

THE SETTLEMENT EXPERIENCE OF PACIFIC MIGRANTS IN NZ



An Executive Summary of Working Paper 18-17

Judd Ormsby and Isabelle Sin

Motu Economic and Public Policy Research

isabelle.sin@motu.org.nz

SUMMARY HAIKU

Pacific migrants:
High employment, low pay rates
Trapped by poor English.

INTRODUCTION

New Zealand has a long history of migration from the Pacific. In the 2016/17 year 47,684 people were approved for residence in New Zealand, including 5,243 Pacific individuals (11%). The 2013 census shows 151,500 usual residents of New Zealand were born in Pacific countries: 52,800 (35%) in Fiji, 50,700 (33%) in Samoa, 22,400 (15%) in Tonga, and 13,000 (9%) in the Cook Islands, among others.

Like all people moving to a new country, Pacific migrants face the challenges of finding suitable employment and a place to live, accessing education, and forming new social, professional, and community networks while adapting to differences in culture. Our paper helps to understand outcomes in New Zealand across some of these social and economic dimensions for permanent migrants from the Pacific region.

STUDY APPROACH

This study uses data from the Longitudinal Immigration Survey New Zealand (LISNZ) and Statistics New Zealand's Integrated Data Infrastructure (IDI). The migrants in our study gained residence approval between 1 November 2004 and 31 October 2005. They were either already in New Zealand when they gained residence or arrived within twelve months of approval. The three survey waves were conducted six months, eighteen months, and thirty-six months either after residence approval for onshore migrants or after arrival for offshore migrants.

LISNZ provides a rich picture of migrants' experiences in New Zealand for a limited period of time. We supplement LISNZ data with housing information from the 2013 Census and data on economic outcomes from the IDI from 2005 to 2017. Our primary focus is on differences in outcomes between migrants from different Pacific countries who gained residence approval under different visa types, as outlined in the table below.

Pacific Access Category	Annual ballot for 75 I-Kiribati, 75 Tuvaluans, 250 Tongans, and 250 Fijians. Principal applicant (aged 18-45) must have a job offer that "pays enough to support you and your family in New Zealand". Expectation that the migrant can speak, read, and write some English.
Samoa Quota	Annual ballot for 1,100 Samoans. Same conditions as Pacific Access Category.
Skilled/Business Categories Our analysis aggregates Skilled Migrant and Business Categories.	Skilled Migrant Category: Points-based system for those under 55. Factors include qualifications, work experience, English language ability, and current job or job offers in skilled employment.
Family Category	Designed to "help partners, dependent children and parents of New Zealand citizens, residents and visa holders join family here". In the 2016/17 financial year, 2,260 Pacific migrants were approved for residence under Family category.
Other (e.g. refugee visas)	Number of people in this category is very small.

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The Pacific migrants in our study sample come from: Fiji, Kiribati, The Federated States of Micronesia, Papua New Guinea, Samoa and American Samoa, The Solomon Islands, Tonga, Tuvalu, and Vanuatu. Pacific migrants from Niue, the Cook Islands and Tokelau have automatic right to New Zealand citizenship. For this reason, they were not surveyed as part of the LISNZ study, and so we cannot include them in our study.

The main Pacific countries we compare in our analysis are Fiji, Tonga, and Samoa, because these are the most common Pacific source countries of migrants in our data, the Longitudinal Immigration Survey New Zealand (LISNZ). Fiji is the outlier among these three countries. Its income per capita is 12% higher than those of Tonga and Samoa and its population is multiple times larger. Tonga and Samoa are more similar to each other on these dimensions.

Many migrants come from the Pacific region on resident visas that are open to people from all parts of the world, such as Skilled, Business, and Family visas. In addition, the number of migrants from Samoa is buoyed by the Samoan Quota Resident Visa, while the Pacific Access Category Resident Visa provides an additional avenue for migrants from Fiji, Tonga, and to a lesser extent Kiribati and Tuvalu to move permanently to New Zealand.

PROFILE OF MIGRANTS IN OUR STUDY

About 18% of Pacific migrants in our sample arrived through the Pacific Access Category and 20% via the Samoan Quota visa. Nearly half came from Fiji. Most of the rest came from either Samoa or Tonga.

Pacific migrants in our sample were slightly more likely than non-Pacific migrants to be in the younger age categories (15-17, and 18-24) and less likely to be in the middle age group (30-49). Pacific migrants had similar rates of being single with or without children, but were slightly more likely (39% vs 34%) to be married with children than were non-Pacific migrants.

Probably reflecting New Zealand's strong Pacific diaspora, Pacific migrants in our sample were much more likely to know more than 20 people before arriving in New Zealand (27%) than were non-Pacific migrants (5%). The vast majority (76%) of our Pacific migrants settled in Auckland, a substantially higher rate than non-Pacific migrants (46%).

Pacific migrants were less likely to report feeling discriminated against (13%) than were non-Pacific migrants (26%). Pacific migrants were slightly less likely than non-Pacific migrants to respond that they had "more than enough money" (6% vs. 10%), though this could be driven by a higher number of Pacific migrants reporting "don't know" for this question (8% vs 1%).

RETENTION

A high proportion of the Pacific migrants interviewed in the first wave of LISNZ (between May 2005 and April 2007) were still in New Zealand in 2017, though the proportion was lower for migrants from Samoa and Tonga (below 80%) than for those from Fiji or Other Pacific countries (about 90%). Migrants who arrived on Samoan Quota visas were the most likely to leave again, with only about 70% remaining in New Zealand by 2017.



Even though higher proportions of Samoan, Tongan, and Samoan Quota migrants left New Zealand, this does not seem to reflect lower satisfaction with the New Zealand experience. Pacific migrants from all countries and on all visa types were less satisfied with New Zealand in wave 3 than wave 1 of LISNZ. In wave 3, migrants from Samoa and Tonga were similarly satisfied to migrants from Fiji, who stayed in New Zealand at a higher rate, and Samoan Quota migrants had similar satisfaction levels to Pacific Access and Skilled/Business migrants.

Samoan, Tongan, and Samoan Quota migrants were, however, particularly likely to remit money while in New Zealand (53 to 57% of each group reported having sent money back home to others in wave 1), despite reporting lower income adequacy than other Pacific migrants. Only 14% of non-Pacific migrants sent money overseas. This suggests Samoan, Tongan, and Samoan Quota migrants maintained strong ties with friends, family, the church, or the community back home, and may have left New Zealand to return to them. They may also have moved to third countries such as Australia.

INCLUSION

Satisfaction with New Zealand in the first three years after residence approval was high among Pacific migrants in our sample, with about 95% reporting being either “very satisfied” or “satisfied” each survey wave. However, satisfaction with New Zealand declined considerably over the three waves of LISNZ: the proportion “very satisfied” fell from over 45% in wave 1 to less than 30% in wave 3, while the proportion “satisfied” increased from 50% to almost 70%.

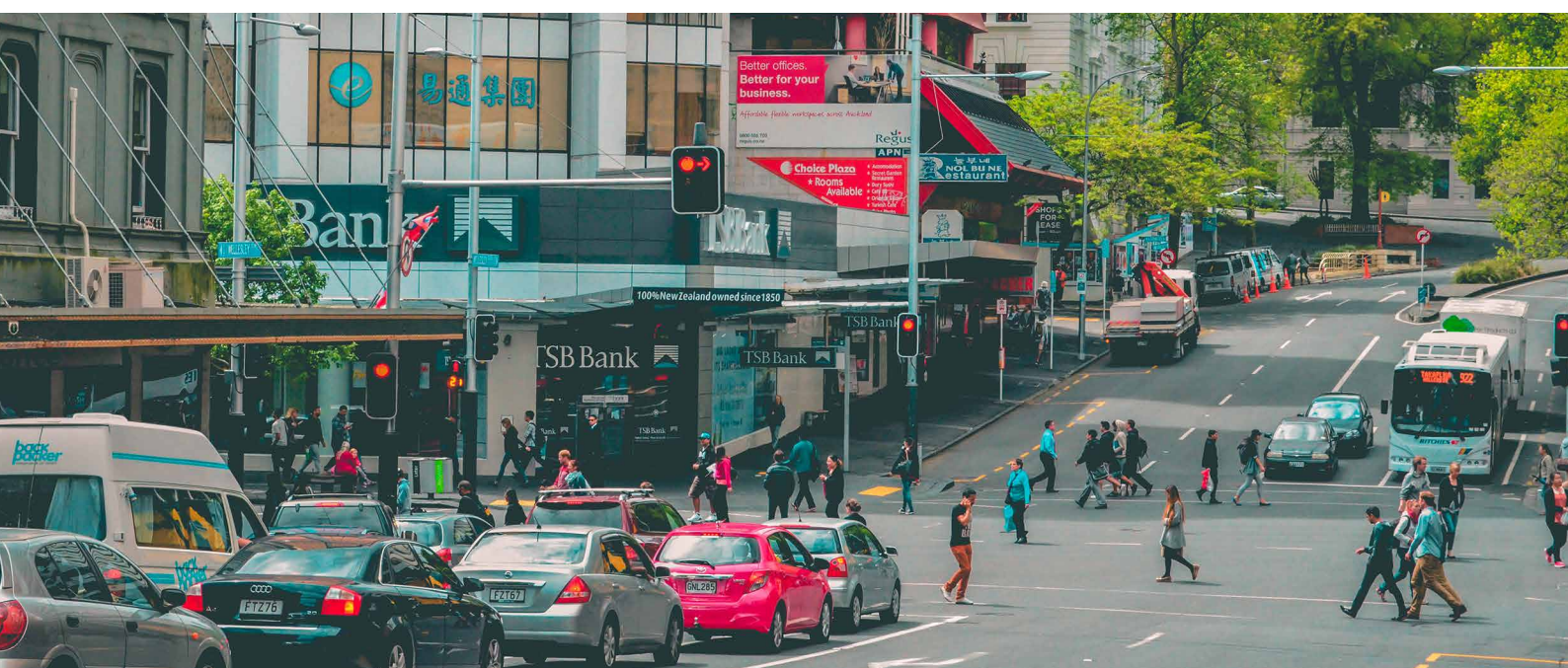
Satisfaction with New Zealand was relatively similar for Pacific migrants from different countries of origin and in different visa categories. There is no evidence Fijian migrants or Skilled/Business migrants, who were more successful economically, felt higher satisfaction. Pacific migrants of all different types reported a decline in satisfaction with New Zealand over the three waves of LISNZ.

The drivers of this decline in satisfaction are unclear. Worsening economic conditions with the beginning of the Global Financial Crisis, which overlapped with wave 3 interviews, could have been a contributing factor, but the decline in satisfaction was not clearly larger for those subpopulations of Pacific migrants hit harder by the Global Financial Crisis.

Pacific migrants also reported feeling well settled in New Zealand. In each LISNZ wave, 40 to 50% reported feeling “very settled” and 45 to 55% reported feeling “settled”. In a similar manner to satisfaction with New Zealand, the feelings of being settled reported by Pacific migrants shifted somewhat from “very settled” to “settled” over LISNZ waves, particularly for Samoan Quota and Family visa migrants.

Perhaps surprisingly, feelings of being settled were not strongly related to economic outcomes: Fijian migrants were more economically successful but reported feeling less settled than Tongan or Samoan migrants, at least in the first two waves. Samoan Quota migrants, who had relatively weak economic outcomes and the highest rate of leaving New Zealand over the following decade, reported the highest feelings of settlement.

Participation in most types of groups and clubs was lower among Pacific migrants than non-Pacific migrants, with religious groups being the major exception. Pacific migrants from all countries and all visa types reported high participation in religious groups across LISNZ waves. In wave 1, religious group participation was below 20% for non-Pacific migrants, whereas it ranged from 35% for Fijians to 40% for Samoans and 60% for Tongans. By wave 3, it had fallen by 10 percentage points for Tongans and Samoans, while it held constant for Fijian and non-Pacific migrants. Tongans also reported high participation in sports and ethnic groups.



HEALTH AND WELL-BEING

In general, Pacific migrants reported a high level of health in their first three years after residence approval or arrival in New Zealand. In the first wave of LISNZ, nearly 45% reported “excellent” health, over 35% reported “very good health”, 17% reported “good” health, and only about 3% reported “fair” or “poor” health. However, by wave 3 the percentage reporting excellent health had fallen to 28% and the percentage reporting good health had risen to a similar level. The proportion reporting fair or poor health had doubled since wave 1.

Pacific migrants from most countries of origin and on most visa types showed some decline in reported health over this period, particularly between waves 2 and 3, with the exception of migrants from Tonga. The causes of the decline in health are unclear from this analysis, but there are several possibilities. The data uses self-reported health rather than any objective health measure. It is possible that migrants reported lower health over time because other aspects of their lives were less than satisfactory and made them feel less well, rather than because their health was objectively worse. The second possibility is that migrants did not come to New Zealand unless they were healthy, and once in New Zealand they experienced a normal range of accidents, illness, and ageing. The third possibility is that the lifestyles of these Pacific migrants in New Zealand were less healthy than their lifestyles back home. The fourth possibility is that the tight economic conditions in the Global Financial Crisis had a negative impact on the health of Pacific migrants for the third wave of LISNZ.

Most Pacific migrants reported in LISNZ that they were satisfied with the quality of their housing. In wave 1, 35% were “very satisfied”, 55% were “satisfied”, fewer than 10% were “neither satisfied nor dissatisfied”, and fewer than 5% were “dissatisfied” or “very dissatisfied”. Although the proportion in the less satisfied categories fell over LISNZ waves, so did the proportion who were “very satisfied”. The decrease in “very satisfied” was driven entirely by migrants from Samoa, for whom the proportion fell from almost 30% in wave 1 to 10% in wave 3. This is unlikely to have been driven by increased crowding. Over the same period, average occupants per bedroom, which we show is negatively correlated with satisfaction with housing, fell for Pacific migrants. The satisfaction levels may have been affected by changing expectations.

In the long run, housing outcomes were closely linked to economic outcomes. Fijian migrants, who had strong economic outcomes, reported high satisfaction with their housing in LISNZ, and years later in the 2013 census they had the lowest average occupants per bedroom of any Pacific migrants. They also had a home ownership rate of 45%, compared with around 10% for other Pacific migrants, more than three times the rates for Tongan or Samoan migrants. Unsurprisingly, those on Skilled/Business visas had the highest home ownership rates in 2013, at over 50%.

ENGLISH LANGUAGE

Pacific migrants in our sample had much lower average English language proficiency at wave 1 than non-Pacific migrants. Pacific migrants were much less likely to report that English was the language they spoke best (38% vs 62%), although only 12% stated that their English was poor (compared with 8% of other migrants).

Very few Pacific migrants for whom English was not their best language had studied English in New Zealand by wave 1 (9%). In contrast, 40% of such non-Pacific migrants had done so.

This lack of English skill is likely to have been a substantial impediment to employment in New Zealand. Among Pacific migrants, those with lower English proficiency at wave 1 still had much lower employment and higher benefit receipt ten years later.

English skill varied between Pacific migrant groups. Whereas 58% of Fijians spoke English as their best language, only 16% of Samoans and 20% of Tongans did so. English proficiency was also higher among Pacific migrants on Skilled/Business visas than among those on other visa types (65% of Pacific Skilled/Business migrants spoke English as their best language, compared with 12% to 38% of Pacific migrants on other visas).

EMPLOYMENT AND BENEFIT RECEIPT

Nineteen percent of Pacific migrants in our sample were offshore migrants who had a job arranged before they arrived in New Zealand, compared with 23% of non-Pacific migrants.

Over 2006 to 2017, Pacific migrants had a similar likelihood of being employed to non-Pacific migrants of the same gender. However, Pacific migrants of both genders had considerably lower wage earnings conditional on being employed

than non-Pacific migrants, and higher rates of both being employed but still receiving a benefit and of receiving a benefit while not employed.

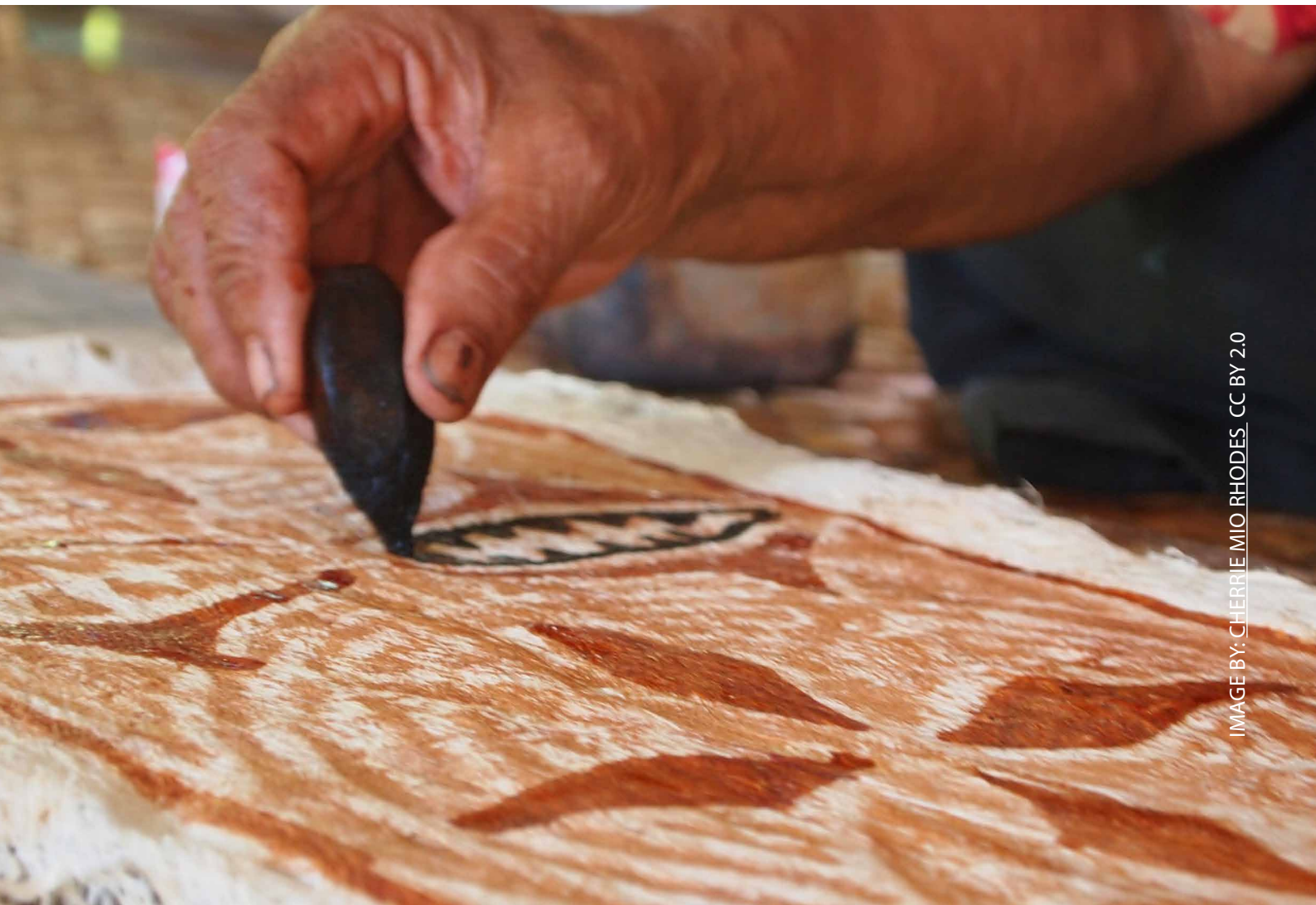
Our findings suggest many Pacific migrants were underemployed and in low-paying jobs. Pacific migrants had lower English proficiency and level of education than migrants from other regions. For instance, English was the best language of only 38% of Pacific migrants compared with 62% of non-Pacific migrants, and 22% of Pacific migrants had 10 or fewer years of education compared with 8% of non-Pacific migrants. These characteristics likely drove low-wage, low-hours employment.

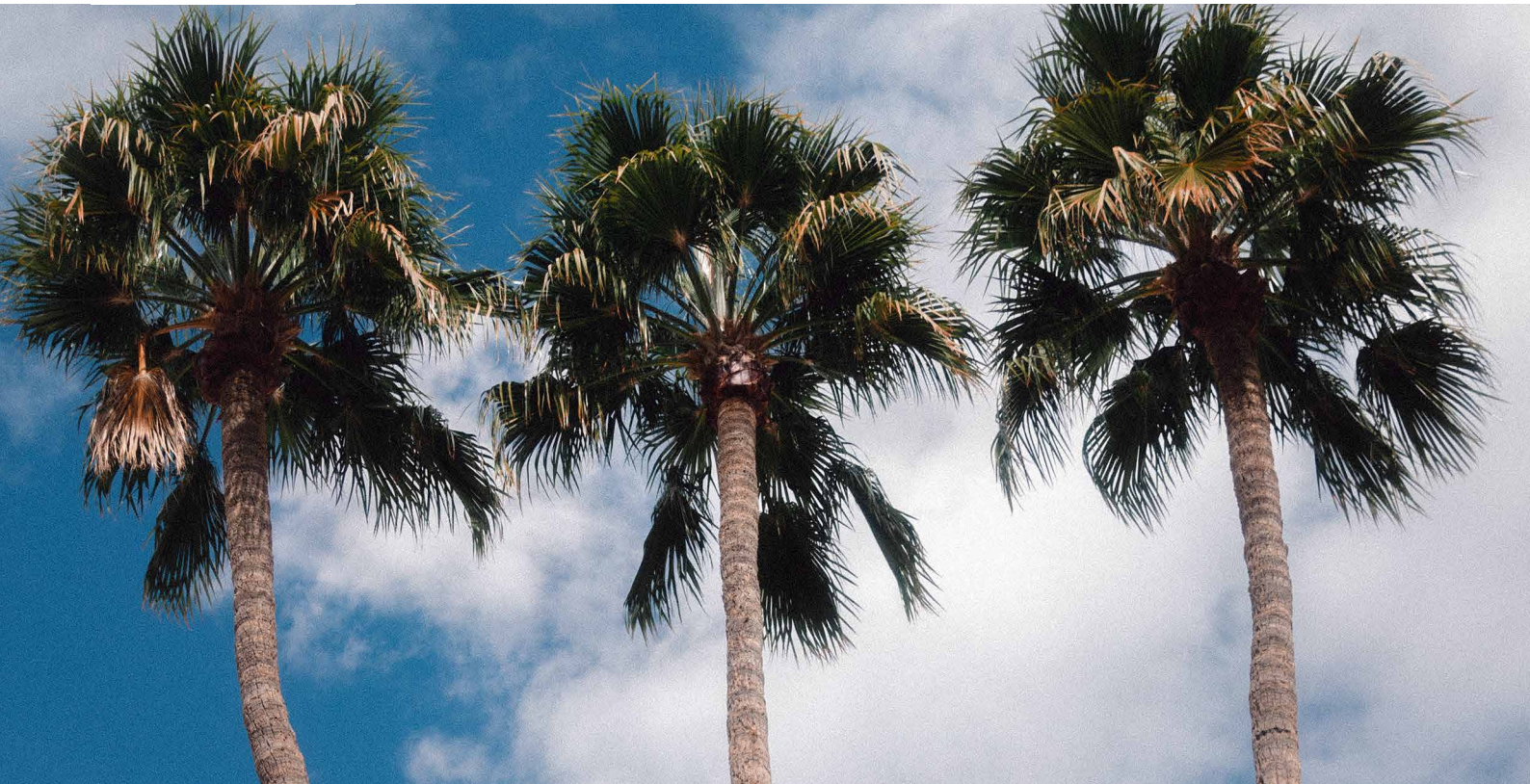
Fijian migrants had stronger economic outcomes than Samoan or Tongan migrants, with higher employment, higher wage earnings conditional on employment, and lower rates of benefit receipt over 2006 to 2017. Fijians' higher level of education (29% had 15+ years of education at residence approval compared with 24% of Samoans and 20% of Tongans) and higher English proficiency (English was the best language of 58% of Fijian migrants, but only 16% of Samoan and 20% of Tongan migrants) were likely important drivers of this. Furthermore, 38% of Fijian migrants came on Skilled/Business visas, compared with 7% of Tongan migrants and a tiny proportion of Samoan migrants.

Skilled/Business and Pacific Access Category migrants had higher employment than Samoan Quota and Family Pacific migrants. Skilled/Business migrants also had markedly higher median incomes conditional on employment, and low benefit receipt rates. Furthermore, their benefit receipt rate was minimally affected by the Global Financial Crisis, staying below 5% most of the period 2006 to 2017. In contrast, migrants who were self-employed and did not pay themselves a wage are not included as employed in our analysis; the fraction employed thus likely understates the economic success of certain types of migrants, particularly business/investor migrants. For Pacific migrants, the proportion that had experienced self-employment since the previous survey wave rose from around 2% in wave 1 to just under 5% in wave 3, compared with an increase from 8% to over 15% for non-Pacific migrants.

Pacific Access Category migrants had much lower rates of benefit receipt than Pacific migrants who came in on other visas. Nearly half of Pacific Access Category migrants were from Fiji, and they shared some of advantageous characteristics of Fijian migrants, such as high English proficiency.

Pacific migrants experienced larger increases in benefit receipt than non-Pacific migrants over the Global Financial Crisis. This was especially true for Pacific women. The proportion of female Pacific migrants receiving a benefit rose from 7%





in 2006 to over 20% in 2010, and fell only gradually over the following years. Benefit receipt also rose dramatically at this time for Pacific migrants on Samoan Quota and Family visas, reaching a peak of over 20%, and rose somewhat for Pacific Access migrants. It is likely Pacific migrants were particularly vulnerable to weak economic conditions due to their relatively low English proficiency and education levels compared with other migrants.

Pacific migrants of both genders had low rates of receiving neither wage nor benefit income relative to non-Pacific migrants. This suggests Pacific migrants were more successful than migrants from other regions at accessing benefits to which they were entitled, though Pacific migrants' low rate of self-employment may also have been a factor.

OVERALL

Pacific migrants interviewed in LISNZ faced a number of challenges to becoming successful and settled in New Zealand, including limited English and low education, which may have caught many in low-paying or part-time work and made them particularly vulnerable to economic conditions. Although most reported good health and generally positive non-economic outcomes in New Zealand, a number of their outcomes on these dimensions grew worse over their first three years after residence approval. The reasons for these declines are not wholly clear and could be investigated in future research.

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