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Paul Spoonley

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The Labour Market Incorporation of Immigrants in Post-Welfare New Zealand

Paul Spoonley
College of Humanities and Social Sciences
Massey University – Albany
New Zealand
P.Spoonley@massey.ac.nz

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Abstract: The participation of immigrants in New Zealand's labour market is considered in light of theories of political economy and racialisation. Immigrants enter the New Zealand economy at a time of considerable change, towards less-standardised forms of employment (more part time work and self-employment, for example). The New Zealand state has reduced its degree of intervention in the labour market and provides little assistance to immigrants in their incorporation process. Outcomes are similar to those in Canada, with growing concern that the skills brought by immigrants are under-utilised in New Zealand.

Key words: New Zealand, Immigration, Labour market, Political economy, Racialisation

Introduction

New Zealand is one of the classic countries of immigration, and shares a number of similarities with Canada and Australia as a settler society that was significantly influenced by colonial connections with Britain. However, New Zealand almost exclusively recruited its labour and new citizens from the UK until the latter part of the twentieth century, providing a homogeneous flow of immigrants. These immigrants were welcomed into a society that first established a welfare state and mass political enfranchisement in the 1890s as part of a non-partisan political contract between the state and its citizens that existed until the Labour Government in 1984. The abandonment of this contract and the reconstruction of the welfare state coincided with significant changes to capital accumulation and ownership, both within New Zealand and globally. Immigration selection also departed from historically accepted practice for reasons that are common to other immigrant-receiving countries: the need for skilled workers, especially in certain service and information-based sectors, combined with ageing and declining domestic workforces. But the nature of these diversified and skill-privileged immigration flows encountered conditions of a post-welfare New Zealand, with minimal post-arrival support and a labour market that emphasised individual endeavour and flexible labour supply. This paper utilises an updated political economy of labour migration approach to discuss the incorporation of immigrants in contemporary New Zealand, with a focus on the labour market experiences of those immigrants who have arrived since 1990. It concludes that given the radically different conditions of citizenship entitlement, the nature of labour markets and the characteristics of immigrants, there is a major disjuncture between the desire of the New Zealand state to enhance the stock of human capital and the reality of immigrant labour market experience.

The Political Economy of Labour Migration

The nature of migration in the post-World War II period encouraged new approaches in understanding immigration, and specifically the political economy of labour migration (Miles 1982; Castles, Booth and Wallace 1984). The need for unskilled and semi-skilled labour in a buoyant Fordist capitalism required an analysis which addressed the nature of capital accumulation, prior colonial links and the politicised and racialised responses of host populations and the state, in addition to a focus on immigrant experiences and strategies. In the New Zealand context, the recruitment of semi-skilled and unskilled labour from new catchments, notably a rural hinterland in the case of

Maori, as well as the Pacific,¹ and the response to the arrival of these migrants in the sites of urban mass production as wage-labourers encouraged an interest in the political economy of labour migration (see Miles and Spoonley 1985). Immigration, especially of visible (i.e., non-European) migrants, in response to the demands of Fordist production, and the subsequent racialisation of Maori and Pacific peoples, lent itself to an approach which shifted the emphasis from immigrants to the nature of capitalism and the activities of the state in encouraging and then controlling migrants. By the 1980s, the nature of capitalist accumulation, the activities of the state and the role of immigration had all changed dramatically.

As Miles (1989:117) observes:

“The competitive nature of capitalist production results in ongoing processes of capital centralisation and concentration in particular, but also changing spatial locations, processes that in turn have implications for the size of the working population in those various locations. The process occurs within and (increasingly) across national borders, with the result that labour (along with capital) must be permitted to circulate within and (increasingly) across those national boundaries in order to fill particular economic sites.”

Miles correctly anticipated the mobility of capital and labour although perhaps not the shift to skilled migrants and the extensive changes to the nature of waged labour. The deindustrialisation of many of the traditional sites of mass production resulted in the decline of Fordism in the developed economies and the re-appearance of these activities in sites of low cost production, notably in Asia and Central and South America. Production and ownership were increasingly multinational as the advantages of cost and flexibility were exploited by an intensified global capitalism. Between 1970 and 1997, the number of trans-national corporations grew from 7,000 to 60,000, and by the beginning of the 1990s, these corporations accounted for one-fifth of the world's paid employment in non-agricultural sectors (Ladipo and Wilkinson 2002:12-13). This was accompanied by much greater capital flows, especially of foreign direct investment, which were not subject to regulation or control by individual states (Castells 1996). This rejuvenated global capitalism was also characterised by the opportunities provided by the information technology revolution that was marked by the first PC in 1977 and the arrival of the internet in the early 1990s. Not only were aspects of production altered by the mobility and technology available, but the importance of knowledge workers (Drucker 2001) and of knowledge industries were significantly enhanced. In New Zealand, the shift can be seen in the declining numbers employed in the primary and secondary sectors, and the growth in the service sector.

¹ New Zealand has colonially derived connections with the Polynesian Pacific, specifically Samoa, Cook Islands, Niue and Tokelau. Labour recruitment from the 1960s was also extended to Tonga and Fiji.

In relation to immigration and immigrants, there are two aspects which are worth emphasising in the wake of the crises of Fordist capitalism, dating from 1973, and the need to develop new regimes of labour regulation. The first of these is the nature of the state's involvement in the provision of entitlements. As in other constituencies, the New Zealand state, under a reforming Labour Government (1984-1989), began the process of hollowing out the state and privatising, or individualising, many of the functions which had previously been the responsibility of a welfare state. This neo-liberal agenda overturned the existing contract between citizens and the state which had existed for almost 100 years, and major costs (health, education) were now increasingly borne by households and individuals. Moreover, the state, which had previously been responsible for significant trading activities in areas such as banking and transport, privatised these or required state agencies to act as though they were private sector trading entities. The emphasis was on profit and international competitiveness. The effect was to open New Zealand enterprises and resources, such as land, to international ownership, so that the level of non-New Zealand ownership changed dramatically in less than a decade. The state continues to play a major role in controlling immigration but has reduced its level of support or entitlement to its citizens, with implications for the integration of these immigrants.

Table 1: Share of Employment by Industry Sector

<i>Year to September</i>	<i>Numbers employed (000)</i>		<i>Share of employment (%)</i>	
	<i>1986</i>	<i>2001</i>	<i>1986</i>	<i>2001</i>
Primary	173.7	166.0	11.2	9.2
Secondary	439.1	407.9	28.4	22.5
Services	926.9	1,233.5	59.9	68.0
Total	1,547.6	1,812.8		

Source: Statistics New Zealand, *Household Labour Force Survey*, see Conway and McLoughlin, 2003

The second issue is what Beck (2000: 3) refers to as the 'political economy of insecurity' whereby risk is transferred from 'the state and the economy towards the individual,' especially in relation to the nature of paid employment. This is partially associated with the neo-liberal reforms of the 1980s and 1990s to the extent that the welfare state was based on assumptions about the nature of employment, who was employed and the rights associated with productive work (Turner 2001). In essence, work was primarily standard: it involved employment at the employer's place of work for a salary or wage, was full-time and there was an expectation of indefinite employment (Firkin et al. 2002).

In New Zealand, the standard workers of the period of mass employment mid-century were male and largely involved in secondary industries with a significant number involved as state employees. These workers and the work they did was ‘fundamental to the conception of citizenship in the British [and New Zealand] welfare state’ and ‘individuals could achieve effective entitlements through...gainful employment which was essential for the provision of adequate pensions and superannuation’ (Turner 2001:192). Moreover, the state regulated the labour market to ensure that workers were entitled to representation and to collective national agreements which protected the benefits they might expect at work and the returns on their labour. While the Labour Government altered the conditions under which those working in the secondary (manufacturing) industries and for the state could expect, it was left to the incoming National Government in 1990 to produce legislation which fundamentally altered the nature of workplace agreements and the relationship between employer and employee. Worker representation and collective agreements were either eliminated altogether or altered considerably, and the notions of guaranteed wage/salaries and associated benefits were largely dispensed with. The cost of labour which had become a significant issue in the neo-liberal agenda led to policies and legislation which altered the balance in favour of the employer. Moreover, flexibility was now paramount as employers sought to accommodate to changing demand.

The still-prevalent normative expectation (especially inside the State policy agencies) that standard work continues to be the basis for policy and entitlements needs to be challenged in the contemporary New Zealand context. Non-standard work has expanded, both as a preferred and a forced option. Non-standard work is defined here as those forms of work which depart from employment relations and conditions which assume full-time and ongoing employment. A number of terms are used to describe these non-standard forms of work, including ‘alternative working arrangements’, ‘market-mediated’, ‘vulnerable’, ‘precarious’, ‘flexible’, ‘atypical’ and ‘contingent’ (see Kalleberg 2000:2).

In New Zealand, the main forms of non-standard work include part-time work, casual employment, temporary or fixed term/task employment, own-account self-employed and multiple job holders. All these forms have grown in the decade 1991 to 2001 (see Table 1), although there is insufficient statistical information on some forms of non-standard work (casual and contract employment) to know exactly what the extent of that growth has been. Non-standard work operates to externalise various costs and responsibilities as a means of lowering labour costs and increasing flexibility. Some prefer it in the New Zealand context because it provides an opportunity to balance work and non-work life and it can be lucrative, especially for certain sorts of knowledge workers (Firkin et al. 2002; Spoonley et al. 2003). However, that is not a universal experience, especially for

new entrants to the New Zealand labour market, especially school leavers and immigrants. It also exposes an important tension as the state seeks to ensure that there is an adequate supply of labour at an appropriate cost, but the state is still focussed on standard work involving domestic (as opposed to immigrant workers) as the benchmark for labour market policies. Not only are these policies and provisions inadequate in addressing the needs of non-standard workers but they also contribute to a mismatch in terms of aligning labour market supply with demand.

Table 2: Non Standard Work in New Zealand

<i>Average for Year Ended March</i>	<i>Total in Employment</i>	<i>Part-Time¹</i>	<i>Self-Employed²</i>	<i>Multiple Job Holders³</i>
1991	1,479,300	301,100 (20.4%)	275,600 (18.6%)	64,900 (4.4%)
1996	1,685,600	362,900 (21.5%)	335,100 (19.9%)	78,500 (4.7%)
2001	1,789,800	402,200 (22.5%)	352,800 (19.7%)	73,400 (4.1%)

Source: Adapted from Statistics New Zealand, 2002.

¹Part-time workers are those who usually work less than 30 hours per week.

²Self-employed with and without employees.

³Multiple job holders hold more than one paid job.

⁴The statistics are not available for other major forms of non-standard work, including contract, fixed term or Task employment, or employment via third party agencies.

Immigrant Labour

Immigrant labour is still seen as a key ingredient in this age of informational capitalism. As with most similar countries, New Zealand is experiencing significant changes in the dependency ratio given less than replacement fertility levels and an ageing population. There is also a demand for certain sorts of labour, especially given the labour exchanges which occur in areas such as the health sector. New Zealand trains and exports significant numbers of health workers in what will be the fastest growing employment sector in the decade 2000 to 2010. Moreover, international students make up varying components of health courses, especially although not exclusively in the more skilled, such as doctors and dentists. The deficit is then made up by international recruitment from a range of source countries: India, Bangladesh, Pakistan, South Africa and the UK. The state still acts to organise ‘the recruitment of labour from outside the nation state in order to effect its role as the guarantor of the conditions for the reproduction of the capitalist mode of production’ (Miles 1989:117).

Immigrant policy was altered in 1986 to accommodate these new considerations, notably that preferential source countries which reflected colonial relationships and racial preferences were dropped and new selection procedures were introduced. These procedures addressed the need to recruit skilled labour and provided the state with the opportunity to adjust the numbers and nature of

immigration according to domestic labour requirements. Alongside these domestic labour market considerations was the ambition of developing more significant trading relationships with those in the region of geo-political significance for New Zealand, Asia. These policies and intentions were introduced by the 1984 Labour Government in the late 1980s, and were continued with enthusiasm by the subsequent (conservative) National Government. Immigration helped preserve the labour market stock of skilled labour, consolidated developing regional connections with Asia and compensated for an ageing demographic profile. But the effect of non-interventionist government policies and a certain degree of dislocation and disparity in the labour market meant that the human capital provided by skilled immigrants was not utilised to its potential. The intent of selection policies was not matched by effective post-arrival policies and support, thereby undermining immigrant labour market engagement.

The political economy of labour migration has changed significantly since the 1970s when the needs of capital for semi and unskilled labour predominated. The nature of capitalism in New Zealand has altered with the decline of secondary industries and the growth of activity and employment in service industries, along with the much more extensive presence of multinational and overseas companies. Ironically, immigrants continue to fill labour demand for both skilled and unskilled workers. The welfare state has been transformed to reflect the emphasis on workfare, and has been much less generous and encompassing in the provisions offered. How most people engage with the labour market and what they might expect from that engagement has reflected the emphasis on flexibility and labour cost reduction. In this context, immigration fulfils new roles and the experience of both host and immigrant are now different. An updated political economy of labour migration needs to focus attention on the nature of the new economy and informational capitalism, and on the approach of the state in regulating immigration..

Racialising Immigrants

The approach of the political economy of labour migration introduced the notion of the racialisation of immigrants.

The presence of these migrant populations, where they possess a range of characteristics distinct from those imagined to unify the indigenous population, therefore has the potential to be signified as intrusive, as a dislocation of community. Two issues arise. First, whether the potential is realised depends upon whether or not a process of signification is prompted... Second, where signification does occur... there exists a potential for an articulation between nationalism and racism (Miles 1989:118).

Miles goes on to note that there is ‘no simple correlation between representational and political processes on the one hand and economic processes on the other’ (Miles 1989: 118). This is highlighted for New Zealand in the economic gains which come from the immigration of skilled migrants and the representational and political processes which then undermine this economic potential. As Beck (2000: 30) points out, the flexible worker, who requires spatial mobility in order to respond to demand, ‘[a]t the border posts, ‘desirable flexibility’ ...turns into ‘undesirable migration,’ and people who do what is so much demanded within individual countries find themselves being criminalised.’ In the New Zealand context, there have been waves of racialising and then criminalizing immigrants in the post-war period, including for British immigrants who were portrayed for a period as bringing an unnecessary unionism to New Zealand workplaces. But the most vociferous racialisation was preserved for the first wave of visible immigrants in the post-war period—Pacific peoples—despite the fact that some (Cook Islanders, Tokelauans, Niueans) were New Zealand citizens. This was sparked by the oil crises in 1973, and continued through the 1970s and into the 1980s, with Pacific peoples signified as undesirable immigrants who competed with ‘New Zealanders’ for employment, contributed disproportionately to law and order issues and were associated with declining inner city areas.

The racialisation of immigrants changed in the 1990s with the diversification of source countries, and the arrival of Asian peoples in two waves, the first in the early 1990s involving Koreans, Taiwanese and Hong Kong Chinese, followed by the second wave which has seen PRC Chinese and Indians dominate net migration flows. The problematising of these immigrants began with the appearance of a series of articles in the Auckland community newspapers in 1993, titled ‘The Inv-Asian’. The formation of the New Zealand First Party, which saw a previous Government Minister and a Maori, Winston Peters, as leader contributed to the politicisation (and racialisation) of immigration. In the 1996 general election campaign, Peters focused on what he saw as the negative consequences of Asian immigrants, although he was careful to label them as ‘immigrants’ and leave the code-translation to audiences or to use examples to illustrate his point which left no doubt about the origin or ethnicity of the ‘problem’ immigrants. This focus saw him increase his standing as potential Prime Minister.

In 1995, support for Peters and New Zealand First was at 5%. But after anti-immigrant speeches, it rose to 29% before settling at 13% at the election in late 1996. In 2002, New Zealand First and Peters again focussed on immigration, along with law and order and a call to end the Treaty of Waitangi settlement process. Immigration, and the negative impacts Asian immigrants have on the core institutions of New Zealand society, provide a conservative nationalist agenda with a rallying

point which gains support in provincial and rural New Zealand, along with a Maori constituency who are concerned that immigrant multiculturalism will erode any gains that might have been made since the 1970s in terms of Maori economic and cultural development.

The themes of this period of racialisation hardly differ from other countries experiencing the arrival of immigrants from Asia: there is a mixture of concern at the ability of Asian immigrants to purchase expensive houses and cars or gain entry to elite schools in an ostentatious and 'non-New Zealand' manner, combined with an undermining of 'New Zealand culture and lifestyle' in terms of immigrant non-adaptation and integration. There are a series of battlegrounds, ranging from schoolground racism to motorway driving. In relation to labour market integration, the high levels of unemployment and underemployment have raised questions about the unwillingness of employers to employ certain immigrant groups, citing accent, non-English backgrounds and a lack of New Zealand experience. Elsewhere, the gate-keeping of professional associations has made the recognition of overseas qualifications a significant issue. A small but growing body of research indicates that employer and organisational discrimination might be a factor (not the only one) in the integration of migrants, especially skilled ones. The result is that the high profile political antagonism of New Zealand First and Winston Peters is echoed in terms of those who control labour market entry and employment

It is important to qualify this point. Visible immigrants from Asia are most likely to face prejudice or discrimination, but they are also amongst those groups who are the least well-prepared for the New Zealand labour market in terms of functional levels of literacy and speech, as well as having to operate in a very different cultural environment to their country of origin. Combined with this is the fact that some come from monocultural backgrounds, such as Korea, and there are major adjustments to be made in a culturally diverse New Zealand. These do constitute barriers to successful integration and settlement, but what underlies this situation is the lack of government intervention based on neo-liberal imperatives: 'it is for immigrants to make the adjustment, not for the government to provide taxpayer funds to help what are reasonably wealthy and skilled migrants' is a common refrain.

With a deregulated labour market, the Government is reluctant to act with conviction or substantively against employers who act in a discriminatory way, although there is human rights legislation and a Human Rights Commission which addresses some aspects of exclusion. There has been little post-arrival support, except through voluntary agencies, and the consequences of this non-intervention are now obvious with a cost to both immigrant and the New Zealand community. In a post-welfare state environment, it becomes politically difficult to justify major and specific

programmes for immigrants when funding is required for health or education for the population as a whole, and when those same immigrant communities are portrayed by some as problematic and undeserving of support. Moreover, while biculturalism has developed as a feature of social services and public policy, multiculturalism has not (Bartley and Spoonley, forthcoming).

The Evolution of Immigration Policy

A review of immigration policy in 1986 led to a departure from source preferences (effectively racial and colonial in origin) to a non-discriminatory approach which stressed the need to meet New Zealand's economic and social requirements. There had previously been a list of priority occupational categories but the policy objectives for immigration from 1991, when the points system was introduced, stressed the development of New Zealand's human capability base and the selection of skilled migrants who could contribute to New Zealand. The General Skills category was the main vehicle for recruiting these migrants, and it was accompanied by the Business category which encompassed long-term business visas, entrepreneurs, investors and employees of relocating businesses. More recently, there has been an emphasis on skilled temporary workers with the introduction of talent visas and skill shortage work permits, with an opportunity for these temporary migrants to become residents.

Through the early part of the 1990s, the mechanism for selecting immigrants was crude in that the matching with labour market shortages, or in ensuring that those gaining the points required for entry were then able to work in New Zealand—given that credentials and experience still had not been approved by local gatekeeper organizations—was highly inefficient. The result, as the media made clear, was the arrival of many who could not work in the occupations for which they were previously qualified. The 800 medically qualified doctors from the Middle East and Asia who subsequently were declined local registration or had to retrain and requalify became something of an enduring theme. Similar stories were retailed by the media about a range of professionally qualified immigrants. Moreover, those arriving from Asia were having difficulty entering the workforce and the numbers unemployed or underemployed were significant. Through the mid-1990s, Asian immigrants, most of whom had arrived under the General Skills category, were experiencing high levels of unemployment (5 to 6 times higher than similar rates for the population at large).

One response from the Government was to adjust English language requirements which was interpreted (correctly) as targeting Asian source countries where English was not widely used. But there was also a decline in numbers because of the economic downturn in Asia, as well as other factors such as the handover of Hong Kong. Further modifications to selection processes were made,

including a greater focus on the General Skills category. In October 2001, new policies were designed to ensure that 60% of residence approvals involved skilled and business immigrants, followed by the introduction of the talent visa and temporary skilled worker schemes (Bedford, 2002:4). In the year to December 2001, 67% of approvals involved skilled migrants with the largest source countries being India, China and the UK. This had dropped back to 59% in 2001/2002 (New Zealand Immigration Service, 2002).

In the wake of the changes to immigration policy in the late 1980s, what provoked a negative response in New Zealand was the rapid growth of migrants from Asia. In the 1986/87 year, Asia provided 2,300 migrants out of a total of 13,335 migrants (17%). By 1994/95, the figure had risen to 28,824 out of 50,761 migrants (56.7%), and peaked the following year at 32,164 (or 59% of a total of 54,437 migrants). It dropped dramatically in subsequent years but increased again in the 2000/01 and 2001/02 years to constitute 28,791 out of 52,856 migrants. These Asian migrants were an important element in the skilled and business categories. In 2001/02, the top source country for the General Skills category was India (14%) and in the Business category, the largest group approved were in the Investor category (97%), with the majority coming from China (64%), followed by Taiwan (16%) and South Korea (6%). These non-traditional migrants, Asian and others, have comprised 60% of residence approvals for some years since 1986, and this represents a major shift in the composition of immigrants, which has not gone unnoticed by the now well-established anti-immigrant groups, such as New Zealand First. Furthermore, between 1996 and 2001, the overseas born proportion of the working age population had increased from 19% to 21.8% which means that in the OECD, only Australia has a higher proportion of foreign-born (Boyd, 2003: 11). Between 1981 and 1996, the overseas-born working age population grew by 32% and then by 14.5% between 1996 and 2001, compared with 10% and .9% for the New Zealand-born working age population (Boyd, 2003: 11).

Table 3: Permanent and Long-Term Arrivals, New Zealand (Excluding New Zealand Citizens)

	<i>Traditional</i>		<i>Traditional</i>		<i>Total</i>
	<i>No</i>	<i>%</i>	<i>No</i>	<i>%</i>	
1987	18,328	76	5,378	22.5	23,833
			(4,460)	(18.7)	
1996	21,072	37.5	35,019	62.3	56,175
			(27,757)	(49.4)	
2002	24,025	34	46,508	65.9	70,534
			(39,526)	(56)	

Source: Bedford, Ligard and Ho, 2003

As with countries such as Canada and Australia, New Zealand has adopted an active immigration policy that is designed to attract and select skilled migrants who meet New Zealand's economic and labour requirements (Bedford 2002: 2). The selection process in the first half of the 1990s was crude and produced significant dysfunctional outcomes, for both migrants and the New Zealand labour market. The selection process had become more efficient by the late 1990s, and there was a better alignment between domestic requirements and the immigrants being approved under the General Skills and Business categories. However, there are still major concerns about the post-arrival outcomes, especially given the low levels of institutional support and guidance in a neo-liberal environment which had reduced welfare and labour market programmes by the mid-1990s. It is this migrant labour market experience which provides one of the major policy concerns for effective labour market incorporation and social cohesion in contemporary New Zealand. In seeking to guarantee ongoing flows of skilled labour for employers, the state struggles to achieve positive outcomes for migrants given a deregulated labour market and the racialisation of certain immigrant groups.

The Labour Market Experiences of Immigrants Since the 1990s

The research on the labour market experiences of immigrants since 1990 is limited and it is difficult to clearly identify all the factors which impact on that performance. But the other aspect is the tendency to focus on the characteristics of the migrant to the exclusion of broader systemic processes or the political economy of migrant labour.

A recent review by the Department of Labour (Boyd 2003) is very much focused on supply factors, and on the immigrants themselves. It seldom delves into demand issues, the way in which the labour market is structured or those factors external to the immigrant which impact on labour market incorporation or participation. That said, many of the factors which are highlighted such as English language competency, formal educational levels and the transferability of previous labour market experience to a New Zealand situation are nonetheless important (Boyd 2003:5). And the report highlights the negative outcomes for visible and non-traditional immigrant groups from North East Asia and the Pacific. There is a clear bifurcation in labour market outcomes between those from English-speaking countries and those from non-English speaking countries, with the latter experiencing lower employment rates and lower participation rates. Recent migrants from North East Asia had the highest non-participation rate (51.5% in 2001) compared with South East Asia (33.6%) and the Pacific (30.4%). While migrants were generally better qualified than the New Zealand-born

working age population (24% of recent migrants² had university qualifications compared with 10% of the New Zealand born), non-participation and unemployment rates tended to be higher, especially for those from Asia. It is noted that '[m]igrants with vocational and university qualifications had higher employment rates than migrants with no or school only qualifications, but employment rates were lower than similarly qualified New Zealand born even after five to ten years' (Boyd 2003:8). There were improvements over time, especially in terms of the participation rates, lower levels of unemployment and employment rates between 1996 and 2001. But comparatively (i.e., with the New Zealand born), there were important differences.

Incomes for migrants from Asia and the Pacific with university qualifications were significantly lower than the incomes of New Zealand born even after five to ten years in New Zealand (Boyd 2003:8).

This was compounded by the data which shows that migrants from Asian and Pacific countries had significantly lower incomes than New Zealand -born in **any** age bracket. Recent arrivals from Asia (those who arrived between 1996 and 2001) had much lower levels of income, with no age band having more than 56% of the average income for New Zealand born. Where it was most likely that there was income convergence between migrant and New Zealand born was amongst those who were in the 26-30 year age group. However, these were likely to be of school age when they arrived and to have gained English language fluency subsequent to arrival. This analysis from Boyd (2003) provides information on the relevant labour market performance of immigrants but does not offer many reasons for negative outcomes apart from to note that there are differences relating to English language competency and the transferability of previous qualifications and labour market experience. The analysis reverts to an orthodox focus on migrant characteristics to provide limited explanation (as opposed to description) of labour market outcomes.

An earlier study traversed similar territory, but focussed on the labour market performance of immigrants based on data from the 1981, 1986 and 1996 census material (Winkelmann and Winkelmann 1989). Similar conclusions were drawn, in that there was a significant labour market difference immediately after arrival between immigrants and New Zealand born, but this difference declined with the length of stay. However, this is for all migrants and those from Asia and the Pacific experienced a much more significant labour market entry disadvantage and this translated into lower relative incomes. Winkelmann and Winkelmann (1989) explore the significance of certain performance factors, including qualifications, years in New Zealand, region of origin, age at arrival, size of immigration cohort, language proficiency, and the compositional effects and the declining

² Recent migrants are defined as those who had arrived in the last five years.

incomes of the 1991-1995 NESB cohort. They point to the problems of skill transferability and the difficulties faced by non-English speaking migrants (Winkelmann and Winkelmann 1989: 17-38). The major differentials between Asian immigrants and New Zealand born were predicted not to disappear over a working life. In a brief paragraph, they speculate that changes to the labour market might be able to explain some of the differences in labour market performance, but then decline to go any further....the lack of a counterfactual and the limited information available in the Census data would render such an endeavour highly speculative (Winkelmann and Winkelmann 1989:38).

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This focus on migrants, and the lack of systematic research on contextual factors such as the contemporary nature of the labour market or intended or unintended discrimination, is not addressed in any detail in this research. Elsewhere, others have discussed the language abilities of certain groups, the lack of local work experience or social networks and cultural differences (see University of Auckland Business School 2000; Fletcher 1999; Work and Income 2003). It is disappointing that despite historical precedent and experience, the research focus and explanation of key researchers and agencies tends to be centred on the migrants rather than broader structural and societal aspects. Fortunately, there is a growing body of research which helps supplement this focus.

Other research suggests that, in addition to the skills, experiences and competencies of migrants, there are structural and social factors that impede successful outcomes. Fletcher (1999) notes that issues such as an appropriate system for assessing and recognising overseas credentials along with more positive attitudes towards immigrants need to be encouraged because of their capacity to inhibit labour market engagement. In a study of professional migrants, Oliver (2000: 7) comments that:

...systemic and societal factors—especially employers' attitudes, race discrimination and government policies and systems—created the greatest obstacles.... Many factors labelled as deficits in the migrants—lack of New Zealand experience, being overqualified, lack of fluent English—were in fact problems of attitude and discrimination amongst employers, exacerbated by a competitive economic business context where employers were unwilling to take any risks.

A growing number of studies in the 1990s have begun to identify the issues and barriers for highly qualified Asian migrants (see Ho 2002:6, for a review of these). Ho (2002:9) goes on to note that her research shows that for both Taiwan and China-born migrants, even though being employed by others is the preferred labour market outcome, self-employment becomes a forced option, especially over time. While self-employed (both with employees and without) represented 18% and

12% for males and females respectively for both Taiwan and China-born migrants of less than 5 years, the number increased to 28% and 21% for those who had been in New Zealand 5 to 10 years, and to 37% and 27% for those who had been in the country for more than 10 years. Ho (2002) concludes that this reflects the difficulties of getting paid employment.

These issues have been acknowledged in recent government policy statements, although somewhat obliquely.

People who migrate to New Zealand have, on average, higher measurable skills than the general population. However, they often face barriers to using those skills (Ministry of Social Development 2003: 30).

It is then left to a footnote to observe that the employment rate gap is 17 percentage points between recent immigrants and New Zealand-born workers (quoting work by Bushnell and Choy, 2001). In reality, the statistics indicate both the difficulties facing immigrants on entry to the labour market and that there are long term issues of engagement and of returns on labour represented in income disparities. As with other countries such as Canada, there is a deficit of income on entry that continues over time (see Biles and Burstein 2003: 13). Immigrants, notably visible and non-English-speaking, have lower rates of labour market engagement (Biles and Burstein 2003; Ruddick 2003), and there are issues of having experience and credentials being recognised (Hagopian 2003). These negative outcomes occur at a time when the average qualifications of immigrants have risen, particularly in relation to the qualifications of the New Zealand working age population. The New Zealand research which has its origins in government policy agencies, and the more economically-focussed, tends to stress the characteristics of the migrants, without due regard for the nature of a hostile labour market (see Hiebert and Pendakur 2003).

The nature of paid employment has changed significantly, and now increasingly involves non-standard work in contingent and precarious forms (Firken et al. 2002). Both non-standard and standard forms of work are subject to flexible imperatives, from both the state and employers, with the result that there has been an extensification of work (unsocial hours), the intensification of work, and much greater levels of insecurity (Webster, n.d.). Changes in the regulatory and welfare systems offered by the state compound the issues as employment law offers less protection and representation while benefit reforms significantly increase the costs of job loss or not having paid employment (cf Ladipo and Wilkinson 2002:31), giving rise to the 'politics of insecurity' (cf Beck 2000; Marler et al. 2002). Immigrants enter this flexible and precarious labour market without the benefit of post-arrival support in New Zealand, and in the expectation from the state that skilled immigrants must operate

using their own human capital and experience to participate in the labour market at an appropriate level.

Conclusion

While the characteristics of immigrants are relevant in any explanation that seeks to understand the labour market position of immigrants to New Zealand since 1990, it is equally important to provide an analysis which acknowledges the nature of contemporary labour markets. The era when standard work provided the basis for welfare entitlements has given way to a much more fragmented and precarious set of employment relations and circumstances. This in turn raises significant questions about the nature of social capital and integration, given that:

...there is a problem of socialization both for the increasing numbers of unemployed [and underemployed] people and for those doing increasingly solitary and insecure jobs that have lost their collective dimension (Jouen and Caremier 2000: 17).

This is compounded for immigrants who are in the process of adjusting to a very different social, economic and cultural context, and who face barriers arising from the resistance of key gatekeeper groups such as individual employers and industry or sector organisations. In New Zealand, this intersects with anti-immigration politics and less than adequate public debates concerning the issues facing immigrants. Immigrants continue to be racialised, and to be cast as a threat to the economic and social well-being of the community which they have just entered. The state continues to recruit much needed skilled labour but then, having dispensed with welfare and interventionist labour market policies, stands back to allow the market to react to, and allocate, immigrants to various positions. This has led to unsatisfactory outcomes, both for the state and many immigrants. Turner (2001) has suggested that twentieth century forms of welfare entitlement and access to citizenship which revolved around paid work and care for families are being replaced by new patterns of citizenship relating to the environment, and to indigenous and ethnic membership. He comments :

Cultural rights...have become central to the modern politics of identity, but these cultural rights have neither precise nor necessary connections with membership of the nation-state (Turner 2001: 206).

Labour market integration is a key part of settlement and acceptance, and yet there are major obstacles to participation, or appropriate participation, much less full membership of the nation-state, in New Zealand as elsewhere.

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