

SPATIAL CONSTRAINTS ON RESIDENCY AS AN INSTRUMENT OF EMPLOYMENT POLICY:

The Experience of Limited Employment Locations in New Zealand

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ABSTRACT

New Zealand is one of the only OECD countries to have attempted to impose spatial constraints on residency as a policy tool in its welfare-to-work strategy. The Limited Employment Locations (LEL) policy introduced in 2004 created 259 limited employment location communities throughout the country in an attempt to influence the residential location of Ministry of Social Development (MSD) clients so they are, “in the right place at the right time to take advantage of growing employment opportunities” (MSD, 2004a, p1). The overarching goal of the LEL policy is to get more New Zealanders into employment (MSD, 2004b, p1) – in doing so reducing New Zealand’s overall unemployment rate and ensuring that, at a time of low unemployment and skill shortages, there are adequate numbers of job seekers available (MSD, 2004d, p2). Unemployment beneficiaries have a responsibility to seek work and, according to the new policy, if they move into any of these mostly small, rural communities without access to reliable transport, they risk losing their benefit following the end of a sanction process. The LEL policy thus effectively limits the portability of the unemployment benefit (UB), creating a new geography of welfare eligibility.

Through analysis of policy documents and interviews with MSD and Work and Income staff, this research outlines and critically evaluates the motivations and behavioural assumptions behind the LEL policy. The research then uses the results of a commissioned panel survey, and results of field interviews exploring the views and actual behaviour of UB recipients, to test the motivations and behavioural assumptions behind the policy. The research uses as its case area the Opotiki District in New Zealand’s Bay of Plenty Region.

The research traces the evolution of the zones themselves and describes a range of reactions to the policy. One of the primary findings of the study is the importance of ‘home’ in the motivation of beneficiaries moving to LELs, particularly Maori beneficiaries who dominate movement to LEL areas in the district. This movement is

shaped by the desire to maximise living standards and to take advantage of the social, family, and cultural networks that these areas offer. Returning to home LEL communities occurs in spite of the new policy and the risks of benefit sanctions that it presents, and there is also very little evidence to date that the LEL policy is encouraging beneficiary movement to areas of better employment prospects.

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CHAPTER ONE – INTRODUCTION

Traditionally New Zealand has had a social welfare system where the unemployment benefit (UB) has been portable, meaning unemployment beneficiaries can live in, and move to, any part of New Zealand they wish to without affecting their benefit entitlement. However, a new policy has recently been introduced which places restrictions on the portability of the UB to areas of New Zealand with a very low level of labour demand. This has created a new geography of welfare eligibility and provision and presents an important test-case internationally of an attempt to introduce spatial constraints on residency as a policy tool in welfare-to-work measures.

In early 2004, during a climate of falling unemployment and of skill shortages, the New Zealand Government introduced a package of employment and social welfare programmes known as ‘Jobs Jolt’. This initiative aims to get as many New Zealanders as possible into work and includes programmes that focus on communicating better with jobseekers, skills development, and partnering with employers (MSD, 2004a, p1; MSD, 2004b, p1).

One programme of the overall Jobs Jolt package is the limited employment location (LEL) policy. The LEL initiative introduces possible benefit sanctions for UB recipients who move to one of 259 identified limited employment locations (LELs) around New Zealand without access to reliable transport – identifying that they are not in a position to seek and take up work outside, or within, LELs. These LELs are mostly small, rural (and often isolated) communities across the country. Key criteria used by MSD to identify LELs include: (i) the severely limited availability of work; (ii) no seasonal work expected over the next year; and (iii) a lack of public transport to take commuters out of LELs (MSD, 2004a, p1).

Rationale

The LEL policy is a direct response to the mobility patterns of beneficiaries. The poor are very mobile as both the New Zealand and international literature has shown (Fitchen, 1995; Nord, Luloff & Jensen, 1995, p410; Schachter, Jensen & Cornwell, 1998; Wulff & Bell, 1997, p vii). The literature has also recognised that welfare reform can direct the movement of beneficiaries from urban areas to more rural areas where the cost of living, particularly housing, is cheaper (Fincher & Wulff, 1997; Hugo & Bell, 1998; Waldegrave & Stuart, 1997). This effect has been especially pronounced when welfare reform has been accompanied by other reforms that reduce the disposable incomes of beneficiaries and decrease the relative costs of living in rural areas (Morrison & Waldegrave, 2002). In the short-term, moving to rural areas where the cost of living is cheaper may be a viable livelihood strategy for some low-income earners and beneficiaries – especially when accompanied by the presence of support networks, family and cultural ties, and the availability of family land. This movement, however, takes labour away from the main areas of labour demand, reduces migrants' chances of gaining employment, and further reduces the labour supply available to employers – at a time where New Zealand's economy is characterised by very low unemployment and skill shortages.

By applying benefit sanctions to those UB recipients who move to LELs without access to reliable transport, the policy aims at inhibiting movement of beneficiaries into LEL areas. Although the LEL policy is relatively new, it is timely to begin an investigation into the initiative – to explore its evolution and principal aims, the assumptions that the policy makes about beneficiary behaviour, reactions to the policy, and the actual behaviour of beneficiaries. The Opotiki District in the eastern Bay of Plenty is used as a case study.

Central Research Question and Conceptual Framework

The central research question of the study is: *What are the policy motivations and assumptions about beneficiary behaviour underlying the LEL policy, and to what extent are they supported by evidence in Opotiki District?* Objectives of the research are:

1. To trace the evolution of the LEL policy and the motivations behind the initiative
2. To infer assumptions that the policy makes about beneficiary behaviour
3. To compare the inferred behavioural assumptions against (a) the views of unemployment beneficiaries (including LEL residents) in Opotiki District, and (b) their actual behaviour
4. To compare the motivations of the policy to the evidence of beneficiary behaviour in Opotiki District

While the research fulfils a part requirement for a Masters in Development Studies qualification, it also draws heavily on the discipline of *human geography*; specifically the part of the social sciences which studies people in relation to space and place (Morrison, 2003, p1). In particular, the research addresses the “weak and underdeveloped relationship between human geography and policy” (ibid). Most specifically, this research addresses one aspect of the *geography of social policy* – notably the “relationship between the (re)distribution of income, the spatial arrangement of individuals and their relationship to place” (ibid). The LEL policy is the first specifically geographical instrument used in the history of New Zealand social welfare provision, and therefore warrants the attention of human geography and also a reflection on the value of extending state control to include beneficiary place of residence. Combining a human geography perspective with that of development studies is an important aspect of this study – and in particular a development studies lens is useful in promoting reflection on how the LEL policy may effect the development of particular places (including regions and communities) as well as individuals.

The research is placed within a broad literature addressing the effects of welfare reform, welfare portability, spatially-focussed welfare provision, and rural welfare reform. The

immediate context of the research is a period of welfare-to-work initiatives that have dominated New Zealand welfare and employment policy since the early 1990's.

The research utilises a cross-sectional design to investigate the central research question and objectives. Analysis of policy documents is conducted to extract the assumptions that the policy makes about beneficiary behaviour; analysis of quantitative and qualitative information from a commissioned panel survey is undertaken; and semi-structured interviews are conducted during a field study with key research participants including unemployment beneficiaries living in LEL communities.

Opotiki District in the eastern Bay of Plenty has been selected as a case-study because it has one of New Zealand's highest unemployment rates, and now contains six LEL communities; the small, rural, predominantly Maori communities of Paparoa, Kutarere, Opape, Omarumutu, Omaio and Waihou Bay.

Outline of the Report

Chapter Two reviews the literature relevant to the study, and Chapter Three details the background, construction, application and motivations of the LEL policy, as well as initial reactions to the initiative and the broader context that the policy is placed in. Chapter Four describes the research methodology adopted and introduces the field study. Chapter Five explores the assumptions that the LEL policy makes about beneficiary behaviour. Chapter Six introduces Opotiki District and its six LELs. Chapter Seven presents the results of the study, and Chapter Eight discusses the results and draws conclusions.

CHAPTER TWO – LITERATURE REVIEW

Mohan writes that in the OECD “there has never been an explicit spatial dimension.... to welfare policies” (2003, p363). This has recently changed with the introduction in New Zealand of the LEL policy – an initiative that imposes spatial constraints on residency as a policy tool in welfare-to-work measures. As background to introducing the LEL policy this chapter outlines: (i) the broad theory of the welfare state and the changes that have been made to the welfare state in New Zealand; (ii) the literature that links welfare, internal migration and location; (iii) arguments for and against the need for spatially-focused welfare provision; and (iv) some of the broader links between welfare reform, employment and development.

The Welfare State, Welfare Reform and the New Zealand Experience

Social assistance or ‘welfare’ to individuals and families can take a number of forms. Broadly, assistance can be provided by family and friends, by voluntary and charitable bodies, through private mechanisms, and/or through the state itself (Pinch, 1997, p1-2). The idea that states or government have responsibility for the wellbeing of their citizens began to dominate welfare thinking only from the early twentieth century (Midgley, 2001, p286), although the idea can be traced back to the 1601 introduction of the English Poor Law that provided some assistance to the most destitute (Deakin & Wilkinson, 2004, p1). The concept of *state*-provided welfare presented an alternative to the historically prevalent view that social needs should be met through individual effort and the support of family, friends, the Church and other charitable bodies. State-provided welfare is premised on the view that social welfare should be regarded as a fundamental human right, and that government is the most effective institution for providing welfare assistance (ibid).

Until the 1970’s, the human rights or social citizenship model, as it became known, dominated government thinking about social policy (Boston, 1999, p6; Midgley, 2001,

p286). From the 1970's onwards this model became increasingly challenged as a result of: (i) demographic change (especially ageing populations); (ii) social change (such as increased rates of lone parenting and the growing gap between work-rich and work-poor households); (iii) economic difficulties (such as the 1970's oil shocks, low economic growth rates, and rising unemployment); and (iv) fiscal pressures resulting from increased demand for social assistance (Mackay 1998, p2-4; Midgley, p286). These pressures, coupled with changing ideologies and the prominent voice of the neo-liberal right, created fertile ground for welfare state reform (Pinch, 1997, p25).

The most fundamental change in welfare regimes internationally over the last 20-30 years has been a general decline in direct welfare provision by the state, and an accompanying increased reliance on other sources of social assistance (Pinch, 1997, p28).

Internationally, attempts to reduce both absolute and relative state expenditure on welfare have been a "coat of many colours.... [taking].... different hues in different environs" (Mackay, 1998, p2). Mackay identifies five major themes of welfare change: (i) emphasising work obligations; (ii) containing expenditure and creating cost-containment incentives; (iii) private provision; (iv) partnership with business and community; and (v) 'rebranding' welfare (such as replacing the 'unemployment benefit' with the 'community wage'¹) (p10-16).

By the very end of the twentieth century it was possible to identify three broad types of welfare state.² Boston summarises these types of welfare states as based on: (i) a residualist/minimalist/needs-based model, where the emphasis is on self-reliance and individuals are expected to meet the bulk of their needs via the market, their family, or voluntary agencies and charities; (ii) an insurance/social contributions model, where previous financial contributions (either made by individuals, families or employers) provide the primary basis for social assistance; and (iii) a social citizenship/rights-based model, drawing on social democratic thinking, where entitlement to social services and

¹ A change recently reversed in New Zealand.

² Some countries are examples of combinations of these models.

income transfers is based on a person's status as a citizen rather than income, assets, prior earnings or contributions (1999, p6).

The New Zealand Experience

The 'social contribution model' has had limited emphasis in New Zealand social policy. Instead, the New Zealand regime has traditionally been based mainly on a mixture of the residualist and rights-based models (Boston, 1999, p8). Schmidt writes that New Zealand has historically been a liberal welfare state, where social assistance was kept to a minimum to ensure that welfare did not take the place of work, and where given the modest level of welfare, the state had an obligation to strive for full employment (2002, p173-174).

The evolution of New Zealand welfare policy can be traced back to the 1898 introduction of the old age pension and the 1938 Social Security Act that enlarged the welfare system considerably³ (Jones, 1997, p37). Jones argues that the distinctive features of the New Zealand welfare state became universal, non-means tested benefits for the aged; and non-contributory, but means tested, benefits for the non-aged that were paid without time limits (p43).

In the early 1990's the National Government of the time implemented New Zealand's most radical social policy change in 60 years (Boston, 1999, p4): a plan to "reduce welfare to a marginal safety net and to eliminate all forms of universal provision in the long-term.... [which] threatened to rework completely the welfare state from first principals" (Belgrave, 2004, p37). Broadly reflecting international trends (Boston, p8), this change was implemented due to a number of pressures. These perceived and real pressures included: (i) large budget deficits; (ii) increasing unemployment and low economic growth; (iii) neo-liberal pressure suggesting that social assistance was poorly

³ Saliently the 1938 Social Security Act introduced sickness and unemployment benefits and extended benefits for the aged (Jones, 1997, p37).

targeted, that the replacement rate⁴ was too small, and that the state should be providing no more than a ‘modest safety net’; and (iv) the desire to strengthen work incentives (ibid, p11-13; Jones, 1997, p2).

Significant direct features of these reforms included: (i) reductions in benefit rates and the tightening of eligibility criteria; (ii) major changes in state social assistance (especially in housing and healthcare); and (iii) a greater emphasis on targeting (Boston, 1999, p2). Boston summarises the social policy changes as having direct initial effects on a loss of confidence in the political system, leading to a rejection of the first-past-the-post electoral system; (ii) widening economic inequality; and (iii) increased sense of social exclusion and alienation for the poor (p16).

The economic effects of the reforms have been mixed (and contentious⁵). Stephens writes that the New Zealand reforms did little to halt the increase in the number of people reliant on benefits (1999, p255). The reforms (in particular the reduction in benefit rates and the resultant increase in the replacement rate) may have increased aggregate labour supply (Maloney, 1997, p65; 2000; p427), but occurred without a compensating increase in labour demand and thus *increased* the official unemployment rate (Maloney, 2002, p273).

By 1993/94 the revolutionary zeal accompanying the first social policy changes had begun to dissipate, and some of the more contentious changes were reversed by subsequent New Zealand governments (Boston, 1999, p16-17). However, there can be no denying that the New Zealand welfare state was fundamentally different to what it had been before the reforms (ibid, p17). As Knutson observed, low inflation had replaced full employment as the primary economic goal (1998, p17). The welfare state was still present, but radically altered. As Boston summarises, three fundamental changes were clear: (i) a reduction in the state’s role as provider of services; (ii) increased targeting of

⁴ The replacement rate is the gap between benefit rates and net wages.

⁵ Midgley argues (in the US in this case) “just how difficult it is to reach final conclusions about the impact of welfare reform” (2001, p289).

social assistance; and (iii) assistance that was less generous to people experiencing a permanent or temporary loss of income (p17-18).

Welfare, Migration, Location and Rural Areas

Welfare is rarely discussed in a solely geographical context. Typically welfare policies and instruments are designed nationally, to be applied anywhere in the country. On the face of it, where beneficiaries live, and their movement patterns, should be irrelevant to welfare policy. However, it often comes as a surprise that the poor (including welfare recipients) are very mobile – often substantially more than the non-poor (Nord, Luloof & Jensen, 1995, p410; Wulff & Bell, 1997, p vii). Hence, far from being irrelevant, there is in fact evidence of an emerging welfare geography and as such, internal migration becomes one of several possible responses to welfare reform. Attempts to reduce the level of welfare can actually encourage beneficiaries to move away from the main urban areas – certainly, as Morrison and Waldegrave have noted, “changes in welfare regimes are unlikely to be geographically neutral” (2002, p101).

The way welfare and migration are linked depends on who has control over the delivery of welfare assistance. In the United States, where individual states can determine their own welfare entitlements, some states with high benefit levels become ‘welfare magnets’ and attract beneficiary migrants from other parts of the country. In countries such as Australia and New Zealand welfare policy and entitlements have been established centrally and applied uniformly across the country – meaning that any given benefit is portable from one location to another within the nation. Under this type of regime it is *differences in the cost of living* that influence the migration of the poor and welfare recipients (Morrison & Waldegrave, 2002, p101).

US research has shown that the poor are geographically mobile, but not simply in response to inter-state differences in welfare entitlements. Fitchen (1995), for example, has shown that cheaper housing was *the* primary motivator for a depressed rural community in upstate New York becoming a destination for poor migrants from urban

and other rural communities.⁶ This movement created increases in poverty, welfare rolls, and service needs for the affected community. The primary importance of cheaper housing as an attractor for US urban to rural migration has also been shown by Schachter, Jensen and Cornwell (1998) in a study of migration to rural Pennsylvania.

Even in the case of the of the US welfare magnet hypothesis, the empirical evidence has been mixed at best (Bailey, 2003, p1; Hugo & Bell, 1998, p127-128). Additionally the model becomes complex as US states with higher welfare payments tend to be states with more employment opportunities – making it hard to disentangle the direction of causation (Wulff & Bell, 1997, p14-15). What is clear from the US research however is that the poor migrate regionally for a variety of reasons; as Kaestner, Kaushal and Van Ryzin write, “migration decisions are typically modelled as the result of a cost-benefit analysis” (2003, p359). Thus, the poor and welfare recipients may relocate on the basis of increased welfare payments, *and* greater economic and employment opportunities (Gensler, 1996; Kaestner, Kaushal & Van Ryzin). However, in addition, social factors such as family and cultural ties, a sense of community, and safety factors cannot be ignored as migration motivators (Bailey, 2003, p18; Fitchen, 1995, p193; Schram, Nitz & Krueger, 1998, p4).

The influence of national-level welfare reform on the movement of the poor has received a lot of attention in the US. These reforms,⁷ which in general have made welfare less attractive, have had the intended effect of motivating the poor and welfare recipients to relocate in search of greater economic opportunities and employment (Kaestner, Kaushal & Van Ryzin, 2003, p357).

Australian research has also identified the highly mobile nature of low-income individuals and families. Fincher & Wulff (1998, cited in Morrison & Waldegrave, 2002, p89) identified how many low-income households were attracted to rural areas where

⁶ Lack of employment opportunity was not a significant limiting factor as most migrants would have found it hard to obtain and keep a job anyway (Fitchen, 1995, p181).

⁷ These US reforms in the mid 1990's introduced work requirements, sanctions for non-compliance, and benefit time limits for welfare recipients (Rural Policy Research Institute, 2001, p5).

housing costs were cheaper and/or waiting lists for cheaper public housing were shorter. They also identified how households reliant on the unemployment benefit, sole parent's pension, or low wages, are significantly more likely to make multiple counter-urbanisation moves. The finding that Australian beneficiaries have substantially higher rates of inter-regional migration was also supported by Hugo and Bell (1998) in their summary of research looking at welfare-led migration to rural areas.

In New Zealand Waldegrave and Stuart (1997) looked at the effect of the 1991 reforms on the migration of low-income families to smaller rural towns in the Wairarapa. These reforms reduced beneficiary income while also increasing rents on state houses. Their research suggests that the reforms prompted some beneficiaries to move from urban areas to smaller rural towns seeking primarily reduced housing and land costs.⁸ Waldegrave and Stuart also identified that many households that were not drawing benefits in their last urban area, became welfare recipients in the smaller rural towns (p26).

What was not clear from the small sample research of Waldegrave and Stuart was *how much* of the beneficiary migration could be attributed to the reforms. To investigate the net effects of benefit cuts and housing assistance changes on the relocation/migration behaviour of beneficiaries, Morrison and Waldegrave (2002) analysed the much larger set of census migration data from the Wellington Region. Their results suggested that beneficiaries increased their mobility rates absolutely *and* relatively to non-beneficiaries after the 1991 reforms. However, the suggestion that beneficiaries were more likely to show increased *urban to rural* migration relative to non-beneficiaries was not supported. The exception to this was for beneficiaries living in former state housing who experienced a compounded effect of benefit cuts *and* rent increases; a situation that did prompt increased urban-rural migration.

To summarise, welfare policy is typically designed irrespective of the settlement geography that prevails in a country. It is clear however that if responsibility for welfare

⁸ Other motivations for movement also included lifestyle reasons, personal ties to destination and retirement (Waldegrave & Stuart, 1997, p25).

is devolved, geographic differences in welfare provision are created and this in turn affects the spatial distribution of beneficiaries. In the US case, state-directed welfare policies produce differential welfare rates across the nation. These, in turn, can generate migration effects even after controlling for differences in economic and employment opportunities from state to state. On the other hand, in Australia and New Zealand, where welfare entitlements are set nationally and are therefore portable across the country, it is not any spatial variation in regulation that redistributes the beneficiary population, but the uneven costs of living across the country. In Australia and New Zealand the desire to seek an improved standard of living (in particular through lower housing and land costs) can be a primary motivator for the migration patterns of beneficiaries.

Considerable US research has been conducted on the impact of welfare reform on rural areas. Whitener, Gibbs & Kusmin, for example, summarise the US welfare reform agenda as producing a less positive picture for rural areas – especially the poorest and most remote areas (2003, p4). Characteristics of affected rural areas include: (i) a different structure of rural labour markets with higher unemployment and underemployment, seasonal employment, and reduced prospects of upward mobility and promotion; (ii) low population densities meaning commuting distances are greater and people have an increased reliance on private transport; (iii) an inaccessibility of key social and education services; (iv) reduced childcare options; and (v) the fact that rural areas/small towns are attractive to welfare recipients seeking lower living costs (Rural Policy Research Institute, 2001; Whitener, Gibbs & Kusmin, 2003).

In summary, while rural areas may become relatively attractive to unemployment beneficiaries if reforms raise relative costs of urban living, vulnerability to increased or perpetuated unemployment is greater in rural areas due to reduced work opportunities, greater barriers to employment, and fewer options to replace welfare (Pindus, 2001, p1).

A Spatial Focus on Welfare Provision

Regional variations in the character of labour demand and supply have generated several debates over the spatial specificity of welfare assistance. The United Kingdom's 'New Deal', first implemented in 1998, was a flagship social programme of the Labour Government that presents an interesting international case in examining the merits of spatially-focused welfare provision. The New Deal introduced a number of specific programmes to equip the long-term unemployed to better compete in the labour market. These included intensive job searching, careers advice and guidance, subsidised work placements and other work experience programmes, and full-time education and training (Turok & Webster, 1998, p310). Although informed by the presence of uneven regional development, as a policy the New Deal largely lacked a spatial dimension as such and was applied relatively uniformly across the country (ibid, p322). There was one exception to this – the creation of five 'Employment Zones' or areas of very high long-term unemployment. These zones offered the long-term unemployed living in these areas a slightly wider range of options than generally available under the New Deal – supply-side incentives including greater scope for education and training, business planning assistance, and enhanced work experience options (ibid). Turok and Webster promote the need for these spatially focussed elements of the New Deal, but argue that influencing the character of labour supply (enhancing the motivations and skills of the unemployed) *must also* be accompanied by employment programmes to *increase the demand for labour* in these areas (ibid, p310). They argue that a fundamental weakness of the New Deal has been its failure to take into account the true varied nature of the state of labour demand across the United Kingdom (ibid).

The view of Turok and Webster is contested by Adams, Greig and McQuaid who argue that spatial priorities focused on the United Kingdom's most deprived areas (such as the five 'Employment Zones') should not be allowed to supersede the *needs of the individual job-seeker* (2001, p236). They argue that there is limited evidence that place of residence actually *caused* any given individual to become and stay unemployed, and found that a typical successful job-seeker was *not* characterised by location factors, but more by

individual traits – such as level of education, skills, age, period of unemployment, willingness to accept temporary/part-time work, and access to private transport (p245-246). Hence, they argue that the “spatial focus in the New Deal is likely to be less important in achieving policy aims than the focus on target groups of unemployed persons, *irrespective of place of residence* (p245, my emphasis). The debate, popularly known as the ‘people versus place’ debate, became particularly vigorous as the UK focussed increasing attention to the ‘socially excluded’.

Regardless of place, research into the implications of social welfare reform has also focused on the broader effects on economic development, the improvement of living standards and the reduction of poverty. The next section briefly traces some of the important wider issues when evaluating the impacts of welfare reform.

Welfare Reform, Work and Development

US research into the effects of national welfare reform (which introduced work obligations for beneficiaries, sanctions for non-compliance, and benefit time limits) has been a major focus of social policy investigation since the early 1990’s. Midgley (2001) presents an interesting summary of this research, arguing that the impact of US welfare reform on national and local economic development has been minimal (p284). He claims that US research has cast significant doubt on many popular assumptions around the interaction of work, welfare and development (ibid, p289); important considerations when evaluating welfare and employment programmes and the effects of changes to welfare regimes. Midgley claims that welfare reform does not significantly reduce the poverty of low-income earners, promote economic growth, or lift welfare leavers into significantly higher echelons of standard of living. He argues that welfare leavers remain on the margins of the productive economy, still struggling to make ends meet and lift themselves out of poverty (p290). Midgley argues that this is due in part to the low average wages earned by welfare leavers, but also due to the fact that many welfare leavers end up working intermittingly (and often returning to welfare) (p291).

Midgley (2001) also reviews the assumption that welfare reform promotes a transition from economic idleness to remunerative employment, noting that welfare recipients are not economically inactive in the first place. Rather, welfare recipients earn substantial amounts of undeclared income, supporting the view that “poor people are, in fact, entrepreneurial” (ibid). Additionally, Midgley writes that the declared income of beneficiaries and other low-income earners is often augmented with child support payments from partners, gifts, loans, and barter/in-kind assistance from family, friends and community (p291). He argues nevertheless that these additional income streams are still at levels too low to lift households out of poverty (ibid).

Summary

As states reform their welfare regimes it is by definition very low-income earners who are most directly affected. In New Zealand where the unemployment benefit has traditionally been portable, there is evidence that welfare reform has had a geographic impact by contributing to the migration of low-income earners out of urban areas and into rural areas where living costs are lower. The evidence suggests that rural areas can become attractive destinations for unemployment beneficiaries – especially when reforms raise the relative costs of living in urban areas. However, vulnerability in rural areas can be increased through decreased demand for labour, greater barriers to employment, and overall fewer options to replace welfare – characteristics of rural areas that have led to calls by some for a spatial focus on welfare provision.

In early 2004, New Zealand introduced the limited employment location (LEL) policy which was designed to restrict unemployment beneficiary migration into 259, mostly small and rural, communities across the country. The presence of these ‘no go zones’, as they have been labelled by the media, has effectively placed restrictions on the portability of the unemployment benefit to these areas of the country where demand for labour can be demonstrated to be below a given threshold. The LEL policy represents a unique attempt to use geographic restrictions on the residency of beneficiaries as an instrument

of welfare and employment policy, and therefore constitutes an important test-case in welfare reform internationally. I now detail the LEL policy itself.

CHAPTER THREE – THE LIMITED EMPLOYMENT LOCATION POLICY

The introduction of the LEL policy constitutes an experiment by the current Labour Government to use geography as an explicit instrument in getting more unemployment beneficiaries (back) into paid work. This chapter will introduce the background, construction, application and motivations of the policy, as well as the initial reactions to the initiative. Secondly, the macro-context in which the policy has been developed will be outlined. National labour market trends provide an important context within which to understand the broader welfare-to-work social policies of the New Zealand government – including the current Jobs Jolt package within which the LEL policy is situated.

Policy Background

The LEL policy was formally introduced in February 2004. The policy was designed to be applied to UB recipients who choose to move to a location identified by the Ministry of Social Development (MSD) as a LEL. The policy states that if a UB recipient is unable to meet their work test obligations following such a move⁹ (principally if they do not have access to reliable transport so that they can seek, and take up, paid work), then they may lose their entitlement to their benefit following the end of a sanction process (MSD, 2004a, p7; 2005, personal communication).¹⁰

Although introduced as a new initiative, much of what is called the LEL policy was present in a preceding Remote Area policy. The first formal guidelines on administering the Remote Area policy were issued to Department of Social Welfare district offices in 1982. Prior to this, the policy was interpreted and applied inconsistently in an ‘ad hoc’ fashion across the country (McKenzie, 2001). These formal guidelines were introduced

⁹ Work test obligations apply once an individual is in receipt of a benefit of some form – they include the key obligation of being available for, and taking reasonable steps to obtain, suitable employment (Work and Income, 2004a, p1).

¹⁰ After failing a work test three times from remaining in an LEL, benefits can be cancelled (MSD, 2003a, p7).

mainly as a preventative measure (Morrison, 2002, p100) resulting from concerns that in the 1980's, without such a policy, people might effectively 'retire' in rural areas while on the UB, and that social tensions might be created as UB recipients moved to isolated rural communities to which they had no social connections (Grant, 1984a, p3). In 1997 the Remote Area policy was described by the Social Security Appeal Authority in the following manner:

The intent of the act is to dissuade movement of beneficiaries from existing labour markets to 'remote areas' for 'lifestyle' reasons. The act does not deny the right to live in such areas only that the benefit will be granted as long as the applicant is a long-standing resident in the area (two years or more), has been previously in paid employment and lost their job through no fault of their own, and cannot reasonably be expected to relocate to an area with greater employment opportunities or has returned to a remote area because of family connections or family land (Social Security Appeal Authority, 1997, in Morrison & Waldegrave, 2002, p100).

Despite the formal guidelines issued in 1982 and clarifications emanating from the Social Security Appeal Authority, there was ongoing concern that the Remote Areas policy was still being applied inconsistently across the country (MSD, 2005, personal communication). This concern was a key reason for the introduction in early 2004 of the current LEL policy – a repackaging of the old Remote Areas policy as one part of the broader Jobs Jolt package of welfare and employment programmes. The LEL policy strived for greater clarity and consistency by providing specific implementation guidelines and procedures for Work and Income case managers. The list of LELs will therefore be renewed annually, and individual locations can be reviewed at other times if the local employment situation changes (MSD, 2004a, p1). The list of all LELs for the 2004/2005 financial year is given in Appendix 1.¹¹

The Construction of LELs

It is the construction of specific LEL locations that constitutes the most significant departure of the LEL initiative from the previous Remote Area policy. The three key

¹¹ As of June 2005, no updated list of LELs had been provided by MSD for the 2005/2006 financial year.

criteria used by MSD in the identification of LELs included: (i) limited availability of work; (ii) lack of seasonal work expected over the next year; (iii) lack of public transport to take commuters out of LELs (MSD, 2004a, p1)

Identifying targeted areas as LELs took some considerable time. Initially it was proposed that *entire regions* (such as Northland, East Cape and the West Coast) would be labelled limited employment locations (Work and Income, 2005, personal communication; Milne & Lowe, 2004, pA3, emphasis added). This idea, however, was soon dropped in favour of much smaller individual communities. MSD base data and community names originally sourced from New Zealand Post were then used to determine initial locations (Hughes, 2004, p2). The Minister of Social Development and Employment then approved the LEL selection criteria and the community names were then provided to Work and Income Regional Commissioners who used the criteria, their regional knowledge, and local job placement data to prepare a draft list of LELs. This draft list was then reassessed by MSD to ensure nationwide consistency, approved by the Minister in October 2003, and prepared for stakeholder consultation. Regional Commissioners then consulted with affected mayors who in-turn were charged with consulting with their communities. Consultation also occurred during this time with beneficiary advocacy groups (no feedback was received), and the Mayors' Taskforce for Jobs and Local Government New Zealand. The list was then released to Labour Party MPs to consult with their electorates. From this consultation, and further feedback received from affected mayors, some communities were excluded¹² and the final list was issued on February 26th 2004 (ibid, p4). Additional criteria that were also taken into account during the identification of LELs was (i) the number of UB clients living in LELs and (ii) local job placement data (less than five employment placements from that community over the last year was an important benchmark for LEL categorisation) (MSD, 2005, personal communication).

The list of LELs for the 2004/05 fiscal year included 259 communities across New Zealand. Work and Income districts that encompassed more than 10 LELs included:

¹² As were the North Island communities affected by the early 2004 floods (Hughes, 2004, p4).

Buller (15), the Far North (13), Grey (11), Hastings (12), Rotorua (15), Tasman (23), Taupo (15), Thames-Coromandel (23), Waitomo (11) and Westland (11) (MSD, 2004c). Nationally, the numbers of UB recipients living in these, mostly very small, rural communities totalled 738 as of 1 April 2005,¹³ constituting approximately 1.34 percent of the 54,936 UB recipients in New Zealand at this time (MSD, 2005a, p1; MSD, 2005, personal communication).

Applying the LEL Policy

It is important to note that when the policy was introduced, it was not aimed at those UB recipients *currently living* in LELs. Rather it was to be applied to UB recipients who *move* to a LEL and, in an attempt to dissuade movement, explained to UB recipients who notify Work and Income that they are considering a move to a LEL (MSD, 2003a, p7). Following a move to a LEL, UB recipients are assessed on a case-by-case basis (Hansard, 3 March 2004) and in order to retain their benefit must demonstrate that they have access to reliable transport, and are willing, and realistically able, to commute to a non-LEL where employment is more readily available. If UB recipients do not meet these work-test obligations then their benefit may be suspended or cancelled following the end of a sanction process (MSD, 2003a, p7).

MSD recognises that movement to a LEL can be for a number of reasons (including escaping a difficult domestic situation, seeking lower housing and living costs,¹⁴ owning property in the LEL, caring for a sick relative, and for ‘cultural’ reasons) (MSD, 2003a, p7). MSD also acknowledges that movement, more generally, is considerably influenced by cultural and personal factors – including quality of life and, for Maori, hapu and iwi connections (Ministry of Economic Development/MSD/Department of Labour, 2003,

¹³ Other figures provided by MSD show that the numbers of UB recipients living in New Zealand LELs totalled 1201 in November 2003 and 831 in November 2004; indicating that the numbers of UB recipients living in LELs has been falling (MSD, 2005, personal communication).

¹⁴ During the LEL policy development phase, questions were raised that the policy would constrain valid movement to rural areas aiming at seeking lower living costs. However, MSD argued that the existence of hundreds of other rural, non-LEL, communities across New Zealand provided permissible alternative destinations for individuals seeking lower living costs (MSD, 2005, personal communication).

p28;31). However, none of these reasons affect the requirement to demonstrate that a UB recipient is meeting the work-test obligations (ibid). Ethnically the policy applies on a one-rule-for-all basis (Hansard, 18 February 2004). In January 2004, the Social Security Appeal Authority (following a dismissed appeal to the Authority when the appellant's UB was cancelled after a move to a LEL) clarified the application of the LEL policy in the following manner:

Whist there will always be reasons for people to move from one area to another and on occasion it may be the case that an individual has good reasons for moving to an area with fewer job opportunities, in this particular case we note that the appellant has no *particular long-term association* [despite the appellant owning land in the LEL] with the township and the job opportunities are dramatically fewer in the area he has moved to than in the area he has moved from (Social Security Appeal Authority, 2004, p4, emphasis added).

Motivations of the LEL Policy

Policy documents and interviews with MSD and Work and Income New Zealand staff reveal that the LEL initiative is driven by a number of primary and secondary motivations. Fundamentally the policy aims to get more New Zealanders into employment through ensuring that job-seekers are in the right place to take advantage of employment opportunities (MSD, 2004a, p1; 2004b, p1). Key motivations of the LEL policy will be expanded below.

Getting more New Zealanders into jobs

Getting an increased number of New Zealanders into jobs is the primary focus of the entire Jobs Jolt package (MSD, 2004b, p1). To this end, additional primary policy motivators of the LEL initiative include the desire to *decrease the overall unemployment rate* and to ensure that there are *adequate numbers of job seekers available at times of very low unemployment and skill shortages* (MSD, 2004d, p2, emphasis added).

Influencing location and internal movement

An explicit primary motivation of the LEL policy is “*encouraging job seekers to live in an area where they have a good chance of finding work*” (MSD, 2004a, p1); to be “in the right place at the right time to take advantage of growing employment opportunities” (ibid). More specifically, according to the Minister of Social Development, the policy is designed to “encourage people to seek work in locations where there are good job options [and also], *to discourage people from moving to locations where few opportunities exist for them*” (Hansard, 18 February 2004). Hence, it is clear that the policy is aimed at both *encouraging movement to non-LELs*, and *discouraging movement to LELs*. More correctly, however, the policy is not aimed at discouraging *all* movement to LELs – rather it is aimed at *discouraging movement to LELs of people who cannot support themselves* (beneficiaries) (Social Security Appeal Authority, 2004, p5; MSD, 2005, personal communication). It is also important to recognise that the policy is not explicitly aimed at encouraging the *out* migration of existing UB recipients living in LELs (MSD, 2005, personal communication).

It is noteworthy that while internal MSD documents and parliamentary debates clearly communicate that the policy intended to both encourage movement to non-LELs *and* discourage (beneficiary) movement to LELs, public information on the LEL policy (such as press releases and MSD website information) *focuses principally* on how the policy encourages movement to non-LELs. This public information does not focus on how the policy discourages movement to LELs – perhaps a strategy designed to deflect inevitable media attention on this aspect of the policy. Such movement to LELs can of course be for a number of reasons – including seeking lower housing costs and the existence of social and cultural ties.

A secondary motivator of the LEL policy is ensuring that *no UB clients are funded for a ‘lifestyle’ decision to move to, and live in, a LEL* (Hansard, 4 March 2004, emphasis added). A decision that MSD associates with work avoidance and movement to areas with limited work opportunities (ibid).

Creating ‘clear and strong expectations’

The LEL policy is one of three initiatives that fall under the broader Jobs Jolt programme of *‘creating clear and strong expectations’*. This aims to send an explicit and strong message about the responsibilities of UB recipients, and all beneficiaries generally, as MSD clients – in particular the importance of being available for, and taking reasonable steps to obtain, suitable employment (Work and Income, 2004a, p1). The ‘clear and strong expectations’ programme also aims to establish more robust and consistent responses to work test failures – in particular on strengthening and automating Work and Income operational processes for responding to work test breaches, including imposing sanctions on those who move to LEL areas (MSD, 2003b, p1). According to MSD, the ‘clear and strong expectations’ programme is a response to criticism that the previous system sent ambiguous signals to MSD clients and was soft on sending messages about responsibilities (ibid).

Applying clarity and consistency

The LEL policy also aims to provide *clarity, consistency and ‘fairness’* in the application of what was an existing policy applied inconsistently across New Zealand (the Remote Area initiative) (MSD, 2005, personal communication). Thus, Work and Income district offices have been provided with specific operational guidelines, as well as a list of LEL communities, to help in the administration of the policy.

Ensuring those currently living in LELs are not disadvantaged

According to the Minister of Social Development, an additional motivator of the LEL policy is to *“ensure local people already living in locations where there are limited opportunities are not further disadvantaged by job seekers moving in”* (Hansard, 18 February 2004). This has been identified by MSD as being a policy motivator of secondary importance (MSD, 2005, personal communication). The need to maintain the status quo in communities with limited employment prospects was recognised by the then

Department of Social Welfare as early as 1984, when it reported that an influx of beneficiaries with no existing social connections to small communities could create significant social tension (Grant, 1984a, p3).

Creating savings

While not a primary motivator of the LEL policy, it is expected that, as part of the greater ‘creating clear and strong expectations’ programme, some *savings will be created* – expected primarily as UB recipients move into employment. While savings expected from the LEL policy will be minimal, it is forecast that savings from the ‘clear and strong expectations’ programme will be much more significant (MSD, 2005, personal communication). It is expected that savings from the clear and strong expectations programme will be \$28.6 million from 2003/04 – 2007/08; 31% of the total savings expected from the whole Jobs Jolt package (MSD, 2003b, p2;4).

Initial Reaction to the Policy

The LEL policy received extensive popular press coverage in early 2004. Overall, the press coverage reflected the mixed reaction to the policy across New Zealand. Key themes that emerged included: (i) the detrimental implications of labelling or ‘blacklisting’ a community a ‘no-go-zone’ – or by extension a ‘jobless’ or ‘economically dead zone’ (Claridge, 2004, p2; Fraser, 2004; Lowe, 2004, pA8; Milne & Lowe, 2004, pA3; The New Zealand Herald, 2004a; The Southland Times, 2004); (ii) contesting the selection of LEL communities and the rigour of the selection process, and critiquing the community consultation process during development of the policy (Knight, 2004, pA9; Milne, 2004, pA8; Stuff, 2004; Tyler, 2004, p5); (iii) focusing on how the policy was not new, but rather an act of packaging or ‘political pandering’ (Clifton, 2003, p14-15; The Dominion Post, 2004, p4); and (iv) raising concerns that the policy might disadvantage Maori looking to return to their ancestral lands (The New Zealand Herald, 2004a; Stuff, 2004). On the other hand, some press coverage focused on how the policy was a positive initiative that would help in getting people into work and in addressing skill

shortages (Cull, 2004, p1; Manson & Dewes, 2004, pA3; The Nelson Mail, 2004; The New Zealand Herald, 2004b; Northland News, 2004).

The New Zealand Green Party was especially vocal in its opposition to the LEL policy. The Greens felt that the LEL policy: (i) would create a negative label for many already struggling small communities – condemning these communities to the ‘economic scrapheap’; (ii) was an act of ‘crude social engineering’; (iii) abrogated the Treaty of Waitangi by denying Maori UB recipients the chance to return to their ancestral lands; (iv) was based on limited consultation with affected communities; and (v) was an act of political pandering aimed at picking up votes from middle-class New Zealand (Bradford, 2003; 2004a, p1 & 2004b, p1).

The LEL policy was introduced during a period of falling unemployment, accompanying skill shortages, and increasing labour force participation rates; a context that is very important in understanding the key motivations of the LEL policy. The macro context that the policy is placed in is expanded in the next section.

The Macro Context

At the end of the March 2005 quarter the New Zealand unemployment rate was 3.9 percent – the third lowest level ever recorded by the Household Labour Force Survey (Statistics New Zealand, 2005a). This represented an 0.3 percent increase from 3.6 percent in the December 2004 quarter – at the time the lowest level in the OECD (Statistics New Zealand, 2005b, p1:3). Figure 1 below shows a time series of the New Zealand unemployment rate and labour force participation rate, and identifies that during the last six years there has been an extension of the overall fall in the unemployment rate that has been occurring since 1991 (despite an increase from 1996 to late 1998), and that the labour force participation rate has been rising accordingly. At the end of the March 2005 quarter New Zealand had the highest level of employment ever recorded (Statistics New Zealand, 2005a).

Figure 1. New Zealand Unemployment and Labour Force Participation Rates, 1986-2004



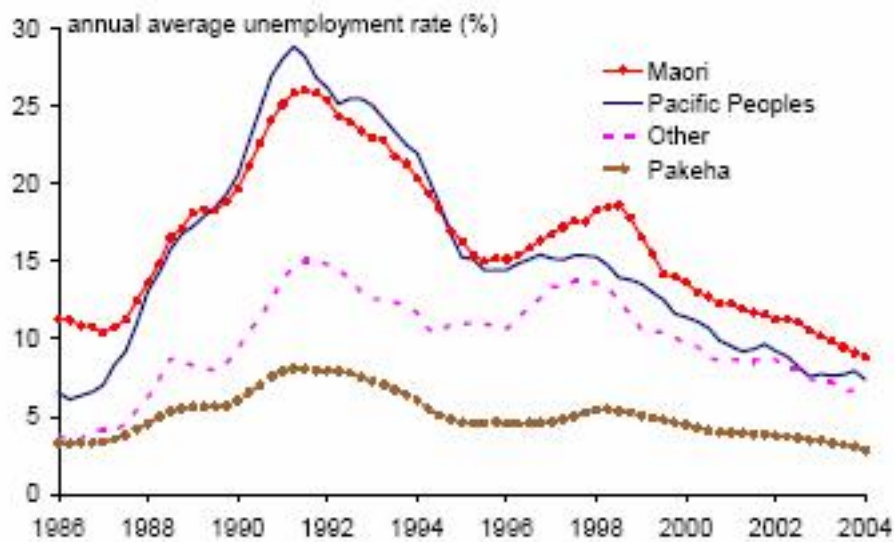
Source: Department of Labour, 2005, p3

New Zealand's current level of very low unemployment, and the accompanying situation of skill shortages faced by some sectors of the New Zealand economy, presents a unique environment in which the LEL policy is applied. According to MSD, the current strong economy and work environment is providing New Zealanders with increased employment opportunities (MSD, 2004b, p1). As the New Zealand economy operates close to capacity (Department of Labour, 2005, p1) the new challenge for MSD is "no longer finding jobs for the workers, it is providing workers for the jobs" (MSD, 2005, p2). Very low unemployment means that those remaining on the UB are perhaps the least skilled, motivated, and employable, and when remaining UB recipients locate in areas of limited employment opportunity they become even less likely to be employed.

While New Zealand's overall unemployment rate is currently low, both Maori and Pacific Islander groups have experienced, and currently continue to experience, a much higher rate of unemployment than New Zealand's Pakeha/European population. This is illustrated in Figure 2 below. This graph also identifies that the gap between the

unemployment rates of the European/Pakeha group and that of Maori and Pacific Islander groups has been narrowing from a gap of approximately 20 percentage points in 1991.

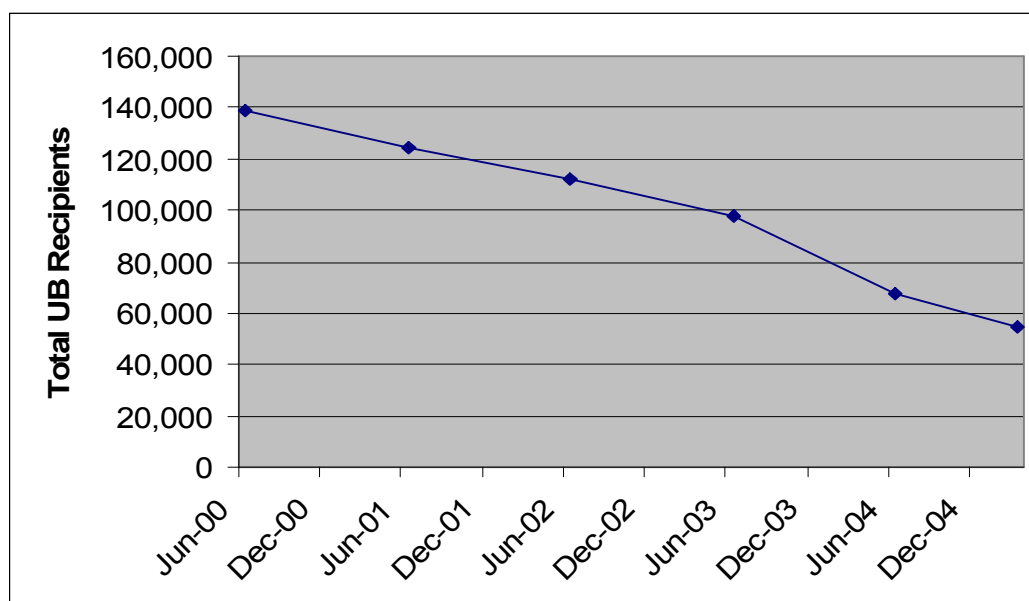
Figure 2. New Zealand Unemployment Rate, by Ethnicity, 1986-2004



Source: Department of Labour, 2005, p5

In terms of the *absolute numbers* of UB recipients, latest available figures (as of 31 March 2005) identify that 54,936 individuals were *drawing unemployment benefits* from Work and Income, the lowest figure in nearly 20 years (MSD, 2005a, p1; MSD, 2005b, p1). This figure represents a fall of approximately 20,000 over the last year, and a fall of approximately 85,000 over the last five years (ibid). The time series in Figure 3 below identifies the falling numbers of total UB recipients (those actually drawing the unemployment benefit from Work and Income New Zealand) over the last five years.

Figure 3. Total Number of UB Recipients, 2000-2005



Source: MSD, 2005a, p1; MSD; 2004e, p29

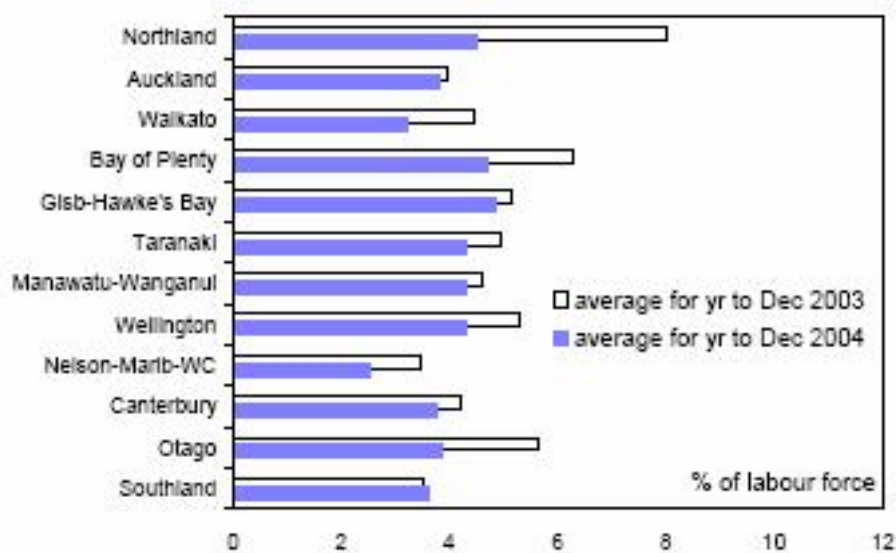
According to MSD the large drop in the total numbers of UB recipients has meant that the government has now been able to focus on attempts to get the *long-term* unemployed¹⁵ (as well as the growing number of sickness and invalid beneficiaries) into work (MSD, 2005a, p1). The falling numbers of UB recipients also suggests that the *current context* that the LEL policy is placed in is quite different to *when the LEL policy was developed and introduced* (at a time when over 20,000 more individuals were drawing unemployment benefits) – creating a need to review the policy in relation to the current economic context.

Regional variations are also characteristic of the unemployment situation in New Zealand. Traditionally, the areas of Northland and Bay of Plenty have experienced the highest rates of unemployment in the country (Department of Labour, 2005, p4) – reflected in the fact that these regions now contain a large number of LEL communities.

¹⁵ 27.4 percent of *current* working age UB recipients have been drawing benefits for between 1-4 years; 15.6 percent for between 4-10 years; and 0.8 percent for 10 years or more (MSD, 2005b, p3).

Figure 4 below identifies these regional variations in the unemployment rate in 2003 and 2004, and shows that the Gisborne-Hawke's Bay Region has now claimed the unwanted mantle of New Zealand's highest regional annual unemployment rate in New Zealand (4.8 percent) (ibid) – followed by the Bay of Plenty and Northland regions. Chapter Six will highlight the changing unemployment rate in the Bay of Plenty Region and Opotiki District – the case study district of the current research.

Figure 4. New Zealand Annual Unemployment Rate, by Region, 2003 and 2004



Source: Department of Labour, 2005, p4

Welfare-to-work policy, the Jobs Jolt package, and people and place-based policies

The current Labour Government has extended a 'work-focused' or 'welfare-to-work' approach to welfare reform first adopted by New Zealand in the early 1990's (Strathdee, 2004, p70). The welfare-to-work agenda aims to encourage individuals to do more to help themselves into work (ibid, p61), and constitutes the broader policy framework in which the LEL policy is placed. For example, Work and Income now enforces a work-test (established by the previous National Government) and outlines new obligations that the unemployed must meet to receive their benefits. These 'mutual responsibilities' are

outlined in individualised ‘Job Seeker Agreements’, and if beneficiaries do not comply with these agreements they face benefit sanctions (ibid). Strathdee argues that such social welfare policy has been influenced significantly by the ‘work-first’ or ‘workfare’ approaches adopted in the US and Canada;¹⁶ programmes which encourage welfare beneficiaries to become ‘work ready’, and adopt pro-work attitudes and values (ibid, p62). While New Zealand has not adopted a fully-fledged workfare system,¹⁷ work-first welfare has promoted the contractual and reciprocal responsibilities seen in Job Seeker Agreements and other aspects of social welfare policy such as the LEL policy and broader Jobs Jolt package, and has been influenced by the New Zealand Government’s refusal to accept unemployment as a lifestyle option (ibid).

New Zealand’s ‘work-focused’ or ‘welfare-to-work’ approach to welfare reform is evident in 2004’s flagship Jobs Jolt package of welfare and employment programmes (of which the LEL policy is just one part). The Jobs Jolt package is a collection of programmes created by MSD, during a climate of falling unemployment and skill shortages, to attempt to “get as many people as possible into work” (MSD, 2004b, p1); initiatives that focus on assisting remaining unemployment beneficiaries and others not in the labour force into work. Jobs Jolt programmes focus on working more effectively with jobseekers, skills development, and partnering with employers. Programmes include: (i) employment coaching; (ii) the Mayors’ Taskforce for Jobs; (iii) extra help for the long-term unemployed; (iv) job partnerships with industry; (v) initiatives for mature workers and for those on sickness and invalid benefits; (vi) mobile employment services; (vi) supporting sole parents into work; and (vii) creating ‘clear and strong expectations’ (ibid). Strathdee writes the Jobs Jolt programmes, and especially the LEL policy and initiatives aimed at older workers, are designed to increase labour market attachment to areas with better employment prospects (2004, p70).

¹⁶ Internationally, ‘work-first’ approaches have been credited with cutting welfare roles and associated costs, and “enforcing a vision of the worth ethic commensurate with the realities of the (low wage) labour market” (Peck, 2000, in Strathdee, 2004, p62).

¹⁷ The current Labour Government has actually retrenched the explicit workfare schemes adopted by the National/New Zealand First coalition in the late 1990s, which constituted a major component of that government’s employment strategy (Higgins, 1999, p275). These included the ‘community wage’/work-for-the-dole schemes that are no longer a part of New Zealand welfare policy.

The LEL policy is part of the ‘clear and strong expectations’ programme, which aims to reinforce the message about job seekers’ obligations while on the UB. This programme also includes an initiative that focuses on creating clear rules about how to work effectively with clients seeking to work in industries that carry out pre-employment drug testing, and on creating effective sanction systems for those beneficiaries that fail their work-test obligations (MSD, 2004b, p1).

The LEL policy, thus far, has received limited attention from the academic literature. Henry (2004), however, has attempted to articulate the intent of the policy. He argues that the LEL policy represents part of a continuing interest in shaping the movement and location decisions of beneficiaries within the space of the nation state (p39; 46). Henry argues that this intent marks the overt deployment in New Zealand of spatial strategies of welfare provision – aimed at ‘striating’ the nation state (dividing space to enable the ordering work of the state), and controlling beneficiary access to these spaces through a policy that *assumes* that individual unemployment beneficiaries make calculations of risk and self-interest when making residential decisions (p43-46). He argues that these calculations are couched in terms of “maintaining access to the unemployment benefit vis-à-vis the potential for employment and the cost of living in better job markets [than when compared to LELs]” (p45).

Debate about the merits of the LEL policy, resides within another much larger, classic debate in social policy – the ‘people versus place debate’. The debate is whether in seeking to reduce unemployment levels government funding should be directed into areas, or directed into the training and employment readiness of individuals themselves (Glaeser, 2000). The LEL policy is place-based in a unique way – its purpose is not to provide local jobs but to encourage unemployment beneficiaries to live in, or move to, areas of better employment prospects. The LEL policy as such does not look to influence the character of labour supply by focusing on individuals, although there are many such

initiatives in other parts of the Jobs Jolt package, which is a mixture of place-based and people-based¹⁸ policies.¹⁹

Upcoming change

Two significant upcoming changes may fundamentally affect the application of the LEL policy in practice across New Zealand. Firstly, MSD, in May 2005, will begin a roll-out of the new single core benefit (expected to be fully in operation by April/May 2006) (MSD, 2005, personal communication). Legislation will be drafted and introduced later in 2005, and the new changes will be piloted in 11 Work and Income service centres around New Zealand (MSD, 2005c, p1). The single core benefit will replace the UB, Sickness Benefit, Invalid's Benefit, Domestic Purposes Benefit and Widow's Benefit (Work and Income, 2005, p1), and will establish one set of rates (with add-ons) and one set of eligibility criteria for all beneficiaries previously on these benefits (MSD, 2005c, p1). This change is expected to be the "most significant reforms of New Zealand's welfare system since 1938" (Minister of Social Development, in MSD, 2005c, p2). It is, however, far too early to estimate how the single core benefit may directly affect welfare provision in New Zealand;²⁰ but it will have considerable effects – including potentially on the application of the LEL policy (MSD, 2005, personal communication).²¹

As of June 2005 MSD was also completing the first major rewrite of the Social Security Act since its introduction in 1964, related, in part, to the introduction of the single core benefit (MSD, 2005, personal communication). Currently Section 102 of the Act details

¹⁸ The people-based policies of Jobs Jolt include focus on the long-term unemployed, older workers, those on sickness and invalids benefits, and solo parents.

¹⁹ It is too early to evaluate the impact of the whole Jobs Jolt package (MSD currently has this evaluation underway); although it is clear that unemployment numbers have been steadily falling since the introduction of Jobs Jolt.

²⁰ Although it is expected to simplify procedures, free up case managers' time, and prevent beneficiaries being labeled or pigeon-holed (MSD, 2005, p1).

²¹ A particular critique of opposition parties toward the current Labour Government is that although unemployment numbers have been falling over the last few years, numbers on the Sickness and Invalid's Benefits (non work-tested benefits, meaning that, in some cases, they can provide options for exploitative beneficiaries genuinely not looking to work) especially have increased by a third over the last four years (Watkins, 2005, pA2). The introduction of the single core benefit may mean that analysis of the numbers of Unemployed, Sickness and Invalid's Benefit will be masked to some extent, limiting the potential for this type of critique.

work test obligations for UB recipients – including the key obligation to be available for, and take reasonable steps to obtain, suitable employment. As such the Act does not specify anything about remote areas or limited employment locations. Rather, information regarding the importance of locations of good employment prospects has traditionally emanated from Social Security Appeal Authority rulings and Work and Income operational guidelines. What remains to be seen, is whether the rewrite of the Act *specifically* includes mention of the necessity (for UB recipients currently living in non-LELs) of remaining in areas of good job prospects in the search for employment.

Summary

At a time of very low unemployment, record low levels of absolute numbers of unemployment beneficiaries, accompanying skill shortages, and a high labour force participation rate, the LEL policy aims to encourage *remaining unemployment beneficiaries* into work. One of the key means of doing this is ensuring that UB recipients are living in areas with the best employment prospects, and are discouraged from moving to areas with poorer employment prospects. The LEL policy is therefore an integral part of welfare-to-work agenda that has dominated New Zealand social policy since the early 1990's, and constitutes an extension of the government's association of the right to the unemployment benefit with the *duty* to search for work.

Figures provided by MSD indicate that the numbers of UB recipients living in LELs have fallen 38.6 percent between November 2003 and April 2005 (MSD, 2005, personal communication). However, it is not possible, at this stage, to determine whether this change is a direct result of the LEL policy or whether it merely reflects New Zealand's current strong economy and very low unemployment.

As argued by Henry (2004), the LEL policy assumes that the residential decisions of unemployment beneficiaries are based on calculations of risk and self interest when comparing living in LELs to areas with better employment prospects. However, this is not the only key assumption that the LEL policy makes – and others will be explored in

Chapter Five. Before introducing the assumptions of the LEL policy, it is to the methodology of the study that this report turns to next.

CHAPTER FOUR – RESEARCH METHODOLOGY

The LEL policy has been formally in place for just over one year. It is timely to investigate the motivations behind the policy, assumptions it makes about behaviour, the likely outcomes, and how it may be influencing beneficiary views and behaviour within a case area. Utilising a case-study of Opotiki District in the eastern Bay of Plenty, the research uses semi-structured interviews to identify the behaviour, experience, attitudes, beliefs and motives of those individuals currently on the UB. Analysis of relevant quantitative and qualitative results from a commissioned panel survey in Opotiki District also complements the field study. This chapter outlines the methodology adopted and explains why it was chosen. Secondly, the actual methods used and the field study will then be outlined. The chapter then explores some of the limitations and potential biases of the methods and field study employed.

Methodology and Methods

The study utilises a cross-sectional research design to (i) infer the assumptions that the policy makes about beneficiary behaviour; (ii) compare the inferred behavioural assumptions against actual behaviour and views of unemployment beneficiaries (including LEL residents) in Opotiki District; and (iii) compare the policy motivations against beneficiary behaviour in Opotiki District. The use of both a commissioned panel survey *and* semi-structured interviews allows a fuller picture to emerge than would through the use of either alone.

Textual analysis

It was through the analysis of LEL policy texts²² that I began the first steps in exploring the explicit motivations and inferring the more implicit behavioural assumptions of the LEL policy.²³ My initial analysis was very much a ‘personal reading’ of the various texts. After identifying policy motivations and assumptions, I undertook structured interviews with two key MSD policy developers and a regional Work and Income senior manager. In these interviews I asked a number of specific questions about the LEL policy and its development, and checked and clarified the policy motivations and assumptions that I originally identified. Interviewees were asked to agree or disagree and critique the identified motivations and assumptions, and raise any that might have been missed, as well as categorise the motivations as of primary or secondary importance. My guidelines for these interviews (provided to participants prior to interviews) can be seen at Appendix 2.

Semi-structured interviewing and access to participants

The current research required a depth of insight and understanding about beneficiary behaviour, experience, attitudes, beliefs and motives that was best facilitated by semi-structured interviews aimed at extracting qualitative information; data described by Eyles as producing “descriptions of people’s representations and constructions of what is occurring in their world” (1988, in Robinson, 1998, p409).

Semi-structured interviews, guided by specific themes and a list of specific questions asked in all interviews, were used to explore the reported behaviour and views of unemployment beneficiaries (including LEL residents) in Opotiki District. This enabled me to be flexible and vary interviews in content according to the interests, experience and

²² Including MSD policy documents, reports, website information, operational guidelines, Ministerial advice, internal memorandums, cabinet committee papers, rulings of the Social Security Appeal Authority, personal correspondence to the researcher, and records of parliamentary discussions.

²³ Forbes writes that in the social sciences there are no set methodological guidelines for textual analysis, and that “techniques of critically reading texts are shamelessly eclectic, borrowing practices from both within the discipline of geography and the humanities and social sciences more broadly” (2000, p129;138).

views of each interviewee. The other advantages of this form of interview were that participants could freely express their own views and experiences in their own words, and I could encourage a more wide-ranging discussion, exploring unforeseen avenues and some issues more thoroughly, as well as clarifying uncertainties. Semi-structured interviews also provided a greater scope for richer, detailed testimonies that enabled better insight into experience than I could have obtained from a questionnaire. This type of interview also facilitated sensitive, people-centred, and informal interview environments promoting participants to be free and frank.

Overall, with semi-structured interviews I attempted not to *represent without fail* the worlds of participants, but to *facilitate an understanding* of participants' behaviour, experience, attitudes, beliefs and motives. In the current research semi-structured interviews were the most appropriate method for doing this.

The field study

The field study was conducted in Opotiki District between the 1st and 10th of February 2005, and followed an initial scoping visit in early December 2004. Four principal contacts were used to facilitate access to interviewees. These contacts included a prominent Maori community leader, two of the larger training providers in Opotiki, and a key local (iwi-orientated) social service provider. The advantage of using key contacts in the research was that it enabled the aims and objectives of the research to be communicated to participants before interviews began – acting to create a prepared and positive interview environment. Recommendations also facilitated a sense of credibility and trust – especially important when I was asking questions around sensitive issues with participants.²⁴

Key participants in the field study were UB recipients living in LELs. However, on arrival it was quickly evident that access to a sufficient sample of these beneficiaries,

²⁴ During the field study creating a sense of credibility and trust was *extremely important* – especially as many sensitive questions were asked around participants' welfare benefits and particular personal circumstances.

through recommendations, would be hard to achieve – especially as the numbers of unemployment beneficiaries living in the six LELs in the District numbered only 29 (MSD, 2005, personal communication; November 2004 figures). Therefore, interviews with UB recipients living in other parts of the district (Opotiki Town and other smaller communities) were also held as these individuals represented potential in-migrants to LELs. Interviews with individuals from agencies in day-to-day contact with unemployment beneficiaries likely to be affected by the LEL policy were also conducted. These agencies included training providers, social/employment services providers, and community education groups. Interviews with Opotiki District Council staff, district councillors, and prominent community figures living in (or with close connections to) LELs were also undertaken. In total 29 interviews were conducted.²⁵

Interviews usually lasted between 20 and 40 minutes and proceeded with prior ethical approval, with the participant reading an information sheet, and signing consent. Sample information sheets and consent forms can be seen in Appendix 3. I emphasised the confidential and anonymous nature of interviews throughout. Interviews were guided by specific themes and various questions that were asked to all participants, but all interviews differed in coverage as various issues were explored. All interviews with UB recipients focused on highlighting why individuals lived in their communities, their movement and employment behaviour, livelihood strategies, and experience on welfare. The field-study interview guide can be seen in Appendix 4.

I did not attempt to obtain a representative sample of UB recipients living in LELs or of potential in-migrants to LELs. Rather, under the constraints present, the aim was to obtain access to participants through recommendations to build a sense of trust. The result therefore was an *illustrative* sample of the behaviour and views of UB recipients living in the district.

²⁵ The full list of interviews included: unemployment beneficiaries living in LELs (4); unemployment beneficiaries living in non-LELs (7); training providers and community education groups (6); social/employment services groups (3); community figures living in, or with close connections to, LELs (3); Opotiki District Council staff (2); Opotiki District councillors (3); and others (1).

Immediately after interviews (and throughout the field study) research notes were worked through, organised, and supporting information not originally documented was noted from memory. Upon return from the field study, research notes were organised into a fully presentable, readable, and workable form. Analysis continued by working through this material slowly and systematically; noting ideas, issues and common themes as they emerged. Fundamentally, analysis was a matter of continued re-reading of research notes in the search for commonalities and particularly relevant information. This method is elaborated by Crang (1997).

The panel survey and analysis

In late 2004/early 2005 the Centre for Research Evaluation and Social Assessment (CRESA) commissioned a comprehensive panel survey in Opotiki District.²⁶ This survey asked individuals and households in the district a number of questions (providing quantitative and qualitative data) about community attachment, movement, employment and commuting, education and training, housing, and health. CRESA supplied relevant data from this survey – including survey data from individuals currently on the UB (separated by residents of LELs and non-LELs). This data enabled the movement motivation and community links of UB recipients and the employed/self-employed to be compared. While the survey was non-random and the sample size of UB recipients was very small (totalling eight respondents – five living in non-LELs and three in LELs) this complementary survey does provide useful additional information to the current study. Relevant results of this panel survey are included in Chapter Six.

Limitations and Potential Biases

Research, especially research aimed at extracting qualitative information, inherently presents limitations and potential biases. The positionality of the researcher, individually and in relation to participants, can produce potential bias. Winchester writes that

²⁶ As part of a government funded research programme entitled 'Building Attachment in Communities and Families Affected by Transience and Residential Movement'. This research programme focuses on four communities: Opotiki and Kawerau in Bay of Plenty, Cannons Creek in Porirua, and Amuri in Canterbury.

(geographers in this case) “represent others through their words, but mediated by our own words, knowledge, experience and power” (1998, p129). Hence, it is essential to recognise that the identity and positionality of the researcher shapes interpretations of findings and the representations of the views of others (Baxter & Eyles, 1996, p505). Additionally, it is important to recognise that a researcher’s position of relative power will shape interactions with participants (Valentine, 1997, p113).

A reflexive consideration of how knowledge is produced in interview situations is important in (especially qualitative) research (Baxter & Eyles, p510). It is important to recognise that any research (especially qualitative research) is highly susceptible to subjective biases of the researcher, and is explicitly and implicitly informed by the researcher’s own experiences, aims, and values (Debus, 1995, p3). Katz writes that the “research relationship is a peculiar relationship – unequally initiated, situationally lopsided, temporarily polluted, extrinsic in purpose – it oozes with power” (in Valentine, 1997, p114) – important considerations and recognitions in research extracting qualitative information, and when interpreting texts and attempting to represent the worlds of participants.

Research relying on qualitative information has additional, equally valid, limitations and biases. Firstly, a reliance on typically small samples and case-studies creates reliability and validity problems, limiting the potential for generalisation beyond the case study. Secondly, inherent dangers exist of a researcher making assumptions, misinterpretations, and value-judgements (Valentine, p113).

Limitations and biases also characterised analysis of the CRESA survey and the overall field study. Firstly, the non-random nature of the CRESA area survey of Opotiki District limits the potential for generalising outside of the sample. Secondly, although the CRESA survey sampled 73 individuals that were either employed or self-employed, only eight respondents (five living in non-LELs and three living in LELs) were UB recipients. This very small sample of UB recipients limits both the reliability and validity of any inferences I might draw, and allows only (very) limited comparisons to be made between

the movement motivations and community links of the employed/self-employed and UB recipients.

Small numbers of respondents (particularly UB recipients [11 in total] and UB recipients living in LELs [four in total]) during the field study also constrains the generalizability of the results. However, as Baxter and Eyles (1997) note, a cross-sectional research design, information on participant selection, and verbatim quotations are all important means of ensuring rigor in research that relies on small samples and qualitative information. These are all features of the current study. Information on sex, age-group, and length of unemployment (see Chapter Seven) has also been provided for the sample (separated by LEL and non-LEL residence).

As an assessment of the LEL policy the research was confronted with a fundamental problem – it was not possible to identify UB recipients who were *planning (or considering)* a move to an LEL (the target beneficiaries of the LEL policy). This is a problem incidentally that is also confronting MSD as they look to evaluate the impact of the LEL policy (MSD, 2004, personal communication). My default strategy therefore was to investigate the views and behaviours of UB recipients by interviewing those *already living* in LELs. These respondents may have moved into the community recently, had local knowledge about employment and transport options, and could relate their own experience as welfare recipients. I also interviewed UB recipients living in other parts of the district on the assumption that they could be *potential migrants* to LELs.

All interviews in the field study were arranged via contacts and recommendations. While this helped to create openness and trust in interviews, it also meant that available interviewees were probably the individuals seen as most willing to be interviewed. The researcher's position as a male, white, young, urban, middle-class student also shaped interview relationships and may have inhibited the transfer of some information (along with the sensitive nature of discussions about individual benefits and personal

circumstances) – although most respondents seemed very open in describing their attitudes and behaviour.

The unique nature of Opotiki District within the New Zealand context also limits the scope for generalisation. The district is characterised as a low wage and seasonal local labour market. Unemployment is high and often long-term and inter-generational in nature. The district also has a strong bi-cultural population composition (approximately 50 percent Maori and 50 percent European/Pakeha; with negligible Pacific Islander and Asian populations). These features of the field area are covered more extensively in Chapter Six.

Summary

Using semi-structured interviews with research participants was the most appropriate approach in seeking rich, detailed accounts of the experience of unemployment beneficiaries in Opotiki District. A cross-sectional research design enables results from these interviews to be combined with quantitative and some qualitative data emerging from the commissioned panel survey. This methodology promotes a fuller picture of the views, motivations and actual behaviour of beneficiaries living in Opotiki District, which highlights how, in practice, the LEL policy may influence beneficiary behaviour in the district.

Before the results of the study are identified, the inferred assumptions that the LEL policy makes about beneficiary behaviour will be covered in the next chapter.

CHAPTER FIVE – ASSUMPTIONS OF THE LEL POLICY

The purpose of the LEL policy is to influence the behaviour of individuals – in this case the behaviour of UB recipients living outside LELs. Influencing beneficiary behaviour is, however, predicated on a number of *assumptions* about why beneficiaries behave the way they do. The aim of this chapter is to explore the salient assumptions about beneficiary behaviour surrounding the LEL policy. I have inferred these implicit assumptions that the LEL policy makes about behaviour from analysis of policy documents and interviews.²⁷

Assumptions of the LEL Policy

Most policy initiatives make assumptions about how people will behave given change to their environment. Some of these assumptions are explicit and some are implicit. As noted in Chapter Three, the LEL policy is aimed, not at those on the UB currently living in LELs, but rather at those UB recipients *looking to move to LELs*. Therefore, in seeking to dissuade movement into LELs instruments are selected on the basis of key behavioural assumptions about *mobility and what motivates beneficiaries to move*.

Assumptions around movement

Henry (2004) argues that the LEL policy assumes that the residential decisions of UB recipients are based on calculations of risk and self-interest. Individuals compare living in LELs to areas with better employment prospects, and compare the advantages of “maintaining access to the unemployment benefit vis-à-vis the potential for employment and the cost of living in better job markets” (ibid, p45). Employment may be a

²⁷ Analysis of a number of texts reveals assumptions that the LEL policy makes. These texts include MSD policy documents, reports, website information, operational guidelines, Ministerial advice, internal memorandums, and cabinet committee papers, rulings of the Social Securing Appeal Authority, personal correspondence to the researcher, and debates in parliament. Much of this information on the LEL policy is public. However, access to internal MSD documents and Ministerial advice was facilitated by an official information request submitted to MSD in May 2004.

fundamental determinant of location and movement, but the LEL policy, and its previous incarnation the remote areas policy, is actually a response to non-employment reasons why people move. In particular, the policy is focused on discouraging ‘lifestyle’ reasons for living in areas with limited employment prospects (Grant, 1984b; Hansard, 4 March 2004). As tabled in parliament by the Associate Minister for Social Development and Employment: “What we are saying to people is that if they are living in an area where there are job employment prospects, and they decide to move to an area where there are no job employment prospects, then this is a *lifestyle choice* and the Government, via the taxpayer, should not fund it” (Hansard, 4 March 2004, emphasis added). And as tabled in January 2004 by the Social Security Appeal Authority in documentation of a (dismissed) appeal; “[t]he purpose of this [LEL] policy is to encourage job seekers to remain where work is available, rather than make *lifestyle choices* that take them to areas where employment is limited, thereby increasing dependency on benefit assistance” (2004, p2, emphasis added).

According to MSD the LEL policy acts to “provide information to staff so that.... a move to a remote area [by a UB recipient] *is no longer considered*” (MSD, 2003a, p6, emphasis added). Additionally MSD has stated that, “case managers will actively work with clients who are considering a move to a remote area, to address the issues.... [so that] a *move is not necessary*” (ibid, p3, emphasis added). The LEL policy therefore makes the assumption that *people can be discouraged from moving to LELs by punitive measures*. Punitive measures operate in two principal ways: (i) directly cutting benefits of UB recipients who move to LELs, and (ii) discouraging movement through the message that the policy sends to UB recipients who *may be* looking to move to a LEL.

Aiming to ensure that moves to LELs *are not necessary* also hints that the policy makes the assumption that *movement is based on need rather than want*. Although MSD does recognise that movement can be shaped by a number of reasons, this assumption acts to dilute equally valid personal, social and cultural reasons that may motivate beneficiary movement from one place to another, such as the desire to live close to family, on family land, and close to social networks that are perceived as being important.

It is clear that by taking up the UB and becoming clients of MSD, beneficiaries are deemed to be taking on a set of behaviours and obligations that are consistent with the government's strategy for increasing UB recipients' movement to work. In other words, the UB is not cost free – it rather comes with a number of obligations, most notably the necessity to continue searching for paid employment. What remains key for MSD is that following a move to a LEL UB recipients continue to meet these job-seeker obligations (MSD, 2005, personal communication).

Assumptions around sanctions and obligations

If UB recipients move to LEL areas, and do not meet work-test criteria, they face having their benefit cut or suspended under a “credible and timely sanction mechanism” (MSD, 2003b, p1). However, imposing sanctions, or threatening to impose sanctions, rests on two key assumptions – that is (i) *people do not like being sanctioned* and (ii) *benefit sanctions can influence beneficiary behaviour* (MSD, 2005, personal communication).

The LEL policy is also aimed at strengthening the message to beneficiaries about client obligations – ‘creating clear and strong expectations’. This, however, is predicated on another key assumption that the policy makes – that is, *UB recipients understand and respect their obligations as MSD clients*. These obligations include the need to meet work-test criteria – in particular being available for, and taking reasonable steps to obtain, suitable employment. To meet the work-test requirements, UB recipients moving to LELs *must* demonstrate that they (i) have access to reliable transport, and (ii) are willing, and realistically able, to commute to a nearby town or centre where employment is available (Work and Income, 2004a, p1).

Other assumptions

As noted above a condition of receiving the UB is that an individual must meet the work-test obligations. Despite this, however, it is evident and recognised that some UB

recipients do not desire to work. As the Department of Social Welfare described it in 1984 (with reference to living in a remote area) some beneficiaries “virtually ‘retire’ on the unemployment benefit” (Grant, 1984a, p3). However, because the LEL policy is designed to get UB recipients into work, it assumes clients can be motivated to do so by making it a legal requirement that those on the UB actively seek paid work. In short the LEL policy is predicated on the assumptions that (i) *UB recipients want to find work (or can be motivated to do so)* and (ii) *that UB recipients are in a position to accept work if offered*.

By extension, the LEL policy also assumes that UB recipients *want to live according to the law* (MSD, 2005, personal communication). For example, the LEL policy assumes that UB recipients (in LELs and non-LELs) *currently operate, or seek to operate, in the formal labour market*, that is one in which legal and enforceable contracts for paid work (and associated taxation) apply. However, as Chapter Six will observe with regard to Opotiki District, in many LEL areas a buoyant informal economy exists (including ‘under the table’ work and other informal, undeclared or illegal earnings). Such an informal economy removes much of the material imperative for many UB recipients to act according to the behavioural assumptions of the LEL policy.²⁸

Summary

In summary, like all policy, the LEL initiative makes various assumptions about how its target population will behave given the introduction of new constraints (and opportunities). If these assumptions are correct the LEL policy may well meet its policy aims and motivations. It is now timely, however, to examine whether the policy’s underlying motivations and assumptions that it makes about beneficiary behaviour actually match the behaviour and views of unemployment beneficiaries. The following case-study of beneficiary behaviour in relation to LELs in the Opotiki District is an initial attempt to confront these aims.

²⁸ The Opotiki District Council Plan, for example, is the only District Plan in New Zealand that explicitly recognizes that value of the ‘green economy’ (marijuana) to the economy of the district (Work and Income, 2005, personal communication).

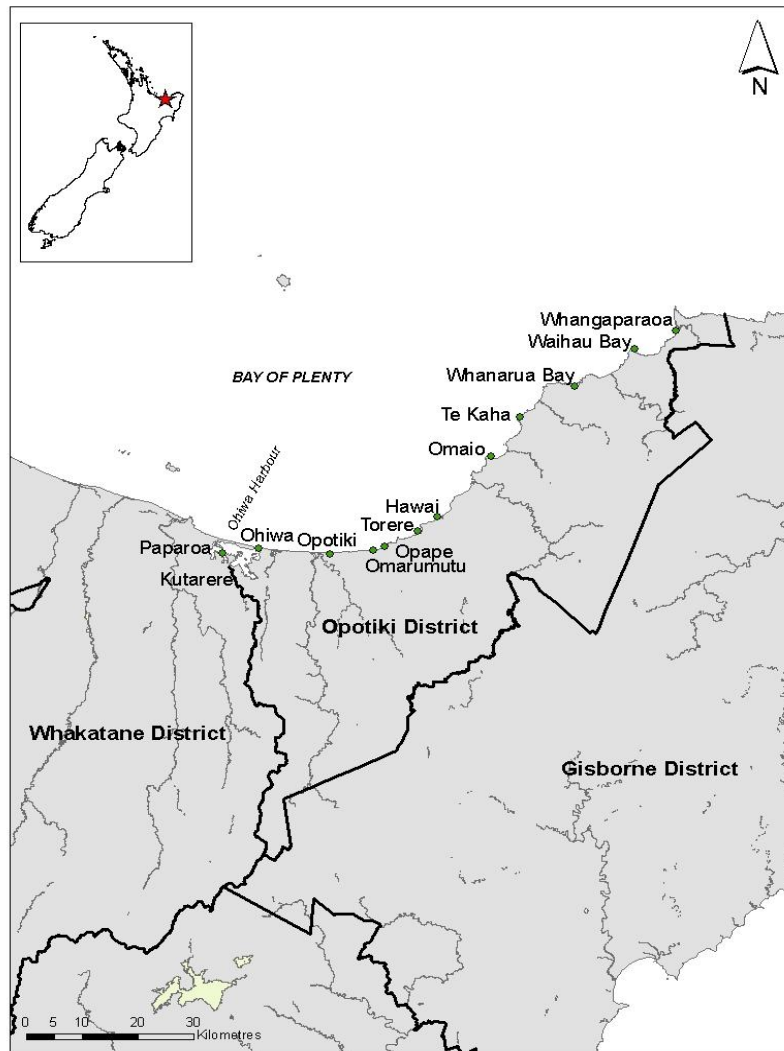
CHAPTER SIX – OPOTIKI DISTRICT

The Opotiki District has one of New Zealand's highest unemployment rates, has low average incomes, and now contains six communities classified as LELs by the New Zealand Government. This chapter will introduce the characteristics of Opotiki District and detail the development, consultation and selection of the district's LELs. The chapter will also highlight prevalent attitudes to the LEL policy from within local service providers and the Opotiki District Council itself, and will also highlight the location and characteristic of LELs in the district.

Location and Key Demographics

Opotiki District is situated on the east coast of New Zealand's Bay of Plenty Region (see Figure 5). At the time of the 2001 New Zealand census, the population of the district was 9,201. In recent years the population has begun to decline, and the population in 2001 represented a loss of 1.9 percent from the 1996 census. While small in terms of population, in terms of size the district is one of the largest in New Zealand; extending approximately 160 kilometres along the eastern coast of Bay of Plenty, and totalling 309,800 square kilometres (Opotiki District Council, 2004a, p8).

Figure 5. Opotiki District



Source: Statistics New Zealand/New Zealand Geographic Place Names Database.

(Mapping work by Catherine Schroder).

Around 4,400 people live in Opotiki Town itself, while the rest of the population lives in the immediate hinterland of Opotiki Town and a number of smaller communities towards Whakatane and up the coast towards Cape Runaway. Te Kaha is the second largest town in the district. Many smaller communities are predominantly Maori, focused on one of the 20 marae in the district (Opotiki District Council, 2004a, p8).

Ethnically, in 2001, the district had a relatively even mix of Maori (54.3 percent) and European populations (52.6 percent).²⁹ This is significantly different to the rest of New Zealand where, in 2001, Maori made up only 14.1 percent of the total population (CRESA, 2003, p1-2). In 2001, only 2.2 percent of the district's population identified themselves as Pacific Islander, and less than one percent as Asian. In 2001, the largest single group in the district was aged 25-44 years (25.6 percent), followed by the groups aged 45-64 years (22.5 percent), 5-14 years (20.3 percent), 65+ years (12.4 percent), 15-24 years (11.1 percent) and 0-4 years (8.2 percent). Overall, the age profile of the district in 2001 was relatively similar to the rest of New Zealand (CRESA, 2003, p1).

In terms of mobility, those living in the district show slightly less prior movement than the New Zealand population as a whole. In 2001, the proportion of the population living at their current address for five or more years was 47.4 percent compared to 42.5 percent for New Zealand's population as a whole (ibid, p2).

Maori–European/Pakeha Relations

The confiscation³⁰ of Maori land by European militia (then settlers who were awarded land) in the nineteenth century forced many Maori to retreat along the coast. Maori who had land confiscated and who remained around the new settlement of Opotiki Town were forced to live in 'Maori reservations'; the only such examples in New Zealand. This experience has left a lasting legacy (and ongoing grievances that are still to be settled) that affects Maori-European relations in the district. Even today, Opotiki District Council is dominated by Europeans whose forebears were awarded land in the nineteenth century (Opotiki District Council, 2005, personal communication).

The three key iwi (breaking up into smaller hapu) in the district are Whakatohea (extending from Ohiwa Harbour to Opape, including Opotiki Town), Ngai Tai (centred in

²⁹ In the New Zealand census people are able to identify with more than one ethnic group; consequently ethnicity proportions can total more than 100 percent.

³⁰ Maori refer to this as *Raupatu*.

Torere), and Te Whanau A Apanui (from Hawaii to Potaka close to Cape Runaway) (Opotiki District Council, 2004c, p6). Whakatohea bore the brunt of land confiscations, and are still in the process of settling their grievances with the Crown. Te Whanau A Apanui is one of the few iwi in New Zealand that can prove more than 80 percent continuous ownership of their lands since before the arrival of Europeans in New Zealand;³¹ and Maori owned land (usually divided into family blocks) is the prevailing land tenure along most of the coast.

Employment and the Economy

The commercial hub of the district is Opotiki Town itself; seen in Figure 6 and Figure 7³² below:

Figure 6. Aerial View of Opotiki Town (seen looking North East)



Source: Opotiki District Council

³¹ This means that this iwi is exempt from the recent foreshore and seabed legislation.

³² All photos in this report were taken by the researcher, unless otherwise noted.

Figure 7. Looking Northwest Towards Opotiki Town and White Island



Key employment indicators reveal that, in 2001, the percentage of the district that was in full-time work was relatively low (33.5 percent) compared to New Zealand as a whole (46 percent), and that the district had a labour force participation rate (58 percent) that was considerably lower than the New Zealand average (66.7 percent) (CRESA, 2003, p4).³³ At the time of the 2001 census, the unemployment rate in the district was the second highest for any sub-region in the country at 16 percent (Department of Labour, 2004, p3). At the time, this compared to 7.5 percent for all of New Zealand (Statistics New Zealand, 2005c, p5).

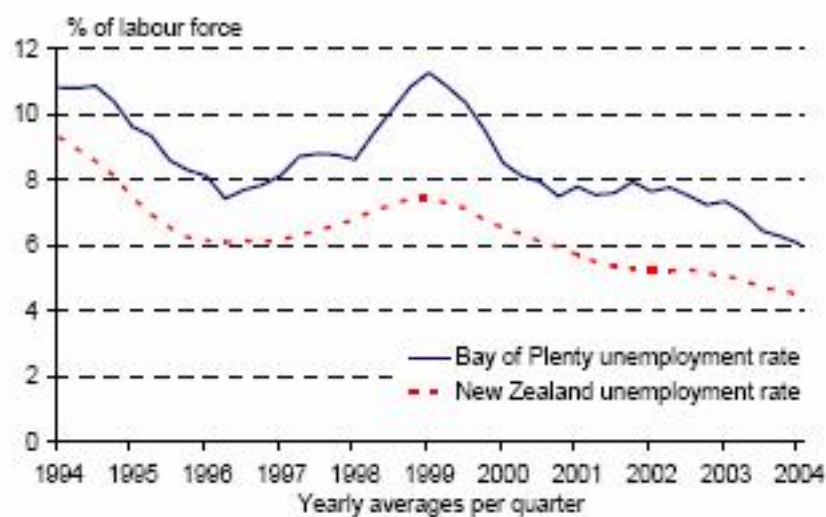
Unemployment has of course fallen substantially across New Zealand since 2001 (see Figures 1-3). Figure 8 below shows how the unemployment rate in the Bay of Plenty Region has also been falling since 1999.³⁴ However, while latest figures show that unemployment in the overall Bay of Plenty Region fell to 4.6 percent at the end of the March 2005 quarter (Weir, 2005, pC1), unemployment in Opotiki District remained relatively high at 11 percent (Work and Income, 2005, personal communication). In Opotiki District both long-term and intergenerational (anecdotally second and third and

³³ The labour force participation rate is the percentage of the working age population that is in the labour force – including those employed and unemployed.

³⁴ No up-to-date time series of unemployment rates is available for Opotiki District, as Work and Income and MSD only publish detailed statistics for the greater Bay of Plenty Region.

sometimes fourth generation) unemployment is believed to be prevalent (ibid). Maori make up a disproportionate number of the unemployed in the district, and correspondingly Europeans dominate the employment sector; on census night in 2001, 67.4 percent of full-time workers were European, and only 42.1 percent Maori, despite the similar size of both populations (CRESA, 2003, p4).

Figure 8. Unemployment Rate in Bay of Plenty, 1994-2004



Source: Department of Labour, 2004, p2

The economy of Opotiki District was hit particularly hard by deregulation and closures in the 1980's and early 1990's (Opotiki District Council, 2004d, p1). During this time, much local industry closed – including a dairy factory, clothing manufacturer, footwear factory and a bacon works. Opotiki District Hospital also closed, and Tasman Corporation (now Norske Skog) also severely retrenched forestry operations in the Bay of Plenty Region. This meant that many jobs (including many professional jobs) were lost to the district.

The dominant employment sector in the district is agriculture, forestry, and fishing; in 2001, employing 31.8 percent of all employees (Opotiki District Council, 2004d, p4).

More specifically, horticulture (especially kiwifruit) and agriculture (dairying, beef and sheep) are the mainstays of the economy (Opotiki District Council, 2004b, p6). Climatically, the district is ideally suited to growing kiwifruit (a plentiful supply of cheap labour is also important) and in the last five years much agricultural land has been converted to kiwifruit (Opotiki District Council, 2004d, p1). The Orchard Block Tablelands (overlooking Opotiki Town), where much kiwifruit is grown, can be seen in Figure 9 below. Kiwifruit pruning, picking, and grading work is by far the biggest single source of employment in the district; and for many this seasonal work provides their only income for the year.

Figure 9. Orchard Block Tablelands



Source: Opotiki District Council, 2004d, p1

Opotiki District remains one of the poorest districts in New Zealand. As Table 1 below identifies, 2001 median incomes in the district were considerably lower than the rest of New Zealand. 2001 census data places much of the district at 9 and 10 on the New Zealand Deprivation Index (10 being the most deprived); although there are some pockets of relative wealth, especially around Opotiki Town (CRESA, 2003, p1).

Table 1. 2001 Median Incomes: Opotiki District and New Zealand

	Opotiki District	New Zealand
Median annual personal income (dollars)	12,899	18,545
Median annual family income (dollars)	28,130	46,087
Median annual household income (dollars)	26,095	39,588

Source: CRESA, 2003, p3

In terms of educational attainment, 2001 census data identifies that 22.3 percent of people in the district aged over 15 had a post-school qualification compared to 32.2 percent for New Zealand as a whole (Statistics New Zealand, 2005c, p2). There was also a significant difference in Maori attainment levels. For example, in 2001, around 45 percent of Maori school leavers in the district left school without any formal school qualification, compared to 33.5 percent nationally (CRESA, 2003, p7).

Limited Employment Locations in Opotiki District

Opotiki District now contains six communities defined as LELs by the New Zealand Government. This section will explain the policy development, consultation process, and selection process behind the identification of these six particular LELs, and initial and current attitudes towards the LEL policy from agencies and individuals within the district. This section will also highlight the location and characteristics of these mostly small, predominantly Maori, marae-orientated communities.

Policy development, consultation, and selection of LELs in Opotiki District

Before the formal introduction of the LEL policy in early 2004, regional Work and Income staff were asked by MSD their opinions on how more people in New Zealand (including the unemployed) could be released for employment. According to the Work

and Income Bay of Plenty manager interviewed the biggest issue in this regard in their region was the mobility of potential workers from areas of good employment prospects to areas of poor prospects; or when applied to Opotiki District, mobility from the cities (particularly Auckland) to Opotiki Town and other smaller communities in the district. This was a key issue that led, in part, to the original development of the LEL policy by MSD head office staff (Work and Income, 2005, personal communication).

In late 2003/early 2004 the Bay of Plenty Work and Income Regional Commissioner was charged with drafting a list of LEL areas in Opotiki District to be opened up for public consultation. Originally Work and Income Bay of Plenty had proposed that the *whole eastern Bay of Plenty* be a limited employment area (Work and Income, 2005, personal communication). However, feasibility and political concerns meant that MSD requested just the names of individual communities (rather than whole regions of the country). Following input from Work and Income service managers and a ‘pins on map’ exercise by Bay of Plenty Work and Income staff, a first draft was supplied to Wellington, listing over 100 potential LEL communities in the overall Bay of Plenty Region. As was the case for the rest of New Zealand, original selection of LELs in Opotiki District was based on three key criteria, being (i) the availability of work being severely limited, (ii) no seasonal work being expected over the next year, and (iii) no public transport being available (MSD, 2004a, p1). The original list of communities was then reduced by MSD head office on the basis of additional evidence – particularly if total numbers of Work and Income job placements from that community over the last year numbered less than five (MSD, 2005, personal communication). The job placement criterion indicates that selection of LELs depended on the original UB client base in that community; meaning that for a community to be considered for LEL selection in Opotiki District it had to have at least one resident on the UB over the last year.

After the final draft list was developed by MSD it was opened up for public consultation. The final list of LELs for Opotiki District released for consultation included seven communities – Paparoa, Kutarere, Opape, Omarumutu, Omaio, Waihou Bay, and Te Kaha. The Bay of Plenty Regional Commissioner then consulted with the Mayor of

Opotiki District, who was then charged with consulting his constituent community. Following this consultation Te Kaha was removed from the list on the basis that the planned Te Kaha resort (see Figure 10 below) would create significant employment, and the final list of six LELs in Opotiki District was publicly released. The final list of LELs in the greater Bay of Plenty Region ultimately numbered 46: 15 in the Work and Income district of Rotorua; 15 in Taupo; 9 in Whakatane; 6 in Opotiki; and 1 in Western Bay of Plenty (MSD, 2004c).

Figure 10. The Planned Te Kaha Resort



As part of Work and Income's annual regional planning, the list of LELs in each Work and Income district was to be reviewed. This is currently underway for the 2005/06 financial year, but in Opotiki District it has been indicated that this review will not create substantial change to the list of LELs (Work and Income, 2005, personal communication).

Attitudes towards the LEL policy in Opotiki District

Interviews with training and social service providers, community education groups, and Opotiki District Council staff and representatives reveal that attitudes towards the LEL

policy were largely negative – although some accept that the policy is positive in its attempt to get people into employment.

As in many other parts of the country, initial concern focussed on the negative implications that labelling areas LELs, or no-go-zones as they became popularly known, may have for the communities themselves. As reported in early press coverage the Opotiki District Council Mayor had concerns that, “this [LEL] scheme might stifle rather than enhance the potential of these places” (Lowe, 2004, p8); a view supported by other members (staff and councillors) of the Opotiki District Council. Others interviewed also expressed their concern that (especially for Maori) living in LELs would stigmatise residents. Many people interviewed also questioned the selection of LELs in the district; in particular the exclusion of some communities up the coast very similar in character to communities that did make the final list of LELs (many respondents expressed surprise, for example, that Maraenui was not on the list – especially as the bigger communities of Omaio and Waihau Bay were included). Participants also questioned the inclusion of Paparoa – a community mainly of residents living on lifestyle blocks who commute to nearby Whakatane for work.³⁵

Location and characteristics of LELs

Figure 11 on page 59 identifies the six LELs in Opotiki District – Paparoa, Kutarere, Omarumutu, Opape, Omaio and Waihau Bay. These are mostly small, predominantly Maori, marae-orientated communities. Table 2 below identifies the population of UB recipients in Opotiki District LELs in November 2003, November 2004 and April 2005.³⁶

³⁵ Residents of Paparoa are currently seeking for their community to be relocated in Whakatane District. Residents have been seeking this change saliently because of Whakatane’s more relaxed subdivision regulations and the (positive) implications that relocation would have on property valuations.

³⁶ MSD is not prepared to publicly release the actual numbers of UB recipients living in LELs when this total is less than 15 – citing that any further breakdown might encroach on client confidentiality (MSD, 2005, personal communication).

Table 2. LEL UB Recipient Populations in Opotiki District – 28/11/03, 26/11/2004, and 1/4/2005

	UB Recipient Population as of 28/11/2003	UB Recipient Population as of 26/11/2004	UB Recipient Population as of 1/4/2005
Kutarere	<15	<15	<15
Paparoa	21	<15	<15
Omarumutu	<15	<15	<15
Opape	<15	<15	<15
Omaio	<15	<15	<15
Waihau Bay	19	<15	<15
Total	54	29	30

Source: MSD, 2005, personal communication

Photos and brief descriptions of each LEL community can be seen on pages 61-66. Most LEL communities are relatively spread out meaning that it is not possible to illustrate the entire community in one photo.

Figure 11. Location of LELs in Opotiki District (LELs in bold)



Source: Statistics New Zealand/New Zealand Geographic Place Names Database.

(Mapping work by Catherine Schroder).

Public transport is extremely limited in Opotiki District and LELs, by selection criteria, lack such options to take commuters to non-LELs (MSD, 2004a, p1). Only one regular bus service exists connecting Opotiki Town and Whakatane.³⁷ This service (one morning and evening run each way) would be available to residents of Kutarere and Paparoa, but only operates on a Tuesday and a Thursday – which is of little use for daily workers.

³⁷ This service has been under review (Opotiki District Council, 2005, personal communication).

There are no commuter bus services for residents of Opape, Omarumutu, Omaio, and Waihau Bay – although as Chapter Seven will later identify there are other transport options for people in these communities.

Paparoa



Paparoa extends along this ridgeline running approximately north-south



A typical Paparoa property seen from the road/ridgeline



View looking west from the road/ridgeline



Looking west



Looking down to Ohiwa Harbour



The view east over Ohiwa Harbour

The community of Paparoa appears different to the other LELs in Opotiki District. It is closer to Whakatane than Opotiki, and all visible properties and houses are large. Property values are high – reflecting proximity to Whakatane and the incredible views from the ridgeline both east and west over Ohiwa Harbour.

Kutarere



Kutarere, looking east, as seen from the main road.
The marae can be seen to the left.



Disused commercial property on the main road.



Kutarere properties seen on the side road (looking north).



More Kutarere properties. Around two kilometres from the main road, looking west.



The old Kutarere wharf, now disused.



Kutarere Church.

The community of Kutarere is around 20 kilometres west of Opotiki Town towards Whakatane. Some of the community is on the main road and other properties stretch along a side road that leads towards the ocean. Kutarere has a small primary school. The local iwi is Whakatohea. Kutarere was once a small port town servicing the local hinterland.

Omarumutu



Omarumutu extends along this ridgeline (viewed looking north)

Photographic opportunities to encompass the community of Omarumutu are few. However, the small (mostly Maori) community extends along a north-south road and ridgeline. Omarumutu is on a side road that turns off inland about 12 kilometres from Opotiki Town while travelling north-east to Te Kaha. The community also has a small (two teacher) school. The local iwi is Whakatohea (sub-tribe Ngatirua).

Opape



Looking north-north-east over Opape beach. The motorcamp can be seen in the foreground.



Opape properties as seen from the beach car park.



Opape beach seen from a distance looking west.

The coastal, marae-centred, community of Opape is around 18 kilometres east of Opotiki Town. The community consists of approximately 20 households – most residents being beneficiaries of some sort. Local iwi is Whakatohea, and Opape marks the eastern boundary of this iwi. The community has a small motorcamp with some long-term residents.

Omaio



Omaio beachfront properties (looking east).



Omaio properties (looking west). The marae can be seen to the left.



Omaio Marae



Omaio beach

The coastal, marae-centred community of Omaio is around 57 kilometres north-east up the coast from Opotiki Town. The community geographically is relatively spread out. Amenities include a petrol station and small shop. Local iwi is Te Whanau A Apanui.

Waihau Bay



Entering Waihau Bay (looking north-east)



Overlooking Waihau Bay (looking west)



Overlooking the jetty and Waihau Bay Lodge



Waihau Bay properties



More properties



A newer housing development

Waihau Bay is around 107 kilometres from Opotiki Town towards Cape Runaway. A number of holiday homes are scattered amongst the permanent (mostly Maori) population. Amenities include the Waihau Bay Lodge, camping ground, fishing club and jetty, a post-office/general store, a petrol station and small mechanics operation. It is different in character from Kutarere, Opape, Omarumutu, and Omaio as there are a number of relatively new holiday houses in the three separate blocks of housing that make up the community. A number of fishing charter operations are based in Waihau Bay. Local iwi is Te Whanau A Apanui.

Summary

Opotiki District is an area of New Zealand characterised by lower incomes and higher unemployment when compared to the rest of the country. The economy is now in transition but employment is still dominated by the primary sector and especially kiwifruit work. Around 50 percent of the population lives in Opotiki Town and the other 50 percent live in the rural areas of the district. The community is essentially bi-cultural – being a relatively even mix of Maori and Pakeha/European populations. A large proportion of the district's Maori population is still to settle their historical grievances with the Crown – and this legacy still affects Maori-European relationships in the district. Hardship and unemployment are pronounced in the Maori population. Most outlying rural communities are small, predominately Maori and marae-orientated. It is a subset of these rural communities that mostly make up the six limited employment locations in the district. This thesis now turns to highlighting beneficiary behaviour in Opotiki District and other results of the study.

CHAPTER SEVEN - RESULTS

The study uses two principal sources for investigating the views and behaviour of unemployment beneficiaries in Opotiki District: (i) relevant results from a commissioned panel survey, and (ii) results from field-study interviews with UB recipients (and others in day-to-day contact with beneficiaries). Results from these two sources will be used to compare the assumptions about beneficiary behaviour that I infer from LEL policy against the reported *behaviour and views* of UB recipients (including LEL residents) in the district. Information will also be used to compare the policy motivations against reported beneficiary behaviour in the district.

Movement Motivations, Links to Community, and Beneficiary Behaviour in Opotiki District: Some Evidence from a Panel Survey

In early 2004 the Centre for Research Evaluation and Social Assessment (CRESA) commissioned a comprehensive panel survey of individuals and households in Opotiki District. This survey is part of a research programme entitled 'Building Attachment in Communities and Families Affected by Transience and Residential Movement' focused on four communities across New Zealand. This programme aims to investigate attachment to place and its relationship to movement from place to place. The panel survey aimed to investigate community attachment, movement behaviour, employment and commuting behaviour, education and training, housing, and health for a number of individuals and households within Opotiki District (in total 92 interviews were conducted).

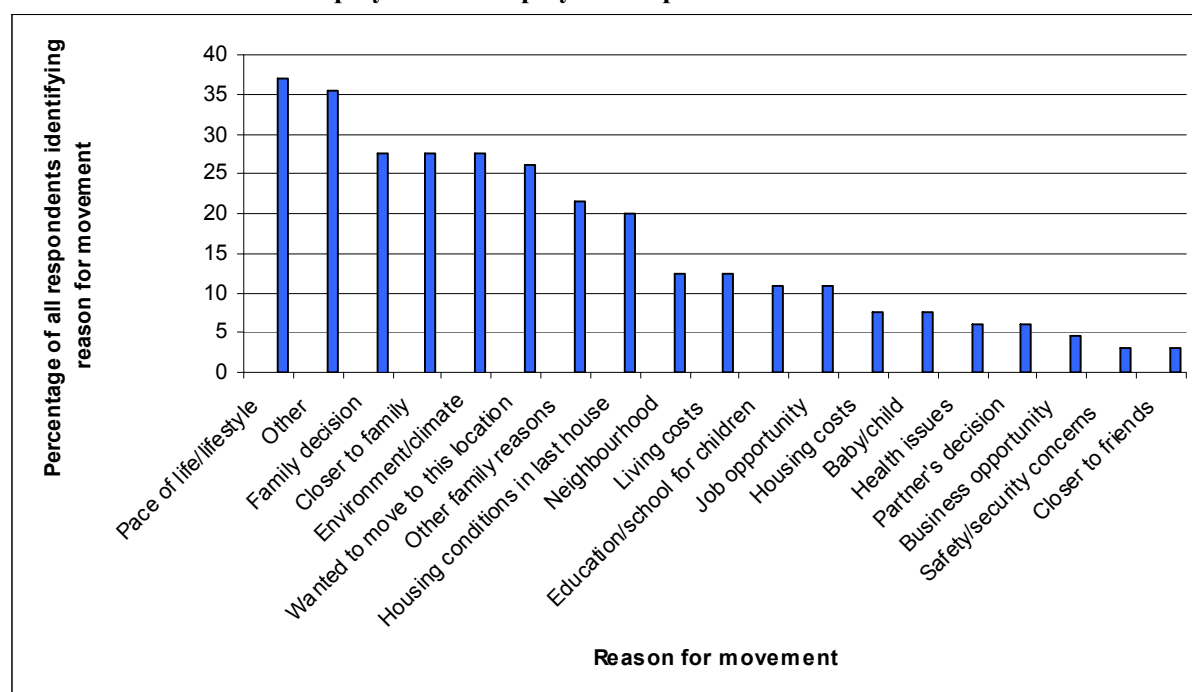
The panel survey highlights some key characteristics of beneficiary movement and behaviour in Opotiki District as well as revealing some key differences between the movement motivations and community attachment of the employed/self-employed and

UB recipients. Fields for qualitative data in the panel survey were also used to provide extra information where necessary.³⁸

Movement motivations and links to community

In a section investigating respondents' decisions about moving, the panel survey asked respondents to identify *all relevant reasons* for movement to their current place of residence. The relevant section of the panel survey is reproduced in Appendix 5a. The results of the panel survey also enabled respondents to be differentiated by employment status – meaning that it was possible to compare the movement motivations of the employed and self-employed (a sample size of 73) to the movement motivations of those that were receiving the unemployment benefit (a sample size of eight).

Figure 12. Motivations for Movement to Current Place of Residence for the Sampled Employed/Self-Employed in Opotiki District



³⁸ Permission was granted by CRESA to use the relevant results of the panel survey in the current study.

Figure 12 above indicates the movement motivations of the sampled employed/self-employed in Opotiki District, and indicates that (excluding the 'other' category) 'pace of life/lifestyle' (36.9 percent), 'closer to family' (27.7 percent), 'family decision' (27.7 percent), and 'environment/climate' (27.7 percent) are the four most cited reasons for movement of the sampled employed/self-employed in the district. Figure 12 also identifies that 'job opportunity' and 'business opportunity' were only cited as movement motivations by 10.8 percent and 4.6 percent of the employed/self-employed respectively.

When comparing the movement motivations of the sampled employed/self-employed to that of UB recipients, the panel survey indicates that none of the sampled UB recipients identified any of the 18 reasons for movement that are graphed in Figure 12. Rather, all respondents identified 'other' as the sole reason for movement. When asked to specify, the sampled UB recipients indicated that, within the 'other' category, it was *housing availability* that was their fundamental movement motivation. Comments from the interviewer included:

- *They were renting and wanted their own place*
- *Only available house*
- *It's a family home and he had nowhere else to go*
- *It was the only house that was around to rent*
- *Family home and it was the only place to go*
- *There was nowhere else to live at the time*
- *It's our own*
- *The house they were renting was sold [so they] had to go back to family.*

The panel survey also questioned respondents about whether they had established links *before moving into* their current communities. The relevant section of the panel survey is reproduced in Appendix 5b. Results indicated that all eight sampled UB recipients moving to their last place of residence already had prior established links to that community. This compares to 61 out of 65 of the sampled employed/self-employed (who gave valid responses). Figure 13 below identifies the breakdown of these links and compares sampled UB recipients to the employed/self-employed.

Figure 13. Links with Current Place of Residence Prior to Movement in: Sampled Employed/Self-Employed and UB Recipients in Opotiki District.

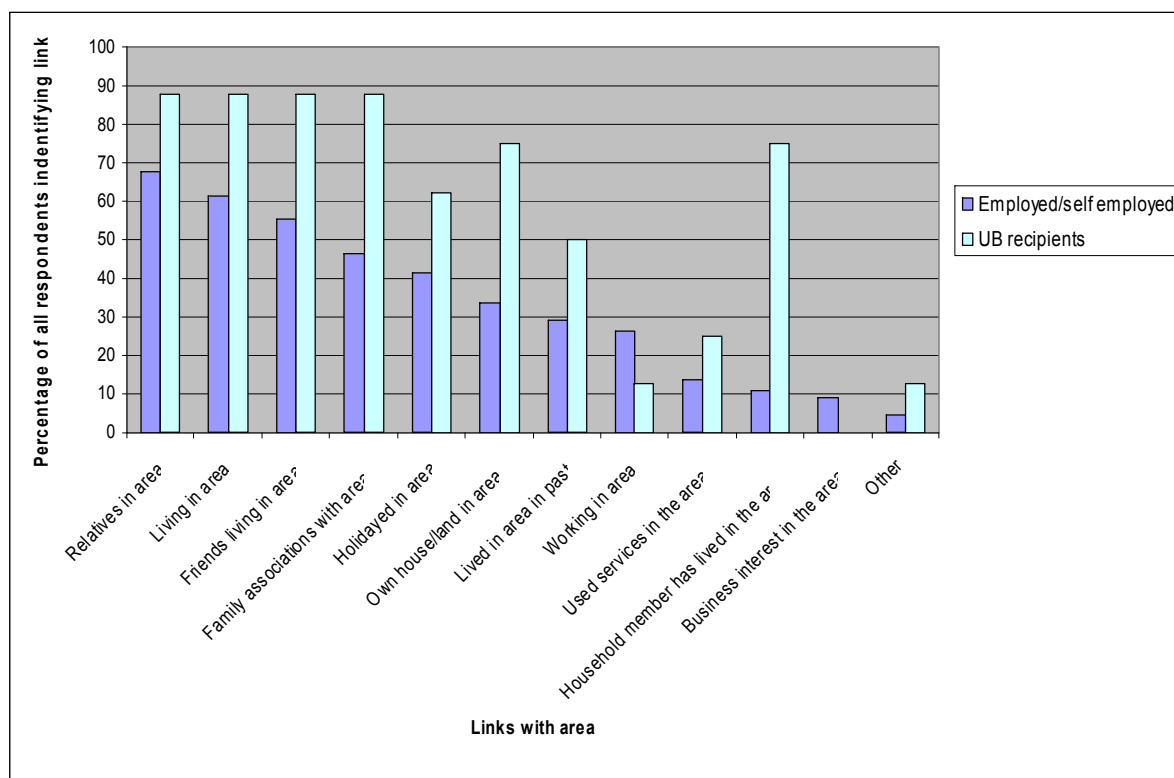


Figure 13 identifies that in all categories of community link (except ‘working in area’ and ‘business interests in area’) a greater percentage of UB recipients than the employed/self-employed identified that link as present prior to movement to their current place of residence. This result suggests that the sampled UB recipients experience more enhanced community links than the employed/self-employed to their place of residence prior to moving in.

The panel survey also recorded details of residential location. This enables information on the movement motivations of UB recipients currently living in LELs (sample size of three) and those living in non-LELs (sample size of five) to be differentiated. Sampled UB recipients living in LELs identified that the *most important* reasons for movement to their current residence reflected the *availability of family land*. Comments by the interviewer were:

- *Wanted to live on their own land*
- *It's our own place*
- *Nowhere else to go*

The *most important* reason for movement for the five sampled UB recipients living in non-LELs largely reflected the *availability of housing*. Comments by the interviewer were:

- *It was the only place that was around to rent*
- *It was the only one [house] around*
- *Better home*
- *There was nowhere else to go*
- *To be a family*

Other characteristics of sampled UB recipients living in LELs

All three sampled UB recipients resident in LEL areas were Maori. All were long-term residents of their communities – all had lived in the immediate area for greater than 16 years, and, as identified above, moved to the area because of the availability of family land. One resident reported living in the same house for 25 years following their original move to the community, and the other two residents reported moving to their current residence eight years ago from within the same community. As identified above, all had established links to the community before moving in. Two of the three respondents had most of their relatives living in the same community upon their arrival.

Two out of the three sampled UB recipients living in LELs reported having part-time work; commuting daily and three times a week respectively by private vehicle to their place of work (public transport is not available). All three sampled UB recipients in the community reported having their own private transport. All respondents reported doing voluntary work in their community (one works at the marae; one works at the marae and does tutoring in the community; and the other drives elders into Opotiki Town for fortnightly shopping). Two out of three respondents reported that they *would not*

consider moving away from their community to look for, or take up, employment, whereas the other would consider moving as far as the South Island for employment.

Other characteristics of sampled UB recipients living in **non-LELs**

The panel survey identifies that all five sampled UB recipients living in non-LEL communities were Maori. Four out of five individuals first moved to their community greater than seven years ago. However, each of the participants show considerably higher rates of mobility than their LEL counterparts – including movement out of, and back, to their community. All respondents reported having moved house at least twice since 2001 (one respondent each had moved two, three and four times since 2001; and two respondents have moved house six times in the same period). As identified above, most respondents moved into their current residence because of housing availability, and all five had considerable links to the community prior to moving in. All had friends in the community, iwi ties to the area, and relatives living in the community.

Only one of the five respondents had part-time work on top of the UB; and this individual reported commuting daily by private vehicle to this employment. Only one out of the five individuals was engaged in voluntary work. Public transport was not available to any of the respondents, but three reported owning private cars. All five respondents reported that they would consider moving away from their current communities to look for, or take up, employment; two as far as ‘anywhere’, and three as far as Australia. Four out of the five individuals were *currently* looking to move out of their current residence; and two of these individuals were looking to move for employment reasons.

In summary, the panel survey identifies that the sampled UB recipients live in their communities largely due to the availability of family land and housing. It is also evident that the sampled UB recipients all had prior established links to their communities before moving in, and when compared to the sampled employed/self-employed experienced enhanced links to their community prior to moving in. The panel survey also identifies

that the sampled UB recipients of LELs were all long-term residents of their communities – contrasting with the sampled UB recipients of non-LELs who showed more mobility.

Results of the Field Study

Field study interviews from my research focused on highlighting the views and behaviour of UB recipients living in Opotiki District. In particular, interviews attempted to compare the inferred behavioural assumptions of the LEL policy with the evidence of beneficiary behaviour, and to explore whether the policy motivations were likely to be achievable in the district. Interviews were semi-structured meaning that similar questions were asked in all interviews, but all varied in content and coverage according to the views, behaviour and interest of the interviewee. Field interviews were held with unemployment beneficiaries living in LELs (4); unemployment beneficiaries living in non-LELs (7); training providers and community education groups dealing with beneficiaries on a day-to-day basis (6); social/employment services groups (3); community figures living in, or with close connections to, LELs (3); Opotiki District Council staff (2); Opotiki District councillors (3); and others (1). Table 3 below identifies some characteristics of the 11 interviewed UB recipients. Emergent themes from the field study will be detailed below.

Table 3. Characteristics of Sampled UB Recipients, Resident in LELs and non-LELs

	Male	Female	Aged <30	Aged >30	Unemployed <10 Years	Unemployed >10 Years
Living in LELs	2	2	1	3	3	1
Living in non-LELs	3	4	2	5	5	2

Emergent themes from the field study

Attitudes to the LEL policy

Among UB recipients already living in LELs there was a general (unfounded) worry that the policy might affect them and their benefit (relating to the common misunderstanding that the policy can be applied to people already living in LELs). Additionally, concerns were raised that the policy may make it difficult for family members (and particularly younger people) to return home to their iwi lands; thereby reducing options for Maori whose home/family land is in LEL communities. More forcefully, some respondents felt that the policy facilitated a breakdown of whānau relationships, did nothing to build communities, was ignorant of Maori perspectives, and even constrained the use and enjoyment of Maori land. Concerns were also raised during interviews that the policy ignores the (large) contribution that the unemployed make to communities through voluntary and other unpaid work. Additionally, concerns were also raised that the policy was an act of social engineering that attempted to dictate where people could and could not live – in a manner that was particularly discriminatory towards Maori and the unemployed. This is a feature of the LEL policy that has also captured the attention of the Human Rights Commission which has been completing some work looking at this aspect of the LEL policy, and is now waiting for formal complaints so they can take their concerns further. The Commission believes that although the policy is aimed directly at the unemployed, in doing so it actually discriminates by employment status. The Commission also holds some concerns that the policy may discriminate especially against Maori, and deny this group a broader right to access their culture (Human Rights Commission, 2005, personal communication).

Research participants also frequently expressed the view that the LEL policy (which aims to discourage movement to LELs among other motivations) seems to conflict with a government initiative aiming to improve housing stock along the coast – including in the

LEL communities of Omaio and Waihou Bay.³⁹ A view that facilitates an attitude, by some, that the policy is poorly integrated with other government initiatives in the district.

There is also a prevalent view among field study participants that the policy will actually do *very little* in terms of inhibiting beneficiary movement to LELs, and that if a UB recipient wants to return home (the majority of movement to LELs in the district seems to be Maori returning to their ancestral lands), they will do so for family and cultural reasons regardless of a policy that places their benefit at risk. As articulated by one research participant: “*You can’t stop [Maori] people moving home.*” This, for many research participants, extends to the belief that the policy will do little in practice, and is rather an act of ‘political pandering’ by the current Labour Government aimed at ‘getting tough on beneficiaries’ and building support in a climate of low unemployment and skill shortages.

Movement

Interviews suggest that general movement to LELs in Opotiki District is characterised by urban to rural migration of low-income earners and beneficiaries. In particular, this movement is dominated by urban Maori looking to return to their ancestral roots – to ‘*come home*’ (a pull that becomes stronger with age). This movement is facilitated by a number of factors; perhaps the most important being the cheaper living costs (particularly housing)⁴⁰ in Opotiki District, especially when compared to larger urban areas. This seems particularly important for low income earners and beneficiaries and is entwined with the advantages of ‘home’ and the sense of community that this holds. For example:

- “*if you’re unemployed in the city [you] might as well be unemployed back home*” (resident of Waihou Bay)
- “*[you are] better off here whanau wise. [You can] go on the dole, pick up a bit of work, the lifestyle is cheaper*” (individual from an iwi training provider)

³⁹ Although this policy does not aim to *increase* the housing stock; only improve current stock.

⁴⁰ Rents for a three bedroom house in Opotiki Town, for example, average \$120-150 per week.

- *“it’s so terrible up there mate [in the city] if you’re on a benefit”* (male long-term UB recipient living in Opape)
- *“it’s better to be on the dole down the coast than be on the dole in the city”* (individual from a training provider)
- *“if there’s no job, at least we’re home”* (individual from an iwi training provider).
- *“if it doesn’t work somewhere, you can always have a place to go home to”* (individual from an iwi training provider)
- *“some people can’t make it in town.... it’s better here [in Waihou Bay]”* (female UB recipient living in Waihou Bay)
- *“if anyone gets lost, community is there, one way or another”* (female UB recipient living in Waihou Bay)

Reduced housing costs in the district are also related, for many Maori, to the availability of family land on which to build, or family housing in which to live – particularly in the smaller, mostly Maori communities up the coast from Opotiki Town, including the LELs of Opape, Omarumutu, Omaio and Waihou Bay and also the non-LEL communities of Te Kaha, Torere, Hawaii and Maraenui. Maori land blocks in these communities are characterised by the presence of a number of dwellings on the one piece of land (usually lived in by different family members and their immediate families). In many of the LEL communities, average household size is large and temporary dwellings (especially caravans) and poor quality housing are also common.

For many low-income earners (and beneficiaries) the availability of food resources also contributes significantly to the reduced living costs in rural areas (particularly outside Opotiki Town). Hunting, fishing, and the collection of shellfish are all important – particularly for Maori. As explained by an Opotiki District Councillor: *“You can live off the land here.”*

Movement ‘home’ for many Maori is also characterised by the desire to maintain or build family and cultural ties – and in particular allowing children to grow up in this environment is perceived as important. Additionally, for many (not just Maori) it is felt

that living in smaller areas means that it is easier to make significant contributions to community. For example:

- *“I would rather be living in Opotiki [than the city] where I can make better contributions to community”* (staff member of Opotiki District Council)

Field research suggests that six other key reasons shape urban to rural movement (particularly for Maori) in the district. Firstly, family bereavement and sickness brings people back home temporarily and permanently⁴¹ (for Maori, following a parental death it is often expected that a child, usually the eldest son, returns home permanently). Second, urban Maori frequently send children and teenagers (particularly those getting into trouble) to live with extended family on iwi lands. Third, many rural marae actively headhunt urban elders to return to their ancestral home – particularly to help teach children and also to welcome visitors to the marae – ‘warming the pae pae’ as it is colloquially known. These elders, however, are not necessarily of retirement age; many are aged in their late 40’s or 50’s. Fourth, some workers losing their jobs in the cities make the decision to come home. Fifth, adults escaping difficult situations and individuals looking to turn their backs on troublesome pasts (such as newly released ex-prisoners) can look to return to their family land. Finally, around Christmas a considerable influx of people (including beneficiaries) arrive in the district to spend time with family (often around two to three months). According to Work and Income this is a time in the district that sees numbers receiving the UB significantly increase (2005, personal communication).

Despite the belief that some UB recipients are moving to LEL areas within Opotiki District as a lifestyle/work avoidance measure (Work and Income, 2005, personal communication), all interviewees suggest that this is not happening to a large degree. Movement to LEL areas may be for lifestyle reasons but not as a means of avoiding work as such. So called lifestyle reasons are actually more fundamental issues such as being

⁴¹ These returnees often perform a type of welfare role in their home communities; especially in caring for elders (Human Rights Commission, 2005, personal communication).

closer to family, living on ancestral lands, and maximising living standards through the lower costs of living that LEL areas offer.

In summary, the movement from larger urban areas to the smaller communities of Opotiki District is characterised particularly by Maori of all ages returning ‘home’ to their ancestral lands. For the Te Whanau A Apanui iwi ‘home’ includes the non-LEL communities of Hawaia, Maraenui and Te Kaha, and the LEL communities of Omaio and Waihau Bay. For the Whakatohea iwi ‘home’ (beyond Opotiki Town) is the communities of Kutarere, Opape and Omarumutu – all LEL communities.

Currently in Opotiki District, almost no UB recipients are losing their benefit entitlement following a move to a LEL (Work and Income, 2005, personal communication). What seems more important, however, is the *message that the policy sends* to other UB recipients who may be looking to move to a LEL. This message may create a constraint or disincentive for movement. For example, as identified by a UB recipient: “[the policy] has put the question in people’s minds about coming home”. At this stage it is not possible to gauge *how many* people might be dissuaded from moving to a LEL because of the policy (and Work and Income does not keep any records of this), however, there does seem considerable awareness of the LEL policy (but sometimes with misunderstandings) among UB recipients in Opotiki District. It is debateable, on the other hand, whether the LEL policy actually *will* dissuade UB recipients from moving to LEL areas within Opotiki District. Discussions during the field study suggest that Maori (including unemployment beneficiaries) determined to come home will return regardless. As identified by a male, long-term UB recipient living in Opape: “*everyone comes home in the end*”. Thus, a policy that may affect benefit entitlement may not be a strong enough disincentive to discourage movement home. Either UB recipients may be able to persuade Work and Income that they can continue to meet work-test obligations, or they may find other ways around the policy (for example, by supplying Work and Income with a town address).⁴²

⁴² Anecdotally it seems that this is relatively common in Opotiki District.

As noted in Chapter Three, the LEL policy aims to discourage movement to areas of poor employment prospects, *and also* to encourage movement to areas of good employment prospects. The CRESA survey has identified that six out of eight sampled UB recipients in Opotiki District (living in LELs and non-LELs) would consider moving out of their current community for employment reasons. Field study interviews identify mixed results: some UB recipients interviewed would move as far ‘anywhere’ or Australia for work⁴³ (in most cases beneficiaries without their own children). Some would consider, at most, commuting to Whakatane. Others were completely unsure (and the decision would hinge on their partner). Some (with no private transport) would only consider work in their immediate community or close by. Only one of the UB recipients interviewed did not want any work at all.

Attitudes towards finding work were generally positive among the UB recipients interviewed. All but one of the unemployment beneficiaries interviewed reported a genuine desire to gain (*well-rewarded*) employment and most were increasing their chances of doing so by completing training of some form. For example:

- “*all I’m trying to do is keep my head above water and find a bloody job*” (male long-term UB recipient currently on training).
- “*anything’s better than kiwifruit*” (male long-term UB recipient currently on training).

Only one UB recipient interviewed reported no motivation to find employment. For example:

- “*I’m not into that baldhead [Pakeha] system*”
- “*I’m not into that tick-tock system*” (long-term UB recipient living in a small, coastal, non-LEL community).

For those UB recipients interviewed with immediate families, there seemed little interest in moving out of the district for employment. For example, as identified by a male, long-term UB recipient living in Opape: “*Nobody wants to move away from home, and everybody wants to stay close to their families.*”

⁴³ Field research indicates that, for Maori in Opotiki District, any move out of ancestral homelands is also generally accompanied by an expectation that ultimately that individual will one day return home.

The Opotiki District labour market

The nature of the local labour market is an important consideration in understanding the potential effects of the LEL policy in Opotiki District. Generally, the labour market is seasonal and employment in the district is dominated (by sector) by agriculture, forestry and fishing. More specifically, for the unemployed and low skilled it is *kiwifruit work* that is essential or presents the best chance of employment, an industry that relies on a plentiful supply of cheap labour.⁴⁴ However, by its very nature kiwifruit work and the other horticultural work available in the district to low skilled people is seasonal, casual, monotonous, low-waged, and generally poorly rewarded. The kiwifruit season begins in March and lasts until November approximately, although the bulk of hiring (when workers can basically walk through the door and be offered a job after the two hours of mandatory training) for picking, sorting, and packing is between mid-March and mid-May. Wages for picking, sorting, and packing are approximately \$12 per hour. The main harvesting season is also preceded by (very limited) summer pruning at very low contract rates. Other (limited) seasonal work in horticulture in the district includes oranges (six weeks) and avocados (four weeks). Essentially, wages for kiwifruit and other horticultural work are not far above benefit levels; a low replacement rate that does not create a strong incentive for UB recipients to move into employment. Additionally being in full-time work also reduces the time available for activities such as hunting and fishing that can supplement income.

The nature of unemployment is also of importance in Opotiki District in assessing the LEL policy. The district experiences one of New Zealand's highest unemployment rates, benefit dependency is rife and, anecdotally, second, third and even fourth generation unemployment is present. Secondly, long-term unemployment is entrenched in Opotiki District; the eastern Bay of Plenty having the highest number of individuals unemployed for over 10 years in New Zealand (Work and Income, 2005, personal communication).

⁴⁴ Outside of kiwifruit work, Work and Income in Opotiki District only places an average of seven people a month in employment (Work and Income, 2005, personal communication).

Unemployment also characterises the membership of the two major gangs in Opotiki District. These gangs (Black Power and the Mongrel Mob) have a strong (but underlying) presence in Opotiki District and, unfortunately, do provide an avenue for young school leavers. The entrenched characteristics of unemployment in Opotiki District have led even Work and Income to state that the LEL policy on its own is unlikely to get the unemployed in the district into work (Work and Income, 2005, personal communication).

As in many other areas of New Zealand, Opotiki District also has a large, often thriving, informal economy. Earnings (and savings on other spending) made from this economy are often essential to the low-income earners and beneficiaries of the district. Field study interviews highlight that this informal economy includes the collection of marine and forest resources (especially hunting for deer and wild pig, fishing, and the collection of shellfish) which are consumed by family or sometimes exchanged amongst the community for other goods and services. Second, as in all communities, individuals earn ‘under the table’ income for labour, exchange labour for goods and services in kind, and sometimes sell collected resources (such as seaweed which can be sold to Vaseline manufacturers). Third, the importance in Opotiki District of growing, harvesting, and selling marijuana (the ‘green economy’) cannot be ignored, and provides income to many individuals (or is exchanged for goods and services in kind). The green economy is also recognised by Opotiki District Council as an important income generator in the economy of the district as a whole. Anecdotally, income earned from marijuana throughout much of the eastern Bay of Plenty is quickly circulated into the economy through the purchases of vehicles and many other consumer goods.

A lack of regular public transport to areas of better employment prospects is one of the key criteria for original LEL selection. This is certainly the case for all LELs in Opotiki District; where no daily public transport is available. However, field interviews reveal that alternative transport options into larger labour markets for LEL residents not owning their own private vehicles are available. For all LELs, residents can arrange rides into town with neighbours, and the majority of cars making a journey into Opotiki Town from

up the coast are full or mostly full. In the more remote coast communities of Omaio and Waihau Bay (as well as Opape and Omarumutu if necessary) it is possible to arrange rides with passing courier vans, tribal authority vehicles, and milk and bread trucks that regularly travel to Opotiki Town. In most cases, however, this transport is not normally sufficient to ensure that an individual can meet *regular* working hours in a non-LEL. During the height of the kiwifruit season the two major Kiwifruit pack-houses in the district also put on some (limited) transport for workers commuting into Opotiki Town from up the coast.

Work and Income relations, application of the LEL policy in practice, and client obligations

UB recipients interviewed relate contrasting views about Work and Income in Opotiki District. Some beneficiaries report a helpful agency and only positive experiences. On the other hand, some UB recipients report more negative experiences. For example:

- “*sometimes they piss me off as they cut my benefit for no reason*” (UB recipient living in Te Kaha)
- “*[they] gotta stop treating you like you’re second rate*” (male, long-term UB recipient living in Opape)

A particular complaint from UB recipients towards Work and Income in the district is the perception that the agency is not effective at communicating full information to clients about benefit entitlements. For example, as related by one female UB recipient living in Waihau Bay: “*It’s better for them [Work and Income] the less you know... [there is] a lot of things they don’t let you know*”. Work and Income in Opotiki experiences a high turnover of staff (Work and Income, 2005, personal communication) so UB recipients often lose case managers (who are sometimes not replaced), and often clients have to deal with a Work and Income staff member in training – also frequent complaints made by the UB recipients interviewed.

All UB recipients interviewed knew about the LEL policy – but found out not via Work and Income but through local media (especially during the policy consultation phase).

One UB recipient interviewed who moved to the LEL community of Omaio in 2004, was not made aware of the LEL policy by Work and Income, despite not owning her own vehicle. This adds some support to the belief of some research participants that Work and Income front line staff are interpreting the policy in a relaxed manner.

One of the characteristics of long-term benefit recipients in Opotiki District is their extensive knowledge of extra Work and Income entitlements and procedures. One UB recipient interviewed, for example, following an (unjustified) benefit sanction, obtained and read a copy of the Social Security Act – enabling him to successfully contest the sanction and ensure that he received his lost income. Other strategies are used by beneficiaries to ensure maximum benefit entitlements are received – such as hiding real addresses and actual living conditions to ensure that (higher) solo benefits are received. As explained by one UB recipient: *“everyone on the dole thinks that the solo is the best one”* – although this strategy becomes very difficult if a Work and Income staff member also lives in a client’s community, as is common in the very small, rural communities of Opotiki District.

Work and Income has always operated on a discretionary, case-by-case basis (Work and Income, 2005, personal communication). Assessing whether an UB recipient should be sanctioned following a move to a LEL is no different (Hansard, 3 March 2004). This means that as long as an individual can prove to (or persuade) Work and Income that they can meet the work-test following a move to a LEL, they can continue to claim the UB. As the policy states, if an individual owns their own private vehicle or has access to transport they can in theory meet their work-test obligations. What is more important and sufficient to avoid benefit sanctions is to *actively seek a job* after moving to a LEL (Work and Income, 2005, personal communication). In practice if UB recipients are moving to a LEL to care for a sick relative, then this is sufficient to avoid benefit sanctions. Ultimately the case-by-case and discretionary nature of Work and Income’s case management means that there is ample room for negotiation with Work and Income following a move to a LEL. As long as an individual, without their own private transport, is (or can appear to be) actively job-seeking then they will not face benefit

sanctions. In practice it also seems that as long as an individual has *social ties* (including family and/or cultural ties) to a LEL then they will also not face sanctions following a move to a LEL.⁴⁵

A key motivation of the LEL policy is to strengthen the message about beneficiary obligations as clients of MSD. Field interviews, however, indicate that UB recipients do not place much importance on their individual obligations. When UB recipients were asked if their obligations (as clients of MSD) mean much to them, ambiguous responses were typical. For example, “yes and no”; “yes and no, not really”; “depends...”; “sort of”; and “some I do, some I don’t” were common responses received. Other responses were more specific. For example:

- “I was aware of it [client obligations] but as time went on [it] just didn’t mean nothing. [It] became just like a pay day” (male, long-term UB recipient living in Opape)
- “all I signed up for was the dole” (female UB recipient living in Waihau Bay)
- “it [client obligations] doesn’t really worry me” (male long-term UB recipient living in Opape)

Summary

Within Opotiki District it seems that the LEL policy has not resulted in many unemployment beneficiaries, if any, losing their benefits upon movement to a LEL. Currently Work and Income, through its case-by-case approach to client management, seems to accept that if a UB recipient (even without their own private transport or access to a guaranteed ride) who moves to a LEL remains actively job-seeking or has some sort of social connection to the community, then this is enough to avoid benefit sanctions. In terms of discouraging movement to LELs, what is more important is the message that the

⁴⁵ This is a throwback to the old remote areas policy applied in the 1980’s to limit people with no social ties to isolated areas moving in, and a finding that reflects the clarification emanating from the Social Security Appeal Authority in January 2004 indicating the importance of long-term associations to LELs in avoiding sanctions (Social Security Appeal Authority, 2004, p4).

policy sends to UB recipients who *may be* considering a move to a LEL. Determining *how many* people have been dissuaded to move to a LEL is certainly not possible using this research design.

Within Opotiki District, movement to LEL areas is characterised primarily by Maori looking to ‘come home’ (often from urban areas), to return to their family and cultural roots and maximise living standards through the reduced costs of living available in LEL areas. It is through constraining this movement home that the LEL policy may have the most significant effects within Opotiki District, although initial evidence suggests that Maori looking to return home will do so regardless of a policy that may potentially affect their benefit entitlement. The next, and final, chapter will discuss the results of the field study further in terms of the motivations of the LEL policy, and the assumptions that the policy makes about beneficiary behaviour.

CHAPTER EIGHT – DISCUSSION AND CONCLUSION

During its development phase the LEL policy created significant debate and received considerable attention from the media in this country. While reaction was positive in terms of the policy's aim in getting more people into work, there was concern about the possible blacklisting of communities as LELs or no-go-zones (as labelled by the media), and the way in which this might discourage investment in these areas. There was also concern that the policy ignored valid social reasons for movement. This study has been an attempt to investigate the application and effect of the LEL policy in one case-study area.

This chapter will discuss the results of the field study with particular reference to the motivations and behavioural assumptions of the LEL policy. The chapter will also discuss avenues for future research and provide an overall conclusion.

The Motivations of the LEL Policy

The LEL policy aims to discourage unemployment beneficiaries from moving to locations where few employment opportunities exist, areas that have now been categorised as LELs (Hansard, 18 February 2004; MSD, 2005, personal communication). Evidence from the field study is mixed. Statistics show that the numbers of UB recipients living in Opotiki District LELs have been falling, but it is not possible to determine whether this is a direct result of the LEL policy, or simply linked to New Zealand's current strong economy and the low unemployment rate (it is possible that it is a bit of both).

The field study was unable to identify any existing UB recipients (currently) being sanctioned following a move to any of the six LELs in the district. It is possible that the message that the policy sends to individuals who *may be* looking to move to a LEL (for various reasons) may be constraining some potential movement. At this early stage,

however, it is not possible to suggest *how many* individuals may be dissuaded to move to LEL areas because of the policy. In any case, the field work suggests that most movement to LEL areas in Opotiki District is from *urban Maori looking to return to their iwi lands*, a pull that is motivated mainly by social, family, and cultural reasons and the reduced living costs that rural areas offer. These reasons may all outweigh any disincentive that the LEL policy presents to UB recipients. In other words, it is likely that unemployed Maori looking to return to LEL areas in Opotiki District will come home regardless of a policy that may place their benefit at risk.

The LEL policy explicitly aims to encourage job-seekers to live in areas with good employment prospects (MSD, 2004a, p1). Initial evidence from the field study is mixed in support of this aim of the policy. On the one hand, interviews suggest that some UB recipients would consider relocation for employment. On the other hand, in most cases for UB recipients living in LELs, the existence of family land and the availability of housing, and other social, family and cultural reasons are strong incentives for staying put. This finding emphasises the importance of ‘home’ for many in the district, and identifies that family and community are strong ‘pull’ factors that are likely to outweigh any incentives low wage local labour markets can offer.

During the LEL policy consultation phase, questions were raised that the policy would constrain valid movement to rural areas aiming at seeking lower living costs. However, MSD argued that the existence of hundreds of other rural, non-LEL, communities across New Zealand provided permissible alternative destinations for individuals seeking lower living costs (MSD, 2005, personal communication). However, directing beneficiaries to alternative non-LEL communities ignores the concept of ‘home’. In Opotiki District, for example, ‘home’ for many Maori is only where family land exists: for Whakatohea including the LEL communities of Kutarere, Opape and Omarumutu, and for Te Whanau A Apanui including the LEL communities of Omaio and Waihau Bay. In these cases it could be argued that the LEL policy acts to constrain the use and enjoyment of Maori land (Human Rights Commission, 2005, personal communication).

A third key motivator of the LEL policy is to create ‘clear and strong expectations’, particularly to strengthen the message to beneficiaries about client obligations and the importance of continuing to meet the work-test (Work and Income, 2004a, p1). Initial evidence from the field study interviews suggests that the LEL policy is not effective in strengthening this message. There is an awareness of the LEL policy amongst beneficiaries in the district (although often with misunderstandings), and a general worry amongst UB recipients interviewed that the policy may result in benefit sanctions for themselves (or family members looking to return home). However, the connection between LEL zoning and reciprocal obligations between Work and Income and UB recipients (as clients of MSD) is not strong. Despite the reforms of the New Zealand welfare state over the last 15 years and the current welfare-to-work agenda of successive New Zealand governments, receiving the UB is still viewed (at least by UB recipients in Opotiki District) as a *right* unaccompanied by significant expectations upon beneficiaries about location.

MSD and Work and Income want to apply the LEL initiative clearly, consistently, and fairly (MSD, 2005, personal communication). Continuing to meet the work-test (by actively job seeking) or the existence of social ties to the community are believed to be enough to avoid benefit sanctions following a move to a LEL, and sanctions may be more liberally applied than the operational guidelines of the policy suggest. This may simply reflect a pragmatic approach on behalf of Work and Income in the district and an acceptance of the realities of employment and movement in the district – particularly the characteristics of the local labour market, and the validity (for Maori especially) of movement to LEL areas for social, cultural and family reasons.

The LEL policy aims to ensure that no UB recipients are funded solely for a ‘lifestyle’ decision to move to a LEL (Hansard, 4 March 2004). Within Opotiki District it is clear that lifestyle decisions *are* a key reason for residence in LELs. However, this is not normally associated with *work avoidance* (field evidence suggests that very little movement to LELs is a work avoidance measure). Rather, lifestyle reasons for LEL residency are equated with the lower costs of living that LELs offer, the advantages of

living close to family, and the presence of other social networks in close small communities. In other words, lifestyle movement to LELs occurs principally in Opotiki District through a desire to *maximise living standards* rather than to directly avoid work per se. This reflects findings of the New Zealand migration research of Waldegrave and Stuart (1997) and Morrison and Waldegrave (2002) – studies that showed the importance of maximising living standards in facilitating urban to rural movement of low-income earners and beneficiaries.

The overarching goal of the LEL policy (and the entire Jobs Jolt package) is to get more New Zealanders into employment (MSD, 2004b, p1) thereby reducing New Zealand's overall unemployment rate and ensuring that, at a time of very low unemployment and skill shortages, that there are adequate numbers of job seekers available (MSD, 2004d, p2). However, even in a period of very low national unemployment rates, the history of local unemployment (entrenched, inter-generational, and long-term) and the particular nature of the local labour market (low skilled and low waged) in Opotiki District means that there are reduced incentives for remaining UB recipients to move into employment. These features of Opotiki District combine to reduce the utility of the LEL policy and may mean that the LEL policy on its own may have little influence on reducing unemployment.

Ultimately the LEL policy on its own is expected to have little significant direct effect on reducing unemployment and getting remaining UB recipients into employment – perhaps the group that is the hardest to get into work (MSD, 2005, personal communication). It is rather through the effects of the entire Jobs Jolt package (which is a mixture of place-based and people-based initiatives) that significant progress on reducing unemployment further may occur (ibid) – although evaluation of the Jobs Jolt package is beyond the scope of this study.

The Behavioural Assumptions of the LEL Policy

The LEL policy assumes that people moving to rural (and isolated) areas often do so for lifestyle reasons (often associated with work avoidance). However, as identified above, for people within Opotiki District lifestyle reasons should not be equated with work avoidance. ‘Lifestyle’ choice in this area at least is as much a question of maximising living standards – a distinction that respondents’ believe is not always recognised by Work and Income and MSD.

The LEL initiative also assumes that the unemployed can be discouraged from moving to LEL areas through the policy. Field work suggests that possible benefit sanctions following movement to LELs do create a disincentive to move, but this study is unable to quantify *how many* people may have been dissuaded to move. In addition, and as already identified above, interviews suggest that the LEL policy may not create a strong enough distinctive for Maori looking to return home – a very strong pull factor that is also an expectation upon Maori leaving their iwi lands in the first place, and a pull that increases with age.

The LEL policy also assumes that the majority of beneficiary movement is based on necessity rather than personal choice. Evidence from the field study is mixed in this regard. While results identified that, within Opotiki District, movement to LELs is frequently shaped by a desire to return home, it is not always driven by choice. For example, the CRESA survey identified that movement of UB recipients to their current place of residence was often necessitated by housing (or land) availability. Interviews also suggest that moving to LEL areas is a strategy often used to take advantage of lower living costs (which makes low incomes go further). Additionally, children and teenagers getting into trouble in urban areas are often sent to live in LEL areas with extended family, and adults escaping difficult domestic situations (or crime) often return to their iwi lands – all movement strategies that are driven by necessity rather than choice.

The LEL policy further assumes that (i) UB recipients do not like being sanctioned, and (ii) benefit sanctions can influence beneficiary behaviour. The field study showed mixed support for these two assumptions. It is clear that Work and Income frequently sanctions UB recipients in the district (following missed appointments or a beneficiary not meeting conditions of the Job Seeker Agreement). However, with particular regard to the LEL policy, interviews suggest that the risk of benefit sanctions are not enough to prevent Maori looking to come home to their iwi lands. The LEL policy also assumes that UB recipients understand and respect their obligations as clients of MSD. Again, however, evidence from the field study is mixed. That is, while unemployment beneficiaries generally understand that, as a condition of receiving the UB they are expected to be actively job searching, it is evident that their understanding and respect for their obligations does not extend to choice of location.

The assumptions that UB recipients want to find work and are in a position to accept work if offered, both underpin the LEL policy (and are also conditions of receiving the UB). Again evidence from the field study presents mixed support. It is clear that most beneficiaries want to find work; however what is key is that it is the *right* work; essentially work that is *well rewarded* and provides wages that are well above benefit levels. Interviews also suggest that, for some, family commitments and a desire to remain in iwi lands limit the options for taking up work outside current communities.

There is also the implicit assumption in the policy that UB recipients are all willing to live according to the law. Field study interviews suggest that generally this is the case in Opotiki District; where most beneficiaries appear to be using the UB as a support leg before finding employment. However, it is perhaps inevitable that some benefit fraud is present – mainly through the nondisclosure of true living conditions in order to gain access to the higher solo benefit.

The LEL policy also assumes that UB recipients (living in Opotiki District LELs and non-LELs) currently operate, or seek to operate, in the formal labour market. The field study, however, reveals that there is a very significant informal economy in the district –

reflecting Midgley's (2001) summation that welfare recipients are often economically active. A large amount of voluntary (often marae-based), community, and other unpaid work by beneficiaries and others is important in the district, but impossible to quantify (although a government-funded study is currently underway looking at the level, and impact, of voluntary work in the district). Additionally, the exchange of goods and services, the importance of hunting, fishing, and shellfish collection, earning undeclared income, and marijuana sales are all very important in the district. These present options for UB recipients that can supplement income or present savings on spending. Although it is debatable that informal economy earnings (other than from drugs) bring in enough income to raise the standards of living of low-income households – especially larger households.

The LEL policy may not make sufficient allowance for the fact that for Maori any movement away from iwi lands (including LELs) is accompanied by an expectation that, ultimately, that individual (and their family) will *one day return*. To the extent that the LEL policy makes it more difficult to one day move 'home', it may actually discourage movement out of LELs in the first place. This potential (unintended) effect of the policy could be extended to UB recipients in many other LELs intending to migrate in search of employment. Again, the extent to which this is actually a problem needs a quite specific research design.

Calculations Made by Beneficiaries and the Welfare-to-work Agenda

Henry (2004) has argued that the LEL initiative attempts to control beneficiary access to various spaces within the state, through a policy that assumes that unemployment beneficiaries make calculations of risk and self-interest when making residential decisions. In Opotiki District it is clear that calculations of risk do shape the location decisions of beneficiaries. Firstly, as discussed, UB recipients moving to LEL areas (without private transport) do so at risk of benefit sanctions (although evidence suggests that the pull to return home outweighs this). Secondly, as already identified, any decision by a UB recipient to move out of an LEL is accompanied by an analysis of the difficulty

(or risk) in returning home. Thirdly, any decision to move out of (or into) a LEL area from a more urban area is accompanied by a calculation of likely income, living costs, standard of living, and more intangible factors (such as access to social, family, and cultural networks). It is ultimately the calculation of all these factors (and identification of accompanying risks) that shapes the residency locations of unemployment beneficiaries.

Interviews have identified that what particularly seems to shape the decision of low-income earners and beneficiaries to locate in LEL areas in Opotiki District is the opportunity for the *maximisation of living standards* that LEL areas offer; in particular through lower living costs and the social, family, and cultural benefits that LEL areas present. However, the LEL policy explicitly aims to discourage movement to LEL communities of people who cannot support themselves, acting to negate valid reasons for movement to LEL areas – including movement by beneficiaries aiming to maximise their living standards.⁴⁶

The LEL policy is just one initiative that reflects the welfare-to-work agenda that has dominated New Zealand's welfare policy since the early 1990's. As New Zealand remains at internationally low levels of unemployment and experiences skill shortages, initiatives such as the LEL policy will likely remain central to welfare policy. When set within this economic climate it seems clear that the LEL policy is also designed to augment or maximise labour supply. This focus on the needs of employers is an important aspect of this initiative that was not explicit in the policy documents analysed.

Mohan (2003) writes that welfare-to-work policies are based on the emergence of greater differentiation in labour markets, which has been a feature of New Zealand's

⁴⁶ This is despite the fact that maximising living standards is an explicit target of the current Labour Government. Research begun by MSD in 2000, for example, into the living standards of New Zealanders has led to the development of the Economic Living Standard Index (ELSI) – an index that has been shown to be a valid and reliable measure of living standards. It is calculated by, among other factors, what individuals are consuming, forms of recreation and social participation, and household facilities (rather than income and assets). This index was instrumental in the introduction of the Working for Families initiative introduced in the 2004 Budget which directly aimed to lift living standards (Khrishnan, Jensen & Ballantyne, 2000; MSD, 2004f).

development since deregulation and the abandonment of overt regional development strategies during the 1980's. Thus, initiatives such as the LEL policy that are designed to increase labour market attachment to areas with good employment prospects will likely remain prevalent, as long as significant differences between (especially urban and rural) labour markets remain (Strathdee, 2003).

Future Research

The current study constitutes only the beginning of research that looks to evaluate the LEL policy. It is clear that a full evaluation needs to be made of the LEL policy (and other Jobs Jolt initiatives) – a very large process that MSD has underway. Identifying, and interviewing, UB recipients *planning or considering* a move to an LEL would also be a useful exercise in understanding the movement motivations of this target group of beneficiaries, but identifying potential movers is a difficult and costly exercise. It is also important to *quantify* how many unemployment beneficiaries may be dissuaded to move to LELs through this policy. Locational (and longitudinal) studies tracing the movement of unemployment beneficiaries (which will become easier with MSD beginning to implement computer systems that geo-code beneficiaries to place) may provide insight at least into the general movement of beneficiaries (and this movement and its motivations should also be compared to that of non-beneficiaries). Completing similar (but more comprehensive) studies in other regions of New Zealand with LEL communities would also be useful, particularly in areas different in nature to Opotiki District. Research in slightly less isolated and rural areas would be useful; as would research in areas where movement to LEL communities is not dominated by Maori returning to their iwi lands.

Conclusion

The LEL policy has formally been in place for just over one year. The initiative marks New Zealand's first formal attempt to influence beneficiary decisions and location. In fact, New Zealand may be the first OECD country to impose such spatial constraints on

residency in the provision of social welfare and employment policy. For this reason alone the LEL policy constitutes an important test-case internationally.

Broadly, the LEL policy fits within the welfare-to-work agenda of current New Zealand welfare policy, reflecting the country's current levels of low unemployment and accompanying skill shortages. MSD asserts that this has created an environment where the challenge is "no longer finding jobs for the workers.... [but].... providing workers for the jobs (MSD, 2005, p2). The importance of this current economic climate is central to both the development and application of the LEL policy. As long as very low unemployment and skill shortages are features of the New Zealand economy, it is likely that policies designed to augment or maximise the labour supply will combine with, and perhaps even take precedence over, longer standing initiatives to reduce national expenditure on the unemployment benefit.

Evidence from Opotiki District suggests that while the policy may be having some general deterrent effects on movement to LELs, in practice, the LEL policy as such is having little real effect on influencing beneficiary behaviour. There is little evidence that it is encouraging movement to areas of good employment prospects. Further, there is little evidence that the policy is actually placing significant spatial constraints on residency and limiting beneficiary movement to LEL communities – movement that in Opotiki District is dominated by Maori returning to home communities in order to maximise living standards by taking advantage of the reduced costs of living and family and social networks that LEL communities offer. Inconsistencies in the selection of LELs in Opotiki District limit the practicality of the policy, and the realities of Opotiki District may be making it difficult to apply the policy strictly according to operational guidelines. Overall it seems that the existence of social ties and/or evidence of continued job searching are enough to avoid benefit sanctions following a move to a LEL in the district.

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APPENDIX 1 – New Zealand LELs (2004/05 financial year)

Limited Employment Location	TLA Name
Great Barrier Island	Auckland City
Okains Bay	Banks Peninsula District
Little Akaloa	Banks Peninsula District
LeBons Bay	Banks Peninsula District
Hector	Buller District
Charleston	Buller District
Mokihinui	Buller District
Ngakawau	Buller District
Seddonville	Buller District
Birchfield	Buller District
Ikamatua	Buller District
Inangahua Junction	Buller District
Millerton	Buller District
Mawheraiti	Buller District
Buller Gorge	Buller District
Arapito	Buller District
Kongahu	Buller District
Maruia	Buller District
Te Kuha	Buller District
Longbush	Carterton District
Oturehua	Central Otago District
Becks	Central Otago District
Lauder	Central Otago District
Patearoa	Central Otago District
Waipiata	Central Otago District
Chrystalls Beach	Clutha District
Hinahina	Clutha District
MacLennan	Clutha District
Te Hapua	Far North District
Tahuna	Far North District
Cape Reinga	Far North District
Wekaweka	Far North District
Rangi Point	Far North District
Mitimiti	Far North District
Spirits Bay	Far North District
Te Paki	Far North District
Paua	Far North District
Karatia	Far North District
Waitiki Landing	Far North District
Reef Point	Far North District
Tauroa Point	Far North District
Kaiaua	Franklin District

Waikaretu	Franklin District
Port Waikato	Franklin District
Tikitiki	Gisborne District
Waipiro Bay	Gisborne District
Whangara	Gisborne District
Te Puia Springs	Gisborne District
Matawai	Gisborne District
Motu	Gisborne District
Blackball	Grey District
Ahaura	Grey District
Barrytown	Grey District
Ngahere	Grey District
Atarau	Grey District
Totara Flat	Grey District
Bell Hill	Grey District
Raupo	Grey District
Rotomanu	Grey District
Waipuna	Grey District
Moana	Grey District
Waikari	Hastings District
Te Haroto	Hastings District
Tutira	Hastings District
Te Pohue	Hastings District
Putorino	Hastings District
Waikoau	Hastings District
Aropaonui	Hastings District
Taheke	Hastings District
Ocean Beach	Hastings District
Patoka	Hastings District
Maraetotara	Hastings District
Puketitiri	Hastings District
Whiritoa	Hauraki District
Kekerengu	Kaikoura District
Clarence	Kaikoura District
Mangamaunu	Kaikoura District
Oaro	Kaikoura District
Pouto	Kaipara District
Kellys Bay	Kaipara District
Rototuna	Kaipara District
Ward	Marlborough District
Canvastown	Marlborough District
Anakiwa	Marlborough District
French Pass	Marlborough District
Kenepuru Sound	Marlborough District
Lochmara Bay	Marlborough District
East Bay	Marlborough District
Nydia Bay	Marlborough District
Queen Charlotte Sound	Marlborough District

Waikaraka	Masterton District
Castlepoint	Masterton District
Mauriceville	Masterton District
Riversdale Beach	Masterton District
Bideford	Masterton District
Blairlogie	Masterton District
Matahiwi	Masterton District
Tinui	Masterton District
Uruti	New Plymouth District
Motiti Island	no TLA
Paparoa	Opotiki District
Kutarere	Opotiki District
Omaio	Opotiki District
Waihau Bay	Opotiki District
Opape	Opotiki District
Omarumutu	Opotiki District
Kawhia	Otorohanga District
Oparau	Otorohanga District
Pureora Forest	Otorohanga District
Rewarewa	Otorohanga District
Reporoa	Rotorua District
Mamaku	Rotorua District
Kaingaroa Forest	Rotorua District
Okere Falls	Rotorua District
Rotoiti	Rotorua District
Rerewhakaaitu	Rotorua District
Mourea	Rotorua District
Horohoro	Rotorua District
Tikitere	Rotorua District
Kaharoa	Rotorua District
Ngakuru	Rotorua District
Rotoehu	Rotorua District
Broadlands	Rotorua District
Gisborne Point	Rotorua District
Waikite	Rotorua District
Waimiha	Ruapehu District
Ohura	Ruapehu District
Ongarue	Ruapehu District
Matiere	Ruapehu District
Tokirima	Ruapehu District
Pipiriki	Ruapehu District
Tatu	Ruapehu District
Lake Coleridge	Selwyn District
Whitecliffs	Selwyn District
Mangamingi	South Taranaki District
Waipapa	South Waikato District
Waikuku	South Wairarapa District
Pirinoa	South Wairarapa District

Cape Palliser	South Wairarapa District
Hinakura	South Wairarapa District
Kahutara	South Wairarapa District
Tahora	South Wairarapa District
Lake Ferry/Ocean Beach	South Wairarapa District
Battersea	South Wairarapa District
Ohai	Southland District
Nightcaps	Southland District
Orepuki	Southland District
Blackmount	Southland District
Colac Bay	Southland District
Whangamomona	Stratford District
Kohuratahi	Stratford District
Makahu	Stratford District
Tahora	Stratford District
Te Wera	Stratford District
Douglas	Stratford District
Tapawera	Tasman District
Tadmor	Tasman District
St Arnaud	Tasman District
Parapara	Tasman District
Puponga	Tasman District
Rockville	Tasman District
Upper Takaka	Tasman District
Hamama	Tasman District
Bainham	Tasman District
Ferntown	Tasman District
Kotinga	Tasman District
Patons Rock	Tasman District
Pigeon Valley	Tasman District
Rangihaeata	Tasman District
Tarakohe	Tasman District
Kohatu	Tasman District
Korere	Tasman District
Matariki	Tasman District
Motupiko	Tasman District
Longford	Tasman District
Owen River	Tasman District
Six Mile	Tasman District
Tutaki	Tasman District
Maraetai	Taupo District
Waitahanui	Taupo District
Atiamuri	Taupo District
Wairakei	Taupo District
Wairakei Village	Taupo District
Hatepe	Taupo District
Rangitaiki	Taupo District
Tihoi	Taupo District

Whakamaru	Taupo District
Tokaanu	Taupo District
Te Rangiita	Taupo District
Rotokawa	Taupo District
Motuoapa	Taupo District
Iwitahi	Taupo District
Pukawa	Taupo District
Tairua	Thames-Coromandel District
Waiau	Thames-Coromandel District
Colville	Thames-Coromandel District
Hahei	Thames-Coromandel District
Pauanui	Thames-Coromandel District
Coroglen	Thames-Coromandel District
Whenuakite	Thames-Coromandel District
Kennedy Bay	Thames-Coromandel District
Whangapoua	Thames-Coromandel District
Cooks Beach	Thames-Coromandel District
Koputauaki	Thames-Coromandel District
Opoutere	Thames-Coromandel District
Hot Water Beach	Thames-Coromandel District
Onemana	Thames-Coromandel District
Hikuai	Thames-Coromandel District
Kuaotunu	Thames-Coromandel District
Amodeo Bay	Thames-Coromandel District
Mercury Bay	Thames-Coromandel District
Opito	Thames-Coromandel District
Papaaroa	Thames-Coromandel District
Port Charles	Thames-Coromandel District
Te Kouma	Thames-Coromandel District
Waikawau	Thames-Coromandel District
Te Akau	Waikato District
Waerenga	Waikato District
Waiterimu	Waikato District
Pukeatua	Waipa District
Morere	Wairoa District
Te Reinga	Wairoa District
Kihitu Pa	Wairoa District
Rangiahua	Wairoa District
Tuhara	Wairoa District
Mokau	Waitomo District
Benneydale	Waitomo District
Taharoa	Waitomo District
Aria	Waitomo District
Awakino	Waitomo District
Marokopa	Waitomo District
Te Anga	Waitomo District
Mahoenui	Waitomo District
Waikawau	Waitomo District

Puketutu	Waitomo District
Te Maika	Waitomo District
Jerusalem	Wanganui District
Matahiwi	Wanganui District
Athenree	Western Bay Of Plenty District
Haast	Westland District
Ross	Westland District
Whataroa	Westland District
Harihari	Westland District
Jacksons	Westland District
Bruce Bay	Westland District
Pukekura	Westland District
Aickens	Westland District
Dillmanstown	Westland District
Jackson Bay	Westland District
Lake Paringa	Westland District
Matata	Whakatane District
Ruatoki North	Whakatane District
Galatea	Whakatane District
Ruatahuna	Whakatane District
Tauwhare	Whakatane District
Opouriao	Whakatane District
Waimaria	Whakatane District
Ruatoki	Whakatane District
Tahora	Whakatane District

Source: <http://www.msd.govt.nz/documents/media-information/jobs-jolt-update-2004/lel-alert-sheet-04-mar-03.xls>

APPENDIX 2a – MSD Interview Guide

Note – It is expected that the interview will be semi-structured. That is, the questions below are a guide. It is expected that all will be covered – but in any order, and some in more detail than others. The interviewee is encouraged to expand, digress if relevant, and critique.

1. Based on this researcher's reading of the LEL policy and related documents it seems that there are a number of explicit and implicit motivations for the LEL policy, including:
 - Getting more NZers into jobs
 - Reducing the unemployment rate
 - Encouraging job-seekers to live in an area with good employment prospects
 - Discouraging movement to LELs and maintaining the status quo in LELs
 - Ensuring that those already living in LELs are not disadvantaged by others moving in
 - Creating savings
 - Creating 'clear and strong expectations'
 - Ensuring that no UB clients are funded for a lifestyle decision to live in a LEL
 - 'Political' motivations
 - What of these motivations is most important?
 - What of these motivations is least important?
 - Are any of these motivations incorrect?
 - Have any motivations for the policy been missed?
2. What was the process that the LEL policy went through in its development?
3. Was it based on any previous policies?
4. What was the consultation process that occurred?
5. Who was involved in the consultation process?
6. What was the criteria for selecting LELs?
7. Who was involved in the selection process?
8. Who will be responsible for reviewing the list of LELs?
9. How will the review process happen?
10. What were the positive and negative implications of the policy that were identified?

11. Why was the name of the policy changed from 'remote areas policy' to LEL policy?

12. Based on this researcher's reading of the LEL policy and related documents it seems that the policy makes some assumptions about human behaviour, including that:

- People want to find work
 - People move to LELs for leisure/lifestyle reasons
 - People move away from LELs for work
 - People in LELs will be willing (and are able to) travel/commute to work
 - People are in a position to accept work if offered
 - People are mobile enough to take advantage of work opportunities elsewhere
 - People in LELs operate mainly in the formal/official labour market
 - People can be discouraged to move to an LEL through this policy
- Are these assumptions relevant?
 - Which ones are not relevant?
 - Were they considered in the development process of the LEL policy?
 - Are there any other relevant assumptions about human behaviour that have been missed?

13. Is there any other important information not discussed?

APPENDIX 2b – Work and Income Interview Guide

Note – It is expected that the interview will be semi-structured. That is, the questions below are a guide. It is expected that all will be covered – but in any order, and some in more detail than others. The interviewee is encouraged to expand, digress if relevant, and critique.

1. What was your involvement in the development of the LEL policy?
2. Were you involved in the selection of LELs in Opotiki District?
2. How did the selection process occur? What were the criteria used?
3. What consultation process occurred in Opotiki District? Who was consulted?
4. Did the list of LELs in Opotiki District change during the consultation process?
5. Will you be involved in the annual review of LELs in Opotiki District? How will this occur? Has there been any planning yet for the next fiscal year? Do you expect any changes to the list of LELs in Opotiki District?
6. Do you think that the policy will be effective in getting those on the UB into work?
7. What do you think are the positive and negative implications of the policy?
8. Based on this researcher's reading of the LEL policy and related documents it seems that there are a number of explicit and implicit motivations for the LEL policy, including:
 - Getting more NZers into jobs
 - Reducing the unemployment rate
 - Encouraging job-seekers to live in an area with good employment prospects
 - Discouraging movement to LELs and maintaining the status quo in LELs
 - Ensuring that those already living in LELs are not disadvantaged by others moving in
 - Creating savings
 - Creating 'clear and strong expectations'
 - Ensuring that no UB clients are funded for a lifestyle decision to live in an LEL
 - Ensuring that there are job seekers in times of low unemployment/skill shortages
 - Ensuring that those on the UB meet their obligations
 - 'Political' motivations

➤ What of these motivations is most important?

- What of these motivations is least important?
- Are any of these motivations incorrect?
- Have any motivations for the policy been missed?

9. Based on this researcher's reading of the LEL policy and related documents it seems that the policy makes some assumptions about human behaviour, including that:

- People want to find work
 - People move to LELs for leisure/lifestyle reasons
 - People are in a position to accept work if offered
 - People are mobile enough to take advantage of work opportunities elsewhere
 - People can be discouraged to move to an LEL through this policy
 - People don't like been sanctioned/this can facilitate a 'jolt' to find work
 - People in LELs operate mainly in the formal/official labour market
- Are these assumptions relevant?
 - Which ones are not relevant?
 - Were they considered in the development process of the LEL policy?
 - Are there any other relevant assumptions about human behaviour that have been missed?

10. Is there any other important information not discussed?

APPENDIX 3a – Information Sheet (for individuals)

VICTORIA UNIVERSITY OF WELLINGTON
Te Whare Wananga o te Upoko o te Ika a Maui



INFORMATION SHEET

Research

Working Title – ‘Limited employment locations’: Migration and livelihood strategies within New Zealand: A case study from Opotiki District

February 2005

I am a Masters in Development Studies student from Victoria University of Wellington. I am undertaking a study of livelihood strategies in areas of “limited employment opportunity” in Opotiki District. These include the communities of Paparoa, Kutarere, Omaio, Waihau Bay, Opape and Omarumutu. I am investigating whether behavioural assumptions inherent in Ministry of Social Development (MSD) policy on areas of limited employment opportunity are supported by the evidence presented in Opotiki District. According to this policy unemployed persons who move to areas of limited employment opportunity may not be able to continue to receive the unemployment benefit.

I am interviewing policy developers from MSD, and community leaders and welfare recipients from the areas of limited employment opportunity and other parts of Opotiki District.

Interviews will not normally take longer than 30 minutes.

The results of my research will be used to prepare and write my own thesis to be submitted at the end of March 2005 and possibly for journal publication. Both will be for an academic audience. Please note that:

- **Victoria University requires your approval before I ask you any questions**
- **You have no obligation to participate in this research**

- Information will not be tape recorded, but notes will be taken
- Interviews can take occur at a place and time of your choosing
- Interviews will be based around a number of questions around your relationship to the area that you live, any employment you may have, any benefit that you may receive, and any income that you may earn
- All reporting will be confidential (that is results will be recorded in a way that can not be attributed directly to you), and only the researcher will have access to the information. You also have the option of providing your real name, a false name, or no name. Note that all information will be destroyed two years after the hand in of my thesis, and that no names will be used in reporting.
- On request you can withdraw yourself or any supplied information at any point prior to submission of the thesis upon contact with the researcher (contact details below)
- You can request a summary of the research to be provided on completion

Luke Kiddle, Masters in Development Studies, Victoria University of Wellington, Email: lukek@pinz.co.nz, Ph: 04 976 2267, 012 163 7664

Supervisor: Dr. Philip Morrison, Head of School, School of Earth Sciences, Victoria University of Wellington, Email: Philip.Morrison@vuw.ac.nz

APPENDIX 3b – Information Sheet (for individuals sourced through organisations)

VICTORIA UNIVERSITY OF WELLINGTON
Te Whare Wananga o te Upoko o te Ika a Maui



INFORMATION SHEET

Research:

Working Title – ‘Limited employment locations’: Migration and livelihood strategies within New Zealand: A case study from Opotiki District

February 2005

Luke Kiddle is a Masters in Development Studies student from Victoria University of Wellington. He is undertaking a study of livelihood strategies in areas of “limited employment opportunity” in Opotiki District. These include the communities of Paparoa, Kutarere, Omaio, Waihau Bay, Opape and Omarumutu. He is investigating whether behavioural assumptions inherent in Ministry of Social Development (MSD) policy on areas of limited employment opportunity are supported by the evidence presented in Opotiki District. According to this policy unemployed persons who move to areas of limited employment opportunity may not be able to continue to receive the unemployment benefit.

He is interviewing policy developers from MSD, and community leaders and welfare recipients from the areas of limited employment opportunity and other parts of Opotiki District.

Interviews will not normally take longer than 30 minutes.

The results of his research will be used to prepare and write his own thesis to be submitted at the end of March 2005 and possibly for journal publication. Both will be for an academic audience. Please note that:

- **Victoria University requires your approval before he asks you any questions**
- **You have no obligation to participate in his research**

- We (as the referring organisation) will not know if you participate in the research or not. Additionally this research will not effect your relationship with us in any way
- Information will not be tape recorded, but notes will be taken
- Interviews can take occur at a place and time of your choosing
- Interviews will be based around a number of questions around your relationship to the area that you live, any employment that you may have, any benefit that you may receive, and any income that you may earn
- All reporting will be confidential (that is results will be recorded in a way that can not be attributed directly to you), and only the researcher will have access to the information. You also have the option of providing your real name, a false name, or no name. Note that all information will be destroyed two years after the hand in of his thesis, and that no names will be used in reporting.
- On request you can withdraw yourself or any supplied information at any point prior to submission of the thesis upon contact with the researcher (contact details below)
- You can request a summary of the research to be provided on completion

Luke Kiddle, Masters in Development Studies, Victoria University of Wellington, Email: lukek@pinz.co.nz, Ph: 04 976 2267, 012 163 7664

Supervisor: Dr. Philip Morrison, Head of School, School of Earth Sciences, Victoria University of Wellington, Email: Philip.Morrison@vuw.ac.nz

APPENDIX 3c – Consent Form

VICTORIA UNIVERSITY OF WELLINGTON
Te Whare Wananga o te Upoko o te Ika a Maui



CONSENT FORM

Research:

Working Title – ‘Limited employment locations’: Migration and livelihood strategies within New Zealand: A case study from Opotiki District

February 2005

- **I understand the purpose of this research project.**
- **I have had an opportunity to ask questions and have them answered to my satisfaction.**
- **I understand that I can withdraw from this research project without reason before analysis and reporting of results, and in this case interview data will be destroyed.**
- **I understand that results will be confidential in that they can not be directly attributed to me.**
- **I understand that I have the option of providing a real name, a false name, or no name at all, and that no names will be used in reporting.**
- **I am aware that the results will be used to prepare a thesis and possible article for journal publication**

Signature: _____

Name: _____ (please provide a real name, a false name, or no name if you wish)

I would like a summary of the research: YES [] NO []

APPENDIX 4a – Field Study Interview Guide: UB Recipients

Location:

- How long have you lived here?
- Where are you originally from?
- When did you move in? Did you have a job when you did? Why did you move in?
- What is the primary reason why you live here? Other reasons?
- Is this your ancestral homeland?
- Do you have family here?
- Do you own property here?
- Are you aware of any unemployment benefit recipients who plan to move here?

Employment:

- Do you have any part-time work? How many hours per week? How much do you earn from this?
- Are you actively seeking work? If so, how many hours per week would you be willing/able to work?
- Are you willing and able to commute to work by car? How far/long would you commute?
- Do you have your own car?
- Would you have access to a guaranteed ride into a bigger centre if you could find work there?
- Would you be willing to relocate for a job elsewhere? If so how far and where to?

Welfare:

- Are you on any supplementary benefits on top of the unemployment benefit?
- Are you aware of the LEL policy? What do you understand about the LEL policy? What do you think about it? Has Work and Income New Zealand informed you of the LEL policy? If so, has this policy affected you in any way? Are you aware of any ways to 'get around' this policy? Do you know anyone affected by the LEL policy?
- Do you think that this policy might 'jolt' you into finding work?
- Are you aware of your obligations in receiving the unemployment benefit? Do these obligations mean much to you?
- How often do you meet with your case manager?
- What has been your experience with Work and Income?
- Does the Work and Income New Zealand mobile employment centre van come up this way? Do you use this service? Would you use this service if it was available?

- Has anyone in this area recently moved in and gone on the unemployment benefit?
- Do you know of people here switching from the unemployment benefit to other types of benefit in order to stay living in the area?

Income:

- Do you earn any declared part-time income on top of your unemployment benefit?
- Do you earn any other income at all? How to you earn this?
- Do you ever trade or barter goods and services?

Others:

- Are there work opportunities in this area? If so, what types?
- Do you think that people moving in to your town creates any problems?

APPENDIX 4b – Field Study Interview Guide: Individuals in Day-to-Day Contact with UB Recipients

1. Are you aware of the LEL policy?
2. What do you think about the LEL policy?
3. Do you think many people in Opotiki District are directly affected by the policy? (for example, by losing their benefit)
4. Do you know anyone affected by this policy? If so, what were their circumstances?
5. What about the message that the policy sends? Do you think it has any implications for these communities, or the district itself?
6. Why do people generally move back to these areas?
7. Do you know anyone planning to move to one of these areas? If so, are they on a benefit?
8. Are there any real employment opportunities in these towns?
9. Do you think that some UB recipients might be moving to other forms of benefit?
10. Do you think that people in LELs are earning any undeclared income?
11. Is anyone moving to these areas as a work avoidance measure? Or for what other reasons?
12. Do people in these areas have access to transport into non-LELs?

APPENDIX 5a – Questions Around Movement Motivations from the CRESA Panel Survey

29. What were your reasons for moving to THIS house?

(use these points as prompts if necessary – please tick all that are mentioned)

- ☐₁ Job opportunity
- ☐₂ Business opportunity
- ☐₃ Living costs
- ☐₄ Wanted to move to this location
- ☐₅ Environment, climate
- ☐₆ Pace of life, lifestyle
- ☐₇ Housing conditions in last house (crowded, poor quality etc)
- ☐₈ Housing costs
- ☐₉ Neighbourhood
- ☐₁₀ Closer to family
- ☐₁₁ Other family reasons
- ☐₁₂ Closer to friends
- ☐₁₃ Education/school for children
- ☐₁₄ Health issues
- ☐₁₅ Safety/security concerns
- ☐₁₆ Partner's decision
- ☐₁₇ Family decision
- ☐₁₈ Other (*Please specify*) _____

Write comments here:

30. Thinking about all the reasons you've talked about, what was the ...

Most important reason: _____

Second most important reason: _____

Third most important reason: _____

APPENDIX 5b – Questions Around Community Links from the CRESA Panel Survey

34. Did you have any links with [name of case study area] before moving to this house?

- ☐₁ Yes → go to Question 35
☐₂ No → go to Question 36

35. If YES, what sort of links did you have? *(tick all that are relevant)*

- ☐₁ Was living in the area
☐₂ Friends lived in the area
☐₃ Relatives lived in the area at the time
☐₄ Family has been associated with the area for generations
☐₅ I had lived in the area in the past
☐₆ Another household member had lived in the area before
☐₇ I had holidayed in the area
☐₈ I own or have shares in a house/property/land in the area
☐₉ I was working in the area
☐₁₀ I have a business interest in the area
☐₁₁ I have used services in the area (specify _____)
☐₁₂ Other _____

Write comments here:
