

Income and Maori Project

Report of the Qualitative Component

Prepared for Te Puni Kokiri by

The Family Centre Social Policy Research Unit

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1. He Mihi

He Po! He Po!

Kei hea te awatea?

He mihi aroha tenei ki te hunga i tuku mai i o ratou whakaaro hei whakahinuhinu i te mahi rangahau nei hei para i nga huarahi ki te ora. E hika ma, tena koutou katoa mo nga tini kupu i homaitia nei hei wananga, hei pokepoke ma te hunga kimi korero kia eke ai nga tangata korekore ki runga i te waka o te pai. Ko te tumanako hoki, ahakoa nga piki me nga heke, kia pumau tonu te puta o te ora ki nga uri whakatipu i.

He kupu whakatau tenei ki a koutou kei te ngaua nei e te pohara, me nga mamaekino o te ao hurihuri nei. Kia mau tonu ki o koutou mana Maori. E rere o koutou ringa ki te whakapakari i a koutou. Hoputia nga rakau a te pakeha me nga taonga a o tipuna Maori hei tikitiki mo koutou i roto i te ao hurihuri nei. Me anga hoki o koutou wairua ki te Matua nui o te Rangi. Mana koutou e tautoko, e manaaki e awhina ki puta ai tatou ki te ao marama.

Tihei mauriora!

2. Executive Summary

Introduction

Studies of income distribution in New Zealand have consistently found that Maori, overall, have lower incomes, are more likely to be unemployed and, when employed, more likely to be in lower paid occupations than non-Maori. To better understand the extent and impact of these disadvantages on Maori households, the Ministry of Maori Development/Te Puni Kokiri commissioned two research projects.

The Family Centre Social Policy Research Unit was contracted to conduct a qualitative study to provide critical information about the real life experience and choices faced by low income Maori (In Poverty) and those who had moved from low to higher incomes (Out of Poverty). Thus, information was sought about life on a low income and the factors that enabled some people to move out of poverty. Business Economic Research Limited (BERL) was contracted to conduct a quantitative study designed to develop a set of indicators that would characterise Maori income, well-being, disparity and disadvantage.

This document reports the findings and recommendations of the qualitative study conducted by The Family Centre Social Policy Research Unit. Qualitative data were obtained from six focus groups and six separate, individual, in-depth interviews. Participants were drawn from Maori who were sole parents or couples with children, lived in urban and rural areas, and were either In Poverty, or Out of Poverty as defined by the New Zealand Poverty Measurement Project.

Findings

Hardship.

The overriding finding of this report is the extent and degree of hardship faced by low income households in Aotearoa/New Zealand. The picture developed in participants' conversations was one of considerable hardship, insecurity and financial vulnerability, with many people struggling to meet essential costs. Furthermore, the research revealed that these pressures placed heavy strains on family relationships. This was especially noticeable in the relationships between parents, and between parents and children.

Household strategies.

Most householders considered themselves competent budgeters, but a majority of those on low incomes used what we describe as the 'residual' budgeting method. Typically, they used automatic payments to cover essential fixed costs like rent, power and gas, and then juggled the meagre surplus to cover other bills, such as food, clothing and medical care. They considered they did not receive sufficient income to make a reliable weekly plan to cover all household costs, or were so vulnerable to unexpected expenses, that it proved unrealistic to stick to a totally planned budget. They paid the fixed costs and had to make do with what was left, often compromising adequacies in food, healthcare and clothing because of lack of money.

Other participants, and the majority of those Out of Poverty, managed their household expenditures using a 'formal' budget. This involved a carefully written and itemised plan and record of spending. Participants employing this method of budgeting, noted that it was difficult to keep to such budgets, and that they required considerable discipline to operate. However, they also considered that this method of budgeting enabled them to make the most of their incomes, and also to have a feeling of at least some control over their finances.

Despite these two different ways of managing expenditure, descriptions of household prioritisation and affordability of essentials, revealed many common experiences among participants. They prioritised rent, as well as other fixed costs, to the extent they would miss meals, or go without medical care. This seemed a common occurrence for low income households. It was especially notable how many of those In and Out of Poverty described having gone without these essentials, in order to ensure their children at least got something.

Most participants were of the opinion that the only way that people In Poverty could fundamentally improve their incomes, and move out of such situations, was through full time paid employment. This is consistent with previous findings, that at least part of the reason for income disparity between Maori and non-Maori, is that more Maori do not have regular full time employment.

Barriers to employment.

Lack of education, training and skills were perceived to be significant barriers to getting higher paid work. Participants noted how they perceived their own lack of education had prevented them from getting work and that such a lack acted against Maori in general. They clearly wanted their children to gain education and skills that they perceived they did not have. An improvement in education, generally, among Maori was commonly seen as a long term measure to reduce disparity.

Participants felt they, and their children, were at a disadvantage in the education system. The cost associated with education was a significant factor for participants, but the major problem that people had with attaining higher education seemed to be one of incompatibility with the Pakeha culture dominating the education system. Negative experiences of the education system were common among participants and even Out of Poverty participants with higher incomes and long work experience, consistently noted their experience as Maori of the 'non-user friendly' nature of most educational institutions. Lower levels of achievement were also felt to be self perpetuating in cases where parents or caregivers had little formal education themselves, and/or had negative experiences of the education system.

Other commonly perceived barriers to employment, both for individuals and for other Maori, ranged from the immediate and personal, to the deep and structural. Where people had undertaken part time or short term work, it tended to be voluntary, or 'under the table'. The system of benefit abatement rates, and the extra costs incurred in work, played an important role in this. Given the range of other activities people reported taking part in, it seems difficult to argue that they did not want part time or casual work. Rather, there was

at least a perception that there is little or no reward, and possibly even a cost, to such work, when compared to the other options available.

Lack of access to quality childcare was another barrier to employment noted by participants. This mainly applied to sole parents, but also to some of the couples taking part. People noted how they could not get access to childcare they could afford and have confidence in, in order to enable them to work. Others simply felt that looking after children was important full time work.

Relationships and networks outside the household.

Participant households were drawing on a range of different relationships and networks, and low income households, in particular, were drawing on whanau and marae based organisations, in different ways. They were also contributing to their whanau, and these organisations. It is not surprising that people would report family as a critical source of support. However, the preference of low income households in particular, for marae/iwi based services was interesting. These services offered valuable resources that advantaged low income Maori. Central to the factors that made these preferable were cost (or lack of), some form of relationship with the agency (based either on whanau, or reciprocity), and various different aspects of the service that organisations provided (such as unconditional acceptance, the positive nature of support, the familiarity of surroundings).

Interestingly, the most effective transition to work, for those who did not have an established record in the labour market, seemed to be voluntary work, rather than part time work. These involved long term commitments to agencies, that were based on interest and relationship, rather than monetary compensation. Because of this voluntary commitment, people were spending longer periods at such agencies, be they marae based, or other voluntary organisations. This enabled them to develop habits, skills and networks, all of which provided a critical link to the labour market. By being able to become involved in such activities, it seemed some of the difficulties in terms of labour market experience, were overcome.

Prejudice and monoculturalism.

Participants consistently identified areas where the regimes of Pakeha society created barriers to Maori achievement. The most obvious of these barriers was that of prejudice. Many of those In Poverty described personally experiencing this, in their efforts to get work, or assistance of some sort. It was interesting to note that those Out of Poverty seemed to have less personal experience of racism, but were just as likely to speak about structural disadvantage for Maori. Deep feelings were expressed concerning issues of justice with regard to the Treaty of Waitangi, land grievances and the return of traditional resources to Maori.

A major theme to emerge was the importance given to, and recognition of, culture, as an essential determinant of how people were functioning in different systems and organisations and differences between Maori culture and the dominant Pakeha culture. The implications for policy suggest that ways need to be found to address these differences. Whatever the

outcome, it is clear that successful measures that are designed to remove disparity, will need to take account of the different preferences and values of Maori, and also those between Maori and non-Maori.

Recommendations

Ten recommendations are detailed in Section 9, page 102, under the following headings:

1. Ensuring income adequacy
2. Examination of structures of financial incentive
3. Availability of quality, affordable child care
4. Access and support for education and training
5. Cultural audit for educational institutions
6. Support/incentive to undertake voluntary work with community organisations
7. Evaluation of the impact of EEO policies on hiring and promoting practices among employers
8. Greater scope for Maori autonomy
9. Cross sectoral approach
10. Support, evaluation and transparency.

3. Acknowledgments

This report details work commissioned by The Ministry of Maori Development/Te Puni Kokiri, to investigate income disparities for Maori in Aotearoa/New Zealand. The project consists of separate but parallel qualitative and quantitative components, which were awarded to The Family Centre Social Policy Research Unit and Business Economic Research Limited (BERL), respectively. We would therefore like to acknowledge Te Puni Kokiri for making this work possible, in particular, Michelle Hippolite, Kath Boswell and Colin Lewis, who have worked closely with us over the course of the work.

Our thanks go to Whetu Wereta, who was the facilitator/interviewer for the fieldwork undertaken in this research. Whetu brought considerable experience and professionalism to the work, and contributed significantly to the design of the interview schedules.

We would like to express our gratitude to the many people that helped recruit the participants for the research, in different Maori and community organisations around the southern North Island. The target populations were very specific, and therefore difficult to access. We particularly acknowledge Flora Tuhaka and Warihi Campbell, of the Maori Section at the Family Centre, who oversaw and coordinated the recruitment of focus group participants. Their work in getting people together was essential in the overall success of the research.

We are also greatly indebted to the people who took part in these groups and interviews, who allowed us to take a morning an afternoon or evening of their time, and shared with us their knowledge and experience. We hope that this research, and the policies it contributes to, can do justice to the spirit of their participation.

Finally, we would like to express our appreciation to our colleagues at the Family Centre, whose ongoing support, knowledge and broad range of experience underpins this research, and again to Flora Tuhaka and Warihi Campbell, of the Maori Section at the Centre, who provided advice and consultation throughout, as well as generating participants. Within the wider whanau of the Family Centre we wish to particularly acknowledge our elder, Wiremu Kaa who provided a spiritual path and the Mihi preceding this report.

While the authors acknowledge and are deeply appreciative of the input, support and contributions from all those above, the findings and conclusions set out in this report remain the responsibility of the Family Centre Social Policy Research Unit.

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5. Introduction

This report is the result of research commissioned by the Ministry of Maori Development/Te Puni Kokiri, and carried out by the Family Centre Social Policy Research Unit. The work outlined in this document makes up one component of a two part project, consisting of qualitative and quantitative elements, investigating income disparity for Maori in New Zealand. The quantitative component of the work, consisting of the development of a series of indicators of income disparity, is being carried out by Business Economic Research Limited (BERL). This report pertains to work carried out in the qualitative component of the project, which is intended to be complimentary to the work being undertaken by BERL, providing critical information about the real life experience and choices behind the quantitative data.

The overall purpose of the research is set out in the contract between the Family Centre and the Ministry. This was to examine, via qualitative analysis, the distribution of income nationally, the reasons for this distribution, and the impacts on Maori.

In particular, the project work set out in this report sets out to investigate;

“ ...the reality behind income and poverty statistics and innovative ways of coping on low incomes, as well as examining strategies for improving the income levels and well-being of low income Maori households.” (article 1.1 of the contract).

The field work undertaken in this research consisted of six focus groups and six individual interviews with Maori. The participants were drawn from Maori who are sole parents or couples with children, who live in urban and rural areas, who are on low incomes, or who have moved from low to high incomes. The results, and our analysis, of their discussions are presented in this report. While there is obviously potential for many themes to be explored in the wealth of data generated, the general purpose of the report is to present the range of issues that emerged, with regard to the issues of the impact and resolution of income disparity.

The report is set out below in the following format. The remainder of this section (Introduction) consists of a brief review of the research context, and a description of the research design and instruments. The results of the focus group and individual interviews are then presented, under two overall theme headings. “Life on a Low Income” and “Reducing Disparities”. The “Discussion” section involves a summary of the results and analysis. We conclude by setting out a series of recommendations for strategies that can help begin to address the problem of income disparity between Maori and non-Maori in New Zealand, in the “Recommendations” section..

5.1. The Research Context

As we have outlined above, the research has two fundamental foci, describing some of the reality of life on a low income, and looking for ways to improve income levels of Maori. Both of these issues have been the subject of a range of previous work which provides

some background to the fieldwork and analysis reported here. Examples of previous work are discussed below,

There is some published information about how households on the lowest incomes get by. Solomon (1990), Dann and DuPlessis (1992) and Craig et al (1992) provide qualitative and/or anecdotal accounts of how different groups of people on benefits are managing. These describe situations of hardship, where people on benefits, and especially those on benefits long term, are often unable to afford some basic essentials.

A series of studies by the New Zealand Council of Christian Social Services (NZCCSS 1992, Jackman 1993, NZCCSS 1994 and 1995) draw on different service providers in order to show their impressions of the impact of being on a low income, on individual households as well as communities. Of particular relevance to this work, the 1994 and 1995 reports (*'Housing the Hungry'* and *'Budgeting for a Deficit'*) describe budget formation for low income households, through surveys of food bank and budget assistance clients. These show that numbers of participants were not getting sufficient income to cover their basic costs, even after budgeting assistance, and especially note the impact of housing on budgets.

Budget formulation for low income households is also discussed by Wilson, Houghton and Piper (1995). This study drew on clients of the New Zealand Federation of Budgeting Services, and showed that budgeting advice enabled a majority of clients to move from situations of deficit (expenditure exceeding income) to one of break-even or surplus. The two most significant areas of change after budget formation were in decreasing debt repayments, and increasing incomes

Previous survey research with 100 beneficiaries carried out by the Family Centre (Waldegrave and Stuart 1996a) show that a majority of respondents considered they had problems affording adequate food, housing and power, had no insurances or savings, and could not purchase essential household items.

Though there is not a substantial body of work in this area, the work that does exist suggests that many of those on benefits and low incomes in New Zealand are having considerable difficulty coping. This is especially so, in terms of their ability to afford necessary expenditures. This research provides an opportunity to investigate whether these conclusions are also valid for low income Maori. The focus of the investigation is not only on people's access to essentials, but also on the ways that their income is used, how it is planned and strategies those who have moved out of poverty used.

The Maori emphasis of this work is especially important, as disparities in incomes between Maori and non-Maori have been consistently identified by studies of income distribution in Zealand. Recent work by Dalziel (1991a), Dalziel and Fox (1996) Easton (1994), NZIER (1998), Saville-Smith (1995), Statistics New Zealand (1994) and Winkelmann and Winkelmann (1997) are indicative of a broad body of literature which shows that Maori, overall, have lower incomes, experience less positive labour market outcomes, are more likely to be unemployed, and more likely to be in lower paid occupations. Such work also

shows that this is an ongoing historical trend, which seems likely to carry on into the foreseeable future¹.

A range of explanations have been put forward by researchers and commentators as to why this discrepancy exists, in the New Zealand Context. There is also an extensive body of international literature about different labour market outcomes and income inequality for ethnic groups. There is not space in this report to provide a full summary of these², some of the most common include:

- **Education** A range of measures show Maori have lower education levels than non-Maori. Education is obviously a key factor affecting the occupations that people can access. The lower levels of qualification of Maori, compared to non Maori, therefore make it more difficult to access high skilled/high pay occupations.
- **Health** Statistics also show Maori tend to have poorer health status than non Maori. If a group is less healthy, it follows that it is more difficult for that group to attain higher incomes.
- **Colonisation** The impact of European colonisation of New Zealand, especially marginalisation of Maori culture and removal/alienation of Maori from land and genealogical links, is another factor seen to have contributed to negative outcomes for Maori.
- **Structural Disadvantage** A similar argument to the above, with the dominance of Pakeha/European systems and values seen as providing a barrier to other cultures achieving income parity, including Maori. This does not necessarily involve overt 'racism' on the part of individuals, as described below, but more an overall structure does not cater for different needs and preferences.
- **Racism/Prejudice** Another reason put forward for lower Maori incomes is that some people in positions to influence income levels, in particular employers, may have perceptions of Maori, and other groups, that makes them less likely to provide opportunities for them.
- **Poverty Traps** Maori are more likely to be in long term part-employed or unemployed families. It is argued that inter-generational problems related to lack of employment and lower incomes, such as poor health, unemployment, education, etc. can become embedded in such families. Given the more vulnerable economic position of Maori, they may be more likely to be in such situations.
- **Demographic Structure** The Maori population is younger and has a higher number of sole parents, meaning Maori are more likely to be part of groups which have lower incomes.

¹ Indeed, income statistics released by Te Puni Kokiri earlier this year (Te Puni Kokiri 1988) suggest that the disparities between Maori and non-Maori incomes have been growing since 1987 (the difference in average household incomes growing by \$81 from 1987 - 1997).

² See Dalziel and Fox (1996) and Saville Smith (1995) or a comprehensive summary of New Zealand and International literature about the causes for ethnic income disparity.

- **Cultural Differences** Another suggestion is that there is a fundamental mismatch between the values of Maori and the values of western capitalist society. It may be that cultural differences mean that Maori have put less emphasis on things like individual and/or economic achievement, are more averse to risk, and more concerned with value on family and broader social networks. This is suggested as part of the reason Maori have lower incomes.
- **Experiences of Work** A further argument is that Maori are disadvantaged in terms entry to, and experiences of, the labour market. This could be because they do not have access to information and networks which provide work, or higher paid work, they may not live in areas where high paid employment is available, or they may have different, and more negative, experiences and perceptions of the labour market. This includes exposure to self employment and entrepreneurial behaviours. If Maori are more likely to be in these situations, then they are less likely to be in a position to earn higher incomes.

None of these have been, or are being suggested as the sole reason for income disparity between Maori and non-Maori. Indeed, if one point can be taken from the literature, it is that whatever the different causes of income disparity, they are deeply connected. It is very difficult, if not impossible, to disentangle the effects of these various different factors in determining income distribution. As noted by Dalziel (1991a)

The interplay between the various factors provides a warning against seeking simple solutions to reduce the disparities in income levels of different ethnic groups. Reform in the education system will be frustrated if discrimination in the labour market remains. The impact of affirmative action programmes in the labour market will be muted in the required skills are not obtained by the target group in the education system. A return of land and resources will not provide a permanent solution if the levels of structural disadvantage over the decades is not simultaneously addressed. Appeals or commands to changes cultural characteristics will be ignored if prior values and historical experience of the people are not featured in the analysis. (p33)

The body of research about disparity makes clear that there are significant disparities between Maori and non-Maori incomes. As adequate income is an essential element of well-being, this has been identified as a significant issue for social policy in New Zealand. This research provides an opportunity to test, and/or build upon, the theory and analysis of experts in the field of income distribution and ethnic disparity, with the lived expertise of low income Maori.

The objectives of this work therefore seek to contribute to the literature on income disparity for Maori in two ways. Firstly, the research involves an in-depth and systematic, qualitative method, which can ensure the stories and experience of people (in this case Maori who are on low incomes, or who have moved off them) are central to any conclusions made, or strategies recommended. We have argued elsewhere that this type of participation is

critical to policy development (Waldegrave, Stuart and Stephens, 1996) which seeks to be effective in 'the real world'.

Secondly, and related, the focus of the research is on developing strategies, using the experience and knowledge of participants, and building on the body of work which already exists. We consider that this research can help provide a space for Maori who have low incomes, or who have moved from low incomes to higher incomes, to have their experiences and their opinions recorded alongside those of others commenting on this issue. While it is unrealistic to expect one project to provide a guideline for solving complex social problems, we do consider the scientific recording of peoples' experience can inform policy development, and provide some idea of the 'shape' of policies and measures which might best be employed to increase Maori incomes.

5.1.1. Method

To address the research issues described above, a comparative focus group and interview based approach was chosen. The goals of the research required considerable 'in-depth' information. In order to portray something of the reality of life for people, we needed to create a space for them to express this in their own words, in a situation where they could feel safe about how the information will be used, and about who will have access to it.

We considered that the focus group methodology was particularly relevant to the research issues, and target populations. Focus groups typically involve small groups of people discussing particular issues, and order to investigate peoples opinions and perceptions at a 'deeper' level (Morgan 1990, Stewart and Shamdasani 1990). Properly employed, a focus group approach allows people more scope than other methods, to answer and reflect on research questions, in their own words, using their concepts, in their own cultural, social, gender economic and other contexts (Hedges 1985, Krueger 1988, Morgan 1990). Over recent years, the Family Centre Social Policy Research Unit has employed different forms of the focus group methodology in range of research settings, and it has proved particularly successful in Maori and Pacific Island cultural contexts (see Tamasese Peteru and Waldegrave 1997, Waldegrave and Stuart 1996a, and Waldegrave, Stuart and Stephens 1996).

In this project, focus group work was complimented with individual in depth interviews. This method also enabled an exploration of issues in considerable depth, though there was an exchange of the range of group discussion for the detail and precision of individual stories. The application of individual interviews, and the reflections engendered, allowed the interviewer to draw out the opinions and perceptions of the participants, without the give and take process of group discussion. This can also provide a check on the discussion in focus groups, in that major differences in results from interviews and focus groups would suggest the possibility that the process of group dynamics, may have impacted on the discussions. Likewise, similar outcomes from the different methodologies would suggest more reliable conclusions.

5.1.2. Research Population

The target populations were selected in order to indicate some of the range of experience for certain key groups of Maori. Participants included sole parents, rural and urban Maori, low income households, and those who had increase their income and moved out of poverty. In consultation with Te Puni Kokiri, the following field work schedule was developed, involving;

Six focus groups;

1. One with Urban Sole Parents in the Greater Wellington Region (Wellington City, Lower Hutt, Upper Hutt, Porirua) who were in 'poverty'
2. One with Urban Sole Parents in the Greater Wellington Region who had moved out of 'poverty'
3. One with Urban Couples with Children in the Greater Wellington who were in 'poverty'
4. One with Urban Couples with Children in the Greater Wellington Region who had moved out of 'poverty'
5. One with Rural Maori in the Southern North Island who were in 'poverty'
6. One with Rural Maori in the Southern North Island who had moved out of 'poverty'

and six individual, in-depth, interviews with participants drawn from the same categories.

1. One with an Urban Sole Parent in the Greater Wellington Region who was in 'poverty'
2. One with an Urban Sole Parent in the Greater Wellington who had moved out of 'poverty'
3. One with an Urban Couple with Children in the Greater Wellington Region who were in 'poverty'
4. One with an Urban Couple with Children in the Greater Wellington Region who had moved out of 'poverty'
5. One with a Rural Maori in the Southern North Island who was in 'poverty'
6. One with a Rural Maori in the Southern North Island who had moved out of 'poverty'

The New Zealand Poverty Measurement Projects' (NZPMP) definition of a poverty line for 1993 provided the basis for defining households as 'low income' or otherwise³. This essentially involves a poverty measure based on estimates of minimum adequate income provided by focus groups with low income households. We recognise that there are a number of wider debates surrounding the issue of 'poverty lines', including how they are developed, the different measures that can be used, and the relevance of poverty lines for social policy⁴. For the purposes of this project, the NZPMP measure, which we have participated in developing was employed. We are using this line, as it provides a socially

³For explanation of the method involved see Stephens, Waldegrave and Frater (1995), Waldegrave, Stuart and Stephens (1996). The New Zealand Poverty Measurement Project is funded by the New Zealand Foundation for Research Science and Technology, and is a multi-disciplinary, multi agency study, involving the Family Centre Social Policy Research Unit, BERL and the Public Policy Group at Victoria University. The NZPMP is led by Charles Waldegrave of the Family Centre, Bob Stephens of Victoria University and Paul Frater of BERL

⁴ For examples see Atkinson (1993), Easton (1997), Krishnan (1995), Townsend (1993), Waldegrave, Frater and Stephens (1997)

generated definition of what a 'low income' is. This line functions as a benchmark against which to judge whether a household is on a low income, and whether they moved from a low income to a higher income. Given that a poverty line was used for these definitions of low income, the research is a study of those in poverty, and those who have moved out of poverty.

For more detailed definitions see appendix i.

5.1.3. Recruitment of Participants

The recruitment of people from such specific groups proved quite a challenge. In particular, finding those who had retained a fundamentally similar household structure from when they were 'in poverty' to when they were 'out of poverty' was very time consuming. In order to recruit participants therefore, we drew heavily on the Family Centre's network of community links, and especially those of the Maori section, who have close relationships with most Maori organisations across the region. Whetu Wereta, who was contracted to perform the fieldwork for the project, also made an important contribution to the recruitment process, through her links to different groups.

Without the assistance of the different individuals and groups in the Maori community, in Wellington and the Southern North Island, it is difficult to see how any research organisation could generate sufficient participants from such specific definitions. Eventually the targeted sample was recruited for the project.

5.1.4. Focus Group and Interview Design

The interviews and focus groups were based on five themes, again developed in consultation with TPK. These were derived from the research issues set out in the original tender document distributed by TPK. The five themes were;

1. Coping Strategies Discussion under this theme centred around systems or patterns people used, or were using, in order to cope on low incomes. This includes issues such as budgeting, prioritisation of household expenses, and measures to deal with household income shortfalls
2. Affordability of Essentials Discussion under this theme was concerned with specific items people felt they could or could not afford, and the impact of problems in affording essentials.
3. Wider Relationships Discussion under this theme sought to develop some picture of the social milieu within which participants operated, looking at their links to different groups (family/marae/voluntary/state). In the context of this research, we were especially interested in the supports, financial and otherwise, that people provided and received.
4. Increasing Incomes Discussion under this theme was concerned with personal experiences and opinions, either about what factors participants considered would help

or had helped, increase their incomes, as well as the barriers they faced in increasing incomes.

5. Reducing Disparities Discussion under this theme had two broad foci - firstly about what participants considered the causes of income disparity between Maori and Pakeha might be, and secondly what measures people thought could help reduce income disparity. In this theme, participants were encouraged to talk about these issues in a general as opposed to individual sense.

The focus group schedules varied slightly according to participant categories. The interviews with those who had increased their incomes had a particular focus on aspects surrounding that move, which was obviously not appropriate for those still on low incomes.

The focus group schedules were carefully designed and piloted during October of 1997. A particular learning from the piloting process was the difficulty some people had with conceptual, or general issues (eg causes of, and measures to help reduce, income disparity for all Maori), which were of central importance to the research. To take account of these difficulties, two refinements were made to the question lines. Firstly, care was taken to ensure the discussion of such issues began with the immediate and personal experience of people, and that this experience was used as a basis for moving on to more abstract issues. Secondly, it became clear that by framing questions in terms of participants thoughts about prospects for their children, we could get discussion about very abstract issues.

After piloting and further refinement, the schedules were adjusted and finalised. The individual interview schedules were based on identical question lines, but with an increased number of potential probes within each theme, in order to take account of the lack of group interaction. The fieldwork took place from November 1997 to January 1998, and was followed by the transcribing of the audio tapes of focus group and individual interviews. An initial report of emerging findings was delivered to Te Puni Kokiri in late February 1998.

5.1.5. Analysis

The focus groups and interviews were recorded on audio-tape, and by gathering different important points of the discussion on to butchers paper. The audio tapes were transcribed verbatim, and converted into a relational database (Microsoft Access) for analysis.

The analysis employed a themal approach (as described by Luborsky, 1987). After initial study and coding, the transcripts were analysed for themes within individual issues, or between them, or running through the interviews. This is an ongoing process of reading transcripts, coding the data, generating reports from the database based on this coding, considering the information, and revisiting the data for further coding and analysis.

In this way, a hierarchical and cross-sectional picture of the data was developed, while retaining the ability to look at individual stories within groups and interviews. The goal of the analysis has been to pull together common and different issues, themes and experiences that emerge out of the data. The resulting comparative and contrasting analyses of the

responses of those in different categories (and especially the groups in, or who have moved out of, poverty) is set out in this report.

Given the amount of data generated (around 350 pages of eight point transcript) it is obvious that the entirety of what participants said cannot be presented here. We have tried however, to ensure that the text that follows displays the general sense of the discussions relating to the research questions accurately. Where possible and appropriate, quotes are presented in the context of surrounding speech, so that a fuller sense of the spirit in which comments were made can be gathered, and so that the role of the facilitator in guiding discussion is as transparent as possible.

5.2. Reading Transcripts and Accompanying Text

As described, the transcript excerpts are presented in two different sections involving the five research themes. The various different segments of conversation from different panels, which provide examples of the issues that were raised, have been grouped together under loose subject headings.

There are some conventions which that have been used in transcribing and presentation of the discussions which the reader may find useful to refer to. These are:

- The transcribed text is presented in *Italic*, and inset from the margins.
- Separate pieces of conversation, by different people, are separated by blank lines.
- Minor interjections, or non-transcribable actions are indicated by square brackets [] (for example [laughter] [discussion]).
- Pauses in speech are indicated by three dots ie.: ...
- Words that could not be transcribed are shown by a wavy dash, eg ~ .
- Comments made by the facilitator always start with an F joining the first word (eg.: FSo do you...”).
- Where names or locations, or other potentially identifying information has been transcribed, such information is denoted by words in square brackets. (eg. my father [NAME], I lived at [LOCATION])
- In the text, those on low incomes and below the poverty threshold are referred to as ‘In Poverty’
- Those who had increased their incomes from being ‘In Poverty’ to above our income threshold, are referred to as ‘Out of Poverty’

The transcript excerpts are identified by the group in which they were said. Quotes are followed by both the category from which the quote came and the type of interview they were recorded in. Focus group quotes are labelled FG, interview quotes IN.

For example.

This is a quote, followed by an identifying line, from the Focus Group made up of urban sole parents In Poverty
FG Urban Sole Parents In Poverty,

This another example quote, identified as being from an Interview with a rural person Out of Poverty
IN Rural Out of Poverty.

6. Life on a Low Income

One of the major objectives of the focus group and individual interviews was to try and draw out some of the participants' experiences of living on low incomes below the 'poverty line'. In this section we have attempted to demonstrate some of the realities behind income and other statistics. We have also been concerned to understand how some low income Maori households have been able to increase their incomes.

To achieve these goals, we examined what people said about the way they used their incomes, the strategies they employed in order to make income cover necessary expenditure, the priorities they gave in household spending, and the impacts of the limitations of spending. The section also pays attention to participants discussions about their household, whanau, community and social contexts. It focuses on support networks that households were part of, in order to gain some idea of how people were relating and sharing amongst each other, and to provide a more holistic account of the way people on lower incomes get by.

6.1. Household Decision Making

One of the first issues discussed in the interviews was that of how people allocated their incomes. We were particularly concerned with identifying what items participants decided to spend money on (how they budgeted, if at all) and how they decided upon those expenditures above others (how they prioritised spending). This is central to any understanding of how Maori on low incomes get by, and the different ways they react to living on different income levels. This kind of knowledge of what low income households are spending money on is not widely available, and enables a more informed discussion of life on a low income.

It is also important to have some idea of how well households budget, or how efficiently they use the income that they do receive. This may have an important influence on the well-being of low income households, where inefficiency and poor planning might mean the difference between income being inadequate and adequate. The later discussion of the adequacy of household incomes (see Impact of Budget Constraints p29) can therefore be seen from the perspective of at least some knowledge of how well people plan and allocate can their incomes.

6.1.1. 'Formal' Budgeting

The excerpts below relate to how people in focus groups and individual interviews budgeted. The emphasis in the question line for this issue was to see what systems, plans or other strategies households employed to manage their finances. As will be demonstrated, discussion amongst participants clearly revealed two models of budget formation, which we refer to here as 'formal' and 'residual'.

Many participants kept to regular, categorised and written expenditure plans. In these 'formal' budgets, spending was itemised and carefully recorded. While recognising the difficulties of keeping to their budget, these people felt that such a plan enabled them to

keep track of what they were spending, to feel as if they had some control over their situation, and to be able to prepare for, and /or take account of, emergency payments.

However, many participants did not keep such budgets, or had once kept them, but abandoned them. The alternative they employed, (which we have dubbed a 'residual budget', discussed more fully below in Residual Budgeting p22), was to place major, regular expenditure items on automatic payment, and to use any remaining money for expenditure items which they could 'juggle'.

The only apparent difference between the groups on this issue was between those In and Out of Poverty. Those Out of Poverty were more likely to talk about using about the formal method of budgeting, whereas those In Poverty were more likely to talk about the residual method. While this was by no means unanimous, and numbers of those In Poverty were using formal budgets, there was a discernible difference in the conversations of these two different categories. This difference was not discernible between urban and rural participants, or sole parent and couples, who were equally likely to talk about either method, regardless of which of the two income categories they were in.

***NOTE: We refer readers to Reading Transcripts and Accompanying Text, page 19, for a guide to reading transcripts. Please note the source group or participant of each quotation passage is categorised at the end of each quote in code form, as outlined on page 19..**

I write everything down right down to the last dollar.

I keep all my receipts and staple them altogether.

I've got one.

I used to but not now.

F Is that because its too stressful or what?

I don't want to know about it.

I'm just being lazy.

In my head.

FG Urban Sole Parents In Poverty

I'm on the DPB and that's what I work with from one payment to the next. I really know where my money has been. I like to think on Monday night I can work out what I'm going to actually budget my money for. Make out the grocery list - go and get the newspaper and see who is having the specials. I go down there with my coupons. I use to go down with the whole book but I now go down with the coupons and manage to come out with a trolley full.

FG Rural In Poverty

I think for me compared to people - I have a lot of friends on the solo benefit - I really admire them and I don't know how they manage, but for me its - I could do with more but its manageable if you budget properly.

F You are able to manage if you stick to your budget?

If I stick to my budget which is a tight budget its not a frivolous one where I can go and buy them things, its very tight.

IN Urban Sole Parent In Poverty

F OK. Now did most of you have a budget or a plan?

Very strict tight budget.

I never had enough money to have a budget [laughter].

I never had a budget - I just paid the main things and managed on the rest.

I found that once I got onto a budget I felt I was a little bit more in control, because, like the bills as they came in [in the past before budgeting], they would have the little red notice on them, that they were going to be cut off and so that just made me feel I had control of everything. I actually found a budget really helpful because I mean you can plan for most things. You can't put any money away but you can allow for it because you are up with everything else. Just take money away from one thing and pay the other. It does work and it still does.

FG Sole Parent Out of Poverty

F Did you have a written budget or plan?

I ended up doing a plan as such because we were just not getting through the week.

F Did you seek budgetary advice?

No I just did it myself - I'm pretty good at that part.

IN Sole Parent Out of Poverty

6.1.2. Residual Budgeting

It was apparent that the majority of low income Maori in this study (those below the poverty threshold) did not keep formal budgets as referred to above. The alternative method of managing household expenses discussed by such participants, involved ensuring

certain regular household payments (such as power, phone, rent etc) were made, usually through having them paid automatically in some way, and then using the remainder to pay other costs. Though this did not involve any written plan, we consider that it is appropriate to refer to this method as a way of budgeting, as it involved households making conscious choices about how much to pay, what to pay, and when. It often involved very intelligent short term planning of use of meagre household resources left after the bills were paid.

As noted above, it was apparent that those In Poverty were more likely to discuss the residual method than those Out of Poverty. Both of these participant categories had numbers of people reporting either method, but a different weighting of preference was apparent in both categories. Again, there was no unanimity as to which model was preferable in any other participant category, with sole parents, couples, urban and rural Maori all speaking of both.

It is important to note that most participants seem to have tried formal budgeting, and therefore had some familiarity with the process. There were a number of reasons given for preferring the residual method, but the most common of these was that people simply did not have enough income to cover their costs, and therefore could not develop a budget. Related to this, others commented that they were so hard pressed to cover basic costs that any small unexpected or extra expense meant a formal budget had to be abandoned, and the residual method employed anyway. Most participants using this form of budget management felt that they were confident of knowing where money was being spent, and many were very clear that they considered they were expert budgeters. They stated the difficulties they faced in meeting household needs required them to be such.

Budgeting is a bit stupid anyway. I've had them budget and they come around and they say how much did you spend on this and you go, da da. They go through your whole list and then they turn around and say, you don't have enough money.

Yeah.

Exactly.

Let me shake your hand bud!

You don't have enough money.

But at Citizens Advice - they can say you haven't got enough money and you can say, how do I get around that too? They say you shouldn't spend so much there and you go yeah, I know that, but how do I get for it to be down - like a Farmers card. You know that you shouldn't be spending because you haven't got the money but how do you get to pay that Farmers account off. They don't actually tell you. They don't actually say, right, here's your bills, here's your problem and leave you with it and are sort of like - excuse me.

FG Urban Sole Parents In Poverty

F Do you have a budget like that where you have a notebook and keep a note of all the things you spend?

You know the way I look at it, we are budgeting all the time mentally. That's what it is. We are budgeting every day so how can we write out a budget - we already know where our bills are.

We know how much money we have got.

We are expert budgeters.

I agree. My A/Ps are set each week.

You try and make it so you don't get all the bills at once - you spread them out over the month. So two big bills might be one week after the other or a fortnight after the other. That's budgeting.

FG Urban Couples In Poverty

We had a plan but we didn't stick to it.

We wrote it out on a piece of paper and I'd say right we are going to do it but the following week I haven't got enough money to cover it. Something else comes up and you can't stick to it.

F You are talking about unexpected expenses.

It never worked because of the doctor

F Unexpected expenses.

Yeah - it happened all the time. Something always cropped up. When you had a plan it never worked. When you don't make a plan up, well you had \$20 left over at the end of the week.

FG Rural Out of Poverty

F: And during this time that you were under ~ on the you keep a budget or a plan?

No. Not as such. ... Not a written one but I did have a budget.

F: When you talk about having a budget what, what, can you describe that.

Well I knew I was, I'd be receiving 'X' amount of dollars...

F: Yeah.

And I knew that the power bill came in once a month and I'd have to sort of cut back to when bill was due.

F: Oh I see.

For food and stuff.

F: So this is all the juggling that goes on

That's all the juggling.

IN Rural Out of Poverty

6.1.3. Prioritisation

Closely related to the issue of budgeting is that of prioritisation of expenditures. Both the residual and formal budgeting models require households to decide what to pay first, (though the spending after these expenses is not allocated in the residual system). In this set of extracts, we are more concerned with the items that are seen as important within the budgets, what participants felt were the essential expenditure items, and how they ranked them in terms of importance to household budgets.

This sort of information is clearly critical to an understanding of the reality of life on a low income. This is particularly so in the context of New Zealand, where previous research tells us that many of the poorest households are reducing expenditures on some essential items, judged less of a priority than others. The prioritisation of household spending is important not only because it provides some idea of what people are spending their money on, but also what they will 'choose' not to buy, when financially squeezed.

In this regard, there was a great deal of similarity across the different participant categories, and for both those In Poverty and those Out of Poverty. Rent/housing costs emerged as an almost unanimous priority, while food and medical expenses were most often talked about as areas where households would cut back, if necessary. For the majority of these Maori low income households, rent was *the* primary budgeting consideration, both in terms of priority and proportion of the budget.

This is not to say that all groups had identical thoughts about priorities. As is demonstrated below, there were a number of different priorities within this common overall pattern. Participants had many stories about the ways they prioritised at different times. These largely depended on different strategies households employed when they faced emergencies. Different people spoke about power, phone and even rent expenses being part of the juggling process, if circumstances demanded (and allowed) it. Clearly though, as the extracts show, there were similar broad themes in the way households prioritised their expenditure.

Foods at the bottom of the list.

Food can always be stretched you know. But power, telephone, rent.

Power Rent and telephone, HP's, insurance and all that - if you've got those things you just can't say "oh well, we'll stretch that because sometimes they just won't accept it and its not acceptable. Over winter and say you've got a \$200 bill and its like you've got a week to pay and you haven't got that money. Its like can I pay this and they go "we want \$ 150 and then you can pay the other \$50" and its like, I can't do that. But see food, it will always stretch. You just say, "don't touch that", that's for tomorrow.

Its like rationing.

Monday before payday all the kids have popcorn and baking because you've got nothing else. You make do.

FG Urban Sole Parent In Poverty

F When you were in that situation you were describing to me that's when you were on a low income or benefit, what were your first priorities in terms of payments? What bills got paid first?

Phone and Power.

Food, Rent,

F What bills?

Rent is the first thing and then the power and then food. In that order I think.

Not even the phone. Food first and then the phone.

Food is the priority.

Rates and mortgage.

FG Urban Couples Out of Poverty

F What was living on the benefit like in terms of what you were able to buy?

It was hard. There were no extras.

F Anybody else?

I have been on the DPB for a few years with my children and they don't give me enough to pay the rent, rates, insurance, plus buy for the kids and stuff. So what you do is your rent and buy the kids food and the change went on yourself. I mean after 2 weeks you deserve something. They never gave you enough to be responsible.

F You lived pay day to payday?.

You made sure your main bills were paid and then you could skimp on the kai eh. I think there are lessons to learn. If you cut the rent they will kick you out. If you stop paying power they will cut you off, so the easiest to skimp on is the kai.

FG Couples Urban of Poverty

F: They were the priorities? Okay. Now if you were short... what bills went unpaid? If, say, there's a time when money to last the period between benefits and did you ever have a situation where you could not pay all the bills?

Power...

F: Power. What, what happened with the power? Were you ever in a situation where it was cut off?

No.

F: No. How did you manage to... be able to um juggle the power bill?

Just cut down on the food bills mainly. I'd cut down on the food. Buy cheaper cuts of meat.

IN Rural Out of Poverty

6.1.4. Summary: Household Decision Making

In the preceding extracts we have presented some examples of what participants said about how they plan their spending, and how they prioritise the items within that spending. This has shown that there were two budgeting systems employed, which we labelled formal and residual. The formal system essentially involves a written plan and record keeping, while the residual system is based on automatic payments to cover larger bills, and juggling the left over amount according to needs.

While it seems that those who have moved out poverty were more likely to have employed the formal budgeting system, some care should be exercised in how this is analysed. Some people who had moved Out of Poverty spoke about using the residual model when they were on lower incomes, but others did not. More work is required before we could confidently say that this was an important difference between these two groups.

However, it may be that this finding actually reflects a real difference between those In Poverty and those Out of Poverty. This could be related to a number of attributes of individuals in these two categories. For instance those who were Out of Poverty may have had more, and more recent experience of formal education, suggesting written planning was a more familiar and/or accessible option. It may be that there was something about the personalities of those who have moved Out of Poverty, in that their adherence to a more detailed plan reflected a higher general level of self discipline and/or self confidence. It may also simply be that those In Poverty, in general, have had to cope on low incomes for longer, and are therefore more likely to have abandoned formal budgeting as a function of having an income that does not allow the formulation of such an expenditure plan.

What seems clear is that the formulation of a 'proper' budget or expenditure plan was not seen as a useful or viable strategy by a majority of those In Poverty, and that this was also the experience of numbers of those Out of Poverty, when they were on low incomes. The tight restrictions on many expenditures left households economically vulnerable, and often in a state of crisis management. They did not feel able to plan, or that they were in control of what they were spending. Nevertheless they did feel as if they were making the best of what they had.

While two different models of budgeting emerged in participant discussions, this was not reflected in the prioritisation of expenditures within those budgets. Within individual variations, and noting the fact that there were different costs for urban and rural Maori, the priorities outlined by participants were very consistent - housing costs, (usually rent) being the primary consideration, food and medical expenses being the last 'essentials' purchased. The implication of this is that where households are experiencing severe financial constraint, they are cutting back on essential expenditures which are central to the health of any household.

6.2. Impact of Budget Constraints

Another issue of central importance to the research is the adequacy of incomes that Maori have. In this collection of extracts, we therefore examine how well participants considered they were able to meet their basic needs. In particular, we explore some of the implications of the budgeting choices and priorities set out in the previous section.

There are three major aspects of the impact of budgetary constraint outlined in the following quotations. The first of these is the standard of living, by which we mean actual items or services that people are able to purchase, on low incomes. We have separated this from the impacts of expenditure constraint on the relationships within households and families, which will be examined in the following subsection. The final sub section will investigate participants' experiences of strategies they undertook in order to enable them to be meet such costs.

6.2.1. Affordability of Essentials

The excerpts below provide examples of participants' discussions about the things they could or could not afford on low incomes. This is obviously central to an understanding of the adequacy of incomes, and how households are coping on current income levels. We have shown already that items like food and medical expenses were very often where households made reductions in expenditure.

This was borne out in the focus groups and interviews. The conversations of participants showed a great deal of similarity of experience, though again within the variation of individual circumstances. Those In Poverty and those Out of Poverty (who were referring to when they were on lower incomes) spoke about skipping meals, not attending doctors, and having power and phone cut, among a range of problems caused by lack of income. It was however apparent that those In Poverty were more likely to talk about some of the very extreme problems of affordability.

A particular theme among discussion in the Sole Parent interviews was the difficulty of the choices they sometimes faced in making decisions about how to spend. The strain of being the only person responsible for the care of children was clearly discernible in the conversations of sole parents. This was particularly so in times of hardship, where they felt forced to choose between competing needs, as well as commonly reporting going without themselves.

Another issue often raised regarding the affordability essentials, was the lengths participants went to ensure their children had food, or other items. In some cases adults would go without food in order to enable children to eat, and in other cases they were replacing meals with alternative foods (such as having cereal for dinner).

A further common finding was that many participants had simply gone without medical care, and were waiting until children were very sick before taking them to get treatment.

Once again, to different degrees, this was a common experience in all interviews. This was across all group types, and in both the In Poverty and Out of Poverty categories.

Other areas in which items were commonly noted as not being paid (or now being paid by participants Out of Poverty, whereas previously they were not) included education, clothing and leisure activities. While there was some variation in the degree of deprivation people faced in this manner, such activities were reported in all panels, and was the experience of most participants at some time.

Food

F What I'm talking about more is whether you have ever done it in order to feed the people in your household? Go without a meal or eat porridge or eat something else.

I do.

Yeah I do often.

Kornies for tea.

I do it regularly.

Kids have the main meal.

I usually make something with what's left in the cupboard.

Try and make something out of nothing.

F How often does it happen? Does it happen often for you?

Yes.

F About once a week?

Every day. I live from fortnight to fortnight now. I make sure my kids have a decent lunch to go to school. What we eat at home doesn't really matter any more as long as I can get what they need for school I don't care what we eat at home. People think I should care with me being a diabetic but I can't think like that.

F What about you?

*Everyday - I'm stretched to the max man.
FG Urban Sole Parent In Poverty*

*I know quite a wide variety of families. One family in particular they work three job between them and another family I know they don't work at all and they live on benefit They basically live at the foodbank. Basically most of them just rob Peter to pay Paul. They go from week to week.
IN Urban Sole Parent Out of Poverty*

Medical Care

*That happened to me last week. It was an off week benefit week and I asked [NAME] for \$20 because I had to get my boy to the doctors and pay the doctor straight away so there wouldn't be a \$5 added to it. I paid that one straight away and then to get medicine as well I was thinking. How much, \$10?. That was an off week benefit and that was asking for a loan last week \$20, and this week I have to pay it back. I haven't done it yet but possibly tomorrow. There is also the lawns which I can't afford to do myself so I pay \$ 25 to get the lawns done.
FG Sole Parent Urban In Poverty*

For an adult now the doctors now it is like \$ 16 - \$ 17. It was lesser when you had to pay for your children

Now you don't have to pay for your child, but it is more for you.

F Is that what you have all found - that the costs..?

Its nearly \$ 20 for an adult

That's if you are not on a benefit, but if you are not on a benefit, it costs you more

F How many of you have the community services card?

F All of you.

We don't bother going to the doctors - we try and fix ourselves.

You have to be just about on your deathbed before you go to the doctors.

Then you go to a relations doctors because it is cheaper.

FG Urban Couples In Poverty

You can live in a comfort zone and then that unexpected bill will come in. You just pray that it hits you soon after the last one so you don't get too used to it.

You pray you don't get sick.

Oh yeah.

*Just don't get sick. [laughter].
FG Rural In Poverty*

F This is nothing different from what we have been told of how people survive on low income. What about other expenses? These are the regular expenses. Say you had to take a child to the doctor?

You don't.

*You wait until the child gets really bad and then take them to the hospital.
FG Couples Urban In Poverty*

Other

Cut off the telephone and then that \$ 30's that's left you can then pay \$ 10 a fortnight for the bill that you couldn't pay. I cut the phone off.

I've had the phone off for most of the year at one stage.

Ring up the company and actually ask for some leeway. That's how I did it.

I actually rang Telecom and talked to the accounts department and then

I went to Social Welfare when I was in dire straights.

The telephone isn't an essential but the power is.

*If I was really broke I would cut off the power if I had to.
FG Sole Parent Urban In Poverty*

Oh I'm personally constantly going without things. What I mean like personal items for myself. There have been times when I have had to choose whether I take my child to the Doctor or buy him a pair of shoes. You know. Do I spend that money at the doctors to be told he has a virus, go home, give him fluids \$ 30 thank you very much. Something like that and yet I could put that money on a pair of shoes. Now those decisions that solo parents sit around thinking - do I take him to the doctors or buy the shoes.

IN Sole Parent Urban In Poverty

F Anybody else? What are the some of the things that we can do now that we couldn't do before?

Pay the school fees.

Be on top of things through the whole year. Before school fees were non existent but now we are paying them. Before it was a voluntary donation - before it wasn't a priority

Treat the kids.

F What about for yourselves?

Housing.

We treat ourselves. We go to Tai Kwon Do.

*We make time for ourselves once a week. You have to.
FG Rural Out of Poverty*

F: So that was one of the areas you cut back on? Socialising?

Well I didn't go to the doctor.Doctor,... socialising,... no there wasn't that much (clearing of throat) just those mainly

F: Right. ...

*Clothes all those sorts of things I suppose.
IN Rural Out of Poverty*

6.2.2. Household Relationships

These discussions about the affordability of essentials provide some understanding of one aspect of 'well-being' of a household or family. In the following subsection, we present another aspect of 'well-being', the functioning of relationships within the participants' families and households.

One of the most common themes to emerge from participants discussions was that of the negative impact of financial constraint on relationships between family and household members. This was expressed in different ways, with those In Poverty talking of current experience, and those Out of Poverty talking either of a previous situation, or noting the improvements in relationships after their income had increased. The feeling that many relationships were being placed under enormous pressure by the restrictions of their incomes was a common one.

A particular concern for participants was the problems caused by budgetary constraint on the relationships between parents or householders, and/or between adults and children. The strain between partners was a particular issue for couples. Sole parents often remarked that monetary hardship had been a major contributor to the break up of their relationships. Both couples and sole parents spoke of the difficulties their children were having in coming to terms with the fact they could not have what many other young people have, and of their concern, and sometimes guilt, about this.

Children

Yeah I can't wait for my kids to go to bed eh because they are constantly fighting.

As soon as they come home from school that's it. They get sick of each other eh.

F Hard at what? Demands.

Wanting.

Wanting, wanting, wanting.

But you can't give it. I can't even give my kids an ice-cream. And that's what they want - they want a treat and I can't give it. So they are at me, at me, all the time.

Its like they are blaming you.

They are blaming you because you can't give them what they want and yeah.

They come back at you and say "you are just being selfish", and then I sit down and say like here is the bills. This is where the money is going to and this is the reason and they tend to understand. But I do put away like \$ 5 each on the benefit.

Yeah I do that. With [NAME] I just say like if he goes on that bit too much, I go - here's the money, here's the bills - figure it out. And I just step back and say figure it out. You see. He's sitting there with the calculator trying to figure it out and I say, "you see, you can't eh". I've even taken him shopping and stood behind him with the trolley and made him walk around and he's grabbed at all this food and I'll go OK and you tell me how long this lasts. And we have done it the whole way where he has done all the shopping and he's tried to get it to last the fortnight because what else. You can tell them till you are blue in the face...

But they aren't going to comprehend.

Because they don't want to know. They want those things and that's the way they are.

I actually find it really, really hard to teach them the value of money eh. They just want to get that because that's what they can see. It means nothing.

FG Urban Sole Parent In Poverty

But to answer your question - yeah I worry about it. You think he needs a pair of shoes and you haven't got the money, what am I going to do. You think about their future - what am I going to do? Sometimes you worry yourself sick and don't get enough sleep and suddenly think, well why worry about it. Wait till it happens...something could happen in the meantime. When you are living on your own you haven't got the other person to discuss these sorts of things with so you have to make your mind up on your own. It can get you down and if you get down too much, that's no good for you and your children, so you have to snap yourself out of it and say things aren't that bad.

IN Urban Sole Parent In Poverty

Well at the moment because the kids are getting older, I've got a teenage daughter now and she in her fourth form at college a lot of the pressure there is to be part of group and being a part of the group involves ... going out on a Friday night to be at the spaceies and things like that so there, there are a few arguments starting to develop, and wanting label cloths, there's those sorts of things.

F: So it's starting to

It's starting to develop, um we do get to points where we have big arguments but, um ... seems to calm down when you know they get explained ah.

F: You, do they accept your explanations.

A lot of the time they do, but they get upset because they sort of want to be like the their mates.

IN Urban Sole Parent In Poverty

Adults

F Let's talk about this question of stress. Do we all find living on a low income stressful?

Yes.

F How stressful?

Very stressful. That's one of the reasons for people having marriage breakdowns through stress. They start fighting and arguing and that's where a lot of it comes from - not having what Joe Bloggs has got or not doing what they really want.

F What about...

Well in my case - because my husband has worked most of his life, he is a hard worker and he still carried on working even though he doesn't get a lot of money but it makes him feel better but it has caused a lot of stress since he has finished work. And it does make people get old and grumpy. He really wants to be the earner in the family and that's another form of stress for a man. Who has worked hard all their life through to the age of 50.

F What about you [NAME]?

I have worked most of my life up until last year when I had to go on ACC and that is a bit of a downer. You are used to going out to work and suddenly you are stuck at home all the time. It makes you want to do nothing. You don't get anywhere.

FG Urban Couples In Poverty

No. You try and make him realise that it is him - like he will go out and say he can do it, but you go into OD and you hit this part where the bank is not going to declare your cheque so they send your cheques back. Nothing is sinking in and he thinks he can still do it, but he can't. The mother will sit back. They want their space.

He really wants his cake and to eat it too, and that really is what causes all the rows.

Yeah. Whether they get the money or not you are going to be frustrated and the argument will still happen. They might not get the cake but you are still going to have a fight it.

FG Urban Couples In Poverty

I felt it was very depressing and it does lead you to alcohol. You have all the problems. When you are drunk you don't think about that time but the problems will always be there, you will always have the bills always worry about the kids. [NAME] was working I wasn't. I wasn't used to that so I turned to alcohol and it kind of split our marriage apart so I had to end up going on the solo benefit just to survive even though me and [NAME] still want to be together. So I found it very depressing.

F Anybody else.

Living from one point to the next. You don't have anything to look forward to Its horrible not having any money. Thursday was payday for the unemployment day and you had to make it last until then. Beg, borrow of neighbours and sisters until then. People on benefits really suffer.

FG Rural Out of Poverty

The time that we were on one income the difficult part was being restricted and trying overcome the low self esteem. That was the main thing.

That's a big issue of being rejected, being made redundant.

F Is this the same for all of you Your partners felt it more than you did? Probably than you did.

Yeah mine did.

Very much.

Everything just hit rock bottom.

His self-esteem was effected and I was the one that would get out of the house for relief

The issue was internally destructive and he wouldn't talk to anybody. A very depressed state and there was a long term before he was motivated.

All those things that you are talking about - depressed etc. He would yell and scream and hit and I think it all came down to the being stressed because they weren't able to provide for their families like they wanted to.

Pride got in the way. It lead to so many other big things eh.

He didn't have a lot in his childhood and when he couldn't provide what he wanted boy found that too.

It was hard for my husband because when he was a kid he had everything at the click of finger and all of a sudden it wasn't there.

FG Rural Out of Poverty

It has changed just in the last seven weeks things have just changed between us at home. The whole atmosphere at home is quite different now. We can go out - if we want to go out for a ride in the car, we can fill up the car and if you want to go down the road play a game of whatever, you can.

IN Urban Couples Out of Poverty

6.2.3. Alternative Strategies

The extracts in the preceding sections suggest that the level of income being received by many of the participants is not sufficient to cover their essential needs, and is the cause of

stress within households. A further aspect of the study of those living on low incomes concerns what people are doing in order to increase their incomes, to improve these situations.

We are not referring here to the efforts of people to gain employment, which will be examined in the 'Reducing Disparities' section. The following quotations relate to the strategies and actions households and individuals are undertaking in order to increase their income, while they still only have access to the same primary income source. We would also note that the exchange of goods and services within friends and family is also discussed outside this sub-section, in Relationships and Networks (page 45).

While it may not be surprising to those who work in the social and community spheres, a finding of some concern was that 'illegal' or black market activities seemed the primary avenue for generating extra revenue. Part-time work was not a commonly named option, as the rewards were not regarded as justifying the effort. While entirely legal options, such as gathering food and selling (pawning) household possessions were also commonly reported, all participants stated they were taking part in, or knew of people close to them who were taking part in, the black market, to meet essential costs. This ranged from under the table work, to theft, selling drugs and prostitution.

As may have been expected, the strategies employed by different groups of people were often specific to the area they were living in. For instance, rural participants were more likely to talk about food gathering as a strategy, though this was certainly still mentioned by those in urban situations.

Not only does this further inform our picture of how people in poverty are making ends meet, but may point to the sorts of activities that people will undertake to increase their incomes. The presence of 'black market' activities as reported, suggest there are significant barriers that people face in gaining a legitimate job in the market place.

*Any work I've done is done under the table.
I've just had to do it.*

F Have the rest of you had that experience of working under the table?

Yeah.

Oh yeah.

I'd rather go out and to that than something else.

F OK.

I've come right through from the stage when I was a young person with no children thinking that "people on the DPB - it must be a piece of cake" right through to I'm working under the table trying to make extra money to make ends meet and I'm

thinking nothing of it. So my whole - everything I thought has been switched around in the last 8 years. Everything.

FG Rural In Poverty

You learn to do a lot of sly things when you are on the DPB.

Yeah - you do.

F I'm putting other sly things [laughter].

Well its true - trying anything to try and make ends meet.

To make money.

If I can pick up a stereo for \$ 50 from that shop there and sell it on to your cussy over there for \$ 90 - good on you. Basically.

I've run out of cussy's [laughter].

FG Urban Couples In Poverty

We had a discussion about prostitution and how viable that would be and weighing up the moral implications [laughter]. Seriously discussing it because, as I said, I was in a group of women and we found it really difficult. Thank goodness we all managed not to do that but it was for some people I do know, it is a viable option. Very viable because when you are on the benefit with one child, you earn a lot less than the benefit with children. So its even more difficult.

FG Urban Couples Out of Poverty

F Have any of you actually packed up and gone home to parents or to family?

I have

Moved in with others.

Even when I was in my flat.

FG Couples Urban

I used to go and look at all my dishes - I would take them to the 2nd hand shop just to get that bit of extra to pay for something.

That's not the point.

F What are some of the other ways? You were talking earlier about these sorts of things the women do to make ends meet.

Loan sharks.

Send your kids to nanny once in a while.

Gamble if you think you can win heaps of money. Just \$ 20.

Do jobs that you won't get taxed for.

F Under the table jobs.

Lawnmowing etc.

I used to get \$ 40 for mowing lawns.

F The people in Masterton tell us cattle rustling. [laughter].

They do knock the sheep off on occasions.

F Anything else. Besides those sorts of activities, what else did you do?

Go to Mum and Dad's.

Make the kids come home from school for lunch.

My kids went to Mum and Dad for a whole year last year. True. My husband and my Mum clash and she knew I couldn't afford it. He eats too much. [laughter].

FG Rural Out of Poverty

F So besides juggling all these, what else did you do to make ends meet?

I would steal.

Things like - things like shoplifting. Things that would fit in my pocket. When it was for me and my kids I used to steal food, clothes mainly. [noise]

F We've had shoplifting - that's illegal activities.

Under the table things.

F What else? Did you do jobs under the table?

What, about pawning stuff and that sort of thing?

Yeah.

Picking fruit and you'd get \$ 20 or so but you didn't declare it. You just spent it.

I sold drugs.

FG Urban Sole Parents Out of Poverty

F: What about other people that you know? What sorts of things do they do to make ends meet?

Um, they go out and, well, the ones that I know go out and get food like we all do that

F: Food gathering.

Yeah, food gathering. Sea food, puha things like that.

F: Anything else?

Working under the table, Overcrowding. Overcrowding certainly. Yip(clearing of throat) ... Not me though.

F No?,

No, yeah, no, that's other people. That's other people, overcrowding, um, no I've never, no I've never known any of them

F: Yeah.

Oh yeah, yip, yeah I do, sorry, working under the table, including myself. That..'

F: You, you worked under the table?

Yip. Occasionally.

IN Rural Out of Poverty

6.2.4. Positives of Being on a Benefit

As people discussed the problems of having a low income, some of those Out of Poverty stated that they felt there were advantages to being on a benefit, and hence on a very low income. This was obviously more common among those who had moved Out of Poverty, given that participants in these panels were more likely to be able to compare life on the benefit, and off the benefit.

Two main points emerged in these conversations. The benefit - usually the DPB, allowed some to escape from harmful and often violent situations, to themselves and/or their

children. For some of those Out of Poverty, this was in fact a critical factor in enabling them to increase their incomes, by providing some safety and security for parents and children, from which people could begin to develop skills and networks required to gain higher incomes. Secondly, people felt that being on a benefit enabled them to properly raise their children, and to dedicate the time to them that they required. The trade-off between earning a higher income, and having time to spend with children emerged as a common dilemma for many participants, and especially those who had moved out of poverty. It was clear that a number of participants had made a choice to not work, and hence have a low income, as a result of these factors.

I'm OK because I made that choice. Its not that I was thrown into this situation - I made that choice. I made it for my children. I want to go back to work and I want to earn two wages which I'm going to soon, they will be off to school in 3 years time, but yeah I have no sort of bad feelings, because I made that choice. I made the choice to stay home with them.

F And you made that choice knowing it was going to be tough?

*Yeah because we had been through that before.
IN Urban Couples Out of Poverty*

I actually looked at it the other way. When I was on the benefit I was actually quite happy on the benefit. I remember I came from a relationship that really wasn't that great and things were really hard on the relationship and even though I was working then, it was just the situation then, I then went on the benefit after that, after the relationship broke up, and it was comfortable. I had also moved back to my parents area so that was comfortable because I had support from my parents and support all around me. The stigma was there - solo parents always stick together, solo parents are always in the pub type thing - that was there . But it was comfortable for me when you consider where I came from to get on the benefit but I always knew there was something else there and that's why I moved on.

FG Urban Sole Parent Out of Poverty

I think that going on the DPB in the first place makes you re-evaluate the whole thing You earn money all your life but really at the end of it you have nothing to show for just a few material possessions. You know. I kind of think that all the years I've worked really I have little to show for it and they don't mean a lot to me.

FG Urban Sole Parent Out of Poverty

I'm too tired for them. I mean last night I worked 12 hours so I miss sleep. I come home and my kids have gone to school. When they come home I'm having my sleep so they wake me up, Mum. I wake up with one eye and say how's school honey. I'm grumpy with myself and I tell my kids let Mum have a bit of sleep. When I get home after working today at 12o'clock I have to cook tea for my kids so its ready.

My husband is out at work now and he works 7 days a week, so he is tired but when he gets home he tries to spend some time taking them to Huia Pool, which is just a bit. We want to save for a better Christmas than we have had.

F Has anybody else faced or sensed this problem?

Sometimes it is better to be on the benefit and have time for your kids than be working. You spend all day at work and come home with less than the benefit.

You have to weigh it up.

FG Rural

Mine was better when I was on the benefit because before that I was on my second partner and he was the type that would go straight from work to the pub and spend half his wages. When I was on the DPB it was just me and I could manage a lot better. I didn't have another person to contend with so when the money went I had no one to blame but myself. It is frustrating when you have another person - when you are trying skimp and save and the other person just wants to drink or smoke half of it. My household was actually more peaceful when I was on my own with the kids.

FG Couples Urban

6.2.5. Summary: Impacts of Budget Constraint

In the preceding collection of extracts we have attempted to give an idea of the impact of living on the lowest incomes on households. We have shown that many of the participants were cutting back on expenditures to the extent that they were not purchasing food, or making trips to the doctor. Households, or individuals within households were skipping meals, or replacing 'normal' foods with cheaper alternatives. Similarly, people were commonly reporting medical costs as another expense being paid, or only taken on in an emergency. While a range of other items were named as being areas where people cut back, these two (food and medical care) were most prominent, and most indicative many participants felt they could not cover essential costs on their current incomes.

The nature of these discussions also points to the very low incomes participants were receiving. The items that people discussed giving up, like food, medical care and others such as clothing and education, were not luxury purchases. This indicates that most participants were operating out of a household context where luxuries did not exist. Further reductions in expenditure came out of what was already considered essential.

This is confirmed by the fact that participants unanimously said that some households did not get enough income. All those taking part had experience or knowledge of situations where either they or people they knew could not afford their essential purchases. Even those Out of Poverty, those who were operating very strict budgets, and those who felt they

were coping, all recognised that there were other households who could not cope, because they simply did not get enough money.

The conversations of participants also showed that they attributed a great deal of household stress to monetary problems. It would be simplistic to suggest that cash would solve every household's domestic issues, but participants clearly felt that many of the problems between couples, and between parents and children, were strongly related to the fact that they had very low incomes.

This information also raises the issue of social exclusion. Parents were noting that they could not provide for their children what others had, and the impact of that upon children. They were reporting that the children themselves were noticing they were different from many others, because they could not afford what other children had. They were also noting the lack of social contact for themselves, and how efforts to sustain some of these links were contributing to problems.

The black market strategies employed by many participants suggest further that their incomes simply did not cover their expenses. Most people tended to name illegal means at least as often as legal means to add to their income. They certainly referred illegal means more often than 'legal' part time work. It would seem that there were inadequate opportunities in the labour market for the adults in the lower income households to improve their situations through legal work. This is evidenced by the clear finding that many people were undertaking other forms of activities to improve their income, where they considered this would actually make them better off. The issue of part time work is specifically addressed in Disincentives to Work (page 64 below).

6.3. Relationships and Networks

The preceding sections have dealt with the issues that households and families face, or have faced, when living in 'poverty'. In this section, we seek to broaden the focus from these individual households and families, to the relationships and networks that they have to people outside their dwelling, to other family, whanau, marae, community organisations, and government agencies. In particular, we will examine participants' experiences and perceptions of the different relationships they had to people living outside the household, the groups or organisations they draw upon, and the different ways people contribute to them, or that they contribute to others. We hope through this to provide at least some idea of the 'wholeness' of the lives of people, with regard to how they get by on their low incomes.

6.3.1. Whanau Support

A very obvious and common factor to emerge in participants' discussions of these wider networks was that whanau was a central component of their lives. In terms of the operation of households, whanau was noted as providing support in items such as food, time, and especially baby sitting and child care. It was also clear that these relationships were most often reciprocal, in that people were giving and receiving on an ongoing basis, and they provided supports for each other at different times. - usually on a needs basis. People also talked about their reluctance to draw on the generosity of whanau in a cash sense, and of their general awareness that often their whanau were in a difficult position themselves.

Not everyone spoke about whanau in a positive manner, though. Some noted the drain on resources had created difficulties for them, or other family members. As will be discussed later, some also saw whanau pressures as creating a barrier to increasing incomes (Whanau and Peer Groups page 66). Others felt different groups, such as friends and voluntary organisations were more important sources of support. However, most conversation was about the value of whanau, and the numbers of different ways in which people help each other out. In this regard, the discussions about the relationships and supports with extended family were very similar across the different kinds of focus group and individual interviews, including those In and Out of Poverty.

F So besides support from your whanau to help you at the times when it gets very stressful, what other support do they give you?

Having a babysitter and that. They will take the kids for a while.

F What sort of support do you give them?

We look after their children to give them a break. If we have the money we help them out.

If they are selling a raffle, we are well in.

I give my whanau heaps of support. Actually they are always around at my house. One time I thought my house was a marae. One would turn up and before you knew it the whole four of them were there for a cup of tea.

F Do you give them financial help?

Yeah and food. We go to the beach and share it out.

F Right sharing.

If one of the whanau asked for financial support, I would go without and give that support to them even though I can't really afford it but I will go out of my way to find that money for that family member.

FG Urban Couples In Poverty

Its a big part of our calling - whanau - we are all in the same situation and we are a trying to hold each other up. We keep building each others esteem and one has 4 or 5 children, and they come to Kohanga Reo, and we know that they can't afford to bring those children because there is a cost and we try and encourage them to do some work and that helps to cut down on their costs. Its just how it works. Keeps up morale.

FG Urban Couples Out of Poverty

F Now what other support do you receive.

Moral support.

The understanding and being able to talk to them about your situation without being looked down upon. You don't really want their advice you just want them to listen.

Yeah that's right.

They don't dare make comments.

That's what it is.

F What about other things like looking after the kids?

Oh yeah those sorts of things and you do vice versa. We look after theirs because the mother and father jump in the car and take off [laughter]. Won't be long. Seven hours later.

FG Rural In Poverty

You just give it. You go around for breakfast and take 6 bottles of milk and breakfast cereal and then you just stay for five minutes. Its the mana.

All the time its just helping.

You don't have to spell it out.

I used to do that but I don't now - I give it to them.

I think what the hell am I beating around the bush for. If its needed.

I'm always offering my Dad the car and I know that he has no money. I might have a few spare dollars and pass it to him and say 'here Dad, this is for the petrol'. My father go up - he travels a lot now - he might need my sister's car so me and my sister share the car you know.

FG Rural

F OK What about the support that you got. You've told me about family that when you were on your low income situation that you got support from your whanau. What sort of things did you get support from whanau?

Food and clothing.

You name it. Anything we needed we came home with.

Clothes, food.

Sack of coal.

My grandmother used to bring over fruit and bread and stuff and things like that. She would bring some clothes from the ~ shop.

Or in the winter they would give us a heater to help us keep the kids warm.

My father used to pay the rent and power for me.

FG Couples Urban

6.3.2. Marae/Maori organisations

Marae based, and other Maori organisations were also commonly discussed by participants as part of their wider networks. This came up in a range of contexts, as participants discussed different ways they came into contact with these organisations, such as accessing employment, providing voluntary work and getting medical care.

Again we are not making the case that all participants were heavy users of marae based or Maori social services, but that a significant number of these participants did, across the range of categories. People from all categories spoke about accessing care from marae, or other specifically Maori organisations, such as the Maori Women's Welfare League, or the Maori Wardens.

It should also be noted that many people were recruited through such agencies, so the selection process may have been biased toward participants who feel positive about such agencies.

In discussing why people utilised marae and other Maori based services, participants suggested issues that could be important when considering policies seeking to address income disparity. These included delivery services that engendered in people a sense of community and family. On marae and in Maori community organisations, people were often giving voluntary labour, and the relationships were much more than that of client/service provider. A feeling of positive support from the agency was also important, as opposed to the conditionality and formality of other organisations. Services delivered by their own people in their own way appear to have enhanced trust.

Discussion also centred around either the cost of the service provided. It is not surprising that cost should be an issue, especially for medical care, as it has already been noted that some participants were cutting back on such expenses due to affordability problems.

The discussions about these kinds of services was quite similar in all interviews. It was noticeable that those in the rural areas drew on a much wider range of marae and iwi based groups. This can be related to their proximity to marae, and marae services, and also to their close personal relationships and involvement with the marae. Another possibility is that it is easier for many rural Maori to be connected to their tribal lands and traditions. It may also be that the iwi services were the only ones available in their areas. Outside of this urban/rural distinction, the difference between participants seemed to be at an individual level, rather than related to any particular characteristics of participants.

I get a lot of help from the Marae.

Oh really.

Stokes Valley. Koranui has picked me up massively eh.

They are good.

In the last 3 years that I've been here, I owe it to that Marae man, in a big way. They have helped me, my tamariki's, they have relieved a lot of stress from me by taking my kids, giving me kai and I will pay it back. Its all voluntary.

*In an emotional way and in looking after my boy.
FG Urban Sole Parent in Poverty*

F We are not talking just about people that we find helpful, we are talking about organisations who you have gone to and who have helped you over a tight spot.

The community trust centre. They give heaps of information which helps.

F Where is that?

Resource centre.

Food Bank

Citizens Advice.

Social Services - what's the name

F What social services are these?

Marae based.

Working with whanau.

F Who else besides your whanau?

There are a lot of marae based social services around the Hutt Valley.

FG Urban Couples In Poverty

Well, a part of the Maori Women's Welfare League so there's that support

F: Ok.

Um because I've got you know, ah or because of I have the young kids and I don't often go to the meetings but they're always there for support um and these are all whanau based we've got the Maori Women's Welfare League, we've got our um total emersion unit at the school but they're all whanau based.

F: And and what are we talking about, we're talking about Whanau in the sense of they are your kin?

Yeah yeah

F: Not whanau as in the cities

Most of them kin relationships

F: Aright

And, um, throughout whanau support organisations and schools, maraes um ... but it's ah fairly loose team it's not an organised team.

FG Rural Out of Poverty

6.3.3. Other Support Networks

The next collection of extracts refers to other organisations that participants were drawing upon for support. What was clear in the discussions of participants was that there was a wide range of support organisations and groups, outside of whanau, that people were using. These typically included friends, state - and especially social welfare (Income Support)-, and community organisations.

There were some differences between categories of participant, though often the type of household, and the location of the households, played an integral role in the different organisations discussed. For instance, sole parents were more likely to name Birthright, an organisation for sole parents. One apparent difference between those In and Out of Poverty was that those Out of Poverty tended to be more positive, and have had more involvement with the range of different agencies spoken about. This includes Income Support, but also voluntary and community based organisations.

This is interesting, especially given that these differences were not apparent when discussing whanau, or marae based services in the earlier passages. Those who were In Poverty especially noted feelings ranging from intimidation to shame at visiting Income Support, and also Foodbanks.

All sole parents discussed the problems of getting support from fathers. While for some, the fathers were a source of emergency support, others were clearly concerned with what was for them a very negative process. Some participants considered they put their custody rights at risk if they encouraged access. There were concerns that the children might not be returned in some cases, and in others that any admission of weakness would be used legally against them to claw back custody.

If things ever really go too bad and it was hurting my children and I could see it and was feeling it, to get over the then if they needed this and that and I couldn't help, would go to their father. I would say they need this and they need that and he would give me the money.

F For the children.

Even for me he will.

F Are you all in that situation where the father will help?

No.

Sometimes.

But then you use the same sob story over and over again. [laughter].

I do that [laughter].

You get abused.

The father goes on and on and on. "Those are the shoes I bought you last year - they are really good shoes eh son".

So there is a mental strain there you know where you have to go to the father. You have to listen to his music [laughter].

You have to prepare yourself psychologically for it.

My [children's] father is my worst enemy - I would never ask them. They would have me down in court for custody as quick as a switch. "She can't afford them your honour". Take them off her.

FG Sole Parent Urban

F Who is the one who has helped you to get by?

My employer.

Outside organisations. Like Challenge 2000.

Who?

Talent 2000. Like Birthright. YWCA.

F Non-profit organisations. What about you [NAME]?

For me my employers when I was working.

F In your situation now, who would help you?

Well I haven't asked. Not when I know what my family is like.

F What about anybody else?

My mouth keeps me out of a lot of trouble. I just ring up and complain.

Whanau

Probably the non profit organisations.

I argue my way out of a lot of things eh.

Yes.

I have actually got a really big mouth and I just argue and go on and on until they give me some money from Social Welfare. I just do.

Social Welfare eh.

FG Sole Parents

Plenty of friends. We are all the same. My son is in a Maori unit at Berhampore School and it is great. An awesome group. We support each other. We are not only parents of children in the whanau unit, your know close friends. We are whanau - yeah plenty of support.

IN Sole Parent

...actually one case worker and she was with me all the way through. She actually would bend over backwards. If I had any queries - in fact the first time I went there she actually gave me all the information that I needed about the DPB because I had pamphlets and everything. I was encouraged to take courses and things to do like that. Food grants and everything. Like I was having trouble with budgeting so budgeting advisers were there if I needed them and it was - I just found it - in fact we are quite good friends. She was so wonderful and I heard horror stories from other people but I just thought that maybe their customer services had been wound up a little bit.

FG Sole Parent Urban

I found the koha system really good. That worked outside of being paid by income support but the koha system where you say I will babysit and then they would do something in turn - it might not be babysitting it might be something else. So life sort of went around so when an emergency happened, it was payment in work, payment of I'll do you a favour if you do one for me. That's how it worked.

F This was among your friends?

Yes it was. Because my family was different like when they babysat.

F Amongst your peers this system worked well.

Yeah because we were all in the same situation and all long term as well and we didn't really have friends who were not in our situation. We all studied at the same time as well
IN Couples Urban.

6.3.4. Summary: Wider Relationships

In this subsection, we have sought to provide some idea of the wider systems in which participants operated, both as individuals, and within their families. We consider this essential to any portrayal of the reality of life for low income Maori, and it has bough out many issues.

Firstly, the concept of whanau was unanimously used in panels, and named by most participants as a source of support, and positive relationships. Though different people may have been using the term to describe a range of groupings, the fact the term was used so broadly and so consistently, reiterates the importance of extended family and whanau in contemporary society. This may not come as a great surprise to many people. However, it is important to make the point that even for urban Maori in the late 1990's, there are still strong 'extra household' links of exchange of goods and labour operating. Models of behaviour, or policies based on nuclear, discrete family household units will miss this fundamental factor in the lives for many Maori.

It was also apparent that specifically Maori organisations, such as marae, the Maori Women's Welfare League - even Kohanga Reo and Kura Kaupapa Maori, were significant factors in the lives of many Maori. The availability of such services was clearly appreciated by participants, some of whom were active within these kinds of organisations, and others of whom used them for various different reasons.

The factors that attracted people to these organisations were of some interest. While cost was clearly central, it seems that the most important of these factors was how the organisations treated people (or how they were perceived as treating people). Some (non-Maori) organisations were viewed as intimidating, or somehow embarrassing to visit, and were therefore avoided in favour of Maori services and/or whanau. Commonly named advantages of whanau and Maori groups were a lack of judgement or questioning, and a feeling of support, from the people or organisations supplying the different resources needed. This was especially the case for low income Maori who were In Poverty, whereas those Out of Poverty tended to talk about a broader range of services and agencies as useful supports. It would seem that a critical factor in getting people In Poverty to utilise such services is to make sure it 'feels' right to them, emphasising the need for culturally appropriate services.

A number of other groups and organisations were mentioned by participants, in the range that they drew upon, or had involvement with. These included friends, community organisations and employers, as well as Income Support. This was particularly the case for those Out of Poverty, who, as we have noted, discussed relationships with a broader variety of non-Maori organisations than those In Poverty.

The major difference to emerge in the relationships and networks of participant households, seemed to be that those Out of Poverty accessed a greater range of supports both inside and beyond whanau, and Maori services. Indeed, they were more likely to use these services, access them more, and to speak positively about them. Those In Poverty, tended to be more comfortable with supports from whanau and Maori services only. They were less likely to feel positive about groups beyond these services. This would suggest that there are critical cultural and confidence aspects that need to be taken into account when addressing issues around labour market entry, and the provision of services for low income Maori.

6.4. Review: Life On a Low Income

In this section, we have set out some of the experiences and perceptions of the participants, with regard to how living 'in poverty', or at least on the lowest of incomes, affects families and households. These experiences covered their standard of living, in terms of essential items, the relationships within households, the strategies households were employing to help supplement income or decrease costs, as well as the networks and supports they drew upon in getting by.

A broad range of expenditures which might be considered essential, and which certainly could not be considered luxuries, were reported as being missed out. Participants largely agreed that adequate food and medical care, in particular, were essentials that some households could not afford. It was common to hear of adults who were sacrificing their own needs, in order to provide the best available food and care for their children.

It was clear that participants felt this was not due to any shortcomings in their abilities as budgeters. Most participants had experience of formal budgeting, and a number of them, both In and Out of Poverty, had abandoned this method as it proved impractical. The comments by participants suggest it would very hard for them to use their money any more efficiently. While the discussions in this research give little clue as to what might distinguish households that 'cope' from those that do not (other than the circumstances they were in), even those Out of Poverty, who had kept budgets while In Poverty, agreed that some people simply did not have enough to make ends meet.

The picture that one gets from the interviews is one of many low income Maori households in a situation of crisis management, constantly juggling payments, living under the stress of uncertainty about the ability to afford essentials, and vulnerable to any unexpected expenses. The commonality and consistency with which participants reported this experience and/or perception does not suggest that many people have much of a base from which they can attempt to increase incomes.

Participants clearly also saw that budget limitations were placing stress on relations in their households. This was especially in the case of children consistently missing out on items, but also in terms of spousal relations. If this is combined with problems in health, or people not eating 'properly', there is a recipe for enormous strain within families and households. These circumstances must make it extremely difficult for people to stay healthy, let alone substantially increase their incomes. At the least, a lower level of mental and physical health could impact on motivation and energy - at the worst it could be expected to lead to significant and ongoing health problems.

This has important implications, regarding income disparity. Firstly, it would seem unfair to expect people to substantially increase their incomes, whilst they cannot meet their essential needs. Nor can we expect children to achieve as well educationally, if they are less healthy. Although many Maori (and people from other groups) have achieved in conventional terms, despite being disadvantaged in these ways, for most, the hurdles are

very high. There are so many negative social outcomes associated with poorer health⁵, that it is difficult to see how the issue of income disparity can be addressed, while numbers of Maori are on incomes below the 'poverty line'.

It was clear that most participants' households were not operating as individual units. An intricate and multi-layered system of supports was described, which these households were part of in both contributing and receiving senses. We have already noted that this reaffirms that the reality of life for contemporary Maori is not one of individual nuclear families (if it is for any group), and that policy must be sensitive to this.

We have also noted the particular importance that those In Poverty gave to whanau and marae based or other Maori organisations. This is not to say that those Out of Poverty felt they were less important, but that they tended to be less negative about other 'mainstream' services, such as voluntary organisations and Income Support. The discussions of those In Poverty therefore provide important information about the nature of services low income Maori will utilise. There were three discernible reasons for preferring the different kinds of Maori support or organisations. These were the need to feel part of the organisation, unconditional support, and minimal cost.

As well as looking to such organisations in times of need, a number of other methods were discussed, through which participants sought to improve income or reduce expenses. One of the most common findings in this regard was involvement on the black market, most often on a one off or short term basis. This was justified because participants judged that they did not get enough money to cover expenses. People either considered that they could not earn enough to improve their situation through 'orthodox' part time work, or at the least, they felt the returns for effort were much less in 'legal' work, than 'under the table' work.

If people are prepared to work under the table, or steal etc, then they are clearly prepared to expend sometimes considerable effort, at sometimes considerable risk. They must also have decided both the risk and efforts are worth taking. It would seem most participants had the motivation to improve their incomes, where they felt it was worthwhile.

A number of other 'legal' strategies for getting by were discussed, and these included activities such as gathering sea food and selling household chattels. What was interesting to note was that part time work was rarely spoken of as a viable option for increasing incomes. If policies aimed at reducing income disparity are to increase peoples involvement in part time work, the incentives around such work obviously need careful attention (this is discussed more fully under Disincentives to Work page 64, below).

While a largely negative picture has been painted in this discussion, we should make clear that many participants In Poverty felt they were coping well, and many of those Out of Poverty felt they had managed on a low income. Others, especially those who had left destructive relationships, or had given up work to look after children, were satisfied that their move to a benefit, and hence a lower income, enabled them to have a better quality of life. Many people on low incomes were living rich lives, and contributing a great deal to

⁵ See the Public Health Associations 1992 publication *The Bibliography of Relationships Between Economic and Social Factors and Health* for references to this body of work.

their families and communities. The story of hardship and struggle is not the only one to be told about the lives of these low income, or formerly low income, households, and we would not want to claim that this is the lot of all low income Maori.

However, the weight of discussion and perception among participants was clearly that many households were vulnerable, and struggling to make ends meet. Such households were going without essentials, juggling necessary costs on a weekly and sometimes daily basis, while working odd jobs 'under the table', selling household goods, or even committing small scale crime, in order to generate funds. Some were quite desperate, and had given hope up of ever having more.

It is in this context of varying situations, but some common difficulties, that any policies and consequent measures designed to reduce income disparity must operate. Prior to this though, we would suggest that the discussion of participants shows a need for a serious appraisal of the adequacy of incomes for those at the bottom end of the income distribution. The situations described in these interviews are not ones that are conducive to people making efforts to improve their incomes, especially if this effort needs to be over a long term. Indeed, it may be that one of the most important contributions that can be made to reducing income disparity is enabling some of these poorest households to access the basic necessities they require.

7. Reducing Disparities

In the preceding section, we have attempted to portray something of the reality of life on low incomes for Maori, as described by the participants in the study. In this second section, we move on to the other major emphasis of the research, which was to examine participants' discussion with a view to identifying different ways of reducing disparities. The extracts presented below approach this issue in both immediate and abstract ways, asking participants to talk about their own experiences, as well as (and using these as a basis for) talking about Maori in general. The issues therefore range from barriers faced to increasing their incomes, reasons that Maori might have lower incomes, particular things that would help them increase incomes, and measures that might help to reduce inequality.

As will become apparent, a commonly occurring theme is that of education and skills training, which are both recognised as central determinants of income levels, but also noted as a problematic in their current forms. Given the importance of this issue, and its relevance to any long term measures seeking to address income inequality, a specific section has been devoted to participants' experiences and perceptions of the formal education system.

7.1. *Barriers to Increasing Incomes*

This first subsection deals with participants' experiences of the barriers they faced in trying to get employment, or in getting higher paid work. This is a 'micro' analysis of personal experiences and stories of such experiences, where we investigate why people considered they themselves had lower incomes, or difficulties they face/faced in increasing those incomes. Discussion of broader 'macro' issues - in other words reasons for disparities between Maori and non-Maori in general, follows in later subsections (see Causes of Disparity page 69).

The discussion about barriers to increasing incomes was largely framed in terms of moving from benefits to employment. While there were some low income working Maori among those In Poverty, most of the participants in this category were on benefits, and perceived a move to a reasonably paying job as the only way they could increase their incomes. Similarly, most of those who had moved Out of Poverty had moved from a primarily benefit income to primarily market (employment) income.

While this reflects a major issue for Maori in attempting to reduce income inequality (given that Maori are more likely to receive benefits, they are more likely to have low incomes), it does have some implications for other possible findings that can be drawn from this research. Discussion of how people can increase incomes while in employment, and especially moving from middle to higher income occupations, is very limited. Given the poverty focus of this research, we recognise that the issue of pay disparity within the labour market has not been fully addressed through the fieldwork in this project.

7.1.1. Skills and Education

For all interviewees, focus group and individual, a lack of education and appropriate skills/qualifications was clearly seen as a barrier to gaining full time employment, or getting into higher paid occupations. This was a significant factor mentioned by those In and Out of Poverty, sole parents, couples, urban and rural households. The extracts of conversation below show that a majority of participants felt that their education levels were, or had been, an important reason for them earning low incomes.

An interesting variation on this overall theme that also commonly arose was that some participants disagreed on the usefulness (if not the value) of education. In other words, some participants felt that a high level of education did not necessarily give a person the skills required for life and/or work, even though they recognised that employers wanted such qualifications. Similarly, others felt that the problem was recognition of life experiences by employers, rather than their lack of skills/qualifications.

Yeah because my boy starts Kura next year and I want a job but hey, I've got no qualifications. I can't get a job. The only job I know is in the sheds.

F In the what?

Shearing sheds.

That's good money and if I had the chance to do it again, I would go back into the sheds. If it means a way to feed my kids, yeah I will do it.
FG Urban Sole Parent In Poverty

I mean yeah I went to school but I don't have any qualifications behind me. The only thing that got me through my job was my practical side. Now the age that I am, I actually have to do a training course. If they gave me a piece of paper I would have sit there and read and read and read because it stresses me out. In the theory part, bum out so in a sense all I can do now is hope and pray that my kids get the education that they need and I just have to be there for them. Just try and hang in there for them but I can't see me off the benefit not the age that I am now.

FG Urban Sole Parent In Poverty

F We have talked about ways we can improve our income and most of you have talked about getting a job and the steps that you have taken to achieve this. For those of you who don't have a job at the moment, what sort of steps do you think you would have to go through in order to get a job?

Take some courses.

Retrain.

Upgrade the skills. It depends on what your skills are.

It depends on what field you are looking at. Sometimes it gets to the point where the person has the degrees and got a better CV than the person who hasn't got the education. He's the one who will get the job.

*They have to have a skill to do the job.
FG Urban Couples In Poverty*

*I mean there were jobs around those days. You could walk into an office and in those days you could get a job. You didn't need any skills. But today its a different story didn't need any certificates or training.
FG Rural In Poverty*

F What part do you think that education plays in getting a good income?

A big role. If you want a big job with big money.

It plays a role if you want money.

You've got to go back - you see when people got educated back in the old days to get a job. In your adult life things have changed.

If you have qualifications and skills.

Even when I was in school, you had tickets.

Even with education you wonder even if there is going to be a job you know.

*Most of the jobs I got either through whanau, or because people knew I needed a job, not because of my qualifications. School Certificate - no. I wasted my time at school - when I was in the 4th form.
FG Urban Couples Out of Poverty*

F What role do you think education plays in getting a good income?

In my situation it hasn't really been the education. Its been the practical experience I've had and not my education. That's never really come up in any job interview.

F Has that not come into any job interview?

No. They ask for my education on paper but when I've actually gone for the job interview, its been like the practical side of it that they have been more interested

F Experience. Was that the case in this particular job?

I think so.

F Over the educational?

Yes. I was educated but maybe not as strongly as some. I did go to school [laughter] I don't have School Certificate or anything but over the years I've taken myself back Polytech and done courses to upgrade myself to catch up with what's happening in the workforce.

IN Urban Sole Parent Out of Poverty

7.1.2. Racism and Discrimination

Another issue that arose in the majority of panels and individual interviews was that of racism and/or other forms of discrimination, on the part of individual employers. It was interesting to note that those In Poverty were more likely to speak about having experienced some form of discrimination (in particular against being Maori, but also sole parents and or beneficiaries), as a significant obstacle to their getting a reasonable job. Though those Out of Poverty commonly spoke of racism and discrimination at a more abstract level (ie as one of the reasons that Maori had less income than non Maori) they were less likely to speak of these as barriers they faced to their being employed.

The only other discernible difference was that sole parents were more likely to talk about 'stigma', or other discrimination against them, by virtue of their household status - that is being a sole parent. This was perceived as an important barrier to their increasing incomes, that did not exist for other groups.

F You have actually applied for jobs?

Yip.

F When you were turned down for a job, obviously they never tell you why?

You are left with the feeling that it is because you are Maori.

They always - every time I have gone in for a job so far they say - oh well we'll get back to you. Not one has ever rung me back. I've tried so long, I've given up.

F Could that be for some other reason?

I haven't given them any other reason. I've been polite, well mannered, properly dressed. I've had to borrow peoples clothes just to go and get a job and I still don't get one. I reckon its because I'm a Maori.

FG Sole Parent

It wasn't me being a Maori - it was me being a beneficiary.

That goes along the line with housing too. A lot of prejudice and being a solo Mum. They look at you - poor Maori. Whether you are scruffy or not.

Whose these land agents.

Yeah - they look at you like that.

You have to have a lot of references from other people to ~ to prove yourself.

Sometimes you just don't have those references.

You are good at paying you know

F Can we come again in this instance. Is it because you are a beneficiary in the housing or is it because you are a Maori.

Both.

Both.

FG Sole Parent Urban In Poverty

You ring up about a job and give a Maori name and they will turn you down. If you are a Maori and give a Pakeha name they don't know you are a Maori until you are face to face with them.

F Has that happened?

Not to me but I have seen it happen.

I believe part of it is prejudice.

F Has this happened to any of the rest of you where you have felt you have been prejudiced against?

Yes.

Someone I knew was a Doctor with top qualifications and she got turned down because of her name. She is a woman as well so that was really hard for them to take a Maori woman in as a doctor.

She knows it was prejudice because a colleague of hers had qualifications that were just a bit lower than hers. But she got the position. She got turned out. They didn't admit it was prejudice.

FG Urban Couples In Poverty

7.1.3. Care of Children

A particular issue that arose in discussions about barriers to employment, among sole parents, was that of the care of children. As has been discussed earlier (Positives of Being on a Benefit page 41), some parents wanted to look after their children, or perceived that they could not get child care that they were comfortable with, and so 'chose' to stay at home on a benefit. This was less common among the couples interviewed, although there were cases reported where one partner had left the

workforce, in order to take care of children, while the other remained in work. This also significantly reduced household income.

Some of those who had moved Out of Poverty also reported having been on a low income because they had had children, and had moved back into the workforce after the children reached school ages, or left home. Many nevertheless expressed the desire to increase incomes through work and or training, but considered that the lack of availability of work that could be arranged to fit the care needs of children was a significant obstacle.

Once I get the older one settled I might be able to go to work earlier but probably two years. I just don't give them to anybody to look after. They would have to be in a playgroup or something.

F You'd have to make sure they had adequate care?

Yeah. I'm fussy - No I'm not fussy - I'm just careful.

F Do you actually see it changing in that time. Do you see yourself getting a job in that time?

*Oh yeah. I could get a job at night but I don't want to. My day is long and hard enough looking after my two without going and working at night.
IN Sole Parent Urban in Poverty*

F What are some of the things that might prevent you from being able to take those sorts of courses?

To do the courses?

F Yes.

Childcare. That's the problem. I would have to do them at night.

F What sort of assistance would you need do you think to be able to overcome these problems? You'd have to get adequate childcare?

*Very sure of childcare. And the courses aren't free.
IN Urban Sole Parent In Poverty*

OK. My youngest is four. I would like to think I'd be allowed to stay on the benefit until she is through college. I mean in all honesty I have already been asked by Income Support about my goals in the future. They want you to either be looking for a part-time job or training which is fine. But I will be telling them that I won't be doing anything serious until my daughter is at school. Then I will have about 6 hours of the day to think about doing something. Whether it be

study. I would love to be able to go back to the programming course I was doing but that has got to fit in with my children's hours.

IN Urban Couple In Poverty

Well my daughter's eight now so I can envisage in the next two or three years attempting to get off that benefit.

F: Okay.

But bearing in mind that I still believe that even though kids are growing up they still need their parents.

F: Do, do you see at any stage,, at any stage in the future your position changing like, have you thought about the time at which you might go off the benefit?

Ahh yeah. I, I um ..

F: Given that you, you you know you've got a daughter whose still young and needs a parent or mother...

What I aim for is um, is to still be available after, after say three thirty up till Seven in the morning, ah nine in the morning.

F: Alright.

So really I'm looking at a part time income. The only way I thought that I could do that because if I go back into my nursing career, which I trained for, then they dictate the hours to me. And that involves a lot of travel to get there um so to me it would better to look at something I could do myself at home.

IN Rural In Poverty

7.1.4. Disincentives to Work

A further barrier to moving to full time work was the financial disincentives that were perceived by participants. This has been touched upon earlier (Alternative Strategies page 37). Some participants felt they would be even worse off monetarily, if they took up part time work, or low paid full time work. Those In Poverty in particular spoke about a lack of incentive to work, or the lack of support available to low income working households, compared to beneficiaries. A majority of those In Poverty stated that, given the current regime of abatement rates, the associated costs of work (such as child-care and transport), and the likely wage they would be able to earn, meant it was very difficult for them to improve their incomes from what they received on benefits.

A particular related concern noted by some of those Out of Poverty as well as those In Poverty, was the issue of in-work support for full time employment. Participants felt that they could not access the same level of support (such as emergency benefits), once

they began full time work, as others had on Income Support. In some cases, this had actually led to people leaving work, in order to access such support.

F Let's assume there is going to be no change and just say that you are on this income now, your benefit, and you would like at some stage to be able to get more money.

We would be all off it tomorrow if it was worth going out there and working.

F If it was worth going to work?

If we got something back for that. There is nothing there for us to go out and get a full time job. It would cost us money. We pay child care and there is nothing there to get.

F Are you saying that the benefit is a better deal than it would be going out to work?

Its a better deal for me at my age now.

Its a better deal for the money that we are earning. Let's say a part-time job, and that is what we all go for and that's exactly what I am saying. Its not worth working. You get paid double tax and you are not getting anything back. It costs you money for child care, work clothes, you have to take your lunch to work, transport. By the end of that you might as well just sit at home on the benefit.

FG Urban Sole Parents In Poverty

No because I actually. I want to come off the benefit now, I'm getting to the stage because I've been off the benefit and bought up my children. Why I went on the benefit was I was working and me and their father split up, I was pregnant and I just got into a situation where I just couldn't pay any bills and at that time they wouldn't help me. You had to go to court to get maintenance and there was nothing. No help. I went to Social Welfare and they turned around and said, you go on the benefit and we will help you. Otherwise, no sorry love, you are on your own. It was a very - I just couldn't. said OK that's it, and so I went back to work, resigned on the spot. Went back to Social Welfare and signed up. I said this is the way you want the system, this is the way you want me to be - I tried, and I just couldn't and now my daughter is six and she is starting to need me less and I'm getting really bored at home. So I went back to Varsity.

FG Urban Sole Parent Out of Poverty

F what is the one thing that might make easier for you to improve your income?

A decent job.

F A decent job?.

Within the children's hours. It can be part-time/full-time but it has to be worth it. Yeah it is going to be hard because you earn over X amount on a benefit, you get taxed on it. I think that's what is preventing a lot of people from going out and getting work. You get penalised for working and I mean, if you have an accommodation supplement coming in, your accommodation supplement is cut in half, if you are earning over and above the \$ 80 per week on the benefit.

F So it is a disincentive?

Yeah it is. I have spoken to a lot of mothers who went out and did that and found that they were no better off.

7.1.5. Whanau and Peer Groups

Another barrier to moving from lower incomes spoken of by participants was that of the disapproval of friends and family. This was particularly noted by a number of those Out of Poverty - though not a majority. That such experiences were not reported by those In Poverty is hardly surprising, considering they have not experienced the changes that created the situation for those Out of Poverty. The experiences of these whanau or peer barriers were described by people as feelings of others putting them down for trying to improve themselves, or trying to be different. In noting these problems, we should be clear that friends and especially whanau were consistently described as a source of positive support and help as well (as demonstrated in Relationships and Networks page 45). However these issues are noted here, as they did seem to be important for at least some of those who had moved Out of Poverty, and show some of the barriers and difficulties households can face.

F When you talk about these put-downs - are these your personal friends and relatives?

Yip.

Yes. The ones that helped you before. They were there to rely on.

They were used to you being in that situation and how you were and knew that you were there to rely on and you relied on them for help all the time.

Once you got out of it you didn't really need their help and that. Because they saw the growth within ourselves and maybe they couldn't do it for themselves.

For me they always knew that I would always need them but for them they genuinely thought it was a waste of time. So for me I didn't feel as though they were saying these things because they were jealous or wanted me to be independent. I felt like it was just normal spin. If they think it was a dumb thing to do, to me it was. Like Amway, they said what a waste of money but for me I didn't think it was jealousies. I just accepted it, that's OK.

FG Rural Out of Poverty

F What else would make it hard for Maori to increase their incomes apart from that whanau commitment?

I think sometimes whanau can prevent. They may not intend to but they can. I know of another couple who are trying very hard in the business they were involved in but they were getting a lot of flack from the whanau. I don't think the whanau mean it to harm them but to my mind its kind of a little bit of jealousy because they are getting ahead. They can't see that these people are actually working hard to be where they want to be. If they are not strong enough to go ahead with their goals, if they listened to their whanau, their whanau would drag them back down.

F Right.

*There is that. I just think a lot of Maori people tend to want to hang around with each other and go up the ladder together or go down the ladder together.
IN Rural Out of Poverty*

7.1.6. Summary: Barriers to Increasing Incomes

In the preceding subsection, we have attempted to draw out the barriers to getting work, or to increasing incomes while in work. We have demonstrated that within a broad range of individual experiences, there were some commonly occurring themes, that give us an idea of the particular issues any measures to reduce disparity may have to address, or at least be cognisant of.

People in the focus groups and individual interviews clearly felt that a lack of education and skills was a primary and fundamental difficulty for them gaining well paid employment - and sometimes any employment at all. This was a unanimous sentiment among the groups, though as has been noted there were reservations about both the value of education, and the nature of the education and training available (again, this is discussed later). Though it is hardly surprising that this should be a finding (and is consistent with much of the available literature), it is nevertheless important the participants have identified education levels as a significant barrier.

It was interesting to note that many of the participants felt that some skills, such as inter-personal skills and leadership, could not be taught at schools, or in training courses. People often spoke of a lack of recognition of some of these skills, or how others had overcome a lack of education through possessing them. The implication of these sentiments is that there are people with considerable skills that do not have these recognised in the labour market, and could make a considerable contribution, if they were given the opportunity.

Another commonly spoken of barrier to increasing incomes was different forms of discrimination. In particular, (but not only) those In Poverty spoke how they felt their efforts to gain employment had been frustrated by decisions made against them on the basis of their ethnicity, or the fact that they were a beneficiary, or sole parent. The

number of people speaking of having had such experiences raises serious issues about the levels of discrimination occurring.

It is difficult to speculate as to reasons why those Out of Poverty were less likely to mention such perceptions. This is especially so when they were just as likely, and possibly more likely, to speak of structural discrimination against Maori (see Causes of Disparity below). It would seem that, as a group, those Out of Poverty had simply not experienced discrimination in their efforts to gain or improve employment, to the same degree that those In Poverty reported.

A further consideration for participants in trying to increase their incomes was that of the care of their children. This has already been discussed as one of the positives of being on a benefit. Parents who had made a choice to look after children themselves, or who feel unable to access acceptable care, considered that they could not take up employment. Indeed, they had often made such a 'choice', even though they knew the hardship of being on a low benefit income. This is not to say that they did not express a desire to improve their incomes, but that these would have to fit in to the needs of child care for these people. Any measures which seek to improve peoples incomes will clearly need to take such life choices into account.

The fourth barrier suggested by participants was that the current system of benefits, support to households in low paid work and abatement rates. While this was not mentioned by all participants, a number clearly felt that it was not worth working. This is reinforced by the common experience of under the table work, or other activities, which may well require more effort, but seem to provide an outcome that makes this effort worthwhile. It is of particular concern that a commonly held perception by participants was that working would end up costing households money, because of the ancillary costs.

The final barrier that arose in a number of discussions was that of peer and whanau pressures. This could be seen as a manifestation of 'tall poppy syndrome' or, at least, pressures of uniformity that exist in any community. We could perhaps expect to find some level of reaction against people who are standing out amongst their communities or families, and especially those who are perceived as trying to change in some way.

7.2. Causes of Disparity

In this next subsection we move on to examine what participants said about the causes of income disparity between Maori and non-Maori, or especially Maori and Pakeha. This broadens the focus from micro, or personal barriers to 'macro' or general causes of disparity. As has been discussed earlier, these more abstract concepts were difficult for many participants. A common approach within focus groups and individual interviews was to therefore ask people questions like what they felt might stop their children earning the same income, or achieving as well at school, as non-Maori. The issues raised by participants closely relate to many of those that have been raised as personal barriers, particularly as skills and education, and discrimination are noted as important.

However, a number of further possible causes for disparity are raised, relating to different aspects of individuals identities and attributes. In talking about the reasons for income disparity, participants named closely related areas such as cultural difference, role models and personal motivation. These indicate some of the deeper structural issues that people considered were operating in New Zealand society, that lead to the lower incomes Maori receive.

7.2.1. Skills and Education

Participants in all panels and interviews clearly felt that different levels of education and possession of marketable job skills, were an important part of the cause of the discrepancies between Maori and non-Maori income. This follows on from participants descriptions of their own experiences, where they felt their own education (or lack of) had been a barrier to getting a job, or getting a better paid job. This was consistent across all participant categories, and for those In Poverty and Out of Poverty.

We again note that many participants also spoke about doubts about schools and the current education system (these are outlined under Problems with Education and Training page 78). For the moment, it is important to recognise that while participants were very clear about the importance of Maori increasing their skills to match higher paid occupations, through education and training, they were also concerned that the current education and training options did not serve this purpose for Maori

F Why would Maori get less than non-Maori?

Because of the job skills. They are not in skilled jobs.

Not enough education.

F What we are wanting to know here is what do you think - we will put it up here.

Not enough education.

If you want to earn \$ 100,000 odd you have to have education.

BA's and all that.

You have to have those qualifications.

FG Urban Couples In Poverty

F What are some of the things that make it hard for Maori to increase their income?

Off the top of my head.

F Why do they have difficulty in raising their incomes?

I'm actually not sure. For a start a lot of Maori people, and even now, they are not getting the education that they need. That's where it starts from.

IN Urban Couple In Poverty

F OK. What are some of the things that might make it hard for Maori to increase their income? Just your ideas.

Not being able to get the education they may want.

IN Urban Sole Parent Out of Poverty

7.2.2. Structural Disadvantage

The issue of discrimination against Maori as a cause of lower incomes was raised in two ways in the different interviews. We have discussed personal experiences of prejudice above, but participants also talked about how the broader structures and systems of society contributed to income disparity for Maori. This is consistent with discussions around personal experiences, though it was interesting to note that those Out of Poverty, who were less likely to talk about personal experiences of racism, were just as likely to speak of different kinds of structural disadvantage as a reason for income disparity.

Comments of this nature had three general themes. Firstly, people noted a general (rather than specific) preference of employers not to employ Maori. Second, people spoke about how Maori culture was marginalised, and different values were not recognised in mainstream institution and policies. Thirdly, some participants felt that alienation from land and traditional resource bases were fundamental to the overall status of Maori. The latter two were often framed as impacts of colonisation.

Such issues were discussed in all interviews, though the issue of land was most clearly raised in rural panels. Many of those In and of Poverty, though referring to different and individual experiences, clearly felt the structure of New Zealand's legal, political and economic institutions contributed to the ongoing difference between Maori and non Maori incomes.

*Its becomes an easy one to answer for them because its always been that way .
Why don't they give our bloody land back. They made us poor in the first place.*

Racial

F Loss of land?

Loss of land, loss of wealth, loss of whanau. They send all our beautiful men off to Maori battalion wars and they were slaughtered. It goes way back. Its been deliberate.

FG Urban Sole Parents In Poverty

Probably not and that's unfair but I think that people, employers, tend to pay Pakeha people more.

F Why is that?

Because we are Maori and for me it means - its just how I feel - because we are Maori they - its like we are lower than they are, and that's wrong and I'll never let children... My children will go to the same schools, get the same education, whatever, then my children should be on the same rate whether they are Maori, Chinese or whatever.

FG Urban Couples Out of Poverty

What they don't realise that in being that way they can't fit in either so that um the don't achieve in the system.

F: The children don't achieve in the system?

No neither have the parents. The parents haven't.

F: That's the, that's because the system does not give equal weight to Maori affairs, is that it?

No never has done.

F: Is that what you're saying?

Yes.

F: Yes.

Well you take for instance like um when I was psychiatric nursing and um in this area where I, I nursed for [LOCATION]. I mean that's, that's got a huge Maori population still the majority there are speaking their own language but that hospital would not recognise things Maori. It would not even let the Ringatu Ministers in there to work with the Maori ill. They actually came to a big fight before they recognised that Maori has their own healers and weren't saying that

Maori weren't porangi. They were just saying that there's a certain way you work with Maori mentally ill. And you can actually reach them better by using their own ministers but it took years for that system to recognise that.

IN Rural In Poverty

F OK. Say you were able to give them all these things, is this enough for them to get the same income as a Pakeha?

I would like to think so [laughter]. Maybe not.

F What are your doubts?

We are still not allowed because of the black/white situation. Still not allowed to be ourselves out and be Maori against that small minority that just won't allow us to be there.

F That's a small minority?

Small - I would say about 50%.

IN Urban Sole Parent In Poverty

I still I still think that there's um, what I call White Collar prejudice.

F: Right

With Maori employees um, they're inclined to be labelled.

F: And this is in the recruitment?

In the recruitment

F: Right

Even though they have all the treaty things in place you find that Maoris have a far better advantage if they go into Government departments because it's there where they're breaking down all the barriers, some of the barriers not all of them, on the open um market

IN Rural In Poverty

7.2.3. Lack of Role Models

A range of themes emerged in discussions about different qualities or attributes that were more or less present in Maori, and that therefore also contributed to disparities in income. For the purposes of analysis in this document we have attempted to distil these into three overall parts, which make up the next three sub-sections (Lack of Role Models, Cultural Difference and Personal Motivation). However, we should make

clear that these were seen as inter-related issues, and often discussed in the same parts of conversation.

The excerpts that follow refer to the issue of role models, and demonstrate how a number of participants felt that the education, income and work histories of parents, grandparents and other care givers played a crucial role in determining how children felt about school and work. This issue arose in most interviews, and was noted by all categories of participants. People argued that the lack of role models available to lower income Maori children, could also be a reason they do not achieve as well, economically, as their Pakeha counterparts.

I think its actually a pressure thing. The whole reasons of differences in the income and everything like that. I think we haven't worked out Maori as such, we haven't worked out a system of repression. We are generally used to thinking - Oh. This is the top - this is where Maori can go. So our parents expect us to go there - hit it. You've done so well. Don't push us to go that step further. Its actually about time with us as parents now to try and get our children out of that and go up to that point

Push the system.

Like my father he was a freezing worker. I went and applied for the freezing works. We never got it. My both brothers were freezing workers and my sister worked as a meat packer.

You tend to go to the same job that your parents had.
FG Urban Sole Parents In Poverty

In our family nobody went to Varsity so for us to expect to go there wasn't something thought of. You went into a trade. Now I've done it off my own bat. Hopefully my kids will see me doing that and follow through.

F Why do you think that Maori incomes are lower than Pakeha.

Its the Maori situation I've always wanted to be a nurse or a teacher. While we were growing up, because Dad died when I was only 8 years old, there was just no extra money to put us through college. We got as far as college and like a Maori school but other than that we just had to leave school and go help to look after the children. We just left the rural area to become urban families.
FG Rural In Poverty

Back then you know how I was drinking a lot with the problem of a low income, my oldest daughter said to me, I said to her what do you want to be when I grow up. She said she wanted to be a barmaid and I said why. The answer was 'so I could see you every night'. That was very sad coming from a little one. Now of course she sees me working and we are getting things and I have gone out and got her books. The day after she started college I said 'what would you like to be when you grow up'. She goes 'oh Mum I wouldn't mind being an air stewardess'.

*Before then we had to say no and she wanted to be a barmaid or a factory job. Now she has higher aims. She wants to at stay college.
IN Urban Couples Out of Poverty*

Example is a big thing.

F Role models we are talking about.

*My 15 year old - one he saw his father and his aunty go back to school, that changed him. Before he would throw his books in the room and go and play but now we help him with homework and him knowing that I'm going to see his mates and say no he is not coming out to play. Him knowing that he has to face his friends on his own. I told him up front I'm going to school and see your teachers all the time. Him knowing that I think changed him. Whereas before he was willing to just drift along.
FG Rural Out of Poverty*

7.2.4. Cultural Difference

Closely related to the issue of role models within Maori households was that of cultural difference. By this we refer to participants' commonly stated perceptions that different values and priorities for Maori individuals and households, meant that they were less likely to achieve favourable labour market outcomes. In other words something about 'being Maori', rather than just the examples set within the households, put people at a disadvantage in the mainstream. Common examples of this included a greater emphasis on family values and lower value on financial reward.

I'm not saying that we don't want any more, but I think Maori people put more into spending time with their family than chasing the dollar and I think a lot of Pakeha people chase that dollar. It's the ultimate in their life to get ahead even if it mean spending a lot of time away from home. I mean I'm talking in what I see in my own family. I see my brothers come home from work and they want to spend time with their family and yet I was married to a Pakeha man and rather than come home and spend time with us he would rather go out and morale boost his work mates or whatever else to help improve our financial situation. Which isn't necessarily a bad thing but I think from a Maori perspective the family is more important than the dollar

F OK. Do you think that that attachment to whanau might be one of the reasons that makes it hard for Maori to increase their income?

*To a certain extent I think it does. Yeah I think our priorities are different. I'm j thinking of others who have gone ahead and still have time for their family, but then again I think it is a preference anyway, of the individual.
IN Urban Sole Parent Out of Poverty*

I actually think some of it has to do with the upbringing. The way Maoris are brought up. We were taught to respect other people and their feelings etc, etc. To mind their ways. You go out into the workforce and it is a dog eat dog world. You have to learn to step on people's feet if you want to get up there - that ladder. You don't have to like someone being a real cow about it, but yes you do have to. To get up further, sometimes you have to step on someone's foot to get yourself up that ladder so to speak and we don't do it very well.

F Maoris don't do it very well.

We are not very good at it.

F Is that because of lack of knowledge or is it because of...?

The type of people we are. I would say more than that.

Yeah.

Respect for people.

Different values.

FG Urban Sole Parent Out of Poverty

7.2.5. Personal Motivation

Another aspect of discussion about the causes of disparity was that of personal motivation. Participants talked about how entry to, and achievement in, the labour market was less likely for some Maori, as a result of particular personality traits induced by the processes of colonisation. Examples of such traits included lower confidence and self-esteem, and higher risk aversion. Participants were not saying that these traits were inherent in Maori, but that they were the long term impacts of the failure of different mainstream systems to cater to Maori needs and aspirations.

F Now what are some of the things that are going to make it hard. Say we are talking about for Maori to increase their incomes. What are some of the things that actually make it harder for Maori to increase their income than it does for non-Maori.

I think motivation is.

F Motivation. Let's talk about motivation - what do you mean by that?

Well having a goal and going for it rather than some people - Maoris they just dream about that instead of going out and getting it. Pakeha goes at gets it. The Maori thinks he is too dumb or he hasn't got it in him to go and get that thing. He's probably got it but he doesn't know how to bring it out.

Not believing in themselves.

*Confidence.
FG Urban Couples In Poverty*

It never changes if you don't do something about it.

Say a Pakeha wanted to buy a dairy, he would mortgage his house to buy the dairy whereas if I was him, I would say if it goes bust I might lose my house so I don't do it.

Scared to take risks.

*F What else?
FG Urban Couples In Poverty*

There were 3 of us and we were all friends and one of our friends got a job. We were two Maori and a Pakeha. The job was one that would have been a way to move up and because we knew the person who was in the job, because she was a friend, both her and I didn't even think to apply for it, whereas Kathleen just went ahead. She didn't feel the same way. She just felt well that's a job that's a way to move up and so she applied. Whereas I just couldn't. It was just something that you didn't do and that was it. I honestly think if I had got that job something would have happened and that is my belief - to make me lose it - so I wouldn't even try for it. It was like stepping into somebody's position - she lost her job - and you just don't do that.

F When you say she lost it - she was fired?

Yeah.

F I see.

It was just odd that out of the 3 of us Kathleen had no qualms about it. Both of our bosses said try for that job - I think you've got a good chance of getting it - but you just couldn't.

FG Urban Sole Parents Out of Poverty

I think Maori we are more a different people - we want to do more hands on and we don't want to use what's up here. And so why shouldn't they pay the person doing the hands on work the same as the person doing the up here.

I also think Maori people always think lower of themselves where as the Pakeha always thinks highly of themselves. Maori always put themselves down.

F How does this effect the income?

You talked about Maoris always being in labouring jobs. That would effect the income.

*FG Urban Couples Out of Poverty***7.2.6. Summary: Reasons for Disparities**

In the preceding extracts we have provided some examples of participants thoughts about the causes of income disparity between Maori and non-Maori. In contrast to the previous sub-section, where we concentrated on people's first hand experience of barriers and issues they faced, we have presented comments relating to overall reasons for lower Maori incomes. These were related to the experiences people talked about, but introduced a further range of personal attributes and qualities that participants considered Maori might be more or less likely to have. The possession of these qualities was seen to impact on Maori incomes in a negative way.

A lower overall level of education and skills among Maori compared to non Maori was clearly identified as a major cause of income disparity. This is consistent with the discussion in previous sections, and in particular the experiences of people trying to find work. Across a range of different topics, the issues of education, qualifications and skills have been central to participants perceptions of Maori experience in the labour market. Education and training must therefore be a key component for policy aimed at reducing income disparity.

Participants also often identified that they felt there were systemic obstacles to Maori achieving income parity. These ranged from prejudice on behalf of employers (or enough employers to seriously affect Maori) to marginalisation of Maori culture - meaning Maori had to adapt to the language and customs of Pakeha which placed them at a disadvantage.

There were many such matters raised, and no one of these themes emerged unanimously in all interviews. We cannot say participants pointed to any particular manifestation of structural discrimination that was the major contributor to unequal incomes. What we can say is that the majority of participants perceived larger issues in the macro-economic, social policy, legal and other frameworks of New Zealand society, that presented problems to Maori in particular, in trying to increase incomes. Participants were clear that any measures to reduce differences in income levels, must take consideration of the ways in which these frameworks can contribute to, rather than hinder, Maori development.

We have also shown that there were a series of factors which participants felt might contribute to some of the different income levels, that were internal to individuals, as opposed to these external factors already discussed (this is not to say that people did not recognise that these internal factors were often the result of exposure to the 'external' factors). Many participants felt that there was a lack of role models for Maori growing up, providing examples of successful encounters with the education system, or the labour market. Without such role models, it is harder for people to expect to achieve, and to set goals beyond what they grow up with.

Others argued that one of the impacts of European colonisation upon Maori, was that individual Maori were less likely to be motivated to achieve in mainstream institutions and systems. Participants stated that Maori were more likely to have low self esteem, less self confidence and greater risk aversion, as a result of the historical and contemporary experience of living in a society dominated by another culture.

Differing cultural values of Maori was a further contributing factor to income disparity, named by participants. People spoke about the different ways in which the norms and values of Maori culture were not recognised within Pakeha society, and how Maori were therefore disadvantaged in their efforts to improve incomes. Common examples of such values included a greater importance placed on family (especially extended family) and less monetary ambition. While there was a range of differences perceived, they were common to all interviews. Any policy designed to enable Maori to increase incomes needs to be informed by a knowledge of and familiarity with, these cultural differences.

7.3. Problems with Education and Training

Both the conversations of participants and a broad range of previous literature, show that education and training are essential in determining the relative income levels of different groups within the population of a country. The reasons for differing levels of achievement in an education system, and the relationship between income levels and education, are very complex. This does not change the fundamental point, that participants clearly felt that educational achievement, and appropriate skills, were critical to both the causes and long term solutions of income disparity.

However, this does not mean that participants felt that the options available to them were fulfilling these needs, and indeed a major issue that they spoke about was the problems they had, or they felt their children were having, in the education system. Given that the focus for broader issues was often on children and young people, the bulk of material presented here refers to primary, secondary and tertiary education, rather than adult vocational training, though this is touched on.

Given the critical nature of this point, this sub-section is dedicated to presenting what people said about education, and to a lesser extent training. There were three central concerns - the lack of education of parents and care givers themselves, the financial costs of education and, most commonly, cultural or systemic problems with the structure of public education itself.

7.3.1. Lack of Familiarity with the Education System

Many of the participants expressed the idea that it was more difficult for Maori children to achieve in the education system, because their parents had limited experience of, or confidence within, that system. This is obviously closely connected to the importance of Role Models suggested earlier. A common difference in the discussions was that those In Poverty tended to express their own feelings of inadequacy about the assistance they could give children.

This was not the case for those Out of Poverty, who seemed more likely to have achieved some form of recognised qualification, and had sometimes returned to University or Polytech, before gaining employment. Those Out of Poverty tended to refer to the difficulties of helping children, but did not refer as much to their own needs. There were no discernible differences among the other participant categories, urban and rural, or sole parent and couples.

Now that I'm not working and I had to stay home and help my kids with their education, I mean, I get blown away. I get blown away when she comes home with these activities and I'm going "f..." excuse me. What did I learn at school?

You look at what they are doing now.

What they are doing now is not what I did at school. When I was at school I was a mother at 10 so when I was in school back in the 60's, my mind wasn't on school work, and I feel so embarrassed. I feel like a hypocrite because I can't give my kids the understanding and I have to go to school every week. When she bring these activities home I have to make sure that I'm understanding the question. I have to figure it out and it's a struggle.

Kids look at you.

I have to say - I'm sorry love, I'll have to go to school with you to figure it out.
FG Urban Sole Parents In Poverty

If you aren't working at school boy - you might as well get a job at the freezing works. Not - why aren't you working at school? Is there something wrong? Let me go and help you. If you are having problems with your work you bring your homework home and we'll work it out together. Pakeha does that. Pakeha says, you are having problems at school? We will get a tutor for you. Maori having problems at school, you finish and go and get a job on the Council. To me that's why the reasons for the differences is that we try and struggle. Its not our parents fault, its just they don't put the pressure on. They found it hard to push it but our generation now, we should try and get out of that repression and get our children to go to varsity. You can be what you want. You want to go to the moon, you go to the moon

FG Urban Sole Parents Out of Poverty

7.3.2. Cost

A further common problem participants had with education and training was that of cost. This was referred to both in the case of tertiary education (fees, the spectre of student loans, etc.), and in pre-tertiary education. Discussion often centred around how items such as school uniforms, or school outings, class photos, even external examination fees were either not being made, or contributed to significant hardship within the household. This is consistent with information previously presented about the affordability of essentials.

A less common facet of the costs issue was the funding for alternatives to the mainstream education system. Some participants expressed frustration that they were finding it difficult to operate Maori language schools, such as Kura Kaupapa and Kohanga Reo. Those Out of Poverty were just as likely to talk about the cost issues of education as those In Poverty. Consistently, participants spoke of a perception that household resources were often just as important as commitment to education, in getting the necessary skills and qualifications.

Or what you put the word education into. I would, like if you had asked me that question 5 years ago, I would have gone gung ho - totally agreed that education is the way to go. However, being in the education system as a tertiary student for the last 6 years and looking at being in it for the next I don't know how many, I conclude that my son if he got to the 7th form would be great, however I would be worried if he decided to go on to tertiary education because of the amount it is costing to go. For myself I just say oh well I will die in debt anyway. That's it. I'm on a student loan if it is going to be paid back on my tax. My tax is going to be something secondary ed, if I get a second job. It keeps me not on a high income, but so I don't know if I want that for my son. Because he is also in a position where he will have to go for a student loan if he is going to go anywhere higher than the 7th form.

FG Sole Urban Parents Out of Poverty

I'm actually not sure. For a start a lot of Maori people, and even now, they are not getting the education that they need. That's where it starts from.

F Why do you think that is?

My son is in the Maori unit right now and we have been struggling since Kohanga. We've had to fundraise, fundraise all the time. We have been struggling right through – even the class he is in right now. This year we have to raise \$ 7,000 as a class – that's ridiculous. We've been to see Maori Minister Tau Henare.

F This is your whanau group?

Yeah myself and two members of the Board of Trustees. Its hard, its very hard. It would have been easier if I had stuck my son in mainstream and not worried about it.

F But you made the choice to put him into..

We made that choice to put him in. Our vision and I said this to not only Tau Henare, said it to Tu Willie - he came to our class - and I told him then. He was raving on about this and that and I said to him "look I had a vision for my son when he was a baby in Kohanga and that vision was to go through Kohanga through school and then to Maori Boys College". That was my vision and I said to him " that vision has been shattered". Its been nothing but a struggle.

IN Urban Sole Parent In Poverty

Good education. Not just from the school but from their parents. They need to be constantly reminded that yes, they can go ahead. Unfortunately, looking at the doom side of it children on a benefit it is highly likely that if they don't get support from their father, they could very well end up on the unemployment benefit due to the fact that you can't afford for them to ...you might get them to School Cert. Level but you can't afford for them to sit the exam that's necessary for them to go ahead. Its those sorts of things you have to look at - apart from

their school uniforms, on-going costs and so forth. We have seen children who have got to that level and then and all their dreams have just been shattered. Yeah - it is lack of money. The child who has the parent who has got the money will go forward.

IN Urban Couple Out of Poverty

7.3.3. Cultural Issues

The following segments of discussion illustrate a general sense that the education system was failing Maori, or was 'not for them'. This was by far the most commonly spoken of problem concerning education and training, and was often spoken of in relation to culture. Participants talked about the attitudes of teachers, Maori concepts of education, and lack of recognition of Maori values in the education system. Perhaps the most concerning finding was that numbers of people felt the education system was having a negative, and/or damaging impact on Maori, and on Maori children.

Again, those Out of Poverty were just as likely to express such negative opinions as those In Poverty. Indeed, some of those most critical about the public education system were those who had the most exposure to it. While there was any number of different individual accounts of problems with education, the commonality and consistency of these issues suggest that there are widespread concerns and dissatisfactions with state administered education, among Maori.

F What are we talking about. Teachers that have a better understanding?

Yeah. I go to Auckland a lot and they say your son can do this and can't do that and go oh well, I've been to school and I told you that he hasn't been doing that. I think teachers are absolutely hopeless these days.

They are there for the money and never mind the kids.

FG Urban Sole Parents In Poverty

But in Maoridom the concept of education is so much broader than being in the school system that we have now and I would prefer to see my son being healthy and well mentally, physically, emotionally you know, than to.. Financially as well - that would be a plus you know [laughter].

FG Urban Sole Parents Out of Poverty

I'm seeing the young ones that I see - for me I had a first ~. The young ones - they are not. I see defeated children in the education system. I see children who lose identity partly because of the education system. I did an education paper at Massey and I cried. I don't know - you talk about there is a financial failure but there is the moral failure. I just don't know any more.

F You don't know whether you want your children to be in that situation?

Yeah.

Its all for the dollar.

You end up with the children who don't have much self-esteem. You push for that education because you as an adult can see they get the papers, they are going to get the job, but all you are doing is making that kid think they are useless. They keep failing in the system as it is. Their self-esteem is going to hit an all time low in the end. It is important but it depends on what level of education you are going to give them.

FG Urban Sole Parents Out of Poverty

How I feel about schools now and if I started having my kids now I wouldn't send them school because at school you get all the negatives. I would keep them home so they are learning not only Maori but instead of going out in the playground and hearing all this nasty stuff from other kids it would be positive. The school system has to change a whole lot.

FG Urban Couples Out of Poverty

I think so, it's like a Catch 22 because I think if Maori, you know if you have children that have been bought through a system where they've been pushed through the Maori to retain their Maori to retain their closeness to the marae and to believe there is nothing wrong with it and that um it can be just as advantageous to know all those things and be comfortable with them and to have some kind pride that sometimes in those situations a Maori speaking up for themselves is often is classed as radical. You know they seem to be um labelled and that.

F: And avoided

And avoided, You know ... things now in our whole education system is good at writing things down on paper and it's dangerous you know you get to the point now and and kids um kids behaviour in schools and you get letters home saying they've breached this and breached that you know those things can actually, you know I'm worried that um any little incident that a child may have in a in a in a learning situation where they stand up for themselves can be labelled - this child is difficult handle. It's like a paranoia but I think it still occurs.

IN Rural In Poverty

7.3.4. Summary: Problems with Education and Training

In this sub-section we have attempted to draw out some of the problems people had with education especially, and, to lesser extent, training. This has obviously emerged as an essential part of the whole issue of income disparity, not least because participants themselves have named this to be so. The information provided by participants enables us to get some idea of what lies behind some of the statistics about educational achievement, but also at the broader issue of what it is that makes people feel that a particular service or measure is accessible or useful for them.

The different experience of the education system is clearly perceived to play a significant role in how generation after generation of Maori react to the mainstream system. As noted in the section on role models, people talked about how parents' difficulties in the education system make it difficult for them to provide the same help and examples as those who do have education. Some also noted how this contributed to feelings of inadequacy on their behalf, for not being able to provide this.

The costs of education are also clearly a worry for those low income Maori in this study, and for many of those Out of Poverty as well. This ranged from the difficulties in providing some of the basic items (uniforms, trips, etc), to concern about the cost of tertiary and non-mainstream schooling. The underlying theme of these different discussions was that participants considered they were having choices denied to them, because of their inadequate financial resources.

The most commonly raised issue about the education and training available was that people felt it did not cater to their needs, either because it did not recognise Maori culture, or because the failure of children in the system was simply damaging them, and generations of Maori. The central dilemma of the participants' discussions about education therefore becomes even more apparent - that education and skills are seen as central to any improvement in incomes, but most participants, In and Out of Poverty, felt that the current system could not deliver that improvement. Indeed, many saw it as contributing directly to some of the problems of motivation, self esteem and self confidence that were seen as barriers to employment.

The whole area of Maori in education and training would seem to be one that is critical to reducing income disparity, in a sustainable and long term manner. There is clearly a need for work specifically focussed on the problems and challenges of the delivery of education, as part of the process of developing any policies concerned with income equality.

7.4. Measures to Reduce Disparity

In the following sub section, we begin to explore how people felt income disparity could be addressed. In the segments of conversation to follow, there is a particular emphasis on exploring the experiences of people who have increased their incomes, generally through having moved from a benefit to full time employment. There is also information about the range of measures participants felt would be useful to them, and/or to Maori in general, in increasing incomes. Participants were asked directly to discuss what they felt might help reduce income disparity, either through enabling them or their children to achieve what they would like to, or for Maori in general. While education and skills training were again perceived as critical factors, a range of other measures were also discussed, and will be outlined in the excerpts.

7.4.1. How people got jobs

One of the central features of the design of this project was to try and build in the experience of Maori who are on low incomes, and those who have increased their incomes. In the following collection of transcript, we present some of the stories told by people, as to how they moved up in income - which largely involved a move from benefits to full time employment as the primary source of income.

There were some very common themes emerging in this section, which obviously only refer to those Out of Poverty. One of the most common 'paths' to employment was involvement with voluntary and/or marae based agencies. People described how their work in such agencies had either been recognised by people they dealt with, or a position or funding had been found to enable them to work on a paid basis. Other commonly noted factors in finding a job were contacts and networks, especially friends and whanau, and persistence in looking and looking until something came up.

We should note that for some of those Out of Poverty, the move out of the labour market had been relatively short, and related to having children. Though they had spent time on low incomes, they had skills and qualifications which would enable them to obtain work, once they decided to. For some of these people Out of Poverty therefore, gaining employment was not a major difficulty, while for others it proved a great challenge.

Mine has changed now. My old man has just started his own business but he is on a wage and I've been working at the Marae here. After all these years of not working being at home for the kids after school and watching them grow up, I've got a younger one but I've just had enough of being at home. So I've got her into a Kohanga and I've got myself out. You have to change it yourself. You have to be willing yourself to change things. I've gone out - I've been at the Marae - I've been up there doing voluntary work for the last 4-5 months. I've just hung in there and now I've started getting a little wage. You have to do it yourself.

FG Urban Couples Out of Poverty

F Anything else that you think might have helped you - boost your chances?

Your strength like if I wasn't strong enough to make it through that year I probably would have pulled out and lost the opportunity.

F This is your own personal strength?

Yeah. It helped me through.

There was only one person who supported me through it but it was my personal strength but I could have pulled out last year because it was so hard.

Staying power.

Determination and pride.

F What are those qualities?

I think [NAME] is a good example. Your background and I think like he said, I have been down at the lowest and its through determination. Been there done that.

FG Urban Couples Out of Poverty

What happened to me? I started going over to [NAME] Marae, I was doing weaving there. A friend of mine took me there and then the Kohanga movement started up so they asked me if I would go on a koha and it was still a koha until about 4 years ago but I still kept my benefit. I received a koha from them but was on the benefit at the same time.

You could do that then I think.

Then when - until about 4 years ago - then I actually went and got a proper job for me.

FG Urban Sole Parents Out of Poverty

I got back into the workforce through a friend.

F When you say through a friend - did this friend know of a job?

She was in charge as a Matron and she and I had been friends since I had been on my own. One day she just rang me up and said its about time you got off your butt. Come and start work, blah blah and blah blah time. I thought she was joking - she wasn't joking. I didn't turn up because I thought she was joking - she sent her husband to pick me up and that's virtually how it started. I really don't know if I would have had the courage to go out there and apply for a job. I think a lot of it had to do with low self-esteem.

FG Urban Sole Parents Out of Poverty

I have sort of been working but the period on the DPB was really short. So it was quite easy to get back into temping work. Although at the end of this year I am going to look at my options because I want to get out of what I am doing.
IN Urban Sole Parent Out of Poverty

I was home with my son and he wasn't really enjoying Play Centre. He just wanted to be at home so that's when I decided to take in children so that he had company and it would give me an extra income. Even when he started school I continued with care-giving and then one of the women I knew from Barnadoes said look, we have a job coming up - one of our [NAME] workers is leaving and we would like you to apply for this. I sort of said I don't want to do that - I'm quite happy doing what I am doing. Then after a while I realised that I was caring for lots of children and I was getting older and it just seemed a lot of work. I thought it must be time for something else. 20 hours I think it was and I was still on the benefit and getting nothing.
FG Urban Sole Parents Out of Poverty

I actually went out and found employment.

F How did you do that?

Just went out and looked for it. I took on two different types of jobs to get the inc was temp work. You'd ring up and put your name down and start work.

F Was that through an agency?

Yeah an agency for nursing. The other one was at Tip Top ice-cream where they would call me up if they had extra work.
IN Rural Out of Poverty

F How did this job come.

Through word of mouth. Somebody thought I had some special talents.

F Someone you knew?

Yip.

F OK. Through the grapevine?

Yeah - that's the one.

F Was there anything special about your situation that helped you?

Getting work?

F Yes.

No not really. The person didn't know about my situation that offered me the job.

F Do you think there was anything about you that attracted the employer to you?

Well we had been away on a trip and the person that was there at the time was impressed with the way it was organised

F As part of your community work?

*Within the Waka Club yeah.
IN Urban Couples Out of Poverty*

7.4.2. Education/skills

Not surprisingly, education and skills were a major consideration for participants when discussing how income disparities could be addressed. We have already noted the problems people had with education that was available, but the following excerpts show that they still considered these things to be essential to addressing and improving Maori income levels in relation to those of non Maori.

This was consistent across all groups, and comments were closely related to the problems of education outlined above. People particularly expressed the need for affordable (free) education, reinforcing the concerns about cost that have been raised. While participants had few specific comments about how they saw the education system delivering for Maori, we can discern what things they see as important, and what might need to change, from the range of comments in these and other relevant extracts of transcript.

*What I do - I want to push my kids any. What I'm looking at now - I don't want her to be like me in 40 years time. Be a bum washer or mopping floors, or cleaning up after somebody else. So I sit her down and say I need you to go to school to get an education, I need you to have something that I didn't have.
FG Urban Sole Parents In Poverty*

For me if I wanted a future for my children, mine would be education.

Me too.

Lotto would be nice [laughter].

Free education.

Education.

Free child care, education. The whole lot.

Education.

I reckon that's the only way to get their career.

But then have a good look at whose been doing the most rip off criminal, ripping off the little people lately. The ones with the education, the people out of the system who have got the best education New Zealand ever had to offer. Those 40 somethings. All those lawyers who were ripping off the little people. Look what they have done with their education. It can be used to really hurt people can't it.

Education for us too.

F Yes for both children and parents.

Maybe more courses

Two or three week ones. Maybe parenting skill ones. Just saturate the whole country with them like everyone who is pregnant has to go, so does the father or something.

FG Urban Sole Parents In Poverty

F For example are there any barriers that you see to your children's future that the Government should be doing about?

Yeah - education. Doing something about giving them less costs like you have books and that sort of thing.

A cheaper education.

FG Urban Couples In Poverty

It has to be. What else can you - what other options are ahead of us. At the moment education. You look at the role models that are at the top and I keep thinking back to what is her name - she is a journalist - she is a Maori, she is a woman - she is out there. How did she get there? She didn't stay on the dole. She was on the dole - she was as a solo parent but she went and re-education herself in the field of journalism and only way she got there was through education and of course that's the only option. We have a lot of unskilled Maori people who could be skilled but they need that piece of paper that says that our puia is fluent is Maori 1 2 3 and 4.

FG Rural In Poverty

7.4.3. Other Measures To Reduce Disparity

While education and training were the most unanimous and common issues raised by participants in reducing income disparity, there were a range of other options and needs participants suggested to address income disparity. The range of these is set out below, but included the need for jobs to be available, the need for a standard of living that enables them to meet basic costs, childcare, the need for services that are responsive to the needs of Maori, and a call for resources and services based on Maori values, and administered by Maori.

Cost of Living

The work is just not there.

They can compare what they give us to what the food, power etc, cost of living.

If they work it out - some genius should be able to work it out - it should be easy. Then if the average family - they need to balance it out as it goes on. I think it go up to 8. I don't know of anybody with more than 8 children today.
FG Urban Couples In Poverty

I still think they need to look at the education system. I don't necessarily think that it can offer you help. If they go amongst the people and actually saw with their own eyes.

Talked about it rather than just speculation. Just looking at statistics and decide on what to do to.

They actually need to see what is going on.

Let them be sick sometimes and can't afford to go to the Doctor and see how they cope.
FG Urban Couples Out of Poverty

Childcare

F You talked about the way of increasing your income would be by going back to work and that would have to be ~. Say you wanted to improve your income now what would be the one thing that would help you to do it?

That would be the childcare. The reduction in childcare because it costs heaps. Kohanga is cheap compared to childcare but I don't want to take that avenue this time with my two little ones.

F But that would be it?

That would be it for me - affordable quality childcare. For me to leave them it has to be good - I have to feel comfortable. That's the one thing for me right now - affordable, quality childcare. Not just any childcare.
IN Urban Couples In Poverty

F What sort of assistance would you need do you think to be able to overcome these problems? You'd have to get adequate childcare?

Very sure of childcare. And the courses aren't free.

F No that's right.

That's what puts me off. You see I wanted to do a Maori course at Polytech, Wellington High and I've got all the forms, but the course is \$ 150 and I can't pay that.
IN Rural In Poverty

F OK. Now what else does the Government need to do to help your situation?

They could subsidise the - even Kohanga Reo's you have to pay now. They increase the subsidy for Kohanga Reo.

F On early childhood education?

Yeah and that's not only Kohanga Reo - that covers. I'll probably think of a lot of things after. What else. Rent and childcare
IN Urban Sole Parent In Poverty

Structural Change

I'm doing an education paper as well and one of the things they look at - like the people who make the rules in this country, the dominant culture are the ones that set down. If you look at the dominant culture in this country it is actually the Pakeha and they are the ones who are setting the rules in the business sector. They set it in the educational sector. They write the policies for what happens so if Maori want to start coming up in the financial sector then they have to start taking control of their own resources and in that way they become the dominant culture and they start to think that they can get up there.
FG Urban Sole Parents Out of Poverty

But you find that ah ah, one of the most unfair thing is that they talk about the violence of the majority and we know that the Maoris are not the majority in this country and never will be and um, unless we try hard to procreate [laugh] and and there's always that thing about it's always the majority that wins you know there's disadvantages in our schooling oh, were only 20% of the population so how the heck can you get a good voice.
IN Rural In Poverty

When they came here they were looking for the land especially in this area looking to settle the land, there was greed, there was all those sorts of things that were involved and in doing so to make sure that the people gave up their land was the taking of their pride and their mana. And I mean to, to see the kids being involved and to see that yes there's this fantastic country ah government that rules us because we've been bought up to be quite submissive in that respect. And to now see that over the years that they're finally you know um many are the times and the instances they are admitting that they were wrong. To have kids in our life time see that that their Governments are not always right, and that there are things that they have done wrong in the past that can be rectified by ourselves, it's a long hard road, but to me um It's got to start in that admission that yes it was done wrong.

FG Urban Couples Out of Poverty

7.4.4. Summary: Measures to Reduce Disparity

In this collection of extracts from participants conversations, we have presented what emerged as the major themes of discussion about policies which can contribute to a reduction in income disparity. This is not only through looking at what participants said about the measures that might help them increase incomes, but also through examining their experiences of getting work.

We have seen that there were two common paths to work for those who were Out of Poverty. The first of these was through voluntary or other community work, often with marae based agencies. The opportunity to use skills, and to develop networks, appears to have been central to many of those in this research moving from receiving benefits, to full time work. In particular, the common factor of such stories seemed to be that people had undertaken the voluntary work anyway, without the thought that it might lead to paid work.

The second common path was through a relatively quick return to the workforce, usually after childbirth. For these people, with experience in the workforce, the return to work was often not difficult, though people sometimes found they had to return at a lower level.

These conversations also made clear two factors, related to the above, that people felt were essential to getting work. Participants spoke about the importance of networks, in knowing people, or meeting people through voluntary and/or previous work. These types of connections were seen as essential for many in getting, or returning to work. In other conversations, people spoke about the need for determination and persistence in their efforts to improve their incomes (usually through getting work). They acknowledged the difficulties, but felt that these could be overcome.

Participants also had clear ideas about the measures that might help reduce income disparity, either through providing assistance to them, or low income Maori in general. These were closely related to previously discussed points on reasons for disparity and personal experiences of barriers. Central to such measures were education and skills. This has been a recurring theme of discussions, and a complex one. Participants unanimously felt increasing skills of Maori, through education and training was essential if income disparity was to be addressed, but most also felt that the manner in which that education was delivered was equally deserving of attention.

A second common point raised about increasing incomes, was the need for access to basic resources and household items. This ranged from having enough to get by - to get food, medical care, etc., to being able to afford education and training. Many participants felt that a better base to build from would help them, and/or low income Maori, be able to undertake training or try to enter the workforce. An essential element of these discussions was that people must be able to afford the basic things for their household, and for their training, in order for them to increase incomes.

A particular aspect of this was child care. Sole parents especially felt that they would not seek to enter the workforce, unless they could get childcare they were satisfied with, or unless they could get hours that enabled them to have time with their children before and after school.

The third commonly raised issue was that of different ways of developing resources or measures that catered specifically to Maori needs. This was suggested through a range of topics, including settlement of treaty grievances and access to traditional resources, developing, or providing more funding for Maori schooling and training, and different forms of Maori sovereignty, and autonomy. Whatever the different aspects discussed, the essential underlying commonality of these points was that measures introduced need to be 'Maori', and to enable Maori in these different contexts, to develop programmes or provide services, that meet the needs of Maori.

7.5. Review: Reducing Disparities

In this section we have addressed the second central issue to this research project, that of how income disparities might be reduced or eliminated. This involved drawing on participants' own experiences of barriers they faced, their ideas as to what might cause income disparity in general, and presenting what they considered might allow them, and/or Maori overall, to earn incomes equal to non Maori.

A recurring theme throughout the excerpts was that of skills and education. We have shown how participants considered that different levels of qualifications and skills acted as barriers to increasing incomes, and was therefore essential to improving incomes. The discussions also showed that the current education system was often not perceived as providing the service that was needed.

The participants comments indicate that a part of any effort to reduce income disparity must be a serious re-appraisal of the education system, and it's relevance to Maori. The comments of these participants may well be indicative of a widespread dissatisfaction and concern about the ability of mainstream education to provide the skills and qualifications that are needed in the workplace, and in particular in higher paid occupations, in a manner that is easily accessible to Maori.

It is of concern that some participants considered that their children were in fact being damaged by the state schooling system. Though these findings provide an indication of these problems, we would suggest that further more specific work is required before a strong comment on the nature of the problems within the education system could be made.

What is clear is that such work will be an essential part of developing strategies to reduce income disparity. While this research does not enable us to say much about the education system in specific terms, participants were giving some clear messages about what they want in public education. Schooling needed to be sensitive to the needs of children who do not have home support, either in terms of space and resources, but also in terms of assistance in doing homework. They wanted education that was affordable. They also felt that they needed to belong in the system, that they or their children could achieve within it, and that they will not be made to feel, or look like failures.

The issue of affordability was a recurring theme in this section. Participants commonly stated how their inability to pay fees, or afford child care, or concerns about buying essentials such as foods and medical care, were significant barriers to their entering training or taking up employment. It was clear that many considered that they could not take on extra expenses, like study or training, while they struggled to meet basic costs. In many ways therefore, being In Poverty was contributing to remaining In Poverty.

It should also be kept in mind that some participants had made a choice to be on a low income, either by one partner leaving work, or through taking up the Domestic Purposes Benefit, in order to look after children. This was closely related to the issue of the affordability of childcare, as many parents felt that childcare of an acceptable and affordable nature was not available to them. Other people simply felt they had a right to look after their children. This was reinforced by comments (such as those outlined in Advantages of Being on a Benefit) that being in work often meant people could not

spend time with their children. Even though people wanted to work, they did not want to place this above the needs of their children.

This suggests that measures to reduce disparity need to be sensitive to the different aspirations of individuals and issues of family life cycle stages. It is difficult to see how measures to stop people making such choices could be justified, especially where the outcomes for the household are much improved, after the move. This also challenges systems which would value 'market work' above this kind of 'caring work' in families.

These points also reinforce how much importance participants attached to all low income households (especially sole parents) having access to quality childcare, in order to gain access to the workforce. Lack of childcare was named as barrier to increasing incomes, while the availability of acceptable childcare was one of the most commonly named measures to increase Maori incomes. Policies seeking to reduce income disparity for Maori clearly must take into account the significance of issues related to childcare.

We have seen that participants identified deep, systemic issues which need to be addressed in removing income disparity. People often noted personal experience of discriminatory barriers to work. This suggests that policies which seek to reduce income disparity must address employers behaviour, as well as those who are receiving lower incomes.

Participants also spoke about the self-perpetuating nature of some factors which were contributing to disparity. This was evident in discussion about Maori children having fewer role models, especially with regard to education. It follows from participants' comments that the failure of educational systems to enable Maori achievement over generations, has taken its toll. Not only do adults who have achieved within the different mainstream institutions provide examples and inspiration, but they can be a valuable resource for children and younger people, a resource which Maori have less of. As part of the overall process of reducing disparity, there would need to be some interventions which could break such cycles, and provide Maori children with access to a greater range of encouraging role models.

Different elements of Maori culture, and the impact of colonisation on Maori, were further important aspects of participants' discussion about causes and resolutions of income disparity. We have seen how people spoke about Maori often having differing priorities, ambitions and concepts of achievement. This in turn disadvantages them where Pakeha values are institutionally dominant.

Related to this, the discussions showed that participants clearly saw domination of Maori culture by that of 'mainstream' Pakeha culture, has had some negative impacts on the individual characteristics of some low income Maori. This was most commonly expressed as a lack of self-confidence or low self-esteem. It seems part of the task of reducing income disparity will be finding ways of empowering low income Maori, so that they be positive about their futures, and about their ability to influence those futures.

The broader issues of structural disadvantage, whether in terms of widespread prejudice, marginalisation of Maori culture, or issues related to loss of land, were commonly raised. People in most interviews, In and Out of Poverty, suggested different ways in which the systems of mainstream Pakeha society inherently made it more difficult for Maori to achieve incomes equal to those of non-Maori. While the

manifestations of this belief were varied, no participant - in focus groups or individual interviews - expressed the belief that these structural disadvantages did not exist (though some did argue that Maori could achieve *despite* these).

The implication of all these different ways in which cultural issues contribute to income disparity is that, in these different ways, participants were unanimously referring to a view of the labour market where Maori faced significantly different, and greater obstacles than non-Maori, and more especially Pakeha. Whatever measures are developed to reduce disparity, according to the participants, need to approach the issue from the perspective that there are inherent structural issues of disadvantage that need to be addressed. Measures which do not take into account these realities (which, we reiterate, were spoken of in range of different ways by all participants) would seem fundamentally flawed.

Participants also suggested several practical measures to reduce disparity. There were a range of comments to do with education and training, usually related to the issues of affordability and cultural appropriateness outlined above. Specific options suggested included provision of free education and greater funding for Maori immersion schools. Other suggestions included the provision of free health care services.

A further point raised by participants was the issue of justice over Treaty of Waitangi claims, and the development of Maori organisations. Some participants felt that the return of a resource would enable Maori to develop many of the systems and measures that had been outlined. Though this did not arise in a majority of interviews, people from each of the different participant categories suggested this was the case. Again, this is closely related to points about structural barriers to Maori achievement, emphasising the point that measure to reduce disparity will need to take account of the deeper systemic issues raised by participants.

8. Discussion

At the beginning of this document, we briefly referred to a range of literature, which shows that many Maori are on low incomes, and that Maori are more likely to be on low incomes than non-Maori. This report endeavoured to show some of the reality behind these figures, and to contribute to policy which seeks to reduce these negative outcomes for Maori. In particular, the research has sought to create a space for the experience of Maori who are on low incomes, or have moved off low incomes, in the decision making processes which will contribute toward policy that aims to reduce disparity. Their experiences, understanding and perspectives should, in our view, be central to, and ground that policy making.

In the first part of the report, we have set out some of the experience of life on a low income (In Poverty) for the households from which participants came. The conclusion of this was that many people were struggling to meet essential costs. The picture developed in participants' conversations was one of considerable hardship, insecurity and financial vulnerability. As was argued earlier, it is difficult to see how this can function as a satisfactory base from which to attempt to improve incomes.

We have seen that most householders considered themselves competent budgeters, but that a majority of those on low incomes used what we describe as the 'residual' budgeting method. Typically, they used automatic payments to cover essential fixed costs like rent, and then juggled the meagre surplus to cover other bills, such as food, clothing and medical care. They simply did not receive enough income to make a reliable weekly plan to cover all household costs, or were so vulnerable to unexpected expenses, that it proved unrealistic to stick to a totally planned budget. They paid the fixed costs and had to make do on what was left.

Other participants, and the majority of those Out of Poverty, managed their household expenditures using a 'formal' budget. This involved a carefully written and itemised plan and record of spending. Participants employing this method of budgeting noted that it was difficult to keep to such budgets, and that they required considerable discipline to operate. However, they also considered that this method of budgeting enabled them to make the most of their incomes, and also to have a feeling of at least some control over their finances.

Despite these two different ways of managing expenditure, descriptions of household prioritisation and affordability of essentials, revealed many common experiences among participants. They prioritised rent, as well as other fixed costs, to the extent they would miss meals, or go without medical care. This seemed a common occurrence for low income households. It was especially notable how many of those In and Out of Poverty described having gone without these essentials, in order to ensure their children at least got something.

Participants reported a number of strategies that were employed to cover this shortfall. An issue of particular interest to this research was the finding that part-time work did not seem to be an attractive option to participants. This is discussed in more detail below, but the fact that people were employing other strategies to increase their incomes, such as 'under the table' work, other 'black market' activities, food gathering

and selling household possessions, would suggest the problem lies with access to, and incentives to undertake such work, rather than a lack of motivation on the part of low income householders.

We have presented comments about the range of different relationships and networks that most participant households had. In particular, low income households were drawing on whanau and marae based organisations, in different ways. They were also contributing to their whanau, and these organisations. It is not surprising that people would report family as a critical source of support. However, the preference of low income households in particular, for marae/iwi based services was interesting. These services offered valuable resources that advantaged low income Maori. Central to the factors that made these preferable were cost (or lack of), some form of relationship with the agency (based either on whanau, or reciprocity), and various different aspects of the service that organisations provided (such as unconditional acceptance, the positive nature of support, the familiarity of surroundings).

We should again be clear however, that a small number of households did not report being deprived of essentials (or had been deprived of essentials when In Poverty), in the manner described above. It was also apparent that those Out of Poverty were more likely to be in this group who coped better, when they were on low incomes. It is difficult to speculate as to what factors distinguished households which 'coped' better from others. This would require much more in-depth information about the situations of individual households. Whatever the reasons for the different circumstances, however, it was clear that all participants In and Out of Poverty commented on the hardship that other households faced, because their income did not cover their needs.

The prevalence of hardship among those on low incomes is therefore one of the major findings of the report, in terms of providing some idea of what life on low incomes is like. It is perhaps not surprising that this should be the case, given that a poverty line was used to determine eligibility for low income groups (and may in some way show the relevance of the threshold chosen). Furthermore, this research revealed that these pressures placed heavy strains on family relationships. This was especially noticeable in the relationships between parents, and between parents and children.

It is important to note that the experiences of those in this research is likely to be indicative of a very large number of low income Maori households⁶. Employment, income distribution, poverty and ethnic disparity studies consistently show disproportionate numbers of Maori who can be expected to be living the realities described in this report. As noted earlier, it is difficult to see how people in such circumstances are able to realistically take up the advantages of education and training and gain the skills necessary to improve their incomes.

Most participants were of the opinion that the only way that people In Poverty could fundamentally improve their incomes, and move out of such situations, was through full time paid employment. This is consistent with previous findings, that at least part of the reason for income disparity between Maori and non-Maori, is that more Maori do not have regular full time employment.

⁶ For instance the 1993 NZPMP results showed 39.3% of Maori were below the poverty line upon which selection for participants in this project was based. (Waldegrave, Stephens and Frater, 1996). See also the range of literature reviewed in the Introduction for information about the different outcomes for Maori and non-Maori in income distribution and the labour market in New Zealand.

In this report, we have set out what the most commonly perceived barriers to employment were, both for individuals and for other Maori. These ranged from the immediate and personal, to the deep and structural. As has been noted above, financial disincentives seemed to preclude part-time and/or short term work as a viable option for many participants. Where people had undertaken part time or short term work, it tended to be voluntary, or 'under the table'. The system of benefit abatement rates, and the extra costs incurred in work, played an important role in this. Given the range of other activities people reported taking part in, it seems difficult to argue that they did not want part time work. Rather, there was at least a perception that there is little or no reward, and possibly even a cost, to such work, when compared to the other options available.

The issue of part time work may not be central to that of income disparity. This can only contribute to a basic income, and would not involve a fundamental change in income levels. This is not to say that an increased participation in part time work may not help income adequacy, or that it cannot provide a transition into the labour market. However, it is doubtful that increasing the participation of low income Maori households in part time work, on its own, would fundamentally address the issue of income disparity. It certainly would not see more Maori into higher paid, secure employment.

We would also note that the most effective transition to work, for those who did not have an established record in the labour market, seemed to be voluntary work, rather than part time work. These were long term commitments to agencies, that were based on interest and relationship, rather than monetary compensation. Because of this voluntary commitment, people were spending longer periods at such agencies, be they marae based, or other voluntary organisations. This enabled them to develop habits, skills and networks, all of which provided a critical link to the labour market. By being able to become involved in such activities, it seemed some of the difficulties in terms of labour market experience, were overcome.

Another practical barrier noted by participants, and especially (but by no means exclusively) by sole parents, was that of childcare. This mainly applied to sole parents, but also to some of the couples taking part. People discussed how they could not get access to quality childcare, in order to enable them to work, or how there was no work available that fitted within the needs of looking after their children. Others simply felt looking after children was important, full time work. It was also interesting to note that some of those Out of Poverty expressed regret about the lack of time they got to spend with their children.

It would therefore seem that having such access to adequate, acceptable childcare could enable many poorer Maori households to improve their incomes. Given that a high proportion of Maori households consist of sole parents, or at least have sole parents resident within them, these are important issues for consideration, when developing policy to address income disparity.

Though not discussed to the same extent as part time work, similar barriers were apparent in the discussions of adult training. People did not perceive that the training available provided long term gains that were worth short term sacrifice. Either they were not confident that the training available would lead to sufficiently well paying employment, or that they would be successful if they undertook it. Others considered

that they were not in a position to make any kind of financial commitment to more costs, no matter how much they would want to.

An important underlying theme in the difficulties in getting work, or high paid work, was the level of education, qualification and marketable skills. Participants noted how they perceived that their own lack of education had prevented them getting work and that such a lack acted against Maori in general, in achieving higher incomes. They also commented that this would have to change if they are to increase their own incomes, or income disparities are to be reduced. While many were less confident of a change in their own circumstances in this regard, they were certainly hopeful that their children could gain such education and skills. An improvement in the level of education generally among Maori was commonly seen as a long term measure to reduce disparity.

This is also consistent with much that has been written about the issue of income disparity. Clearly, any policies which seek to address differences in incomes must involve a deep appraisal of how to improve educational achievement. This may be the single most important goal, for it may be that income parity can only be achieved once educational parity is achieved. However, as we have seen, there are number of issues that need to be addressed within the education sector.

Participants felt they, and their children, were at a disadvantage in the education system for a variety of reasons. Initially, costs were seen as a barrier, most especially to tertiary education and adult training, but also for full participation in compulsory schooling. It seems logical that if households are reporting cutting back on essentials like food, that costs such as uniforms, school fees and stationary can place a significant strain on budgets. This again shows the importance of an adequate income, in the range of processes that contribute to the development of skills and attributes.

It was also clear that participants felt the lower levels of achievement were, in some ways, self perpetuating. Where parents or caregivers have little formal education themselves, and/or have had negative experiences of the education system, it is more difficult for them to provide support to children. They are less likely to have role models, or experience of people who have gone through to tertiary education or vocational training.

The major problem that people had with attaining higher education seemed to be one of a difference in 'culture', which manifested itself in a number of ways. These themselves were closely related to the broader structural causes of income disparity that participants spoke about. Participants commonly expressed the sentiment that the nature of Pakeha society, be it the education system, the labour market or other aspects, made it more difficult for Maori to achieve the same outcomes as Pakeha.

This is not to say they did not recognise that many Maori have succeeded in terms of income, or that numbers of the participants themselves had. Some participants had earned/were earning high incomes, and had a long experience of work. Nevertheless, participants consistently gave evidence of the 'non-user friendly' nature of most educational institutions they had experienced as Maori. Succeeding was difficult enough for many, for all the reasons noted above, but the added pressures of negative experiences within the educational system gave rise to serious concerns about the impacts on their children. Many doubted that the current education system could deliver the education and skills required for their children to have the same labour market opportunities as non-Maori.

Participants also noted that self motivation and personal qualities could also be central factors in how well people achieve in education, and later in the labour market. Some considered that this was the most important factor, and that it was up to individuals to overcome cultural biases. However, this does not change the overall finding that people consistently identified areas where the regimes of Pakeha society created barriers to Maori achievement.

The most obvious of these barriers was that of prejudice. Many of those In Poverty described personally experiencing this, in their efforts to get work, or assistance of some sort. It was interesting to note that those Out of Poverty seemed to have less personal experience of racism, but were just as likely to speak about structural disadvantage for Maori. Any conclusions about the importance of this distinction are problematic, as those who had not experienced these problems first hand, seemed to have a wide experience of them second hand, or through other people. Whatever the reasons for the difference in experience, it would seem that measures which address labour market entry points, workplace relations and employer bias (particularly hiring and promotion) will be important in any effort to reduce income disparity.

Another expression of structural disadvantages faced particularly by Maori, were issues of justice with regard to the Treaty of Waitangi, and the return of traditional resources to Maori. The removal of land and other assets from Maori, (as well as the processes through which that land was taken) was often seen as at least part of the cause of differing social outcomes for Maori. Hence, the return of such assets, and reparations for violations of the Treaty, were seen as a way in which Maori themselves could begin to increase their incomes and mana.

A major theme to emerge in these results was the importance given to, and recognition of, culture, as an essential determinant of how people were functioning in different systems and organisations. This was expressed in a range of ways, but essentially related to how people felt that Maori put different values on different aspects of social life, and that this was not valued in the same way in Pakeha society. Maori culture was marginalised because of these differences. This was especially obvious when people referred to the education system, or in progression up to higher paid work.

The implications for policy suggest that ways need to be found to address these differences. The choice between an integrative path, a separate path or a combination of both is significant. Should existing mainstream institutions be reformed, so that they can be more responsive to Maori needs, should policies encourage Maori to create new organisations, or build on their existing ones or should both models be operating at the same time in different institutions? Whatever the outcome, it is clear that successful measures that are designed to remove disparity, will need to take account of the different preferences and values of Maori, and also those between Maori and non-Maori.

9. Recommendations

Income disparity between Maori and non Maori is a problem that has been widely recognised, and discussed in numerous studies. The findings of this research portray some snapshots of the realities behind the numbers. Various causal factors are named and a range of elements are identified. While this provides some new information on the nature of life on a low income, no research to date can exactly specify a detailed and precise prioritisation of causes and solutions with scientific accuracy.

We can however, recommend a range of policy initiatives that emerge from the findings of this research. The importance of them stems from their origin - the experiences and knowledge base of those who either live on low incomes, or have moved from them to higher incomes.

The range of recommendations below come from this kind of participatory, qualitative process, and sum up what participants have said about these issues. Given the general nature of the questions, we have not sought to make detailed policy recommendations. Instead we have prepared a number of recommended policy initiatives, that emerge directly out of the research, to show the direction future policies could take that would help improve Maori incomes, and reduce income disparity.

9.1. Ensuring Income Adequacy

Ensuring people can access the minimum adequate amounts required to meet essential needs, be it through direct assistance or the provision of services, is required. This is particularly so in the case of households with children, where a lack of access to proper care and nutrition must impact on their development and education. Participant responses in this study indicated that the current levels of income maintenance are simply too low.

It must be recognised that if people cannot cover their essential costs, they are less likely to develop the qualities needed to move into work or higher paying situations. People require significant income security from which to begin to look for work, or enter training, or make the most of education.

9.2. Examination of Structures of Financial Incentive

Most of those In Poverty in this study showed a willingness to act to improve their situations, but even where there were opportunities, many decided it was not worth it, or not possible. Steps need to be taken to ensure that the cost of training is affordable and that those who acquire part time and/or casual work are not financially disadvantaged in any way for risking life off a benefit. Current benefit abatement rates and the disadvantages experienced in the process of coming on and off the benefit in the insecurity of modern casual work situations, are two common examples of disincentives to employment that prevent possible entry and re-entry into the workforce.

9.3. Availability of quality, affordable, child care

The availability of high quality, affordable childcare was a major issue for sole parents, but was also raised by couples. People were not prepared to place their children in care they were not satisfied with. They were also often unable to pay for this, and thus the costs of childcare functioned as a major financial disincentive to join the workforce. If greater sole parent participation in the work force is wanted (and there might be some examination of how far policy would seek to interfere with individuals choices to care for children), then access to good quality child care is essential for them and other parents.

9.4. Access and Support for Education and Training

Participants continually noted their lack of educational qualifications and marketable skills as one the main barriers to work and higher incomes. Furthermore as Maori, they considered the mainstream education system to be biased against them. Widespread access to high quality education and training with a range of choices is essential to prepare people for ongoing participation in the labour market. This education must be appropriate and user friendly for Maori participants. A range of initiatives that take these principles into account need to be developed and resourced.

9.5. Cultural Audit for Educational Institutions

Participants considered educational disparity was a critical part of the problem of income disparity. A system of cultural audit should be introduced as a means of improving and monitoring the relevance and appropriateness of schools for Maori. This would involve a set of goals for schools and institutions, defined by stakeholders such as the Ministry of Maori Development/Te Puni Kokiri, local Maori and school trustees (such as nature of curriculum, number of Maori teachers and achievement of Maori pupils), against which progress could be measured.

9.6. Support/Incentive to undertake voluntary work with community organisations

The most common path to work for those who had been unemployed for some time in this study, was through different marae based and community organisations. Participants indicated that it was the *relationship* between the person and the organisation, that made their involvement successful, not simply the fact that they did some work with them. It would not be fair to overload voluntary organisations with the responsibilities of employment creation. However, organisations who wish to support unemployed people should be adequately resourced for their care and facilitation of people in their transition to work.

9.7. Evaluation of the impact of EEO policies on hiring and promoting practices among employers.

The issues of structural disadvantage, and particularly the experience of racism, would seem to indicate that problems of prejudice and preference among non-Maori are still a significant barrier to income parity. There is a need for continuing monitoring and exposure of discriminatory practices and actions, in the broadest sense. There is also an opportunity for further research which specifically addresses how Maori employees

progress within organisations, and the ways in which differing values may affect promotion within Pakeha organisations.

9.8. Greater Scope for Maori Autonomy

Participants in this study clearly benefited from involvement in Maori organisations and structures. They were affordable, educational and friendly. Marae based and other Maori organisations should be resourced and encouraged to develop in the areas of health, social services and education. Economic enterprises should also be encouraged. The development of new initiatives along similar lines should also be supported. Related to this is the need to address Treaty of Waitangi grievances speedily and effectively, as a means of helping to establish income parity. This is not only because it will provide a resource base for Maori, but because it can contribute to their ability to develop autonomy, and services that are appropriate for Maori.

9.9. Cross Sectoral Approach

The problem of income disparity cannot be addressed in isolation, or by one policy only. It must be a concerted, comprehensive approach with all relevant groups involved in a meaningful manner. This refers to Government agencies such as Housing, Education, Health and Social Welfare. It also refers to business, Iwi and other Maori groups, non government organisations, schools and people in the community. A population based agency such as Te Puni Kokiri seems ideally placed to take on a coordinating role in such measures. Whatever the make-up of the groups that seek to develop and implement policy however, they must have a genuine will to address the issue, and also involve those who the policies are to impact upon.

9.10. Support, Evaluation and Transparency

This final recommendation speaks to the implementation of measures, rather than the aims or nature of them. Individual programmes within policy need to be given a realistic chance at achieving their goals, both in terms of time and resources. Any measures introduced should be monitored and carefully evaluated as to the success (or otherwise) of the programme and the reasons for this. In this manner, incremental progress can be made even when specific policies fail, by learning from what is and is not effective.

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11. Appendix i

TPK Incomes and Maori Project: Participant Eligibility Criteria and Definition of Terms

1. Incomes below which households are "in poverty"

In order to provide a definition of what income is 'in poverty', The New Zealand Poverty Measurement poverty threshold for 1993, has been applied and updated to 1997, through a CPI adjustment. The table below, sets out an approximate level of net income, below which a household can be said to be 'in poverty' according to this threshold, for a range of household types. The following formula is applied to derive these income amounts:

$$(60\% \text{ of } 1993 \text{ Median Household Disposable Income [Equivalent to } 2A + 1C] * \text{ CPI Adjustment}) * \text{Equivalence Scale Multiplier}$$

60% of the 1993 Median Household Disposable Equivalent Income for 2A + 1C was \$ 16,891.00 Dec-93. After CPI adjustment, 60% of median household disposable income for 2A + 1C was \$18,550.00 Jun-97.

Income Eligibility

Household Type	After Tax Income			
	Annual	Month	Fortnight	Week
1 Adult + 1 Child	\$13,913	\$ 1,159	\$ 535	\$ 268
1 Adult + 2 Children	\$17,437	\$ 1,453	\$ 671	\$ 335
1 Adult + 3 or more Children	\$20,405	\$ 1,700	\$ 785	\$ 392
2 Adults + 1 Child	\$18,550	\$ 1,546	\$ 713	\$ 357
2 Adults + 2 Children	\$21,704	\$ 1,809	\$ 835	\$ 417
2 Adults + 3 or more Children	\$24,301	\$ 2,025	\$ 935	\$ 467
3 or more Adults + 1 Child	\$27,269	\$ 2,272	\$ 1,049	\$ 524
3 or more Adults + 2 Children	\$30,608	\$ 2,551	\$ 1,177	\$ 589
3 or more Adults + 3 or more Children	\$33,576	\$ 2,798	\$ 1,291	\$ 646

Other Definitions:**Maori households**

Households where at least one householder (see definition below) regards themselves as Maori

Household

A private dwelling where residents include at least one the following 'core' family types.

- sole parent with dependent children
- couple with dependent children

Households with people in addition to these 'core' family types, or two or more co-resident, were eligible for focus group membership.

Householders

Adult/s primarily or jointly responsible for household decision making, and where there are children, care of children, in a family (or family plus others) household.

Children

When assessing where a household 'fits' on Table 1, children are defined as 15 and under. This definition is based on the current school leaving age (16).

Maori in poverty

Participants had to be currently living in households where total household income, after tax, is below that set out for their household size, in the above table, as derived from the New Zealand Poverty Measurement Project.

Participants must have been 'in poverty' for at least six months.

Maori who have moved out of poverty

Participants currently living in households where total income, after tax, is above that set out for their household size, in the above table.

Participants must have lived below the poverty threshold for at least six months, within the past three years, and have been above the line for at least six months, at the time of interview

The household must also have had the same, 'householders' (as defined above) resident at the time of recruitment, as for the period 'in poverty'

Urban

Households resident in a town or city defined as a primary or secondary urban area by Statistics New Zealand. (All urban groups in this project have been drawn from the greater Wellington region).

Rural

Households resident in a town or area not defined as a 'primary' or 'secondary' urban area