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Human Rights Commission
Te Kāhui Tika Tangata

Human Rights Responses to Poverty in Working Households

He Urupare Tika Tangata mō te Pōharatanga
ō ngā Whānau Whaimahi



October 2020



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ISBN: 978-0-478-35601-4

The New Zealand Human Rights Commission was set up in 1977 and works under the Human Rights Act 1993. Our purpose is to promote and protect the human rights of all people in Aotearoa New Zealand. We work for a free, fair, safe and just New Zealand, where diversity is valued, and human dignity and rights are respected.

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Citation: New Zealand Human Rights Commission (2020). *Human Rights Responses to Poverty in Working Households*. Wellington: New Zealand.

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October 2020



“Poverty is a human rights issue. The wellbeing of our whānau, especially their economic and material wellbeing, lies at the heart of ensuring their human rights and dignity are protected.”

Equal Employment Opportunities Commissioner Saunoamaali'i Karanina Sumeo

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Working households in poverty in Aotearoa New Zealand

Background

The NZWRI Research

In 2019, research commissioned by the Human Rights Commission and conducted by Auckland University of Technology's (AUT's) New Zealand Work Research Institute culminated in the publication of the report, 'In-Work Poverty in New Zealand'.¹ We will refer to this as 'the NZWRI Research'.

The NZWRI Research was the first of its kind in Aotearoa New Zealand, providing a compilation of data related to poverty and employment in our country and an analysis of the extent and characteristics of in-work poor households. The extent of in-work poverty in Aotearoa New Zealand had never been studied in this way before.

The research and its findings were ground-breaking in that they revealed for the first time the scale and nature of the problem of poverty in working households in our country. The research identified, based on data from the 2013 Census, that **over 50,000 working households live in poverty throughout Aotearoa New Zealand.**

This Report

This report builds on the NZWRI Research and international human rights law and practice on poverty in working households. It does not attempt to provide a comprehensive human rights analysis of working households in poverty in Aotearoa New Zealand nor a thorough human rights analysis of the NZWRI Research. Rather, it seeks to introduce

and provide an overview of just some of the human rights issues that are raised by the NZWRI Research, to contextualise these in light of the global COVID-19 pandemic, and to provide **an overview of what a human rights based approach will require to alleviate poverty in working households in Aotearoa New Zealand.**

The main purpose of this report is to offer a framework for responding to the issue of poverty in working households in Aotearoa New Zealand by outlining what a human rights approach should entail and what possible policy and other changes that will be needed.

The data and findings from the NZWRI Research are the starting point for this human rights overview of working households in poverty in Aotearoa New Zealand, from which we can begin to understand **who is suffering most, why, and what can be done about it.**

In this report, we propose a human rights-based approach to responding to poverty in working households. This is consistent with international human rights law and our obligations under Te Tiriti o Waitangi. This approach can guide us in determining how we can identify the systemic changes needed to reduce poverty, prioritise lives and livelihoods, and realise human rights for all. This report proposes that we use **human rights as the framework to identify possible responses** and areas where further work is needed.

What is in-work poverty?

The definition of in-work poverty

In-work poverty can be defined in many ways; however, the NZWRI Research defines it as occurring when one or more person in a household is receiving wages or salaries for at least seven months out of a 12-month period, yet the household's income is still below a pre-defined poverty line, i.e. the members of the household are experiencing poverty.

In-work poverty prevalence is the proportion of working households that fall below a specific poverty threshold. In the NZWRI Research, in-work poverty was measured at a threshold of 60 percent of median household income before housing costs. A household² was defined as being in poverty when their monthly net equivalised income (before housing costs) was below 60 percent of the median income poverty line as at March 2013.

The concept of working poverty or poverty in working households

In the NZWRI Research and in formal economic terms, we refer to the concept of in-work poverty. This is what many people refer to as 'working

poverty', and what we refer to throughout this report as 'poverty in working households'.

It is important to note that **poverty in working households is an experience, not an identifier.** While it is often a life-long situation for many, it does not have to be and should not be. It is not an irremovable personal characteristic; it is the resultant outcome of a system that is failing to realise human rights for the most vulnerable in our communities. It is not a label to be applied to individuals or groups, but rather a phenomenon which indicates that something, or many things, are not working and a sign that significant structural and policy changes are needed in order to realise human rights and ensure human dignity.

The experience of poverty in working households is avoidable. **Poverty in working households can be alleviated and eliminated by adopting a human rights approach;** failure to do so is a violation of our obligations under international human rights law.

The problem of poverty in working households in Aotearoa New Zealand

The NZWRI Research provided a detailed insight into the prevalence of in-work poverty in Aotearoa New Zealand and the characteristics of in-work poor households. The key findings of the NZWRI Research were that **the overall in-work poverty rate in Aotearoa New Zealand was 7 percent before housing costs.** In other words, **amongst working households, the proportion of households in poverty was 7 percent** as at March 2013. This was equal to 50,943 households.

This figure was based on the calculation of a household's income, which included government assistance such as the Working for Families tax credit (WfF) and Accommodation Supplement (AS). To assess the impact of these two income sources on the in-work poverty prevalence, the research

modelled a scenario whereby WfF and AS were excluded from household income and found that the rate of in-work poverty increases from 7% to 9.2% without these two sources. This demonstrates the significant impact that these government assistance programmes have on lifting household income.

The in-work poverty rate varies greatly across several demographic dimensions – for example, it rises to 12.3 percent for single-parent households and to 19.9 percent for two or more family households where only one adult is working. Single parents, children, Māori and Pacific people, ethnic minorities, households with low educational attainment, disabled people, and renters are more likely to be experiencing poverty in working households.

If you live in a working household experiencing poverty



you are more likely... to receive benefits

3 out of 10 working households in poverty receive benefits at least once per year, versus 1 out of 10 working households not in poverty.

you are more likely... to spend your income on rent

working households in poverty who rent spend half of their disposable income on rent, compared to every fourth dollar for working households not in poverty. 9.2% of working households that rent are in poverty.

you are less likely... to work full time and more likely... to work fewer hours

Only 6 out of 10 working households in poverty have a main earner who works full-time. Those in working households experiencing poverty work 75% of the hours worked by working households not in poverty.

you are less likely... to be a union member

For working households experiencing poverty, union membership is about half the rate of working households not in poverty.

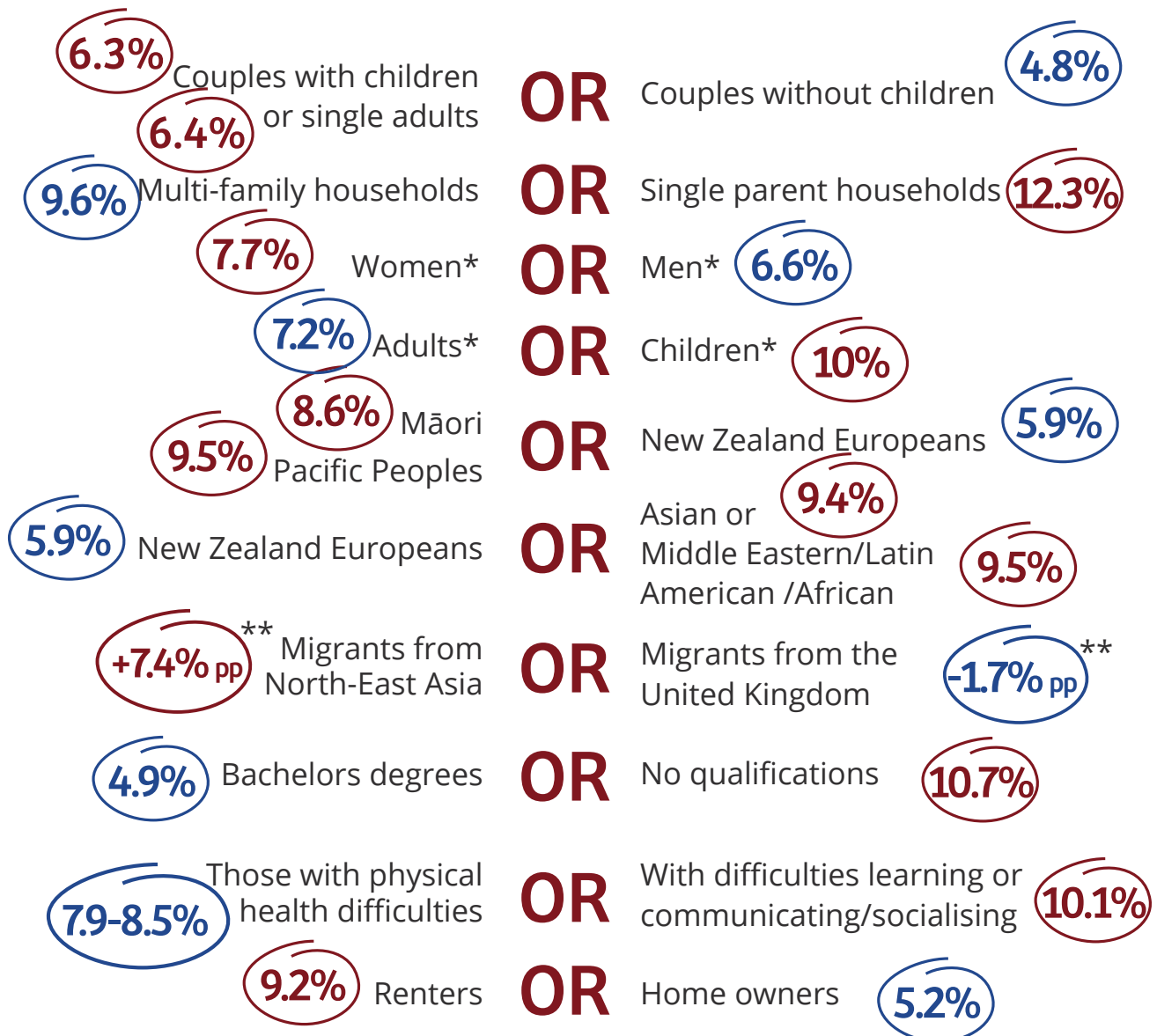
you are more likely... to have a job that is lower on the 'occupational hierarchy'

Those in jobs with lower levels of educational requirements, social status, and income are more likely to be living in poverty. For example, jobs in agriculture, forestry and fishing, accomodation and food service industry are all associated with elevated poverty in working households.



Which working households are more likely to experience

Poverty?



* % of people associated with in-work poor households

** percentage points' difference in prevalence, relative to the sample average

Unless specified otherwise, percentages indicated are the share of working households that are experiencing poverty, where at least one member identifies as noted.

The impact of the COVID-19 pandemic on poverty in working households in Aotearoa New Zealand

As a consequence of the COVID-19 pandemic, *there is a significant risk that poverty in working households in Aotearoa New Zealand will be further exacerbated* beyond the reported rates in the NZWRI Research.³

While it is too early to tell what the full extent of the impacts will be on New Zealanders, we can hypothesise about a number of areas of concern which will affect poverty in working households throughout Aotearoa in both the short and long term, including those most affected and who may need targeted assistance during the COVID-19 recovery phase. These aspects warrant further investigation and research if we are to truly understand the impact the pandemic has upon the current state of poverty in working households in Aotearoa New Zealand and the steps required to address these.

It is not just the economic impacts that are relevant here. While the impacts of the government responses and fiscal stimulus measures will have a significant impact, so too will the increased levels of stress on individuals and families, and the social aspects of the pandemic response. **Monitoring and understanding both the economic and social impacts of COVID-19 is vital for informing the Government's policy responses.**

The pandemic has heralded a particularly uncertain future for some industries. While widespread **wage subsidies have softened the immediate blow** for many, **the unemployment rate is expected to rise** and our GDP growth rate is forecast to decline.

Essential workers have continued working (often working longer hours than normal) and many working at reduced pay rates, and there is a vast **disparity between the experiences** of those working through the pandemic lockdown. *Those working households who are already statistically more likely to experience poverty are in many cases those who have maintained the economy (and our health systems) throughout lockdown.*

Low wage industries (those that employ workers lower on the 'occupational hierarchy') are among those worst hit by the pandemic-induced economic shutdown. Industries particularly impacted include tourism, accommodation and food services, where significant numbers of jobs will be lost over the next year as Aotearoa New Zealand's borders remain closed. The industries most heavily impacted by the pandemic are some of those with higher than average numbers of workers experiencing poverty prior to the pandemic. These industries have a high proportion of staff on casual or temporary contracts, which make them more susceptible to be a working household in poverty or to become unemployed. **Those living in working households already experiencing poverty are among those most likely to be disproportionately affected by the economic outcome relating to the pandemic. Those who can least afford it will be those who suffer the most from this crisis.**

This highlights the need for targeted responses and measures to ensure that the pandemic does not result in a spike in poverty in working households in Aotearoa New Zealand.

Likely increases in the poverty figures for working households are expected, due to reduced hours and, consequently, incomes for many who remain in work. As shown in the NZWRI Research, the number of hours worked plays a role in explaining the poverty status of households. We expect to see an increase in the labour market underutilisation rate and reductions in the average hourly time earnings rate, despite the recent gradual increases in minimum wages. A reduction in the labour force participation rate is also a likely outcome.

Women have been affected more than men, and women are usually more likely to be affected by impacts such as loss of working hours and withdrawal from the labour market. This has most severely impacted Māori and Pacific women.

There has been a disproportionate decrease in the labour force participation rate for women. Many women have simply exited the workforce and have withdrawn looking for work, shouldering the additional burden of taking care of the household in ways not measured by our traditional economic models. In addition, women are disproportionately employed in industries and jobs that make them particularly vulnerable. Women in casual or part time employment, for example, or in low-wage industries or jobs requiring low levels of qualifications are more likely to be subjected to reductions in hours. Women are also more likely to have lost their jobs or suffered a fall in earnings since the coronavirus pandemic took hold, widening the gender pay gap.

While the Government's economic relief package aims to restore jobs and boost transitions to new industries, the job sectors being targeted by these recovery policies are industries that are traditionally more male-dominated. The focus on 'shovel ready' projects will benefit workforces dominated by men — such as construction, forestry, electricity, gas, water and waste services. This is particularly of concern given that it takes longer for women's incomes to recover from post-crisis recessions.

Women risk, once again, losing out and being left behind in the economic recovery. The widening of the race and gender pay gaps in Aotearoa New Zealand risks being more than a temporary pandemic-related glitch.

Other groups, such as self-employed, disabled people, rainbow communities, students, migrant workers and others, are also most vulnerable to these employment and income impacts.

Some of the **industries most severely affected by the pandemic are also those that produce high concentrations of poverty in working households.**

This includes accommodation and food services, retail, construction, administrative and support services, and arts and recreation. Those working in industries that rely on casual, temporary, part-time and migrant labour are likely to be hardest hit.

Younger age groups, in particular 20-29 year olds, were the most likely to become unemployed during Alert Level 4. Meanwhile, there was a mandated reduced participation in the workforce by older people, which is a reversal of the previous trend over the last 10 years. Older people who leave the workforce when close to retirement age may never return.

Migrants are another group which have been particularly affected, as many are losing the jobs on which their visas depend, making their future in Aotearoa New Zealand uncertain. Eligibility for Work and Income (WINZ) benefits includes a minimum period of residence for migrants (excluding refugees), which results in some migrants facing poverty to rely on community services and the charity sector for support. Their financial stress has often been compounded by the social pressures of discrimination, racism, and xenophobia, which have been particularly prevalent during this crisis.

This risks **pushing people into poverty** and/or **further entrenching the poverty cycle** for many.

The human rights impacts of poverty in working households

Poverty affects wellbeing and human dignity, concepts that underpin the foundation of human rights. Poverty is both a cause and a consequence of human rights violations; it is a result of deprivation and it leads to further deprivation. Poverty is not only a lack of income; it is a lack of access to goods, services and participation in society, which are essential for the enjoyment of human rights. This is the multi-dimensional nature of poverty.

The UN Committee on Economic, Social and Cultural Rights defines poverty as: 'a human condition characterised by sustained or chronic deprivation of the resources, capabilities, choices, security and power necessary for the enjoyment of an adequate standard of living and other civil, cultural, economic, political and social rights'.⁴

Poverty creates obstacles that make it harder to access human rights such as the right to adequate housing, food, health, education, work, and civil and political rights such as the right to fair trial and political participation. A lack of implementation of these rights also makes it difficult escape the poverty trap.

People experiencing poverty in working households encounter a range of human rights impacts: they 'live in a vicious cycle of powerlessness, stigmatization, discrimination, exclusion and material deprivation, which all mutually reinforce one another'.⁵

Poverty has various manifestations, including lack of income and productive resources sufficient to ensure sustainable livelihoods; hunger and malnutrition; ill health; limited or lack of access to education and other basic services; increased morbidity and mortality from illness; homelessness and inadequate housing; unsafe environments; and social discrimination and exclusion. It is also characterized by a lack of participation in decision-making and in civil, social and cultural life.⁶

These impacts are the result of actions and inactions on the part of governments and decision-makers, indicating failings in the fulfilment of their duties to respect, protect, and fulfil human rights for all.

These human rights, when applied in a Te Tiriti framework, also provide us with the way forward: improving access to human rights is a tool for alleviating poverty.

Analysing the human rights affected

The human rights that are affected by poverty in working households, which are being compounded by impacts of the pandemic, are rights that have a legal foundation in international human rights law. Human rights law provides the basis for understanding what responsibilities our government and decision-makers have and how these obligations should be realised, and for assessing whether or not these rights are being respected, protected and fulfilled.

The rights affected by poverty in working households, such as the right to decent work and employment conditions, and the rights to adequate housing, health, education, food, and social security, as well as the civil and political rights such as political participation, are all human rights enshrined in the Universal Declaration of Human Rights (UDHR). These rights are binding legal obligations for the New Zealand government, under the two core implementing treaties, the International Covenant on Economic, Social and Cultural Rights (ICESCR), and the International Covenant on Civil and Political Rights (ICCPR).⁷

The right to decent work

What is the right to decent work?

Everyone has the right to work, the right to equal pay for equal work and the right to a decent income and working conditions.⁸

The right to decent work and the related labour and employment rights are about ensuring human dignity through people's livelihoods. Meaningful employment is at the heart of economic wellbeing. The right to work recognises that work is not solely a source of income that provides for the basic necessities in life, but has the potential to satisfy social, intellectual and personal needs and therefore is integral for a life of human dignity.

The right to work is essential for realising other human rights and forms an inseparable and inherent part of human dignity. Every individual has the right to be able to work, allowing them to live in dignity. The right to work contributes at the same time to the survival of the individual and to that of their family, and insofar as work is freely chosen or accepted, to their development and recognition within the community.⁹

The ICESCR contains the most comprehensive provisions on the right to work. In Articles 6–8, the core elements of the right to work are defined as: (1) the opportunity to work; (2) free choice of employment; (3) just and favourable conditions of work; (4) non-discrimination; and (5) the right to form and join trade unions.

The right to decent work is protected in Article 6 of the ICESCR, which requires governments to take steps to recognise and safeguard the right of everybody to the opportunity to gain their living by work. These requirements are further elaborated in the UN Committee on Economic, Social and Cultural Rights' (CESCR) General Comment 18.

Work as specified in article 6 of the Covenant must be decent work. This is work that respects the fundamental rights of the human person as well as the rights of workers in terms of conditions of work safety and remuneration. It also provides an income allowing workers to support themselves and their families as highlighted in Article 7 of the Covenant.¹⁰

Article 7 of the ICESCR protects the right of everyone to the enjoyment of just and favourable conditions of work, in particular the right to safe working conditions. These requirements are further elaborated in CESCR's General Comment 23. Article 8 further provides for the right to join a trade union, the freedom of assembly, and right to strike.

Legal protections regarding the right to work, including against discrimination, are also included in the International Convention on the Elimination of All Forms of Racial Discrimination (CERD, Article 5), the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW, article 11), the Convention on the Rights of the Child (CRC, article 32), the Convention on the Rights of Persons with Disabilities (CRPD, article 27), the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (CMW, articles 11, 25, 26, 40, 52 and 54), and the Declaration on the Rights of Indigenous Peoples (UNDRIP, Articles 17 and 21).

The International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work also commits governments to promoting these rights, along with a number of ILO conventions, including ILO Convention No. 122 concerning Employment Policy (1964).¹¹

According to CESCR's General Comment 18, the right to decent work necessitates:

- availability which requires governments to support and assist people to find employment;
- accessibility for all without discrimination, physically including for disabled people, and via accessible means; and
- acceptability and quality including safe work with fair working conditions.

Why is the right to decent work relevant to poverty in working households?

Understanding the legal framework as set out above, and applying this to the data and findings of the NZWRI Research, we can see there are three main aspects of interconnectedness between the right to decent work and poverty in working households:

1. Reduced access to the right to decent work and fair working conditions are associated with a higher prevalence of poverty in working households: lack of work (unemployment), reduced hours (underemployment), insecure work (temporary contracts), low pay, precarious working conditions, limited education levels, discriminatory access to the labour market (affecting women, older people, disabled people, migrants, ethnic minorities, Māori and Pacific people), and lower union membership rates are all factors associated with increased prevalence of poverty in working households.

2. Poverty in working households reduces the likelihood of realising the right to decent work and fair working conditions: those experiencing poverty in working households are less able to access or improve their enjoyment of the right to decent work or fair working conditions due to their disproportionate exposure to the barriers outlined above.

3. Increasing the level of enjoyment of the right to decent work can reduce poverty in working households: enhancing access to the right to decent work can help alleviate the experience of poverty in working households. As the ILO reminds us, 'evidence shows that decent and productive jobs, sustainable enterprises and economic transformation play a key role in reducing poverty'.¹² **Breaking the cycle of poverty involves full employment and decent work.**¹³

Implementation of the right to decent work and the labour rights provided for by international human rights law facilitates empowerment and participation, provides the legal standards to protect against discrimination, and necessitates the establishment of accountability mechanisms.

Decent work 'promot[es] organization and voice, enabling people living in poverty to mobilize and become active agents in shaping their future.'¹⁴

The importance of decent work in reducing poverty is reinforced through its inclusion in the Sustainable Development Goals (SDGs), to which the New Zealand Government has committed. Global Goal 8 on Decent Work and Economic Growth aims to 'promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all'.

Are Aotearoa New Zealand's working households in poverty enjoying the right to decent work?

When **assessing the implementation of the right to decent work and fair working conditions in Aotearoa New Zealand**, the prevalence of poverty in working households indicates that we fall short – *insufficient access to decent work and fair pay means workers are not receiving sufficient income to enable them to live in dignity*.¹⁵ The fact that working households experiencing poverty spend half their income on rent indicates that people are struggling to meet basic living costs. **There has been a failure to ensure the 'right of access to employment, especially for disadvantaged and marginalized individuals and groups, permitting them to live a life of dignity'**.¹⁶ The different experiences of poverty from working households with children, women-led households, and households comprising of migrants, ethnic minorities, or disabled people, indicates that there is unequal enjoyment of the right to decent work. This is **a failure on the part of the New Zealand government to take sufficient steps to realise the right to decent work, particularly for those most disproportionately experiencing poverty in working households**.

This assessment is consistent with the view of the United Nations, in particular the Concluding Observations made by CESCR during its review of the New Zealand government's implementation of the right to decent work in 2018. The Committee expressed concern about underemployment in Aotearoa New Zealand, and the particularly high rates of unemployment among Māori and Pacific peoples and how women and disabled people are more likely to be unemployed, as well as the high numbers of youth, particularly among Māori, Pacific peoples and disabled people, who are not in employment, education or training.¹⁷ **These trends observed by the UN both fuel poverty in working households, and provide barriers to alleviating the poverty cycle for those most vulnerable**.

One of the factors that CESCR identified, which may go some way towards helping us understand why households containing disabled workers are disproportionately poorer, is the fact that disabled people may be paid lower salaries, below the minimum wage.¹⁸ The Committee also identified other problem areas that we see reflected in the poverty in working households statistics above, such as the working conditions of migrant workers, which are characterised by excessive working hours and non-payment or underpayment of wages.¹⁹ This is linked to racial discrimination and various forms of migrant exploitation. It is difficult for working migrants and ethnic minorities to avoid the poverty trap, when many are employed in precarious employment in industries where there is significant non-compliance by employers with employment laws.²⁰ On the issue of precarious employment, which is a factor in poverty in working households, the Committee also noted its concern about the prevalence of workplace deaths and injuries in the agriculture, forestry and construction sectors,²¹ which engage a high proportion of Māori workers – industries where there is also a higher prevalence of workers from households experiencing poverty.

The Committee also observed that women are a particular group at risk of not having access to decent work, and therefore more at risk of poverty, because they are 'are disproportionately engaged in multiple employment' and 'more likely to be engaged in part-time, casual and low-paid employment, constituting an obstacle to eliminating the gender wage gap and affecting women's pension benefits when they retire'.²² The Committee expressed concern that the principle of equal pay for work of equal value is not being fully respected.²³ It also pointed out the failure of the government to lift its reservation to Article 8 and remove the legal restrictions on trade union rights,²⁴ which the Commission believes is an obstacle to alleviating poverty given the relationship between union membership and lower rates of poverty in working households.

These identified failings on the part of the government of Aotearoa New Zealand support what the data shows us, that **there is still significant progress to be made to ensure the full enjoyment of the right to decent work as a way of reducing poverty in our country**.

Freedom from discrimination

Freedom from discrimination is fundamental to human rights law. It is enshrined in the ICCPR and ICESCR (Article 2); and the international treaties on racial discrimination, discrimination against women and the rights of refugees, stateless persons, children, migrant workers and members of their families, and disabled people. Other treaties require the elimination of discrimination in specific areas, such as employment and education (see, for example, ILO Convention 111 concerning Discrimination in Respect of Employment and Occupation [1958], and the UNESCO Convention against Discrimination in Education).

International human rights law requires governments ensure both formal and substantive equality. Formal equality is equal treatment before the law. However, equal treatment does not always ensure equal outcomes, because past or ongoing discrimination can mean that equal treatment simply reinforces existing inequalities. To achieve substantive equality – that is, equality of outcomes – some groups will need to be treated differently.

Substantive inequalities based on gender, race, ethnicity, social status, and disability, in the rates of poverty in working households in Aotearoa New Zealand have been highlighted in the NZWRI Research. For example, when we look at the different people associated with working households and the prevalence of poverty experienced by them, some groups fare worse than others: women versus men; Māori and Pacific peoples versus New Zealand European; those identifying as Asian, Middle Eastern, Latin American, or African versus others; migrants from North-East Asia versus migrants from the UK; disabled people versus non-disabled people. Being a member of a group that is likely to experience **discrimination can lead to a higher prevalence of poverty in working households.**

This is relevant for understanding poverty in working households because there are clear linkages between discrimination and poverty:

- 1. Discrimination, particularly in employment and employment conditions including wages, can lead to a higher prevalence of poverty in working households:** The NZWRI Research shows that those from particular ethnic groups, such as Māori and Pacific peoples and migrants, experience a higher prevalence of poverty in working households.
- 2. Poverty in working households reduces the likely enjoyment of freedom from discrimination:** those in working households experiencing poverty are less likely to be free from discrimination – the stigma and interrelated human rights breaches that accompany the experience of poverty entrenches further discriminations.
- 3. Increasing the enjoyment of the right to be free from discrimination can reduce poverty in working households:** for example, ensuring an end to the ethnic and gender pay gaps, enhancing gender, ethnic and diverse representation on private and public boards, and measures to make it easier for women to be equal participants in the workforce will not only address systemic discrimination but will help to alleviate poverty in working households.

The principles of equality and non-discrimination must be applied to all rights: poverty in working households can be alleviated only if we protect the freedom from discrimination in every area, including through equal employment opportunities, education, health, housing, food, political participation, and in our justice systems.

Interconnected socio-economic rights

Understanding the human rights impacts of poverty requires us to recognise that all human rights are interconnected, interrelated, and interdependent. For example, the realisation of the right to decent work and fair working conditions both relies on and affects the realisation of the rights to health, housing, education, food and other rights, and vice-versa.

The enjoyment of the right to just and favourable conditions of work is a prerequisite for, and result of, the enjoyment of other Covenant rights, for example, the right to the highest attainable standard of physical and mental health, by avoiding occupational accidents and disease, and an adequate standard of living through decent remuneration.²⁵

The NZWRI Research does not provide us with a sufficient basis to undertake a full human rights analysis of all the rights affected by poverty in working households. However, it does give us the ability to highlight some issues of relevance and areas for future work.

The right to social security

The right to social security²⁶ guarantees human dignity for people when circumstances deprive them of the capacity to fully realise their economic, social and cultural rights.²⁷ Social security, and its interface with the tax system, redistributes resources and thus plays an essential role in reducing and alleviating poverty and enabling social inclusion.²⁸ Social transfers can alleviate the effects of low income from wages, diversify the non-employment income sources for a household, and reduce the overall poverty rate.

In Aotearoa New Zealand we see that without access to the right to social security, the rate of poverty in working households is higher. As we see from the NZWRI Research, without government support through the Working for Families tax credit or the Accommodation Supplement, many families

unsurprisingly are worse off. **Reduced access to the right to social security leads to higher prevalence of poverty in working households.**

We can see the marked effect that welfare policies have upon poverty in working households when we look at the difference between the in-work poverty rate excluding or including income from Working for Families tax credits and the Accommodation Supplement: applying a poverty threshold of 60 percent of the median equivalised income, in-work poverty increases from 7.0 percent to 9.2 percent when these two benefits are excluded as income sources. It is further evident from the NZWRI Research that these benefits have a re-distributional effect across household types, as the two benefits make a sizeable impact on the prevalence of in-work poverty for single-parent households.

The data shows us that access to the right to social security provides an additional buffer between those working and the poverty line, thus alleviating the incidence of poverty among working households. Social security compensates for the lack of work-related income and complements labour rights.²⁹ **Increasing the enjoyment of the right to social security can alleviate poverty, including for those in work.**

The right to adequate housing

In Aotearoa New Zealand, **the inability to obtain decent, affordable housing is one of the major barriers to an adequate standard of living and one of the main human rights impacts of poverty in working households.** When assessing enjoyment of the right to housing in Aotearoa New Zealand by those households experiencing poverty, we can see **a number of clear links, including the link between poverty and affordability and security of tenure,** which are two of the main elements affecting the right to adequate housing.³⁰

In relation to affordability, housing represents the most significant single budget item for many Aotearoa New Zealand households, and a disproportionate amount of the budget for households experiencing poverty, who spend half their income on housing. Based on the definition of poverty used in the NZWRI Research, working

households that rent and are experiencing poverty are experiencing housing stress, where over 30% of the household budget is spent on housing costs. **Those households particularly at risk of poverty therefore face heightened risk of not fully enjoying their right to adequate housing**, despite the fact that all core human rights treaties protect the right to housing for vulnerable and marginalised groups.³¹

Those whose security of tenure is weaker, such as renters versus homeowners, have a higher rate of working households living in poverty. Further, **poverty in working households exacerbates housing insecurity**, as working households in poverty who are renting spend, on average, a significantly larger proportion of their income on housing compared with working households not in poverty. **Poverty in working households also reduces the chance of improving housing security**, as home ownership rates are substantially lower for the working households in poverty. We also know that there are significant barriers that disabled people face trying to access affordable and appropriate housing, and that this may be exacerbated by the fact that there is a higher prevalence of poverty amongst working households containing a disabled person.

A few further hypothesis can be made from these correlations and the state of housing in Aotearoa New Zealand.³² Firstly, poverty in working households can lead to a greater risk of housing stress in older people. Those without security of tenure during their working lives are more likely to be exposed to housing stress in their post-working lives. Further, those households experiencing poverty are more likely to feel the effects of housing transience, which has flow on effects on work, education and social connections. Renting in Aotearoa New Zealand and the culture of short and fixed term tenancies makes people more exposed to rent increases and unaffordability. Also, as the quality of rental housing stock in Aotearoa New Zealand is still on average sub-standard, those households experiencing poverty are also more likely to live in damp and poorly heated or poorly insulated homes, which can affect children's health and education. The fact that poverty is more prevalent in working households with multiple families, families with children and single-parent families, mean that targeted measures need to be taken to ensure their right to housing is fulfilled.

CESCR observed these links, expressing concern that disadvantaged groups and individuals, notably Māori and Pasific families and disabled people, are more likely to experience severe housing deprivation, including overcrowded conditions.³³ The Committee was also concerned by the considerable number of unsafe rental housing units and the shortage of social and affordable housing. It noted housing costs have significantly increased, leading to housing becoming unaffordable for many families and thereby increasing homelessness. This potential link between poverty in working households and homelessness is a topic for further work.

The right to health

The right to health³⁴ includes access to healthcare as well as the underlying social and economic determinants of health, such as conditions of work and adequate food and shelter.³⁵ The right to health is dependent on and contributes to the realisation of many other human rights, such as the rights to food, to an adequate standard of living, to privacy and access to information.³⁶ Aspects of the right to health that are of particular importance to those households experiencing poverty include the right to a system of health protection; the right to prevention, treatment and control of diseases; the right to healthy natural and workplace environments; and the right to health facilities, goods and services.³⁷

We see **some evidence of the links between the right to health and poverty in working households** in the NZWRI Research, in the data that shows that **health difficulties are associated with higher rates of in-work poverty**. Further work needs to be done on identifying the best ways to address the needs of those with physical, learning and cognitive, and socialising and communicating difficulties, to ensure they can avoid a higher risk of poverty.

Likewise, while we can hypothesise about how **poverty in working households reduces the likelihood of fully accessing the right to health through reduced economic capacity to purchase healthcare goods and services**, the degree to which poverty in Aotearoa New Zealand reduces people's capacity to enjoy the right to health warrants further investigation.

The right to education

Education is both a human right in itself and an indispensable means of realising other human rights.³⁸ Education is essential for the development of human potential, enjoyment of the full range of human rights, and respect for the rights of others. **Education is the primary vehicle by which economically and socially marginalised adults and children can lift themselves out of poverty** and obtain the means to participate fully in their communities.

Education is not just about the geographic and economic availability and accessibility of quality primary and secondary schools where teaching is suitably adapted to be appropriate and acceptable. It is also not just about tertiary level study such as at university. The right to education also includes equal rights and access to vocational training, re-training and upskilling. This is extremely important to counter poverty in working households, given how the NZWRI Research shows education and workforce skills impact on the prevalence of poverty in working households.

The right to education and poverty in working households are linked in three main ways:

- 4. Reduced access to the right to education, particularly vocational and technical training, leads to higher prevalence of poverty in working households:** The NZWRI Research shows that those with lower educational achievement experience a higher prevalence of poverty.
- 5. Poverty in working households reduces the likely enjoyment of the right to education:** those in working households experiencing poverty are less likely to be able to access or improve their enjoyment of the right to education – they have less disposable income available to spend on education, and are more susceptible to the disruptions to education that are brought about by less secure housing. Their higher risk of health difficulties makes realising the right to education harder. In Aotearoa New Zealand, a particular area of concern is the impact that poverty in working households has upon children and their ability to successfully engage in education.
- 6. Increasing the enjoyment of the right to education can reduce poverty in working households:** one's level of education is part of the 'occupation hierarchy' that determines the

likelihood of working households experiencing poverty: higher levels of educational attainment is linked to higher job status and higher income, and less propensity of working households to experience poverty.

Again, the right to education is inherently linked to the other rights and their ability to alleviate poverty in working households: Improving access to decent work and fair working conditions is more difficult when a person lacks access to the right to education, as this places people lower in the 'occupational hierarchy' and thus more susceptible to poverty.

The right to food

The right to food is compromised when people do not have sufficient income to feed themselves and their families adequately.³⁹ Food security is an important element of the right to food, and it encompasses assured access to sufficient food that is nutritious, of good quality and safe; meets cultural needs; and has been acquired in socially acceptable ways.⁴⁰

... malnutrition, under-nutrition and other problems which relate to the right to adequate food and the right to freedom from hunger also exist in some of the most economically developed countries. Fundamentally, the roots of the problem of hunger and malnutrition are not lack of food but lack of access to available food, inter alia because of poverty ...⁴¹

While there is no overall shortage of food supply in Aotearoa New Zealand, there are households that do not have sufficient income to feed themselves and pay for other basics, such as accommodation, heating and clothing. We know that **large families, sole parents and the unemployed are particularly vulnerable to food insecurity, along with Māori and Pacific households, especially those with children.** These are also the same working households who are disproportionately affected by poverty. **Food choices are likely to be compromised for families experiencing poverty,** who would need to spend a greater proportion of their income on food.

Poverty and food insecurity have a detrimental impact on health outcomes, exacerbating the cycle of interdependency between in-work poverty and enjoyment of other human rights.

The extent to which the right to food is impacted by poverty in working households in Aotearoa New Zealand, and vice versa, warrants further analysis, including the extent to which our social security benefits are sufficient to alleviate poverty for those both in work and not in work.

Impact on civil and political rights

Those from working households experiencing poverty often face systematic violations of their civil and political rights in particular the rights to liberty and personal security, and political participation. For example, rights to liberty and security of person are often impacted upon by a person's status as in-work poor, as a result of disproportionate attention from the police, over-representation in rates of imprisonment and detention, inability to afford adequate legal representation, and a denial of voting rights because of transience or due to incarceration.⁴²

Further, people experiencing poverty often face barriers to enjoying their right to political participation. When an individual's focus is on ensuring they are adequately fed, engaging in political processes may be viewed as a luxury.

The NZWRI Research does not give us enough information to conduct a full analysis of the impacts that poverty has on the enjoyment of civil and political rights of those in working households, highlighting another area for future work.



A human rights approach to alleviating poverty in working households

A human rights approach to poverty reduction ‘compels us to look behind national averages and identify the most vulnerable people – and design strategies to help them. A human rights approach is grounded in the United Nations Charter, Universal Declaration of Human Rights, and binding provisions of human rights treaties. Moreover it sharpens the moral basis of the work carried out by economists and other policy-makers, directing their attention to the most deprived and excluded’.⁴³

Human rights provide not only standards against which we can assess what is going wrong, but also a framework for how to respond: applying a human rights-based approach enables us to work effectively on alleviating poverty.

A human rights-based approach means that human rights standards and principles are placed at the centre of planning, policy and practice. It can help ensure that strategies not only focus on reducing monetary poverty, but also address structural causes and related human rights violations.

A human rights-based approach to poverty requires us to apply human rights principles such as indivisibility, accountability, non-discrimination and equality, participation, transparency and sustainability.⁴⁴

A human rights-based approach to solving poverty in working households relies on the participation of rights holders to design systems that empower rather than disadvantage. Likewise, Te Tiriti o Waitangi requires partnership decision-making, ensuring that tangata whenua can exercise mana motuhake (authority) and rangatiratanga (self-determination) when making decisions over their own futures.



Indivisibility: responses to poverty should be cross-sectoral and include economic, social and political interventions. This is essential to addressing the multi-dimensional aspects of poverty, and the way in which all human rights are interrelated, interdependent and interconnected.

Accountability: responses to poverty should empower those experiencing poverty to challenge the status quo and ensure mechanisms to enable rights holders to enforce their rights, including the enforcement of Te Tiriti obligations.

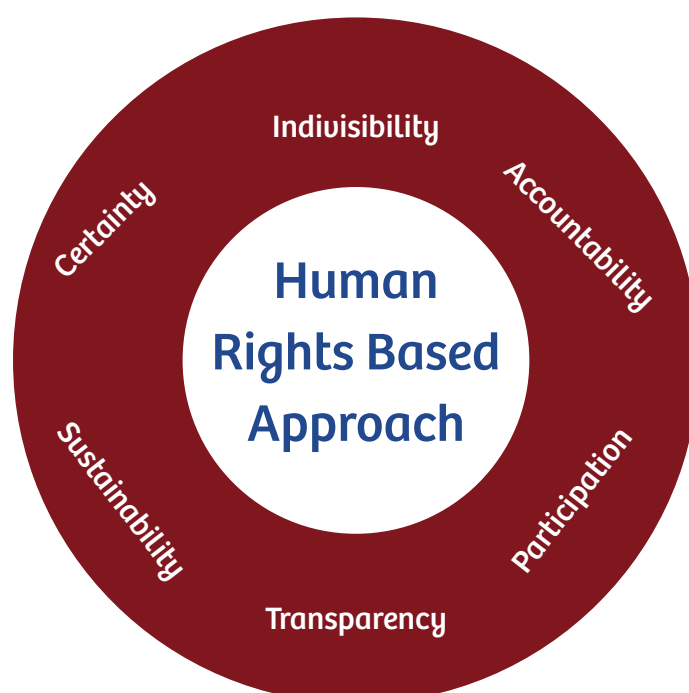
Non-Discrimination and Equality: responses to poverty must address formal and substantive inequities in laws and policies and differences in the distribution and delivery of resources and services.

Participation: responses to poverty must ensure that those experiencing poverty are entitled to participate in and be included in decision making about the design, implementation and monitoring of poverty interventions. This also includes ensuring authentically Tiriti-based decision making and equity, including supporting tangata whenua to lead their own solutions and equity of outcomes.

Transparency: responses to poverty should ensure everyone affected has access to information, and clarity and transparency about decision-making processes and actions.

Sustainability: responses to poverty should include proactive long-term measures aimed at achieving significant development targets.

Certainty: responses to poverty should be based on the application of accepted laws and standards, to ensure predictability and support accountability, participation, and transparency.



International human rights provide a framework of norms or rules upon which detailed global, national and community-level poverty eradication policies can be constructed. While poverty raises complex multi-sectoral issues that are not amenable to simple solutions, the application of the international human rights normative framework to these issues helps to ensure that essential elements of anti-poverty strategies, such as non-discrimination, equality, participation and accountability, receive the sustained attention they deserve.⁴⁵

Responses and recommendations for a human rights-based approach to poverty in working households in Aotearoa New Zealand amid the COVID-19 pandemic

[H]uman Rights ... focus our attention on who is suffering most, why, and what can be done about it. ...
Human rights put people centre-stage. ...
Human rights are key in shaping the pandemic response ...
and the broader impact on people's lives and livelihoods.⁴⁶

Human rights law provides us with a framework for analysis and a basis for responding to issues such as poverty in working households and the foreseeable exacerbation of our in-work poverty problem in Aotearoa New Zealand due to the impacts of the COVID-19 pandemic.

The NZWRI Research provided the data and findings that can help public policymakers better assess the characteristics of working households that are struggling to make ends meet. This report seeks to take that one step further and to put on the table some possible recommendations for further consideration, and to provide human rights-based guidance for those responses.

As highlighted by the NZWRI Research, the transient nature of the poverty experience for working households shows that in-work poverty responds to interventions.⁴⁷ Astute policy initiatives, in line with the response framework outlined above and consistent with a human rights based approach, could work to address the impacts of poverty in working households in Aotearoa New Zealand and alleviate the impacts of the COVID-19 pandemic.

Policy responses are needed to address the range of challenges ahead. Measures are needed to:

- Plan to eradicate poverty in working households
- Keep people employed in fair employment conditions
- Create jobs that realise the right to decent work and fair working conditions
- Facilitate greater workforce participation and diversity

- Increase earnings and fair remuneration
- Enhance workforce skills through education and training
- Strengthen the social security net
- Enhance housing affordability and security of tenure
- Raise awareness and reduce stigma to enhance human dignity
- Facilitate a 'just transition' and 'just recovery'

Numerous recommendations have been made by experts and other groups tasked with addressing some of these challenges. The Human Rights Commission has supported and advocated for many of these recommendations, and provides below some examples of such recommendations.

A human rights based response to issues such as poverty in working households and the impacts of the global pandemic requires us to apply human rights principles (indivisibility, accountability, equality, non-discrimination, participation, transparency, sustainability, and certainty) and to take steps to *respect, protect, and fulfil* human rights so as to avoid exacerbating and contribute to alleviating poverty in working households.

This human rights-based approach needs to be applied within the context of our Te Tiriti o Waitangi obligations, including upholding Tiriti partnership, protecting and enabling rangatiratanga and advancing equity for Māori.

The human rights approach outlined above provides a framework to apply when considering the policy options and measures that could be implemented to address the problem of poverty in working households. Below we have outlined some of the ways in which policy drafters and decision makers could consider responding to the issue of poverty in working households in Aotearoa New Zealand, by applying a human rights lens. We have also provided some examples of recommendations that seek to identify and address some areas that our human rights analysis highlights as being important for respecting, protecting and promoting the wellbeing and human dignity of all.

These responses and recommendations are provided from a human rights perspective – they provide the starting point for realising a human rights approach to addressing poverty in working households and the compounding effects of the pandemic on those working households experiencing poverty in Aotearoa New Zealand.

Further research and analysis will be needed, particularly regarding the impacts of the COVID-19 pandemic, and these ideas may warrant further exploration.

‘States should devise and adopt a poverty reduction strategy based on human rights that actively engages individuals and groups, especially those living in poverty, in its design and implementation. It should include time-bound benchmarks and a clear implementation scheme that takes into account the necessary budgetary implications. It should clearly designate the authorities and agencies responsible for implementation and establish appropriate remedies and grievance mechanisms in the event of non-compliance’.⁴⁸

Respect rights by removing obstacles

What approaches can we take to remove the obstacles, including institutional ones, to the full enjoyment of human rights for people experiencing in-work poverty?

As a starting point:

- Develop a Te Tiriti and human rights based poverty eradication strategy
- Adopt a Te Tiriti and human rights based housing strategy

Protect rights by taking measures

What measures can be taken to protect the full enjoyment of human rights of persons in working households experiencing poverty?

This could include:

- Protecting workers from unemployment
- Reducing unemployment and underemployment
- Minimising an unemployment spike
- Creating sustainable jobs for those who are most vulnerable to unemployment and underemployment
- Increasing the number of households where more than one person is employed
- Supporting self-employment initiatives

Fulfill rights through targeted responses

What targeted responses can be taken to promote the full enjoyment of human rights for all persons in working households experiencing poverty? How do we reduce the impact of discrimination and ensure particular attention is given to those working households most at risk of poverty? How can our Te Tiriti obligations to tangata whenua be fulfilled through partnership and rangatiratanga?

For example:

Target strategies towards particularly affected groups

- Working in partnership with tangata whenua to develop strategies and address issues such as how to enhance earning potential
- Targeting strategies to impact disadvantaged and particularly vulnerable groups and persons affected by poverty

- Intensifying efforts to diversify women's work opportunities, including occupations that are traditionally male-dominated, and ensure that ethnic and disability perspectives are integrated in such efforts.⁴⁹
- Creating incentives for companies to employ disabled people, such as a decrease in the social security contribution of the employer for a fixed time period
- Addressing the causes of the high percentage of women engaged in multiple employment⁵⁰
- Making workforce participation easier for parents by providing more financially feasible childcare and ECE options outside of the current system of tax credits; pass employment reforms that make flexible working hours and job sharing easier to combine work and parenthood; foster an environment conducive to realising equal employment opportunities for men and women, including by undertaking awareness-raising campaigns, adopting temporary special measures and further promoting flexible work arrangements that help parents in balancing family and work⁵¹

Incorporate social procurement practices and employment quotas

- Using a social procurement model with targets for women, Māori, Pacific people, disabled people, and older people, into all central government contracts
- Including equal pay guarantees in procurement processes to close the gender and ethnic pay gaps
- Requiring all government contracts to include a living wage
- Setting gender and ethnicity quotas for employment in management and leadership roles in the private sector that enable more women, Māori, and Pacific people progress to management roles and receive higher wages
- Setting ethnicity quotas for employment in the public sector so that more people from ethnic minority groups progress to management roles and receive higher wages

Eliminate discrimination

How do we stop formal and substantive differences in treatment for those most at risk? How do we ensure the experience of poverty in working households does not disproportionately impact on the enjoyment of other rights, and vice versa?

By, for example:

Guaranteeing pay equity and eliminate the gender, ethnic and disability pay gaps; incorporate the principle of equal pay for work of equal value in legislation and develop a streamlined mechanism to implement it across occupations.⁵²

Enable participation

How can persons in working households experiencing poverty participate in the process towards the full enjoyment of their human rights and the sustainable improvement of their quality of life, including through empowerment and resource mobilisation at all levels? How can we measure the lack of uptake of human rights to see where there are gaps and who is missing out? How can rangatiratanga be honoured?

Ensure access to justice

What measures are needed to enable rights holders to enforce their rights and hold duty bearers accountable for acts and omissions that undermine or violate the full realisation of rights?

By, for example:

Ratifying the Optional Protocol to the International Covenant on Economic, Social and Cultural Rights

Incorporate multidimensionality into the rights response

How do we ensure the measures taken to eradicate poverty in working households address both monetary deprivation and the material lack of access to goods and services essential to the enjoyment of human rights, such as decent housing, education, healthcare, food, work, and social security? Do our steps to eradicate poverty in working households reflect the interrelated and mutually reinforcing deprivations of human rights?

Some measures could include:

- **Implementing tax reforms for low income earners**
- **Improving social protection floors for workers and their families**
- **Increasing minimum average amount of social security benefits**
- **Considering the implementation of a Universal Basic Income**

- Ensuring broader coverage for those currently not eligible for social assistance
- Increasing the availability of quality affordable housing
- Increasing rates of affordable home ownership
- Enhancing protections available to tenants
- Facilitating access to free vocational training and tertiary education

Collaborate to realise rights

What collaborations are needed, between government departments, within our communities, with civil society, between employers and employees, to ensure these policies are effective at realising the human rights of those working households experiencing poverty? What is needed to ensure partnership between tangata whenua and others to implement a well-coordinated Tiriti strategy?

By, for example:

Implementing a living wage: adopt the necessary legislative and administrative measures, including by revising the Minimum Wage Act, to ensure that all workers, without discrimination, receive a minimum wage that enables them to have decent living conditions for themselves and their families⁵³

Centre Te Tiriti in a human rights-based approach

What is needed to ensure Te Tiriti based partnership throughout our response to poverty in working households and the pandemic?

By, for example:

Facilitating a just transition to meet the SDGs and a just recovery from COVID-19, based on partnership, self-determination and sovereignty

Measures needed to address poverty in working households

- ✔ Plan to eradicate poverty
- ✔ Keep people employed in fair employment conditions
- ✔ Create jobs that realise the right to decent work
- ✔ Facilitate greater workforce participation and diversity
- ✔ Increase earnings and fair remuneration
- ✔ Enhance workforce skills through education and training
- ✔ Strengthen the social security net
- ✔ Enhance housing affordability and security of tenure
- ✔ Raise awareness and reduce stigma, enhance dignity
- ✔ Facilitate a 'just transition' and 'just recovery'

Appendix

Key facts and figures

Prevalence: Among working households, the proportion of households in poverty is 7.0 percent as at March 2013.

Change over time: There has been very little change in in-work poverty rates between 2007 and 2017.

Sensitivity: Definitions and thresholds matter. For example, if the poverty threshold is dropped from 60 percent to 50 percent of median household income, the prevalence of in-work poverty drops to 4.7 percent. If we use the income distribution of a more restricted reference sample (working-age households excluding pensioner and self-employed households) the prevalence of in-work poverty rises to 12.4 percent.

Role of Government benefits: Inclusion of Working for Families (WfF) tax credits and the Accommodation Supplement (AS) make a sizable impact on the prevalence of in-work poverty. Without both income sources, the in-work poverty rate rises from 7.0 percent to 9.2 percent. The impact is largest for single-parent households, where the in-work poverty rate rises from 12.3 to 21.6 percent when WfF and AS are not included in the analyses.

Gender: 7.7 percent of adult females are associated with an in-work poor household, while for men this number is 6.6 percent. The in-work poverty rate is also substantially higher if the main earner in the household is female (compared to male) regardless of household structure. The difference becomes most apparent for couples with child(ren), where this household type experiences an in-work poverty rate of 12.3 percent if a female is the main earner, compared to 3 percent if a male is the main earner. However, it is also worth noting that only one fourth (24.2 percent) of couple households with child(ren) has a female main earner.

Children: 10 percent of children living in working households live in poverty, compared with 7.2 percent of adults in working households.

Disability: Households with at least one disabled adult have a higher rate of in-work poverty of 9.5 percent compared with households without a disabled adult at 6.6 percent.

Health: Health difficulties are also associated with higher rates of in-work poverty, particularly difficulties with learning (10.1 percent) and communicating/socialising (10.1 percent) compared to physical health difficulties (ranging from 7.9 to 8.5 percent).

Ethnicity: Households with at least one adult with prioritised ethnicity of Pacific, Middle Eastern / Latin American / African, Asian, or Māori experience the highest in-work poverty rate compared with households of other ethnicities.

Migrants: Households with at least one adult born in Aotearoa New Zealand face the average in-work poverty rate. There is substantial heterogeneity regarding in-work poverty prevalence across households with migrant adults, with those from North-East Asia experiencing one of the highest rates (+7.4 percentage points relative to sample average) and those from the United Kingdom experiencing a lower rate (-1.7 percentage points).

Household structure: The lowest in-work poverty rate is observed for households comprising a couple without children (4.8 percent), followed by a couple with child(ren) (6.3 percent) and single adults (6.4 percent). Higher rates exist for single-parent (12.3 percent) and multi-family households (9.6 percent). Single-parent households make up one-tenth of all working households.

Additional earner: Having a second worker in the household reduces the in-work poverty risk substantially. For example, for couples with children and only one adult working, the in-work poverty rate is 13.5 percent. This falls to 1.9 percent if there is more than one adult working.

Education: The in-work poverty rate is strongly associated with educational attainment of the household. The in-work poverty rate for households without any qualification is 10.7 percent – but it is only 4.9 percent for households with a bachelor's degree as the highest educational level.

Occupation: The in-work poverty rate is negatively associated with occupational hierarchy (an indication of a role's level of educational requirements, social status, and income). The strength of this relationship is stronger if the occupation is associated with the main earner of the household. The occupational groups with the highest likelihood of belonging to a household that experiences in-work poverty are labourers (+2.7 percentage points compared with the average) and the group encompassing community and personal service workers (+3 percentage points).

Industry: Working in agriculture, forestry and fishing, and in the accommodation and food service industry is associated with elevated in-work poverty rates. The two industries with the highest rates of in-work poverty are: accommodation and food services (+4.7 percentage points compared with the average) and agriculture, forestry and fishing (+2.8 percentage points).

Benefit receipt: Benefit receipt plays a greater role for single parents with children, for two or more family households and for one-person households relative to couples with or without child(ren). In-work poor households are more likely to be in receipt of a benefit (at least once in a year) relative to their in-work non-poor counterparts (28.7 versus 10.3 percent).

Home ownership: The in-work poverty rate for homeowners is 5.2 percent, while this rises to 9.2 percent for renters. Moreover, when working poor households were renting, they spent (on average) every second dollar of their disposable income on rent, compared with every fourth dollar for in-work non-poor households.

After housing costs: For renters, the in-work poverty rate is 12.8 percent after accounting for housing costs (based on self-reported rent costs in the 2013 Census).

Poverty duration: Exploring within-year variation in poverty status, we find that as at March 2013, 20 percent experience at least one month of poverty in the twelve months preceding March 2013, and 1 percent experience poverty in all of the twelve months.

Geographical spread: Canterbury and Nelson exhibit the lowest values for in-work poverty prevalence (at 5.7 and 6 percent respectively), whereas Northland and Gisborne exhibit the highest values (at 10.2 and 9.3 percent respectively). There is substantial sub-regional variation in the Bay of Plenty and Wellington.

References

- ¹ Alexander Plum, Gail Pacheco and Rod Hick, *In-Work Poverty in New Zealand*, New Zealand Work Research Institute, Auckland, New Zealand, 2019. This research was produced in partnership with the Ministry of Social Development and the Ministry of Business, Innovation and Employment, which co-funded the research with the Human Rights Commission. The research was based on information from Integrated Data Infrastructure, managed by Statistics New Zealand (Stats NZ), linked data from Inland Revenue and the 2013 Census, as well as supplementary information provided by the Household Labour Force Survey. The research findings are those of the authors alone.
- ² A household unit is based on the dwelling unit identified in the 2013 Census and encompasses the following household types: couples without children; couples with child(ren); one parent with child(ren); two or more family households; one-person households; and other multi-person households such as a group of related (e.g., siblings) or unrelated (e.g., flatmates) people living together who do not form a family.
- ³ For an analysis of the various human rights aspects of the Aotearoa New Zealand response to COVID-19, particularly the Government's implementation of Alert Level 4, see Human Rights Commission New Zealand, *Human Rights and Te Tiriti o Waitangi: COVID-19 and Alert Level 4 in Aotearoa New Zealand / Mōtika Tangata mē Te Tiriti o Waitangi: Mate Korona mē te Noho Rāhui i Aotearoa Taumata 4*, April 2020, https://www.hrc.co.nz/files/6615/8819/4763/Human_Rights_and_Te_Tiriti_o_Waitangi_-_COVID-19_and_Alert_Level_4_FINAL.pdf. See also Committee on Economic, Social and Cultural Rights (CESCR), *Statement on the coronavirus disease (COVID-19) pandemic and economic, social and cultural rights*, 6 April 2020 (UN doc. E/C.12/2020/1).
- ⁴ CESCR, *Statement on poverty adopted on 4 May 2001* (UN doc. E/C.12/2001/10), para. 8.
- ⁵ *Guiding Principles on extreme poverty and human rights*, para. 4. The Guiding Principles were adopted by consensus by the Human Rights Council on 27 September 2012 in resolution 21/11.
- ⁶ *Programme of Action, World Summit for Social Development*, 1995, chapter II, para. 19.
- ⁷ ratified by Aotearoa New Zealand in 1978.
- ⁸ *Universal Declaration of Human Rights*, Article 23.
- ⁹ CESCR, *General Comment No. 18 on the right to work*, para. 1.
- ¹⁰ CESCR, *General Comment No. 18*, para. 7.
- ¹¹ ratified by Aotearoa New Zealand in 1965.
- ¹² ILO, 'Decent Work, the Key to Poverty Reduction', available at https://www.ilo.org/global/topics/poverty/WCMS_396219/lang--en/index.htm
- ¹³ *ibid*
- ¹⁴ *ibid*.
- ¹⁵ In drawing these conclusions, it is noted that the in-work poverty prevalence is not solely derived from income but also takes into account factors such as household size, number of children, number of adults employed, and availability of other income sources.
- ¹⁶ CESCR, *General Comment No. 18*.
- ¹⁷ CESCR *Concluding Observations on the Fourth Periodic Report of New Zealand*, May 2018 (UN Doc. No. E/C.12/NZL/CO/41), para. 23.
- ¹⁸ *ibid*, para. 25.
- ¹⁹ *ibid*, para. 27.
- ²⁰ *ibid*.
- ²¹ *ibid*.
- ²² *ibid*, para. 30.

²³ *ibid*, para. 30.

²⁴ CESCR Concluding Observations on the Fourth Periodic Report of New Zealand, May 2018 (UN Doc. No. E/C.12/NZL/CO/41), para. 32.

²⁵ CESCR, General Comment No. 23 on the right to just and favourable conditions of work, para. 1.

²⁶ The right to social security is enshrined in article 9 of the ICESCR, and elaborated by the CESCR in General Comment No. 19 on social security. See further, Report of the UN Special Rapporteur on extreme poverty and human rights, Philip Alston, on the implementation of the right to social protection through the adoption of social protection floors, 11 August 2014 (UN Doc. A/69/297). It is further protected in CEDAW (article 14), CRC (article 26), and the CRPD (article 28).

²⁷ CESCR in General Comment No. 19, para. 1.

²⁸ *ibid*.

²⁹ CESCR General Comment No. 19, para. 2; CESCR General Comment No. 23, para. 1.

³⁰ The right to housing is set out in article 11 of the ICESCR, which protects the right to an adequate standard of living. CESCR has developed a number of interpretive guides to understanding this right, in particular General Comment No. 4 on the right to adequate housing, and General Comment No. 7 on the prohibition against forced evictions. The Committee, along with the various UN Special Rapporteur on the Right to Housing mandate-holders, have elaborated seven normative components of the right to housing: (i) security of tenure, for example legal protection from arbitrary eviction; (ii) availability of services, for example sustainable access to potable water, sanitation and emergency services; (iii) affordability, for example housing costs as a ratio of income; (iv) habitability, for example the soundness of physical structure and the absence of dampness and crowding; (v) accessibility, for example by all ethnic, racial, national minority and other social groups; (vi) location, for example in relation to employment and schools; and (vii) cultural adequacy, for example taking into account traditional housing patterns.

³¹ The right to housing for women, children and disabled people, respectively, is specifically mentioned in CEDAW, the CRC and the CRPD. Further, the right to housing is protected in the CERD (article 5), CMW (article 43), the International Convention relating to the Status of Refugees (article 21), and the UNDRIP (article 21).

³² Most recently, housing in Aotearoa New Zealand was the subject of a mission and report by the UN Special Rapporteur on the right to housing, Leilani Farha, to be presented to the UN Human Rights Council in 2020.

³³ CESCR Concluding Observations on the Fourth Periodic Report of New Zealand, May 2018 (UN Doc. No. E/C.12/NZL/CO/41), para. 39.

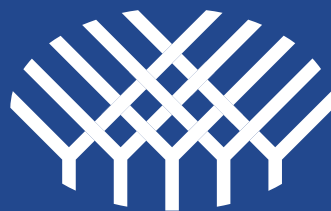
³⁴ The right of everyone to the enjoyment of the highest attainable standard of physical and mental health, often referred to as the right to health, is set out in article 12 of the ICESCR, and further elaborated in CESCR, General Comment No. 14 on the right to the highest attainable standard of health (Article 12), 2000 (UN Doc. E/C.12/2000/4). The right to health is also protected in other international human rights law treaties to which Aotearoa New Zealand is a party, including CERD (article 5), CEDAW (articles 11, 12 and 14), CRC (article 24), CMW (articles 28, 43, and 45), and the CRPD (article 25). See further WHO and OHCHR, Fact Sheet No. 31 on the Right to Health, 2008, available at <https://www.ohchr.org/Documents/Publications/Factsheet31.pdf>

³⁵ Report of the UN Special Rapporteur on the right of everyone to the enjoyment of the highest attainable standards of physical and mental health, Paul Hunt, 13 February 2003 (UN Doc. E/CN.4/2003/58).

³⁶ CESCR, General Comment No. 14.

³⁷ OHCHR and WHO, Human Rights, Health and Poverty Reduction Strategies, Health and Human Rights Publications Series, Issue No 5, December 2008, available at https://www.who.int/hdp/publications/human_rights.pdf

- ³⁸ The right to education is set out in ICESCR (articles 13 and 14) and the CRC (articles 28 and 29), as well as CERD (articles 5(e) and 7), CEDAW (article 10), CRPD (article 24), UNDRIP (article 14), and the UNESCO Convention against Discrimination in Education. The normative content of the right to education, and the elements that comprise this right, have been elaborated by the CESCR in General Comment No. 13 on the right to education, and through the work of the UN Special Rapporteur on the right to education.
- ³⁹ The right to food is part of the right to an adequate standard of living, enshrined in article 25 of the UDHR and protected under article 11 of the ICESCR. CESCR's General Comment No. 12 on the right to adequate food further elaborates on this right, as do the various reports of the UN Special Rapporteur on the right to food.
- ⁴⁰ CESCR, General Comment No. 12.
- ⁴¹ CESCR, General Comment No. 12, para. 5.
- ⁴² Report of the Special Rapporteur on extreme poverty and human rights, Philip Alston, presented to the 72nd session of the General Assembly, 4 October 2017 (UN doc. A/72/502)
- ⁴³ OHCHR, Human Rights and Poverty Reduction A Conceptual Framework, 2004, available at <https://www.ohchr.org/Documents/Publications/PovertyReductionen.pdf>
- ⁴⁴ These human rights principles form the basis of a standard human rights approach to any human rights issue. For other examples of how other national human rights institutions apply these principles to the issue of poverty, see European Network of National Human Rights Institutions, Applying a Human Rights-Based Approach to Poverty Reduction and Measurement: A Guide for National Human Rights Institutions, October 2019, available at <http://ennhri.org/wp-content/uploads/2019/11/Applying-a-Human-Rights-Based-Approach-to-Poverty-Reduction-and-Measurement-A-Guide-for-NHRIs.pdf>
- ⁴⁵ CESCR, Statement on poverty adopted on 4 May 2001 (UN doc. E/C.12/2001/10), para. 9.
- ⁴⁶ CESCR, Statement on the coronavirus disease (COVID-19) pandemic and economic, social and cultural rights, 6 April 2020 (UN doc. E/C.12/2020/1).
- ⁴⁷ The NZWRI Research showed just 1 percent of in-work households experience poverty in all twelve months of the year (>6 months: 6 percent), while 14 percent of the in-work households experience poverty between one and six months. While in March 2013 7.0 percent of in-work households were identified as poor, 20 percent had to deal with poverty for at least for one month in the preceding year. This indicates that for a significant share of households, income is not persistently high enough to keep them above the poverty threshold throughout the year. This can be compared to non-work households, where one-third of are poor in all twelve months of the year and 59 percent experience poverty in more than six months of the year. Thus, the duration of poverty for non-working households is very high.
- ⁴⁸ Guiding Principles on extreme poverty and human rights, para. 50.
- ⁴⁹ CESCR Concluding Observations on the Fourth Periodic Report of New Zealand, May 2018 (UN Doc. No. E/C.12/NZL/CO/41), para. 31.
- ⁵⁰ Ibid.
- ⁵¹ Ibid.
- ⁵² Ibid.
- ⁵³ Ibid, para. 26.
- ⁵⁴ Note that households with at least one Māori adult have the lowest prevalence of being in-work (i.e. having at least one member employed for at least seven months during a 12-month period) at 76.4 percent, compared with New Zealand European (85.6 percent), Pacific people (82.4 percent), Middle East, Latin American and African (80.7 percent), and Asian (86.7%).



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