Ibid.

²⁴ Ibid., 84.

²⁵ Ibid., 85.

²⁶ ‘Arbitration Court Urges that Margins be Fixed by Negotiation’, LEG, 15(4), November 1965, 32.

Existing award margins are hardly sufficient compensation for the skilled worker and it is in the national interest that the inducement for qualifications and responsibilities be increased. It is also important that apprentices be attracted to the skilled trades.²⁷

The Court, however, in an “extraordinary about-face”, declined the application, arguing that margins were better fixed on a case-by-case basis that took into account the context of the individual industry and changes within that industry. The workers’ representative, Archie Grant, strongly dissented with this decision.²⁸ The Court also took both unions and employers to task for not adhering to the principle that realistic margins should be related to “genuine skill and responsibility”:

In some cases the parties have insisted on artificial classifications of skill and have thereby prevented true margins for skill being created. Moreover, where improved methods of work have resulted in skilled operations being broken down into various less skilled operations suitable for semi-skilled or unskilled workers, there has been a tendency to insist that these less skilled workers be paid at skilled rates. The effect has been to downgrade the truly skilled worker and depress his [sic] margin.²⁹

The role of the state sector was crucial during the margins for skill debate, as public service wage settlements closely mirrored those delivered by the Arbitration Court. Payments for qualifications granted by the Court in 1962 were quickly picked up by the Railways Industrial Tribunal, which awarded a payment for indentured railways tradesmen. This soon became a standard payment for all state sector tradesmen. A similar process occurred in 1967 as, again following the Arbitration Court, the Railways Industrial Tribunal granted an application for an extra 6d per hour for indentured tradesmen. This also was quickly extended to the remainder of the state sector, and became known as the ‘tradesman’s sixpence’. This sum became crucial in the bargaining process, as the private sector unions moved to regain relativity with their state sector counterparts in a circular catch-up endeavour that led to the “leap-frogging relativity based bargaining spiral of 1969-70 (and the wage spiral associated with this)”.³⁰

The delicate balance of state wage negotiations was illustrated by the impact of the State Services Remuneration Act 1969, which ended the common wage rate paid to government tradespeople and removed the basis for long-standing internal wage relativities, both between trades, and between the apprenticed trades and ‘unskilled’ work. In November

²⁷ Ibid., 31.

²⁸ Walsh, “In Recognition of Skill: The Growth of Qualification Payments, 1960-1980”, 86.

²⁹ ‘Arbitration Court Urges that Margins be Fixed by Negotiation’, LEG, 15(4), November 1965, 32.

³⁰ Walsh, “In Recognition of Skill: The Growth of Qualification Payments, 1960-1980”, 87.

1970, the Railway Tradesmen's Association (RTA) threatened that its members would refuse to train the 167 new Railways apprentices to be taken on in 1971. This was to protest at the failure of the government to protect margins and incentives for those who had served an apprenticeship in the Railways. The other railway union, the Amalgamated Society of Railway Servants (ASRS), did not support the action because they did not believe that apprentices should be used as a bargaining weapon. The Otahuhu Branch of the ASRS defied their national body, however, and pledged their support for the action "on the principle of good trade unionism... of unity and moral support for fellow trade unionists in times of struggle".³¹ The dispute was resolved in January 1971, after a meeting between the president of the RTA, Doug Crosada, and the Minister of Railways, J. B. Gordon. The Minister promised to consider urgently a proposal put forward by the RTA "for possible changes to the legislation governing the employment of railway tradesmen, their status and the value of apprenticeship training within the railway service".³² The offer was on the understanding that any changes to wages or relativities would not have "inter-service implications".³³

The National Development Conference, 1968 and 1969

By the late 1960s, there were calls for a more concerted effort in economic and manpower planning, which, until then had been largely ad hoc and uncoordinated.³⁴ An attempt had been made to form a centralised planning agency in 1944 when the government established the Organisation for National Development. A lack of political and wider support, however, meant that the plans were soon "quietly shelved".³⁵ The New Zealand apprenticeship committees were required by the Apprentices Act 1948 to estimate the manpower requirements of their industry and to take steps to ensure those requirements were satisfied.³⁶ Although the committees discussed these functions in their early years, any attempts at manpower planning were hampered by the lack of available data with which to make estimates. There was also a chronic shortage of labour throughout the late 1940s and early 1950s, coupled with a shortage of apprentices because of the low birth rates through the

³¹ Railway Tradesmen's Association Files, *Refusal to Train Apprentices, 1970/1971*. Box 19, Folder 211, AT, Wellington.

³² Gordon to Crosada, 26 January 1971, Railway Tradesmen's Association Files, *Refusal to Train Apprentices, 1970/1971*. Box 19, Folder 211, AT, Wellington.

³³ Ibid.

³⁴ Gould, *The Rake's Progress?*, 134.

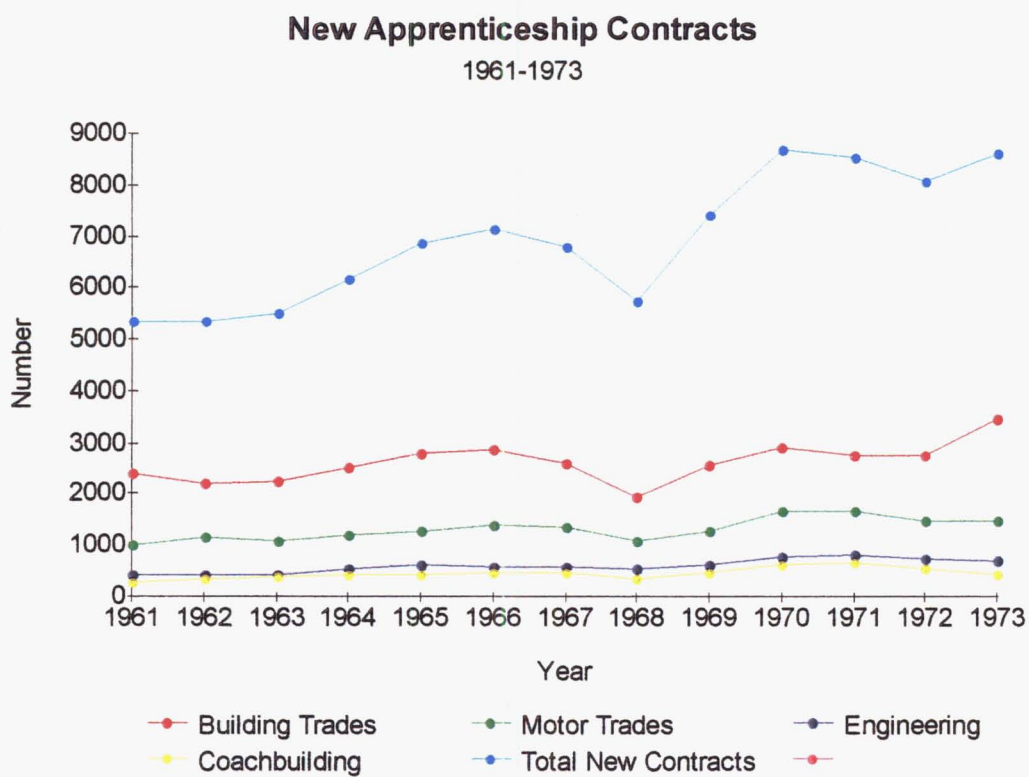
³⁵ Martin, *Holding the Balance*, 233.

³⁶ *New Zealand Statutes*, 1948, 206.

1930s. In the face of this demand for all available workers, estimating the needs of any particular industry seemed a “futile exercise”.³⁷

A manpower planning unit was set up by the Department of Labour’s Research Section in 1966, in response to ongoing labour shortages and regional disparities in employment. This unit was charged with attempting to “forecast the supply of and demand for labour by occupation, industry and region”.³⁸ The 1967-68 recession, however, raised the spectre of unemployment after twenty years of full employment, with 8000 people being registered as unemployed in the winter of 1968. Although the recession was short-lived, it altered the focus of manpower planning, with unemployment and the vulnerability to it of some sectors of society prompting calls for a more active labour market policy.³⁹ The effect of the recession, especially on the building trades, is clearly illustrated by Figure 13.

Figure 13: New Apprenticeship Contracts for Selected Trades, 1961-1973 ⁴⁰



³⁷ *Report of Commission of Inquiry into Vocational Training*, 1965, 42.
³⁸ Martin, *Holding the Balance*, 312.
³⁹ Ibid.
⁴⁰ ‘New Apprenticeship Contracts: Trend Projections’, LEG, 20(4), November 1970, 34; ‘Trends in Apprenticeship Contracts – Past, Present & Future’, LEG, 24(1), February 1974, 34.

There had been a growing recognition in some quarters throughout the 1960s that the New Zealand economy needed restructuring. It had become clear to some that traditional exports were no longer able to provide sufficient income for the levels of growth deemed acceptable by the country as a whole. Therefore, it was seen as necessary to expand manufactured exports, which in turn, required New Zealand to open its economy to international competition. This plan, however, was contentious, threatening as it did both the supremacy of rural interests, and the protected manufacturing sector. The 1967-68 recession thus gave the reluctant National government the impetus it required to attempt to persuade the country of the need for restructuring. To this end a National Development Conference was organised, chaired by the Deputy Prime Minister, Jack Marshall.⁴¹

Plenary sessions of this Conference took place in August 1968 and May 1969. The aim of the Conference was to examine "the overall potential for economic growth, the consistency of the views of the future taken by the various sectors and the capital and other resource needs which they would imply".⁴² The key recommendations of the Conference were a 700 per cent increase in manufacturing over the following ten years, coupled with the gradual end of protection for manufacturers.⁴³ A skilled labour force was identified as a key resource for the future development of the country. The report of the Education, Training and Research Committee to the Conference called for a "skilled and contented workforce", equipped with the ability to undergo the "continuing education and training necessary to master the demanding requirements of our modern complex and technological society".⁴⁴ The Department of Labour's manpower planning unit was used to service the needs of the Labour Committee of the Conference by providing estimates of manpower needed to meet growth targets.⁴⁵

The ability of the apprenticeship system to provide the training required was questioned by some of the Conference representatives. A recommendation, based on submissions made by the Manufacturing Committee, proposed that:

because New Zealand's reliance on the apprenticeship system for certain skills used in manufacturing has outlived its usefulness, the Government should give further consideration to the relevance of the system with a view to its replacement, alteration or supplementation as appropriate.⁴⁶

⁴¹ S. Harvey Franklin, *Trade, Growth and Anxiety* (New Zealand: Methuen Publications, 1978), 94.

⁴² Gould, *The Rake's Progress?*, 134.

⁴³ Franklin, *Trade, Growth and Anxiety*, 94.

⁴⁴ National Development Conference. Second Plenary Session. Report of Proceedings, May 1969, 412.

⁴⁵ Martin, *Holding the Balance*, 312.

⁴⁶ National Development Conference, Recommendation 494, 440.

The discussion about the recommendation acknowledged that there was a need for reform of the apprenticeship system, but the comment was made that the recommendation was “throw(ing) the baby out with bathwater”.⁴⁷ It was agreed that apprenticeship remained a valid method of training in many trades and the recommendation was deleted. The Vocational Training Council was charged with examining the criticisms directed at apprenticeship as soon as possible. With regard to the existing apprenticeship system, the Conference recommended that the proportion of time spent in formal study should be increased, and that part of this time should be spent on ‘general’ studies.⁴⁸ While the general thrust of the recommendation was approved, Mr R.S. Lockwood, the chairman of the Building Industry Council, expressed a concern that the provision would throw “an additional burden on one sector (employers) to pay for the general studies of people for the benefit of the community as a whole”.⁴⁹ The recommendation also incorporated a call for continuous reviews of the requirements of each craft, with more clearly defined responsibilities for training.

The idea of pre-apprenticeship training was also introduced at the Conference. While the idea received approval in theory, the question of who would be responsible for paying for such a scheme was canvassed thoroughly. After debate, it was recommended that pilot schemes be set up in three trades; construction, fitting and turning, and motor-mechanics. The courses were to be for apprentices, rather than for those yet to begin their apprenticeship, so that existing administrative processes could be used.⁵⁰ The costs of tuition and lodging were to be met by the Departments of Education and Labour, with the employer providing a wage.⁵¹ The idea of extended courses in carpentry and engineering for first year apprentices received Cabinet approval in 1971 and pilot training schemes were established in February 1972 (due to some problems, the motor mechanics trade was not included in the pilot scheme). The scheme was later extended for a second and third year, until the end of 1974.⁵² Carpentry training was introduced in Hamilton and Christchurch, and engineering in Auckland and Dunedin. The object of the extended trade training schemes was to evaluate the Conference’s call for “accelerated and more effective technical education and training for apprentices”.⁵³

⁴⁷ Ibid., Mr R.K. Sillis, Education Committee, 440.

⁴⁸ Ibid., 436.

⁴⁹ Ibid., 437.

⁵⁰ Vocational Training Council, *Extended Trade Training Survey* (Wellington: VTC, 1979), 6.

⁵¹ National Development Conference, 1969.

⁵² VTC, *Extended Trade Training Survey*, 1979, 6.

⁵³ AJHR, 1972, H-11, 25.

The National Development Conference was less effective than had been hoped.

While it produced some useful economic analysis and reports, it failed to achieve the goals set, for three main reasons. First, the Conference was initiated by a National government that had a fundamental problem with the notion of central planning. Second, this inherent tension was exacerbated by factors outside of the government's control. The international economy became increasingly volatile, with worldwide inflation and unpredictable terms of trade. Population growth in New Zealand was also less than predicted, making forecasting difficult. Finally, there was conflict over the goals of the Conference between the rural and urban industrial sectors that formed the twin pillars of support for the National government. Farmers saw the protected manufacturing sector as a "threat to their costs and therefore their incomes".⁵⁴ Nevertheless, Franklin argued that the Conference "closed one era of New Zealand's economic development as it rather unconvincingly opened another".⁵⁵ In spite of the subsequent reforms being slow and partial, the Conference resolutions "represented the first breach in the wall of protectionism".⁵⁶ The Conference also identified many of the issues that would become important in changing the apprenticeship system.

Pressures for Reform

The pressure for reform of the apprenticeship system mounted steadily as economic conditions tightened. The Apprenticeship and Related Trade Training (ARTT) Committee of the Vocational Training Council (VTC) was established in 1970. Its first report was delivered in September 1970, and took into consideration the Tyndall Commission findings, the National Development Conference recommendations and the results of an informal survey carried out by VTC staff. There was a general agreement that the apprenticeship system was not fulfilling its purpose. It was argued that an overhaul was necessary to "take into account modern skills, training methods, and the present and likely future needs of industry, and to meet these ideals".⁵⁷

⁵⁴ Gould, *The Rake's Progress?*, 136.

⁵⁵ Franklin, *Trade, Growth and Anxiety*, 127.

⁵⁶ *Ibid.*, 128.

⁵⁷ Vocational Training Council (Apprenticeship and Related Trade Training Committee), *Apprentice and Technician Training: A Review of Attitudes and Criticisms* (Wellington: VTC, September 1970), 5. AAOC, 3478, Box 8, National Archives (NA), Wellington.

The problems with the apprenticeship system identified by the report fell into three main areas. The first area commented upon was the rigidity and inertia of the existing system. It was argued that the notion of time-serving should no longer be the focus of training; rather that the job itself should be the priority. This was one of the first expressions of an idea that would gain increasing currency. The notion of competency, rather than the time served, as a basis of training called into question some of the essential components of a traditional understanding of apprenticeship. It implied a quantifiable list of skills, which, once acquired, could be 'ticked-off'. Yet, there is a world of difference between acquiring and mastering a skill; the time-consuming repetition of a task until perfection is achieved is a common theme of apprentices' experience. Another crucial part of apprenticeship that is not amenable to speedy acquisition is the socialisation of the apprentice into the values and norms of the trade. Progression through the hierarchical layers of the apprenticeship institution requires time, ideally combined with the maturation of the apprentice from adolescence to adulthood. This is not to say that there was no merit in the idea of competency. The length of apprenticeships were historically derived from the time taken to learn the trade; clearly technological changes and changes in work organisation made it necessary to examine the time allowed.

The second area identified was the seemingly low status of the trades, and of apprenticeship. The small wage differentials for tradespeople were mentioned as a possible cause for this. Industry representatives were concerned that a social stigma operated against entry to the trades, resulting in "only boys [sic] of low intelligence offer(ing) themselves for trade training".⁵⁸ Finally, the whole issue of the appropriate amount and quality of the 'education' component of trade training was discussed. It was felt that apprenticeship orders were dominated by the conditions of employment, with too little attention paid to educational needs. The resistance of some apprentices to studying was noted, along with the shortage of trained instructors. The importance of the apprentice having a good general education to cope with the requirement for increased theoretical knowledge was emphasised. The tension, however, between scholastic ability and proficiency was also mentioned, as was the concern that a requirement for higher educational qualifications would lead to too many tradespeople working towards advanced qualifications, reducing the numbers available to do the work.⁵⁹

The report considered several different ways of organising apprenticeship with the aim of overcoming some of the problems identified. It was acknowledged that training must take into account the wide variation in the technical and craft content of modern industries, and the

⁵⁸ Ibid., 13.

⁵⁹ Ibid., 13.

regional variation throughout the country. Pre-entry training (distinguished from pre-apprenticeship training in that no wages would be paid to the trainee) was discussed. The conclusion of the report on this matter was that it was:

generally considered that pre-entry training... is not suited to the social and economic situation in New Zealand. It has become accepted in New Zealand as a social fact that that... apprentices are paid during training and as an economic fact that these payments are made from the employer's funds rather than the taxpayer's funds.⁶⁰

Apprenticeship to industry, mooted in the 1945 Commission of Inquiry, was again raised. The Committee argued that organising apprenticeship at this level would destroy the personal interest that employers had in their apprentices, and would remove the incentive to take on an apprentice. The question of just who would represent 'industry' also required an answer. Broadening the base of apprenticeship training was also suggested, with every apprentice having a basic general training, to which specialised skills could be added as required. 'Integrated' or 'sandwich' training, that is, on-job training alternating with technical institute training, was also considered. It was argued that this type of training could produce tradespeople in eighteen months to two years, but the apportioning of the costs of such a scheme caused concern.⁶¹

A report by the Manpower Planning Unit of the Department of Labour for the ARTT Committee was presented in 1972. The report was based on a study of four of the skilled trades; engineering, carpentry, plumbing and cabinet-making. The study aimed to examine the apprenticeship system by focusing on different facets of apprenticeship, and training in general, as illustrated by the four industries. Information for the report was gathered from replies to a detailed questionnaire that Unit staff sent to nineteen of the Labour Department's District Offices. Other sources included the minutes from New Zealand apprenticeship committees and the annual reports of the Trades Certification Board.⁶²

The report argued that there was enough evidence to suggest tentatively that reductions in the terms of apprenticeship in the mid-1960s had initially had a positive effect on the number of apprenticeships being completed. It appeared that there were greater numbers of young people taking up apprenticeships, and fewer contracts being terminated, than before the terms had been shortened. It was also suggested, however, that the influence of the changes had weakened and problems were again occurring.⁶³ Fluctuating apprenticeship intakes were

⁶⁰ Ibid., 16.

⁶¹ Ibid., 29.

⁶² Department of Labour, *Report to the Vocational Training Council's Committee on Apprenticeship*, 1972.

⁶³ Ibid., 7.

of concern, both from the view of future requirements for skilled labour, and because of the effect on the employment prospects of school-leavers. The study showed that some employers felt that there were insufficient incentives for taking on apprentices, and highlighted the effects that changes in technology had on some trades.⁶⁴

Despite methodological difficulties encountered in enumerating the number of completed contracts in the trades studied, the report showed that quite a small proportion of apprentices had passed Trades Certification Board examinations. The percentage of those apprentices who had completed their contracts and passed Trade Certification ranged from 13.7 per cent in the carpentry trade, to 42.9 per cent in engineering. This difference was caused in part by the generally higher educational qualifications of engineering apprentices, with 32.6 per cent of engineering entrants having School Certificate or better, compared with 11.8 per cent in carpentry and 10.2 per cent in plumbing.⁶⁵

Concern was expressed at the trend towards an increasing rate of lapsed and cancelled contracts. The survey showed that unrealistic expectations and poor communication from both employers and apprentices were often at the root of dissatisfaction with the apprenticeship contract. The most frequent reason given for contracts lapsing was 'insufficient interest' on the part of the apprentice. This was seen as encompassing both disappointment at the type of training received, and also an inability to cope with a long-term commitment to one employer and the technical study required. Inadequacy in the job was the next most common reason for termination of the contract. Again, the survey was not subtle enough to distinguish between those apprentices who were incapable of, rather than simply unwilling to, learn the job.⁶⁶

Many of the local apprenticeship committees surveyed expressed concerns at the number of apprentices who were not complying with the educational requirements. Nevertheless, the majority view was that the educational component of the apprenticeship should be compulsory. Indeed, much of the work of the local committees focused on dealing with apprentices who had unsatisfactory results at, or had failed to attend, technical institute classes.⁶⁷ Defaulting apprentices were called to appear before the committees, and the range of excuses offered often showed a great deal of inventiveness. The chairman of the New Zealand Carpentry and Joinery Apprenticeship Committee reported in March 1972 that several apprentices who had failed to attend block courses at the Christchurch Technical Institute had

⁶⁴ 'Apprenticeship Today', LEG, 23(1), February 1973.

⁶⁵ Department of Labour, *Report to the Vocational Training Council's Committee on Apprenticeship*, 1972, 9.

⁶⁶ *Ibid.*, 18.

⁶⁷ *Ibid.*

been penalised in the Magistrate's Court. He felt that this publicity would have a salutary effect on other apprentices.⁶⁸ The Department of Labour report, however, argued that although the ability of employers to be selective in their choice of apprentices varied between trades and across regions, it was clear that "many employers will have to continue to accept boys [sic] who have little aptitude for theoretical study if present intake numbers are to be maintained".⁶⁹ While the 1972 report appears comprehensive, it was not altogether an easy exercise for the staff of the manpower planning unit. Despite continual calls for better manpower and economic planning, the unit was clearly constrained by a lack of support from certain sectors:

progress in this direction has been rather slow due to such things as problems of definitions, an apparent laissez-faire attitude to the need for manpower forecasting on the part of some groups and a certain reticence in disclosing information on the part of others.⁷⁰

Concerns in the Public Sector

Concern about conditions for apprentices in the private sector had been mirrored in the public sector. In 1973, a committee was appointed by New Zealand Railways to examine the practical and theoretical training of the Department's apprentices. The committee called for parity between state and private sector apprentices in terms of incentives and time credits for examination successes, and for the standard of instructors and teaching aids to be upgraded. There was also concern about the physical condition of some of the buildings in which the teaching took place. The committee found widespread support, from older tradespeople and apprentices alike, for the concept of a broadly trained tradesperson with a wide range of skills, even if this meant cutting across trade distinctions. Thus, it was suggested that transfers between sections or departments be facilitated to give apprentices a wider range of experience. For the same reason, the idea of modular training met with a guarded response: "there is an inherent danger in this method of training if it is used to meet narrow needs through the adoption of a limited number of modules as an alternative to the established apprenticeship contract system".⁷¹ The committee did not want apprentice hours further shortened, and called for annual apprentice intakes to be maintained at the maximum permitted levels.

⁶⁸ New Zealand Carpentry and Joinery Apprenticeship Committee Minutes, March 1972, MB 27, A24, 3C.

⁶⁹ Department of Labour, *Report to the Vocational Training Council's Committee on Apprenticeship*, 1972, 28.

⁷⁰ AJHR, 1972, H-11, 26-27.

⁷¹ New Zealand Railways, *Report of Apprenticeship Investigation Committee* (Wellington: NZR, November 1973), 60. Crosada Collection, 95-072, AT, Wellington.

The 1965 Commission of Inquiry into Vocational Training had identified retention rates for apprentices as a problem, and the 1973 Investigation Committee picked up this concern. The committee argued that the 'poverty' of apprentices could no longer be held responsible for failures to complete contracts:

in place of this (poverty) are a number of social factors, directly related to more affluent times, and possibly unheard of in the past. With a more secure employment situation, both in range and opportunity, the security and status of a trade diminishes accordingly.⁷²

Although the average 'drop-out' rate of 9.8 per cent was significantly lower in New Zealand Railways than the 25 per cent rate in the private sector (see Table 5), the committee called for measures to improve the numbers retained. It emphasised the importance of selection and recruitment practices, arguing for better induction procedures and more counselling and advice during the apprenticeship. In order to retain tradespeople, it was suggested that trade qualifications should be recognised with higher pay, that a wider variety of work be made available, and that tradespeople be eligible for twelve months leave without pay to travel or to gain experience with another employer.⁷³

Table 5: Termination of Apprenticeship Contracts, New Zealand Railways, 1964-1969⁷⁴

Year	Intake	Resigned before Completion	Percentage
1964	288	36	12.5%
1965	260	27	10.4%
1966	211	15	7.1%
1967	239	23	9.6%
1968	128	12	9.4%
1969	162	14	8.6%
Total	1288	127	9.8%

⁷² Ibid., 83.

⁷³ Ibid., 87.

⁷⁴ Ibid., 87.

Suggestions for Reform

Another report, presented to the ARTT Committee in August 1974, aimed to bring together all the material produced or collected by the ARTT Committee during its existence. This included the 1970 report, replies to questionnaires and more recent material. The main thrust of the report was to offer continued support for the idea of the “all-round tradesman” [sic].⁷⁵ Against a background of skill shortages, particularly in the building industry, the report discussed measures that could be taken to improve the attractiveness of apprenticeship. Suggestions included a publicity campaign to combat the perceived poor image and status of apprenticeship and the trades in general. It was felt that an improvement in the status of tradespeople could be achieved by increasing the margins paid for skilled workers. The report also floated some ideas to increase the flexibility of the apprenticeship system, arguing that this also would make apprenticeship more attractive to young people. The report called for the inclusion of new classifications to enable apprenticeship to be extended to newly developed jobs that did not have apprenticeship training. There was also recognition of the need for training for semi-skilled workers.⁷⁶

The report offered little that was new or controversial and was dismissed by the ARTT Committee as “outdated and inconclusive in many areas”.⁷⁷ A number of the findings had been pre-empted by the work of the VTC or industry training boards, and the Committee found that many of the changes suggested had already been carried out. For example, in 1973 discussions on measures to overcome the shortage of skilled labour in the building industry resulted in the New Zealand Carpentry and Joinery Apprenticeship Committee agreeing to the introduction of a special emergency contracts scheme for adult carpentry apprentices. This scheme provided full-time technical training for sixteen weeks in the first year of the apprenticeship for apprentices aged between twenty and twenty-six. It was hoped to provide training for 360 apprentices over two years, and was supported by a government subsidy to employers for half of the apprentices’ wages while they attended a technical institute.⁷⁸

Some of the more significant changes in attitudes towards apprenticeship related to the formal, or off-the-job training, element of apprenticeship. This may have been partly the result of the 1974 Educational Development Conference, convened by the Minister of Education, Phil Amos. This conference was “one of the most extensive public consultations undertaken in

⁷⁵ VTC, *Apprenticeship and Related Trade Training in New Zealand: A Preliminary Report to the Vocational Training Council*, 1974.

⁷⁶ Ibid.

⁷⁷ VTC, *Current Developments in Apprenticeship Training*, 1975, 5.

⁷⁸ AJHR, 1973-1974, G-1.

New Zealand [with] 3000 study groups debat(ing) many aspects of the education system.⁷⁹

The conference report “articulated a sense of alienation and frustration with the education bureaucracy. It was felt to be vast, faceless, ponderous and unresponsive, particularly to the special needs of women and girls, Maori and other ethnic minorities”.⁸⁰ While the results of the conference were overshadowed by Labour’s 1975 election loss to National, and the worsening economic conditions, the Butterworths argued that the conference sowed the seeds for many of the changes in education that were to follow, particularly with its emphasis on post compulsory education, both training and retraining.⁸¹

Incentives were introduced in 1974 for group apprenticeship training, off-job training and courses for on-job trainers.⁸² Extended trade training schemes, although not always meeting with full approval by all parties, were increasingly becoming the norm. Pre-entry training, dismissed by the ARTT Committee in 1970, was suggested more frequently as an efficient means of shortening the length of apprenticeship and of providing the employer with a partially skilled, and therefore productive, employee from the outset. The cost of both methods of training was, as always, a concern. It was estimated that if the government through the technical institutes funded all apprentices’ training, the cost to the taxpayer would be an extra \$20 million per year. The funding of pre-entry training was also problematic, with the added difficulty of the inability to guarantee an apprenticeship for the trainee. Nevertheless, as Figure 14 illustrates, technical education as a whole grew markedly over the 1960s and 1970s.⁸³

⁷⁹ Graham and Susan Butterworth, *Reforming Education: The New Zealand Experience 1984-1996* (Palmerston North: The Dunmore Press Ltd, 1998), 17.

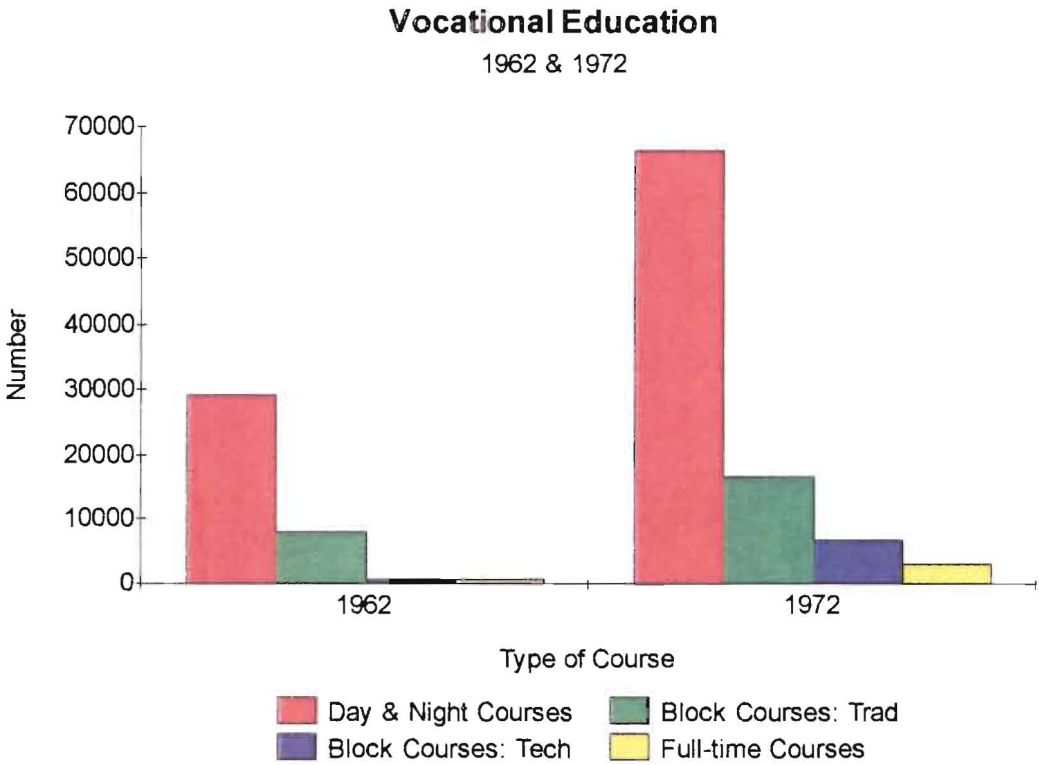
⁸⁰ *Ibid.*, 18.

⁸¹ *Ibid.*

⁸² VTC, *Review of Apprenticeship: Discussion Paper*, 1978.

⁸³ ‘Technical Education and Training’, LEG, 24(2), May 1974.

Figure 14: Enrolments in Technical Institutes: Vocational Courses, 1962-1972 ⁸⁴



Extended Trade Training

The ARRT Committee attempted therefore in 1975 to pin down the realities of what was happening in apprenticeship.⁸⁵ They reported that the trend was for a much greater proportion of the apprentice's training, especially in the first year, to be carried out in a technical institute. The committee argued that this resulted in faster, more efficient training, which benefited the employer by making the apprentice productive more quickly. It was also felt that an initial block course eased the transition from school to work, and allowed the teaching of basic practical skills, closely tied to the theory of the trade. An evaluation of the carpentry, and fitting and turning pilot courses that had begun in 1972 showed that an eighteen-week full-time course, with the balance of the year spent on the job, allowed apprentices to gain in one year similar pass rates in the Second Qualification examination to those of traditional apprentices who had spent two years on the job.⁸⁶

⁸⁴ Ibid., 4.

⁸⁵ VTC, *Current Developments in Apprenticeship Training*, 1975.

⁸⁶ Ibid., 6.

Based upon the pilot schemes, extended trade training schemes were introduced for engineering and carpentry in 1975. Engineering apprentices would spend three six-week periods at a technical institute in their first year, and three weeks in their second year. Carpentry apprentices would attend technical institutes for nine weeks in the first year, six in the second year and three weeks in the third year. Improved methods of on-the-job training and the replacement of the first and second qualification examinations with internal assessment at the technical institutes were important innovations of the new schemes.⁸⁷

The major disadvantage of extended trade training, according to the ARTT Committee, was the added cost to the employer of paying wages while the apprentice was on a long block course. In 1975 the government addressed this with the Minister of Labour, Arthur Faulkner, announcing the introduction of a subsidy to the employer for each week in excess of three weeks in any year that the apprentice was at a technical institute. The subsidy provided 60 per cent of the apprentice's wages in the first year, 50 per cent in the second and 40 per cent in the third.⁸⁸ There was, however, a condition for payment of the subsidy; the industry as a whole had to have conducted a review of both on and off-job training.⁸⁹ The government thus clearly signaled that modernisation of the apprenticeship system was necessary, and set a precedent for tying subsidies to industry action on upgrading the system. As extended trade training was adopted by some industries, and investigated by the apprenticeship committees of many others, the ARTT Committee expressed concern about variations between schemes. While the Committee conceded the need for flexibility, and acknowledged the differences in educational and training requirements of some trades, it was opposed to "variation where it exists without any real justification".⁹⁰

Case Study: The Motor Trade Industry

The story of the motor trade industry's attempts to reform its trade training is a good illustration of the difficulties that industries faced in responding to changing requirements for trade training. Organised training in the motor trade industry began after the formation of the New Zealand Motor Trade Certification Board (NZMTCB) in 1944. The formal learning was conducted with a mixture of night classes and block courses, with some apprentices studying through correspondence. By 1965, dissatisfaction was expressed with elements of these

⁸⁷ 'New System of Apprenticeship Trade Training', LEG, 25(2), May 1975, 12.

⁸⁸ AJHR, 1975, G-1.

⁸⁹ VTC, *Current Developments in Apprenticeship Training*, 1975, 6.

⁹⁰ Ibid., 11.

arrangements. It was felt that there was inadequate correlation between the theoretical and practical components of the apprenticeship, and that the supervision of the theory work was not satisfactory. The length of the training was also questioned. Technological innovations in car repairs meant a changing set of skills, and there were difficulties in providing adequate practical training in the 'modern' repair shop. Thus, in 1966 a revised training plan was drafted, which proposed the abolition of night and correspondence classes, to be replaced with "longer, more purposeful block courses".⁹¹ This plan did not proceed, due to "restrictive Government expenditure".⁹²

In 1970, the NZMTCB held an apprenticeship training seminar, at which a new revised plan was drafted. This plan retained the features of the initial plan, but proposed that all formal, off-job training be completed within the first two years of the apprenticeship. This would mean that for the last two, or two and a half, years of the 8000 hour apprenticeship, the apprentice would be a full-time productive worker. The revised plan was ratified at the 1974 Motor Trade Association annual conference. In 1976, the Minister of Education, mindful of limited government funds, agreed to the introduction of the revised scheme to limited parts of the industry. The October 1977 budget contained approval for the scheme to be introduced in 1978 in the automotive electrical, motorcycle and automotive machining trades. Thus, a full twelve years after the initial plan was drafted there was some movement towards updating the training regime. While all the blame for tardiness can not be laid at the government's feet, it is easy to understand the frustration of the NZMTCB:

It is evident that while we remain dependent on Government Departments and State funding to assist us in the conduct of our apprenticeship training programmes (we are too small to go it alone), there is little prospect of achieving quick, regular, progressive changes in our training programme to maintain pace with development in the industry and changing economic conditions.⁹³

The Demise of Extended Trade Training, 1977-1980

Despite the relatively favourable reports on the both the pilot schemes and the limited number of training programmes introduced in the mid-1970s, doubts about the efficacy of extended trade training were expressed.⁹⁴ The VTC survey of extended trade training published in 1979 found that that the majority of employers, apprentices and technical institute staff generally supported the training schemes. There were, however, criticisms of the

⁹¹ New Zealand Motor Trade Certification Board, *Apprenticeship Training Plan Questionnaire*, June 1980. AAOC, W3473, 25/6, NA, Wellington.

⁹² *Ibid.*, 1.

⁹³ *Ibid.*, 3.

⁹⁴ AJHR, 1977, G-1, 12.

administration and record keeping of the schemes, and problems were reported with notifying apprentices of the requirement to attend the block course. This often led to employers deferring their apprentices' attendance. One of the major complaints that employers voiced was about the inclusion of 'liberal studies' in the block course.⁹⁵ The views of the technical manager of a manufacturing company may serve to indicate the strength of feeling on this issue:

We are totally against any time, which we consider to be wasted, on liberal study and sports periods... we do not consider that apprenticeship contracts are adequately long in themselves, without wasting this valuable time on these subjects.⁹⁶

A 1980 survey by the NZMTCB of 304 employers with apprentices training under extended trade training reported a general, but grudging, acceptance of the scheme, but also a "considerable lack of understanding of the aims and objectives of the training pattern among many employers".⁹⁷ The report argued, however, that many of the criticisms and difficulties experienced were more related to management problems, and a 'resistance-to-change-factor' among employers, than actually with the training scheme:

... no matter what pattern of training was in operation there would still be some opposition to some part of it, again not related to the scheme itself, but the inability to organise workload and the placement of undue dependence upon an apprentice being available in the workshop.⁹⁸

Regardless of the criticisms, throughout the late 1970s there was pressure from other industries to be included in the extended trade training programme. The motor industry had clearly laid much of the groundwork necessary for the changeover, and was pushing for extended trade training to be expanded to the major motor trades. The radio and associated electronics trade was experiencing significant growth and rapid technological change, making it an ideal candidate for revised training. Indeed, both of these industries featured on a priority list for extended trade training drawn up by the VTC in December 1978. Bricklaying was the third trade given priority, but was later dropped off the list because funding beyond that already provided would be required to update the training programme.⁹⁹

⁹⁵ VTC, *Extended Trade Training Survey*, 1979.

⁹⁶ Millar, AHI Plastic Moulding Company, to the Chairman, VTC, 14 December 1979. ARTT Files, 1977-81, AAOC, W 3473, 25/0, NA, Wellington.

⁹⁷ NZMTCB, *Summarised Report to the Board on the 1980 Survey of the Revised Apprenticeship Training Plan*, 1980, New Zealand Motor ITB Minutes 1979-80. AAOC, W3473, 14/9 Pt 4, NA, Wellington.

⁹⁸ *Ibid.*, 6.

⁹⁹ Extended Trade Training File, 1978-1982. AAOC, W3473, 25/6, NA Wellington.

In July 1979, the Minister of Labour, Jim Bolger, advised the VTC that, due to limitations on government expenditure, extended trade training for the motor and electronics trades was unable to be approved.¹⁰⁰ On receipt of this news, the Executive Training Officer for the Electronics ITB, J.B. Stewart, wrote to the VTC, expressing dismay that approval was not forthcoming. He argued that the lack of approval placed the Electronics ITB in a very difficult position because an expanded and updated syllabus, impossible to deliver without extended trade training, had already been written.¹⁰¹ The VTC lobbied the Minister of Labour on behalf of the priority industries, especially the electronics industry,¹⁰² but was countered by the news that a new set of criteria had been developed, which had to be met before extended trade training could be approved.

The Minister prefaced the new criteria by saying that “current restrictions on Government expenditure have limited the scope for major new activities in the short term... expectations seem to be developing that such training (extended trade training) is almost an automatic entitlement”.¹⁰³ Thus, any new training initiatives had to show a clear national benefit for the costs involved; be supplementary to, and integrated with, on-job training; be unable to be provided elsewhere than in a technical institute; be supported by the VTC; and have no more practical work than absolutely necessary to reinforce the theory.¹⁰⁴ The criteria provoked a flurry of repositioning by the industries involved, but to little avail. The motor and electronics industries were again turned down for extended trade training in August 1980, with the Minister of Labour reporting that “in neither case was the Government satisfied that sufficient national benefit would arise to justify the expenditure involved”.¹⁰⁵ Disheartened, the focus of those industries keen to reform their training moved to pre-apprenticeship training.

This chapter has described the growing pressures placed upon the apprenticeship system by social, economic and technological changes. The early seventies were characterised by pragmatic tinkering with the apprenticeship system, rather than by any wholesale change. The pressures for change were clearly mounting but the status quo was resistant. This

¹⁰⁰ Bolger to VTC, 2 July 1979. Extended Trade Training File, 1978-1982. AAOC, W3473, 25/6, NA, Wellington.

¹⁰¹ Stewart to VTC, 3 August 1979. Extended Trade Training File, 1978-1982. AAOC, W3473, 25/6, NA, Wellington.

¹⁰² Pearce, VTC to Bolger, 5 September 1979. Extended Trade Training File, 1978-1982. AAOC, W3473, 25/6, NA, Wellington.

¹⁰³ Bolger to Pearce, 28 September 1979. Extended Trade Training File, 1978-1982. AAOC, W3473, 25/6, NA, Wellington.

¹⁰⁴ Ibid.

¹⁰⁵ VTC to NZMTCB and Electronics ITB, 27 August 1980. Extended Trade Training File, 1978-1982. AAOC, W3473, 25/6, NA, Wellington.

partly reflected active support for the traditional system, and was partly the product of inertia. Changes were happening fast enough to keep the critics satisfied, but slowly enough for the traditionalists to have time to adapt. By the mid 1970s, some important attitudinal differences were beginning to creep in, however. The idea of the 'all-round tradesman' [sic], although finding favour in the VTC's 1974 report, was under pressure: "the concept of the 'complete tradesman' [sic] has come to be increasingly questioned during the last few years, in the light of the changing requirements of modern industry".¹⁰⁶ Other bulwarks of the traditional apprenticeship system, such as the age of the apprentice, the direct employer-apprentice relationship, the notion of 'time-serving' and the predominance of on-the-job-training, were also being challenged.

¹⁰⁶ 'Apprenticeship Today', LEG, 23(1), February 1973, 18.

CHAPTER SEVEN

'APPRENTICESHIP FOR TOMORROW': PRESSURES FOR CHANGE

Working life provides daily purpose, access to adult society and behaviours and acceptability in the community. The disruption to the traditionally socially recognised method for achieving this has resulted in some confusion for young people, and the community.

(Department of Education Discussion Paper, 1982, 9)

The piecemeal reforms of the apprenticeship system during the early and mid 1970s had, by 1977, become insufficient to satisfy the clamour from various sectors for change. From the mid 1970s there was increasing concern about "perceived problems and deficiencies within the education system" as a whole.¹ Codd explained this concern as a symptom of a deepening legitimisation crisis facing the state in New Zealand at this time. A crisis of legitimisation occurs when the state and its institutions come under attack as people lose confidence in the state's ability to deal with problems and begin to question the authority that they have vested in it. The lack of economic growth, and the government's ineffectiveness in dealing with this precipitated the crisis in New Zealand.² Rising levels of unemployment, a high rate of inflation, and large budget and balance of payment deficits meant unprecedented economic pressures on New Zealand. Trade union action, with its yoke of relativity, "made the achievement of higher productivity and maximum output very difficult".³

This chapter traces the increasing level of disquiet expressed about the apprenticeship system. There were calls for increased flexibility within the system and the idea of pre-apprenticeship training came to the fore. The paradox of shortages of skilled workers in a time of growing unemployment was of concern. The VTC carried out a major review of the system between 1978 and 1980. The length of time required for this process meant, however, that rapid changes in the economy often overtook both the basis for the review, and the appropriateness of the proposals it contained. Nevertheless, by 1981 the myriad suggestions for improving the apprenticeship system were brought together in *Apprenticeship for Tomorrow*, a consultative document which was the basis for the Apprenticeship Act 1983.

¹ Codd, "Educational Policy and the Crisis of the New Zealand State", 192.

² Ibid.

³ Gould, *The Rake's Progress?*, 220.

Review of Apprenticeship 1977-1980

Throughout 1977 the apprenticeship system was the subject of a number of conferences and seminars. An employers' seminar, titled "What's Wrong with Apprenticeship?", was held in Hamilton. While a wide range of views were expressed, there was a degree of consensus favouring longer block courses to be held earlier in the apprenticeship, some form of module-based training, the sharing of training costs through levies or incentives, and a recognition of the need to aid smaller firms to teach their apprentices the full range of skills required.⁴ Apprenticeship was also discussed at the New Zealand Employers' Federation conference, and the Technical Institutes Association (TIA) conference held in Christchurch in November 1977 had as its theme: "Apprenticeship – Present and Future".⁵ An address at this conference by Major-General Pearce, the chairman of the Vocational Training Council, highlighted the fundamental problem with apprenticeship in the contemporary economic climate:

a paradoxical situation exists in the apprenticeship area: employers complain of an inadequate flow of trained tradesmen [sic], but many young people cannot find employers to indenture them. Economic uncertainty and the individual recruitment responsibilities of employers create this problem.⁶

The resolutions of the TIA conference regarding apprenticeship ranged far wider than just the educational component of the system. The conference called for the administration of the system to be streamlined, and to emphasise the 'carrot', rather than the 'stick', in the pursuit of compliance with legislative requirements. It was argued that pre-apprenticeship courses could be used to cushion the effects of cyclic fluctuations in apprenticeship intakes. It was suggested that the VTC study wastage in the skilled trades, and report upon the best means to upgrade the image of those trades and of apprenticeship in general. The conference agreed that the primary objective of apprenticeship was for the trainee to reach tradesperson status, but argued that there was a need for recognition of intermediate levels of achievement.⁷

These resolutions, plus other ideas and criticisms generated during the many discussions throughout 1977, were collated in a paper prepared by the VTC, *Review of Apprenticeship: Discussion Paper*, and circulated widely for comment.⁸ In the area of

⁴ Report to VTC on "What's Wrong with Apprenticeship" Seminar. AAOC, W3473, 25/0, NA, Wellington, 2.

⁵ VTC, *Review of Apprenticeship: Discussion Paper*, 1978.

⁶ Vocational Training Council, *Apprenticeship – Present and Future: Keynote address by Major-General L.A. Pearce, Chairman VTC, for the Technical Institutes Association Conference* (Christchurch: VTC, 1977). AAOC, 3478, Box 8, NA, Wellington.

⁷ Technical Institutes Association (TIA), *Resolutions of TIA 1977 Conference: Apprenticeship – Present and Future* (Christchurch: TIA, 1977). AAOC, 3478, Box 8, NA, Wellington.

⁸ VTC, *Review of Apprenticeship: Discussion Paper*, 1978.

manpower planning, the paper pointed to the chronic imbalance between supply and demand in the trades. Echoing the TIA conference resolutions, the paper suggested that the responsibility for manpower planning, which by law rested with the New Zealand apprenticeship committee for each industry, should be a joint government and industry concern. It was argued that manpower planning could only really be accurate in the short-term, and that therefore:

training should be transferable between industries and... specialist training that would tend to lock a person into a particular occupation (should) be built on more general basic training and be of as short a duration as possible.⁹

The discussion paper suggested that the recruitment and selection of apprentices had been largely “haphazard and informal”, resulting in unnecessary and costly high drop-out rates for apprentices.¹⁰ Approximately thirty per cent of all beginning apprentices did not go on to complete their contracts, with the heaviest drop-out rate being in the first year.¹¹ Ideas to improve this situation focused on a better exchange of information between employer and apprentice. Secondary schools were seen as having a role in this process by providing a wider range of technical and vocational training, with closer links to industry. Many employers felt that school-leavers were short on communication, numeracy and life skills, and often lacked a “basic understanding of the world of work”.¹² Part of the reason for this may have been the wide variation in the educational standards of apprentices entering new contracts, as shown by a study carried out by the Department of Labour in 1979 (see Table 6):¹³

⁹ Ibid., 14.

¹⁰ Ibid., 15.

¹¹ Ibid., 22.

¹² Ibid., 17.

¹³ ‘Educational Standards of Apprentices Entering New Contracts’, LEG, 29 (3), September 1979, 13.

Table 6: Apprentice Educational Qualification, November 1978-April 1979 ¹⁴

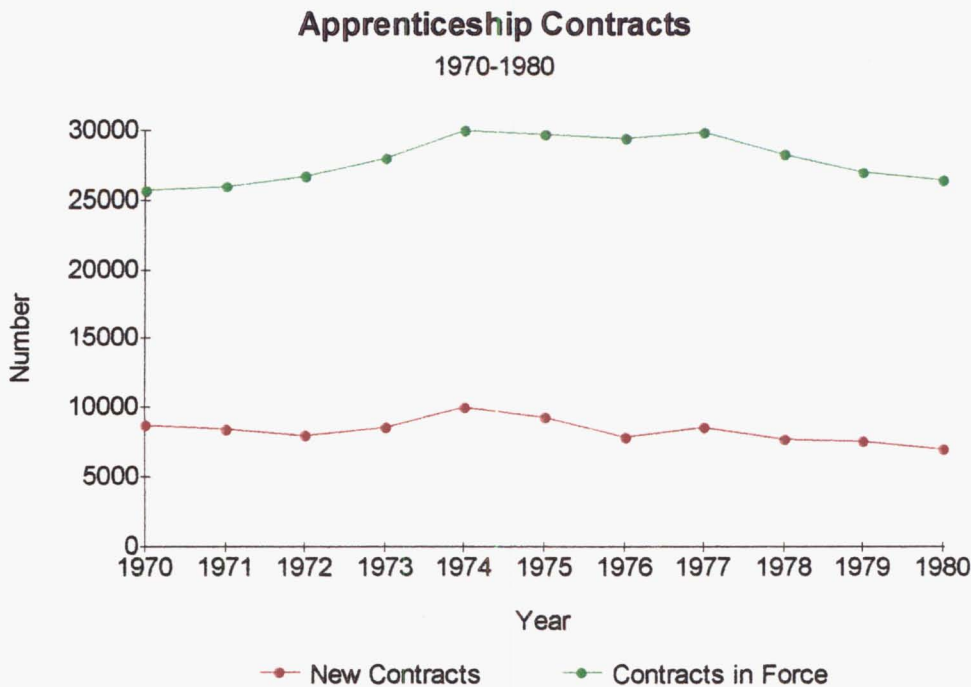
Trade	Total Number of New Apprentices	% with Less than 3 years Secondary Education	% with 3 Years Secondary or some School Cert Subjects	% with 6 th Form Certificate or Better
Aircraft	85	0	53%	47%
Carpentry	341	46%	41%	13%
Coachbuilding	168	50%	43%	7%
Electrical	231	21%	54%	25%
Engineering	369	26%	55%	19%
Furniture	107	61%	32%	7%
Hairdressing (Ladies & Men)	191	62%	33%	5%
Horticulture	37	27%	38%	35%
Motor Trades	473	29%	62%	9%
Painting	57	65%	32%	3%
Plumbing/ Gasfitting	81	37%	62%	11%
Printing	91	39%	46%	15%
Radio	43	19%	30%	51%
Retail Meat Industry	106	65%	31%	4%
Sheetmetal Working	34	29%	50%	21%
Average	(2414)	38%	44%	18%

Challenging the status quo on the industrial relations front, the *Review of Apprenticeship* discussion paper presented arguments in favour of deleting the proportion clauses from apprenticeship orders. It considered that proportions were overly restrictive, and that the effect of this restriction compounded in times of economic downturn. Thus, the lower number of apprentices taken on in a tight economic situation limited the number of tradespeople available to fulfill the proportion requirements as the economy improved. It was felt that, given a chronic shortage of skilled labour, numbers were better controlled through manpower planning. Indeed, declining numbers of new and completed apprenticeship contracts, as shown in Figure 15, were causing concern, prompting the Industrial Relations Council to set up a working party to examine fluctuating apprenticeship intakes. The inflexibility of the fixed term of apprenticeship was also questioned, and it was argued that this rigidity was one of the major hindrances to women taking up apprenticeships. Wage relativities, both between trades and with other levels of work, were seen as a major factor in

¹⁴ Ibid.

the high levels of wastage of apprentices. Low apprentice wages, and the lack of any financial assistance also “effectively preclude(d) most adults from learning a trade”.¹⁵

Figure 15: Apprenticeship Contracts, 1970-1980¹⁶



The issue of skill was to the fore in the discussion paper. The paradox of increased technical sophistication in some areas, versus the deskilling of parts of other occupations, raised questions that the traditional apprenticeship system struggled to answer. Some industries reported difficulties in teaching the full range of skills laid down in apprenticeship orders, whereas in other industries, technological developments enabled the work to be carried out by skilled operatives, rather than fully trained tradespeople. Suggestions to counter the effects of technology included redesigning jobs and broadening apprenticeships by amalgamating allied trades. It was argued that training had to be flexible and speedy, and that it should provide intermediate qualifications that would allow a career path for ‘semi-skilled’ workers.¹⁷ Pre-apprenticeship training found favour with many industries, but it was acknowledged that it was an expensive method of training, and that schemes needed to be

¹⁵ Ibid., 22.

¹⁶ Department of Labour, *Summary of Apprenticeship Trends to 31 March 1983* (Wellington: Department of Labour, 1983), 7.

¹⁷ Ibid., 21.

linked closely with manpower planning to ensure that trainees could find employment after their training. It was argued that the administration of the apprenticeship system needed to be simplified, with less bureaucracy and duplication of work.¹⁸

The discussion paper identified concerns about the funding of apprenticeship. Compulsory industry levies had been rejected in the early 1970s, and the funding of training was organised on a voluntary basis, in conjunction with various government incentives. The problem of 'poaching', where a tradesperson recently out of their time moved to a different firm, was a major disincentive for many employers to take on apprentices. The discussion paper, however, called for the cost of training to be shared more equitably across industries: "those who do not carry out any training should contribute to the cost of training; those who fulfill their training responsibility should be compensated for it".¹⁹

The discussion paper was circulated widely between February and July 1978, provoking many comments, and over 70 submissions. The tenor of the submissions was, according to the VTC, "largely conservative and very much concerned with maintaining the status quo".²⁰ A series of letters from the Apprenticeship Division of the Department of Labour, representing the views of a number of New Zealand apprenticeship committees, plus correspondence from the Canterbury Trades Council and the New Zealand Furniture and Related Trades Union, revealed the seat of some of the opposition to the changes proposed in the discussion paper. The basic thrust of these submissions was that, although it was agreed that some modifications to the apprenticeship system were required, the Apprenticeship Division was handling these adequately. The review was seen as impractical and potentially damaging, and those submitting argued that the VTC should have sought more fully the views of organisations involved in apprenticeship.²¹

The education sector was also unhappy with aspects of the review. The president of the New Zealand Technical Institutes' Student Association, Mr. M. Pilcher, expressed in a newspaper article the Association's dissatisfaction with the report. He argued that the review was not comprehensive enough, and had serious deficiencies; in particular, that it had been produced before an experiment in modular training being undertaken by the Master Builders' Association had been completed and assessed. Mr Pilcher expressed a lack of confidence in the VTC, and claimed that the review was merely a muddled summary of the British

¹⁸ Ibid.

¹⁹ Ibid., 22.

²⁰ Vocational Training Council (Advisory Committee on Apprenticeship and Related Trade Training), *Review of Apprenticeship: Recommendations for Future Policy* (Wellington: VTC, 1980), 2.

²¹ Vocational Training Council, *Review of Apprenticeship*. AAOC, W3473 25/5 Pt1, Box 49, NA, Wellington.

vocational training system.²² The Post Primary Teachers Association was scathing about the role envisaged for secondary schools in the review:

The Association deplores the reactionary tone of the paper which implies that secondary schools should turn out products moulded to suit the workforce. The rapid pace of technological change alone demands that schools prepare pupils to adapt to new situations rather than preparing them for occupations which may not exist ten years hence".²³

This intention was denied by the VTC, although it was acknowledged that "this oversimplified view has been expressed many times by some of the bodies involved in apprenticeship".²⁴ The VTC, as the arbiter of these fundamentally different approaches to the role of education, clearly walked a fine line between the business and education sectors.

The submissions to the review were collated by Hilary Rendell, the VTC's Apprenticeship Advisory Officer, and presented to the ARTT committee in October 1978. The committee commented on the first half of the report, but then decided to wait until the survey on extended trade training was finished. As this was not completed until August 1979, the publication of a final report, *Review of Apprenticeship: Recommendations for Future Policy*, was delayed until mid 1980. The VTC considered that changes in technology and the economy had overtaken many of the submissions to the discussion paper, and that it was inappropriate to merely present a summary of the comments. Rather, the VTC in its report attempted to "assess the apprenticeship system critically in the light of the current situation" and urged that its recommendations be given early consideration as "evidence available to the Council points to the fact that the present system of apprenticeship will not meet the rapidly changing needs of industry in the 1980s".²⁵

While some of the changes suggested by the report were minor, it also proposed some fundamental modifications to the apprenticeship system. The importance of manpower planning was again emphasised. The report argued that this should be done on an industry basis, leading to planned apprentice intakes, and that it should be tied to government incentives to smooth fluctuations in intakes caused by economic conditions. It was suggested that the structure of apprentice training be modified to maximise flexibility, increase skill levels and share more fairly the cost of training. To this end, stratified training was suggested.

²² "Apprenticeship Review Seems Deficient," *New Zealand Herald*, 27 July 1978. VTC Review of Apprenticeship, AAOC, W3473 25/5 Pt1, Box 49, NA, Wellington.

²³ Webster, General Secretary, PPTA to Stuart, Director, VTC, 11 April 1978, AAOC, W3473 25/5 Pt1, Box 49, NA, Wellington.

²⁴ Stuart to Webster, 20 April 1978, AAOC, W3473 25/5 Pt1, Box 49, NA, Wellington.

²⁵ VTC, *Review of Apprenticeship: Recommendations for Future Policy*, 1980, 2.

This would involve broad-based training in transferable, general skills, followed by specialised training as required. A model suggested by the engineering trades was used as an example; the first 6000 hours of the apprenticeship to be spent on broad-based core training, followed by 2000 hour specialised units in whichever branch of the industry was suitable. Certification would occur at the end of the general training, with further recognition for the specialised units. The VTC considered that the flexibility envisaged would benefit school-leavers, who would gain experience in a broad area of work, before having to commit to a specialised occupation. Women would find it easier to take on an apprenticeship, as the training could be completed in two or more segments. The model would also allow tradespeople to update their skills more easily.²⁶

The traditional mix of on and off-job training was also questioned by the VTC's report. It considered that greater periods of off-job training were inevitable for some trades, in light of rapid changes in technology and work practices. An advantage of this would be to intensify training, with shorter apprenticeships allowing more accurate manpower planning. Increased periods of off-job training would also help spread the cost of training more evenly. If trainees were already apprenticed, employers would require greater government incentives to compensate for the length of time without the apprentice. If pre-apprenticeship courses were favoured, this funding would go straight to the trainee in the form of a bursary. In either case, the taxpayer would be responsible for more of the costs of training.²⁷

The report was in favour of promoting alternative forms of apprenticeship. It argued that group apprenticeships and apprenticeship to industry could be used to smooth apprentice intakes, and to ensure that a full range of skills was taught to each apprentice. Such schemes would also help solve the problem of the apprentice's fate if individual businesses closed down. The report strongly recommended that on-job training become more effective and formalised. Increased government incentives were seen as a means to motivate employers to 'train their trainers'. A footnote to the report expressed pleasure that a subsidy for the wages of an apprentice instructor had been announced in the 1980 budget. The report also offered suggestions for rationalising the administrative structure of apprenticeship.²⁸ The *Review of Apprenticeship* became the basis for a consultative document, *Apprenticeship for Tomorrow: A Government Statement on Directions for Trade Training in New Zealand*, presented to the House of Representatives by Jim Bolger, the National Minister of Labour, in October 1981.

²⁶ Ibid., 14,

²⁷ Ibid., 14.

²⁸ Ibid., 15.

Economic and Policy Background to *Apprenticeship for Tomorrow*

As the 1980s began, the New Zealand economy came under increasing pressure. New Zealand's trade with Britain declined from 53 per cent of its exports in 1960 to just nine per cent by 1985.²⁹ This meant that exporters had to compete in the world market, rather than having a guaranteed destination for their products. The oil price shocks of 1973 and 1979, along with the international phenomenon of 'stagflation' (declining employment and increasing inflation), meant that the highly protected economy could no longer be insulated from global events. The economic difficulties are illustrated clearly by the continual decline in New Zealand's terms of trade; that is, the prices received for exports compared with the prices paid for imports. From a base of 100 in 1957 it had fallen to 83 by 1971, and to 73 in 1985.³⁰

The reaction of the Prime Minister and Minister of Finance, Rob Muldoon, to the economic crisis was to intervene in the economy on an almost daily basis. While his actions were those of orthodox recession economics, and at the time met with wide approval, he neglected long-term strategies, relying instead on "Keynesian fine-tuning of the economy".³¹ Muldoon looked to the farming industry to salvage the economy. Billions of dollars, acquired through overseas borrowing, were poured into the pastoral industry; directly, through subsidies and indirectly, through an overvalued exchange rate.³² The flagship of Muldoon's 1981 election strategy, the ill-conceived 'Think Big' scheme, was designed to give the impression that the government had a vision, and to reduce unemployment and inflation. Not only did this fail to occur, but cost over-runs and changes in the circumstances upon which the viability of the large-scale energy projects was assessed, made the scheme an expensive liability. Unable to control inflation or halt the wage-price spiral, Muldoon resorted to a serious intervention, a wage, rent and price freeze that began in June 1982.³³

Concern about increasing unemployment in 1979 (see Figure 16) prompted the New Zealand Planning Council to commission a study "to search for policies which were likely to sustain full employment in ways that would contribute to the improvement of living standards".³⁴ The rapid increase in the labour force, combined with "negligible economic growth" in the late 1970s, meant there was a significant gap between the supply and demand

²⁹ Bruce Jesson, *Behind the Mirror Glass* (Auckland: Penguin Books Ltd, 1987).

³⁰ Ibid.

³¹ Hugh Templeton, *All Honourable Men* (Auckland: Auckland University Press, 1995), 231.

³² Jesson, *Behind the Mirror Glass*, 58.

³³ Paul Dalziel & Ralph Lattimore, *The New Zealand Macroeconomy: A Briefing on the Reforms* (Auckland: Oxford University Press, 1996).

³⁴ New Zealand Planning Council (NZPC), *Employment: Towards an Active Employment Policy* (Wellington: NZPC, 1980), 5.

for employment. The 1980 Planning Council report, *Employment: Towards an Active Employment Policy*, set out the nature of this structural unemployment. The report pointed to wide regional variation in employment, and highlighted the age differences in the unemployed. Of the 28,800 registered unemployed in May 1980, 77 per cent were aged under 30, and 48 per cent under 21. Unemployment was also proportionally greater amongst women, Maori and Pacific Islanders, and the inexperienced and unskilled.³⁵

Figure 16: Monthly Average Registered Unemployed, 1975-1984³⁶



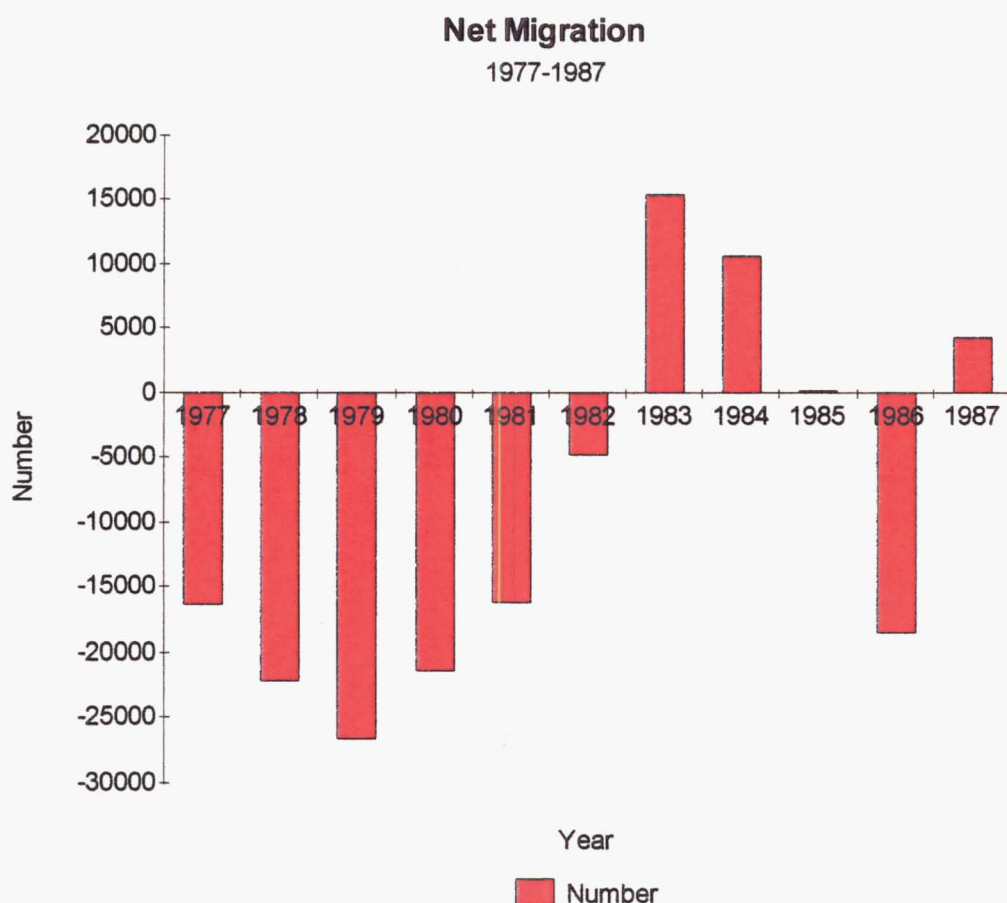
The Planning Council report explored more fully one of the paradoxes of the late 1970s, that is, shortages of skilled workers in a time of high unemployment. Two factors were identified as contributing to the reduction of the proportion of the workforce with skills and experience. First, those groups of people experiencing growing employment opportunities were young people, women returning to the workforce and part-time workers. Each of these groups was less likely to have had the opportunity to train or retrain, and was more likely to be

³⁵ Ibid., 14.

³⁶ Martin, *Holding the Balance*, 383.

inexperienced. The second factor was the outflow of skilled workers through emigration. A survey of emigrants conducted by the Planning Council in October 1979 showed that those leaving were more likely to have been in the labour force, and that they had on average eight years work experience in their trade or occupation. Forty per cent of those aged over fifteen had a trade or professional qualification. Thus, a significant proportion of the approximately 85,200 people who left New Zealand on a permanent or long-term basis between 1977 and 1980 were skilled, experienced workers (see Figure 17 for migration patterns). Department of Labour figures showed “consistent shortages in a number of key areas... such a reduction of the skilled segment of the workforce can limit the ability of New Zealand to seize opportunities for expansion and development”.³⁷

Figure 17: Net Migration, 1977-1987³⁸



³⁷ Ibid., 15.

³⁸ Martin, *Holding the Balance*, 388.

The Change Begins

In Muldoon's 1980 Budget, the National government signalled changes that were viewed as necessary to update apprenticeship and to decrease the perceived rigidity of the system. These changes included introducing more flexibility in training patterns, postponing the choice of specialisation until nearer the end of training, shortening the training period and improving the quality of training. Although it was acknowledged in the Budget that the detail of these broad objectives had to be worked out at the industry level, two initiatives were put into place immediately. First, to encourage a more systematic approach to work-place training, the government announced an 80 per cent subsidy of instructor's wages for approved in-house training programs for five or more apprentices.³⁹ This subsidy augmented two incentive schemes already in existence; an apprentice wage subsidy for the duration of extended block courses, and the Additional Apprentice Incentive Scheme.

The Additional Apprentice Incentive Scheme (AAIS) was expressly introduced to boost apprentice intakes. Intakes in some trades had fallen drastically; the carpentry intake in 1978, for example, was 36 per cent less than in the previous year. The scheme thus aimed to provide help to employers during the generally unproductive first year of apprenticeship.⁴⁰ A \$40 weekly wage subsidy was to be paid for the first year of apprenticeship for "genuinely additional apprentices".⁴¹ From the inception of the scheme in January 1979 up to the end of September 1980, 4568 additional apprentices were taken on, with 2256 contracts remaining in force at 30 September 1980.⁴² (See Illustration 3 for an example of promotional material related to AAIS).

³⁹ *1980 Budget*, AJHR, 1980, B6.

⁴⁰ 'Additional Apprentice Incentive Scheme', LEG, 29(1), March 1979, 9.

⁴¹ AJHR, 1981, G-1.

⁴² 'Additional Apprentice Scheme', LEG, 30(4), December 1980, 6.

WANTED

Additional Apprenticeships



\$2080* Reward

paid to employers

The Additional Apprentice Incentive Scheme

If you employ apprentices or could employ apprentices, you may be entitled to receive \$2080 in cash under the Additional Apprentice Incentive Scheme.

More apprenticeships are needed: to offer young New Zealanders the opportunity to acquire worthwhile skills in the workplace, and to train the skilled tradespeople needed for future economic development.

But employers who take on additional apprentices may need help during the early, less productive period of their apprentices' training. This scheme helps employers to provide these extra apprenticeship opportunities.

*The scheme offers a wage subsidy of \$40 a week throughout the first year of apprenticeship for each additional apprentice. This adds up to a total payment of \$2080.

Send this coupon

for further information, conditions and an application form. Or see the Apprenticeship Section of your nearest Department of Labour.



TO: Commissioner of Apprenticeship

Second, in anticipation of the extra engineering tradespeople that would be required for the planned construction of the 'Think Big' energy projects during the 1980s, the Special Engineering Apprentice Training Scheme (SEATS) was announced. This scheme aimed to train an additional 600 people to those in traditional engineering apprenticeships (see Illustration 4 for promotional material related to SEATS). In order to ensure that the intake of traditional apprentices was maintained, employers were not generally eligible to take on SEATS trainees unless they could show that the trainee was additional to their usual intake. The scheme involved a 20-week pre-apprenticeship course, followed by placement in a special apprenticeship with a shortened term of 5000 hours. The first intake of 224 trainees commenced the pre-apprenticeship course in September 1980.

⁴³ Back Cover, LEG, 31(3), September 1981.

The SEATS initiative had employer and union support, with the New Zealand Engineering Apprenticeship Committee indicating that it would consider favourably applications for proportion waivers to allow the employment of additional apprentices through the scheme.⁴⁴ The scheme had some problems, however, with a number of the first intake being unable to find jobs at the end of the course. There were claims that the trainees had been misled by the Department of Labour hand-out advertising the course, which had stated that graduates would be placed in an apprenticeship. The Department acknowledged that they had “miscalculated the number of firms willing to take on apprentices under this scheme”, and corrected the misleading impression given for the second intake.⁴⁵

Illustration 4: Advertisement for SEATS, 1980⁴⁶

Engineering Employers!

BY 1983 NEW ZEALAND COULD BE SHORT OF AT LEAST 600 FITTERS


What are you doing about it?

New Zealand is now embarking on a series of major development projects, stretching right through into the 1990s. Will we have the skilled labour to cope? Yes, but only by acting now.

A chance to help yourself
We know that by 1983 we'll need at least 600 additional fitter/turners or fitter/welders to meet the expanded requirements for engineering skills in the workforce. That's 600 over and above those already qualified or currently being trained. And it's barely three years away. That's why the Government has set up a scheme to recruit 600 young people by the end of 1981 to begin training as fitters, and at the same time to maintain the normal intake of engineering apprentices. So that when the major development projects draw workers away from their current jobs, we'll have enough people trained to bridge the gaps created in the workshops and the factories where fitters are employed. This means that you, the employer, won't be held back by shortage of skilled workers.

What the scheme provides.
The scheme — known as the Special Engineering Apprenticeship Training Scheme — provides intensive training for fitter/turners and fitter/welders. It includes:

- A 20-week pre-apprenticeship training course in basic engineering skills, at the



end of which successful trainees will be recommended for First Assessment

- A 6000-hour engineering apprenticeship, 1000 hours of which are credited for the pre-apprenticeship training
- Technical training during the apprenticeship consisting of two special 4-week courses in the first year, leading to Second Assessment, and the normal 3-week Trade Certificate block course during the second year.

This gives a total of 51 weeks systematic training in technical institutes. And the first 20 weeks cost you nothing.

The employer's role
After their pre-apprenticeship training these trainees will be apprenticed in the normal way. This is where you, the employer, play a vital role. Because it is intended that these apprentices be hired over and above your normal intake of apprentices. Otherwise the very purpose of the scheme — to train additional fitters — will be lost.

What's in it for you?
The scheme offers you several attractive benefits:

- First, the pre-apprenticeship course. With 20 weeks of basic engineering training behind them before they even start work, these apprentices will be able to play a far more productive role in your workshop or factory, right from the outset. And, you are also assured of a high standard of recruitment.
- Second, if the apprentice you take on under this scheme is additional to those you were training at 31 March last, you will be entitled to a subsidy of \$30 a week. If the apprentice is still additional after three months on the job, the subsidy is continued for a total of 85 weeks altogether.
- Third, and most important of all, you are protecting yourself against a future shortage of skilled workers.

An investment for the future
Your investment in training now will give you substantial returns. Because when large-scale developments attract workers away from their present jobs, you will still have the skilled labour your business will need. Don't let this opportunity slip by. Ask now for full details of the Special Engineering Apprenticeship Training Scheme at your nearest Department of Labour office or fill in and post the coupon below.

**Special Engineering
Apprentice Training Scheme.**

District Commissioner of Apprenticeship
Department of Labour

⁴⁴ 'Energy Project Training Scheme Announced', LEG, 30(2), June 1980, 36.

⁴⁵ Apprenticeship and Related Trade Training Committee Files, 1977-81, *Font*. AAOC, W3473, 25/0, NA, Wellington.

⁴⁶ Back Cover, LEG, 30(4), December 1980.

'Apprenticeship for Tomorrow'

The reforms and changes in apprenticeship that had occurred throughout the 1970s were summarised and assessed in a consultative document, *Apprenticeship for Tomorrow: A Government Statement on Directions for Trade Training in New Zealand*, presented to the House of Representatives by Jim Bolger, the Minister of Labour, in October 1981. This report maintained that the basic principles of the apprenticeship system were sound. Given, however, that there had been fundamental changes in the economy and the labour market, reforms to the system were needed to make apprenticeship more flexible and responsive to changing skill demands.⁴⁷

The report highlighted New Zealand's vulnerability to the international economy. It was argued that, to temper the effects of worldwide low growth rates, high unemployment and inflation, New Zealand had to improve the efficiency of the use of its resources. A skilled and adaptable workforce was seen as being crucial to maintaining and extending any competitive advantage the country possessed. The labour market had clearly changed from the hey-days of virtually full employment, yet despite the high levels of unemployment, skill shortages remained a problem, particularly in key trades such as engineering, motor mechanics and the electrical trade. Skill shortages not only inhibited increases in productivity, but also forced up the wages of the available skilled workers, exacerbating "inflation, reduc(ing) export opportunities and hinder(ing) economic growth".⁴⁸ The report argued that the traditional method of topping-up the skill levels of the workforce, immigration, was no longer a viable option. Skilled workers had a greater choice of countries to migrate to, and the social cost of not training unskilled and unemployed New Zealanders was considered too high.⁴⁹

Apprenticeship for Tomorrow identified several principles that together underpinned the strength and validity of apprenticeship as a means of training workers. These were the guarantee of employment during training, the integration of theoretical and practical training, a supply of skilled workers and the ethos of tripartite involvement in training. The report argued, however, that the traditional apprenticeship system was predicated on low rates of change, of gradual industrial, technological and social development. The exponential rate of change that was in fact being experienced in these areas meant that a long period of training, in a specialised field, was no longer always an appropriate means to ensure a skilled work force. Thus, the report considered that an apprenticeship system should function to address three

⁴⁷ *Apprenticeship for Tomorrow*, AJHR, 1981, G-39.

⁴⁸ *Ibid.*, 6.

⁴⁹ *Ibid.*

fundamental questions: "What are the skills required? How can they be taught most effectively? How many people are needed equipped with those skills?"⁵⁰

It was envisaged in the report that each industry would take responsibility for detailed and formalised analysis of the skills required for that industry. This would allow training to be structured so that basic, broad-based skills could be taught first, possibly in a more intensive manner than before. This would increase the initial productivity of the apprentice and allow for shorter training terms. The training would then move to a more specialised area. Formal recognition as each stage was completed would allow for cross crediting of achievements. In this way, changes of direction would be possible, and there would be less emphasis on an uninterrupted period of training. This would advantage adult apprentices, those retraining, and women, who were often not in a position to commit to an unbroken period of around four years that a traditional apprenticeship required.⁵¹

Apprenticeship for Tomorrow explored the best means to more accurately judge the optimum number of apprentices that should be trained, and in which areas. Ongoing skill shortages were explained by the fact that the apprenticeship period tended to be longer than business planning horizons. This, coupled with the conservative attitudes held by many of the parties to apprenticeship, locked in the rigidities of the system. Because the ultimate determinant of the number of apprentices was the needs of the individual employer, there was no mechanism to translate anticipated industry needs into the number in training:

decisions by individual employers on how many apprentices they will engage are normally based on the amount of work the employer has on hand... consequently, during recessions apprentice intakes usually remain static or fall... however, the time taken to train an apprentice means that trade training is pro- rather than counter-cyclical, reinforcing skill shortages when the demand for skills is high and threatening surpluses when the demand falls away.⁵²

Thus, throughout the early 1980s there was a general decline in the number of apprentices, (see Figure 18) although the tight economic conditions saw the number of lapsed contracts halving between 1974 and 1984.⁵³ Much of the decline in apprentice numbers was directly the result of the decline in employment in some traditional apprenticeship industries, like the building and motor trades.⁵⁴ One of the main problems encountered by the Department of Labour at this time was the need to find new employers for those apprentices who had been

⁵⁰ Ibid., 10.

⁵¹ Ibid.

⁵² Ibid., 15.

⁵³ Catherwood, *Young People, Education and Employment*, 27.

⁵⁴ Ibid., 28.

made redundant. This was especially prevalent in country areas, and in the building trades. Some apprentices had to move to different areas to maintain their service, while others were placed with government departments to complete their contracts.

Figure 18: Trends in Private Sector Apprenticeship Contracts, 1970-1984⁵⁵



The balance of *Apprenticeship for Tomorrow* thus addressed the best means of increasing the supply of training positions, and the administrative changes that would be necessary to implement the reforms signalled. Secondment of apprentices to other employers to broaden the range of skills taught, group apprenticeship schemes for three or four employers, and apprenticeship to industry were all mooted as ways of getting more people into apprenticeships. Existing proportion regulations were also questioned. It was felt that these could sometimes be restrictive, and limit apprentice intakes, but it was also found that often individual employers did not take on as many apprentices as they were permitted. The report

⁵⁵ Department of Labour, *Summary of Apprenticeship Trends to 31 March 1983*, 10.

therefore recommended that the emphasis on eligibility to train should move from numbers permitted to the ability of the employer to provide quality training.⁵⁶

A discussion paper prepared by the Department of Education for the National Advisory Committee on Transition from School to Working Life reinforced the difficulties of organising work-based training in a tight economic situation. The paper identified the key problem: “on present economic indicators there will continue to be difficulties – at least to the mid 1980s, in the workforce absorbing the annual projected output from secondary schools”.⁵⁷ The paper highlighted the decline in traditional training opportunities, and argued that support for training programmes needed to be accompanied by “an equally strong effort for job creation”.⁵⁸ Table 7 sets out the changes in the destinations of school leavers between 1970 and 1980, showing that the percentage of young people intending to take up apprenticeships had dropped by more than one third. The issue of credentialism, that is (in this case), the use of educational qualifications as a selection device regardless of the appropriateness of the qualification for the occupation, was also discussed. The paper reported a loss of approximately one third of the apprentice intake in the metal trades, arguing that the reason for this was the high level of qualifications required for selection, which meant that it was often difficult to retain the apprentices’ interest in the work involved.

Table 7: Destination of School Leavers, 1970-1980 ⁵⁹

Destination	1970	1975	1980
(Total Leavers)	51729	54233	58851
To University	11.5%	10.6%	10.8%
Teacher Training	4.4%	3.7%	2.6%
Technicians & Health Services	9.1%	9.0%	5.4%
Other Full-time Training	4.1%	6.1%	7.6%
Apprenticeships	15.0%	15.4%	9.1%
All Other	55.9%	55.3%	64.5%

⁵⁶ *Apprenticeship for Tomorrow*, 1981.

⁵⁷ Department of Education, *Discussion Paper- Transition from School to Working Life* (Wellington: National Advisory Committee on Transition from School to Working Life, 1982), 1. AAOC, W3473, 3-7-8, NA, Wellington.

⁵⁸ *Ibid.*, 5.

⁵⁹ *Ibid.*, 14.

The Move to Pre-Apprenticeship Training

Pre-apprenticeship training came to be seen as an increasingly viable option during the early 1980s for three main reasons. First, from the point of view of young people, the economic downturn meant that there were fewer apprenticeships being offered by employers. Thus, a young person who had studied the trade for six or twelve months at their own expense would perhaps have the edge over a job applicant fresh from school. Many smaller employers were no longer taking on first-year apprentices, preferring instead to 'poach' second or third-year apprentices who had completed the first year's intensive training at the expense of another employer. Second, there was a concerted push from technical institutes for a bigger proportion of the apprenticeship training to be carried out within their organisations.⁶⁰ Some of the difficulties raised for technical institutes by the traditional structure of apprenticeships were illustrated by the problems that the Carrington Technical Institute had with its three-year carpentry course. The institute was forced to turn down applicants for this course because only trainees taken on as apprentices by tradespeople were eligible. The course thus had a roll of 80, instead of the 500 it was designed for, and of those, only 18 were first-year apprentices.⁶¹

Finally, employers, too, could see the advantages of pre-apprenticeship training. A paper prepared for the 1982 New Zealand Master Builders' Federation Annual Conference outlined the reasons behind this support.⁶² The paper argued that, although the building industry was generally in favour of apprenticeship, there were four factors that pointed to the benefits of modifying the system to include pre-apprenticeship training. First, an initial period of off-job training would postpone the need for the young person to specialise in a particular trade at the outset of the apprenticeship. This would allow a more informed choice to be made and perhaps lessen the attrition rates of apprentices. Second, pre-apprenticeship training would alleviate the high cost to the employer of the early years of apprenticeship; the result of the combination of an unproductive apprentice, and supervision and instruction costs. Third, pre-apprenticeship training would remove the need for the apprentice to be away from the job for protracted periods at block courses. Fourth, the paper spoke of the need to prepare apprentices for re-training that could be required in the future. In light of these concerns, the paper called for a "positive approach to pre-apprenticeship training".⁶³ Clearly the 'social fact' identified

⁶⁰ Kim Ulberg, Skill New Zealand, interview by author, 16 August 2000.

⁶¹ "Red Tape Across the Path to Workshop," *New Zealand Herald*, 18 April 1980. Apprenticeship and Related Trade Training Committee Files, 1977-81. AAOC, W3473, 25/0, NA, Wellington.

⁶² *Apprenticeship – Time for Change*, paper for the New Zealand Master Builders Federation Annual Conference, March 1982. Building Industry Training Board Minutes, AAOC W3473, 14/11, NA Wellington.

⁶³ *Ibid.*

by the VTC ten years earlier; that apprentices should be paid, and by the employer, throughout the course of their training, was being questioned in the early 1980s.

The industries that had moved the furthest towards extended trade training (see Chapter 6, pp.119-123), but had been frustrated in their efforts for reform by the lack of government funding, were quickly persuaded that pre-apprenticeship training could provide an acceptable substitute. Between May and July 1981, the VTC received applications for pre-apprenticeship courses from the New Zealand Motor Trade Certification Board, the Electronics ITB and the Engineering ITB. The VTC met on 15 July 1981 to discuss the proposals, and immediately informed the applicants that the Department of Labour deadline for courses to obtain funding for the following year was 31 July 1981. Given the short time frame, the industry applications for pre-apprenticeship courses were sent to the Department without being finalised, but were nevertheless supported by the VTC.

The response of the Department of Labour to the applications was cautious. The Department argued that the concept of pre-apprenticeship training raised a number of issues. The question of trainee selection was mentioned; without the direct employer/apprentice relationship, who would select suitable candidates? The extent and responsibility for income support for trainees was also queried, as were the contractual obligations of the industries involved to employ trainees at the end of the pre-apprenticeship course. The major concern of the Department was that “any increase in public investment should be clearly balanced by substantial reductions in training times”; therefore, the combined time required for pre-apprenticeship training and the reformed apprenticeship “should be significantly less than the time required for the existing apprenticeship”.⁶⁴ The September 1981 minutes of the NZMTCB recorded the Board’s response to these concerns. The Board argued that, because of the substantial workshop training required in the motor trades, it was not practicable to reduce the total training time by any longer than the time taken for any pre-apprenticeship course. The Board considered that it would be impractical to offer unconditional agreement to employ those completing pre-apprenticeship courses, but guaranteed to do its best to place apprentices.

Movement towards some form of pre-apprenticeship training was as ponderous as the extended trade training scheme had been. In May 1983, the Apprenticeship Training Co-ordinating Committee (ATCC), set up by Bolger in 1982 “to facilitate dialogue between training authorities in the public and private sectors and to encourage harmonisation of the two

⁶⁴ Jackson, Department of Labour, to Wood, VTC, August 1981. *Pre-apprenticeship Training File, AAOC, W3473, 25/10, NA, Wellington.*

systems”, was presented with a paper, *Training in Anticipation of Apprenticeships*.⁶⁵ This paper set out the extent of existing pre-apprenticeship schemes.⁶⁶ The Department of Maori Affairs was offering courses aimed at rural Maori and Pacific Islanders. These were one-year courses and, if an apprenticeship was gained at the completion of the course, the time was credited. The SEAT scheme had taken on no further trainees since the third intake in 1982, and in fact, although the course was designed to lead to a shortened apprenticeship of 5000 hours, this was not acceptable to some employers. Thus, some SEATS graduates accepted longer apprenticeships, negating to some degree the advantage of the pre-apprenticeship course. The Department of Labour had no specific pre-apprenticeship schemes under way. The paper acknowledged the interest in pre-apprenticeship training on the part of a number of industries, and called for more research on the subject.⁶⁷

The Apprenticeship Act 1983 did not specify directly how training should be organised, throwing the question of pre-apprenticeship training firmly back to industries. In a letter that explained the reasons behind the Act, written to Rick Julian, the Commissioner of Apprenticeship, Bolger reiterated that individual industries, through their apprenticeship committees, must decide “how best to adapt their training arrangements to present and future needs”.⁶⁸ Bolger made a wary commitment to assist with funding for pre-apprenticeship training. There were, however, many hoops to be jumped through before this funding would be available. Industries had to show that a training needs analysis had been carried out for that industry; that there was “clear justification for the amount of technical institute instruction” sought; that on-job training had been improved; that there was, where possible, an overall reduction in training time; and that there was a “clear demonstration that the costs to the tax payer are clearly matched by the benefits”.⁶⁹

Pre-apprenticeship training did gradually become the norm in some industries, but more by default on the part of the government than any active policies. For example, pre-apprenticeship courses in the electrical trades began at Christchurch Polytechnic in 1989. They were instigated by the Polytechnic at the request of the industry, which wanted apprentices to have some training before they began their time.⁷⁰ There is little question that pre-

⁶⁵ Apprenticeship Training Co-ordinating Committee (ATCC) Files. AAOC, W3473, 25/12/1, NA, Wellington.

⁶⁶ ATCC Files. AAOC, W3473, 25/12, NA, Wellington.

⁶⁷ ATCC Files, *Training in Anticipation of Apprenticeships*. AAOC, W3473, 25/12, NA, Wellington.

⁶⁸ Bolger to Julian, 6 July 1983. AAOC, W3473, 25/0/Pt1, NA, Wellington.

⁶⁹ Ibid.

⁷⁰ Murray Richards, Course Supervisor, Electrical Trades, School of Electrotechnology, Christchurch Polytechnic Institute of Technology, email to author, 8 February 2001.

apprenticeship courses are useful. They provide the student with a 'taste' of the trade, allowing the student to decide whether they have both the aptitude and the inclination to go on to an apprenticeship. The employer is able to obtain a more focused report on the abilities of the student than a generalised school report could provide and, once an apprentice is selected, they have some theoretical and practical training which allows them to become productive earlier and reduces the need for supervision. In the electrical trade, for example, apprentices who have completed a course are competent in safe working practices, including important testing procedures, and have some knowledge of the use of hand tools. This provides a monetary saving to the employer as less instruction in these areas is required.⁷¹ There is also less time required on block courses throughout the apprenticeship.

There are, however, some concerns with the concept of pre-apprenticeship training. The cost of the course may be a barrier to participation for some. Students with a more practical bent, who may be regarded as the natural recruitment catchment for some trades, may find the prospect of another six months or a year in a 'school' setting daunting. The theoretical emphasis of the courses may also be off-putting for these students, as may be the educational entry requirements. The recent proliferation of course providers raises concerns about quality. Ultimately, pre-apprenticeship courses do not solve the problem of lack of job opportunities. While this is less of a problem in some trades,⁷² and in times when the economy is booming, it raises concerns about the use of pre-apprenticeship courses as a 'holding pen' for school leavers, with achievement on those courses merely providing another sifting device for potential employers. Course providers have mixed incentives when it comes to setting intake numbers for their courses. They may not always be in a position to guarantee that acceptable levels of their graduates go on to take up apprenticeships, raising false expectations in some of their students.

Public Service Apprenticeships

The role of government departments in fostering apprenticeship was also examined by *Apprenticeship for Tomorrow*. Public service apprenticeships had historically been regulated by separate legislation, beginning with the Government Apprentices Act 1875. This act expanded the provisions made for government apprentices in the Master and Apprentice Act

⁷¹ Ibid.

⁷² Ibid.: Of the participants in the electrical pre-apprenticeship courses, approximately 90 per cent of each course would get apprenticeships, 5 per cent would go on to further training, and about 5 per cent would drop out through lack of ability or disinterest (a filter for industry).

1865, setting terms to between three and seven years, and ensuring that apprentices received wages as opposed to board. The act was consolidated in 1908.⁷³ After 1945, public sector apprentices had been indentured under a variety of acts, such as the Government Railways Act 1949, the Post Office Act 1959 and the State Services Act 1962.⁷⁴ By 1983, ten government departments (including the armed services) employed apprentices, with the majority (61.8 per cent) working for either New Zealand Railways, the Ministry of Energy Resources, the New Zealand Post Office or the Ministry of Works and Development.⁷⁵

Apprenticeship for Tomorrow highlighted the importance of public sector apprenticeship, and called for greater co-ordination and comparability between public and private sector training authorities.⁷⁶ While the number of government apprentices was not high (see Figure 19), averaging 7.7 per cent of the total number of new apprenticeship contracts in the years 1969 to 1983,⁷⁷ public sector apprenticeship was important for three reasons. First, in general terms, the public sector played a crucial role in industrial relations, with apprenticeship conditions in the public service forming one component of the bargaining framework. Second, some trades existed only in the government sector. In New Zealand, enterprises that required specialised tradespeople, such as the large railway workshops and hydroelectric developments, were only possible with state sponsorship. Finally, the intake of government apprentices was less dependent on economic conditions, and was thus able to help smooth fluctuations in the supply of tradespeople.

Given that the individual government departments fixed the proportion of apprentices to tradespeople,⁷⁸ the public sector was able to train “well in excess of the number required to replace their loss of tradespersons”.⁷⁹ The Railways Department, for example, needed to replace about 100 tradespeople each year, but in the five years up to 1981, had taken on an average of 300 apprentices per year. The cost of this service was analysed by New Zealand Railways in 1980. The unrecompensed cost of the apprenticeship training provided by New Zealand Railways was in the vicinity of \$3 million for the year ended 31 March 1980.⁸⁰ Thus,

⁷³ VTC, *Current Developments in Apprenticeship*, 1975, 13.

⁷⁴ VTC, *Review of Apprenticeship*, 1978, 11.

⁷⁵ Department of Labour, *Summary of Apprenticeship Trends to 31 March 1983*, 11.

⁷⁶ *Apprenticeship for Tomorrow*, 1981, 19.

⁷⁷ Department of Labour, *Summary of Apprenticeship Trends to 31 March 1983*, 6.

⁷⁸ VTC, *Review of Apprenticeship*, 1978, 11.

⁷⁹ *Apprenticeship for Tomorrow*, 1981, 19.

⁸⁰ New Zealand Railways, *The Social Role* (Wellington: NZR, 1980), 7.

the excess numbers of tradespeople produced by the state clearly provided an indirect subsidy to private sector training costs.

Figure 19: New Apprenticeship Contracts in Government Departments, 1969-83 ⁸¹



The 1983 Apprenticeship Act

Apprenticeship for Tomorrow was tabled in the House in 1982, and a tripartite Advisory Committee on Apprenticeship Reform established to advise the Minister of Labour on the “broad issues of principle” that would arise as the system was being reformed.⁸² The committee was chaired by Major-General L.A. Pearce, a past chairman of the VTC, and superseded the VTC’s Apprenticeship and Related Trade Training Committee.⁸³ It comprised two Employers’ Federation representatives; two representatives from the Federation of Labour; Derek Wood from the VTC; and was supported by officials from the Departments of Labour and Education.⁸⁴ The committee was made up entirely of men, a fact that was noted with concern by National Advisory Council on the Employment of Women (NACEW), which

⁸¹ Department of Labour, *Summary of Apprenticeship Trends to 31 March 1983*, 6.

⁸² AJHR, 1982, G-1, 22.

⁸³ ARTT Committee Files, VTC. AAOC, W3473, 25/11/1, NA, Wellington.

⁸⁴ ‘Apprenticeship Committee Members Named’, LEG, 32(1), March 1982, 7.

called for representation of women and their concerns on the committee.⁸⁵ The committee reviewed over 100 submissions on *Apprenticeship for Tomorrow*.⁸⁶

While the Advisory Committee endorsed the bulk of *Apprenticeship for Tomorrow*, there were three proposals they were unable to support. The proposal that formal recognition should be granted for each stage of skill acquisition raised the concern of the “possible dilution of the objective of achieving an adequate supply of fully qualified people”.⁸⁷ The committee was opposed to a proposal that adult apprenticeships should be positively encouraged, feeling strongly that “apprenticeship should continue to be seen primarily as the preserve of school leavers”.⁸⁸ The committee also disagreed with the proposal that lodging allowances should be increased at the expense of travel subsidies.⁸⁹ The work of the Advisory Committee was considered complete in May 1983, as the Apprenticeship Act was passed into law.⁹⁰

Many of the suggestions made in *Apprenticeship for Tomorrow* were enacted in the Apprenticeship Act 1983. The Act was passed with little debate; the consultation preceding it had been so lengthy and thorough that there clearly was little more to be said. Eddie Isbey, the Labour member for Papatoetoe, explained the Opposition support for the Act by saying: “anything that will streamline the apprenticeship procedures should be supported by the House”.⁹¹ There were three major themes in the Apprenticeship Act. These were the promotion of additional apprenticeship opportunities, a simplification and streamlining of the apprenticeship system and the enhancement of the quality of training.⁹² While retaining many of the traditional concepts of apprenticeship, the Act made some important changes. Section 3 reiterated that all or most of the knowledge and skills to be learnt during the apprenticeship would be acquired “by means of practical training received in the course of the employee’s employment”, but made provision for formal instruction elsewhere.⁹³ The section also left the term of the apprenticeship open, specifying only a “period of employment whose length is related to the extent of the knowledge and skills intended to be acquired”.⁹⁴ The legislative

⁸⁵ National Advisory Council on the Employment of Women (NACEW) Minutes, 3 June 1982. AAOC, W3473, 21/12, NA, Wellington.

⁸⁶ AJHR, 1983, G-1, 23.

⁸⁷ Advisory Committee on Apprenticeship Reform, Response to *Apprenticeship for Tomorrow* Proposals, June 1983. AAOC, W3473, 25/0 Pt 1, NA, Wellington.

⁸⁸ Ibid.

⁸⁹ ‘Apprenticeship Reform: the Next Steps’, LEG, 33(3), September 1983.

⁹⁰ Apprenticeship Training Co-ordinating Committee Files. AAOC, W3473, 25/12, NA, Wellington.

⁹¹ NZPD, 451, 1983, p.1051.

⁹² ‘New Apprenticeship Act has Three-fold Purpose’, LEG, 33(4), December 1983, 7.

⁹³ *New Zealand Statutes*, 1983, 182.

⁹⁴ Ibid., 183.

machinery for secondments, group apprenticeships, joint contracts and apprenticeship to industry was put in place, and the reality of uncertain economic conditions was recognised with provisions for transfers, secondments to state service employers and a section detailing the procedure when an employer's business was wound up. The administration of the apprenticeship system was rationalised, and the Arbitration Court was charged, through apprenticeship orders, with creating the "maximum number of opportunities for the employment of apprentices".⁹⁵

The Apprenticeship Act 1983 included the expectation that individual industries would attempt to increase their number of women apprentices, and encourage minority groups into apprenticeships. Section 40 of the Apprenticeship Act 1983 charged local apprenticeship committees with promoting:

the taking up of apprenticeships by members of groups that are under-represented (in relation to the sexual and ethnic composition of the New Zealand workforce) in the workforce of that industry, and by persons with special needs.⁹⁶

It was also expected that industries would restructure their local committees, to facilitate their new promotional role of encouraging additional apprenticeship openings for all young people. The major focus required of industries was to initiate a formal analysis of their training requirements, backed up by an 80 per cent government subsidy through training development assistance grants.⁹⁷

Thus, the pressure for the reform of apprenticeship that had been steadily mounting throughout the 1970s and early 1980s resulted in an Apprenticeship Act that acknowledged those issues, but retained an essentially traditional understanding of apprenticeship. The provisions of the Act, while encompassing many of the concerns that had been expressed, contained more potential than actual solutions. While the mechanics for new initiatives were put in place by the Act, the responsibility for developing those initiatives was placed largely with industries. This raised three possible barriers to reform. First, many industries were conservative by nature, finding little incentive to change a system that in the main suited their needs. Second, some of those industries which were keen for reform had tried their best with both the extended trade training and pre-apprenticeship schemes, but had often been thwarted by the cumbersome nature of the process and the lack of funding. It was not surprising that these industries were sceptical about apprenticeship reform. Third, industries were bearing the

⁹⁵ Ibid., 212.

⁹⁶ Ibid., 219.

⁹⁷ AJHR, 1984, G-1, 21.

brunt of the economic hardship. Given that training is one of the first areas to be pruned in hard times, it was perhaps a little ambitious for the government to expect wholesale reform of training in a period of virtually nil economic growth. The impact of the Apprenticeship Act 1983 is difficult to assess fairly, however, because mere months after its passing, the fourth Labour government was elected, precipitating a maelstrom of change in every aspect of life in New Zealand.

CHAPTER EIGHT

THE FOURTH LABOUR GOVERNMENT: 'REVOLUTIONISING' APPRENTICESHIP?

The election of the fourth Labour government in July 1984 marked the beginning of fundamental and far-reaching changes in the role of the state in New Zealand. The combination of harsh economic conditions, a country tired of the authoritarian interference during the Muldoon years, and an incoming government brimful with new ideas, ensured the climate for reform was in place. The economic crisis that occurred immediately after the election provided the kick-start required to initiate the reforms, and “coloured the policies and style” of the new government.¹ It was clear that long-term economic issues had to be resolved and that this was most effectively done with swift and fundamental reform. This in turn required a level of research and analysis not before seen in New Zealand: “officials were required to shift their focus from recommending marginal improvements to fundamentally reassessing the purpose and effectiveness of existing policies and institutions”.²

This chapter first examines the changes to the education system as a whole desired by the incoming Labour government. It is significant that discussion about apprenticeship during this period became to be seen more as an ‘education’ issue than a ‘labour’ one, partly reflecting the emphasis on post-compulsory education and training, and partly in tacit recognition that entrance to the labour market became increasingly circumscribed. Second, it traces the mechanics of the government’s attempts to force apprenticeship reform. The means used for this was the Apprenticeship Act 1983, but the deal was ‘sweetened’ with a subsidy tied to reform. Third, the chapter examines the findings of many of the taskforces and working parties that were formed to advise on restructuring the education system. It will show that, while many of the reforms that took place were informed by the neo-liberal ideology of lessening state involvement, education and training policies were often the site of tension between such ideals, and demands for equity and a steady supply of skilled workers.

Codd identifies “deep-seated contradictions” embedded in the educational policies of the fourth Labour government: “the fundamental contradiction [was] between a democratic imperative for more community participation in decision-making, and an economic imperative

¹ Butterworths, *Reforming Education*, 33.

² *Ibid.*, 34.

for tighter controls over public expenditure”.³ This contradiction, however, was not new to education, and was in fact merely a part of the ongoing tension (identified often during this research) between the social and economic goals of education. The Butterworths confirmed that “education reforms in New Zealand have wrestled time and time again with a relatively small number of intractable and interlocked issues”: the tension between local and central control; issues of equality and equity; the question of who should pay for education and how accountability can best be organised; and crucially, the debate about the purpose of education and whether it is primarily an individual or societal benefit.⁴

The Labour party’s 1984 election manifesto emphasised the role of the education system in delivering an equitable society. It expressed concern about the lack of opportunities for women, Maori and Pacific Island groups, and the working class, and resolved to improve these through the education system. The manifesto also promised to “ensure that all school leavers who fail to find employment in their first year after leaving school will have access to further education and vocational training”.⁵ The means to fulfil this promise was investigated by a caucus Transition Education Committee,⁶ which noted in its interim report, presented in January 1985, that there were a decreasing number of work opportunities available for young people. The report claimed that the primary causes of youth unemployment were a marked decline in the number of apprenticeships offered, and the restructuring effects of new technologies, both of which worked to reinforce the disadvantages that some groups in society already faced.⁷ The commitment to social equity was cemented with the appointment of Russell Marshall, “well known for his liberal views on education”,⁸ as Minister of Education, and underscored by the importance to the policy process of the Cabinet Social Equity Committee (chaired by Marshall).⁹ The Prime Minister, David Lange, established this committee in 1984 and its role was to address issues relating to social equity; to review existing policies and resource allocations; and to initiate new policies to deal with social imbalances.¹⁰

³ Codd, *Educational Policies and the Crisis of the New Zealand State*, 191.

⁴ Butterworths, *Reforming Education*, 21.

⁵ Liz Gordon, “The Right Way to Work: The Development of the Access Training Programme,” in *New Zealand Educational Policy Today*, ed. Sue Middleton, John Codd & Alison Jones (Wellington: Allen & Unwin NZ, 1990), 179.

⁶ Ibid.: Members of Committee: Noel Scott, Margaret Austin & Trevor Mallard.

⁷ Ibid., 180.

⁸ Ibid., 179.

⁹ Butterworths, *Reforming Education*, 40.

¹⁰ Geoffrey Palmer, *Unbridled Power* 2nd ed. (Auckland: Oxford University Press, 1987) 41-42.

Alongside these equity goals, however, was a growing feeling in some sectors that the economic goals of education were equally important, and that they had been neglected in the New Zealand education system. Throughout the 1970s and 1980s “the worsening economic climate, and the need for New Zealand to develop sharper, more modern skills, focused attention on the economic purposes of education”.¹¹ A 1982 OECD report had (as part of an international series) reviewed the New Zealand education system. The report was generally complimentary, but did make the comment that the New Zealand system stressed individual development, prioritising educational, rather than economic and instrumental values.¹²

This vein of thought was evident in the 1984 Treasury briefing to the incoming government, *Economic Management*. Treasury, after imbibing New Right ideology during the ‘thumb-twiddling’ years of the Muldoon administration, was “ready to hit the ground running”.¹³ While the main thrust of the briefing dealt with economic policy, it also raised serious questions about the effectiveness of current social spending. With regard to education, the main concern of Treasury at that point was the tertiary sector. It argued that education at the tertiary level was as much a private good as a public one, and that tertiary education was a classic example of ‘middle-class capture’, that is, that tertiary education largely benefited those who could well afford to contribute more fully to its cost. The briefing also identified what was to become a driving force for reform in the education sector, “the mismatch between school-leavers’ skills and the labour market”.¹⁴

It was against this background that Marshall began what was regarded by many as a long overdue rationalisation and reform of the education system. The administration of education, in particular, was a “mishmash”, and Marshall was especially aware that the “polytechnic and technical institute sector was fragmented, unco-ordinated, and grossly over-centralised”.¹⁵ Reform in this area was complicated by the fact that post compulsory education and training was fought over by the Departments of Education and Labour, and by the need for the government to keep its election promise of providing training for the growing numbers of unemployed youth. Marshall’s style was consultative and he wanted to improve the system through the “traditional means of incremental reforms and increased resources”.¹⁶

¹¹ Butterworths, *Reforming Education*, 26.

¹² *Ibid.*, 21.

¹³ *Ibid.*, 35.

¹⁴ *Ibid.*, 37.

¹⁵ *Ibid.*, 40, 41.

¹⁶ *Ibid.*, 40.

A series of reports throughout the first term of the Labour government reaffirmed the idea that the state had a role to play in organising and delivering vocational training. While the pressure for economic deregulation was firm and sustained, the idea that education and training should be subject to market forces had not yet fully taken hold. The changing nature of the debate surrounding vocational education illustrates well the tension between neo-liberalism and corporatism that became evident throughout the 1980s. Corporatism is defined as “the formulation and implementation of government policies through the mechanism of a negotiated and consensual alliance of labour, capital and the state”.¹⁷ Oliver argues that within the fourth Labour government, the demand for free-market restructuring drove out corporatist policies. This may well have been true in the government’s economic approach, but there remained a role for tripartite negotiation about vocational educational policies until the late 1980s.

Young People, Education and Employment, New Zealand Planning Council, 1985

This report set out the changes that the 1983 Apprenticeship Act and the 1984 Labour government had made to apprenticeship. It argued that the fundamental issue at stake was the “role of the state in relation to the vocational training of young people”.¹⁸ The report presented two opposing views of what that role should be; the fledgling notion of ‘user pays’ as reducing the role of the state on one hand, and, on the other, the idea that the state should have a greater role in vocational training, in line with public expenditure on university education, for example. The report identified the perceived cost of apprenticeship to employers as being one of the major factors in the decline of the number of apprenticeships offered, and commended government initiatives to ease this burden. It argued that “a key barrier to growth in numbers of apprentices is the requirement for concurrent work experience alongside the training the apprentice receives”.¹⁹ Clearly, then, in an economic downturn, less work available translates into fewer apprentices required. Thus, the report argued, the state must be prepared to intervene to even out this drop in demand and to ensure the required flow of skilled workers: “the problem which arises is that there is a gap between industry demand for skilled labour and industry’s willingness to train that labour”.²⁰

¹⁷ W. Hugh Oliver, “The Labour Caucus and Economic Policy Formulation, 1981 to 1984”, in *The Making of Rogernomics*, ed. B. Easton (Auckland: Auckland University Press, 1989), 11.

¹⁸ Vince Catherwood, *Young People, Education and Employment: Planning Paper No.23*, 28.

¹⁹ *Ibid.*, 28.

²⁰ *Ibid.*, 28.

The report at no stage questioned the validity of 'apprenticeship' as a means of training young people. It did, however, offer several suggestions to ease the perceived rigidities of the existing system, arguing that "radical structural changes... may be the only satisfactory, long-term answer to the problem of providing New Zealand in the future with a skilled and adaptable workforce".²¹ The suggestions largely followed the ideas in the 1981 document, *Apprenticeship for Tomorrow*, such as broad-based initial training, competency-based assessment and pre-apprenticeship training. The report also suggested widening the range of industries using systematic training and introducing variations on the organisation of the formal component of training, such as polytechnic trade training schemes run in parallel with apprenticeships.²²

The Employment Promotion Conference, March 1985.

In March 1985 the fourth Labour government initiated the Employment Promotion Conference. The aim of the Conference was to address employment policy; particularly growing levels of unemployment, using a "collective consultative process".²³ Despite short time horizons allowed for the preparation of submissions, a wide range of viewpoints were represented. Higgins, in a retrospective article that compares the 1985 conference with the Employment Taskforce of 1994, argued that there were clear and concrete ideas offered on how to manage unemployment at the community level. Unfortunately, Higgins argued, the "boundaries within which the government was prepared to move on unemployment issues were already settled by an agenda dominated by economic policy".²⁴ Thus, a strategy of subsidised work and training for unemployed people, which had been the theme of many of the submissions to the Conference, was phased out and replaced with the Access programme. The focus of Access was on training rather than on creating jobs. Higgins argued that that rhetoric behind the scheme "lifted responsibility for the punishing policy-induced unemployment that was to follow neatly onto the shoulders of the unemployed themselves".²⁵ This is borne out by a description given in 1988 by Phil Goff, Minister of Employment, of the

²¹ Ibid., 30.

²² Ibid.

²³ Jane Higgins, "The Task Force on Employment: An Experience of *Déjà vu*?" *New Zealand Political Review*, February/March 1995, 7.

²⁴ Ibid., 7.

²⁵ Ibid., 7.

Access scheme as “a programme designed to address the *personal and vocational skill deficiencies* of long-term unemployed people” (author’s italics).²⁶

The VTC submission to the Employment Promotion Conference set its discussion of apprenticeship firmly within the larger issue of youth employment, laying out cogently three inter-related issues. The first issue was the direct correlation between low levels of qualifications and high levels of unemployment. A profile of those unemployed between November 1983 and January 1984 showed that 77 per cent were lowly skilled, 69 per cent had no educational qualifications and 58 per cent were aged under 24.²⁷ Second, training opportunities for young people had declined markedly. The tight economic situation meant that fewer apprenticeships were being offered, with employers tending to recruit already qualified workers to fill the smaller number of vacancies available. This exacerbated the problem of ‘poaching’ of workers trained by a particular firm, making employers even more reluctant to take on apprentices. The scarcity of training opportunities also allowed the entry standards to become artificially high, penalising the less qualified, with shrinking opportunities for unskilled or semi-skilled work effectively creating a barrier to any form of employment for much of this group. The third issue identified was that by international standards there was a “serious lack of vocational skills and training amongst young workers in New Zealand”.²⁸ (See Table 8 for international comparisons). The paradox identified in the 1985 Planning Council report was reiterated by the VTC; the need for highly-skilled, flexible workers, but the claim by industries that “in the modern competitive business world, they are not in a position to develop these characteristics in their skilled workers”.²⁹

²⁶ New Zealand Council for Educational Research, *Proceedings of the Towards Competency Seminar, August 1988*, ed. Graham A. Wagner (Wellington: NZCER, 1989), 10.

²⁷ Vocational Training Council, *Training and Employment: Papers Prepared for the Employment Promotion Conference, March 1985* (Wellington: VTC, 1985), 7.

²⁸ *Ibid.*, 6.

²⁹ *Ibid.*, 7.

Table 8: Post-secondary Education Trends: International Comparisons, 1981³⁰

	% of School Leavers Entering Labour Market without a Recognised Educational Qualification (1981)	% of Population aged 16-24 Participating in Education (1981)
Germany	10	45
Japan	13	54 (1982)
United Kingdom	16	32
USA	29	73
New Zealand (1984)	33	27

The VTC recommended the development of a comprehensive youth training policy, catering for the unemployed and inadequately trained. The concept of broad-based, flexible training was again to the fore, but the VTC saw this as a complement to traditional methods of training, such as the apprenticeship system, rather than as becoming an integral part of that training. Thus, broad-based, pre-vocational training was viewed as a means to increase the adaptability and employability of young people, not as a “substitute for traditional avenues of skill training such as apprenticeship, which the Council believes should be promoted and utilised to the full”.³¹ The VTC’s paper also introduced the concept of “skill ownership”; the ability to reuse learned skills and knowledge in different environments, thus placing the notion of ‘skill’ firmly in the hands of the individual, as opposed to connecting it to the job.³²

On Education and the Economy, 1986 Vocational Training Council Report

This report was produced as a contribution to an international Organisation for Economic Co-operation and Development (OECD) study on the role of education and training in economic performance and growth. The OECD had carried out a survey on the New Zealand post-secondary system in 1982.³³ While the findings were generally positive, describing the system as “low-cost, efficient and economic”, the report noted growing structural youth unemployment and asserted the “inhibiting influence of the existing

³⁰ J. Tetley, B. Whisker & D Wood, *Education and the Economy: A Vocational Perspective* (Wellington: VTC, 1986), 10.

³¹ Ibid., 8.

³² Ibid., 8.

³³ Also discussed on page 146.

apprenticeship system on skill change”.³⁴ With this survey as a background, and in the light of the economic and political changes of the mid-eighties, the VTC asked 126 prominent and influential decision-makers from all sectors of the country their views on the efficacy of New Zealand’s education system and its place in economic development. The respondents showed “surprising agreement about major issues”, with top priority being given to “a more flexible workforce with adaptable skills”.³⁵ Echoing concerns that had been raised on many occasions in the past (for example, see Chapter 7, p.127), many respondents questioned the validity of the secondary curriculum in preparing young people for ‘the world of work’. The apprenticeship system was criticised by many as being “archaic and sex discriminatory”, and it was felt that more emphasis should be placed on pre-apprenticeship training.³⁶

Clearly, then, the problems that had been identified with the apprenticeship system during the preceding twenty years were not significantly closer to being solved. Despite economic and social pressures, the apprenticeship system proved remarkably resistant to change. It is interesting to note that in the on-going discussion regarding apprenticeship reform, all parties appeared to be receptive to change to a greater or lesser degree. From the myriad of reports and papers it would be difficult isolate one group involved in the apprenticeship system, and pinpoint that group as the seat of resistance. Thus, it could be suggested that the sticking point was at the ‘work-face’; that the rhetoric of official bodies, be they union, employer or educationalist, perhaps was not always reflective of deeply entrenched ideas held by those ‘doing the doing’. The power of the socialisation processes involved in apprenticeship must not be underestimated. To those involved in the process, apprenticeship is much more than an education, or an economic transaction. This may explain why changes made to the system from ‘above’, or by those with only an intellectual understanding of apprenticeship, may be doomed to failure.

The ‘Economic Miracle’ Fails to Materialise

By 1985 the fourth Labour government was well down the track of radical restructuring and liberalisation of the economy. Unemployment had fallen steadily, reaching a low point of 45,000 in March 1985. Much to the government’s consternation, however, after September 1985 the numbers began to rise again and economic growth began to slow: “this was alarming to a government that had staked everything on its belief that economic

³⁴ Vocational Training Council, *On Education and the Economy* (Wellington: VTC, 1986).

³⁵ VTC, *On Education and the Economy*.

³⁶ Ibid.

restructuring would restore economic growth and create employment”.³⁷ The reaction of the government was to develop an “extraordinary focus” on the need for the education system to provide the necessary skills and training for young people to enter the labour market. This resulted in the establishment of the Cabinet *ad hoc* Committee on Employment and Training in March 1986, which was charged with developing policy on reducing unemployment through improving education and training.³⁸ Reflecting the depth of concern, this committee sat for fifteen months. It authorised the Access scheme, then turned its attention to “a rational reappraisal of the whole tertiary sector”. A Green Paper on vocational education and training prepared by the Department of Labour was to have a “seminal influence” on the committee, setting out for the first time many of the themes that would guide reform of the sector.³⁹

Green Paper on the New Zealand Vocational Education and Training System and Institutional Arrangements in the Labour Market, 1986.

The paper was a sincere and detailed discussion of the state of vocational training in New Zealand, encompassing both practical and theoretical concerns. The paper began by stating that the three inter-related objectives of vocational education and training were to contribute to economic growth, to promote equity in the labour market and to enhance personal development.⁴⁰ It argued that vocational education and training should be “accessible, flexible, measurable, transferable and culturally appropriate”, and then suggested reasons why the historical development of vocational education and training impeded the realisation of some of these goals.⁴¹

The main argument of the Green Paper was that post-war vocational training, in particular the apprenticeship system, had grown out of the particular social and economic environment of the time. Thus, strong economic growth and little unemployment had “profoundly influenced” attitudes to training.⁴² For example, the notion of a ‘job for life’ meant that there was a widespread belief that training was something that happened at the beginning of a person’s working life. Training arrangements were historically closely linked with industrial relations issues, with the length of training strongly influencing the ultimate

³⁷ Butterworths, *Reforming Education*, 55.

³⁸ Ibid., 56: The members of this committee were Marshall, Kerry Burke (Employment), Ann Hercus (Social Welfare), Koro Wetere (Maori Affairs) and Richard Prebble (Finance).

³⁹ Ibid., 58.

⁴⁰ Department of Labour, *Green Paper on the New Zealand Vocational Education and Training System and Institutional Arrangements in the Labour Market*, 1986. New Zealand Qualifications Authority Library.

⁴¹ Ibid., 1.

⁴² Ibid., 7.

rate of pay. Pay-rates often became distorted by the need to attract skilled workers, and the protected nature of the economy meant there was little requirement to attend to the demands of international competitiveness, or to recognise changing skill levels. The plentiful number of relatively well paid, unskilled jobs for school leavers meant there was little pressure to change the route to skilled work. Immigration had been an important source of skilled labour; this reduced the motivation for the country to be self-sufficient in skilled labour and gave a buffer that allowed some training practices to become “unsystematic, inefficient and unresponsive to change”.⁴³

The Green Paper then provided a stock-take of both historical and contemporary problems with vocational training. These problems can be grouped into areas relating to training and technical education, and the cost of training. The paper argued that there was difficulty with translating the identified needs of industries into actual training programmes: “only in some cases has attention been given to the intensive task of translating a raw list of skills and attributes into a comprehensive on-job and off-job teaching/learning programme”.⁴⁴ The paper called for more flexibility in training arrangements, arguing that improved linkages between different types of training were impeded by the “haphazard and unco-ordinated” way in which training had evolved.⁴⁵ The arbitrary demarcations between different occupational groups, and the tendency of each group to protect its position, also contributed to the difficulty in any attempt to integrate qualifications. The paper argued that a national certification system was necessary to facilitate a flexible and multi-skilled workforce. It also questioned the reliance on written examinations, and favoured competency, rather than timeserving, as the best means of assessment. The Scottish system of standards-based assessment for technical and vocational education was suggested as a model that could provide a national basis for judging competency in a wide range of subject areas.

The Green Paper criticised the lack of transparency and logic in the sharing of costs of vocational training and set out the ways in which the costs had been traditionally spread. The individual trainee paid through fees for formal education, and through receiving a discounted income for the years spent in training. There was therefore a clear expectation on the part of the trainee that the income received after qualification would be sufficient to make up for the years of low income. The rest of the country paid through the taxation required for formal education, and by paying extra for goods and services to which the employer had added an

⁴³ Ibid., 8.

⁴⁴ Ibid., 15.

⁴⁵ Ibid., 20.

implicit cost for training expenses. These training expenses were largely unquantified by the employer, as were the benefits received from training: therefore, there was “no clear and direct pay-off to individual employers to invest in general vocational training”.⁴⁶ Thus, cost benefit analysis was piecemeal, often unstated and unquantified, and dependent upon values and attitudes that had their basis in a very different economic and social climate:

the present distribution of the costs [of vocational training] owes more to historical accident than to the application of a set of well thought-out principles. This suggests that training efforts may be unduly influenced by funding arrangements which have little basis in logic.⁴⁷

The Green Paper then set out two perspectives that the government considered as frameworks within which to tackle the problems faced in vocational training:

Employment Perspective

- highly trained and multi-skilled workforce;
- identification of new skill requirements and numbers required;
- provision of universal, systematic and recognised training.

Education Perspective

- equality of opportunity;
- equity;
- broad and flexible continuing education;
- preparation for non-traditional employment.

The ‘employment’ option was seen as implying co-ordination of vocational training from a labour market perspective; an optimistic notion given the singular lack of success of previous attempts in labour market planning. The ‘education’ option, on the other hand, would emphasise co-ordination across the whole tertiary sector, with subsequent links to a labour market perspective. The government called for greater cohesion between the two approaches, but declared itself unsure of the best way to achieve this.⁴⁸ Nowhere, however, was there a mention of the ‘market’ as the most appropriate means of determining vocational training requirements.

Many of the issues highlighted in the Green Paper were discussed in a short report made by the Cabinet *ad hoc* Committee on Employment and Training in late October 1986. This report set out guidelines for reform, pointing to the need for the decentralisation of the administration of the continuing education sector, and to the importance of an independent

⁴⁶ Ibid., 8.

⁴⁷ Ibid., 35.

⁴⁸ Ibid., 35.

validation authority. The committee argued that flexibility in training practices was best ensured by focusing on the end product; that validation, rather than curriculum prescription would result in young people acquiring the skills that the economy required. Integral to this flexibility was the need for the ability to cross-credit courses, and for assessment to be based on competency, rather than time served. The committee also proposed that institute based-training run parallel to on-job training, suggesting that the “committee had doubts about the apprenticeship system”.⁴⁹ These changes were so far-reaching that the committee saw the need for an extensive review of the post-compulsory sector, and thus deferred its findings to the more comprehensive review of the entire post-compulsory sector announced by the Minister of Education in late 1986.⁵⁰

The Ministerial Working Party on the Management, Funding and Organisation of Continuing Education and Training (The Probine/Fargher Report), March 1987.

The first component of the review was a working party established by Marshall to examine the funding and administration of the polytechnic sector. Dr Mervyn Probine, a former chairperson of the State Services Commission, and Ray Fargher, a former secretary of the Technical Institute Teacher’s Association, jointly chaired the working party (which became known as the Probine/Fargher Committee). The report of the committee was “notable for its philosophical and analytical stance”.⁵¹ It acknowledged the importance of the polytechnic system in the delivery of both vocational training and courses that provided ‘personal enrichment’. The low participation rates in post-compulsory education, and the wide variations in the funding and delivery of that education, however, were of great concern to the committee. The wider concerns of youth unemployment and the lack of progress on equity issues were also canvassed by the report.

While in many respects the report reiterated the main points of the 1986 Green Paper, it also reflected the growing influence of neo-liberal ideology. It recommended that technical institutes be permitted to charge fees, and to provide services directly to individual companies. The report suggested that the management of technical colleges be devolved to principals and boards, through a charter system. At the same time as promoting devolution, the report recommended that the responsibility for continuing education, together with the Labour

⁴⁹ Butterworths, *Reforming Education*, 60.

⁵⁰ Butterworths, *Reforming Education*, 61: This review was announced despite the appointment on 30 October 1986 of the Royal Commission on Social Policy, which was also to consider education.

⁵¹ *Ibid.*, 62.

Department's responsibility for training, be both centralised in a statutory board, to be known as the Continuing Education and Training Board.⁵² Probine and Fargher considered that many of their ideas were "unpalatable to many people and [the report] was therefore buried".⁵³ Nevertheless, the report helped "crystallise government opinion about the need for structural reform of the tertiary sector, and by 1990 many of its recommendations had been implemented".⁵⁴ Many of the ideas developed in the report were also to have a 'profound' influence on the Picot Taskforce, convened by Marshall in mid 1987 to examine the compulsory education sector.⁵⁵

A memorandum summarising submissions to the Probine/Fargher Report, prepared by the authors themselves, was sent to the ministers concerned in September 1987. The submissions received were considered to be generally in favour of the report. The memorandum suggested that apprenticeship contracts remain with the Department of Labour. It recommended that the VTC be dispersed, with Industry Training Boards to come under control of the proposed umbrella statutory board. The memorandum reported that there had been reservations from some sectors about the tenor of the report. Employers perceived it as being 'education biased', while unions felt that the report was too market orientated, and that it downgraded social equity issues.⁵⁶

An article in the October 1987 *Printers' News* suggests that there were wider concerns at industry level about the report. The article critiqued the report as making little mention of the responsibility for apprenticeship training and in particular criticised the lack of any regional structure in the sketchy proposals. Support was given for the role of the Apprenticeship Division of the Department of Labour, and concern was expressed at the emphasis on 'education' in the establishment and control of the new framework. The article wondered if this reflected the attitude of the authors of the report, and of the education sector in general, "that the apprenticeship system of training [was] no longer relevant and should be scrapped".⁵⁷ The article argued that most industries were firmly committed to apprenticeship,

⁵² M. Probine & R. Fargher, *The Management, Funding and Organisation of Continuing Education and Training* (Wellington: Ministry of Education, 1987).

⁵³ Butterworths, *Reforming Education*, 62.

⁵⁴ Ibid.

⁵⁵ Ibid., 61.

⁵⁶ M. Probine & R. Fargher, *Summary of Submissions re 'The Management, Funding and Organisation of Continuing Education and Training'*, September 1987, (Memorandum for the Prime Minister, Minister and Associate Minister of Education & the Minister of Employment). ABVO, Series 947, 5091/3, 51/107/7, NA, Wellington.

⁵⁷ 'The Printing Industry's Response to the Probine/Fargher Report' *Printer's News*, October 1987, 7-9, ABVO 947, 5091/3, 51/107/7, NA, Wellington, 7.

giving as proof a description of the difficulties that the printing industry had faced in reforming its apprenticeship system.⁵⁸

The Apprentice Block Course Subsidy: Carrot or Stick?

While these on-going concerns about post-compulsory education were being thrashed out at ministerial level, reform of the apprenticeship system at the 'coal-face' had been given a new impetus by the Apprentice Block Course Subsidy (ABCS), announced by the Minister of Employment, Kerry Burke, in September 1984.⁵⁹ It is interesting to note that, despite the fourth Labour government being defined by its dismantling of state regulation, and "driven by a market-liberal philosophy involving a mix of monetarist and supply-side economics", apprenticeship remained firmly under direct government control.⁶⁰ The ABCS was designed to subsidise employers for the wages paid to apprentices while they attended block courses. It was to be paid at two rates; an interim rate of 60 per cent of average apprentice wages (set at \$80 per week for 1985), and a full rate (\$120 per week). The interim rate was to be available for three years only, but the full rate, earned when industries had reformed their apprenticeship systems to a standard set by the government, had no termination date.⁶¹

The Labour government also introduced the Female Apprentice Incentive for Recruitment (FAIR) subsidy in October 1984, which provided \$20 per week for the first year of training to employers of female apprentices (other than in women's hairdressing).⁶² An Apprenticeship Administration Incentive was introduced at the beginning of 1985 to encourage the development of group apprenticeship schemes. The Additional Apprenticeship Incentive and the Apprentice Instructor wage subsidy were discontinued in September 1984, and the obsolete extended trade training scheme was phased out from the end of 1984.⁶³

The reforms sought by the government were largely based upon the concerns identified in *Apprenticeship for Tomorrow* and enacted in the 1983 apprenticeship legislation. The significant difference was that the Labour government clearly felt that the promise of the ABCS gave the reforms some 'teeth'. The changes that were required of industries fell into two categories. In the 'essential' category, there was a strong emphasis on industry planning. Each industry had to undertake a systematic review of its training needs and be committed to

⁵⁸ Ibid., 9.

⁵⁹ AJHR, 1985, G-1, 20.

⁶⁰ Alan McRobie, "The Politics of Volatility, 1972-1991", in *The Oxford History of New Zealand*, 2nd, ed. G.W. Rice (Auckland: Oxford University Press, 1996), 403.

⁶¹ AJHR, 1985, G-1, 20.

⁶² Pleasance Hansen, *Women's Employment Issues* (Wellington: Department of Labour, 1987), 18.

⁶³ Circular No. 209, 5 October 1984. ARTT Committee, VTC, AAOC, W3473, 25/0/Pt 1, NA, Wellington.

regular reviews, it had to improve the quality of on-the-job training, and it had to review the length of its training period. The total time taken to train had to be reduced, or apprentices had to be allowed to complete their apprenticeship on the basis of their competency, rather than the time served. In the 'desirable' category, industries should have considered, and implemented where possible, a broader-based initial training, improved opportunities for female and adult apprentices, and considered the active use of group and industry-wide apprenticeship schemes.⁶⁴

There were two strands to the new emphasis on industry planning. First, attempts were made to identify trends in key skills. The Department of Labour carried out a series of studies in the mid-1980s using the 'key informants system', a "bottom-up approach whereby knowledgeable and informed people within the industry being studied are identified, and their opinions sought, collated and published".⁶⁵ The key skills trends studies differed from previous attempts at forecasting because they were concerned with qualitative, as well as quantitative, trends in the demand for skills. The studies were seen as complementary to training needs analysis, which formed the second strand of industry planning.⁶⁶

The VTC was the main body organising training needs analysis, with the help of the independent Vocational Prescription Review Unit, which had been established in 1982. The analytical tool used was the DACUM (Developing or Designing a Curriculum) system. This process had been developed and used in Canada, and involved calling a conference of industry experts, which aimed to produce a comprehensive chart delineating all the skills used and required in the industry. The skills profile was then sent to employers for comment and ratification, resulting in a programme that was seen as "industry based and not something that is being foisted on industry by 'ivory tower' educators or others".⁶⁷

The first step in training needs analysis was the establishment by each of the New Zealand apprenticeship committees of a steering committee to conduct an analysis for its industry. The steering committees were mainly employer and worker representatives, and it was noted by the VTC that there was a reluctance to include the education sector in the consulting process. This reluctance was in fact supported by the theoretical basis of the DACUM method. It was felt that training providers should ideally be kept separate from the process:

⁶⁴ Ibid.

⁶⁵ Department of Labour, *Key Skills Trends Studies: Printing and Publishing Industry, November 1984*. Manpower Planning and Key Skills Trends Studies, AAOC, W3473, 3-8-1, NA, Wellington.

⁶⁶ Ibid.

⁶⁷ 'Unit Reviews Apprenticeship Prescriptions', LEG, 34(2), June 1984, 14.

This ensures that industry determines what its job is about and is able to inform the training provider of its needs and eliminates what is in the view of former trainees, the halo effect of tutors. It is then up to the provider to meet those needs without interference in that process from the industry.⁶⁸

Nevertheless, the VTC requested that the apprenticeship committees consider “the benefit of affording observer status on steering committees to their Education Department representatives” in order to keep them informed of emerging trends, and to allow them to plan for resource provision.⁶⁹ By 1986 the Labour Department reported that nearly all of the New Zealand apprenticeship committees had commissioned training needs analyses.⁷⁰ The VTC expanded its analysis and development role throughout 1986, formalizing this process with the establishment of the Training Needs Analysis Unit. The number of dedicated staff increased from four to seven, with skill profile charts being developed for twenty-six of the apprenticed trades.⁷¹

Despite the progress made in this area, it was felt that “most industries still have a long way to go...if they are to meet the Government’s timetable of finalising their reforms [of the apprenticeship system] by the end of 1987”.⁷² The VTC also cautioned that progress in apprenticeship reform was “still disappointingly slow”. The lack of progress was not seen by the VTC as a sign of reluctance by industries, indeed, the Council felt that much enthusiasm for training was being shown.⁷³ Rather, obstructions in the system were blamed: “present blockages are due, in the main, to the lack of any monitoring procedures to connect the separate and independent parts of the system”.⁷⁴ The VTC suggested the establishment of a co-ordinating committee, as many of the problems were out of their jurisdiction. Some of these problems included delays in setting up the machinery needed to conduct training needs analyses, a general lack of resources, the infrequency of New Zealand apprentice committee meetings, and lack of co-ordination between those committees and their industries.⁷⁵

⁶⁸ Adrienne Burleigh, “DACUM: Its Influence and Impact,” in *The Impact of American Ideas on New Zealand’s Educational Policy, Practice and Thinking*, ed. David Philips, Geoff Lealand & Geraldine McDonald (New Zealand Council for Educational Research: Platform Publishing, 1989), 230.

⁶⁹ VTC Circular 84/16, 23 May 1984. ARTT Committee, VTC, AAOC, W3473, 25/0/Pt 1, NA, Wellington.

⁷⁰ AJHR, 1986, G-1, 52.

⁷¹ AJHR, 1986 G-36, 13.

⁷² AJHR, 1986, G-1, 52.

⁷³ AJHR, 1986, G-36, 13.

⁷⁴ Peters, Chairman, VTC to Burke, Minister of Employment, 10-12-85. ARTT Committee, VTC, AAOC, W3473, 25/0/Pt 1, NA, Wellington.

⁷⁵ Ibid.

The VTC's view was in marked contrast to that held by the Labour Department in its 1987 annual report. The Apprenticeship Division of the Department had continued to promote reform, reminding industries that those who met the standard would qualify for the higher level of ABCS, while those who did not would lose all subsidy payments after 31 December 1987. The Department claimed that resource and co-ordination issues had been "largely resolved" and stated that many industries would fall short of the requirements "unless there (was) a fundamental change in the attitude towards significant reform on the part of some individuals and organisations involved".⁷⁶

The apprenticeship reform process continued after the Labour government's second election win in 1987. Phil Goff became Minister of Labour, replacing the "largely ineffectual" Kerry Burke.⁷⁷ A memorandum to Goff, from Susan Shipley on behalf of the Secretary of Labour, reveals much about the attitudes towards apprenticeship reform. The memorandum accompanied a letter to be sent to the Chairman of the New Zealand Photo Engraving Industry Apprenticeship Committee, declining their application for the ABCs. The grounds for this were the failure of the industry to either reduce the overall apprenticeship term, or to introduce a competency-based system of assessment. Ms Shipley suggested that the Minister support this stand because:

We understand that there are several other industry proposals in the pipeline which are similar...and would therefore recommend that a 'hard line' approach be adopted to signal the Government's determination that substantial change is required in this area.⁷⁸

The memorandum detailed some of the reason that employers had given for not agreeing to shorten the term of apprenticeship. In many cases, they felt that apprenticeship training was becoming more complex. They argued that formal skills profiles increased the coverage and depth of what was required to be taught, and asked how, in light of this, the hours required could be reduced. Employers also raised concerns about the maturity of apprentices if the term was shortened. They argued that administrative delays made it difficult to contemplate reducing the time available to train, with hold-ups in the development of training materials because of backlogs at the VTC, and delays with the DACUM steering committee being mentioned. At a more pragmatic level, employers pointed to the financial benefit of a longer term; the final year of the apprenticeship, with the apprentice virtually

⁷⁶ AJHR, 1987, G-1, 52.

⁷⁷ Jeff Hayward, "The Rise and Pall of Phil Goff," *North & South*, September 1988, 86.

⁷⁸ Shipley to Goff, 29 September 1987, ABVO 947, W5091/9, 51/141/8 Pt1, NA, Wellington.

working at the level of a tradesperson and able to be charged out as such, but still only receiving apprentice wages, was considered the 'pay-back' time for training costs incurred earlier in the apprenticeship.⁷⁹

By its 1987 annual report, the Vocational Training Council had become a little more circumspect about the success of apprenticeship reforms. It acknowledged that the reform process had been slower than expected, arguing that "disagreements and misunderstandings about roles and responsibilities (of Government departments and statutory bodies) and a somewhat slow response from industry caused initial delays".⁸⁰ A letter from Rick Julian for the Secretary of Labour, to the Minister of Employment, dated 18 December 1987, set out the progress towards apprenticeship reform that had been made by various industries (given the deadline of 31 December 1987 to receive the full ABCS). Three 'Category A' industries; printing, engineering, and cooking and catering, had either received approval or would meet the deadline. 'Category B' comprised twelve industries that had made considerable progress, while five 'Category C' industries had made substantial progress, but had failed to complete the requirements by rejecting one or more of the reform components, notably the requirement for term reduction. 'Category D' comprised seven industries that had made some progress, but had rejected all calls for reform in some aspects of the standard and were "unlikely ever to qualify on the current criteria".⁸¹ The ten industries in 'Category E' were considered unlikely to achieve the standards set in the foreseeable future, because of either a lack of commitment or poor industry infrastructure. The letter concluded by saying:

While on the face of it, it would appear that the reform process has not achieved as much in the time allowed as had been expected there has been substantial progress made in most industries.⁸²

Perhaps the last word on the apprenticeship reform process should go to the printing industry. This industry grouping, covering eight separate trades, was held up as a shining example of how apprenticeship reform could and should be achieved. It was the first industry to complete training needs analyses for all its component trades, and was also the first industry to receive the full ABCS.⁸³ Yet a report in the October 1987 *Printer's News*, clearly illustrates the difficulties encountered:

⁷⁹ Ibid.

⁸⁰ AJHR, 1987, G-36, 15.

⁸¹ Julian to Goff, 18 December 1987, ABVO 947, W5091/9, 51/141/8 Pt 1, NA, Wellington.

⁸² Ibid., 3.

⁸³ AJHR, 1986, G-36, 13.

As the first industry to have completed the reform process and to have received the Apprentice Block Course Subsidy, we make the point that we have only achieved this through sheer determination, commitment and straight out doggedness in the face of just about every imaginable impediment presented throughout the entire review process by the host of agencies, educationalists and departmental officers with which we have been involved.⁸⁴

Labour's Second Term: Hands Off?

By the late 1980s the incremental and often piecemeal reforms of the apprenticeship system were overtaken by harsh economic realities and the consolidation of emerging neo-liberal ideology. Similar themes had been mentioned in report after report; the need for a highly skilled workforce and flexible, life-long learning practices; demands for increased productivity and responsiveness to the global market place; and the superiority of the market in determining the best mix of skills. These ideals, however, were promulgated in the midst of high levels of unemployment (see Figure 20), especially youth unemployment, and in a country reeling from untrammelled deregulation and the effects of the stock market crash of October 1987.

Figure 20: Monthly Average Registered Unemployed, 1980-1990⁸⁵



⁸⁴ 'The Printing Industry's Response to the Probine/Fargher Report' *Printer's News*, October 1987.

⁸⁵ Martin, *Holding the Balance*, 383.

The increasing growth of unemployment became a defining issue for the Labour government (re-elected comfortably in August 1987), with the number of unemployed breaking the 100,000 mark in 1988. In the government's first term, the various components of labour market policy had been divided between several ministers, but after the 1987 election, Phil Goff became the Minister of Employment, Associate Minister of Education (with David Lange) with responsibility for tertiary education and Minister of Youth Affairs. This was in recognition of the interconnectedness of employment issues; the need to integrate training, job-placement and job-creation.⁸⁶ Goff was a firm believer in the free-market policies the government had pursued over the preceding three years, arguing that patience and faith in those policies were the only long-term solution available for unemployment:

(the government) has decided not to attempt futile band-aid solutions and is attacking the fundamental economic problems... the government's macro-economic policies are the key to reduced levels of unemployment... they must, however, be complemented by education and active labour market policies to help individuals adjust to change.⁸⁷

The promised payback from the Labour government for three years of economic trauma was to be significant reform in social policy in its second term. Education was marked as one of the crucial areas for reform. The fact that the education portfolio was taken by the Prime Minister, David Lange, signalled the importance placed upon it by the government. The political and ideological significance of education was also affirmed by 1987 Treasury's *Briefing to the Incoming Government*. The second half of this document was dedicated entirely to education, and left the government in little doubt as what role Treasury believed government should play:

In sum, government intervention (in education) is liable to reduce freedom of choice and thereby curtail the sphere of responsibility of its citizens and weaken the self-steering ability inherent in society to reach optimal solutions through the mass of individual actions pursuing free choice without any formal consensus.⁸⁸

Thus, education policies, including those affecting vocational training, became the site of a contest between the hard-line neo-liberal viewpoint epitomised by Treasury, and attempts by some in the government to define workable policies that would assure social equity and justice. There is a debate in the literature regarding the extent of Treasury's influence in education policies at this time. The Butterworths argued that during the mid 1980s, while

⁸⁶ Jim Eagles, "Goff: Co-ordinating Policy to Cushion Restructuring Effects", *National Business Review*, 20 May 1988, 11-12.

⁸⁷ Goff, cited in Hayward, "The Rise and Pall of Phil Goff", 90.

⁸⁸ Treasury, *Briefing to the Incoming Government* (Wellington: Treasury, 1987), 41.

Treasury's views were influential, "it did not necessarily get its way in detailed policy making".⁸⁹ Disputing this, Codd pointed to a "major shift in... in the determinants of educational policy" in 1987, arguing that "Rogernomics finally caught up with the education system and produced a new set of conditions in which policy would be moulded".⁹⁰ The Butterworths claimed, however, that it was not until Goff became Minister of Education in August 1989 that Treasury began to vigorously oppose education spending, and that even then it generally only succeeded in delaying proposals.⁹¹ Nevertheless, the framework and language of the reports of the late 1980s was quite different from those of the fourth Labour government's first term.

Three taskforces were thus established in late 1987 and early 1988 to review each of education sectors. The Picot Taskforce, focusing on the administration of primary and secondary education, was set up by Marshall as Minister of Education. The Meade Committee, investigating early childhood education, and the Working Group on Post Compulsory Education and Training (known as the Hawke Report), "were part of a comprehensive review of government social policy inaugurated by the Cabinet Committee on Social Equity and announced in March 1988".⁹² There was a clear expectation that each taskforce would produce a programme for action utilising the work done during previous reviews: "the education system had been reviewed to within an inch of its life, and it was time to do something about it".⁹³

Report of the Working Group on Post Compulsory Education and Training (The Hawke Report), 1988.

This working group was headed by Professor Gary Hawke, Director of the Institute of Policy Studies at Victoria University, and aimed to bring together several previous reviews of the post-secondary sector.⁹⁴ It comprised representatives of the Departments of Labour, Education, Maori Affairs, Pacific Island Affairs and Women's Affairs, and officials from Treasury and the State Services Commission. Hawke was quite aware of the tension between the Labour and Education Departments over the control of post compulsory education, and restrained possible infighting by insisting that the final outcome would be "his *personal* report

⁸⁹ Butterworths, *Reforming Education*, 52.

⁹⁰ Codd, *Educational Policies and the Crisis of the New Zealand State*, 191.

⁹¹ Butterworths, *Reforming Education*, 52.

⁹² Ibid., 72.

⁹³ Ibid., 71.

⁹⁴ Department of Education, *Learning for Life Two* (Wellington: Department of Education, August 1989), 11.

as convenor”, and as such would reflect differences without having to obtain consensus between all parties.⁹⁵

The terms of reference of the working group were to “concentrate on the present and desirable roles of government in post compulsory education and training”, emphasising “effective funding and management systems while ensuring equity in both access and process”.⁹⁶ The report called for those antithetical catch phrases of the 1980s, decentralisation and greater accountability. A predominantly public system of post compulsory education and training was favoured, to be administered by a new Ministry of Education and Training, which would eventually take responsibility for apprenticeship. One of the main thrusts of the report was the need to avoid distinctions between education and training. While this recommendation was largely made in an attempt to move the role of universities towards becoming “primarily training institutions”, it would clearly have a great deal of impact on traditional ideas of vocational training.⁹⁷

The Hawke Report spent relatively little space directly discussing apprenticeship.⁹⁸ It acknowledged that “apprenticeship is an educationally valid form of learning, provides a pool of skilled labour, and has union and employer support”.⁹⁹ The emphasis of the recommendations was on streamlining apprenticeship administration, and lessening direct government control of the system. For example, it was suggested that negotiations about wages and conditions be returned to unions and employers from the bureaucratically chaired national apprenticeship committees. The report also argued that polytechnic institutes should not be required by regulation to run specific vocational courses; these instead should be organised at the behest of local apprenticeship committees.¹⁰⁰ Ideas for a national qualification system were firmed up, and the disestablishment of the Vocational Training Council was again mooted. While the report included social goals such as accessibility, equity and “social cohesion”, it also recommended that the government should “adopt policies and procedure which require a greater level of private funding” of post compulsory education and training.¹⁰¹ In line with the emphasis of the report on shifting the basis of funding from the state, it recommended that the Departments of Labour and Education hold discussions to advise

⁹⁵ Butterworths, *Reforming Education*, 98.

⁹⁶ G.R. Hawke, *Report of the Working Group on Post Compulsory Education and Training* (The Hawke Report) (Wellington: Government Printer, 1988), 3.

⁹⁷ Brian Easton, *The Commercialisation of New Zealand* (Auckland: Auckland University Press, 1997), 213.

⁹⁸ Butterworths, *Reforming Education*, 104: The Butterworths claimed that Hawke’s personal view was that “apprenticeship as a mode of training was ripe for abolition, but it still had its supporters within industry”.

⁹⁹ *The Hawke Report*, 1988, 93.

¹⁰⁰ *The Hawke Report*, 1988, 93-95.

¹⁰¹ Butterworths, *Reforming Education*, 100.

whether a “a workable and effective system of levies for industrial training” could be devised.¹⁰² The Hawke Report was not intended to be a public document,¹⁰³ but when it was released (together with the Picot Report), many of the ideas met with a “storm of protest”, particularly from teacher and university organisations.¹⁰⁴

Our Education and Training Choices - Post-compulsory Education and Training in New Zealand, New Zealand Planning Council, June 1988.

This report looked more specifically at apprenticeship training, setting its analysis within a discussion of New Zealand’s low rate of participation in post compulsory education and training, and what was regarded as its under-investment in trade and middle level education and training.¹⁰⁵ The report argued that apprenticeship was declining in importance as a means of training, citing as proof a fifteen percent decline in new apprenticeship contracts, and a twenty-one per cent decline in completed contracts, from 1986 to 1987.¹⁰⁶ The report, however, also acknowledged that apprenticeship numbers tended to move in response to the business cycle. Indeed, considering that about 21,000 manufacturing jobs had been lost in 1987, it was hardly surprising that apprentice intakes were down.¹⁰⁷ A judgement on the strength of support for apprenticeship based on examining numbers must therefore be seen as spurious unless economic conditions are also taken into account.

The report was also concerned with the equity of post compulsory education and training. Students from higher socio-economic backgrounds were over-represented throughout post compulsory education and training, with 89 per cent of new entrants to apprenticeships in 1988 being from the four top socio-economic groups, compared with the 76 per cent of third form students in these categories. Nearly 90 per cent of the 1988 intake of apprentices were male, while in 1987, 75 per cent of all female apprentices were in the hairdressing industry.¹⁰⁸

¹⁰² *The Hawke Report*, 1988, 10.

¹⁰³ Easton, *The Commercialisation of New Zealand*, 214.

¹⁰⁴ G.W. Rice, “A Revolution in Social Policy,” in *The Oxford History of New Zealand*, 2nd, ed. G.W. Rice (Auckland: Oxford University Press, 1996), 491.

¹⁰⁵ Lesley Haines, *Our Education and Training Choices – Post-compulsory Education and Training in New Zealand* (Wellington: New Zealand Planning Council, June 1988).

¹⁰⁶ *Public Sector Apprentice Training*, ABVO, Series 947, 51/160/1/2. NA, Wellington: Contributing to this figure was the fate of government apprentices in the newly formed State Owned Enterprises (SOE). Provision was made in May 1987 for their contracts to continue as if the original legislative base remained. At the end of June 1987, however, it became necessary for the government to approve a financial assistance package to help place apprentices made redundant from the SOEs into the private sector.

¹⁰⁷ Hayward, “The Rise and Fall of Phil Goff,” 86.

¹⁰⁸ Haines, *Our Education and Training Choices – Post-compulsory Education and Training in New Zealand*, 14.

Towards Competency Seminar, New Zealand Council for Educational Research (NZCER)
& Vocational Training Council, August 1988

This seminar was held during the “ongoing ferment” in vocational training and education during the late 1980s. The seminar was organised by a working party comprising representatives from the Department of Education, the New Zealand Employers Federation, the Central Tutor Education Centre, the New Zealand Association of Polytechnic Teachers and the NZCER. It was ostensibly designed to bring together the practitioners and users of vocational curricula to examine the design and evaluation of that curriculum, with a view to moving towards competency-based education. The exercise seems, however, to have been a classic case of ‘shutting the stable door after the horse has bolted’. Given the clear signals indicating a wholesale revamp of the ethos and administration of vocational training, the seminar can be viewed as a rather desperate effort by those involved in the delivery of the formal component of industry training to stake a claim in the new order.¹⁰⁹

The discussion of the main points arising from the seminar illustrates clearly how distinct ‘education’ and ‘training’ were in reality. The editor identifies the differences as “contradictory dichotomous themes that ran through nearly every workshop group”.¹¹⁰ For example, the ‘ownership’ of assessment was debated. Some educationalists argued that results of assessment belonged to the trainee and should be shared with the employer at their discretion. The response to this of those “with some idea of what it was like to work in the world outside schools” was clearly incredulous.¹¹¹ The means and reliability of assessment was crucial to the credibility of any system of competency-based education, and debate on these topics was equally polemical. The editorial comment summarises the schism as the holistic ‘humanistic’ views of the formal educationalists versus the mechanistic ‘behaviourist’ views of those involved in traditional technical education or the workplace.¹¹²

Of great interest to all involved in vocational training was the speech delivered at the seminar by the Minister of Employment, Phil Goff. It was clearly expected that he would signal the shape of vocational education for the future. The Minister was constrained by the fact that the Hawke Report had not been released, but he nevertheless dropped several large hints as to the framework that could be expected. The move to a national qualifications authority, combined with the decentralisation of the provision of training was confirmed. This

¹⁰⁹ New Zealand Council for Educational Research, *Proceedings of the Towards Competency Seminar, August 1988*.

¹¹⁰ *Ibid.*, 76.

¹¹¹ *Ibid.*, 76.

¹¹² *Ibid.*, 79.

move would also imply the end of other organisations, such as the VTC and the Trades Certification Board. Apprenticeship administration was also marked for change, with a reduction in the number of national apprenticeship committees and a rationalisation of local committees. The Minister painted a rather rosy picture of the reforms that had already been undertaken, glossing over the many difficulties encountered and the resistance by some trades to competency-based assessment. The participants at the seminar were left in little doubt as to the importance placed by the Minister on competency rather than timeserving:

The movement in training and education will be towards a focus on outcomes, rather than as it has traditionally been, on inputs into the system. Assessment will be on the skill achieved rather than where or how it was acquired or how long it took to get it.¹¹³

“Reboring the car with the engine running” : Implementing the Reforms¹¹⁴

The policy process required to implement the Hawke Report was complex, with its findings being released in two stages: *Learning for Life* (February 1989) and *Learning for Life Two* (August 1989). The recommended measures had met with wholesale distrust from the universities, which “were not only jealous of their status and independence, but suspected a hidden right-wing agenda to privatise them”.¹¹⁵ The polytechnic sector stood to benefit from increased autonomy, and potentially a greater number and variety of courses to deliver. There were, however, industrial relations and costing implications that had to be addressed.¹¹⁶ Continuing political turmoil, which ended with the resignation of Lange as Prime Minister and Minister of Education on 8 August 1989, further complicated the process. The hard-line economic policies of Roger Douglas, which were influenced and supported by Treasury, had become increasingly unpalatable to Lange, and when Douglas was re-elected to Cabinet by the Labour caucus, Lange resigned.¹¹⁷ His successor as Minister of Education was his associate, Phil Goff.

Learning for Life Two was a statement of the government’s intentions for post-compulsory education and training, setting in place the framework that would take effect in the early 1990s. The policy decisions were largely in line with the recommendations of the Hawke Report although, recognising the controversy surrounding parts of the earlier report, they diverged from it in some areas.¹¹⁸ The principal features underpinning the document were

¹¹³ Ibid., 9.

¹¹⁴ David Lange’s description of the education reforms, cited in Butterworths, *Reforming Education*.

¹¹⁵ Butterworths, *Reforming Education*, 162; 155.

¹¹⁶ Ibid., 113.

¹¹⁷ Brian Easton, “The Unmaking of Roger Douglas?”, in *The Making of Rogernomics*, ed. Brian Easton (Auckland: Auckland University Press, 1989), 171-187.

¹¹⁸ *Learning for Life Two*, 1989, 11; Rice, “A Revolution in Social Policy”, 491.

the devolution of power to individual tertiary institutions, a broadening of the funding base, the encouragement of increased participation in post-school education and the development of a national qualifications framework. The document delineated the problems that the government saw with the existing structure for post-school education. Many of the issues already identified were again mentioned; the slow response of the system to technological change and the complexity of the administrative structure, for example. Issues that had become fashionable with the growing hegemony of neo-liberal economics were also mentioned. Accountability and efficiency were key-phrases, and the notion of the importance of choice for the consumer of the services was raised.¹¹⁹

Nevertheless, the government remained committed to its role as the principal funder of post-school education. It was acknowledged that “there are benefits from education and training that accrue to society as a whole. Better education... is a positive influence in encouraging social responsibility and tolerance”.¹²⁰ The increasing numbers of participants, and growing financial constraints required the government to attempt to shift some of the costs involved in this sector. Hand in hand with giving individual institutions more power were moves to “enhanc[e] the ability of institutions to generate income from saleable services”.¹²¹ The possibility for increased contributions to the cost of education and training by employers was to be investigated by a tripartite working group (see page 178). The third means of spreading the cost was to increase the ‘contribution’ from students. This was justified mainly in terms of equity; a part-charge for all students would allow more students to participate by increasing the number of places available. There was a reassurance that “part-payment of costs by students will not be allowed to create a financial obstacle to participation”.¹²² Appearing almost as a footnote was an acknowledgement that education was no longer regarded as a totally public good: “the increased student contribution also recognises the personal benefits which post-school education and training can give the individual”.¹²³ Despite this concession, the government’s position was a long way from that recommended by Treasury in its 1987

Briefing to the Incoming Government:

Education is not a ‘public good’ in the technical sense used by economists... hence, formal education is unavoidably part of the market economy... it appears that the costs (of government intervention in education) have come to dominate the benefits. Government intervention is significantly ineffective, possibly counter-effective.¹²⁴

¹¹⁹ *Learning for Life Two*, 1989, 10.

¹²⁰ *Ibid.*, 13.

¹²¹ *Ibid.*, 13.

¹²² *Ibid.*, 14.

¹²³ *Ibid.*, 14.

¹²⁴ Treasury, *Briefing to the Incoming Government*, 271-274.

The new framework would clearly have implications for the apprenticeship system. This would now come under the auspices of the Ministry of Education, although the Ministry would primarily provide policy advice, rather than having a 'hands-on' involvement. Apprenticeship would be administered by the Education and Training Support Agency (ETSA), which would combine a labour-market focus whilst overseeing education and training programmes. The role of apprenticeship committees was not finalised. The National Education Qualifications Authority (NEQA) would be established, to supercede the University Entrance Board, the Trades Certification Board, the Authority for Advanced Vocational Awards, the Board of Studies and the VTC. Training needs analysis would become the responsibility of industries, but NEQA would facilitate this activity. It was envisaged that Industry Training Boards would become self-funding.

While the legislation required for the reforms to the compulsory education sector was passed quickly, the legislation needed for the changes at the post compulsory level was delayed as the universities fought to maintain autonomy, and to remain outside of the proposed national qualification framework. Their campaign was largely successful and the "universities were among the least reformed of all the educational institutions". Finally, then, in July 1990 the Education Amendment Act established NEQA and ETSA, and the scene was set for the possibility of fundamental changes to apprenticeship that had been sought for so many years.¹²⁵

Who Should Pay For Training?

This tripartite Working Party on Employer Contribution to Training was established under the auspices of the Minister of Education. It did not report its findings until mid-August 1989; thus, they were not included in *Learning for Life Two*.¹²⁶ The working party was chaired by the Director of the VTC, Derek Wood and reported to Phil Goff in his capacity as associate (and subsequently) Minister of Education. The brief of the working party was to recommend schemes that would facilitate a greater employer contribution to the costs of training. The consultative document prepared by the working party identified a wide variation in the amount of training undertaken by New Zealand businesses. The factors affecting employers' attitudes to training expenditure were summarised; past attitudes, the structure of employment relations and the perceived lack of responsiveness of training institutions. The predominance of small to medium sized firms in the New Zealand business environment was also mentioned. Small

¹²⁵ Butterworths, *Reforming Education*, 276.

¹²⁶ *Learning for Life Two*, 1989, 14.

firms had proportionately higher training costs and greater difficulty in releasing workers for formal training. These factors, combined with unfavourable economic conditions, clearly threatened the ethos of the small-scale tradesperson taking on an apprentice at regular intervals. Strategies to encourage employers to invest in training were then discussed by the working party. The choices were essentially between prescriptive measures, such as an industry-based or national training fund, and voluntary measures, such as tax incentives.¹²⁷

The funding of ITBs had long been problematic. In 1982, the government set a benchmark for the industry contribution by stating that industries must contribute at least 10 per cent of their ITB's total budget. The average percentage contributed at that time was 35 per cent. The government planned to progressively scale down the grants it provided to ITBs until industries were funding 50 per cent of the cost.¹²⁸ The means of guaranteeing this level of industry funding was not made explicit. One option amongst others suggested by the VTC was a compulsory levy on all employers in an industry to finance that industry's ITB. A 1984 report by the New Zealand Employers Federation was critical of this suggestion, and argued that employers must be free to determine their training requirements. The report pointed to the variation in training needs between industries, and between companies within industries, and claimed that cross-subsidisation of training costs was inefficient and unfair. It argued that if an industry wished to train, it should be responsible for funding that training, and that "if training boards have difficulty in collecting voluntary contributions from employers, this calls into question their usefulness. Training schemes should stand or fall on the support they receive".¹²⁹

Submissions to the 1989 working party illustrated the wide variety of views on the funding of training. Some businesses had clearly moved beyond the boundaries of the traditional apprenticeship system. The Government Printing Office (GPO) and New Zealand Forest Products (NZFP), for example, had both adopted modular training schemes, set up by the firms themselves outside of the traditional state-supported system. The rationale for choosing this method was different for each firm; the GPO had found that new technology and changing economic circumstances favoured this method of in-house training. Concern was expressed, however, at the amount of 'poaching' within the printing industry, and the GPO called for levies to be placed on those firms who did not train, or who recruited overseas.

¹²⁷ Working Party on Employer Contribution to Training, *Employer Funding Contribution to Training: a Consultative Document* (Wellington: June 1989).

¹²⁸ VTC Circular, 21 May 1985. AAOC, W3473, 14/9 Pt 5. NA, Wellington.

¹²⁹ New Zealand Employers Federation (NZEf), *Employer Approach to Vocational Training* (Wellington: NZEF, 1984), 2.

NZFP found that the modular approach allowed multi and cross-skilling, with staff able to upgrade skills with a small amount of additional training. Crucially, for a multi-union workplace, in-house modular training gave the flexibility for new skills to be added across union boundaries.¹³⁰

Poaching was again mentioned as a concern in a submission written by an electrician. The high cost of informal on-job training in the electrical industry was also seen as a problem. This was because of the complexity of many tasks, and the constant need for supervision because of safety requirements. This submission called for more training at polytechnic institutes, with the cost of this not to be met by the employer. The difference in training needs between industries was a common theme of the submissions, as was the lack of support for a national training fund, seen as potentially “an enormous, inefficient bureaucratic monster”¹³¹. The tension between a dislike of compulsory industry levies, and an even greater dislike of those firms who ‘freeloaded’; making use of trained staff without themselves committing to training, was evident in many of the submissions. There appeared to be a consensus that all employers should contribute to industry training costs, but many felt that tax incentives were preferable to levies.¹³²

A marked distrust of the education system was clear in some of the submissions. Many felt that training should be organised at the industry level and be market-led, rather than driven by educational institutes. The managing director of a small engineering firm had this to say:

Politicians, School-teachers and people with no practical knowledge of Trade experience are attempting to decide what is right and wrong and unfortunately have over the past few years succeeded in wrecking a number of Trades entirely due to the fact they are theorists and not practical people.¹³³

In a slightly more measured manner, the submission of the New Zealand Federated Painting Contractors critiqued government training policies. The organisation recognised the difficulties in quantifying the extent of employer contributions to training, but argued that the recent additions of course and training fees to the Fringe Benefit Tax schedule had added yet another disincentive to training: “it would seem that Government fiscal policy and the tenor of continued training are diametrically opposed”.¹³⁴ The submission also questioned what it viewed as a contradiction in government policy on training:

¹³⁰ *Submissions to the Working Party on Employer Contributions to the Funding of Training*. ABVO, Series 947, 5091/11, 51/160/1/2. NA, Wellington.

¹³¹ Ibid.

¹³² Ibid.

¹³³ Ibid.

¹³⁴ Ibid.

an expenditure of \$254 million on 13,500 ACCESS trainees as opposed to \$7 million in employer incentives for 26,256 apprentices does not give the impression of support for education and training.¹³⁵

This chapter has examined at three levels the changes to apprenticeship throughout the six years of the fourth Labour government. At one level, the sweeping changes to the economy had a profound effect on the number of employers able to offer apprenticeships, or indeed, to be willing to commit to any form of training. Technological and labour market changes, largely outside of the government's control, also worked to alter the nature of many industries, calling into question the appropriateness of apprenticeship as a means of training. At another level, the radical reform of the education system undertaken by the government would lead to more flexibility in the way in which the formal component of technical training was delivered, with pre-apprenticeship courses becoming the norm in some industries. At the level of the day-to-day running of apprenticeship, the expectations of the government that flexible and competency-based training should prevail met with reluctance from some industries. Some who were willing to change found barriers, and others who preferred the status quo were unconvinced by the government's arguments.

¹³⁵ Ibid.

CHAPTER NINE

“GIRLS CAN DO ANYTHING?”: WOMEN AND APPRENTICESHIP

It is not just a matter of some women getting into the mainstream, but of shifting its very course; with the realisation that if it leaves out the half the human race it cannot be as main as all that.

(Katherine Whitehorn, British Journalist, *Observer*, 18 August 1991)

The decision about where to position a discussion of women in the apprenticeship system exposes the difficulties involved in ‘infusing gender’¹ into what is essentially a ‘blokes’ world. It could be argued that a separate discussion about women marginalises the topic; one chapter out of eleven for half of the population reinforces the invisibility of women. Yet, within the reality of the apprenticeship system, and of ‘skilled work’, women are largely marginalised and invisible. Thus, an ‘on-the-edge’ chapter reflects and acknowledges this. But this chapter is also a celebration of the activities of many second-wave feminists who, throughout the 1970s and 1980s, worked untiringly for a fairer deal for women. Given the economic and political environment in which they worked, particularly from the mid-1980s, the success of their efforts must be judged on less tangible factors than raw data regarding increased numbers of women apprentices.

The Early Days

Apprenticeship training was historically the “traditional preserve of young Pakeha men”.² Even during the upheaval of the First World War, the suggestion of the National Efficiency Board that New Zealand employers should follow the British example and substitute women for men in the skilled trades was ignored by the Arbitration Court.³ In 1923, the ‘modernised’ apprenticeship legislation excluded women, unless a case was made to the Arbitration Court for an order for a specific industry. The rationale for this exclusion was based on ‘evidence’, largely from employers, that showed:

¹ Clark, *The Struggle for the Breeches: Gender and the Making of the British Working Class*.

² Anne Horsfield, *Women in the Economy* (Wellington: Ministry of Women’s Affairs, 1988), 165.

³ Melanie Nolan, *Breadwinning: New Zealand Women and the State* (Christchurch: Canterbury University Press, 2000), 16.

that it would not be practicable to apply the scheme in its entirety to female apprentices. The average working-period of girls in factories is said to be only about eight years, and the period of their apprenticeship is also comparatively short.⁴

The first female apprenticeships, in ladies' hairdressing, were recognised in 1926.⁵ In 1927, females working in the chemistry trade were included in the apprenticeship order covering that trade.⁶

Also in 1927, the Bakers and Pastry-cooks award permitted females to be apprenticed to the trade, ostensibly under the same conditions as male apprentices. The modifications and conditions for women apprentices, however, were clearly designed to restrict them to small 'one-woman' cake-shops, or to less 'skilled' work than their male counterparts performed. The term for female apprentices was set at four years (one to two years less than that for males), the proportion fixed at one apprentice to one journeywoman, and an employer was to be counted as a journeywoman if she was substantially employed at the trade. The award, however, made clear that male apprentices were to be given priority: "female apprentices shall not be employed if male apprentices or journeymen are employed".⁷ Journeywomen were to be paid at three-quarters of the journeyman's rate. The finely-tuned nuances of 'skill' are revealed with further detail in the award: journeywomen or female apprentices were permitted to work in the bakehouse and to do hot plate work, gaining an almost honorary male status. Unapprenticed women, however, were restricted to the most menial of unskilled work, being allowed, for example, to break eggs, clean fruit and package small goods.⁸

The ambivalence surrounding working women was reinforced throughout the Depression years. Concerns over growing unemployment led the government to establish an Unemployment Inquiry Committee, which had been first suggested at the 1928 National Industrial Conference. The committee reported that female labour was part of the cause of the high rates of male unemployment, and declared that "the infiltration of female labour had been detrimental to men".⁹ Thus, from 1929, although conditions tightened for most sectors of the community, women were especially hard hit.¹⁰ Those who had work were seen as taking jobs

⁴ *Apprenticeship Question (New Zealand)*, 1923, 40.

⁵ Martin, *Holding the Balance*, 138.

⁶ AJHR, H-11, 1928.

⁷ *Book of Awards*, XXVII, 1927, p.327.

⁸ Ibid.

⁹ Melanie Nolan, "Politics Swept Under a Domestic Carpet?," *New Zealand Journal of History* 27(2) (1993), 203.

¹⁰ Brooking, "Economic Transformation", 252.

from men, while unemployed women received little, if any, relief.¹¹ Nevertheless, “paid employment became the majority experience for young women”, with over half of women aged between 15 and 24 in paid employment in 1921, and the proportion steadily increasing throughout the 1930s and 1940s.¹² The nature of that work was also changing as the number of women in domestic service decreased rapidly, while those employed in the industrial and commercial sectors increased.¹³

During the Second World War, the war effort required the entrance of many women into the paid work force. Montgomerie argues, however, that this work did little to break down barriers to women’s involvement in skilled occupations, or to increase the status of what was classed as ‘women’s work’:

There is a wide difference between increased economic participation by women, perceived as a temporary expedient to solve a labour shortage, and the same increased economic participation being seen as a move towards a more equitable position for women within the workforce.¹⁴

The recognition of the temporary nature of the work, and the clearly held expectations that the jobs would be ‘returned’ to men at the end of the war, limited the inroads that women were able (or chose) to make. Montgomerie shows that the occupational distribution of women workers remained broadly similar to the pre-war years, “the war redistributed women within female-dominated areas of employment; it did not break down the sex segregation of the workforce.”¹⁵ Where women did take on ‘male’ jobs, they were usually restricted to the less ‘skilled’ areas of those jobs. For example, women working in butcher’s shops were permitted to handle only “money, customers and precut meat” and women employed by New Zealand Railways were not allowed to perform outside duties, or to dispatch or signal trains.¹⁶ Women who worked in the new military industries, such as munition factories, were generally trained in repetitive, mechanical tasks, so the war years did not provide any sort of thorough trade training.

¹¹ Nolan, “Politics Swept Under a Domestic Carpet?”.

¹² *Ibid.*, 215.

¹³ *Ibid.*, 216.

¹⁴ Deborah Montgomerie, “The Limitations of Wartime Change,” *NZJH* 23(1) (1989), 69.

¹⁵ *Ibid.*, 74.

¹⁶ *Ibid.*, 75.

Post War Issues

While only a relatively small number of women were conscripted in to the paid workforce during the Second World War, and the scope of work they performed was not greatly broadened, the war years did accelerate the growing trend of women's involvement in paid work. The war years were also significant in that they made working women more conspicuous, and brought the issues of women's employment, especially equal pay, to the fore.¹⁷ Agitation for equal pay for women began as early as 1943, with the main impetus for change in the early post-war years coming from women employed in the public service. Intense lobbying throughout the 1950s, supported by a growing coalition of women's groups and unions, resulted in the appointment of a working party in March 1957, charged with investigating the implementation of equal pay in the public service. The 1957 Labour government included equal pay in its manifesto, and the Government Service Equal Pay Act 1960 was passed with little opposition, taking effect in stages up until 1964.

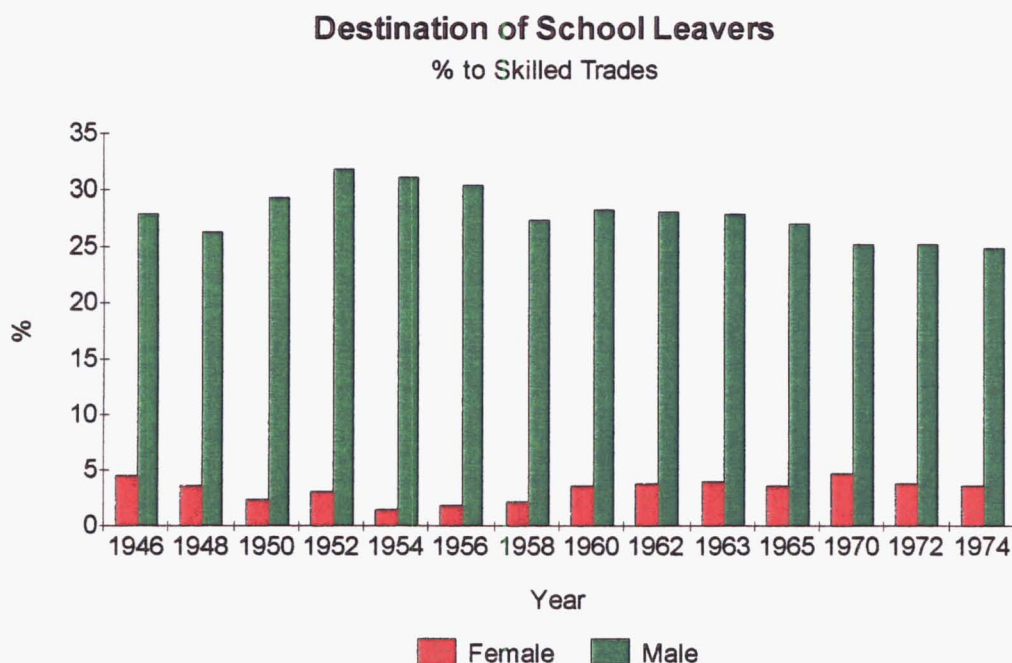
At the close of the war, the 1945 Commission of Inquiry into Apprenticeship and Related Matters reported that "because of the infiltration of females into industry", women should no longer be excluded from apprenticeship legislation, but that it should be left to the Arbitration Court to decide whether women workers in certain industries were apprentices within the meaning of the legislation.¹⁸ The post-war apprenticeship legislation thus allowed an increase in the number of industries with women apprentices, but the total numbers of women in formal apprenticeships remained miniscule, and they were restricted to very few trades. In the decade after 1945, the overriding activity for many women was child-bearing and child-raising. The level of participation in the workforce of married women aged sixteen to twenty-nine years barely increased during this time, although the number of older married women returning to the workforce steadily increased.¹⁹ It is not surprising, then, to note the large gap in the percentages of male and female school leavers intending to work at a skilled trade shown in Figure 21.

¹⁷ Charlotte Macdonald, *The Vote, The Pill and the Demon Drink* (Wellington: Bridget Williams Books Ltd, 1993), 122.

¹⁸ AJHR, 1945, H-11B, 14.

¹⁹ Dunstall, "The Social Pattern", 480.

Figure 21: Percentage of Secondary School Leavers Destined for Skilled Trades, 1946-1974 (Selected Years)²⁰



The report of the 1965 *Commission of Inquiry into Vocational Training* included a small section on women and girls. Members of the Commission were surprised that “at our stage of social development... it is still necessary to present in a report of this nature a section dealing with the training of women and girls”.²¹ Yet, the prevailing attitudes were clearly illustrated by the remainder of the section. The focus of the submissions received by the Commission on the subject was the need to train or retrain women re-entering the workforce, “with their families grown up and with time on their hands”.²² The Commission thought that it was “probably necessary” to counter the “old-fashioned” idea that it was a waste of time to educate or train women, as they recognised that women were increasingly returning to work after having children, and that women trainees “in general become productive, that is, they earn their keep, quite early in their careers”.²³ It was even acknowledged that there might be a place for girls in the traditional male trades, with a very tentative suggestion that “more girls could be apprenticed in a wider range of trades”.²⁴

²⁰ AJHR, E-1, 1946-1974.

²¹ *Report of Commission of Inquiry into Vocational Training in New Zealand*, 1965, 52.

²² Ibid.

²³ Ibid., 53.

²⁴ Ibid.

A submission was made to the Commission by the Joint Committee on Women and Employment, a group comprising representatives of the New Zealand Federation of Business and Professional Women's Clubs, the New Zealand Federation of University Women and the Young Women's Christian Association (YWCA). The committee argued that factors such as the need for a larger labour force, technological changes, and the re-entry of married women to the workforce made an examination of women's employment urgent. It recommended a longer and better general non-vocational education for girls, and suggested that vocational training was more effective if offered after secondary school. The committee expressed an interest in trade training, but did not consider itself well informed enough to make specific recommendations, emphasising instead technician-type training. The committee considered vocational guidance and retraining for older women to be crucial, and argued for better occupational choice for women, but not at the expense of displacing "the accepted responsibilities of women to their home and family".²⁵

National Advisory Council on the Employment of Women (NACEW)

The organisations represented on the Joint Committee formed the nucleus of a new advisory committee on women's employment. In 1967, T.P. Shand, the Minister of Labour, announced the formation of the National Advisory Council on the Employment of Women (NACEW) (see Illustration 5). The aim of the organisation was:

the creation of the conditions for women to make their full contribution to the national economy consistent with their individual freedom and their responsibilities as wives and mothers.²⁶

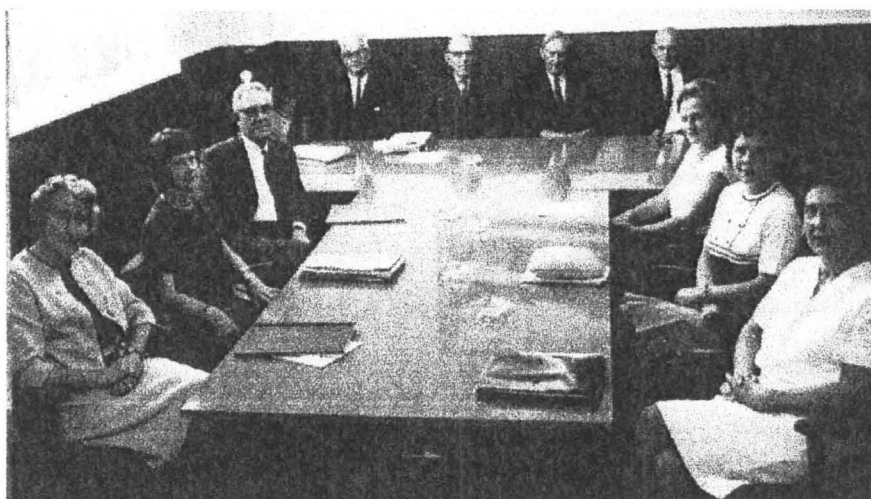
NACEW initially comprised representatives from the Labour and Education departments, the YWCA, professional women's organisations and the National Council of Women, with representation being broadened in 1969 to include union and employer interests, and an economist.²⁷ The Council's role was at first seen as advisory only, and news of its formation was kept low-key, because of the sensitivity about male unemployment at that time. As the aims of the organisation suggest, the traditional view of the role of women was not challenged by NACEW; paid employment was seen rather as an important adjunct to that role.²⁸

²⁵ Joint Committee on Women and Employment, *Submissions to the Commission of Enquiry into Vocational Training Including Apprenticeship, 1965*. MS Papers 5889-07, AT, Wellington.

²⁶ 'The Employment of Women in the 70's', LEG, 23(1), February 1973, 34.

²⁷ Martin, 1996, 333.

²⁸ Hansen, *Women's Employment Issues: New Zealand 1967-1987*, 5.



Inaugural Meeting of NACEW 21st February 1967

Left to right

Miss J.E. Ballard, Mrs E.W. Orr, Mr H.C.J. Thompson, Mr C.W. Sydall (Sec), Mr J.K. Hunn (Chairman), Hon. T. Shand (Min. of Lab.), Mr N.S. Woods (Sec. Lab.), Miss R. McBride, Mrs M. Gilson, Miss L.M. Kennedy (Educ.)

The improving economic conditions at the end of the 1960s and in the early 1970s alleviated some of the fears of women taking ‘men’s’ jobs, and allowed the Council to begin promoting the employment of women more vigorously. A study was published by the Council on the education of girls, revealing that they stayed at school for a shorter time than boys, and took a narrower range of subjects. An Information Centre was set up in April 1969, and work was begun on encouraging pre-employment training, with a pre-employment course established at Wellington Polytechnic.

Although education and training issues were considered vital by NACEW, during the late 1960s and early 1970s the main focus of the group was on extending the public sector equal pay legislation to the private sector. They were joined by a fresh coalition of lobby groups, bolstered by the growing strength of ‘women’s unions’, such as the Clerical Workers’ Union, and began pressuring the government. The “frenetic” lobbying, supported by entities such as the Labour Committee of the National Development Conference and the Federation of Labour, led to the establishment of the Commission of Inquiry into Equal Pay in 1971, and ultimately in 1972 to the equal pay legislation (supported by both the Labour government and

²⁹ Ibid., 4.

the National opposition).³⁰ By 1973, social attitudes had changed sufficiently for NACEW to state in its annual report that “its activities in promoting better opportunities for women’s employment, particularly married women, should *not* be dictated by the level of demand for labour”.³¹

The ‘Second Wave’ Begins

This change in social attitudes had begun to gather pace throughout the 1960s. Women began to question the stereotypes that held them in the home, and to focus on wider issues than just equal pay. The availability of the contraceptive pill from 1962 onward placed fertility control firmly in the hands of many women; the reality of smaller families meshing with the increasing emphasis on individual freedom and self-determination. By the early 1970s, New Zealand women were ripe for the re-emergence of active feminism, with Women’s Liberation groups forming in the main centres. The radical agendas of these groups swiftly incorporated and reconceptualised existing concerns.³²

Within this more ambitious framework for women’s empowerment, it became clear that equal pay legislation alone was insufficient to address the disadvantages and discrimination that women faced in the work place. Thus, the emphasis of groups such as NACEW shifted to broadening the participation of women in the labour force.³³ The legislative impediment to greater numbers of women apprentices had been removed with the Apprentices Amendment Act 1972. Section 1B stated:

Every apprenticeship order, whether made before or after the commencement of this subsection, shall apply to both male apprentices and female apprentices, subject to any separate provision applying expressly to male apprentices only or applying expressly to female apprentices only.³⁴

Despite this new legislation, there were few immediate changes in the numbers or types of female apprenticeships. There was, however, limited evidence of changing attitudes in some areas. The 1973 report of the New Zealand Railways Apprenticeship Investigation Committee, for example, spoke of the need to encourage more women to take up apprenticeships:

³⁰ Nolan, *Breadwinning*, 242-253.

³¹ Hansen, *Women’s Employment Issues: New Zealand 1967-1987*, 7.

³² Macdonald, *The Vote, The Pill and the Demon Drink*, 161-164.

³³ Martin, *Holding the Balance*, 338.

³⁴ *New Zealand Statutes*, 1972, 518.

We have been prepared, as a country, to use the untapped potential of female labour over a wide range of activities, including skilled occupations, during periods of national emergency and then promptly relegate women to the mundane and lower-paid employment once the emergency has passed. This is an attitude inherent in our national thinking and trade unions must accept their share of the responsibility for this state of affairs, along with employers and the government.³⁵

The reality, however, was that most employers remained resistant to the idea of taking on a woman apprentice. This was made clear by the results of a survey carried out in March 1971 by the Society for Research on Women (SROW)³⁶, NACEW and the Department of Labour, and reported in *Employers' Attitudes: Work Opportunities for Women*. The questionnaire was answered by 1055 employers, 90 per cent of whom were male, located in the larger cities, and in a range of industries. Interestingly, industries such as building and mining were not surveyed because of the comparatively few number of women employed; the possibility of more women working in those areas in the foreseeable future was clearly considered too unlikely for the views of those employers to be taken into account. The "fact-finding, descriptive" survey showed "considerable differentiation in employment, according to sex roles".³⁷

This differentiation was especially clear in the responses of the 352 employers in the survey who had experience of apprenticeship. Only 20 per cent of the respondents thought that there could be more apprenticeship opportunities for girls, and even then occupations deemed suitable were limited. The main reasons given for not accepting girls into apprenticeship were the physical nature of the work, and the length of the training period; "employers were not prepared to put four or five years into training girls who, they felt, would marry and leave".³⁸ It must be noted that apprenticeship in general did not find favour with this group of employers, with only 8 per cent regarding the system as satisfactory, and concerns being expressed about the low rate of pay and the length of the training period. The report recommended that, in light of these findings, girls look to other areas for employment:

³⁵ New Zealand Railways, *Report of Apprenticeship Investigation Committee* (Wellington: NZR, November 1973), 93. Crosada Collection, 95-072, AT, Wellington.

³⁶ Nolan, *Breadwinning*, 248: SROW was formed in 1966 as a result of a 1964 study conference, entitled 'Women's Contribution in a Changing Society', which had been organised by the Wellington branches of the Business and Professional Women's Club and the New Zealand Federation of University Women. Its aim was to provide research on the education, training and employment of women.

³⁷ Marie Bullock, *Why Employ Women?* (Wellington: Society for Research on Women, 1973), 5.

³⁸ *Ibid.*, 18.

Apprenticeships exist largely in the old well-established trades where there are traditional attitudes to sex roles and sex allocation of jobs. Rather than try to break into a system admittedly unsuited to modern conditions girls should perhaps look to the newer jobs being created in a technological age, which are not hide-bound by tradition and which have a shorter period of training.³⁹

The small number of female apprentices, and their concentration in women's hairdressing, is shown clearly in Table 9.

Table 9: Female Apprenticeship Contracts, Contracts in Force as at March 31, 1972-1975⁴⁰

TRADE	1972	1973	1974	1975
Baking	9	8	6	5
Carpentry	-	-	1	1
Clothing	6	6	10	13
Coachbuilding	-	-	1	-
Dentistry: Mechanical	2	7	7	6
Electrical	-	-	-	1
Engineering	-	-	2	3
Hairdressing: Men's	3	3	9	9
Hairdressing: Women's	1266	1263	1229	1187
Horticulture	7	10	13	24
Jewelry	1	3	4	3
Motor Trades	-	-	5	8
Painting	-	-	-	2
Photo-engraving	-	-	-	1
Plumbing	-	-	-	1
Printing	-	-	5	10
Radio	-	-	1	1
Retail Meat Industry	-	-	-	1
TOTAL	1294	1300	1293	1276

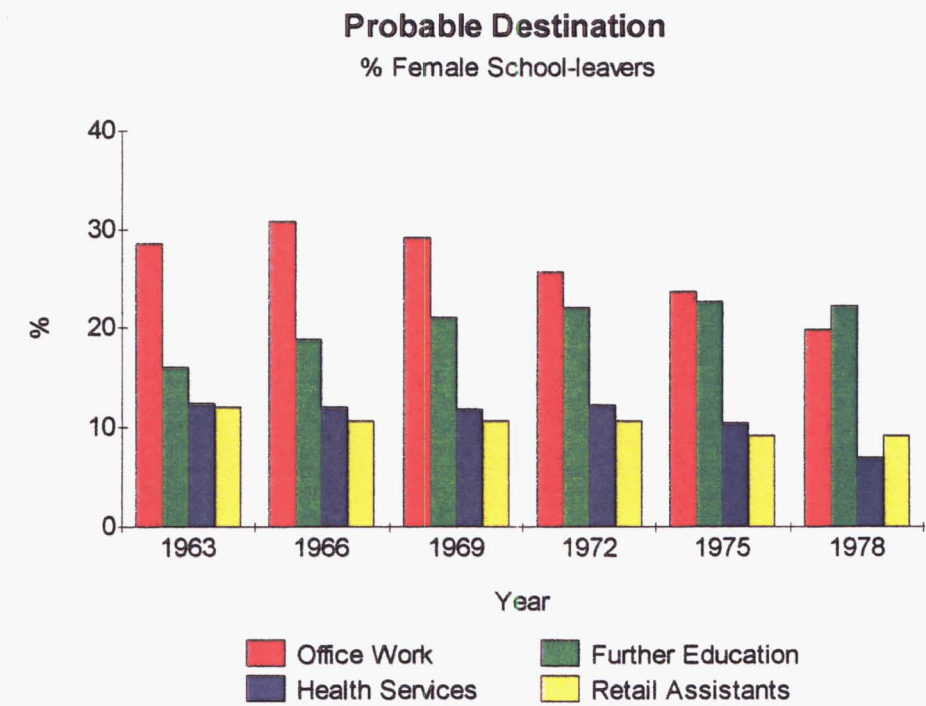
The report of the 1975 Select Committee on Women's Rights highlighted the limiting effects of subjects chosen by young women students. The evidence produced showed that girls were more likely than boys to curtail their schooling, and to choose less demanding and less

³⁹ Ibid., 18.

⁴⁰ Research and Planning Division, Department of Labour, *Women in the Workforce Series, Facts and Figures, Supplement No. 2* (Wellington: Department of Labour, November 1975), 40.

vocationally orientated subjects. Two critical decision points were identified; the transition to secondary school, and the school-leaving period. The select committee recommended more extensive and varied use of vocational guidance counsellors at these times “to counteract the existing limitations on girls’ freedom to choose their future lifestyles”.⁴¹ Figures 22 and 23 illustrate clearly the gender-based differences in occupational choice on leaving secondary school.⁴²

Figure 22: Top Four Probable Destinations of Girls Leaving Secondary School, 1963-1978⁴³



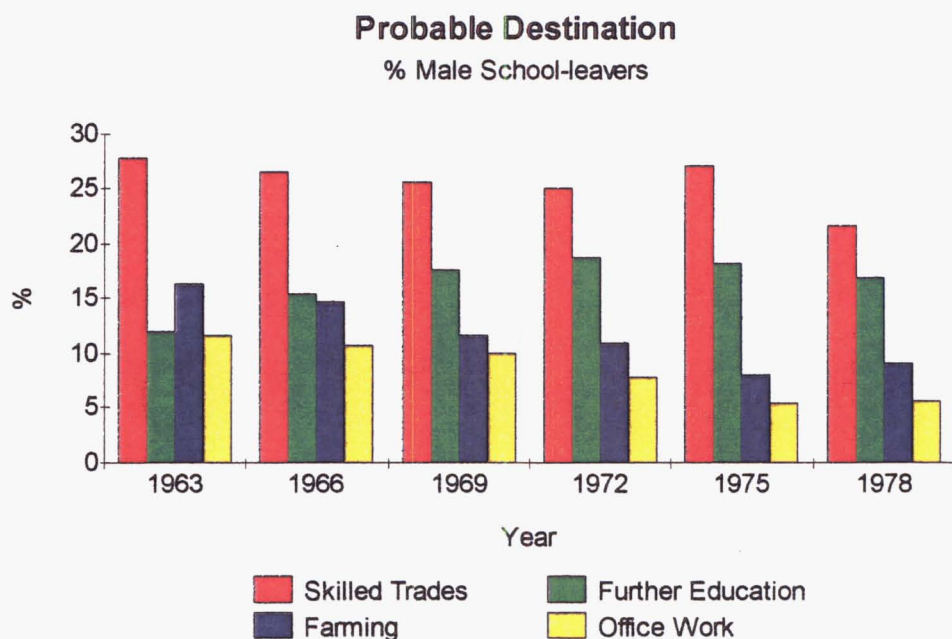
⁴¹ Select Committee on Women’s Rights, *The Role of Women in New Zealand Society* (Wellington: Government Printer, 1975), 55.

⁴² It is acknowledged that nursing training (part of the ‘health services’ category) was organised along similar principles to the apprenticeship system. While there would be some justification in including the nursing intake with other apprenticeship statistics, there are two reasons against this. First, nurses were employed by the government and they trained in large cohorts, without a direct employer/apprentice relationship (while these conditions applied to some apprentices, it was not the majority experience). More importantly, I would argue that nurses would describe themselves as having a ‘profession’, rather than a skilled trade.

⁴³ AJHR, E-1, 1963-1978.

Figure 23: Top Four Probable Destinations of Boys Leaving Secondary School,

1963-1978 ⁴⁴



Positive Action

The Women's Advisory Committee of the VTC, established in 1975, was instrumental in setting up 'positive action' programmes in the late 1970s and early 1980s.⁴⁵ Examples of the work of this committee were two booklets; the 1975 *Women & Training - an Action Plan for Employers* and *Women Back to Work: Guidelines for Employers on Women Returning to Work*, published in 1976. These publications emphasised the growing importance of women in the labour market, and encouraged employers to "actively promote the training and development of women workers".⁴⁶ The minutes of the committee provide an interesting insight into the range of activities and concerns of the many groups represented on the committee. The State Services Commission, Pacific Island Affairs, the Departments of Labour and Education, the Federation of Labour, the Combined State Unions, NACEW, the Employer's Federation and Technical Institutes were all represented on the committee, with other organisations invited to send representatives as needed. The minutes traverse a diversity

⁴⁴ Ibid.

⁴⁵ 'The VTC in Retrospect', *Vocational Training Council Training Bulletin*, 5(1), March 1989, 5.

⁴⁶ Woman's Advisory Committee, VTC, *Women in Training* (Wellington: VTC, 1975), 3.

of subjects, including child-care, positive action initiatives, women with disabilities and training for rural women, as well as discussion of women in apprenticeships.⁴⁷

A pilot course for women in radio and television servicing was organised by the VTC and run at the Auckland Technical Institute in 1977 and 1978. This course had first been suggested at the 1975 *Conference on Education and Equality of the Sexes*, which was organised by the Committee on Women and the Department of Education. In June 1976, Jo Lynch, the Women's Advisory Officer of the VTC, began to liaise with J.B. Stewart, the Executive Training Officer of the Electronics ITB. The ITB pledged its support for the scheme, and reported that guarantees of apprenticeship for the trainees had been received from some employers. The course required approval from the National Apprenticeship Committee, the Electrical Registration Board, the Trades Certificate Board and the Director of Technical Education. The need for approval from so many organisations made a quick decision difficult, and on 20 October 1976 the deadline for confirmation to allow the course to proceed in 1977 had to be moved to the end of November.⁴⁸

Jo Lynch compiled a progress report on the course on 1 December 1976. On 30 November, the New Zealand Apprenticeship Committee had unanimously agreed to the establishment of the course, and had recommended to the Electrical Registration Board that the 1500 hours of the course be counted as apprenticeship hours. The committee also recommended to the Trades Certificate Board that students be allowed to sit the First and Second Qualifying examinations in the same year. Those employers who had guaranteed apprenticeships were to make formal application to the Auckland apprenticeship committee at the beginning of 1977 for a contract that would not be uplifted until 1978, when the course had been completed. Ministerial approval for the course was received on 24 December 1976, and the course began at Auckland Technical Institute on 28 February 1977.⁴⁹

The short lead-in time for the course caused some problems with recruitment of suitable women. Uncertainty over whether the course would run meant that some applicants had to make other plans, and there was insufficient time for familiarisation for the thirteen women who eventually did start the course. Other problems emerged as the course proceeded. There was too great a variation in the academic qualifications of the recruits; thus, some struggled whereas others found the work too easy. It was considered that the course was too

⁴⁷ Vocational Training Council, *Minutes of the Women's Training Advisory Committee, August 1986-November 1988* (Wellington: VTC, 1988).

⁴⁸ Women's Advisory Committee (VTC): Apprenticeship File. AAOC, W3473, 21/1/11, NA, Wellington.

⁴⁹ Ibid.

long for what had to be taught, and that there was insufficient practical work involved. The women found the 38-hour week too long, particularly because there were no holidays, and they found themselves isolated from other students at the Institute. There were also planning and staffing difficulties; again, intensified because of the short time frame. Nevertheless, of the thirteen women who began the course, only two dropped out, and seven went on to gain apprenticeships. Apprenticeships were considered a possibility for two others.

A second course was run for nine women in 1978. The smaller number of women was indicative of the tightening economic situation, with fewer firms prepared to take on apprentices. Learning from the problems of the previous year, communication was improved, and the women each spent a three-month orientation period with a firm. Their classes were more integrated with those of other students, and the course incorporated two one-week breaks.⁵⁰ An evaluation of the course was made by the Auckland Branch of SROW and published in 1981, with a follow-up study carried out in 1985. The evaluations of the course were generally positive, with fifteen of the twenty-two trainees from the two courses beginning an apprenticeship. The later study showed that at least ten of those fifteen had qualified as electronic technicians, and that they reported an increasing acceptance of women in the trade.⁵¹ In 1981 another pre-apprenticeship course in engineering skills was run for women at Manukau Technical Institute. This course aimed to correct the constraining subject choices that girls were often encouraged to make at school and to allow them to gain the prerequisites necessary to apply for apprenticeships.⁵²

The Apprenticeship Act 1983

The shape of the apprenticeship system had been under debate throughout the 1970s and the early 1980s. The pressure for reform resulted in the Apprenticeship Act 1983, which also incorporated the growing social awareness of the systemic disadvantage that women faced in the labour market. The consultative document that preceded that Act, *Apprenticeship for Tomorrow*, made suggestions for modifications to apprenticeship that would make it easier for women to take part in the system. These included broad-based training followed by specialisation, which would allow training to be completed in sections, rather than in an unbroken stint, and formal recognition for units of training to allow cross-crediting.

⁵⁰ Ibid.

⁵¹ SROW, *Follow Up Study of Female Radio and TV Servicing Apprentices, Part II* (Wellington: VTC, 1986).

⁵² 'Positive Action Programme to Start in New Plymouth', LEG, 33(1), March 1983, 7.

Complementing these practical steps, Section 40 of the Apprenticeship Act 1983 charged local apprenticeship committees with promoting:

the taking up of apprenticeships by members of groups that are under-represented (in relation to the sexual and ethnic composition of the New Zealand workforce) in the workforce of that industry, and by persons with special needs.⁵³

This was reinforced in 1984 by the introduction of the Female Apprentice Incentive for Recruitment (FAIR) scheme, where employers of female apprentices, other than those in the hairdressing trade, would receive a \$20 per week subsidy during the first year of training.⁵⁴ The FAIR scheme was strongly fought for by women activists, including Lois Welch in the VTC, in the face of sceptical opposition, and was linked with other positive action initiatives.⁵⁵ The reason behind these initiatives was the 'tiny' percentage of women apprentices, reflecting the concentration of women into narrow occupational groupings. At the 1981 census, over half of all full-time employed women worked in seven occupational groups; clerical workers (15.4 per cent), sales assistants (7.75 per cent), typists (7.5 per cent), bookkeepers/cashiers (7 per cent), health workers (7 per cent), teachers (6.6 per cent) and clothing workers (4 per cent).⁵⁶ In 1983, of the 172 occupations with apprenticeships, there were women in only 55 of them, with the number of women apprentices reaching double figures in only 13 of those occupations.⁵⁷ Figure 24 also illustrates the predominance of males in the production sector, home of the traditional apprenticeship trades.

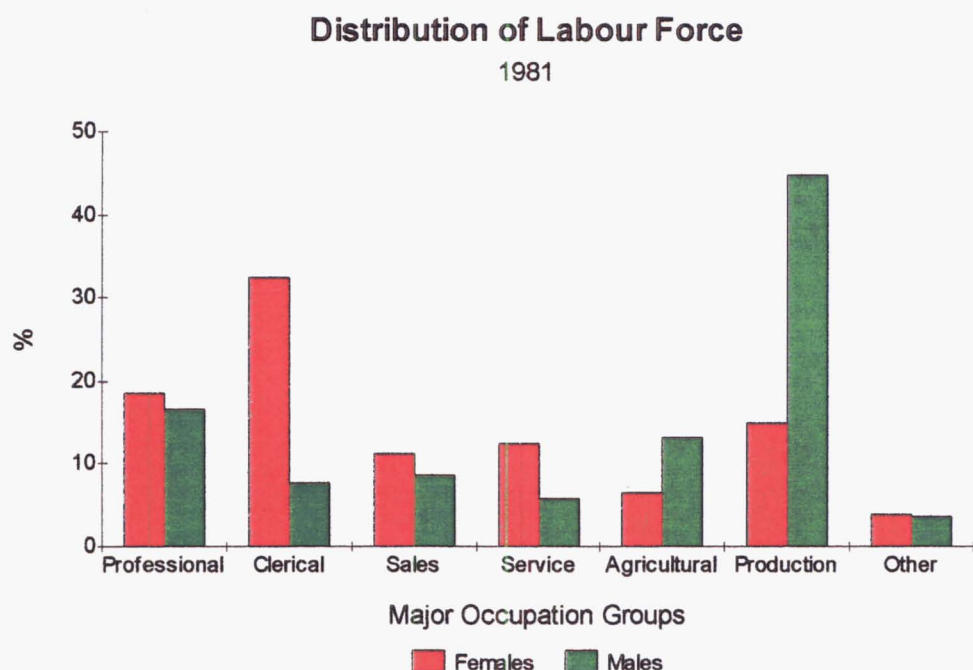
⁵³ *New Zealand Statutes*, 1983, 219.

⁵⁴ Catherwood, *Young People, Education and Employment: Planning Paper No. 23*, 27.

⁵⁵ Alison Kuiper, interview by author, 23 August 2000.

⁵⁶ Horsfield, *Women in the Economy*, 279.

⁵⁷ 'Positive Action Programme to Start in New Plymouth', LEG, 33(1), March 1983, 7.

Figure 24: Distribution of Labour Force by Occupation, 1981⁵⁸

Mary O'Regan (who later became the first head of the Ministry of Women's Affairs, established in 1984), an officer of the Vocational Training Council, highlighted in a 1980 article some of the reasons for the low number of women apprentices. She argued that the way women were socialised discouraged them from having an interest in technical areas. This impacted on the choice of subjects at school, which narrowed the career options available. Careers advice was often slanted, with being a woman "regarded as a vocational defect", and dire warnings being issued about the consequences of women entering a male bastion.⁵⁹ If, despite all the disadvantages faced, a woman did decide to take up an apprenticeship in a non-traditional area, it was then necessary to find an employer willing to engage a woman apprentice. The predominance of male employers and the often informal nature of apprenticeship recruitment were barriers at this stage. If a position could be secured, there were still the difficulties and prejudices encountered in the workplace to be overcome.⁶⁰ It is hardly surprising, then, to see the small numbers of women apprentices, illustrated in Table 10.

⁵⁸ Horsfield, *Women in the Economy*, 277.

⁵⁹ Mary O'Regan, 'Apprenticeship – Jobs for the Boys?', *Broadsheet*, October 1980, 15.

⁶⁰ Ibid.

Table 10: Females as a Percentage of Apprentices in the Private Sector, 1972-1982 ⁶¹

	1972	1977	1982
Percentage of Female Apprentices	4.8% (26693 Contracts in Force)	5.2% (29838 Contracts in Force)	7.8% (26124 Contracts in Force)
Percentage of Female Apprentices (excluding Women's Hairdressing)	0.1% (25427 Contracts in Force)	0.4% (28460 Contracts in Force)	1.7% (24531 Contracts in Force)

'Positive Action': Taranaki, 1983

The Department of Labour continued with a number of local initiatives, particularly the 'positive action' campaign that was launched in late 1982. This programme was designed to move women out of the small number of occupational groups to which they were largely confined.⁶² A pilot scheme was conducted during 1983 in Taranaki, where many of the major energy projects were based, and aimed to "increase the employment potential of young unemployed women", encouraging them into non-traditional fields through training, education and publicity, and financial incentives.⁶³ The programme aimed to educate both young women and employers, and saw around 100 women placed in training and employment in non-traditional areas.⁶⁴ Seven months after the beginning of the programme, 53 of the women had moved into permanent employment, with a "lucky few" entering apprenticeships. An evaluation of the programme showed that the women aged between eighteen and twenty were more responsive to the idea of entering non-traditional work. These women had often already been employed in routine and low-paid jobs, but because they were a little older than school-leavers, had the maturity and confidence to try something different.⁶⁵

⁶¹ Lois Welch, "A Survey of Trends in Women's Training 1972-1982," in *Women's Studies Association (New Zealand) Conference Papers, Blenheim 1984*, ed. Claire Philipson (Auckland: Women's Studies Association, 1984), 248-259.

⁶² Martin, *Holding the Balance*, 338.

⁶³ AJHR, 1984, G-1, 22.

⁶⁴ Ibid.

⁶⁵ 'Positive Action Programme Evaluated', LEG, 34(1), March 1984, 15.

'Women Across the Workforce', 1983

During 1983, Lois Welch of the VTC organised a public education programme designed to encourage women to expand their vocational horizons. The programme was named 'Women across the Workforce', after the suggested title of 'Girls into Trades' was rejected as having too narrow a focus (and an unfortunate acronym!). The main thrust of the programme was a media campaign that utilised television community service advertisements, commercial radio and a series of radio interviews carried out by a well-known media personality, Sharon Crosbie. The Young Women's Christian Association and the Business and Professional Women's Club (BPWC) supported the campaign. The Auckland branch of the BPWC had compiled a directory of women in non-traditional jobs. A booklet was produced to help school careers advisors, and a number of women were employed in various areas through the Project Employment Programme to promote women into non-traditional jobs.⁶⁶

Personal Viewpoint Pamphlets

This series of pamphlets provides a good example of how various organisations linked together to produce a resource that could be used to challenge existing attitudes. In the early 1980s, the Christchurch branch of SROW carried out a study on women in non-traditional jobs. This led to the production of the first *Personal Viewpoint* pamphlets (see Illustration 6). The initiative was also supported by NACEW, and a further series of the pamphlets were published by the VTC.⁶⁷ Members of the 1982 Kellog Rural Leadership Course, held at Lincoln College added pamphlets featuring women in agricultural occupations to the series. The participants interviewed women in non-traditional rural occupations, with the aim of encouraging "girls to consider all types of work – to lift their sights beyond the stereotypes".⁶⁸

⁶⁶ VTC Public Education Programme. AAOC, W3473, 21/22, NA, Wellington.

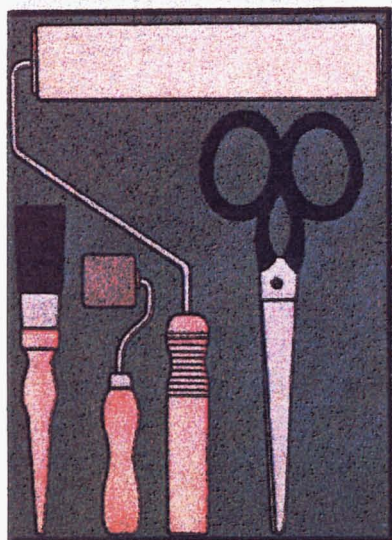
⁶⁷ Kuiper, 23 August 2000.

⁶⁸ Isla McFadden & Robyn Grigg, *Women are in Agriculture* (Lincoln College: Kellog Rural Leadership Course, 1982).

Illustration 6: 'Personal Viewpoints' Series of Pamphlets⁶⁹

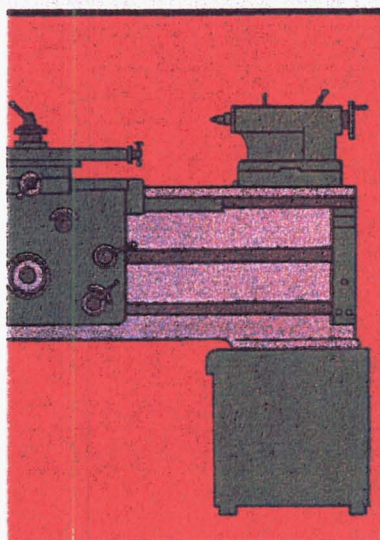
Personal Viewpoints 1

Tui Dixon
**Painter/
Paperhanger**



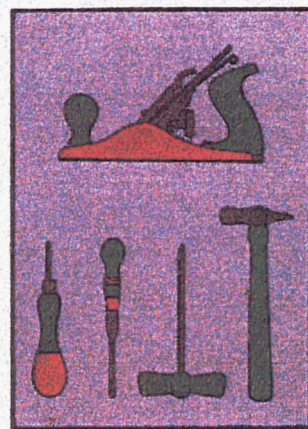
Personal Viewpoints 7

Linda Dünlop
**Fitter and
Turner**



Personal Viewpoints 18

Hilary Davidson
**Apprentice
Joiner**



Department of Labour 'Positive Action Programme', 1984-1990

At the end of 1984, the Labour Department established a Positive Action Programme for Women.⁷⁰ The 'Girls Can Do Anything' publicity campaign', co-ordinated by the Department of Labour and run by the VTC's Women's Advisory Committee, provided the 'catch-phrase' for the programme (see Illustration 7). One of the main instigators of the Positive Action programme was Susan Shipley, who worked in the Policy Division of the Department. Her academic work on women's employment, unemployment and under-employment in Palmerston North provided a basis for many of the initiatives that were to develop.⁷¹ In early 1985, four Senior Employment Officers (Positive Action for Women)⁷²

⁶⁹ Alison Kuiper, personal papers, early 1980s.

⁷⁰ 'Positive Action Programme Appointments', LEG, 35(2), June 1985, 30.

⁷¹ Alison Kagen, interview by author, 23 August 2000.

⁷² Kagen, personal communication, 13 November 2000: the job title changed to 'Women's Employment Co-ordinator' in June 1987 and to 'Women's Employment Advisor' in March 1988. The women's positions were disestablished in 1990.

within the Department: "I would say that we met with a combination of almost complete indifference and opposition...it was a constant battle to try and work out what we could do and how we could do it".⁷⁸ The size of the area that each officer was responsible for also contributed to the difficulties of the job. Alison Kagen, for example, based in Christchurch, was responsible for Timaru and Dunedin, with much of the remainder of the South Island technically without representation.⁷⁹

One of the roles of the Women's Employment Officers was to promote women into apprenticeship. There were some successes; for example, of the 82 supplementary apprentices taken on by New Zealand Railways in 1985, fifteen were women, and seven of these women were hired as a direct result of initiatives from the Women's Employment Officers. Three hundred and sixteen women began apprenticeships in non-traditional jobs in the year ended September 1985.⁸⁰ For some of those women, however, the reality of the apprenticeship experience was at times harrowing. A carpentry apprentice at Addington railway workshops, for example, had to work in an area where the 30-foot high walls and doors were plastered with *Playboy* centrefolds. Alison Kagen recollected visiting a diesel mechanic apprentice who had resigned from her apprenticeship:

I got hauled down there to try and stop her leaving, she had already resigned, and handed in her notice, but she agreed to stay that day and talk to me, but there was no way she was going to stay, and she came from a family with a background in the motor-trade, and she was really keen. The guys in the workshop took me around and showed me, explained how it wasn't really practical having a girl doing this kind of job because it was really heavy, and 'you know, they're just not strong enough', sort of thing, and showed me things like taking the motor out of a bus, which takes four men, and they showed me how good they were working together, because four men could co-operate to get the motor out, but they didn't see any inconsistency between that and saying a girl wasn't strong enough... basically she left because they called her "Cunt", they didn't use her name, it was like "hand me the spanner, cunt". And they had absolutely no idea, I think genuinely, that that was really why she'd left, that it was inappropriate behavior. The union guy said they would take action on her behalf against their members if she wanted to, but she just wanted to get out...⁸¹

The raft of 'positive action' initiatives throughout the mid 1980s appeared to be meeting with some success. The results, however, were often nominal, and only achieved with a great deal of persistence by the small number of dedicated women in key roles. In a

⁷⁸ Kagen, 23 August 2000.

⁷⁹ Ibid.

⁸⁰ NACEW Minutes, 1985-6. AAOC, W3473, 21/12, NA, Wellington.

⁸¹ Kagen, 23 August 2000.

reflective letter written in early 1984, Lois Welch, the VTC Women's Advisory Officer, replied to a request for suggestions of strategies to increase the number of women apprentices: "I have been trying to think what your best strategy would be to help give employers a shove... whoever you write to be prepared for the answer 'girls don't apply'..."⁸² The letter went on to lament the low numbers of women apprentices in government departments (see Table 11), which was at that point less than one per cent of the total and falling: "I am always horrified by the public sector apprenticeships, which are getting worse, not better, and when government could demand that the numbers of women could be increased..."⁸³ As an example, the first intake of 224 government-sponsored SEATS trainees did not include any women; there were three women in the 1981 intake and one woman in the final 1982 intake.⁸⁴ Indeed, concern about those low numbers prompted the VTC Chairman, George Peters, to write to the Minister of State Services, D.S. Thomson, urging that the recruitment of female apprentices become a priority, with the aim of at least equaling the proportion in the private sector.⁸⁵

Table 11: Proportion of Female New Apprenticeship Contracts, 1975-1983⁸⁶

Year Ended 31 March	Private Sector			Government Departments		
	Males	Females (including women's hairdressing)	Proportion	Males	Females	Proportion
1975	8728	535	6.1%	702	7	1.0%
1976	7326	605	8.3%	678	4	0.6%
1977	8006	663	8.3%	758	13	1.7%
1978	7053	751	10.6%	1150	15	1.3%
1979	6808	763	11.2%	748	9	1.2%
1980	6356	663	10.4%	796	10	1.3%
1981	5950	642	10.8%	747	5	0.7%
1982	7244	666	9.2%	563	1	0.2%
1983	6286	708	11.3%	555	3	0.5%

⁸² Welch, VTC to Powell, YWCA, February 1984. AAOC, W3473, 21/11, NA, Wellington.

⁸³ Ibid.

⁸⁴ NACEW Minutes, June 1982. AAOC, W3473, 21/12. NA, Wellington.

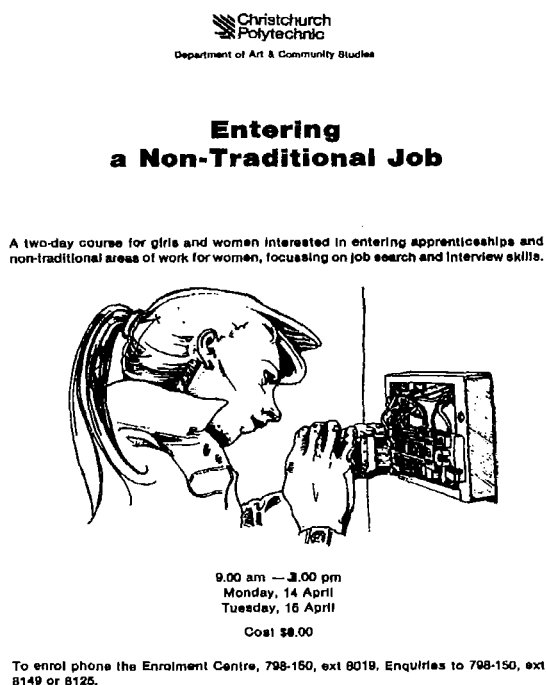
⁸⁵ Peters, VTC to Thomson, Minister of State Services, March 1984. AAOC, W3473, 21/11, NA, Wellington.

⁸⁶ Department of Labour, *Summary of Apprenticeship Trends to 31 March 1983*, 6.

'Try a Trade' Days

Other examples of positive action initiatives were the 'Try a Trade' days held at various polytechnics throughout the country from 1986 to 1990. These were organised by women in the polytechnics with the support of the Labour Department's Women's Employment Officers, the VTC Women's Executive Officer, Jan Churchman, and liaison people in the polytechnics. Schools in the surrounding areas of the polytechnic were invited to send a number of fourth and fifth form girls who had the ability and an interest in a non-traditional occupation. For example, Alison Kuiper, the Women's Liaison Tutor at Christchurch Polytechnic, organised 'Try a Trade' days from 1986 to 1990. The title of the 1990 day was 'Women into Technology' and offered the girls a taste of the furniture, meat handling, computing, science, electronic and automotive trades (see Illustration 8 for an example of promotional material). The day began with an overview of the Polytechnic, followed by some 'hands-on' experience in the various workshops and laboratories. Women who were working in non-traditional trades, an apprentice carpenter and a professional engineer, then addressed the girls. The response to the day was overwhelmingly positive, with many of the girls wanting to explore the trades further.⁸⁷

Illustration 8: Christchurch Polytechnic Poster: 'Entering a Non-Traditional Job', 1986⁸⁸



⁸⁷ Kuiper, personal papers, 1986-1990.

⁸⁸ Ibid.

A study carried out by Alison Kuiper in 1986 provided an empirical basis for an understanding of the factors involved in women taking up and remaining in apprenticeships. Fourteen women aged between nineteen and twenty-seven were interviewed, five who had recently completed an apprenticeship, four who were currently apprentices and five who had given up an apprenticeship. Kuiper found that family encouragement, familiarity with males, supportive employers and a strong will to succeed made it more likely that the women would complete the apprenticeship. Conversely, poor work conditions, an excess of work that was tedious, heavy or unrelated to the apprenticeship, a lack of family support and difficult employers appeared to discourage women from completing their apprenticeships. Clearly, these factors would also discourage male apprentices from remaining in their apprenticeships, and Kuiper's recommendations focussed as much on improvements that could be made to the apprenticeship system in general, as on those pertaining just to women apprentices.⁸⁹

By 1987, 'positive action' programmes began to fall victim to economic and political changes. Deregulation of the economy and pressure to reduce government spending resulted in a re-evaluation of the role of government. Employment patterns were altered by economic restructuring and new technologies.⁹⁰ The Department of Labour in 1987 changed the emphasis of its 'positive action' programme, integrating the features and activities of the programme "into normal and routine operations within employment centres".⁹¹ Many feminists began to question the validity of putting so much energy into encouraging women into apprenticeships in the traditional trades. It was felt that the limited success rates (see Table 12), coupled with the downturn in many of those trades, meant that effort was better placed in encouraging women into new occupational areas.⁹² The 1987 Probine/Fargher report on continuing education was clear about limitations of some aspects of the 'positive action' programme:

Efforts to increase the number of young women in apprenticeships have made little progress. Indeed, given the shrinking base of the workforce in the traditional trades, there may be advantage in directing effort to ensuring increased participation at all levels in the expanding information technology industries.⁹³

⁸⁹ Alison Kuiper, *Women in Apprenticeships* (Christchurch: Christchurch Polytechnic, 1986).

⁹⁰ AJHR, 1988, G-1, 4.

⁹¹ AJHR, 1987, G-1, 50.

⁹² Alison Kuiper, personal communication, June 2000.

⁹³ Probine & Fargher, *The Management, Funding and Organisation of Continuing Education and Training*, 15-16.

Table 12: Females as a Percentage of Apprentices in the Private Sector, 1984-1988⁹⁴

Year Ended 31 March	1984	1986	1988
Percentage of Female Apprentices (Contracts in Force)	9.2%	10.25%	10.78%
Percentage of Female Apprentices (excluding Women's Hairdressing)	2.3%	2.9%	3.3%
Percentage of Female Apprentices in Women's Hairdressing	77.3%	73.8%	71.7%

The minutes of the Women's Advisory Committee of the VTC in the late 1980s show a note of quiet desperation creeping into some of the discussion, fuelled no doubt by tightening economic conditions and the resilience of the male domination of some occupations. For example, at a meeting in August 1988, the Committee expressed its concerns about some of the findings of a pilot programme studying senior secondary students: "the report still showed the same trends in subject selection after decades or more of providing encouragement for girls to widen their horizons".⁹⁵ Nevertheless, the Committee continued with its endeavors right up to the disestablishment of the VTC in early 1989.

Thus, although there were small pockets of support from some employers, bureaucrats and educationalists, the role of individual feminists in driving positive action projects through to realisation must be acknowledged.⁹⁶ Initiatives designed to promote women into non-traditional occupations depended largely upon the efforts of motivated women, who were linked through extensive formal and informal networks. Many organisations contributed ideas and skills, and often a project would have input from different sources, with much cross-fertilisation occurring.

⁹⁴ Department of Labour, *Annual Apprenticeship Statistics*, 1984-1988.

⁹⁵ Vocational Training Council, *Minutes of the Women's Training Advisory Committee, August 1986-November 1988* (Wellington: VTC, 1988).

⁹⁶ Davies, *Women's Labour Force Participation in New Zealand: the Past 100 Years*, 48.

The 1990s

A 1994 NACEW report, *Women's Access to Industry Training*, aimed to assess the success of the government's industry skills training strategy in improving the quantity and quality of training opportunities for women. The report began with a discussion of women's position in the labour market, based on the 1991 census. These figures showed that women continued to work in a narrow range of occupations, with four out of five employed women working in the service sector, and 46 per cent of employed women working as clerical, service or sales workers. Women continued to be poorly represented in the senior levels of all occupations, were more likely to work part-time and on average earned less than men.⁹⁷

With regard to apprenticeship, while by 1992 the incidence of female apprenticeship contracts had risen to 17 per cent of the total, 80 per cent of all female apprenticeship contracts were still in women's hairdressing (see Table 13). Very few women were represented in the administration of apprenticeship, and the FAIR recruitment scheme had met with only limited success, due to the low level of the subsidy, and entrenched attitudes.⁹⁸ These statistics seem grim indeed, twenty years after the introduction of equal pay, and in light of two and half decades of positive action. The total numbers of young people beginning formal apprentices had also declined dramatically, from 9117 new contracts (1123 females) in the year ended March 1986, to 2468 (502 female) in the year ended June 1993.⁹⁹

Table 13: Females as a Percentage of Apprentices in the Private Sector, 1989-1993¹⁰⁰

Year Ended 31 March	1989	1991	1993
Percentage of Female Apprentices (Contracts in Force)	11.8%	14.1%	18.0%
Percentage of Female Apprentices (excluding Women's Hairdressing)	3.4%	3.8%	3.5%
Percentage of Female Apprentices in Women's Hairdressing	73.5%	75.7%	83.6%

⁹⁷ NACEW, *Women's Access to Industry Training* (Wellington: NACEW, 1994), 3-4.

⁹⁸ *Ibid.*, 5.

⁹⁹ Department of Labour, *Annual Apprenticeship Statistics*, 1986-1993.

¹⁰⁰ Department of Labour, *Annual Apprenticeship Statistics*, 1989-1993.

The report was also less than enthusiastic about the chances of success of the industry training strategy in improving women's access to industry training. At the time of the report, the "essentially voluntaristic" nature of training framework meant "three of the four industries employing the largest numbers of women remain(ed) largely outside the industry training framework".¹⁰¹ Within those industries where ITOs had been formed, the report had reservations about whether the training offered would 'fit' women, who were often support staff. The report was concerned that neither ETSA or NZQA had a responsibility to monitor the quality of the training offered, and also pointed to the lack of data available on industry training.

The 1997 Skill New Zealand 'stocktake' provided reassurance on some of these issues, although it remains difficult to obtain disaggregated data which would give a fuller picture. Formal training had been extended to a broader range of industries. Of the 51 ITOs in place as at December 1997, 31 had little or no formal structured industry training before the Industry Training Act 1992. Women represented 120,400 (or 47.8 per cent) of all those participating in NQF qualifications, and of the 396 qualifications registered on the NQF, 74 per cent incorporated core generic standards.¹⁰² The figures for structured industry training (as opposed to the previous figures that included Training Opportunities Programme participants¹⁰³), however, were less encouraging. Of the 42,799 industry trainees at March 1998, only 16 per cent were women.¹⁰⁴

Concern about this figure, which indicated little improvement in the numbers of women in industry training during the time span of the new framework, prompted the establishment of an Equity project. This was a joint venture between ETSA and the Ministry of Women's Affairs. The project examined two quite different industries; the electro-technology and the seafood industry, to determine barriers to women's participation. The project resulted in the development of a manual of best practice, *Increasing Women's Participation*, which was intended to facilitate the involvement of more women in structured industry training.¹⁰⁵

¹⁰¹ NACEW, *Women's Access to Industry Training*, 17; 1.

¹⁰² Skill New Zealand, *Skill New Zealand: A Stocktake as of December 1997* (Wellington: ETSA, 1998), 18-19.

¹⁰³ Ibid., 2. (Training Opportunities Programme: a fully funded programme administered by ETSA, targeted towards people with low qualifications, predominantly recent school-leavers and long-term unemployed.)

¹⁰⁴ Skill New Zealand, "Equity Afloat," *Skills Magazine*, September 1998.

¹⁰⁵ ETSA, *Annual Report 1997/98*, 9.

It would be easy to end this chapter on a rather depressed note. In many ways, it seems that little has changed in the opportunities that women have to participate fully in the world of work. Women remain largely in a narrow range of occupations, are more often on the periphery of the workforce as part-time or casual workers, and are paid on average significantly less than men. Their restricted access to training perpetuates and legitimises this disadvantage. Indeed, when we focus on how far there is to go, it would be easy to become discouraged. Nevertheless, when we look at far women have come, there is cause for celebration. My daughters have the chance to take a wide range of subjects at school. They have fewer practical or societal barriers to their occupational choice than their mother did 25 years ago. They are better equipped to deal with harassment in the workplace, and already accept that they will train and retrain throughout their lifetime. For this, we owe a huge debt of gratitude to the many women who worked so hard to push the barriers of what was deemed 'acceptable' for women. The struggle is not over, but the course of the stream has been irrevocably altered.

CHAPTER TEN

1990s: THE SKILLS CRISIS?

The information revolution isn't going to do us much good if we can't get our plumbing attended to.

(Paul Shannon, "Skills Shortage Scandal," *New Zealand Business*, 8, 1994 : 12-19)

The 1980s had seen a revolution in many aspects of life in New Zealand, not least in the way vocational training was regarded. Apprenticeship, the 'traditional' means of entry to skilled trades, was the subject of an entire government report in 1980; by the end of the decade apprenticeship barely rated a small section in many of the reports written on post compulsory training and education. The focus of vocational training had moved from it being regarded as an accompaniment to paid work to a substitute for it, in many cases. This chapter will ask to what extent this was the result of philosophical changes, and to what extent was it a cover for the lack of available jobs, especially for young people. It will also examine the shape of the new industry training system, the assumptions behind the new regime, and some critiques of those assumptions.

The New Broom?

After two terms of revolutionary changes in economic policy from the fourth Labour government, a National government was elected with a strong majority in October 1990. Tucking firmly under its wing the deregulation and restructuring of the previous government, the new government moved to consolidate and extend those economic changes, and then set about with the same determination to reform the social infrastructure. Benefits were substantially cut in the 1991 budget, and the age for youth rates to apply was raised from 20 to 25. Other social spending was rigorously examined, and, where possible, the funding and provision of social services was separated. The labour market was deregulated (although not to the extent that many wished) with the Employment Contracts Act 1991.¹

The neo-liberal ideology informing these changes also underpinned many changes to the education system, both at the compulsory and post-compulsory levels. Education was

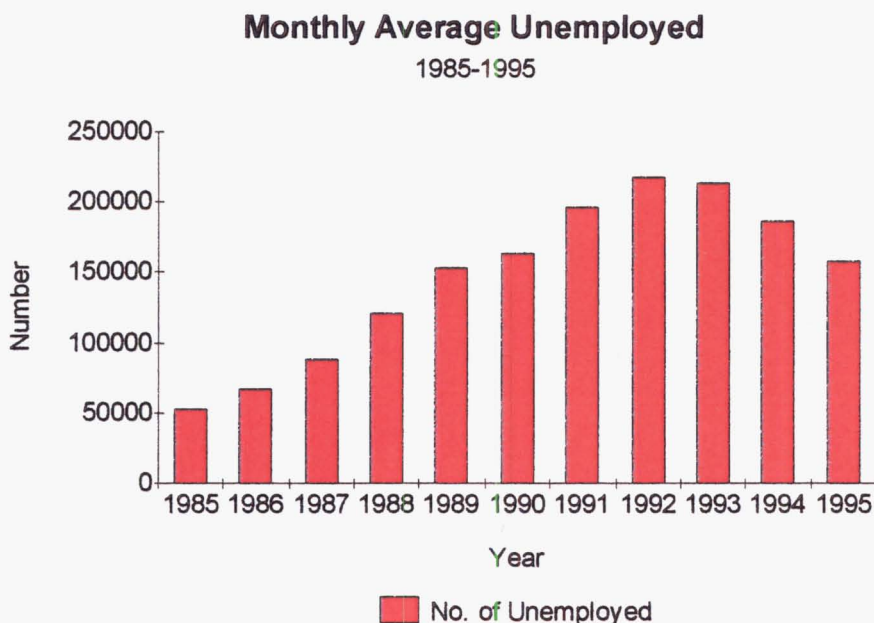
¹ Jonathan Boston, "New Zealand's Welfare State in Transition", in *Redesigning the Welfare State in New Zealand*, ed. J. Boston, P. Dalziel and S. St John (Auckland: Oxford University Press, 1999), 3-19.

increasingly seen as an investment required to support the ‘enterprise culture’, rather than as a ‘good’ in its own right. The idea of the ‘enterprise culture’ was a legacy from Thatcherite Britain, and attempted to answer the question of how a country could survive and compete in the global marketplace. This involved:

remodelling social institutions along commercial lines and encouraging the acquisition and use of so-called ‘enterprising qualities’ at the heart of this notion of an ‘enterprise culture’ is the need to reconstruct education so that it will deliver the research, skills and attitudes required for New Zealand to succeed in an increasingly competitive international economy.²

Alongside the rhetoric, however, was the undeniable reality of a depressed economy and high rates of unemployment, especially youth unemployment. The average growth rate, based on real per capita gross domestic product, declined markedly between 1987 and 1992.³ The number of registered unemployed passed 200,000 in 1992 (see Figure 25), and unemployment in the fifteen to nineteen year age group throughout the period was more than double the total rate of unemployment (see Figure 26).⁴

Figure 25: Monthly Average Registered Unemployed, 1985-1995⁵



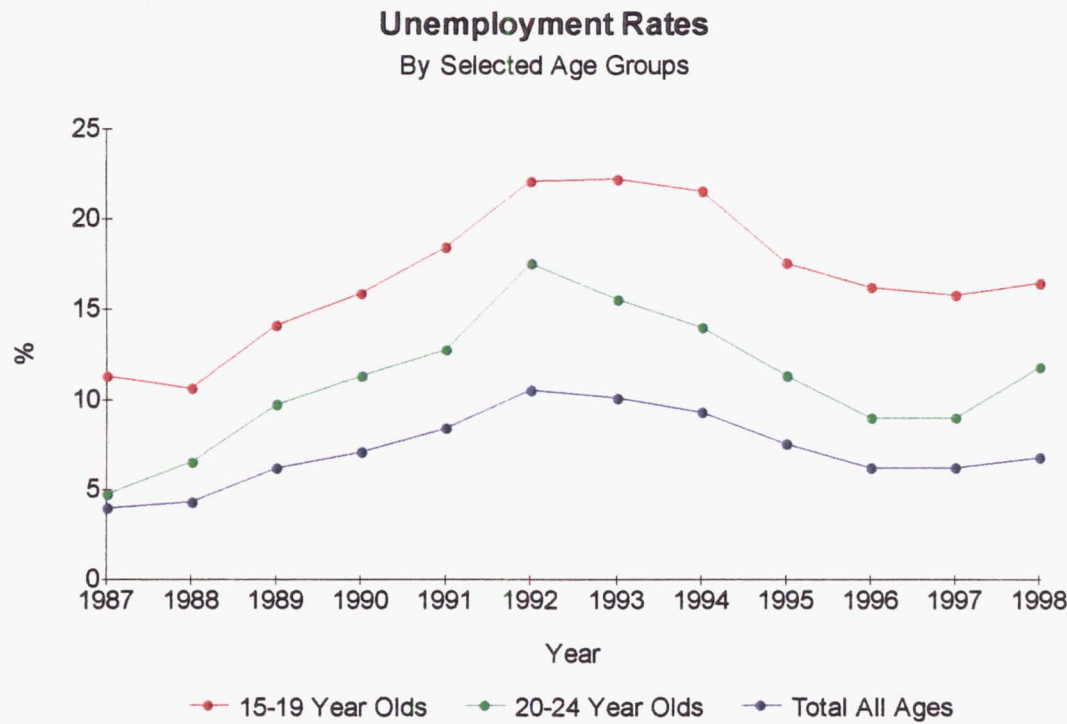
² Michael Peters and Mark Olssen, “Compulsory Education in a Competition State”, in *Redesigning the Welfare State in New Zealand*, ed. J. Boston, P. Dalziel and S. St John (Auckland: Oxford University Press, 1999), 195.

³ Paul Dalziel, “Macroeconomic Constraints”, in *Redesigning the Welfare State in New Zealand*, ed. J. Boston, P. Dalziel and S. St John (Auckland: Oxford University Press, 1999), 62.

⁴ Statistics New Zealand, *Labour Market Statistics 1998* (Wellington: Statistics New Zealand, 1999), 67-70.

⁵ Martin, *Holding the Balance*, 383.

Figure 26: Youth Unemployment Rates, 1987-1998 ⁶



More Reports

The plethora of reports directly concerned with, or touching upon, vocational education continued into the new decade. The theme was generally that of a crisis situation in the labour market, with New Zealand portrayed as having a relatively lowly skilled and unproductive workforce. The decade began with the ‘New Directions’ Conference on Industry Based Training for the 1990s and Beyond held in June 1990. This was organised by the newly established Education and Training Support Agency (ETSA), which was chaired by Ron Fargher (co-author of the 1987 Probine/Fargher report). The conference brought together ETSA, the New Zealand Council of Trade Unions and the New Zealand Employers Federation, and its aim was to consider the future directions of apprenticeship training and the widening of structured training to increase training opportunities.⁷

The conference report identified what it viewed as the ‘training crisis’; problems both with attitudes to training in general, and with the delivery of training. There was concern that large areas of industry had little or no systematic training, and that those individuals who were

⁶ Statistics New Zealand, *Labour Market Statistics 1998*.

⁷ *New Directions: Summary of New Directions Conference on Industry Based Training for the 1990s and Beyond* (Wellington: ETSA, 1990).

in training were not representative of the population as a whole. Barriers to increasing the numbers in training were discussed. These included the idea that off-job training was often seen as solely the responsibility of formal education institutions, the fact that many employers regarded training as cost, rather than an investment, and the absence of an overall training strategy. Problems with the delivery of training included course structures that hampered the acquisition of additional skills and retraining, and concerns about the erosion of national standards. It was felt that training tended to be dominated by education structures at the expense of industry-led systems. Restrictive training legislation was examined, and it was argued that both unions and employers needed to break free of the historical rigidities of industry classifications, job classifications, skill demarcations, award relativities and restrictive entry systems.⁸

The conference report considered that there was a high degree of consensus among the conference participants. The importance of an industry-led system was reinforced, as was the need for the display of flexibility by all parties, aided by enabling, rather than restrictive legislation. Ideas for improving the delivery of training included making provision for stair-casing and introducing modular training, although this raised concerns with union representatives about the deskilling of jobs. The notion of competency-based training was supported, but it was felt that minimum periods of on-job training should be incorporated, and the maintenance of national standards ensured. The conference supported the expansion of systematic training into new areas, and saw the need for a wide marketing programme to publicise and extend systematic training.⁹

The Taskforce on Skills Development, chaired by Roberta Hill, was set up in April 1990 under the Ministry of Education to consider current and future skill requirements, and to make proposals on systems and strategies for a nation-wide skills policy. Such an advisory committee had been sign-posted in the 1989 *Learning for Life Two*. Membership of the taskforce included Bob Bubendorfer, the Principal of Wellington Polytechnic, and union, industry and employer representatives. The policy analysis was provided by officials from the Ministry of Education and NZQA.¹⁰ The December 1990 report of the Taskforce repeated the claim that there was a skills crisis, arguing that the workplace training base had been “seriously eroded in recent years, from levels which were already low by international

⁸ Ibid.

⁹ Ibid.

¹⁰ Taskforce on Skills Development, *The Skills Imperative: Towards a Learning Culture for New Zealand* (Wellington: Taskforce on Skills Development, December 1990).

standards".¹¹ The barriers to skill formation were delineated yet again, but this report added under-resourcing and a lack of government leadership to the list of factors inhibiting the growth of a skilled work force. The report was also harsh on the apprenticeship system, despite the changes that had been made through the late 1980s. It argued that the Apprenticeship Act 1983 focused only a narrow band of vocational education restricted largely to young people: "the Apprenticeship Act is coercive, prescriptive, rigid, segmented and process oriented".¹²

A 1990 report written by Paul Callister for the New Zealand Planning Council, *Tomorrow's Skills*, couched the debate in terms of the "new economy".¹³ The report argued that the major growth in the economy would be in the 'service sector', that is, in tourism, education, health, information and financial services, transport and intellectual property. Two options for the future of New Zealand were presented. The country could become a low cost producer of resource-based commodities, or concentrate on producing high value products aimed at niche markets, competing in the highly competitive global market. The second option would require a highly skilled, flexible workforce, with the emphasis on quality and improved productivity, and would result in a high income, high employment society. The report considered that primary and manufacturing industries would remain vital to the economy, but argued that changing technology would limit employment growth in these areas. It was predicted that by 1997, nearly 70 per cent of jobs would be in the service sector, with a move to 'information-intensive jobs' and a requirement for higher levels of education. Thus, the report argued, there was a need to improve post-compulsory education participation results and to make what was taught in all education sectors more relevant to the 'new economy'.¹⁴

The 1991 Porter Project, which analysed New Zealand's competitive advantage, was generally scathing about the skill level of the workforce, and the ability of the education system to remedy this. The Project was a study of the New Zealand economy based on a framework developed by Michael Porter of Harvard University. Porter believed that economic success was dependent upon knowledge and innovation, rather than the traditional factors of land, labour and capital investment. There was disagreement among those involved in the Project on the methodology used, the industries selected and the applicability of the framework to New Zealand.¹⁵ Nevertheless, the Porter Project was influential, with the report

¹¹ Ibid., 4.

¹² Ibid., 25.

¹³ Paul Callister, *Tomorrow's Skills* (Wellington: New Zealand Planning Council, 1990), 2.

¹⁴ Ibid., 7-8.

¹⁵ Peters and Olssen, "Compulsory Education in a Competition State", 195.

claiming that New Zealand “faces fundamental human-resource challenges... [the]... rate of participation in the workforce is low as are the levels of training and skills... [and it has]... one of the lowest levels of labour productivity in the industrialized world”.¹⁶ The apparent disjunction between the education system and the needs of industry was blamed for much of the malaise. The report accused the education system of having an academic and theoretical bias, and of focusing on social objectives at the expense of subjects with “direct economic value such as sciences, engineering, mathematics and management”.¹⁷ The result of this lack was:

widespread and deep-seated dissatisfaction in industry with the contribution that our education system is making to New Zealand’s economic development... [it] is not equipping people with the skills necessary to compete successfully in the global economy.¹⁸

With regard to the apprenticeship system, the Porter Project claimed that there was extensive discontent with the existing structure from both apprentices and employers, with new apprenticeship contracts declining from 9117 in 1986, to 5611 in 1989 (see Figure 27). This dissatisfaction, according to the report, stemmed from apprenticeship being restricted to traditional trades, the wide variation in the quality of on-job instruction and supervision and from the failure of the system to keep pace with the introduction of new technologies.¹⁹ While there is no doubt that apprenticeship numbers declined during this time, it has previously been argued that it is spurious to connect a drop in the number of apprentices with dissatisfaction with the system (Chapter 8, p.174). Apprentice numbers correlate very clearly with the state of the economy, and dissatisfaction is as likely to be with the difficulty in a tight economy of committing to taking on an apprentice (from employers) or the lack of apprenticeships available (for young people), rather than with the system itself.

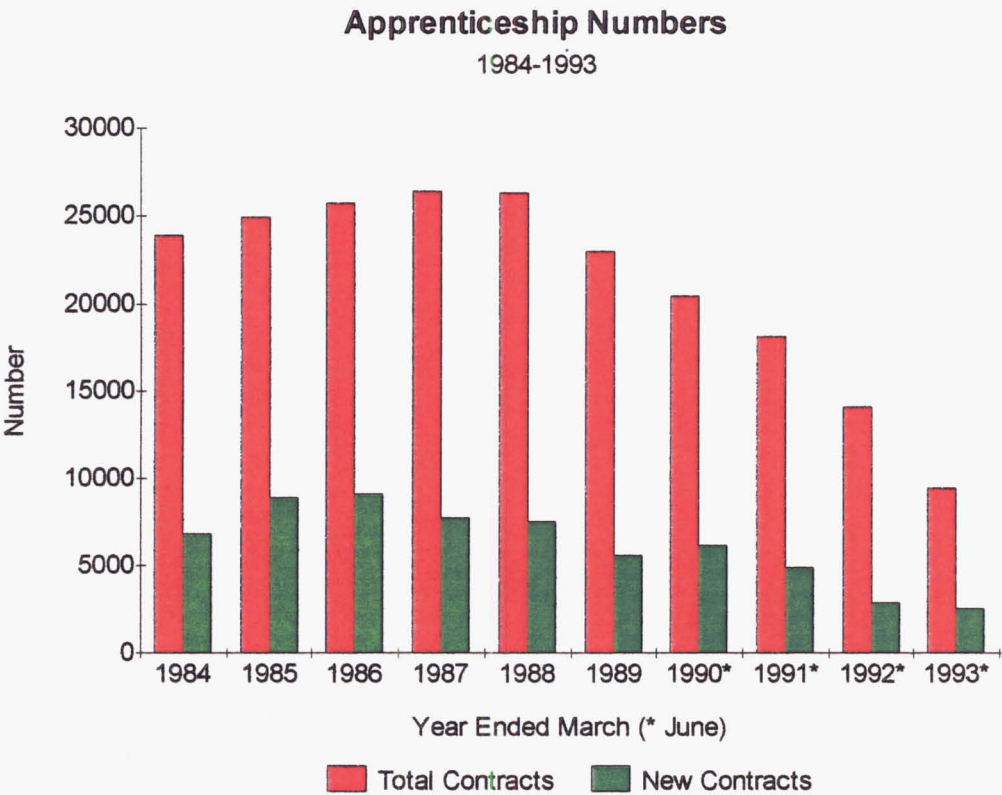
¹⁶ G. Crocombe, M. Enright & M. Porter, *Upgrading New Zealand's Competitive Advantage* (Auckland: Oxford University Press [in association with the New Zealand Trade Development Board], 1991), 99-100.

¹⁷ *Ibid.*, 102, 105.

¹⁸ *Ibid.*, 105.

¹⁹ G. Crocombe, M. Enright & M. Porter, *Upgrading New Zealand's Competitive Advantage*, 162.

Figure 27: Apprenticeship Numbers, 1984-1993²⁰



The Porter Project suggested an apprenticeship system based more on the German or Swiss model as a remedy for these failures. This idea must be viewed as ironic, given the reliance of the German system on a strong tripartite ethos, and the passing, also in 1991, of the Employment Contracts Act 1991, which decimated the union movement in New Zealand. The Project also suggested closer links between education and industry, and a better balance between practical and theoretical training. The report argued that investment in new technologies and worker training was limited by strained labour relations in New Zealand. Findings from the 1990 International Institute for Management Development *World Competitiveness Report*, which surveyed countries on various criteria of economic soundness, ranked New Zealand eighteenth out of the twenty-one countries surveyed in terms of the willingness of the workforce to accept the introduction of new technology.²¹

²⁰ Department of Labour, *Annual Return of Apprentices, 1984-1993*.

²¹ G. Crocombe, M. Enright & M. Porter, *Upgrading New Zealand's Competitive Advantage*, 1991, 107.

Thus, the ‘experts’ painted a fairly dismal picture of the state of New Zealand’s skill base and its potential for improvement. The apprenticeship system, in particular, was accused of being too rigid, discriminatory and of being unable (or unwilling) to accommodate training in new technologies. The impression given is of a country full of frustrated entrepreneurs, brimming with technological innovations, ready and willing to leap into the ‘new economy’ and make millions of dollars, but being unable to because of an unskilled and unco-operative workforce, made that way by an ‘airy-fairy’ education system and the straight-jacket of adversarial industrial relations. Peters and Olssen argued that:

The Porter Project was used to legitimise the government’s market-orientated macroeconomic policy framework...justify(ing) a new culture of enterprise and competition in the curriculum...and an emphasis on skills development at the expense of a traditional concern for knowledge and understanding.²²

Critique of Reports

Although this view of New Zealand as “an economy in which skill requirements [were] rising continually and the workforce [was] struggling to keep up” was certainly the ‘policy orthodoxy’ of the time, there were important critiques of this position.²³ A 1992 article by Gordon and Snook examined the “arguments behind the view that Aotearoa (New Zealand) is undergoing a fundamental change in the structure of the labour market and work practices which has specific and major implications for education and training”.²⁴ The article argued that there was little evidence to support either the view that technological advances were the main driving force behind the movement from the production sector to the service sector, or, indeed, the view that the movement itself was as pervasive or as inevitable as was claimed. The article emphasised that the undoubted changes that were taking place must also be understood in terms of social, political and economic factors. As an example, the article acknowledged that there had been a growth in the service sector during the speculative boom years between 1984 and 1987, but pointed to the decline in the service sector after the 1987 share-market crash and the resulting recession.²⁵

The main point of the article was to question the assumption made by many education and training policy-makers that a (disputed) level of growth in the service sector automatically translated to the need for more highly skilled workers, and that the education system of the

²² Peters and Olssen, “Compulsory Education in a Competition State”, 188.

²³ Higgins, “Skills and Schemes: the Training Response to Youth Unemployment”, 196.

²⁴ L. Gordon & I. Snook, “Education, ‘Skills’ and Technological Change: the Politics of the New Economy,” *New Zealand Journal of Industrial Relations* 17 (1992), 86.

²⁵ *Ibid.*, 89.

day was incapable of producing those workers. The article argued that large areas of the 'service sector' were likely to be "only minimally affected by the technological revolution", and that the distinction between 'manual' production sector workers and 'non-manual' service sector workers was spurious.²⁶

All in all, the documents reviewed fail to adequately define the 'new economy' or the kinds of workers it requires. They imply but never demonstrate that service industries will require higher levels of skill than the primary or manufacturing sectors did or that non-manual jobs (as defined) will need more knowledgeable workers than many of the manual jobs (as defined) which they will supercede.²⁷

Given the constant criticism of the apprenticeship system as not turning out appropriately trained workers, the article's discussion about the gratuitous nature of the claim of a 'skills deficit' is crucial. The article points to the "major disjuncture" between demands on the education and training system to produce workers for the 'new economy' and the "reality of high levels of unemployment in the existing economy".²⁸ Thus, it can be argued that the claim of what was becoming the 'orthodox' position, that increased unemployment was caused by the higher skill requirements of jobs, must be turned on its head; in fact, the economic downturn meant fewer employers willing or able to train workers to any level of skill. It is surely no coincidence that criticisms of the apprenticeship system are generally minor when the economy is booming, but when it is not, apprenticeship, along with any other system of training, provides a convenient scapegoat for the contraction of the training of employees.

The notion of a 'skills deficit' is also questioned by Higgins in a 1994 paper. She accuses the New Zealand Planning Council and similar bodies of carrying out their analysis at the level of national aggregate data, and thus ignoring what was happening in the workplace and at the local labour market level. Her analysis of the Christchurch youth labour market between 1976 and 1991 showed that, while skill requirements had risen since 1970, those changes were "readily incorporated into training courses".²⁹ The real 'deficit' was in the loss of jobs in the apprenticed trades, due to a combination of technological and macro-economic changes. Thus, when suitable young applicants outnumbered both the training places, and the jobs available, the idea of a 'skills deficit' "falls a little flat... young people in Christchurch

²⁶ Ibid., 90.

²⁷ Ibid., 91.

²⁸ Ibid., 92.

²⁹ Higgins, "Skills and Schemes: the Training Response to Youth Unemployment", 199.

have thus experienced diminished access to formally recognised skilled work, and have found few attractive opportunities opening up in other traditional youth occupations”.³⁰

The New Industry Training Structure

It was against this policy background that the Industry Training Act 1992 was passed. The National government elected in 1990 found that the previous government had already carried out most of the groundwork for a major change of emphasis in education. The devolution of responsibility for education to local boards (albeit coupled with greater state control via requisite charters, and national curriculum guidelines and assessment) and increased emphasis on market forces and user-pays were already under action. Proposals aimed at ensuring greater equity in education contained in the blueprint for these changes, *Tomorrow's Schools* (Department of Education, 1988), however, “fell by the wayside following the election of the National government in 1990”.³¹

Lockwood Smith became the new Minister of Education in November 1990. He aimed to “reinvigorate the reform process” begun by the Labour government, favouring further devolution of power and increased freedom of choice for parents and ‘consumers’ of education.³² One of Smith’s major interests was “curriculum reform, and the need to integrate the curriculum with qualifications... breaking down the barriers between different types and levels of educational institution and the qualifications they offered”.³³ This integration was characterised as ‘seamless education’ by Smith in the 1993 report, *Education for the 21st Century*.³⁴ One of the overarching themes of policy development through the late 1980s and early 1990s was thus the need for cohesion between workplace training and traditional forms of education.

The implementation of the Industry Training Act 1992 was overseen by ETSA, which had been charged with administering and servicing apprenticeship under the Education Amendment Act 1990, until such time as a new legislative basis for apprenticeship was put in place. Thus, it was required to provide an independent chairperson for each of the 36 national apprenticeship committees, and for the local committees as well.³⁵ ETSA was also responsible

³⁰ Ibid., 199-200.

³¹ Mark Olssen and Kay Morris Matthews, eds., *Education Policy in New Zealand: The 1990s and Beyond* (Palmerston North: The Dunmore Press, 1997), 18-19.

³² Butterworths, *Reforming Education*, 209.

³³ Ibid., 210.

³⁴ Peters and Olssen, “Compulsory Education in a Competition State”, 185.

³⁵ ETSA *Annual Report, 1991*, 22.

for administering the Access scheme and the Primary Industry Cadet schemes.³⁶ The 1990 Act also established the New Zealand Qualifications Authority (initially named the National Education Qualifications Authority), the body charged with developing and administering the much vaunted national qualifications framework. All these components of change to vocational training were brought together in the National government's Industry Skills Training Strategy, announced in the 1991 budget, and designed to elucidate the reasoning behind the forthcoming Industry Training Bill.³⁷

There were five main areas to the Industry Skills Training Strategy. First, it was envisaged that the new training system would be industry-led. The Industry Training Organisations (ITOs) that were to be set up for each industry or group of industries would be "responsible for the design, management, and delivery of training for their industries".³⁸ The ITOs would also be self-funded, although there was provision for contracting with the government for the use of state funds. The second component of the strategy was NZQA, which would work in partnership with industry to develop training programmes. Thirdly, the government foresaw funding for apprenticeship training being transferred gradually to industry control on a contestable basis. A Training Development Fund, holding \$2.1 million dollars for 1991/1992, was provided to assist ITOs to carry out training needs analysis and develop new training. The legislative basis for the strategy was to be the Industry Training Act, which would replace the Apprenticeship Act 1983 and the Technicians Training Act 1967. The final component of the strategy was two other training schemes; a Youth Traineeship programme and the Training Opportunities Programme (TOP), which was to progressively replace the Access scheme.³⁹

The Industry Skills Training Strategy preceded the Industry Training Act 1992, and was thus also used by the government as a basis for consultation on the final details of the Act. In particular, the government requested submissions about the criteria that should be used to recognise ITOs, and on the best way to ensure that ITOs were industry-funded.⁴⁰ The government was clear that it did not wish to have an "overly intrusive role in the establishment of ITOs".⁴¹ Thus, in the 1992 Act, the mechanism that had been used to set up the statutory Industry Training Boards (ITBs), the Vocational Training Act 1982, was repealed and the

³⁶ ETSA *Annual Report*, 1992, 6.

³⁷ *The Government's New Industry Skills Training Strategy* (Wellington: ETSA, 1991), 14.

³⁸ *Ibid.*, 15.

³⁹ *Ibid.*, 15-18.

⁴⁰ *Ibid.*, 30.

⁴¹ *Ibid.*, 33.

ITBs dissolved. The Board of ETSA was given the power to recognise an ITO for any industry if it was satisfied that the ITO could set and administer appropriate skill standards, organise training delivery and that the organisation was broadly representative of a cohesive and rational industry grouping. There was no direct mechanism in the Act for the ITOs to collect levies from firms within the industry, although there was provision for levies collected by the disbanded ITBs under the repealed Industrial Training Levies Act 1978 to be distributed to the appropriate ITO.⁴² The industry training reforms, whose two components were the Industry Training Strategy and the National Qualifications Framework, were branded by the government as *Skill New Zealand*.⁴³ The Minister of Employment and Labour, Bill Birch, called a conference of interested parties in November 1992. The conference included employer, union and education sector representatives, and officers from ETSA and NZQA. Its aim was to ease the transition to the new framework.⁴⁴

Industry Training Organisations

The transfer of the administration of apprenticeships to the relevant ITO was begun by ETSA in late 1992 and 1993. By the end of June 1993 there were 39 recognised ITOs, covering approximately 43 per cent of the workforce, and by June 1994, seventeen of those organisations had taken control of their training.⁴⁵ There were, however, some problems with the transfer of responsibility. One of the most crucial changes to take place under the Industry Training Act was the replacement of the apprenticeship contract with an employment contract under the terms of the Employment Contracts Act 1991. This Act placed the onus for negotiating the 'employment contract' on to the individual, breaking 'the historical link between union membership and negotiating authority' and "withdraw(ing) the state from its century-old involvement in the extensive prescription of bargaining and representation".⁴⁶ Thus, the triumvirate of union, employer and state that had protected and supported the apprenticeship system was broken.

⁴² *New Zealand Statutes*, 1992, No.55.

⁴³ Prime Ministerial Taskforce on Employment, *Employment: The Issues* (Wellington: May 1994), 72.

⁴⁴ *Industry Training Act Conference* (Auckland: AIC Conferences, 1992).

⁴⁵ *ETSA Annual Report*, 1994.

⁴⁶ Pat Walsh and Peter Brosnan, "Redesigning Industrial Relations", in *Redesigning the Welfare State in New Zealand*, ed. J. Boston, P. Dalziel and S. St John (Auckland: Oxford University Press, 1999), 119-121.

The New Zealand Council of Trade Unions (NZCTU) criticised the new environment, arguing that “it is not acceptable to leave apprentices and other workers under training to the mercy of their individual power in the current environment”.⁴⁷ They called for a minimum standard training contract, underpinned by legislation that outlined the rights and responsibilities of both parties to the training contract.⁴⁸ Employers, too, in their own way, recognised the threat that losing the specialist nature of the apprenticeship contract posed. The managing director of an Auckland boat-building firm was quoted as saying:

Apprenticeships are history since the Employment Contracts Act. Now don't get me wrong, I think the Employment Contracts Act is the best thing that's ever happened to this country, but it's really dealt to apprentices.⁴⁹

The structure of many of the ITOs was also a cause for concern from various quarters. At the most basic level, the record keeping and communication with ETSA of some of the new ITOs was less than desirable. Participation levels in industry training became difficult to track accurately, with a range of sources providing data that was not always comparable.

It is thus impossible to obtain a complete picture of industry training skills in this country. Moreover, there are large gaps in the information available. Statistics from ITOs, for example, are woefully incomplete, making any clear picture of apprenticeship impossible.⁵⁰

It was acknowledged that part of the reason for the incompleteness of data collected was the state of ‘flux’ in industry training, as apprenticeship files were transferred from ETSA to the relevant ITO, and as the new qualification framework was developed. The transfer of apprenticeship contracts was completed by the end of 1994. Figure 28 paints a fairly dismal picture of the numbers of young people entering apprenticeships, and of the total number of apprenticeships; again, clearly correlating with economic conditions. The difficulty in obtaining accurate figures is illustrated by the fact that the December 1993 figures are approximations, based on the number of apprenticeship files transferred by ETSA.⁵¹ From this point on, ETSA statistics are based on those in ‘systematic training contracts’, encompassing apprentices, cadets and any others fitting the classification. Long-term comparisons thus become problematic.

⁴⁷ New Zealand Council of Trade Unions (NZCTU), *Building a Better Workplace, Policy Paper No. 10* (Wellington: NZCTU, 1993), 12.

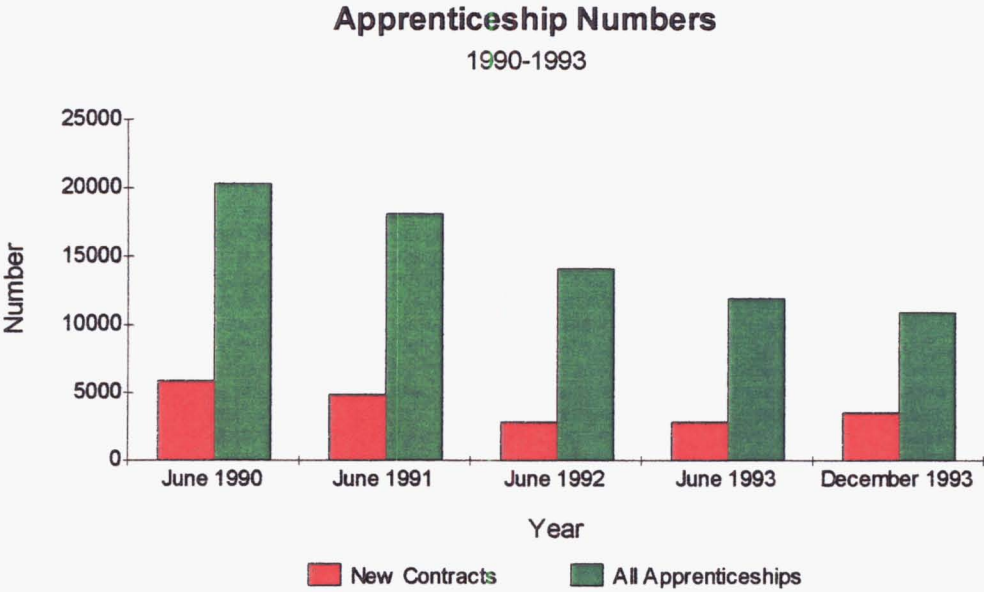
⁴⁸ *Ibid.*, 12.

⁴⁹ Paul Shannon, “Skills Shortage Scandal: Why are our Training Systems Failing Employers?”, *New Zealand Business* 8 (2) (1994): 15.

⁵⁰ Fiona Sturrock, *Industry Training and Pre-employment Programmes in New Zealand* (Wellington: Demographic and Statistical Analysis Unit, Ministry of Education, 1995), 9.

⁵¹ *Ibid.*, 20.

Figure 28: New and Existing Apprenticeships, 1990-1993 ⁵²



The 1994 Prime Ministerial Task Force on Employment was established across party lines to search for “practical and sustainable solutions” to unemployment: the “major economic, social and community problem of our time”.⁵³ The group, comprising union, business, education, Maori and government representatives, and chaired by John Anderson, the Chief Executive of the National Bank of New Zealand, was also charged with evaluating skills training. The Taskforce expressed concern about the “relatively fragile” state of many ITOs, arguing that in some cases industry groupings tended to be small and narrowly based, with concomitantly narrow funding bases. It appeared that while employers may have been prepared to purchase training from the appropriate ITO, they were not necessarily prepared to supply the funding required to establish that ITO.⁵⁴ In 1995, for example, approximately 90 per cent of the income of the ITOs still came from government funding, with industries directly investing only around five million dollars per year. The government contribution was in the form of three separate funds, all administered by ETSA; the Industry Training Development Fund for the assessment of training needs and design, the Industry Training

⁵² Ibid., 15.

⁵³ Prime Ministerial Task Force on Employment, *Employment: The Issues*.

⁵⁴ Ibid., 73.

Support Fund to assist ITOs to take over the administration of existing apprenticeships, and the Off-Job Training Fund to purchase polytechnic courses.⁵⁵

The New Zealand Council of Trade Unions was unhappy with parts of the ITO structure. There was no requirement in the Industry Training Act for ITOs to include either union or worker representation. While some prospective ITOs, for example, the Plastics ITO, included a joint union and employer body, this was at the discretion of those involved in the establishment process.⁵⁶ The NZCTU was also concerned at the narrow definition of the majority of ITOs. The ability of ITOs to “self-define”, it argued, could lead to duplication of coverage, fragmentation of logical industry groupings, added expense for employers and providers and difficulties with the portability of qualifications.⁵⁷ Examples of some of these problems were clear in the initial shakedown period of ITO formation. The Electro-technology ITO was reportedly involved in “border skirmishes” over coverage with the Engineering ITO, while concerns about ‘competitive advantage’ inhibited the formation of an ITO for motor vehicle assemblers.⁵⁸ The building industry had two ITOs; the Federated Builders and Contractors and the New Zealand Contractors’ Federation, while other industries had no formal training mechanism.⁵⁹

The government’s concern about the scarcity of apprenticeship training prompted the offering of the Skill Start recruitment incentive from July 1993. This was designed to encourage employers to take on and train young people aged between 16 and 21 years, and provided an incentive payment of \$1000 for recruitment of trainees in the target group. This payment, \$700 at the start of a training agreement and \$300 after six months of employment,⁶⁰ was considered an acknowledgement of the high initial costs of taking on an apprentice or other trainee.⁶¹ Of the 2490 new apprentices recorded at February 1994, around 1870 were Skill Start Trainees. The government, however, was disappointed with the number of employers taking part in the scheme. It was considered unlikely that the target of 5000 places set for June 1994 would be reached. This was explained in part by the limit of three incentive payments to each employer. The government also argued that the slow up-take provided “additional evidence that the reluctance of employers to employ young people is based on

⁵⁵ Simon Smelt, *Industry Training Organisations* (Wellington: Education Forum, 1995), 6.

⁵⁶ NZCTU, *Building a Better Workplace, Policy Paper No. 10*, 22.

⁵⁷ *Ibid.*, 22.

⁵⁸ Smelt, *Industry Training Organisations*, 28-29.

⁵⁹ Shannon, “Skills Shortage Scandal: Why are our Training Systems Failing Employers?”, 12.

⁶⁰ AGB McNair, *Assessment of the Effectiveness of the Skill Start Scheme* (Wellington: AGB McNair, 1994), 1.

⁶¹ *ETSA Annual Report*, 1996, 19.

more than the up-front costs associated with hiring new staff".⁶² Skill Start was phased out in 1996, officially because of the 'sizeable' increase in the number of trainees, and the fact that it had been superseded by the Skill New Zealand Strategy.⁶³ An assessment of the scheme one year from its inception, however, pointed to the "significant deadweight cost" associated with the scheme.⁶⁴ The research showed that of the sample surveyed, 88 per cent of employers would have taken on the same number of apprentices regardless of the subsidy.⁶⁵

A 1995 report by economist Dr Simon Smelt, commissioned by the Education Forum,⁶⁶ questioned the reasoning behind the development of ITOs.⁶⁷ Smelt had been the manager of the education sector of the Treasury from 1984 to 1986, and had represented Treasury on the Picot Taskforce.⁶⁸ The aim of the government in setting up the ITO structure, Smelt argued, was to facilitate 'bottom-up' industry training, that is, industries identifying, organising and funding training appropriate to their members. Smelt delineated the broad assumptions that appeared to be driving government policy; that the development of industry training was essential to international competitiveness; that this development should be industry-led; and that the role of the government was to facilitate this development by assisting industry to overcome market failures hindering development. Smelt suggested several areas that could be considered potential market failures that government policy may have been expected to address. For example, the 'public good' nature of some of the benefits of training, equity problems, 'free-riding' and poaching by some firms leading to under-investing in training by others, and compliance costs, were all factors that could at some level be mitigated by government actions. Smelt argued, however, that in fact there was a lack of clear analysis of the 'training problem' by the government:

(while) the outcomes to which ITOs will, hopefully, contribute are mentioned in various government documents, the nature of the market failure(s) they are intended to counter is not... ITO policy appears to be a specific solution in search of a specific problem. Attributes such as 'quality', 'relevance', 'accessibility', and 'portability' may well be desirable in training. But, identifying them does not identify the factors which may inhibit their achievement, or the government's role in overcoming such inhibitions, or the balance of costs and benefits in so doing.⁶⁹

⁶² Prime Ministerial Task Force on Employment, 1994, 74.

⁶³ *ETSA Annual Report*, 1996, 20.

⁶⁴ AGB McNair, *Assessment of the Effectiveness of the Skill Start Scheme*, 10.

⁶⁵ *Ibid.*

⁶⁶ The Education Forum is an educational group associated with the New Zealand Business Roundtable.

⁶⁷ Smelt, *Industry Training Organisations*.

⁶⁸ Butterworths, *Reforming Education*, 52; 77.

⁶⁹ Smelt, *Industry Training Organisations*, 15.

Indeed, Smelt claimed that many of the factors driving policy and practice “were remote from market forces or any analysis of market failure or public benefits”.⁷⁰ The implication was that the historical development and current agendas of each of the stakeholders in industry training precluded any chance of unhampered market forces working their ‘magic’. Further, instead of ITOs helping to expose training to the market, Smelt claimed that they would, in fact, exacerbate the unresponsive nature and complexity of industry training. This was because of the monopoly position that the ITOs were given by the government as designer, purchaser and possible assessor of training, and the fact that much of their funding was public. Smelt’s underlying assumption appeared to be that if all the social and political influences on training were stripped away, then the pure market forces would provide just the right combination of training, trainees, and jobs. This, however, ignores the reality that ‘the market’ is inextricably situated within a social and political context. In fact, during the times when political and social constraints have been at their weakest, during recessions, for example, industry training has been the most compromised.

The National Qualifications Framework

Smelt’s report also questioned the other component of *Skill New Zealand*, the National Qualifications Framework (NQF), administered by the New Zealand Qualifications Authority. The idea of a national, integrated qualification system had been gaining momentum throughout the 1980s, both at the philosophical and practical level. If apprenticeship training was to successfully move to assessment based on competency, rather than timeserving, then some form of national standards were viewed as essential. In 1987, Tom McCool, the chief executive of the Scottish Vocational Educational Council (Scotvec), was invited to New Zealand to explain the Scottish system of standards-based assessment for technical and vocational areas.⁷¹ The ideas found a willing audience among many educationalists, in particular, by David Hood, a secondary school principal who was active in the Post Primary Teachers’ Association. Hood went on to become the secretary and co-author of the 1988 *Hawke Report*, and was instrumental in developing the national qualifications framework proposed in the resultant 1989 policy document, *Learning for Life Two*. The framework was extended, in the New Zealand setting, to include academic courses, a move that engendered much controversy. Hood chaired the working party that established the new authority, and was

⁷⁰ Smelt, *Industry Training Organisations*, 16.

⁷¹ Jenny Chamberlain, “Standard Debasement,” *North & South*, February 2000, 87-94.

appointed as the founding chief executive of the National Education Qualifications Authority, which was retitled the New Zealand Qualifications Authority in 1991.⁷²

The building blocks of the NQF are unit standards. Each standard “explicitly states in a list of performance criteria what a person has to know, do and be able to understand to be considered competent in an area of skill and knowledge”.⁷³ Each unit standard sits on one of the NQF’s eight levels of achievement, and is of a varying size and credit level. Qualifications are thus made up of packages of credits that accumulate towards either a National Certificate, at levels one to four of the framework, or a National Diploma, at levels five and up.⁷⁴ The rationale behind the NQF is that credit for skills and knowledge should have national currency, be portable across industries, and be able to be gained from any accredited provider. Industry advisory groups, some of which evolved into ITOs, initially carried out the development of unit standards for industries. NZQA was the ‘gatekeeper’ for the qualifications framework, assisting with development of unit standards, and having the final say on the acceptability of both the unit standards, and of the qualifications that they constituted. The copyright of each registered unit standard was held by NZQA, which also determined, in consultation with ITOs, the accreditation of providers.⁷⁵ Table 14 shows the growth in the purchasing and providing of unit standards.

Table 14: Delivery of Industry Training, 1993-1997⁷⁶

Year	ITOs Receiving Training Support Funding	ITOs Purchasing Off-Job Training	ITOs Accredited to Register Assessors	Accredited Providers
1993	15	4	-	-
1994	21	9	6	153
1995	21	13	16	477
1996	28 ITOs receive Industry Training Fund (ITF) Subsidies		28	757
1997	36 ITO receive ITF Subsidies		43	946

⁷² Ibid., 89-90.

⁷³ Skill New Zealand, *Skill New Zealand: A Stocktake as of December 1997*, 2.

⁷⁴ Ibid., 2.

⁷⁵ Smelt, *Industry Training Organisations*, 2.

⁷⁶ Skill New Zealand, *Skill New Zealand: A Stocktake as of December 1997*, 16.

An example of how the NQF works in practice is the training provided by the ElectroTechnology Industry Training Organisation (ETITO). The packages of credits for which providers are accredited are divided into four levels. These are field, sub-field, domain and unit standard accreditations. Thus, the ETITO has accreditation to provide various components of the relevant industry qualifications, whilst other components are sourced from outside providers, such as polytechnics. Table 15 illustrates variation in subjects and the interesting mix of core and generic skills provided by the ETITO.⁷⁷

Table 15: Examples of ETITO Accreditations⁷⁸

Field Accreditations	Sub-field Accreditations	Domain Accreditations	Unit Standard Accreditations
Business (to level 6)	Computing (to level 4)	Core Driving Knowledge and Skills (to level 4)	Core Construction: 2138 <i>Use portable power tools</i> (to level 3)
	Core Generic (to level 4)	Occupational Health and Safety Practice (to level 4)	Legal Studies: 8545 <i>Describe crime and its consequences</i> (to level 2)
	Electrical Engineering (to level 7)		Physics: 6370 <i>Describe and construct simple electrical systems</i> (to level 1)

Dissatisfaction with the NQF, and its delivery by the NZQA, was both practical and philosophical. As early as 1994, the Prime Ministerial Taskforce on Employment was concerned at the slow speed of the implementation of the NQF. This was seen as delaying progress in policies that were dependent upon the framework, such as the Industry Training Strategy. The potential proliferation of unit standards, and the resultant complexity and possible unresponsiveness of the NQF was also noted.⁷⁹ Another complication was the differences in funding levels for various course providers. It was argued that this could cause

⁷⁷ ElectroTechnology Industry Training Organisation (ETITO), 10 March 2000. Provider Site Details. <http://www.nzqa.govt.nz/site/providers> (3 October 2000).

⁷⁸ Ibid.

⁷⁹ Prime Ministerial Task Force on Employment, 1994, 72.

trainees to “select courses on the basis of the Government support available, rather than the educational appropriateness of the course”.⁸⁰

Smelt also examined some of the assumptions underlying the adoption of the NQF. The first assumption, he argued, was that there is a clear set of outcomes in each area of skill and knowledge that can be “identified, specified and agreed” across an industry (or, in the case of generic skills, across industries). The second assumption is that those outcomes can be assigned to one of eight levels in a consistent way across industries, can be updated quickly in response to change, and can be set independently from the need to teach to produce the outcome. The third assumption is that the identification and specification of those outcomes will lead to “more and better training, improved skills and higher productivity”.⁸¹ Clearly, there are major flaws in these assumptions, and Smelt argued that if they had been questioned more rigorously, the shape of industry training might have developed quite differently.

Smelt proposed that the underlying assumptions resulted in the NQF being conceptualized as a grid “with ITOs licensed by the NZQA to fill in the appropriate bits of the grid... (and with each qualification fitting)... uniquely into one place in the grid”.⁸² Thus, the notion of an industry-led ‘bottom-up’ development of unit standards is shown to be misleading; “the qualifications grid assumed to exist by the NZQA implies that somebody (the NZQA) possesses a map of the grid and ensures that each piece is placed in the appropriate slot”.⁸³ The concept of a “functional map of industries” was also challenged by the reality of how the industrial sector worked.⁸⁴ Internal divisions within industries, and boundaries between industries, had historical and social significance that would potentially defy attempts at ‘rational’ classifications of skills within those industries. The differing interests of employers and workers would also complicate industry mapping; as employers strove to maintain a competitive advantage, and workers to maintain property rights in their skills. The power in the monopoly rights given to the ITOs could rapidly become a barrier to any sense of industry mapping being an objective process. There was also a tension between the mapping of specific and generic skills, and between mapping specific skills shared by two or more industries. Thus, the role of NZQA in avoiding competition in setting standards and the duplication of standards was always under challenge. Smelt concluded “the assumption of the

⁸⁰ Ibid., 73.

⁸¹ Smelt, *Industry Training Organisations*, 8-9.

⁸² Ibid., 22.

⁸³ Ibid., 23.

⁸⁴ Ibid., 23.

existence of a unique grid of qualifications and of a unique structure of ITOs to fill that grid is a doubtful one".⁸⁵

Concern at the lack of progress by some industries in moving towards the new training structure prompted Lockwood Smith, the Minister of Education, to establish the Skill New Zealand Development Project in September 1994. This was a joint ETSA and NZQA initiative, and was designed to hurry along industries in developing training arrangements linked to the NQF. It had been argued that the funding structures favoured industries where training was already established. This anomaly was resolved in 1994 as the Skill New Zealand Development Project provided targeted assistance for those industries attempting to set up structured training for the first time.⁸⁶ The project was considered successful and was extended into 1996.⁸⁷ The project was funded from the Industry Training Fund (replacing the Training Support Fund and the Off-job Fund), which was established in 1996 to enable the government to co-purchase training for workers to national qualifications standards.⁸⁸ The ITF funding was contestable, with ITOs being funded on a per trainee basis, and then negotiating with polytechnics or private providers for off-job training.⁸⁹ By 1996, 52 ITOs were recognized by ETSA. Co-training was purchased from 31 ITOs, twelve of which had little or no formal training before the Industry Training Act.

Assessment of the Industry Training Strategy

While the increasing numbers taking part in structured industry training was encouraging (see Figure 29), there remained areas of concern. These focused on equity and access issues regarding training, the funding and delivery of industry training, and wider concerns regarding the ability of the new strategy to deliver a skilled workforce. Despite much effort over the preceding years to attract women into non-traditional occupations, they remained substantially under-represented in industry training. Of the 42,799 industry trainees at March 1998, only 16 per cent were women.⁹⁰ The age distribution of industry trainees was also of concern. Since 1992, employers had tended to put more emphasis on training current workers, rather than taking on young people, rewarding perhaps the loyalty and familiarity of older workers in a restrictive economic situation.⁹¹ Thus, in December 1999, only 10 per cent

⁸⁵ Ibid., 25.

⁸⁶ Ken Harris, "Staying in Step with ITOs," *The Evening Post*, 4 April 1994, 15.

⁸⁷ *ETSA Annual Report*, 1995, 9.

⁸⁸ *ETSA Annual Report*, 1995, 8.

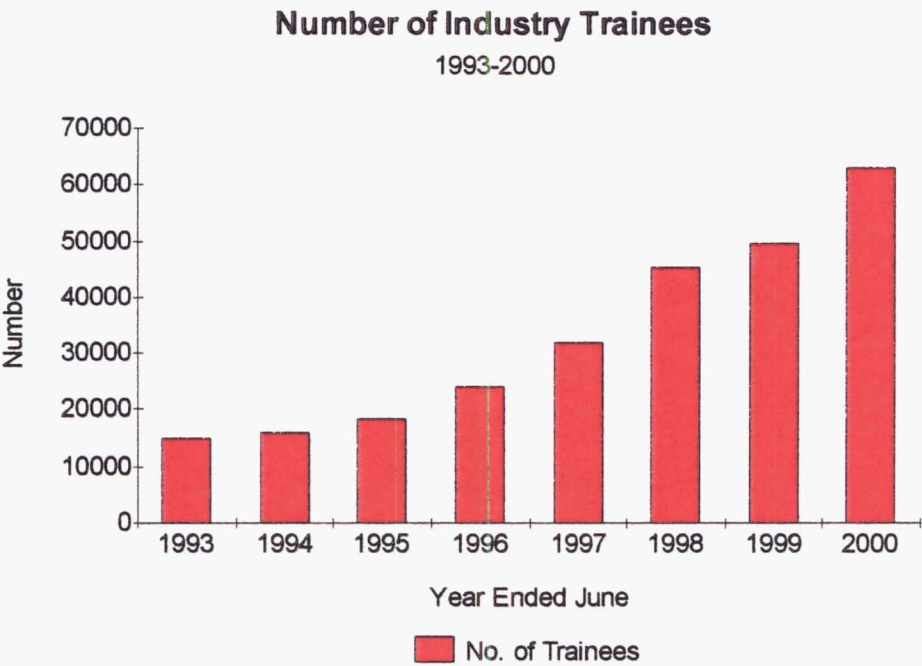
⁸⁹ Fiona Cassie, "On the Verge or Off the Track?," *New Zealand Education Review* 3(11) 1998 : 14-16.

⁹⁰ Skill New Zealand, "Equity Afloat," *Skills*, September 1998.

⁹¹ Kim Ulberg, Skill New Zealand, interview by author, 16 August 2000.

of industry trainees were aged 16 to 19 and only 24 per cent were aged 20 to 24.⁹² While learning throughout the lifespan was a policy goal, there were clearly barriers to young people accessing industry training.

Figure 29: Numbers in Structured Industry Training, 1993-2000 ⁹³



The funding of industry training was a contentious issue throughout the 1990s. The voluntary nature of the training framework meant that ITOs were unable to compulsorily levy their industry members, being thus dependent on ETSA funding, charging fees for their services, or the good will of the industry they represented. The long-range view of ETSA was that industries would gradually take more responsibility for funding their training needs, with government funds to be used mainly for seeding and development of structures to allow this. The ITOs, on the other hand, argued that increasing trainee numbers, and the reluctance of many within the industries to contribute financially, meant that greater government funding was essential if industry training was to continue.

⁹² Skill New Zealand, “Prime Minister Launches Modern Apprenticeships”, *Skills*, April 2000, 3.
⁹³ Skill New Zealand, *Skill New Zealand: A Stocktake as of December 1997*, 16; *Skills*, September 1998; *Skills*, April 2000.

The Building and Construction Industry Training Organisation (BCITO) was particularly vocal on funding issues. In October 1995, BCITO claimed that of the \$8 million it required to carry out training, it had received only \$6 million from the government. The number of building industry trainees had more than doubled, from 1000 in 1992 to 2400 in 1995 and the ITO stated that unless the government met the funding shortfall, it would be forced to axe courses, or increase the fees charged by up to 300 per cent. Indeed, BCITO announced in November 1995 that in 1996 it would fund only nine of the sixteen off-site building courses that had been offered in 1995.⁹⁴ ETSA countered BCITO's claims by arguing that total ITO funding had been boosted by 80 per cent, to \$56 million for the 1995-96 year, and that it was the responsibility of industry to meet any funding shortfall by charging fees, or by increasing the amount that the industry contributed.⁹⁵ The issue was again raised in 1998, when BCITO sought control of all government-subsidised training in its industry. BCITO's executive director, Trevor Allsebrook, argued that the industry and its trainees were not prepared to meet the "ever-widening" difference between government funding and the cost of providing training. He also argued that tradespeople working in the industry were better placed to judge the competency of a trainee than "a bunch of academics in polytechnics".⁹⁶

Funding issues thus impacted on the delivery of industry training. The Motor Industry Training Organisation (MITO), for example, also felt pressured by the perceived lack of government funding. This ITO, which had 3900 trainees in 1997, claimed that its funding for off-job training had been more than halved over the three years up to 1997. This resulted in the MITO halving its polytechnic training contracts for 1998, and in the organisation rethinking its long-term training structure to reduce formal polytechnic training to a minimum. This action, part of a general trend, caused polytechnics to devise measures to ensure their survival as deliverers of trade training. One of the measures was the fierce marketing of trade courses, with polytechnics prepared to move out of their traditional catchments to entice both students and ITO funding. For example, in late 1997 Southland Polytechnic set up the Southern Institute of Technology in Christchurch, offering automotive engineering, paint and panel and carpentry course for 120 apprentices and pre-apprentices.⁹⁷ The new campus was established in response to an approach from the MITO to Southland Polytechnic, asking them to run

⁹⁴ Nicholas Maling, "Money Woes Hit Building Courses," *The Evening Post*, 25 November 1995, 5.

⁹⁵ Nicholas Maling, "Work Training Under Threat," *The Evening Post*, 23 October 1995, 1.

⁹⁶ "Building Industry Training at Risk, say Polytechs," *The Dominion*, 12 December 1998, 2.

⁹⁷ Mike Crean, "Trade Courses for Wigram," *The Press*, 2 December 1997, 6.

motor trade courses in Christchurch because of the MITO's dissatisfaction with the cost and quality of the courses offered by Christchurch Polytechnic.⁹⁸

Polytechnics also discovered, after policy clarification from the Ministry of Education, that they had the option to move outside of the ITO structure and offer trade training on their own behalf. Students opting for this alternative were funded out of the standard tertiary funding system. In 1998, for example, Christchurch Polytechnic had about 35 non-MITO 'apprentice' mechanics and about 15 non-BCITO 'apprentice' carpenters enrolled. ETSA saw no inconsistency in the contestability of training funding, arguing that different industries would make choices based on their needs.⁹⁹ Thus, it could be argued that the voluntaristic nature of the government's industry training policies led in some cases to a proliferation of providers, uncertainty in the trade training sector, and a financial incentive to industries to minimise the amount of formal, off-job training offered to trainees. The contestability of training funding contributed to an "explosion" of ITOs competing for a slice of the funding cake. In 1997, for example, there were 53 ITOs in New Zealand, compared with 18 in Australia, which were based upon broad industry groupings.¹⁰⁰

The funding and delivery of trade training aside, there remained throughout the 1990s a shortage of skilled workers. The contraction of the economy after the 1987 stock market crash translated to a contraction in training, exacerbated by the disembowelment of the public sector, which in the past had helped to level out falls in private sector training.

The handling of this crisis has been a disaster. When we finally got the new training regime up and running... it was too late. We had lost one-eighth of the previously trained skilled workforce and not replaced them by 1991.¹⁰¹

Skill shortages were identified, for example, in the main centres in 1995,¹⁰² in the telecommunications industry in 1996,¹⁰³ and in the retail, small engineering and manufacturing, clothing and building trades in 1997.¹⁰⁴

There are thus a variety of unresolved issues in industry training as the new millenium begins. Some of the issues, such as who should pay for training, how that training can best be organised and what the role is of each of the stakeholders, have changed little throughout the history of apprenticeship in New Zealand. Other issues, while not exactly new, have become

⁹⁸ "Motor Industry Body Backs Southland Way," *The Press*, 27 November 1997, 4.

⁹⁹ Cassie, 1998, 14.

¹⁰⁰ Mark Henderson, "Skills Crisis Warning Bells were Ignored," *Sunday Star Times*, 27 April 1997, 10.

¹⁰¹ Michael Law, cited in Henderson, 27 April 1997, 10.

¹⁰² Adam Shelton, "Apprentice Enrolment Up but Shortage Remains," *The Dominion*, 16 August 1995, 3.

¹⁰³ Paul Rubens, "Telecomm Industry Faces Staff Shortage," *The Dominion*, 26 August 1996, 7.

¹⁰⁴ Henderson, 27 April 1997, 10.

more pressing because of technological and social changes. There is no doubt that some industries have changed beyond recognition, and that an 'apprenticeship' may no longer be the most appropriate way in which to train for them. The rapid changes in electronics, for example, often mean that unit standards become obsolete as soon as they are developed.¹⁰⁵ We must also acknowledge that the notion of a 'job for life' is gone, in fact, the whole definition of 'work' is changing as paid employment alters and contracts.

This chapter has described the changes in apprenticeship policies through the 1990s and examined some of the theoretical underpinnings for those changes. The decade was perhaps the most notable for the removal of apprenticeship from the industrial relations arena (in fact, for the removal *per se* of industrial relations as they had long been understood in New Zealand). The apprenticeship contract became in most cases an individual contract between employer and apprentice, subject to few of the controls that the award and apprenticeship committee system had provided. The impact of this is difficult to assess without further research. The other main features of the decade were the development of a national qualification system, considered essential for increasing the flexibility of industry training, and for providing the means for competency-based assessment. Pre-apprenticeship training became the norm in many industries, providing useful training for those wishing to take up a trade, but also raising questions about the cost and efficacy of that training, and about the employer/apprentice relationship. Finally, the emphasis on a voluntaristic framework of industry training has resulted in concerns about equity issues and access to training, in wide variations between industries in the quantity and quality of training, and in a proliferation of training providers. And, as we enter the new century, there are still skill shortages in many crucial areas.

¹⁰⁵ Ulberg, August 2000.

CHAPTER ELEVEN

CONCLUSION:

THE MORE THINGS CHANGE, THE MORE THEY STAY THE SAME

This thesis has traced the changes in apprenticeship policy in New Zealand since the first piece of legislation, the Master and Apprentice Act 1865. The goals of that policy for subsequent governments have remained remarkably similar throughout the years; that of ensuring a skilled workforce and of easing the transition of young people from school to productive work. The impediments to achieving those goals have also remained similar, although the economic, technological and social backdrop may have changed. The main barriers to achieving the optimum number of skilled tradespeople are fourfold: first, employers regard training as a cost, and will generally try to minimise that cost; second, young people who wish to be trained must also be prepared to pay a cost (opportunity or actual); third, there is an inevitable time-lag between commencing training and becoming productive (during which anything may happen), and finally; the education system will never be perfectly tuned to the needs of the economy. This is partly because there tends to be a disjuncture between the theoretical and the practical, and partly because there is an ongoing tension between the social and economic goals that our society expects the education system to fulfil.

Over the last 150 years the apprenticeship system in New Zealand has remained the main route for entry into the skilled trades. What has changed, of course, is both the nature and extent of those skilled trades, and the organisation of the system for becoming a tradesperson. Nevertheless, there is enough left of both to argue that apprenticeship has shown a great deal of resilience in New Zealand. I have attempted in this thesis to draw out some of the reasons that account for this resilience. New Zealand's peculiar economic and industrial relations climate explain to a degree the persistence of apprenticeship, but it must also be argued that apprenticeship contains within itself the seeds of its continual reproduction. The socialisation process embodied in the system remains powerful. The comments of a Skill New Zealand employee when discussing the 'industry training' regime of the 1990s were very telling: "the worst thing we did was to lose the term 'apprenticeship'".¹

¹ Kim Ulberg, Skill New Zealand, interview by author, 16 August 2000.

Summary

The settlers who colonised New Zealand in the mid nineteenth century brought with them the ethos, if not the legalities, of apprenticeship. Despite the relatively fluid nature of society in the new colony, the idea of a young person 'serving their time' with a tradesperson was retained in many trades by the settlers. This tendency was encouraged by the demands for skilled labour that settlement engendered and by the vulnerability of the colonists to economic hardship, exposed by the recession of the 1880s. This highlighted the need for a formal way of training young people, protecting them from the vagaries of economic fluctuations.

In light of these concerns, several attempts were made to place apprenticeship on a legislative basis during the first years of the Liberal government. Apprenticeship, however, became subsumed in the wider industrial relations legislation of the period. This radical legislation, which earned New Zealand the title of the 'social laboratory', circumvented the need for specialist apprenticeship regulation by placing the system under the award system, which was governed by the Industrial Conciliation and Arbitration Act 1894. The price that was paid for the relative industrial harmony promised by this Act was a limitation of the range of issues that could be brought to the Arbitration Court. Apprenticeship, therefore, became an important part of the bargaining process, and was often a symbol of deeper struggles that could not be articulated in the industrial arena.

As technological advances and the accompanying industrialisation changed the nature of work in New Zealand at the beginning of the twentieth century, the apprenticeship system could easily have become obsolete. Some trades disappeared; others changed dramatically, while some were completely new. Apprenticeship survived this threat for four reasons. First, the power of the skilled worker, buttressed by the exclusive nature of apprenticeship, meant that often changes could be negotiated, rather than enforced. Second, both employers and workers became increasingly aware of the need for formal education in many of the 'new' trades. Third, the growth of an independent labour movement, coupled with disenchantment with the arbitration system, intensified the divide between employer and worker, and reinforced the importance of apprenticeship as a bargaining tool. Finally, although the details of the system were certainly debated fully and frankly, apprenticeship itself as a means for training young people was rarely called into question by either employer or worker.

The changes to industry over these years were reflected in the call for specialist apprenticeship legislation, which was enacted in the Apprenticeship Act 1923. This set in place an apprenticeship bureaucracy, and formalised the technical education requirements necessary for the 'modern' apprentice. Again, most of the debate about the legislation was over the detail. Apprenticeship was challenged through the Depression years, as numbers fell severely and economic conditions and inroads on the arbitration system threatened the sacrosanct nature of the apprenticeship contract. The system, however, was robust enough to ride out these challenges. Economic recovery and the Second World War also saw modifications to the apprenticeship system, necessary because of shortages of skilled labour and wartime regulations.

The post-war years were the height of apprenticeship in New Zealand. Full employment and a booming economy marked this time. Skilled labour was scarce and, even though wages were high for unskilled work (raising issues of the appropriate margins that should be paid for skilled work), there were many benefits and a degree of social status associated with 'having a trade'. A formalised nationwide apprenticeship bureaucracy was put in place by the Apprenticeship Act 1948, and technical education became the norm for most apprenticeships. Maori trade training schemes were initiated in the late 1950s to aid the transition of Maori to an urban life style. These halcyon days were numbered, however, as changes in the international economy began to impact on the previously sheltered New Zealand.

Although the apprenticeship system was given the 'stamp of approval' by the 1965 Commission of Inquiry into Vocational Training, the short recession of 1967-68 and the National Development Conference that it precipitated, began a process of questioning of the shape of the apprenticeship system that would continue until the early 1980s. The main points of debate were the rigidity of the system, the low status of trades and the most efficient way of organising the formal component of apprentice training. Accompanying this debate was the paradox of shortages of skilled workers at the same time as unemployment was beginning to increase. The result of the fifteen year-long discussion process was the essentially conservative Apprenticeship Act 1983. While the Act attempted to streamline apprenticeship, and put many new initiatives in place to both rationalise the system and extend it to a wider range of people, responsibility for developing those initiatives was placed largely with industries, with minimal funding commitment from the government. It was also during these years that the low number of women apprentices, and the narrow range of industries in which

they were concentrated, became of concern. While there were many valiant attempts to rectify this, they met with little success, stymied by the 'resistance-to-change' factor of employers and wider social attitudes, and by economic changes that reduced the number of apprenticeship available to anybody.

The election of the fourth Labour government in 1984 saw a radical restructuring of much of New Zealand society. The education sector (within which apprenticeship was gradually seen more and more to fit), in particular, was 'reviewed to within an inch of its life'. Despite a general move towards deregulation and lessening of the role of the state, in its first term the Labour government attempted to realise the changes suggested in the Apprenticeship Act 1983 by using the 'carrot' of an apprenticeship subsidy tied to training reform. The main thrust of this reform was to move to assessment based on competency, rather than on time served. Increasingly, however, the contraction of the manufacturing sector, growing unemployment and changes in the wider education sector meant that the apprenticeship 'problem' became not one of reforming the system, but of questioning the whole validity of apprenticeship as a means of training.

Many of the reforms to post compulsory education suggested during the myriad reviews carried out through the 1980s were enacted by the 1990 National government. If apprenticeship were to end, or to be changed beyond recognition, it would have been at this point. The Industry Act 1992 removed the term 'apprentice', replacing it with 'industry trainee'. The broadening of structured training to a wider range of industries (while commendable in itself) raised the possibility of diluting the prestige of having a trade. The apprenticeship contract was replaced with an employment contract, removing much of the protection for the apprentice given by union and state involvement. Assessment was to be carried out under a national qualifications framework, ostensibly to encourage flexibility, but with the possibility of compromising the integrity of a 'trade' qualification. Pre-apprenticeship training became the norm in many industries, and some industries formed organisations to employ and hire out apprentices; again, not bad things in themselves, but damaging to traditional notions of apprenticeship. Another threat to industry training over this period was the proliferation of compliance regulations and costs which, while not always pertaining directly to training, were the last straw for many tradespeople when considering taking on an apprentice.

Indeed, many people are of the opinion that apprenticeship is 'dead'. They are very surprised to hear that the system is alive and well, albeit under a different name, often in a modified format, and certainly in a lesser number of industries. It is testimony to the robust nature of apprenticeship that it has survived the 'disembowelling' of the 1990s. What remains of concern, however, is the fragmentary and varied nature of both the quantity and quality of industry training that is carried out. The voluntaristic framework put in place by the National government throughout the 1990s has meant that some industries do little or no training. Other industries have a strong ethos of training, supervised and promoted by industry bodies, but ultimately, I fear, vulnerable to economic conditions and dependent upon the goodwill of individuals within the industry who feel strongly about the importance of such training.

It seems fitting to end this section with the announcement in 2000 of the 1999 Labour-Alliance government's Modern Apprenticeships scheme. This scheme aims to "provide systematic, high quality workplace learning" and is aimed primarily at sixteen to twenty-one year olds.² The essence of the scheme is the appointment of Modern Apprenticeship Co-ordinators³, who will be charged with recruiting and placing apprentices, supporting and facilitating their training, and mentoring the apprentices.⁴ It is hoped that the use of co-ordinators will remove some of the barriers to taking on a young apprentice by reducing the costs and risks that employers face. Whether this scheme will resolve the difficulties and contradictions surrounding the best way to train young people for work remains to be seen, but it is of great interest that the government has chosen to reclaim the term 'apprenticeship'. I believe that this shows the power of the word; the notion of a young person learning skills through workplace training, reinforcing those skills through formal education, and being socialised into the world of work by mentors, has as much currency today as it did in 1901.

Themes

It has been the stated aim of every government in New Zealand's history to facilitate a skilled workforce (either through state intervention or by 'clearing the way' so that the market can perform), but this laudable aim seems to be constantly thwarted. The factors that stand in the way of achieving a skilled workforce are sometimes not within the government's control, but even when they are, it seems to be very difficult to achieve the correct policy mix required

² Skill New Zealand, *Modern Apprenticeships News* 7, January 2001 (Wellington: Skill New Zealand, 2001).

³ Ibid., Issue 2, May 2000: Co-ordinators could be ITOs, polytechnics, private training establishments or community-based organisations.

⁴ Ibid., Issue 2, May 2000.

to obtain the right mix of skills, at the right time, at an acceptable price. Throughout this study, several themes relating to this problem have risen repeatedly. These ongoing issues are seemingly impervious to changes in the wider social and economic climate; the language in which they are expressed may change, but the essential problems remain the same. While these issues are of course equally applicable to the workforce as a whole, this thesis has examined them in relation to the skilled trades.

The first of these themes is the question of who should pay for training. Historically, the arrangement between employer and apprentice was finely-tuned, with the cost to the employer of an unproductive young apprentice being balanced by the older apprentice's ability to carry out the work of a tradesperson, but still only be paid apprentice wages. Economic and social changes, however, upset this balance, and as the role of the state increased and (especially in New Zealand) industrial relations muddled the transactions, the apportioning of costs and benefits became rather opaque. As the formal educational component of apprenticeship increased, costs alternated more between the employer and the state, with the apprentice 'paying' implicitly with a discounted wage during the term of the apprenticeship. Recent developments, however, have seen the apprentice expected to pick up a larger share of the tab, as pre-apprenticeship courses become more common.

The notion of training as an investment, rather than a cost, has not gained a lot of currency in New Zealand. Despite the rhetoric of employer organisations (and the undeniable initiatives of some industries and individual employers), the main imperative of most employers has been to pay the least amount for training that they possibly can. This has impacted on the quality, quantity and continuity of training over the years. Thus, throughout this thesis we have seen resentment from some employers at having to contribute (through paying apprentice wages or directly) to the formal component of apprentice training. Apprentice intakes have fluctuated in direct correlation with economic conditions, with many employers seeming to see little contradiction in contracting training when the economy is tight, and then complaining that they are unable to get skilled staff when the economy recovers. One of the constant excuses for not training apprentices has been the problem of 'poaching'. This would perhaps be less of an excuse, and improve the continuity of training, if employers would regard the staff that they have trained as contributing to a pool of skilled labour for the whole industry, from which they could draw as required.

Another recurring theme has been the tension between educationalists and industry, (part, I would argue, of the ongoing debate about the social and economic goals of education). Throughout the history of apprenticeship in New Zealand there has been a deep-seated distrust of those organising the theoretical side of apprenticeship training from those in the 'world of work'. It is expressed in many ways: a contempt of book-learning and 'office wallahs'; resentment of any perceived interference in industry matters by those in the 'ivory towers'; disapproval of 'liberal studies' being taught during time paid for by the employer, and so on. The discourse surrounding the tension is revealing; it is structured around the 'practical, hands-on bloke' being constrained and meddled with by 'airy-fairy teachers who have no knowledge of the real world'. Conversely, there is (expressed less often and more mildly), the views of the educators; a sense of frustration with the conservatism of many of those in industry, and with their inability to see the 'big picture' of skill formation, and not just the needs of their particular work-shop.

The increase in the formal education component of apprenticeship has exposed the contradictions contained in this debate. Apprenticeship, and being a tradesperson, is firmly associated in New Zealand with being 'practical' and not strongly academic. Yet this association has raised three problems over the years. First, it has contributed to the low status of the trades, an issue that has been raised periodically throughout this thesis. Second, the increasing technical requirements of some trades have meant that a greater degree of academic ability is required. While the prestige of having a trade is still strong in some sectors of our society, the association of being a tradesperson with being less academic may be a barrier to some young people who have contemplated beginning an apprenticeship, or it may mean that it is not even considered by others. One of the paradoxes of apprenticeship over the years has been the lower scholastic achievement level of some apprentices, while at the same time others do not complete their training as they are over-qualified and do not find the work stimulating. The final problem identified in this research is that in recent years higher levels of unemployment and fewer job opportunities have combined to raise the benchmark for entry to apprenticeship in some trades. Thus, a cohort of young people who would traditionally have entered a trade (and become exemplary tradespeople) are often excluded because their school or pre-apprenticeship course marks are not good enough. All these factors combine to impede the development of an appropriately skilled workforce, in which ability and interest correlate sensibly with occupational choice.

A third common theme throughout this thesis has been the tendency to blame the apprenticeship (or industry training) system for both shortages of skilled workers and unemployment. Apprenticeship is by no means a perfect system. There are difficulties inherent in the system, such as the time-span required to train, the tension between the theoretical and the practical aspects of learning and the generally conservative nature of the system. There are also difficulties caused by abuse of the system: employers using apprentices as cheap labour and neglecting comprehensive training; apprentices not complying with educational requirements; and educational institutes taking advantage of captive students and failing to ensure the relevance of educational material to the industry, for example. It is, however, a long reach to blame the apprenticeship system itself for skill shortages when they are clearly more often caused wider economic factors, the reluctance of employers to train, or by sweeping technological changes that would try even the most flexible of training systems. It is also difficult to see how the blame for high levels of unemployment can be the fault of any training system. The elasticity of entrance requirements for various occupations is a clear indication that numbers in training are a function of the state of the labour market, rather than that the availability of skilled workers determines the level of employment.

The final theme to be discussed in this concluding chapter is the role of the state in organising apprenticeship. Clearly, this is connected with the preceding issues; the state in New Zealand has always to some degree been involved in apportioning the cost of apprenticeship training, in the organisation and administration of apprenticeship and in the provision of post compulsory education. If we are to assess the state's role, it is also necessary to ask the question 'if not the state, then who or what?' The market has been offered for the last fifteen years or so as the answer to this, thus, we should also attempt to assess the ability of the market to organise the provision of a skilled workforce.

It would be hard to imagine in the New Zealand context a situation where either the state or the market would be handed the complete responsibility for organising industry training. The problem seems to be rather one of working out the most efficient and equitable balance between state and market provision. The optimal organisation of industry training can be thought of as occurring at two levels. First, there is a need for some mechanism to determine the type of skills that are needed, and the number of people required with those particular skills. Both the state and the market have been spectacularly unsuccessful at this (although no doubt 'New Right' aficionados would argue that true market forces have never been exercised in New Zealand); what is required is clear analysis, the ability to take a long

term view, the setting aside of sectional interests, a healthy dose of pragmatism and a certain amount of luck. There is thus a clear case for a strong partnership between the state and industry, coupled with (if Germany is to be used as a model) much greater involvement from a revitalised union movement.

The second level of industry training, once the variety and quantity of skills required have been established, is the delivery of that training. When the state was the main provider of industry training, it was roundly criticised for being sluggish, unco-ordinated and inefficient. Training organised by the state, however, was generally consistent and accessible. When training was opened to market forces, and organised on a voluntaristic, user-pays basis, training often stopped altogether, or became fragmentary and exclusive, and of variable quality. Competition certainly provided opportunities for innovative courses to be established, and for a greater degree of responsiveness to demand. The notion of 'demand', however, remains problematic, with the expansion of popular (if not necessarily useful) courses, while other occupational areas languish without structured training. Again, a partnership between the state, industry and unions, with an acknowledgement of strengths and weaknesses of each party, would appear to be the optimum way to organise industry training.

In this thesis, I have described the development of apprenticeship policy in New Zealand and placed those policies in the social and economic context in which they were formed. Policies governing apprenticeship have, at one level, organised the mechanisms required to train skilled tradespeople. At another level, they have often been a 'short-hand' for deeper debates within our society. The resilience of apprenticeship can be accounted for by factors at both of these levels. The strength of the socialisation process embodied in the mechanics of apprenticeship, and the distinctive nature of understandings about work and education held in New Zealand, have created conditions that have enabled the persistence of apprenticeship. I believe that apprenticeship remains a viable and effective means of training. The cornerstones of apprenticeship; work-based learning, a recognised career path and mentoring from older tradespeople are as relevant and necessary in today's society as ever they were.

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