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**A STATISTICAL
PORTRAIT OF THE
NEW ZEALAND
PRECARIAT**

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Social inequalities have been increasing in New Zealand since the 1980s, widely understood to be a consequence of labour and welfare reforms that increased flexibility in employment, reduced protection for workers, and introduced stricter criteria for unemployment and other benefits. Perhaps the most alarming outcome of these changes has been the growth of low-paid temporary jobs. This has resulted in an increase in households struggling to meet basic food, health and housing needs.

This chapter explores the characteristics of the 'precariat' in New Zealand, shedding light on an emerging yet marginalised group in our society, which — until now — has been neglected in academic and policy circles. We begin by defining the precariat and deploy data from Statistics New Zealand to form an empirical description of the groups that make up this new 'class'. Using data obtained from the 2014 New Zealand General Social Survey, we then outline the prevalence, composition, location and lived experience of the New Zealand precariat.

Overall, we find that the precariat comprises about one in every six New Zealanders. The group is dominated by Europeans, females, younger age groups, those with low or no qualifications, and those with low incomes. As a percentage of their populations, Māori and Pacific peoples have the highest prevalence of precarity, while Northland, Bay of Plenty and Gisborne emerge as regions with the greatest prevalence rates. We also find that people in the precariat are four times as likely

to express complete dissatisfaction with their lives compared to those not in the precariat, and almost one-third of the precariat reported that their income was not enough to secure everyday needs, such as food and accommodation.

DEFINING THE NEW ZEALAND PRECARIAT

As defined elsewhere in this volume, the precariat is a class-in-the-making that can be characterised by three dimensions.¹ First, its members have insecure employment; that is, they are in and out of jobs often, failing to secure long-term contracts. They are, as a result, habituated to a life of unstable labour and unstable living. Second, its members rely on money from wages that are flexible, rather than from wealth or enterprise-based incomes. They thus experience chronic income insecurity on top of their employment insecurity. Third, its members have fewer civil, cultural, social, political and economic rights, which translates into limited access to rights-based state benefits. Accompanying these reduced rights, they must perform a great deal of work outside of their paid jobs, in 'seeking jobs and in appealing the state, by queuing, form filling, [and] retraining'.² This combination tends to induce a sense of relative deprivation and a consciousness of loss.³

Using data from the 2014 New Zealand General Social Survey,⁴ we measure the New Zealand precariat as comprised of three categories: temporary employees, the jobless, and beneficiaries.⁵ Temporary employees are those whose job only lasts for a limited time or until the completion of a project, including casual, agency, fixed-term and seasonal workers.⁶ The jobless category is composed of three subgroups of the working-age population (i.e. those aged 15 to 65): the unemployed, defined as those who are without a paid job and are available for and actively seeking work; those outside the labour force who are actively seeking but unavailable for work; and those outside the labour force who are available for but not actively seeking work.⁷ Unlike our chapter on the Māori precariat (which uses Statistics New Zealand's Te Kupenga survey of Māori wellbeing), we are unable to distinguish students from the jobless. The final category, beneficiaries, are those not otherwise counted in the aforementioned groupings who

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received a benefit income — including sickness, invalid and domestic purposes benefits — in the previous year and who remain outside the labour force.⁸

We acknowledge that measuring the precariat in this way represents a compromise. On the one hand, due to constraints on the availability of data, we are unable to capture those who are deemed to be permanently employed but have no sureness of job security. This could include an employee on an open-ended contract who is certain to lose their job within the next year, or one who works highly variable hours of permanent employment who may — in practice — experience chronic income insecurity where a minimum number of work hours are not assured each week. On the other hand, we count students who may not be experiencing income insecurity and habitual unstable living. For example, wealthy students who can maintain a decent standard of living without paid work or government benefits would not fall within our definition of the precariat.

Table 1. Composition of the New Zealand precariat and non-precariat by gender.

	Male	Female	Total (male + female)
Precariat	256,000	350,000	606,000
Non-precariat	1,457,000	1,472,000	2,929,000
Total (precariat + non-precariat)	1,713,000	1,822,000	3,535,000

FINDINGS

Of the 3.53 million New Zealanders aged 15 years and over in 2014, a total of 606,000 were in the precariat, or about one in every six (17.1 per cent). In Table 1, we present the composition of the New Zealand precariat by gender. A gendered differential within the precariat is apparent, with 350,000 (57.8 per cent) female and 256,000 (42.2 per cent) male. This differential may in part be explained by the greater prevalence of temporary work among females, especially among those with child-rearing responsibilities.⁹

Figure 1 shows that the New Zealand precariat is largely composed

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of younger age groups. About 33.7 per cent of New Zealanders in the precariat are in the 15 to 24 age bracket, and 19.9 per cent in the 25 to 34 age bracket. The concentration of the New Zealand precariat in the younger age groups possibly reflects the difficulties new entrants have in attaching to the labour market.

Figure 1. Composition of the New Zealand precariat by age.

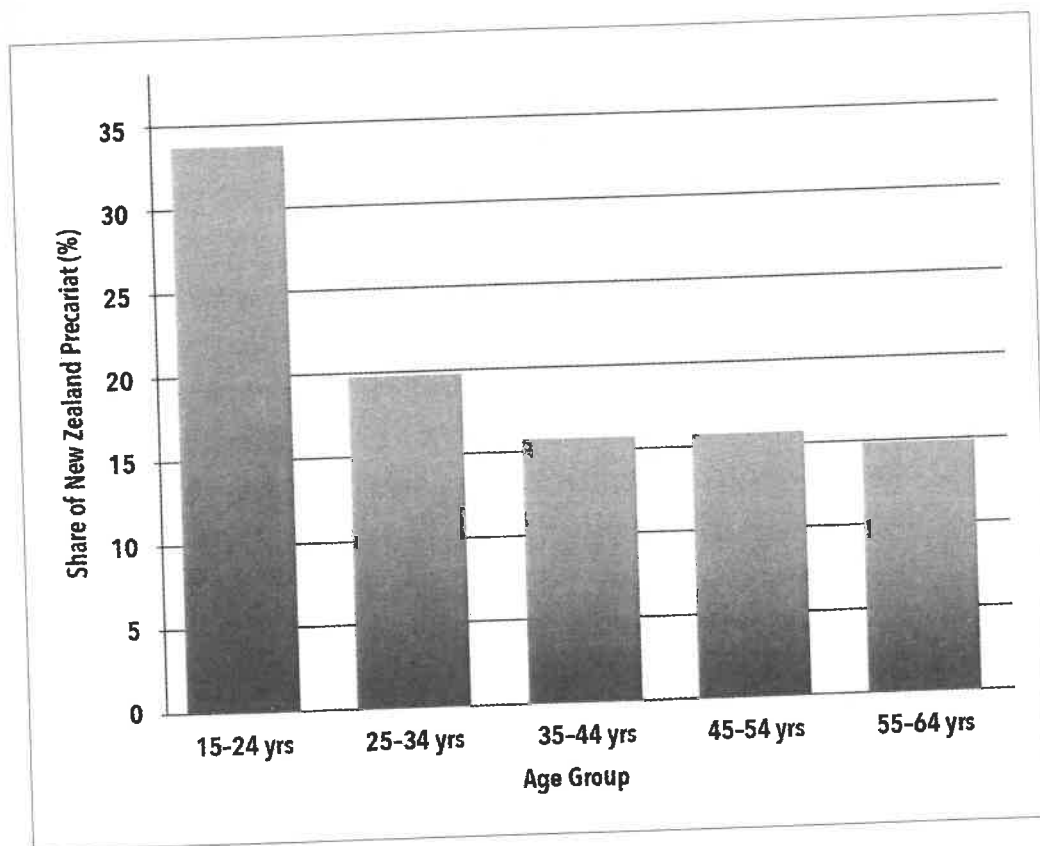


Table 2 presents the ethnic composition of the New Zealand precariat. People who identify as European compose the majority of the precariat, at 63.2 per cent, followed by Māori (21.8 per cent), Asian (12.4 per cent) and Pacific peoples (10.1 per cent). The concentration of the precariat among those who identify as European is largely a reflection of the fact that the highest proportion of New Zealand's total population also identifies as European.

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Table 2. Composition of the New Zealand precariat and non-precariat by ethnicity. Note: ethnic categories are not mutually exclusive.

	European	Māori	Pacific	Asian	Total
Precariat	383,000	132,000	61,000	75,000	606,000
	63.2%	21.8%	10.1%	12.4%	
Non-precariat	2,240,000	325,000	147,000	343,000	2,929,000
	76.5%	11.1%	5.0%	11.7%	

In Table 3, we report the prevalence of the precariat within each ethnic group. Europeans have the lowest prevalence of precarity, at 14.6 per cent, even though the New Zealand precariat is predominantly composed of Europeans. Asian prevalence of precarity is similar to the European rate, at 17.9 per cent. However, prevalence rates for Māori and Pacific peoples are almost double those of Europeans, at 28.8 per cent and 29.2 per cent respectively.¹⁰ Thus, while one in every seven Europeans is in the precariat, for Māori and Pacific peoples more than one in every four fall into the precariat. This finding is consistent with other research that reports higher rates of unemployment and poverty among Māori and Pacific peoples.¹¹

Table 3. Prevalence of the New Zealand precariat by ethnicity. Note: ethnic categories are not mutually exclusive. Reported figures for Māori diverge from those in Chapter 8, 'The Māori Precariat', due to differing data sources.

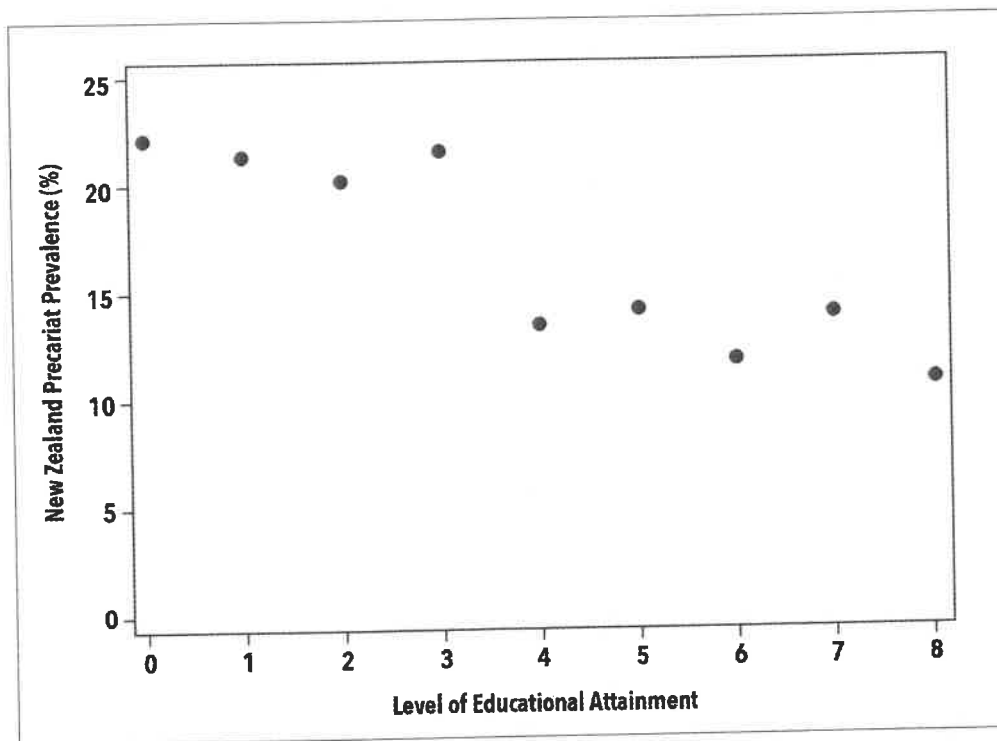
Ethnic group	Precariat	Total	Prevalence (precariat as % of total)
European	383,000	2,623,000	14.6%
Māori	132,000	458,000	28.8%
Pacific	61,000	209,000	29.2%
Asian	75,000	418,000	17.9%
Total	606,000	3,535,000	17.1%

In Figure 2, we plot the prevalence of New Zealand precarity for each level of educational attainment and find a clear association between the two. Of New Zealanders who have no qualification, 22.2 per cent

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are in the precariat, while 14.0 per cent of New Zealanders who have obtained a Bachelor's degree are in the precariat. This finding is consistent with previous studies that report lower levels of educational attainment among those on social security benefits or in temporary work.¹² While those with higher levels of education are less likely to be in the precariat, there is minimal difference between those with no qualification up to NZQF (New Zealand Qualifications Framework) levels 1–3. Similarly, those with NZQF levels 4–6, a Bachelor's degree and other postgraduate degrees also display minimal differences in prevalence rates. This discontinuity is likely to be due to the decline in demand for unskilled labour, and the greater value attached by employers to post-secondary-school training.

Figure 2. Prevalence of the New Zealand precariat by level of educational attainment. Note: level of educational attainment 0 is no qualification; 1 to 6 corresponds with NZQF levels 1 to 6; 7 is Bachelor's degree; 8 is Master's, Doctorate, and other postgraduate degrees.

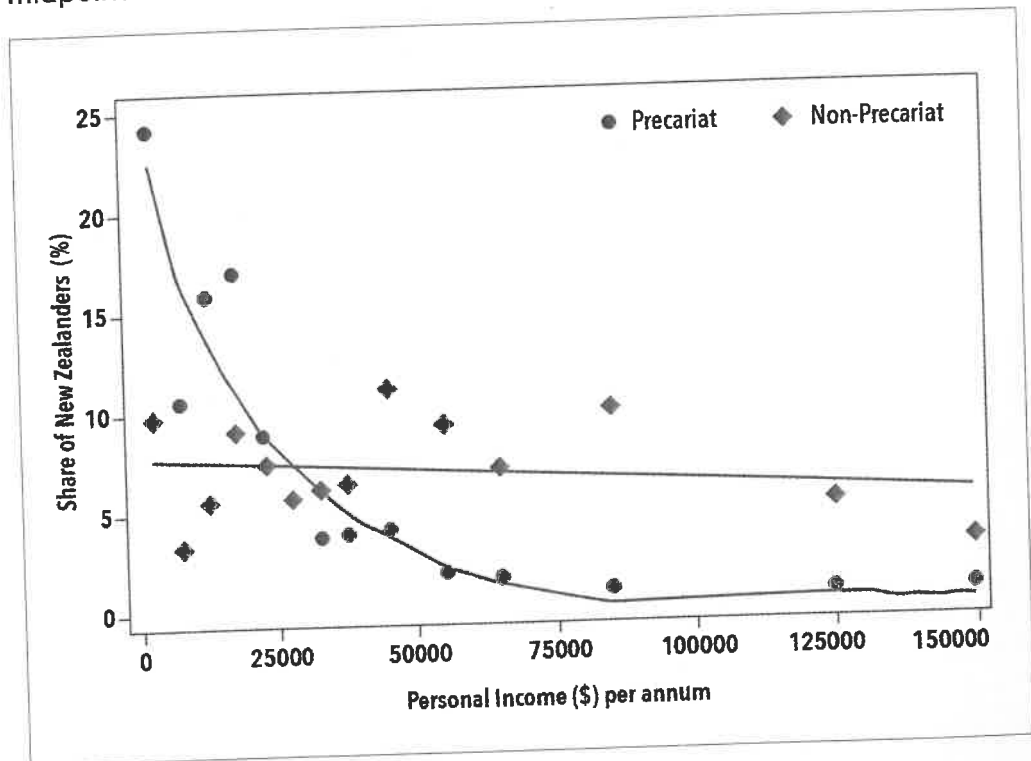


Looking at the prevalence of the New Zealand precariat for each region in the country, the Northland group — Northland, Bay of Plenty and

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Gisborne — emerges as the region with the highest prevalence, at 22.2 per cent. This pattern is likely due, in part, to relatively high levels of employment in seasonal industries — such as meat processing or horticulture — that play a central role in these regional economies. Canterbury has the lowest prevalence of precarity, at 11.3 per cent. The reasons for Canterbury's low rate are not well understood. The remaining regions — Auckland, Wellington, a residual group for the rest of the North Island, and a residual group for the rest of the South Island, have comparable prevalence, at about 16–18 per cent.

Figure 3. Composition of the New Zealand precariat and non-precariat by personal income. Note: personal income brackets are plotted at the midpoint.



In Figure 3, we plot the composition of the New Zealand precariat and non-precariat at each personal income bracket. As we might expect, the precariat is overwhelmingly concentrated within the lowest income brackets: 24.1 per cent are in the \$0 to \$5000 income bracket, and half the population of the New Zealand precariat live on a personal income of less than \$15,000 a year.

Turning to the lived experience of the New Zealand precariat,

14.7 per cent indicated they were 'completely satisfied' with their lives, against 18.4 per cent of the non-precariat. However, members of the precariat were four times more likely to report that they were 'completely dissatisfied' with their lives than members of the non-precariat, at 1.2 per cent and 0.3 per cent respectively. Alarming, 30.0 per cent of the precariat indicated their income was insufficient to meet everyday needs for such things as accommodation, food, clothing and other necessities, compared to 8.4 per cent of the non-precariat.

CONCLUSION

The precariat is an emerging group in New Zealand that is over-represented by females, younger age groups, those with low or no qualifications, and those with low incomes. Another notable feature of this group is the higher rates of prevalence in regions associated with meat processing, horticulture and other seasonal employment. While larger numbers of Europeans are in the precariat, policy responses need to be sensitive to the fact that prevalence rates are highest among Māori and Pacific peoples. With few material resources and little opportunity for upward mobility, for many young New Zealanders the stage has been set for a lifetime of precarity. Government action is therefore essential.

- 1 Guy Standing, *The Precariat: The New Dangerous Class* (London: Bloomsbury, 2011).
- 2 Guy Standing, 'Why the Precariat Is Not a "Bogus Concept"', *openDemocracy* (2014), available at: <https://www.opendemocracy.net/guy-standing/why-precariat-is-not-bogus-concept> [Accessed October 14, 2016].
- 3 Guy Standing, 'Understanding the Precariat Through Labour and Work', *Development and Change* 45, no. 5 (2014): 963–80.
- 4 Statistics New Zealand, *New Zealand General Social Survey 2014* (Wellington: Statistics NZ, 2014). The General Social Survey is a survey conducted every two years by Statistics New Zealand, and is designed to provide information on the wellbeing of New Zealanders aged 15 years and over. In 2014 some 8795 individuals participated in the survey, further details of which can be found at: http://www.stats.govt.nz/browse_for_stats/people_and_communities/well-being/nzgss-info-releases.aspx
- 5 Access to the data used in this study was provided by Statistics New Zealand under conditions designed to give effect to the security and confidentiality provisions of the Statistics Act 1975. The results presented in this study are the

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work of the authors, not Statistics New Zealand.

- 6 Statistics New Zealand, *Flexibility and Security in Employment: Findings from the 2012 Survey of Working Life* (Wellington: Statistics New Zealand, 2014).
- 7 Statistics New Zealand, *Household Labour Force Survey Sources and Methods: 2015* (Wellington: Statistics NZ, 2015).
- 8 Christina Beatty, Stephen Fothergill and Rob Macmillan, 'A Theory of Employment, Unemployment and Sickness', *Regional Studies* 34, no. 7 (2000): 617–30.
- 9 Statistics New Zealand, *Flexibility and Security in Employment*.
- 10 Reported figures for Māori diverge from those in Chapter 8, 'The Māori Precariat', as a result of using a different data source.
- 11 Ministry of Social Development, *The Social Report 2016: Te Pūrongo Oranga Tangata* (Wellington: MSD, 2016).
- 12 Sarah Crichton, *The Impact of Further Education on the Employment Outcomes of Beneficiaries* (Wellington: Ministry of Business, Innovation and Employment, 2013); Sylvia Dixon, 'Temporary Employment and the Quality of Temporary Jobs', *New Zealand Journal of Employment Relations* 36, no. 1 (2011): 1–20.