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ABSTRACT

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

Shrinking Government—A New Zealand Story: The Effects on Volunteers, Volunteer Agencies, and their Clients

Mary Woods

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

New Zealand is a small island country in the South Pacific with a temperate climate and an economy that traditionally has been dominated by agriculture, although this is changing. It has a total population of 3.6 million people. New Zealand is a bicultural nation based on the 1840 Treaty of Waitangi between the Maori (the indigenous people) and Queen Victoria on behalf of the British colonialists. The treaty was variously abused over a period of 140 years. Efforts now are being made to honor the treaty in law and practice, and to recognize the equality of the two cultures.

New Zealand has a central government and a single legislative chamber, but has no state or provincial government. Cities and regions have control over some local issues. The term "government" in this article refers to central government.

In 1984, New Zealand was distinguished by a cradle-to-the-grave welfare system, an over-regulated economy, an increasing budget deficit, and overseas debt. Government departments worked inefficiently; there was much wastage of time and resources. Many aspects of this state of affairs were not desirable or in the best interests of New Zealanders. The prospect of reform was welcomed.

Over the past 12 years New Zealand has been subject to continuous change. The changes have been both structural and economic. There were changes to the structure and management systems of

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government departments to bring about better performance, accountability, fiscal responsibility and transparency. Certain commercial activities such as telephone, banking, and railways were divested from government departments and became state-owned enterprises. Some of these eventually were sold to private enterprise. Overall funding reductions by central government required its departments to recover their costs from users.

The reasons for these changes were to cut public spending and reduce debt. This goal has been achieved. New Zealand has a greatly decreased national debt and much less wastage in government departments than previously. Structures are in place to improve accountability and reduce wastage in those services still provided by government departments. The privatization of state-owned enterprises such as the telephone service and the national airline has allowed competition that has benefited the public. But there have been costs associated with these changes. New Zealand's health and welfare services have eroded. While some people are richer, many are poorer. The welfare state is gone.

Support for the changes can be heard in statements made by members of a new wave of conservative business and political leaders. We are told that the welfare state brings about dependency and therefore is undesirable; that economic value supersedes all other values; that people should be able to look after themselves and be self-sufficient; and, that it is desirable to return to the charity model where the rich help the poor in a paternalistic manner. The author does not accept any of these statements.

THE HISTORY OF VOLUNTARY WORK IN NEW ZEALAND

British colonialists brought the ethic of voluntary work with them when they settled New Zealand in the 19th century. Theirs was the prevailing British model. In New Zealand one's association with these early charities became a way to "demarcate the respectable from the unrespectable and to establish status" (Tennant,1993). Inevitably, the New Zealand voluntary sector took on its own distinctive identity shaped by the social, political, and racial climate of its place and time. Many settlers had left the British class system behind and wanted to establish an egalitarian society in their new land. Thinking they had established an egalitarian society, and not willing to look beyond its boundaries, it was hard for them to acknowledge the presence of needy people in their midst.

The unique pattern of public assistance in New Zealand was shaped by the development of the welfare state in the late 1930s. It reduced the need for much volunteer activity until the middle of this century. Government was seen as the provider of all health and welfare benefits and services. By the 1950s and 1960s, however, people were realizing there were needs beyond those that could be met only by the state. Voluntary groups proliferated. They made services available to specific groups—battered women, violent men, pregnant women, street kids, single parents—services that were not provided by government. These voluntary groups focused on the needs of their particular client group and were structured to be flexible enough to respond specifically and quickly. These decades also saw the rise of the "self-help" movement where people came together to assist their own members.

During the 1960s and 1970s the government and voluntary sectors worked side-by-side to meet the economic and social needs of the New Zealand community. Government helped support the voluntary sector by providing some funding for its work. It was a time when a voluntary organization could quickly respond to an observed need in the community by providing an appropriate service and expect to get a limited measure of financial support from government in return.

RECENT GOVERNMENT CUTBACKS IN SERVICES PROVIDED

As it moved to carry out its economic and structural reforms in the 1980s, government's dealings with voluntary agencies changed. Some of the reforms included reducing the range of services provided by the Department of Social Welfare; contracting out specific government services to voluntary organizations and private providers; reducing the money available for government and voluntary social services; forming state-owned enterprises and selling some of them to private enterprise; recouping from users the costs of training volunteers through adult education provided by government funded institutions. In addition, government contracts with the voluntary sector now required proof of outputs: records had to be kept on the number of hours of counseling, rather than the results of that counseling.

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

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

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

In addition, a new set of requirements was being imposed on organizations: They were being asked to produce measurable outputs. In return for contracts, a great deal of agency staff time was spent producing evidence of outputs to comply with government regulations. Developing this information took time away from service to the community. Government appeared to be demanding more data collection in exchange for less funding. Much of the service traditionally provided by volunteers is preventative, but the outcomes of preventative work are hard to measure. These volunteer-driven services attracted less funding.

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

There also were changes in the delivery of adult education. Partial government withdrawal meant higher tuition fees, making it more expensive for adults to attend courses, particularly part-time adult students. This made it harder for voluntary organizations to provide their paid and volunteer staff with suitable continuing education to maintain and upgrade their skills.

THE EFFECT OF GOVERNMENT RETRENCHMENT ON CLIENTS

Many in New Zealand society are beset by one or a combination of economic, social, psychological, emotional, or physi-

cal needs. Unemployment has been a problem since the late 1970s. Despite the difficulty of proving cause and effect in a complex situation, in the author's opinion there is no denying that day-to-day living is harder for the most vulnerable in the population.

Particular changes that have affected the lives of those in need are: Reducing the level of benefits they counted on; raising the age at which young people are able to receive benefits (that particularly hits young mothers); having to pay a portion of hospital bills; having to pay something toward the cost of medicines that, like hospital stays, previously were free; loss of rural hospitals, post offices, and banks; social welfare department workers believing their job is to save government money rather than help the person in front of them; and, reducing free counseling and social work services that provide emotional support and help people access housing, benefits, and other social services.

It should be pointed out that many of the changes did not affect people on full benefits, but hit hardest those who work for low wages, creating a new group of poor people. A scan of local newspapers early in 1996 produced headlines that said: An Intellectually Disabled Teenager Released from the Court with Nowhere to Go Is Just One of Many; City Mission Says Requests for Help from Families Who Have Work, but Are on Low Incomes, Has Been Increasing All Year; Child Poverty "Alarming". There have been disturbing stories reported in the media of psychiatric patients, when the care they needed was not available, killing themselves or others or being killed by the police.

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

It has been argued by government ministers that researchers are using the wrong figures to measure poverty in New Zealand and that, contrary to those results, progress is being made in providing services. However, when a government minister disputes the results of research many recipients of service think, "My poverty doesn't matter" which easily converts to, "I don't matter."

It is clear that government's withdrawal from much service provision has contributed to increasing poverty. People's feelings of powerlessness also increased when the government sold many of the country's public assets to private enterprise. People who have few assets of their own often have a sense of ownership of public assets. They feel they have paid for them with taxes—their own or their parents' or grandparents'. When the government created state-owned enterprises and then sold them to private enterprise, many people felt their personal wealth had decreased.

To the wealthy, access to public services may not seem very important, but people who have little see the loss of public services as far more significant. It is the author's contention that when people are needy, they are disadvantaged. When their need goes unacknowledged or is denied, and their access to social services is reduced, they become even more handicapped. When they have to pay for what previously was provided through taxation, their feeling of being disadvantaged increases. When an individual is in a difficult situation, the perception of and response to it may prevent him or her from being able to deal with the situation at all. Even if economists report an improvement in New Zealand's economy, if the country's most vulnerable populations feel abandoned by government, their ability to cope will be impaired.

HOW AGENCIES HAVE BEEN AFFECTED

The voluntary sector provides what the market economy cannot. Emphasis on measurability creates a conflict for many

voluntary agencies. By their nature they are not-for-profit and so do not measure success in monetary terms, yet they are being asked to behave like businesses producing measurable outputs and financial returns. Concepts such as caring, giving, fostering healthy relationships, and respecting different cultures are fundamental to volunteerism, yet hard to measure. Turning these concepts into action takes time and can be difficult to achieve, but they make a difference to people's lives. When people find themselves in a society that devalues what they cherish and believe is integral to human interaction, they lose self-esteem and the ability to function effectively. The same happens to voluntary organizations.

The changes in how social services are delivered have had an unsettling and destabilizing effect on many New Zealand voluntary agencies. None have been left untouched. Agencies have responded to the new climate in different ways. Many reduced their budgets by cutting services and laying off staff. Some adjusted to the new situation by developing services in line with government thinking. Some tried to turn themselves into quasi-governmental agencies by changing their mission statements or their goals and objectives thereby hoping to attract government funding. A few have held onto their identities and negotiated contracts of mutual benefit with government. Some have joined with others to undertake joint contracts. Some have sought and received sponsorship from the business world. Some have closed their doors.

HOW VOLUNTEERS HAVE BEEN AFFECTED

Individual volunteers feel the impact of the changes in the delivery of social services. These are people who, for various reasons, give their time to work in the community without monetary payment. They feel the impact of having to deal with increasingly difficult situations. They also feel the impact on the organizations for which they work that now have less money to spend on their training, supervision, and support. Some may feel that appreciation only comes when there is a monetary reward and begin to regard their unpaid work as less worthy of respect than before.

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

People who volunteer are not motivated by money. This immediately places them outside the market economy. They are motivated by personal needs that have to be met if they are to continue to volunteer successfully. Marlene Wilson (1976) quotes David McLelland as naming these needs achievement, affiliation, and power (personal and social). It is interesting to look at how different motivational needs will lead people to respond to situations in different ways.

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

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

Personal power volunteers seek power for themselves. They thrive in the new system. They feel justified in holding onto power and aligning themselves with the most powerful group, in this case the gov-

ernment. They enjoy the atmosphere of competition. They can be destructive to group cohesiveness.

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

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

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

In New Zealand, volunteers, voluntary organizations, and the people they both serve have taken a battering from the juggernaut of government policies. Government has introduced the market economy into the voluntary sector at the expense of society's fragile social fabric. An analogy is a brick wall in need of repair. The bricks are the government institutions. The mortar connects people, makes life worth living, and holds things together. The mortar is provided largely by the voluntary sector. In New Zealand the wall has been dismantled, the bricks have been cleaned, and the wall rebuilt without the mortar. This is the New Zealand story. It does not seem to be too different from what is currently happening in parts of Canada and the United States.

WHAT NEEDS TO BE DONE

To remain viable, it is necessary for the voluntary sector to analyze the effect of change on people, not just on the economy. What works for New Zealand's economic bottom line may be devastating for those who are most vulnerable.

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

New partnerships must be forged with government where there is respect for the voluntary sector's needs as well as those of government. There must be openness to collaboration with private enterprise. The time has come for the voluntary sector again to work effectively to meet the whole-person needs of the most vulnerable in society and regain its rightful status among New Zealand's citizens. In particular it is important to continue to work toward a partnership with the indigenous people, a partnership that is sensitive to differing needs and cultures.

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

The best delivery of services to those in need comes from a partnership that combines the resources of the private sector and government with the responsiveness of the voluntary sector.

CONCLUSION

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

Voluntary welfare agencies have suffered cuts in financial support and a reduction in the range of services funded. Both voluntary agencies and volunteers have felt devalued by the market economy. This has resulted in lowered self-esteem and impaired ability to provide the "social fabric" that binds us together.

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

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