

THE FUTURE OF WORK

Pasifika and the Future of Work

Introduction

The Future of Work Commission seeks to ensure New Zealanders can confidently face the changing nature of work and have sustainable, fulfilling and well-paid employment in the coming decades.

For Pacific people, work plays a critical role in supporting immediate and extended family and well-being. Pacific peoples increasingly comprise a significant and important portion of New Zealand's future workforce. Our ability to identify key issues for current and future Pacific workforces and plan for the changing nature of work, will be critical for achieving long term social and economic benefits for Pacific communities and New Zealand as a whole.

This is one of six papers produced as part of Labour's Future of Work Commission.

The others cover Technology, Economic Development and Sustainability, Education and Training, the Māori economy, and Security of Income and Work.

These papers are designed to stimulate discussion and generate ideas for policies to achieve the objectives of the Future of Work Commission:

- Decent Work
- Lower Unemployment
- Higher Wages
- Greater Economic Security
- High-Skilled, Resilient Workers

The Pacific population in New Zealand is rapidly growing, and is projected to increase from 8% of the total population (as of 2013), to around 11% by 2038¹. Despite New Zealand trends for being an aging population, Pacific peoples are young, with a median age of 22 years old in 2013 (more than 10 years less than the total population) and a projected median age of 26 years in 2038². The population is highly urbanised, with a vast majority of Pacific people residing in the Auckland and Wellington regions. Significant Pacific communities, about 38% of the total Pacific population in New Zealand, are concentrated in the South Auckland area³.

A complex and dynamic diversity exists within and between Pacific ethnic groups and communities. Diverse intergenerational experiences are giving rise to constantly evolving understandings of what being 'Pacific' in New Zealand looks like and means. A high birth rate is driving Pacific population growth - a departure from migration driven increases of previous decades - and Pacific peoples are increasingly born in New Zealand (almost two thirds of the total Pacific population in 2013)⁴. New Zealand born Pacific people are extremely youthful and for most, English is their first language. Intermarriage is blurring the ethnic specific identities that have been traditionally examined in research and policy contexts - in 2013, 9% of Pacific people identified with more than one Pacific ethnicity and 32% identified with ethnicities outside of the Pacific group⁵. For many Pacific people - the ones who will comprise the future Pacific workforce - understandings of traditional cultural orientations, beliefs, religion, one's place in

relation to their Pacific Island 'home', as well as to NZ, are transforming⁶.

Pacific family units reflect some of these unique shifts in characteristics. Pacific households are typically larger than the NZ norm, are multigenerational, multilingual and can include a fluid range of extended family members, non related family members and large numbers of children. Pacific households are representative of the complex identities, shared and divergent values that characterise 'Pacific peoples', shaped by New Zealand born or migrant trajectories, language and traditional or evolving senses of culture. Nonetheless, Pacific family units are often where decision making and actions relating to income, financial and community responsibilities, housing, health, education and indeed work, are made on a collective basis.

A growing and changing Pacific population presents great opportunities in relation to the future of work, while also having important implications for our education, health and social systems. Understanding the diverse perspectives, expectations and motivations of Pacific peoples will be vital to developing innovative and responsive models that meet the needs of families and communities.

Social and economic disparities underpin education and employment outcomes for Pacific families.

The fundamental social and economic issues that underpin and impact Pacific educational performance and employment are well recognised. Pacific peoples live in some of the most economically deprived parts of NZ. Around 76% of Counties

1 Statistics NZ, National Ethnic Population Projections 2013(base)-2038, May 2015

2 Statistics NZ, National Ethnic Population Projections 2013(base)-2038, May 2015

3 Counties Manukau District Health Board, Population Profile, <http://www.countiesmanukau.health.nz/about-us/our-region/population-profile/>

4 Statistics NZ. National Ethnic Population Projections 2013(base)-2038. 2015

5 Statistics NZ. National Ethnic Population Projections 2013(base)-2038. 2015

6 Grey A. 2001. *The Definition and Measurement of Ethnicity: A Pacific Perspective*. A discussion paper. Wellington, New Zealand: Statistics New Zealand. Macpherson C. 1999. *Will the "real" Samoans please stand up? Issues in diaspora Samoan identity*. New Zealand Geographer, 55(2):50-59

Manukau Pacific people, many of them children, are concentrated in decile 9 and 10 areas and experience high socioeconomic deprivation and poverty⁷.

Health inequalities affect Pacific people across a range of indicators, including a high prevalence of complex chronic conditions. High rates of hospitalisations for both adults and children suggest difficulties to access high quality primary health services⁸. Household overcrowding, poor quality housing and reliance on the social housing sector also play a significant role in health and educational outcomes for Pacific people, as well as the financial circumstances and stability of families.

Linked to this are low incomes (national median income of \$844 per week, compared to \$557 for Pacific) and severe wealth disparities. About 60% of Pacific people have an individual net economic

wealth of less than \$16000 and about 20% less than \$1000⁹.

A growing body of literature describes the challenges of navigating complex and fragmented systems and processes, particularly when combined with existing financial and time constraints.¹⁰ The compounding effect of multiple health, social and economic issues affects the ability of many Pacific families for long term planning, restricts options and shapes decision making. It affects stability, productivity, participation and necessitates different ways of organising and prioritising daily responsibilities.

- How can broader social and economic policy and interventions support education and employment outcomes for Pacific families?

Education - a key priority

Meeting the educational needs of the current and future Pacific workforce is a key priority. Increasing participation in quality early childhood education, providing compulsory education that prepares young Pacific people for further education or employment, improving the uptake and completion of tertiary level qualifications and fostering a culture of lifelong learning, are all important for improving educational and employment outcomes for Pacific peoples.

Early, comprehensive and continual future planning As the need for a resilient and adaptable workforce increases, preparing young Pacific people to understand their learning strengths and working future, and to find viable educational options that will propel them to employment, further study or training will be vital. Early, comprehensive and

continual career planning and advice, must be tailored to the needs of the individual so that Pacific students can make good choices and work towards their goals throughout schooling.¹¹

Engaging and communicating with families to secure their support and participation is part of the process. The perceptions of education that may exist within a Pacific family due to generational differences, migration backgrounds, language capabilities, own (positive or negative) experiences of schooling and levels of educational attainment, will restrict or enhance the ability of family members and caregivers to be 'on board'. Families may need support to navigate changing education systems and structures that are unfamiliar, foreign or alienating to them.

7 Ministry of Pacific Island Affairs, Career Futures for Pacific Peoples, <http://www.mpia.govt.nz/assets/documents/research-documents/CareersFuturesFinalWEB.pdf>

8 Statistics New Zealand, 2006 and 2013 Census

9 Presentation provided by Associate Professor Toeolesulusulu Damon Salea in 2015

10 Sheridan N F., Kenealy T W., et al. 2011. Health equity in the New Zealand health care system: a national survey. International Journal for Equity in Health, 10(45). Southwick M., Kenealy T., and Ryan D. 2012. Primary care for Pacific people: A Pacific health and systems approach. Report to the Health Research Council and the Ministry of Health. Wellington, New Zealand: Pacific Perspectives Ltd.

11 <http://www.mpia.govt.nz/section-2-education-pathways/>

Skills to meet demands alongside future-focussed planning, cross-cutting competencies that provide a 'fit for purpose' skill set, both academically and socially, have been identified as important for all young people. For Pacific learners this may include a particular focus on core literacy and numeracy skills (where Pacific levels have been lower than other ethnic groups), problem solving, innovation, communication, financial literacy, technology, computing and the attainment of driving licences.

Addressing cost barriers at all levels

Understanding the impact of income, wealth and housing disparities on Pacific families needs to underpin any analysis relating to education and employment. Responses at different levels are possible to reduce the influence of deprivation and access barriers on educational outcomes for children and young people. In schools this may involve tackling voluntary school fees, uniform, and transport costs. Increasing the connectivity of households may improve technology skills. At tertiary level and for the facilitation of lifelong learning, it could mean making better use of high-quality online learning to deliver courses at a substantially lower cost or for free.

Tertiary education participation, retention and completion The rate of Pacific participation in tertiary education (11% in 2011) exceeds that of the total population, but there is comparatively low participation at higher levels.¹² To gain the greatest benefits from tertiary education, people need to complete higher-level qualifications (diplomas and degrees), and complete them before they are 25 years of age.¹³ In these cases, the rate of Pacific people under 25 years completing level 4 study and above is lower than the total population rate (19% compared to 23% in 2012). Course and qualification completion rates are particular areas

where much more improvement is needed. In 2013, the tertiary education sector rate of course completions for Pacific students was 70% (compared to 86% for all students). Tertiary education sector qualification completions for Pacific students were 59%, compared to 81% for all students.¹⁴

Research and policy, Tertiary Education Organisation (TEO) activities and initiatives to support Pacific tertiary achievement have made some demonstrable progress. However, Pacific success in tertiary education seems to be impacted by a number of issues that we do not understand well. The causes and outcomes of low attendance rates at tertiary level, working while studying, living at home and distance from campuses, the impact of student loans (particularly when paired with low completion rates), preparedness for a tertiary study context are some of the issues where specific exploration in relation to Pacific students may be beneficial.¹⁵

- How can the education system improve to equip the Pacific workforce with the high level skills future workplaces will demand? What are the skills needed?
- How do we tackle the access barriers holding back Pacific people from higher levels of education?
- What are the roles of government, private sector, churches and communities in supporting higher levels of participation and improving education outcomes for Pacific people?
- How should these roles be implemented?
- Are there innovative approaches that could be implemented more widely?

12 Tertiary Education Strategy 2014-2019. <http://www.education.govt.nz/further-education/policies-and-strategies/tertiary-education-strategy/>

13 <http://www.mpia.govt.nz/section-2-education-pathways/>

14 Presentation provided by Associate Professor Toeolesulusulu Damon Salesa in 2015

15 Presentation provided by Associate Professor Toeolesulusulu Damon Salesa in 2015

The transition into work

The latest unemployment rate for Pacific people was 13.1%, nearly double that of the general population, and the NEET rate (not in employment, education or training) a concerning 15.9% for Pacific youth aged 15-24.¹⁶ High levels of youth unemployment create problems of longer term unemployment and skill loss. Furthermore, many Pacific people enter the workforce at a young age and while the reasons for this are not well understood (family and financial pressures, a perceived lack of other opportunities), the result is being stuck in low-skilled, unstable jobs with poor pay and conditions.

Partnerships that connect across the continuum of school, employment and further training Greater partnering of educational organisations to businesses, employers and community groups, can create a bridge between education and the labour market for Pacific people and help foster a lifelong learning pattern. Successful partnerships provide opportunities for sharing and replicating models and innovations. Collaborative efforts in South Auckland by the Auckland Council, Counties Manukau Health and the Manukau Institute of Technology provide useful examples of services taking measures to grow their own workforce.¹⁷

Partnerships can draw on the strengths of a community. Church groups are the de facto village organisation for Pacific communities in New Zealand and, while the centrality of church in the lives of many Pacific people may be lessening, they continue to be hubs of leadership, information sharing and community expertise, all of which have a role in the upskilling of communities. Other community organisations can offer skill

development and training, such as the High Tech Youth Network which helps Pacific students learn technology in a culturally appropriate way.

Businesses must engage with the training of the Pacific workforce to ensure that work-relevant qualifications lead to employment outcomes. Initiatives like the Maori and Pasifika Trades Training initiative¹⁸ must be focused on trade qualifications rather than pre-trade qualifications. For example current qualifications outcomes are mainly at Level 1 to Level 3 on the NZQA Qualification Framework. Similarly, a “Partnership for Jobs” approach - bringing together central and local government, the education sector, businesses, community organisations and unions to plan future labour force and skills needs - may be worthwhile to support Pacific people into the right training and to provide opportunities for second chance learning.

Another option could be a cadetship programme for Pacific youth to give them their first step into the workforce. The Government could negotiate with our 20 or 30 biggest employers to take on 1,000 or more youth cadet levels each year. Given the workforce size of our largest employers like Fletcher Building, Fonterra, Air New Zealand, Auckland Council, Spark, or Vodafone there should be capacity to take on more junior roles.

- How do we encourage businesses to commit to lifelong learning and provide the growing need for education and in-house skills training opportunities?

16 Statistics New Zealand. Household Labour Force Survey

17 Vester B. 2015. South Auckland: A case study on the factors impacting educational achievement and economic prosperity (discussion paper prepared for Future of Work project)

18 <http://www.maoripasifikatrades.co.nz/>

- What can we do to create more entry level job opportunities for Pacific youth such as a partnership for jobs approach or cadetships?
- How do we ensure trainees participating in training at work

programmes reflect the diversity of New Zealand's population?

- What incentives can we create for employers to have trainees on the job?
- How can government agencies model the desired approaches?

Supporting the existing Pacific workforce

A vast number of Pacific people are over-represented in low skill occupations with low future demand and/or low pay. These jobs tend to have insecure contracting models, be casual or temporary, and have irregular and inflexible hours. In periods of economic downturn, Pacific people are a group affected most severely and for the longest time. A large proportion of Pacific people also work in occupations most at risk as the nature of work changes. Pacific people, for example, are over-represented in labourer (more than 20% of the Pacific workforce) and machinery operator (12.2%) jobs¹⁹ and were hit hard by the global financial crisis of 2007-08.²⁰ Furthermore, a report out last year showed 46% of New Zealand jobs are at risk of automation within the next two decades.²¹

As many jobs cease to exist, shifting people to fulfilling jobs paying a decent wage will be a challenge. Even if the education of Pacific youth is improved there is a huge number of Pacific people in at risk occupations currently who will need assistance with retraining. Retraining in the workforce will be essential to ensuring the Pacific workforce is highly skilled and resilient.

The changing landscape of work will also offer many opportunities. Pacific people are growing their share of high demand and high skill roles. Professions and management were the fastest growing

areas of occupation for Pacific people between 2006 and 2013.²² Pacific people are also over-represented as community and personal service workers which an ageing population increasingly demands.

Many prominent Pacific people in sports, arts, culture, politics and business provide examples of what adaptive and resilient careers can look like. Role models like these are essential to encourage Pacific people to succeed and maximise their potential, while demonstrating the importance of financial literacy or alternative career options.

- How do we foster a culture of lifelong learning and skill renewal? Are there Pacific models to do this?
- How do we ensure Pacific workers in at risk jobs are not left out as a result of technological change?
- How do we ensure education pathways for Pacific people are focused on the skills required for the future and sectors of future demand?
- How do we ensure Pacific people continue to shift into higher skill and more sustainable industries?
- How should we use Pacific role models to boost the Pacific workforce?

19 Statistics New Zealand, 2006 and 2013 Census

20 New Zealand Institute of Economic Research. 2013. Pacific Economic Trends and Snapshot. <http://www.mbie.govt.nz/info-services/infrastructure-growth/pacific-economic-development/documents-image-library/pacific-economic-trends-and-snapshot.pdf>

21 CAANZ & NZIER, October 2015, FutureInc: Disruptive Technologies Risks, Opportunities - Can New Zealand Make the Most of Them?, <http://www.charteredaccountants.com.au/-/media/FutureINC/publications/091511%20FutureIncTechnological%20disruptionWEBFA2.ashx>

22 Statistics New Zealand, 2006 and 2013 Census

Entrepreneurial activity - building Pacific businesses

The changing nature of work will offer greater opportunities for entrepreneurial pursuits and self employment. Establishing and running a business is something many Pacific people aspire to. However, while the latest census showed management and commerce was the most common field of study for Pacific people at 23.9%²³, only 1.6% of the Pacific population are self-employed or business owners.²⁴ Income and wealth is closely connected to opportunity and limited wealth in particular is likely to be a fundamental barrier for Pacific people in starting a business. However, little is understood about either the barriers or enablers for Pacific people and these processes. Collecting this information must be a Government priority to ensure the growth and resilience of Pacific businesses.

Many Pacific businesses create sustainable and fulfilling jobs for Pacific people. People are far more likely to hire people they know through their existing networks

and communities. A 2014 MBIE survey found Pacific businesses are significantly more likely to hire Pacific workers.²⁵ While guidance services like the Pacific Business Trust have long provided support for small Pacific businesses, more needs to be done to boost participation. Supporting alternate business models like cooperatives or traditional cultural models may make it easier for Pacific people to run their own business.

- What are the barriers to Pasifika establishing a business?
- Are there traditional and cultural models that can be used to inspire Pacific youth to create new wealth opportunities?
- What role should government play in supporting the development of Pacific businesses?

Relationships with the Pacific Region

New Zealand's large Pacific population and historical, cultural and economic connections provide a unique set of circumstances for New Zealand's engagement in the region as a whole. Trade, security and migration are key issues which have implications for the Future of Work.

Differences in economic growth and opportunities will likely require an increased response by New Zealand to environmental (climate change and natural disasters), health and education issues in our region. These circumstances,

and high rates of population growth in Pacific countries, will sustain pressure for permanent and circular movement of labour from Pacific countries to New Zealand.

This can provide an opportunity for New Zealand to address labour shortages in some sectors and also benefit Pacific countries. For example, the Recognised Seasonal Employment Scheme (RSE) has been highly successful for the New Zealand Horticulture Industry and led to economic growth and more jobs in the industry for New Zealanders.

²³ Statistics New Zealand, 2013 Census

²⁴ MBIE, Pacific Economic Strategy 2015-2021, <http://www.mbie.govt.nz/info-services/infrastructure-growth/pacific-economic-development>

²⁵ MBIE, Pacific Economic Strategy 2015-2021, <http://www.mbie.govt.nz/info-services/infrastructure-growth/pacific-economic-development>

It has also contributed positively to the economies of the participating Pacific countries.

It is likely such schemes will need to broaden from horticulture and agriculture to include service and other industries with labour shortages.

- How will New Zealand's interest in the Pacific region impact the Future of Work?
- What opportunities for the Future of Work are there in increasing trade and labour mobility to and from Pacific countries?