Wage Policy and Justice in Aotearoa New Zealand young adults’ perspectives

Abstract
We analysed the responses of 995 Year 13 students from across Aotearoa New Zealand regarding the payment of minimum and living wages. In analysing their Likert scale ratings and written responses, we found the majority of these young adults to be clearly in favour of the living wage being adopted universally. Their justifications for this stance centred around themes of survival, justice, wellbeing, economic balance and reciprocity. We assert that the voices of rangatahi have been missing in the consecutive government reviews of the minimum wage, and that listening to these voices will enhance policymaking in this area.

Keywords minimum wage, living wage, economic policy, justice, wellbeing, employer, employee, reciprocity, youth

Setting the scene
Young people are often framed as being underrepresented and/or insufficiently considered in decision-making processes, including public policy. Of the four million estimated eligible voters in last year’s general election in New Zealand, over 10% (422,221 people) would be classed as ‘youth’, i.e., people aged 18–24 years old (Electoral Commission, 2024). However, only 57% of young eligible voters actually cast a vote in that election (242,536 people) (Electoral Commission, 2023), the lowest fraction of any age bracket. Moreover, there is only a single member of Parliament in this age bracket out of a total 123 current MPs, and only 17 have been elected in history dating back to the 1850s (New Zealand Parliament, 2023). This significant level of underrepresentation is enough by itself to raise concern over whether the voices of young adults are being heard when it comes to setting and reviewing public policy in Aotearoa.

There is an absence of a purely data-driven metric for objectively quantifying the consideration of youth in public policy. However, many studies have interviewed youth on how represented they feel, and
analysed their responses (e.g., TakingITGlobal et al., 2008; OECD, 2020b; Chugdar and Chavda, 2023), or surveyed government departments on their youth policies (e.g., OECD, 2020a). As a principal example, the TakingITGlobal consultation specifically asked more than 111 youth, ‘Do you feel the views of young people are sufficiently included in designing public policy?’ and ‘What are the barriers to participation?’ (TakingITGlobal et al., 2008; Yeo, 2009). The majority of participants strongly agreed that young people were not appropriately included in designing public policy. Barriers to youth participation in policymaking were identified in government, society, and young adults themselves. That the views of children and young people in Aotearoa are not systematically considered in the formation of laws and policies that affect them has been highlighted in a number of reports, including by the United Nations Committee on the Rights of the Child (2011, paras 26–7, 2016, para 18) and the Office of the Children’s Commissioner (Office of the Children’s Commissioner and Oranga Tamariki, 2019).

Assertions that youth are frequently portrayed in a negative light, stereotyped as self-centred, lazy and uninvolved in political and social issues (e.g., Cunningham and Rious, 2015, p.586), resonate with the high rates of ageism that under-25s report having experienced (European Social Survey, 2013, p.15). Young adults sense ‘that governments and the rest of society do not consider them ready to contribute constructively to the design of policies’ (TakingITGlobal et al., 2008). And yet, as one focus group participant of the project herein reported said, ‘people are always like, oh 16-year-olds might just make a stupid decision. But what would hold back a 45-year-old from making a stupid decision? Nothing ...’.

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Information relevant to the design of public policies is seldom disseminated to or reaches young people; and, if it is, relevant information is frequently expressed in inaccessible language, creating further barriers to young people’s voices being heard on issues they care about (ibid.). Even as social media platforms have evolved and proliferated over recent years, there remains a strongly articulated sense that government departments, local councils and organisations need to improve how they disseminate information to the general public, especially youth. This is exemplified in our results, where 70% of respondents wanted to know more. While the Make It 16 campaign and School Strikes for Climate Change counter the traditional impression of youth as disengaged and apathetic, it is incumbent upon policymakers to increase consultation, facilitate meaningful information dissemination, and overcome language access barriers if they are to take the views of young adults seriously. As Brown et al. argue, engaging young adults in decision making can contribute to a culture shift that can legitimise children and young people’s participation and change the way they are viewed (Brown et al., 2020, p.7).

To help remedy the lack of youth voices in New Zealand government policy, we present the first results from the What Is Your Stand? research project. Our research gives young adults aged 17–19 the opportunity to express their voice on policies that affect them and will continue to affect them throughout their adult lives. To our knowledge, there is little literature that equates to this present study, both in a broad sense of researching the attitudes of young adults on a number of issues, and on the specific topic of fair labour, which this article focuses on (notwithstanding Coleman and Karacaoglu, 2020, and associated articles).

What Is Your Stand?
The What Is Your Stand? project is designed to gain perspective on the attitudes and views of Year 13 students in New Zealand towards four significant social issues: the environment, wages, abortion and assisted dying. This is a crucial time for these 17- to 19-year-olds, who are completing their secondary school education and preparing to enter the workforce, a trade or tertiary study. The research project began in 2019, with the chosen issues relating to policy and regulatory debates occurring at the time. In addition to general debate around the economy, New Zealand was debating end-of-life legislation and abortion law reform, students had begun to strike for climate change, and the Make It 16 voting campaign was gaining momentum.

Carrying out research into the formation of young people’s attitudes and values is complex, due to an abundance of potential influences. In addition to the apparent pervasive effect of social media trends and advertising, we recognise that students are influenced by: their families of origin; identification with a particular ethnic culture; active and regular participation in community and/or church groups; the contemporary climate of
individualism and materialism; and their school environment, to name some of the more obvious. From the outset it was recognised that the research ultimately needed to compare the attitudes of students across all types of schools: state, state-integrated and private.

Utilising mixed qualitative and quantitative methods, What Is Your Stand? involves three iterative stages. The development and pilot application of our research method was undertaken in 2019. Following Covid-19 disruptions, stage-two data (presented herein) was obtained from Year 13 students attending Catholic secondary schools across Aotearoa in September 2022. The 2024 stage will see the collection of data from Year 13 students from all types of secondary school.

Minimum and living wage
In this article, we present and discuss the results specifically relating to the 2022 responses on the payment of minimum and living wages.

As determined by law, an employer is legally obligated to pay the adult minimum wage to full- and part-time employees over the age of 16 who are not ‘starting out’ or training (Minimum Wage Act 1983). Each year the government reviews the minimum wage. The objective of this annual review is ‘to keep increasing the minimum wage over time to protect the real income of low-paid workers while minimising job losses’ (Ministry of Business, Innovation and Employment, 2023, p.6). While the review involves consultation with select stakeholders, it is typically only every fourth year that a ‘comprehensive review’ takes place which involves consultation with or allows for submissions from a broader group of associations. Even then, few – if any – of these organisations represent youth. Most reviews, including the most recent one in December 2023, are ‘streamlined’, meaning consultation is limited to the government’s social partners, the New Zealand Council of Trade Unions and BusinessNZ.

Independently calculated by the New Zealand Family Centre social policy unit, the living wage is the hourly wage ‘required to sustain the essential needs’ of two adults and two children on 1.5 incomes. This takes into consideration KiwiSaver contributions, subsidies and tax credits. While it is an employer’s legal obligation to pay the minimum wage, paying the living wage rate is voluntary.

Commentary surrounding the minimum and living wage is particularly topical at present, given the 2% increase to the minimum wage (from $22.70 to $23.15 per hour) announced by the National–ACT–New Zealand First coalition government in January, which came into effect on 1 April 2024. During the 2023 political campaign, the ACT Party advocated for a moratorium on minimum wage increases (ACT, 2023). In their paper to Cabinet, the workplace relations and safety minister had initially recommended a 1.3% rise (Minister for Workplace Relations and Safety, 2024), while the Ministry of Business, Innovation and Employment (MBIE) proposed a 4% rise (Ministry of Business, Innovation and Employment, 2023). Other commentators argued for an increase to match current inflation of 4.7%. To have set the 2024 minimum wage to the current living wage rate of $26 per hour, as argued by the Council of Trade Unions and explored by MBIE, would have required a 14.5% increase (New Zealand Council of Trade Unions, 2024; Ministry of Business, Innovation and Employment, 2023, p.6).

In assessing the potential employment impacts of an increase to the minimum wage, MBIE’s model did not predict any restraint on employment from an increase of up to 5% in 2024 (ibid., p.7).

The different rates (i.e., for the minimum wage and the living wage) highlight potentially different criteria being used by different policymakers and emphasise a need for an agreed set of reference points, something this discussion hopes to advance through the articulation of a youth perspective.

Young adults are significant stakeholders in any discussion about the minimum wage. In addition to their experience of living in families with wage earners receiving the minimum wage, MBIE’s streamlined review of the 2024 minimum wage rate found that 59% of all minimum wage earners are young adults aged 16–24 (ibid., p.25).

Survey data
Our data was collected via an anonymous online survey which asked students to respond to a statement on each of the four aforementioned contemporary issues by recording their disagreement or agreement on a seven-point Likert scale.

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With respect to the fair labour item of the 2022 survey, participants were provided with a brief definition of ‘minimum wage’ and ‘living wage’ and their respective rates before being asked to express their
disagreement/agreement with the statement, ‘I think everybody, anywhere in the world, should be paid at least a living wage for the work they do’ from the students in our study, separated by gender. Number greater than 4 represent increasing degrees of agreement with the statement. Numbers less than 4 imply disagreement, with 1 being the greatest disagreement. 4 implies neutrality.

Stacked histograms of the Likert-scale responses to ‘I think everybody, anywhere in the world, should be paid at least a living wage for the work they do’ from the students in our study, separated by gender. Number greater than 4 represent increasing degrees of agreement with the statement. Numbers less than 4 imply disagreement, with 1 being the greatest disagreement. 4 implies neutrality.

Figure 1

Figure 1 presents a summary of the Likert-scale results: overwhelmingly, students were found to be in favour of everybody being paid the living wage. Fifty-eight students (6%) were hesitant about the response they offered, adding a ‘don’t know enough’ or an ‘unsure’ caveat, while 32 students (3%) made no comment. Five hundred and sixty-nine participants (57%) identified as female, 378 as male (38%), and 48 as other or ‘prefer not to say’.

As illustrated in Figure 1, female students are more likely to agree with the research statement on the living wage compared to their male peers. In performing a Mann–Whitney U Test, we found this to be significant at p<0.01 (the 99% confidence level). Interestingly, we found that males attending single-sex schools were less likely to be supportive of a living wage than males in co-education (again at the p<0.01 level). By contrast, there was no significant difference between the way females attending single-sex schools versus co-educational schools responded to the statement.

In our sample, 508 people (51.3%) identified as New Zealand European, 147 (14.8%) as Asian, 137 (13.8%) as Pasifika, 103 (10.4%) as Māori, 95 (9.6%) as ‘other’, and 5 preferred not to say. In comparing each of these ethnicities, we found all of them to respond to the living wage statement in a similar way. However, when
ethnicity and gender are coupled together, New Zealand European males (n=215) appear to be more in disagreement with the living wage statement than all other ethnicity–gender groups (p<0.01).

While 83% of students reported that they had not studied fair labour in class, 70% expressed the desire to do so. Those who expressed this desire had a more positive attitude towards the statement (p<0.01 from Mann–Whitney U). No significant difference was found between the students who had and had not studied fair labour previously (p=0.308).

Finally, we found no statistically significant correlation between the Likert scores and either the number of years a student had spent in Catholic education (p=0.29), nor the self-described level of importance to them of religion outside school (Spearman’s test of correlation).12

Written response themes
Inductive qualitative analysis was used to identify the themes in the written responses recorded by participants to explain their chosen Likert score. Thoroughly familiarising themself with the written responses through repeated reading, the lead researcher tagged the apparent patterns of meaning. Tags were then grouped into themes. Themes included survival, justice, wellbeing and economics. A motif of reciprocity was woven throughout the themes. Examples of responses that capture the salient themes and the tags within them are presented below in order of the most commonly referenced. Throughout this article, participant responses are cited without any modifications and retain their original spelling and grammar choices. Responses frequently contained more than one theme, as represented in the quotes that follow. Student number and demographic information are footnoted.

A number of respondents discussed the ‘many social, political, economic (etc.) factors contributing to the living and minimum wages’13 and gave the opinion that the payment of wages is a ‘complex issue that needs in depth discussion’.14 However, the discussion of minimum versus living wage was generally considered from the microeconomic level of lived experience: ‘how are we supposed to live to the fullest if we can’t afford to even feed ourselves?’

‘I have enough knowledge to say that millions of people around the world are going through financial struggle, my family is … I feel like living wage should be implemented for those working at/below the age of 18, or if those younger who have to provide, should be able to voice their struggles and be able to get the living age as well. We all have to provide for ourselves and our families, and this living wage would make that difference.’15

Students cited being paid a living wage as being what is ‘right’ and a ‘human right’: for example, ‘I believe that everyone should have the rights to be able to provide for themselves and be able to earn enough money to live a healthy and sustainable life.’

For the 995 students who participated in this research, earning a living wage is foremost about survival and justice.

Survival
Participants’ articulation of the survival theme included the idea of simply being able to subsist, to survive, to earn a wage that allows a person to pay for the basic needs of food, housing, clothing, transportation and so on, for themselves and anyone they may support.

We identified 457 responses (46%) as falling under the theme of survival. In 72 instances this meant the student directly used the word ‘survive’ or a derivative thereof. For example: ‘I believe people should be paid a living wage because the very name implies that one cannot survive under this amount. By paying people less than this, we condemn them to a life where their future is constantly at risk.’16

In 180 instances, students wrote a variant of the living wage being needed to ‘provide basic necessities’. Similarly, 146 noted the ‘ability to exist’ (or words similar). Fifty-nine considered the importance of not just providing for themselves, but also family.

A similar strategy of identifying key phrases or meaning was used for tagging of the other themes below.

Justice
The justice theme (reflected in 401 responses) was underpinned by a view that paying full-time employees an amount they can exist on is what is fair and just.17 Students cited being paid a living wage as
the social status we put on them, and those who are suffering without a living wage contribute often just as much as a high paying doctor or lawyer.20

Some respondents reasoned that paying an employee a liveable wage would help to alleviate exploitation and discrimination in the workplace: ‘I believe that wages below living exploit people and can be based on internal bias of gender and age’; ‘Employers may be discriminating against

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others and that is not fair since they get to choose whether they pay their workers minimum wage or living wage.’ Respondents also argued that reducing the effects of deprivation for individuals and their immediate families ‘would have far reaching benefits eg reduce crime, improve health and wellbeing of people, help close gap between rich and poor’.21

In these and other ways, student reflection on paying a living wage identifies a link between survival, justice and wellbeing.

Wellbeing

For 233 participants, the question of a fair wage cannot be discussed without specific consideration of individual, family and community wellbeing. ‘We should work to live, not live to work’, and paying the living wage might allow people to live ‘a stable and healthy life’, with less stress and toil: ‘If people are not getting the living wage they are never going to be able to make a life for themselves and will always be struggling’.22

‘A living wage is simply a way to reduce suffering and allowing people to live; this isn’t even considered living comfortably, just surviving in our modern society.’ ‘If inadequate level of income for people to meet their ordinary living requirements contributes to material hardship, uncertainty, struggle and burden. ‘Poverty is a serious issue that may begin with unfair wages. This is a cycle that people can get stuck in, therefore fair labour can contribute to an overall better lifestyle’.24

Participants recognised that ‘Many people have to work multiple jobs to create a living for themselves’, arguing that ‘families should not have to work multiple jobs per person just to make ends meet. … If everybody had a living wage, people would be able to spend time for themselves and their families.’

This is because they literally go through stages where they would sacrifice their time with their children, only to go to work and having to work more harder in order to pay for their living, making it harder on families to have their own bonding time to spend with each other.25

If a family earns just enough to survive by both parents working one (or more) full-time jobs each, then a variety of other issues arise with respect to the wellbeing of both the individual and the community:

In New Zealand, families living on minimum wage can barely afford food, let alone nutritious fresh food. This is highly unjust. Especially in the current cost of living crisis. Along with poverty and poor nutrition comes many issues such as over-flowing hospital resources and issues with education. Paying workers a living wage enables families to care for their children more.26

Despite 83% of respondents reporting that they had not studied fair labour, the majority of responses echoed established research on a connection between low wages and impoverishment (Welfare Expert Advisory Group, 2019), and the cumulative impacts of economic hardship on people’s housing, food and fuel security, and health and educational achievement (Wilkinson and Picket, 2010; Asher and St John, 2016; Haigh, 2021; Ministry of Education, 2023; McKelvie-Sevileau and Swinburn, 2024). For youth, there are consequences for not fixing the problem at what they perceive as the root: that is, at the level of wages.

Reciprocity, including economic balance

Illustrating the complexity of the wage policy question, a number of respondents also discussed the tension between the level of wages paid and the ability for a business to survive. There must be reciprocity in the form of exchange and mutual benefit within employment. As one participant articulated, ‘It is important based on the wellbeing of people, however I know there is implications economically when raising the minimum wage, so as nice as this would be it isn’t as easy as just supplying more money to people’.27

Students variously acknowledged the situation of small businesses (and the self-employed, such as artists) that may not be able to pay the living wage. Larger companies, however, were perceived as readily able to pay the living wage:

I think that it is important for people to be paid enough to support themselves but I also think that paying living wage
to all employees could put a strain on smaller businesses especially after covid. I think that all large companies should pay their workers a living wage.24

Where a small business may not be able to pay the living wage, several students identified different ways that employers could recognise and value their employees.

Larger companies such as Pak’N’Save should pay all full-time workers above living wage as they can afford the extra cost of staff. Smaller businesses that are struggling and cannot afford to pay their workers a living wage should be able to pay workers minimum wage but should make sure that they value their workers and they are not in financial hardship, in my experience this does work as these businesses are smaller and have more personal communication between the employee and the employer.29

Expressing an ethos of ‘fair pay for fair work’, participants distinguished a person’s work ethic as an important element of the reciprocal arrangement between employer and employee: ‘People who don’t work hard shouldn’t get payed the same as someone who does’, as ‘some people just muck around and don’t deserve the full amount’. Employees should receive a living wage ‘to the extent that they meet the requirements of the job and are doing the job to the best of their abilities’.30

Beyond a person’s age and work ethic, types of paid work differ considerably and ‘People should be paid by the amount of effort and the difficulty of the work they do’. Similar sentiments were expressed by other students: ‘Wages need to depend on the quality, quantity, necessity, or hardness of the job’; ‘At the end of the day you get paid for the work you are doing and the experience you have in that job’;31;

I believe that people should be paid in correspondence to the amount of work they do and the conditions they work under. If their job is highly labour intensive and takes up a big chunk of time, they should be paid for the amount of work they do. If people work under easy conditions and their job does not demand much labour/time, they should have to work longer hours in order to make more money.32

Examples used to illustrate differences between occupations included the degree of physical labour and skills required and/or any element of ‘danger’ inherent in the work: ‘For example you are more likely to be injured doing a construction job compared to working at a supermarket. Therefore the more dangerous jobs should be payed more than others.’ Further, because certain occupations require formal qualifications, determination of a fair wage also ‘Depends on the work – if someone has a degree then they should be paid higher for the job that they do because they are highly qualified.’ Levels of need and people’s circumstances also differ. ‘Pay depends on age, experience and current lifestyle/circumstances. Not everyone is entitled to higher wages.’33 In particular, teenagers still living at home were identified as an example that ‘different people need different support for different reasons’.

Any student at high school (over 16 as that is the age someone can leave home) that does not need to cater for a family can be paid minimum as they likely have expenses such as food, and living paid for by their family. However, any job that is a person’s primary source of income should be at least a living wage as they need to be able to live without having to put in long hours just to get by.34

Fundamentally, however, ‘All jobs are essential for the functioning of society and productive workforces and individuals that feel healthy and safe, then everyone should be paid at least a living wage for the work they do. This would mean that so many people would no longer have to work multiple jobs, as well as school or caring and cooking meals for families. This puts so much unnecessary stress on people and definitely would negatively impact people’s mental wellbeing.35

Acknowledging the complexity of economics while expressing a desire to learn more, for these young adults it is the ‘human’ dimensions of wage policy that should be accorded the greatest importance and dictate decision making. Rangatahi recognise that balance is required in an employer–employee relationship, including around rates of pay. However, from their perspective, wellbeing should not be the privilege of some, but should be attainable by everyone.

Youth voices can be a powerful positive influence on how policymakers understand and serve both young people and the whole population. With respect to wage policy, the importance of young people’s voices is

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Given that it is shaped by and embedded in politics and policy, these young adults agree with Haigh ... that impoverishment and material hardship cannot be regarded as a simple economic problem.
The 0–14.5% range of increases to the minimum wage rate suggested by different policymakers and considered by MBIE (Ministry of Business, Innovation and Employment, 2023) indicates a lack of agreed criteria for arriving at the final decision. The themes expressed by young adults in this study provide salient questions for the Cabinet and policymakers to consider, alongside equally important questions relating to the economy of New Zealand and the viability of small business, when the minimum wage level is reviewed each year:

- How can the themes of survival, justice, wellbeing and reciprocity be incorporated into the process, values and priorities used by government when reviewing the minimum wage?
- Which voices in the community might be dominating the current decision-making process surrounding the minimum wage to the exclusion of other voices, including those of rangatahi?

Conclusion

This article is grounded in the view that there is a responsibility on policymakers to hear the voices of young adults. Policy is improved when those most affected are involved in the policymaking process (Brown et al., 2020, p.4). If the voices of the rangatahi in this study were heard, we ask, ‘What would policymakers have decided regarding the most recent review of the minimum wage rate?’

Respondents linked an hourly wage rate below a ‘living wage’ to material hardship and poverty.38 That four in ten children in poverty in New Zealand have a parent in full-time work illustrates the gravity of the issue: ‘Work doesn’t pay in this country, or not at the bottom end’ (Rashbrook, 2024). Given that it is shaped by and embedded in politics and policy, these young adults agree with Haigh (2021, p.946) that impoverishment and material hardship cannot be regarded as a simple economic problem. For example, including data on food security for the first time, the Programme for International Student Assessment (PISA) 2022 results revealed that New Zealand students in food poverty were two to four years behind in mathematics, reading and science as compared to students in food security for the first time, the Programme for International Student Assessment (PISA) 2022 results revealed that New Zealand students in food poverty were two to four years behind in mathematics, reading and science.