PRECARITY

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UNCERTAIN, INSECURE AND UNEQUAL LIVES IN AOTEAROA NEW ZEALAND

EDITED BY SHILOH GROOT, CLIFFORD VAN OMMEN, BRIDGETTE MASTERS-AWATERE AND NATASHA TASSELL-MATAMUA

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FOREWORD

The precariat is a structural feature of globalisation and is growing in all parts of the world, reflecting the impact of policies to make labour markets more flexible and open, and the impact of the ongoing technological revolution.

Governments, including New Zealand's, have pursued social policies that have further expanded the precariat, in the ostensible pursuit of 'competitiveness'. But they have done so in an inequitable way, by making labour relationships more insecure and uncertain. In sum, the precariat is not an incidental feature, or some failing of economic development. It is wanted by those steering and gaining from a global system that has veered a long way from anything close to a textbook version of a 'free market economy'.

As described elsewhere, the reality is that we have a system best described as *rentier capitalism*, in which private property rights have triumphed over free market principles.[1] That economic reality is outside the sphere of this book, but it is the context in which those entering or stuck in the precariat exist, and explains why their incomes are stagnant in real terms and increasingly uncertain.

There is an ongoing Global Transformation, in which a global market system is gradually taking shape. Old systems of regulation, social protection and income distribution that worked reasonably well in the middle decades of the twentieth century have broken down or been dismantled. But new systems suited to the more open, flexible economies have not yet been designed or put in place.

They are needed as a matter of urgency. A class fragmentation is taking shape that is forcing the precariat to hear a disproportionate cost in terms of disruption and multiple insecurities. So far, governments

have reacted passively and have done remarkably little to alleviate those insecurities, typically resorting to tired strategies designed in a different age.

The precariat is defined primarily in four dimensions, and it is analytically and politically important to recognise all of them, not just the first and most obvious, the insecure labour relationship. Indeed, one could say that is the least important. Why would anybody want to be in a stable, secure job if it was stultifying, onerous, stressful and low-paid? And most of us would hate ourselves if we were stuck in the same job, doing the same few tasks, for years and years.

What is more important and worrying is that those in the precariat typically have no occupational narrative or identity. They feel they are going nowhere in their jobs. And they typically must do a great deal of *work* that is not *labour*, work that is neither recognised statistically nor remunerated in any way, but which must be done.

The second feature is that, in most countries, although less so in New Zealand, members of the precariat have to rely mainly if not entirely on wages. They do not receive the sort of non-wage benefits and subsidised services that members of the *salariat* usually receive, which are worth a great deal, such as occupational pensions in prospect, paid holidays and paid sick leave. In New Zealand, the Kiwisaver scheme at least offers a universal occupational pension for those who can pay into it.

In any case, conventional income statistics underplay the value of non-wage benefits and thus understate the extent of income inequality. But to make matters substantially worse, the wages available to the precariat are not just low but have been stagnant or declining. This is a global phenomenon, and policymakers and those representing the interests of the precariat must recognise that this is unlikely to change in OECD countries for years to come. Wages are likely to fall in real value.

Third, and this is most likely to affect the groups considered in this book, perhaps the most crucial feature of being in the precariat is that those in it are losing all customary rights, often without realising it until they come to need them. The term *denizens* is appropriate, since it refers to people with an in-between status between *alien* (non-citizen, foreigner, outsider) and *citizen* (somebody with all the usual rights of being a citizen).

The precariat are becoming denizens, a process that must be reversed.[2] They lack or are losing all forms of rights — civil, cultural, social, economic and political. In the process, they are being reduced to being *supplicants*, depending on acts of discretionary charity and behaviour, from bureaucrats, employers, charities, NGOs and family members, from people in positions of authority or economic superiority. This is the most significant aspect of being in the precariat. A supplicant is unfree.

The fourth feature is the experience of a sense of *relative deprivation*, with respect to time and a sense of loss. Some, particularly those from old working-class families or communities, have a sense of a lost past, real or imagined. It is this group in the precariat, which I have called *Atavists*, who in various countries have been listening to populist politicians promising to bring back the past. The global leader of this promised mirage is the unlikely plutocrat Donald Trump.

A second faction consists of those who feel they have a lost present, a sense that they do not have a home here and now. Cultural deprivation is surely uppermost in this group, but it goes with economic, social and political deprivation as well. I have dubbed this group the *Nostalgics*. Surely this is pervasive in modern New Zealand.

The third faction consists of those who feel they have lost a sense of the future. This affects many of those who go to college or university, having been promised by their parents, teachers and mainstream politicians that this would lead to a promising future, a career of advancing security, status and personal development. They emerge saddled with debts and facing a mirage. But this is the group that will forge a new progressive vision, one that is ecological, liberating and proudly egalitarian. One hopes many in it will read this book and reflect on what could be changed for a better society.

Guy Standing
September 2017

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1 Guy Standing, *The Corruption of Capitalism: Why Rentiers Thrive and Work Does Not Pay* (London: Biteback, 2016).

2 Guy Standing, *A Precariat Charter* (London: Bloomsbury, 2014).

INTRODUCTION

CLIFFORD VAN OMMEN,
SHILOH GROOT, BRIDGETTE
MASTERS-AWATERE AND
NATASHA TASSELL-MATAMUA

The concept of the precariat links to situations and experiences of uncertainty, dependency, powerlessness, perilousness and insufficiency. In one sense, precarity refers to the negative consequences for the wellbeing and survival of citizens following the gradual dismantling of the welfare state and union representation; in another related sense, it refers to the changing nature of work that becomes intermittent, insecure and insufficient. Precarity emerges within the global context of a neoliberal economic system that demands greater (job, skill, employment, time) flexibility among individuals so as to improve market competition on a global level.[1]

The British economist Guy Standing refers to the precariat as a class-in-the-making:[2] a 'class' typified by various forms of insecurity due to a lack of opportunities to consistently gain income at liveable levels, to retain a position of skill and access career mobility via the development of these skills, to work in physically and psychologically safe circumstances, to avoid being fired at a whim, and to have an influence via collective action. Whereas Standing focuses on the world of labour, within this book authors identify and illustrate other forms of precarity, such as the lack of opportunities for cultural expression and embodiment, and the struggle to secure safety in intimate and family relationships.

The commonality between Standing's work and this book is that aspects of precarity are not independent of each other. In this sense,

then, precarity is a web where narrow and naive solutions merely pluck at a single thread which fails to resonate with the wider circumstance and ultimately leaves those affected only more hopelessly entangled. The American philosopher and gender theorist Judith Butler points out that it is not only economic support that disintegrates under such circumstances but social systems as well, leaving a person more vulnerable to illness, injury, displacement and violence.[3]

Inequalities, in terms of justice for the precariat, are mirrored by the absence of just action with regard to those with wealth in this country. Lisa Marriott, Associate Professor of Taxation at Victoria University, has contrasted the lack of attention to extensive tax evasion with the unrelenting effort to prosecute benefit fraudsters. In 2014, tax evaders cheated the country of $1.24 billion, in comparison to $33.5 million lost as the result of benefit fraud.[4] Yet benefit fraudsters are three times more likely to be imprisoned than tax evaders.

Both these crimes are non-violent and financial in nature; they both have the same victim (government and broader society), reduce government resources, and are deliberate. However, an important distinction is that tax evasion is typically undertaken by wealthy individuals in privileged positions, whereas benefit fraud is typically undertaken by precariat members of society. The issue of vested interest cannot be ignored here given the number of investment properties owned by MPs, particularly National Party MPs.[5] We live in a society skewed in favour of those with extensive wealth, where attention is diverted away from an examination of inequalities by vilifying those who bear the greatest burden of a broken system.

AN UNDER-EXPLORED EXAMPLE: PRECARITY AND DISABILITY

Let us illustrate the points above by considering one particular population in New Zealand whose access to equitable labour conditions has always been denied: those living with disabilities. On 1 September 2013, the *New Zealand Herald* reported that through the organisational restructuring of fast-food company KFC, 17 workers with disabilities had lost their jobs.[6] The restructure, in which all staff were required to prove that they were 'capable' of performing *all* duties (regardless of their actual position), epitomised the narrow flexibility celebrated

in contemporary business and the real consequences of such practices for employees. When the news hit social media, the collective and representational actions taken by the Unite union, Labour MP Jacinda Ardern and deaf Green MP Mojo Mathers led KFC to reverse its decision a short while later.[7]

Those with disabilities are a particularly vulnerable population in the contemporary social context, and an easy target for exclusion and marginalisation. In the UK, fewer than 10 per cent of people with learning difficulties are in paid work and those with disabilities are twice as likely to live in poverty.[8] Austerity policies have led to a loss of £9 billion in welfare support for those with disabilities, with a third losing their Disability Living Allowance.[9] In Aotearoa New Zealand, the 2013 Disability Survey shows that people with disabilities are less likely to be in the labour force, are more likely to be unemployed, and tend to have part-time work and earn lower incomes.[10] The latter is especially true along gender lines; women with disabilities are more likely to work part-time, with 48 per cent earning less than $30,000 per annum compared to 28 per cent of men with disabilities.

The 2012 Disability Rights in Aotearoa New Zealand report describes the ongoing struggle for people with disabilities to be heard when the paternalistic 'we know best' attitude of current political stances marginalises their voices and concerns.[11] Of particular concern is the use of minimum wage exemption permits by businesses when employing people with disabilities. This is shocking considering that the current minimum wage is already 29 per cent less than the recommended living wage.[12]

An existence marked by insecure employment, inadequate income and compromised social, political and economic rights clearly locates many people with disabilities in New Zealand among the precariat. We live in a society that values ability over disability, that glorifies autonomy and competition and then castigates and exploits those who, under such a distorted view of humanity, are positioned as less able both instrumentally and politically. Current laws, policies and practices inhibit the full participation of the precariat who have disabilities in political and public life.[13]

There are many other groups whose situations are only touched on

in this book, but whose struggles are nevertheless also very real. These include, for example, university graduates who are not employable because they lack experience, sex workers, seasonal workers, low-skilled workers and shift workers.

This collection of essays represents a unique dialogue between and among academics, emerging researchers and advocates. It is an attempt to distil into an approachable narrative the accumulated decades of expertise represented by the authors, typically disseminated through empirical and conceptual research that can yield technical books, reports and numerous peer-reviewed journal articles (some of which have been cited here). Drawing on their different vantage points to inform their analyses, the authors share their respective experiences of researching, teaching, advocating and/or working with precariat individuals and groups. Each of the contributors does this with the aim of developing a more nuanced understanding of the precariat in Aotearoa New Zealand and providing pathways forward.

In this book, we turn our attention to this emerging class, the precariat, not to further vilify them, but rather to place their lived experience in plain sight. It is time all New Zealanders understood the reality of what many of our own citizens endure in the struggle to make ends meet and live dignified lives. We have divided the book into three parts; here we give a brief description of each part, with more details of individual chapters provided in the introduction to each section.

In the first part, 'Selling Snake Oil', we explore the various ways in which precarity is contorted, inverted, perverted and obscured. William Cochrane and colleagues open this section by describing the composition of the New Zealand precariat, which currently includes one in six people in this country. James Arrowsmith and colleagues then define the poverty trap and identify what is needed for those affected to lift themselves out of such misery. Wayne Hope and Jane Scott provide us with a description of how inequality, and those most affected by it, are portrayed in the media — portrayals that do little to address the marginalisation of this class-in-the-making.

Turning the spotlight specifically on the vilification of beneficiaries, Darrin Hodgetts and his team describe penal welfare and criminalisation of citizens in need. Next Kimberly Jackson and Rebekah

Graham discuss food insecurity, and how many solutions suggested to address it fall short. Neville Robertson and Bridgette Masters-Awatere then highlight ways in which state structures amplify rather than ameliorate the precarity of abused women and their children. Finally, Mary Breheny focuses on the scapegoating of the elderly as the cause of contemporary youth hardship, drawing our attention back to how taking care of communities is the best way to address individual needs.

In the opening chapter of our second part, 'Native Disruption: Māori and the Precariat', the over-representation of Māori youth among the precariat is made clear by Thomas Stubbs and colleagues. They argue the potential for cultural engagement by formal institutions to offset the current prevailing negative attitude. This attitude is described by Delta King's team through the example of Miriama, who talks about 'getting into character, visualising appropriate appearance level and expected behaviour and attitude' when dealing with social services. Negative interference by the state is affirmed by Felicity Ware and her colleagues, who walk us through the impacts on young Māori mothers of the Young Parent Payment (YPP).

Debunking the perception that all providers are created equal, Bridgette Masters-Awatere explains how resource distribution and accountability by government funders impacts on Māori service providers. Finally, Shiloh Groot and colleagues provide verbatim narratives from homeless Māori youth, who powerfully illustrate their lived experiences of precarity. Rather than maintain a negative lens, these young people explain how through cultural connectedness they transform the streets from a place of despair to one of care and respite. Each of the chapters within this section sets out to place these experiences in (colonial) context and counter various stereotypes and common misconceptions of tangata whenua — the indigenous people of this country.

The third part, 'Arrivals Past and Present', addresses the precarity of a number of groups: Pasifika, migrants and refugees. Paul Spoonley opens by providing a history of the various recent arrivals to this country and the conditions these groups are currently experiencing. These broad aspects are brought to life by Byron Seiuli and Philip Siataga in their telling of the story of Tauivi; and then by Teuila, whose

experiences are related by Bridgette Masters-Awatere and Jessica Gosche. In the following chapter Seraphine Williams and Shiloh Groot share the stories of four young Samoan transwomen as they discuss their experiences of gender discrimination in the workplace, ranging from humiliation and denial of access to their basic human needs to unfair dismissal.

These Pasifika voices are followed by that of Abann Yor, in conversation with Sarah Hahn, as he provides a retelling of his journey from refugee to citizen. Ending this section, Rand Hazou considers the role that theatre and cultural practice might play in facilitating stability and belonging for asylum seekers and refugees in the wider community.

Finding a place in Aotearoa and overcoming precarity, then, is not about obliterating the past or eliminating the cultural traces that make us who we are, and it is not about accepting coercion by economic and social models that reduce us to cogs in the market. We return to this and other salient points in the conclusion to the book.

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1 Guy Standing, *The Precariat: The New Dangerous Class* (London: Bloomsbury, 2011).

2 Ibid.

3 Judith Butler, 'Performativity, Precarity and Sexual Politics', *AIBR. Revista De Antropología Iberoamericana* 4, no. 3 (2009): i–xiii.

4 Jenée Tibshraeny, 'Tax Professor Calls for Independent Inquiry into How Tax Evaders and Benefit Fraudsters Are Treated by the Justice System', Interest.co.nz, October 13, 2016, retrieved from http://www.interest.co.nz/personal-finance/84038/tax-professor-calls-independent-inquiry-how-tax-evaders-and-benefit

5 Max Rashbrooke, *Wealth and New Zealand* (Wellington: BWB Texts, 2015).

6 Amanda Snow, 'Disabled Staff Forced Out of Job', *New Zealand Herald*, September 1, 2013, retrieved from http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11117584

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8 Keith Bates, Dan Goodley and Katherine Runswick-Cole, 'Precarious Lives and Resistant Possibilities: The Labour of People with Learning Disabilities in Times of Austerity', *Disability & Society* 32, no. 2 (2017): 160–75.

9 Claudia Wood (2012) in Dan Goodley, Rebecca Lawthomb and Katherine Runswick-Cole, 'Dis/ability and Austerity: Beyond Work and Slow Death',

Disability & Society 29, no. 6 (2014): 980–84.

10 Statistics New Zealand, 'Disability and the Labour Market: Findings from the 2013 Disability Survey', retrieved from www.stats.govt.nz

11 Article 33 Convention Coalition Monitoring Group, 'Disability Rights in Aotearoa New Zealand 2012: A Systemic Monitoring Report on the Human Rights of Disabled People in Aotearoa New Zealand', retrieved from http://www.dpa.org.nz/resources/sector-resources/the-convention-disability-rights-in-aotearoa-new-zealand

12 Living Wage Aotearoa New Zealand, 'What is the Living Wage?', April 1, 2017, retrieved from http://www.livingwage.org.nz/what_is_the_living_wage

13 Article 33 Convention Coalition Monitoring Group, 'Disability Rights in Aotearoa New Zealand 2012'.

PART ONE:

SELLING SNAKE OIL