

## **Precarious work and a Living Wage in our communities**

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### **Introduction**

Food parcels are the soup kitchens of the modern age. Workers are not hovering “seagulls” at the waterfront waiting for work, a visible reminder of a society in crisis; they are battling for accommodation allowances at the local WINZ (Work and Income New Zealand) office, taking loans from sharks or picking up texts notifying them of available working hours for the next day. Many are poor but they are less visible in their cyber-queues than they once were on the street.

John Maynard Keynes (1963: 10) said “The outstanding faults of the economic society in which we live are its failure to provide for full employment and its arbitrary and inequitable distribution of wealth and income”. We know New Zealand has 500,000-750,000 people living in households below the internationally recognised poverty line, that up to 270,000 children are estimated to be living in poverty, of which one in five are Pacific or Maori. We also know that two in five children living in poverty are in households where there is at least one adult in full time employment or self-employed (Perry, 2013).

Living Wage Aotearoa New Zealand (Living Wage Aotearoa) is a response to the challenge we face as a society of a growing working poor. This is a social justice movement that aims to transform the lives of workers and their families and, at the same time, to rethink how we organise our civil society so we have a united voice around the concerns we share.

I approach this article from a union perspective and, in this context, I will address the drivers for change and the nature of the movement emerging. I will argue that while a living wage may well lift many thousands out of poverty in New Zealand workplaces, the real value of the movement is in the bold new relationships being formed across civil society that could provide a vehicle for social justice campaigns for many years to come.

### **The problem**

Members of the Service and Food Workers Union Nga Ringa Tota (SFWU) and the New Zealand Nurses Organisation took industrial action against the largest rest home provider in the country, Oceania: an overseas controlled private equity firm, which runs wind farms in France and the Gdansk shipyards in Poland. More than 600 Oceania union members were paid barely above the minimum wage, at the time \$13.50 per hour, but the company refused to offer the funding increase passed on by government – just over 1 percent.

Union members took repeated strike action over many months, joined by residents, their families, politicians and the media. Newspapers ran photos of residents with Zimmer frames and 103 year old Leoni Teesdale told the local paper: “I believe in fair pay. In the Bible it says: “A labourer must be worth his hire’ and that’s what this is all about” (Our Voice, 2012: 10).

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Union Secretary, John Ryall, said Oceania was planning a massive expansion and the residents' and families' message that Oceania undervalued their staff was critical in turning the company around. Oceania agreed to pass on the government funding increase and the dispute was resolved. In this campaign, the workers came together as union members, they bargained, they accessed mediation, they took strike action, they won extensive news coverage and public sympathy, in other words they did everything the law allows to influence their employer and more, and yet the vast majority of these workers remain on poverty wages of between \$14 and \$16 per hour.

This story captures the problem faced by many unions, and provides a glimpse into the sort of solution that is inspiring the living wage movement. The primary role of unions is to represent workers so they can advance their collective interests. Unions balance the unequal power relationship between employers and workers in bargaining for employment conditions, and in the management of disputes at work. While many workers, such as cleaners, gain a financial benefit from being on a collective agreement (currently 25 cents above the minimum wage), the task of representation is all-consuming for what are generally very financially-stretched organisations, particularly in the private sector. The role of unions is central to social justice for workers in a democracy but, at the same time, unions are struggling to fulfill a role as social justice organisations, if indeed they aspire to such.

Decentralised wage setting and weakened unionisation are critical factors in the growing inequality in New Zealand (Rosenberg, 2011). The market determines wage outcomes and has failed to deliver large numbers of working people in this country out of poverty (Perry, 2013). It is the statutory minimum wage that determines ground zero for many workers (currently \$13.75 per hour) and, at 53 percent of the average wage, it is a far cry from its genesis in 1946 when the statutory minimum was 83 percent of the average wage. With 91,500 workers living on the minimum wage and 573,100 earning less than the living wage rate of \$18.40 per hour (Ministry of Business, Innovation and Employment, 2013), the call for a shift in thinking about wage-setting is understandable. Neither the market nor the statutory minimum wage is grounded in what workers need to live a decent life – the living wage is. Reflecting international models, the living wage movement has defined the living wage as what workers need to survive and participate in society.

Setting a living wage through independent research is a milestone for this movement, but winning a living wage for workers when this can mean a 30 percent pay increase is a massive challenge because our law and our levels of activism are currently so compromised in New Zealand. The legal structures, of course, influence our history of activism – in quality and quantity – but equally, our levels of activism influence the quality of the law. The living wage movement seeks to play a part in shaping the future outcomes for workers through deepening social activism and, ultimately, influencing the decision-makers who mold the economy of the future and the legal framework that constrains or liberates us. In this sense, it is not the call for a living wage, or the evidence that justifies a living wage that is transformative but the activation of civil society around a common purpose that will contribute to shaping a new future for New Zealanders.

## **The organising challenge**

The modern precarious workforce cannot depend on traditional union organising and bargaining as the sole means by which workers can realise a better life for themselves and their families. While the Employment Relations Act 2000 places employees and employers at the centre of all the action, the reality is that there is no longer a single field of battle for addressing the interests of these parties. The real power (where the money is) is often elsewhere, and those who hold the

purse strings are invariably – and comfortably – beyond reach of the law and the rough and tumble of bargaining. This is not to say all workers are caught in complex webs of control, but it is a growing reality and some unions have been forced to grapple with this more than others.

An example of this precarious worker is the contracted cleaner whose employer is winning tenders to deliver services to a business, such as a company or government agency. The contractor is limited by the parameters of the contract for service and the behavior of the competitors in the industry. On the one hand, setting the price of the labour through a collective agreement is attractive to the employer because it takes labour out of competition for the tendering process; on the other hand, it limits any movement above the industry standard because this is likely to result in the contractor being undercut by competitors. Any fair shift in the price of labour has to be negotiated with those not part of the legal employment relationship, those who hold the funds, whether that is a private business, a council or a university. Unfortunately, funders usually contracted out services in the first place to absolve themselves of responsibility and/or to cut the cost of their “non-core” activities – the last thing they expect is to be shackled (as they may well view it) once more to this large low paid workforce. Wellington City Council’s decision in May 2013 to endorse the principle of the living wage, and put in place a framework for delivering this across directly employed and contracted workers is a beacon of hope for the movement.

Moliati Fataua is a cleaner at Christchurch airport on \$13.85 per hour where she works from 12.30am until 9.00am, 40 hours a week, so she can be at home with her children during the day. She is the sole income earner, with four children, and at the end of the week, they live on rice or noodles “because the money has run out.” Moliati cannot remember the last time she bought new clothes for her children.

This story illustrates part of the organising challenge for unions. Real power to deliver a decent wage for contracted cleaners lies with the agency, the institution, or the multi-national company and not the employer (as defined by law). Employment agreement negotiations with employers will be limited at best and futile at worst unless leverage is applied where the real decisions are made about money. The other aspect of the organising challenge is the workforce itself, recently articulated as the “precariat” (Standing, 2011). The “precariat” include contract workers, agency staff, part-time and casual workers, who are employed for irregular hours, for multiple employers, behind security walls, and on multiple locations.

Legislation does not support organising or collectivising this modern precarious workforce: union membership is voluntary, relationships are individualised, and union access is restricted. The collapse of private sector unionism since the deregulation of the labour market in 1991 is testimony to this lack of support.

To organise people around the values and the issues that matter most to them, we must look beyond the confines of the workplace. Workers and their families come together and form bonds in communities, schools, churches and sports fields. It is here that workers and their families have the opportunity, the confidence, and the support to talk about what matters and what should be done about it. Living Wage Aotearoa is a social justice movement that steps outside the traditional domain of organising – the workplace – to build strength and power around the shared values expressed by workers through their communities, faith networks and unions. This is a project to empower workers, as Jane Wills says: “Justice...requires that people are able to organise themselves to represent their own interests, to find what is in common, and to secure the power to act” (Wills, 2011).

The US father of community organising, Saul Alinski, talks about building organisation upon the diverse loyalties to church, unions, and other institutions that make up our daily lives. It is these loyalties, Alinski says, that “combine to effect an abiding faith in, and profound loyalty to, the democratic way of life” (1969: 88). In its commitment to establishing new relationships across civil society, Living Wage Aotearoa is seeking a revitalisation of democracy by generating hope, injecting energy, and organising networks of people to win some dignity and respect for working people in this country.

### **A new movement gains momentum**

One of the most active participants in our new movement from a mainstream faith group told me he was a management consultant before he retired, and would never have had anything to do with unions in the past. He said Living Wage Aotearoa was different from anything that had happened before: diverse groups of unions, faith-based religious groups and other non-government organisations were working together around their shared commitment to reduce poverty.

This partnership between community, union and faith groups was signalled very early in the development of Living Wage Aotearoa. In early 2012, SFWU representatives met with faith and community groups in Auckland and Wellington to talk about the concept of the living wage. The union had a direct interest in addressing the pay of its members, 80 percent of whom were on less than \$18.00 per hour. However, it resonated with many others – with those who were seeing waged workers collect food parcels because they could not make ends meet; with those supporting beneficiaries to navigate the complex maze of government support; and, among many others, with those health and community workers addressing the growing number of third world diseases among the poor. The living wage was seen as an achievable goal in a sea of demands, expectations and seemingly unending need. The early conversations were also laced with words of caution – that politicians should not be part of defining this landscape; unions should not be the sole drivers of it, and campaigns should not be national but rather able to emerge locally, built around local relationships and local issues.

While communities articulated their terms, international influences helped to strengthen the approach to the campaign to create a new and genuine community/union partnership that recognised important principles of community organising. Firstly, this means ensuring that political parties were not part of the community campaign. The role of the movement is to give politicians a mandate to deliver a living wage and to hold them to account for their commitments; politicians are targets rather than partners of the movement. This separation from party politics is challenging for many unions, but the wisdom of maintaining neutrality was born out early in the campaign when a city mayor would not continue a conversation with us if we were politically aligned. Secondly, organisation is built on the basis of group and not individual membership because, ultimately, groups mobilise numbers for power and not individuals. This was initially challenging for the many enthusiastic activists that were independent of organisations because it appeared to be excluding valuable support. Thirdly, local organisation takes precedence over any national structure. Community organisations said, at the start, that successful campaigns in a financially-stretched sector were built around local relationships and less vulnerable to collapse. Finally, organisation is underpinned by a genuine partnership of community, faith and union representatives around shared values (a structure now established in the rules of Living Wage Aotearoa).

## Converging identities

Jane Wills talks about the effectiveness of the community alliance, London Citizens, in terms of its ability to create identity connections between individuals and “identity linking” between institutions that share common ground, so that ultimately the alliance is involved in the making of a new identity that enhances civic engagement (Wills, 2013). London Citizens facilitates connections between different aspects of people’s lives – as cleaners, migrants, Christians, parents and trade unionists. Connections are also formed at an institutional level, whereby different groups find common ground with each other, and each is strengthened as a result. It is what builds power to act. Rt Rev. Justin Duckworth, Anglican Bishop of Wellington, captures this convergence when he says:

on a simple level the living wage campaign is a no-brainer. If you’ve got two coats and somebody else hasn’t got one, you give them one of your coats. That’s what it says in scripture (McDonald, 2013).

There is a mutual self-interest for both unions and community organisations, for faith groups and institutions in this country to join together and use their collective power to build a decent society. The faith and community groups quickly identified the benefits of building unity beyond their own networks, such as the former-refugee and migrant groups that identified they need jobs but they also need well-paid jobs. Yet, trade unions also need these communities because this is where the non-union workforce (both current and future) come together and form bonds and create communities. The young educated Somali children of refugees have not come across traditional unions before; they do not know what they exist for; they do not see what the benefits of belonging will be. We do not yet understand each other, let alone know how to work together to strengthen our respective communities and unite to win improvements in our lives.

## Conclusion

In 18 months, more than 160 organisations endorsed the call for a living wage and Living Wage Aotearoa New Zealand had a rapidly growing membership, comprised of unions, faith-base religious groups and community/secular organisations. These organisations joined together in key cities to call for local councils to pay a living wage to directly employed workers and to those employed by contractors. In Auckland, living wage communities campaigned in the local government elections by supporting each other’s issues, such as the need for social housing, employment opportunities for students of refugee background and the living wage. In this way, relationships across the movement are deepening, trust is being built and people, whose lives have previously not converged, are experiencing working together to mold a better future for New Zealand.

If we want to salvage our union movement for the future of a healthy democracy, we have to shift our focus to the communities in which workers live and shift our strategies and tactics accordingly. A community approach means creating common ground and a shared agenda with our diverse communities, not just calling on these communities to support the agenda of one advocacy group, such as unions. Living Wage Aotearoa aspires to have a society with decent living standards that our current labour market mechanisms cannot deliver for the most vulnerable and precarious workers. It aspires to building a collective voice comprising our diverse citizenry that strengthens

each of our organisations and our whole community, and that has the power to shape our lives for the better. For unions, the campaign for a living wage is a social justice project and one that requires focussed consideration and distinct resourcing because it is different from industrial advocacy in orientation and outcome. This is about building power through the collaboration of community, faith and union groups, giving vitality to our democracy, and delivering a decent society where workers can survive on the fruits of their labour.

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