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# **An employer's perspective of the Living Wage in Fiji, Tonga and Marshall Islands**

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A thesis presented in partial fulfilment of the requirements for the degree of

Master of Business

in

Management

at Massey University, Albany, New Zealand

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2019

## ABSTRACT

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The costs of living are increasing every day and people are struggling to support themselves and their families. This study explores the employer's perspectives of a living wage in Fiji, Tonga and the Marshall Islands. Semi-structured interviews were conducted with 25 participants. Analysis of the responses showed that employers had never heard of a living wage. Barriers to introducing a living wage include limited jobs, financial pressure to pay cultural donations and no work ethic.

Based on these results we concluded that financial literacy is required to educate people on how to manage their money and budget; an analysis of skills shortages is required and the need to strengthen economy by strengthening productivity.

This study is important as it seeks to expand the living wage research and provide an understanding of employer's perspective of the LW. The employers view is important as employers determine who and what to pay their employees. This research will aid in understanding and addressing employer concerns with implementing a LW in the workplace

## ACKNOWLEDGEMENTS

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First and foremost, I would like to thank all those who participated in this research. Without you this thesis would not have been possible.

To my family, particularly to my husband Cody. Thank you for your endless support encouragement and understanding. I could not have done this without you.

To my son Aaron, thank you for sacrificing your time with mum and giving me the encouragement to keep going.

To my parents, thank you for all the sacrifices you have made for me over the years to ensure I had a strong foundation in education.

Last but certainly not least, I would like to thank my research supervisors Professor Jane Parker, Professor Jim Arrowsmith and Professor Stuart Carr for your time, patience, guidance and continual encouragement throughout this process.

Once again thank you to everyone who contributed to this research for without you this truly would not be possible.

Ehara taku toa i te toa takitahi

Success is not the work of one

Engari, he toa takitini

but the work of many

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## ACROYNMS

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CPI	Consumer Price Index
CSR	Corporate Social Responsibility
GSP	Gross Domestic Product
LW	Living Wage
MI	Marshall Islands
MW	Minimum Wage
NZ	New Zealand
UK	United Kingdom
US	United States

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## **CHAPTER ONE: INTRODUCTION**

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### **1.0 Introduction**

The world is changing. There is no one fit for all people, skills or education. Recent reports on the workforce indicate that the growth in the global labour force will occur in nations with predominately non-Caucasian populations. The 2018 United States (US) census reveals that “for the first time, the non-white population comprises the dominant share of the under 15 population” (Frey, 2019, p. 2). What this signifies is that the nations diversity is permeating from the ‘bottom up’. Meaning there is a need for institutions to cater for a more racially diverse population. Thus, ethnic diversity is now the norm in most countries, even in societies that were previously homogenous (Coleman, 2012). Statistics New Zealand (2013, p. 1) states that “it’s interesting to note that there are more ethnicities in New Zealand than there are countries in the world,” evidencing that diversity is commonplace in society. It is therefore necessary now more than ever to broaden our understanding of the diverse perspectives of cultures/ethnicities represented in society.

Through my work, I have had the privilege to travel throughout the Isles of the Sea to many countries/islands that make up the Pacific. While Australia and New Zealand (NZ) have developed economies, the remaining countries in the region throughout the Pacific do not. “The Pacific Islands are the most aid – assisted part of the world on a per capita basis” (Connell, 2006, pp. 59–60). Thus, governments rely heavily on aid on funding support from developed nations to run the country (Tesch, 2014) . As such there is limited to no welfare support available to aid families.

### **1.1 Problem Statement**

No matter where you are in the world, there is evidence of poverty. The costs of living are increasing every day and people are struggling to support themselves and their families (Rashbrooke, 2013; Werner & Lim, 2016). Table 1 illustrates that regardless of the average pay in countries there is a section living in poverty. It significantly increases in developing countries such as Tonga, Fiji and the Marshall Islands. Living

Country	quality of life Rank	cost of living%	population below Poverty line	Average Pay USD
Australia	1	24	13.2%	\$ 46,555.00
NZ	24	26	no formal poverty line	\$ 35,562.00
US	33	32	15.1%	\$ 62,850.00
UK	49	35	15.0%	\$ 44,770.00
Tonga	82	59	22.5%	\$ 22,169.00
Fiji	88	46	31.0%	\$ 25,089.00
Marshall Islands	116	33	30.0%	\$ 27,288.00

Table 1: Data comparing cost of living, poverty and average pay levels (WorldData.info, 2019)

Wage (LW) Aotearoa New Zealand (2019a, p. 1) asserts that “a LW is the income necessary to provide workers and their families with the basic necessities of life. A living wage will enable workers to live with dignity and to participate as active citizens in society”. At first glance, a LW seems like a great solution to this issue.

Extant research on the LW is predominantly from the US, United Kingdom (UK), Canada, Australia and NZ and from a low wage employee perspective. This research was conducted in the Fiji, Tonga and the Marshall Islands (MI) which are representative of the Pacific. The Pacific is made up of many islands. These islands are grouped into three regions: Melanesia, Micronesia and Polynesia (Berglee, 2012). Fiji is located in Melanesia, Marshall Islands in Micronesia and Tonga is in Polynesia. The purpose of this research is to explore employer perspectives of low wage employees in these three nations. Semi-structured interviews were conducted with employers from both the private and public sectors to collect rich, exploratory data which was subjected to thematic content analysis.

## 1.2 Research question

Existing literature is scant with regard to the LW in Pacific Island nations. This exploratory study thus posed the following research question to establish important, initial information about its conceptualization in the region:

What do employers think of the LW in the Pacific?

This broad research question was underpinned by several key questions asked of employers to elicit material about the nature, scope and application of a LW in the region:

Is a LW applicable in the Pacific?

What are the barriers to implementing a LW?

Who is responsible for ensuring a LW is paid?

If not a LW then what?

### **1.3 Significance of study**

This study is important as it seeks to expand the LW research and provide an understanding of employer's perspective of the LW. The employers view is important as employers determine who and what to pay their employees.

This research will aid in understanding and addressing employer concerns with implementing a LW in the workplace. This in turn can contribute to workplace/government policy development and practice and thereby improve business performance as well as employee wellbeing. It can also assist in the development of theories, methodology and legislation.

### **1.4 Thesis Structure**

This thesis consists of 6 chapters. Chapter one, the introductory chapter provides an overview of the study, identifies the problem, introduces the research question, the significance of the study and give an outline for this thesis. Chapter two reviews the existing literature on the LW and identifies gaps in the research. Chapter three describes the methodology for the study, the data collection process and analysis. Chapter four discusses and interprets the results of the data.

Chapter five discusses the findings in relation to existing literature. Chapter six summarizes the main findings of this study, gives recommendations, identifies limitations and areas of further research.

## CHAPTER TWO – LITERATURE REVIEW What do employers think of the LW

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### 2.0 Introduction

Worldwide, the main source of income for the vast majority of households is paid work. The Consumer Price Index (CPI) measures changes in the prices of goods and services households consume. “Traditionally, one of the main reasons for compiling a CPI was to compensate wage earners for inflation by adjusting their wage rates in proportion to the percentage change in the CPI” (International Labour Organisation, 2004, p. 2). The cost of living is increasing every day. However, the rate of pay is not increasing to match the CPI. Thus, low wage workers are struggling or failing to earn enough to cater for their basic needs (Reburn, Moyer, Knebel, & Bowler, 2018).

One possible solution to this issue, is the notion and practice of a LW (Konigsburg, 2017). The LW is founded on the principle that anyone who works full time is entitled to a livable hourly rate (Brennan, 2017; Hirsch, 2018; Sellers, 2017). According to ILO (2019, p. 1) decent work “ involves opportunities for work that are productive and deliver a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men. “ Decent work is not possible without a decent wage and a LW has become the accepted term from describing decent wages (Anker & Anker, 2017, p. 1)

This chapter will critically review the literature on the LW by discussing how it is defined, how it relates to the minimum wage, working poverty, how a LW calculated, who benefits, how it is viewed in developing/develop countries, who is responsible to pay and how globalization impacts the LW. The literature for this review is primarily from books/articles relating to labour/employee relations, psychology, leadership, social/economic policy and inequality.

This review denotes that, whilst there is much research on the LW, it is predominantly from developed countries and focuses on its impacts on employees or low wage earners (Grant & Trautner, 2004).

## **2.1 Defining a Living Wage**

Due to the complexities of life a LW is not an easy concept to define (Hirsch & Valadez-Martinez, 2017; Werner & Lim, 2016) and an exact definition has never been established. It is hard to put a precise definition on it as it needs to account for regional differences, diverse needs and a variety of family structures. Nevertheless, the core concept of a LW is that it represents the minimum income required to cover the basic necessities of life for a family and allows them to actively participate in society beyond survival (Brennan, 2017; Grant & Trautner, 2004; Hidalgo, 2013; Neumark, 2004; Reburn, Moyer, Knebel & Bowler, 2018; St. John & So, 2017; Yao, Parker, Arrowsmith, & Carr, 2017). It is a wage which lifts people so as they can have a better standard of living (Bedington, 2015; Snook, 2017). It should be sufficiently high enough so as families can live in a manner consistent with the dignity of a human being and without the aid of government assistance (Bennett, 2014; Konigsburg, 2017). “The act of escaping poverty then sustaining a livelihood without government assistance restores human dignity and builds wealth” (Konigsburg, 2017, p. 7).

The purpose of a LW is thus to ensure all full-time workers have sufficient income to cover the necessary living costs of their family. Essential living costs or the basic necessities of life comprise of food, water, housing, education, healthcare, transport, clothing and other essential needs including provision for unexpected events (Anker & Anker, 2017). The LW should account for all of these costs in any location and be adjusted to account for inflation. While it may sound simple, its interpretation, application and implementation is far from straight forward (Hirsch & Valadez-Martinez, 2017, p. 103). This is because each country has different needs, and within each country there are urban and rural areas which have different needs again. The access to resources is also sparser in rural areas.

A LW is essentially an individual market wage as it is available to all individuals who earn a low income regardless of age, marital status or family size. However, the objective of the LW is to reduce poverty and is based at a level to support a household of 2 adults and 2 children. Hence the LW advocates for a sustainable wage for low wage families (Swaffield, Snell, Tunstall, & Bradshaw, 2018). The number of income earners in the calculation varies. In New Zealand the Living Wage calculation takes into account 1.5 income earners, 1 full time and 1 part time (Living Wage Aotearoa, 2019a). This also means that, for households that have two adults and no children, the wage would be more generous but, for families with three or more children, it would be more stringent. What this means is that the LW may not be helping as many families for whom it was originally intended.

## **2.2 Minimum wage versus Living Wage**

A minimum wage (MW) is the minimum remuneration an employer is legally required to pay employees irrespective of hours worked, job responsibilities, regional price differences or business costs (Linneker & Wills, 2016; Reburn et al., 2018). Most countries around the world are familiar with a MW. The ILO (ILO, 2019b) states that the purpose of a MW is to protect workers against unduly low pay. It sets a legal floor and encourages fair competition among employers. If employers fail to pay a statutory MW, they may incur fines. Historically, the concept of the LW and the MW were used interchangeably, this maybe because they have similar objectives. That is to ensure that full time workers do not live in poverty (Anker & Anker, 2017). MW does not target the poor very well. In developed countries such as the US and UK, it does more to benefit teenagers from middle class families and individuals who work part-time (Roston, 2002).

However, “(m)any low wage workers today are not, and cannot, enjoy a decent standard of living at current MW levels” (Adams, 2017, p. 613). The MW would just pass the poverty threshold for a single adult in most countries and as such is not sufficient for a family (Adams, 2017; Luce, 2017; Rashbrooke, 2013). The MW is also a

heavily polarizing issue during political campaigns for government (Pramuk, 2019; Pratibha, 2018). This may be interpreted positively as it means that political parties recognize that wages are low and need to change (Pratibha, 2018). However, it can also mean that it is at risk to change with each new administration (Bennett, 2014; Rashbrooke, 2013). If or when a new party is elected into government, they can and will make changes. Depending on their views of the MW they may choose to either increase, decrease or even disband the MW (Bennett, 2014; Rashbrooke, 2013).

The LW, in contrast, is almost always voluntary. The LW also differs from a MW as it assesses what the minimum amount required is for workers to meet the basic needs of their family. This amount is generally significantly more than the minimum wage (Fabo & Belli, 2017). Even though a LW may invite a higher wage, it is likely that it would keep most low-income households at or near the subsistence level (Rashbrooke, 2013). Households at this level are effectively trapped by their “hand-to-mouth” lifestyle; that is, discretionary funds are not available to pursue educational opportunities that lead to career advancement, nor to cover transportation costs to pursue other employment opportunities (Adams, 2017). This is also known as a poverty trap.

A poverty trap exists when there is adverse income mobility. This means that, rather than improving their circumstances, working people slide backwards into poverty. This leads to people opting to take loans to cover additional expenses and acquiring debt. Consequently, the poor continue to get poorer (Carr, Parker, Arrowsmith, & Watters, 2016). Therefore, much advocacy for the LW has grown out of concern that the MW is too low and insufficient for enabling wage earners to meet their needs (Luce, 2017).

### **2.3 Working poverty**

No society can flourish and be happy when the greater part of its members are poor and miserable (Wills & Linneker, 2014). Working poverty refers to those individuals living in poverty despite being employed. This infers that their employment-related income is not sufficient to lift the individual and their families out of poverty and ensure decent living conditions (Gammarano, 2019). This is a growing concern in many

countries as “a full 700 million people are living in extreme or moderate poverty despite having employment”(ILO Newsroom, 2019). Indeed, it has been argued that “(y)ou cannot begin to address the problem of poverty without addressing wages (Roston, 2002, p. 2). Boosting the incomes of the low paid would therefore help reduce in-work poverty (Swaffield, J., Snell, C., Tunstall, B., & Bradshaw, J., 2018, p. 381). People must make ends meet somehow and may thus work extended hours or acquire multiple jobs. This can result in them having little time for their family, faith or participation in community (Konigsburg, 2017).

Low wage workers often live in households. What is interesting to note is that low pay is measured based on individual earnings while poverty status is assessed on the disposable income of the household (Swaffield et al., 2018). A worker may have a low paid job but because he/she is living with an employed partner, both incomes lift the household income above the poverty line. Therefore, statistically, the fastest way out of poverty for low wage workers is to live with an employed partner and/or others (Swaffield et al., 2018). Irrespective of this, to break the cycle of poverty individuals must work. Swaffield et al. (2018, p. 379) states that “that in-work poverty is increasing faster than poverty in workless households”. Figure 1 illustrates 39% of the worlds working poor lived in Asia Pacific in 2018. Emphasizing the desperate situation for workers in these countries,

In NZ, the LW campaign first emerged in 2012 as a response to the increasing disparity between high and low income groups (St. John & So, 2017). Rashbrook (2013, p. 1) states that across the adult population in NZ “the top 1% owns three times as much wealth as the poorest 50%” and “the average household in the top 10% of NZ has nine times the income of one in the bottom 10%.”

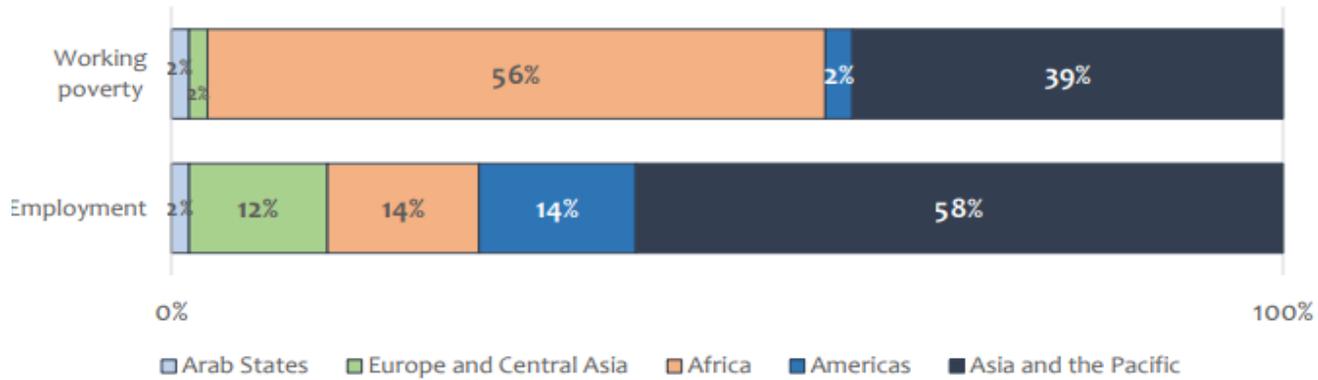


Figure 1 : Distribution of the world’s employment and working poverty by region and by income group (ILO, 2019c)

Statistics from the US illustrate a divide between the top 10% and the bottom 90% of the population in terms of income (see Figure 2). It indicates that those in the top 0.1% are taking home more than 188 times more than the bottom 90%.

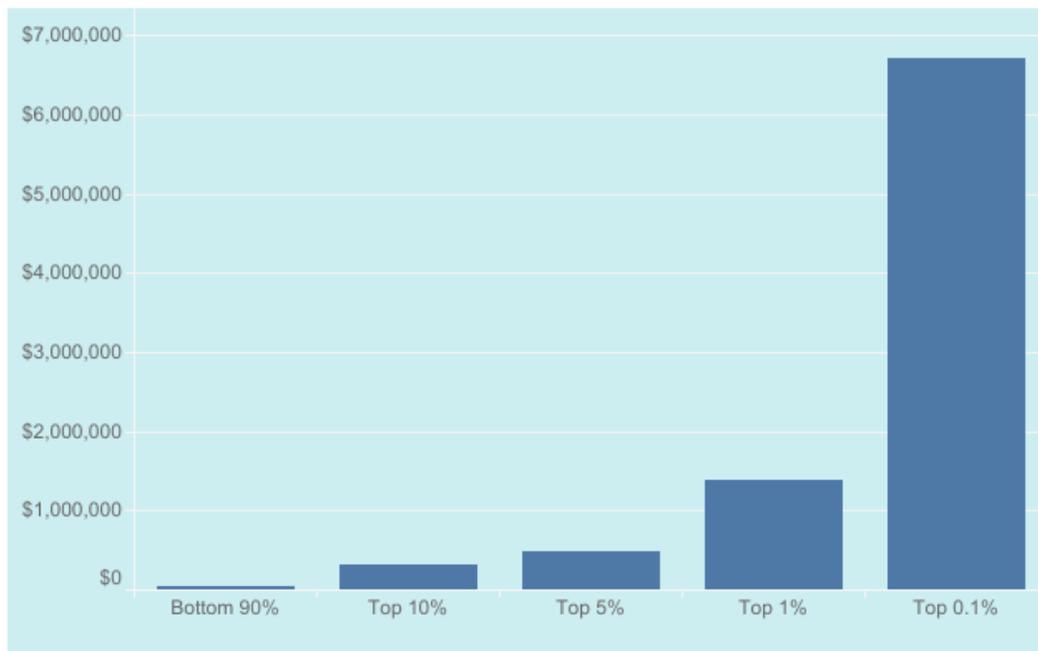


Figure 2: US average income, 2017 (Saaz, 2019)

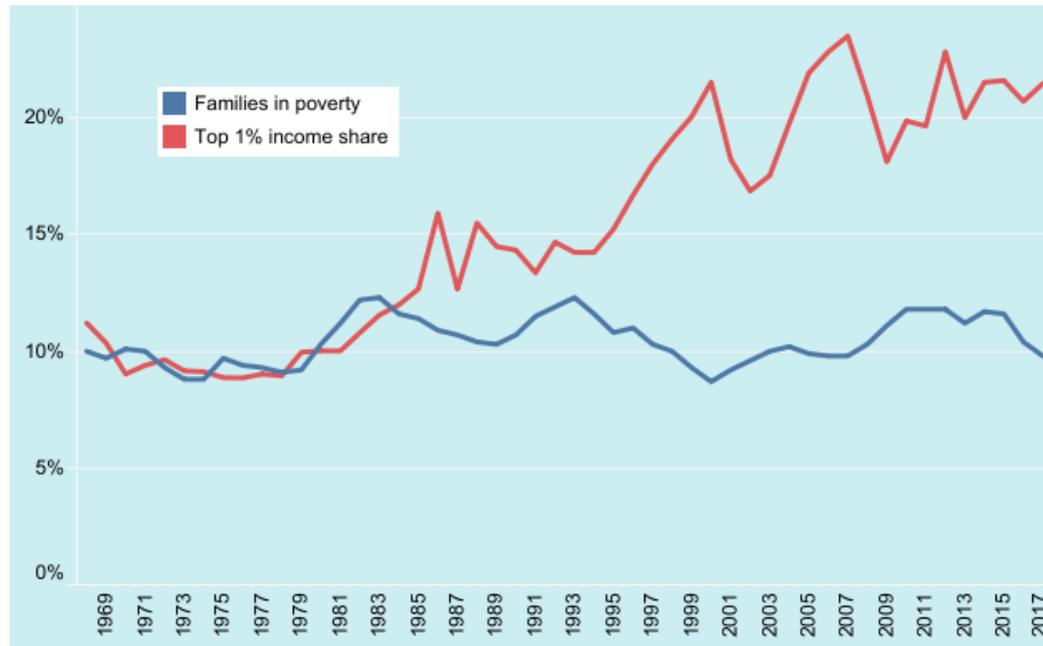


Figure 3: Top 1% of US income share vs official US poverty rate, 1968-2017 (Saaz, 2019)

Figure 3 shows that ‘families in poverty’ statistics in the US have not improved since 1969, leading to an increasing divide in income inequality (Klassen, 2013; Osterman, 1999; Werner & Lim, 2016). From inequality stems conflict, tension, disharmony and ultimately violence (Rashbrooke, 2013). Inequality disrupts harmony and unity and can create unhealthy/toxic work and home environments (Konigsburg, 2017). In order to really help, it is important to understand the need and circumstances of low wage families (Osterman, 1999). Only then can a LW aid families to meet their needs and lift themselves out of their circumstances (Carr et al., 2018).

Poor families mean poor children and, compared to their wealthier counterparts, their homes are likely to be more crowded, noisier and of sub-par quality (Rashbrooke, 2013). In developing countries such as Tonga, Fiji and the Marshall Islands access to clean water and healthy foods are a luxury. They do not have books in their homes and access to quality education is often unattainable without aid (Connell, 2006). Low income families are also more likely to be exposed to familial violence. This often leads to familial separations and unresponsive parenting (Evans, 2004). It also often denotes

poor physical and mental health (Parker, 2018) as families cannot provide nutritious meals and suffer from increased stress and insecurities. Thus, the LW is even more important as it affords children an opportunity for a good start in life.

#### **2.4 Living Wage Calculation**

LW calculations often estimate the hourly wage for a 40hr week that affords the worker and their family the means to live in a certain area (Konigsburg, 2017). LW standards can vary between countries but this calculation caters for local economic conditions (Adams, 2017). What that means is that costs and expenses are localised. For example, the low-cost nutritious diet is developed using local ingredients and food prices. That is the same with housing standards and prices as well.

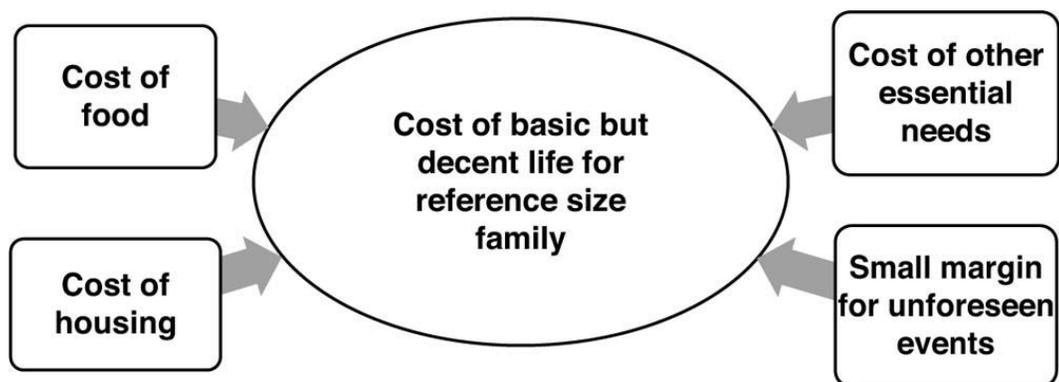
Common calculations typically use the household composition of two adults and two children and assume one or two wage earners per household (Anker & Anker, 2017). As mentioned, the LW calculation is built around the basic cost of living which includes food, accommodation, transportation, health, education. It does not take into account the variety of circumstances that confront families and it fails to address the impact of inflation on real wage payments (Luce, 2017; Prowse & Fells, 2016). It also does not take into account those who are underemployed or unemployed who may want to work (Werner & Lim, 2016) or other forms of income that may come into the home (Bennett, 2014). It also does not take into consideration single parent households. Indeed, New Zealand statistics show that 47% of poor children come from single parent households. Thus, one could argue that the household composition used to calculate a LW is unrepresentative of actual households (St. John & So, 2017).

Although there is no consensus on LW calculation methodology, the literature identifies several methods that are currently being used in different countries. This is mainly due to the diverse types of family/household needs, especially in developed versus developing countries (Bennett, 2014).

A methodology growing in acceptance is the Anker methodology for estimating a LW (Anker & Anker, 2017). It is a measurement that enables one to estimate what a

household would need to make to enable a decent but basic standard of living in different countries. This begins by estimating the basic needs to provide a decent life for a family. The size of the family and number of workers per family is specific to location. Figure 4 illustrates how a basic and decent life can be calculated using three elements (food, housing and other essential needs) and a small contingency is included for emergencies. A decent life should allow for a low-cost nutritious diet. This is based on what food is preferred and available locally. The cost of the diet is estimated using local food prices which is collected through a survey of local food markets. Housing costs are based on the basic healthy housing options available locally with amenities. Other essential needs are determined by local requirements and generally includes healthcare and education(Anker & Anker, 2017).

Figure 4: Cost of a basic but decent life for a family



Source: Anker and Anker (2017, p. 19)

Figure 5 indicates how one then can calculate the Net LW. This is done by taking the cost calculated for a basic but decent life and dividing it by the number of full-time workers (generally one or two wage earners).

Figure 5: From cost of basic but decent lift to net living wage



Source: Anker & Anker (2017, p. 19)

To calculate the gross or take-home pay which will be enough for workers to have a basic but decent life, the statutory payroll deductions and taxes are added to the Net LW (see Figure 6).

Figure 6: From net living wage to gross living wage



Source: Anker & Anker (2017, p. 19)

This methodology takes a practical, realistic approach and is an improvement on methodologies used for developing countries (Anker & Anker, 2017). I think this approach is good as it ensures families can not only survive but have a decent life. The calculation is somewhat realistic as you are using local standards and costs for food and housing, which are the biggest expenditures in developing countries. It does not however cater for the large family/households of 10-15 people that are normal in places such as the Pacific. This is significantly larger than the reference family size of 2 adults 2 children. With only 1-2 full time workers per household you have to ask will any form of calculation cater for a LW in these conditions.

Notwithstanding this, the Ethical Trading Initiative stress that 'it's important that companies don't allow the challenge of how to calculate a living wage to distract them

from getting on with raising wages' (Ethical Trade Initiative as cited in Bennett, 2014b, p. 54).

## **2.5 Benefits and Consequences of a Living Wage**

The literature denotes that the employee and workplace benefits of a LW include improved retention rates, reduced absenteeism and an increase in morale. All of these lead to an increase in productivity and profit (Klassen, 2013; Konigsburg, 2017; Luce, 2005; Parker, 2018; Swaffield et al., 2018). By increasing low wages, the low paid have more money to be able to spend money locally, thereby stimulating economic development, often in the poorest areas. (Konigsburg, 2017; Prowse & Fells, 2016). It enables workers to be able to purchase company products, which increases demand for these products and injects money into the company and the economy. This, in-turn, can lead to the creation of new jobs. These positive multiplier effects strengthen the community, the local economy and assist families to improve their circumstances (Konigsburg, 2017).

According to the efficiency wage hypothesis, the productivity of employees increases due to the attractiveness of a higher wage. Employees will work harder as the opportunity cost of losing their job amplifies. Consequently, loyalty increases, resulting in a decrease in absenteeism and turnover. This in turn saves costs to the business in disruption, training and overtime (Klassen, 2013; Konigsburg, 2017; Osterman, 1999). It also decreases the amount of supervision required to monitor employee performance as staff are more motivated in their work. This leads to an increase in customer satisfaction, which gives rise to repeat business, increases demand for goods and services and increases profits injected into the business. This could ultimately lead to more job opportunities for more low skilled job seekers (Konigsburg, 2017; Parker, 2018)

Furthermore, many governments offer welfare assistance to low income families to compensate for low wages through taxes. As a LW necessitates an increase in pay, it means families are more able to meet their needs sufficiently and no longer require

government aid. Subsequently, government income increases can lead to tax deductions for employers and employees alike. LW earners are then able to pay their taxes and save money for emergencies and retirement (Konigsburg, 2017). This enables a renewed sense of dignity for low wage earners as they can fully participate in society and politics (Grant & Trautner, 2004; Konigsburg, 2017)

It has also been suggested that a LW helps low wage workers feel good about themselves as it raises their self-esteem. A LW gives workers the means to live a basic decent lifestyle. It means that people that have been working multiple jobs or excess overtime to supplement their income, may now be able to just focus on one. This thus creates work-life balance for employees as well as more job opportunities for the unemployed (Parker, 2018; Swaffield et al., 2018).

As might be anticipated, advocates of a LW tend to focus on its positive effects. However, to think that there are only gains is naïve (Hirsch & Valadez-Martinez, 2017; Luce, 2017). An increase in wages does not necessarily mean an increase in income. In countries where governments offer assistance and supplement the incomes of low wage families, the additional income will only replace the amount received in government assistance (Konigsburg, 2017; Wills, 2009). Thus, families are no better off in fiscal terms as a result.

Increasing the pay rate of low wage workers can also create unintended consequences such as a 'ripple' effect. This occurs when increasing the wage of low wage employees also increases the rates of others in order to maintain wage hierarchy (Konigsburg, 2017; Parker, 2018). To accommodate an increase in wages, moreover, businesses will increase their prices to cater for any shortfalls in production costs. Increasing prices may reduce demand for products, forcing businesses that are less efficient to close or create layoffs. Other ways to compensate so that this does not occur are to improve processes, job gentrification or substitution (Werner & Lim, 2016).

By improving processes, employees can become more efficient and proficient in their roles, thereby justifying the need for the role and reducing the need for replacement

(Konigsburg, 2017). One needs to be careful, however, as focusing too much on efficiencies can have the reverse effect and result in work intensification (Parker, 2018; Yao et al., 2017), thereby increasing an individual's workload but at the possible expense of employee mental stress.

Job gentrification occurs when the increase in low wages attract people with more skills to compete for the classic low-skilled jobs. Being they are better skilled and more able; the employer will hire the skilled worker over the low skilled worker for the job. Skilled workers squeeze the low skilled workers out of transactional jobs. Managers want to hire the more qualified, as they are better quality and therefore more productive (Brennan, 2017; Klassen, 2013; Konigsburg, 2017).

By contrast, it could also have the reverse effect where low paid workers keep their jobs and better paid staff lose out, creating a flattening pay structure (Hirsch & Valadez-Martinez, 2017). This maybe because managers can train low-wage workers to do the same role at a lesser rate or because, even though they can afford to pay more, they choose not to, thus creating a redistribution of economic power.

Another concern is the threat of mechanization. This is not new; employers have always threatened to replace workers with machines when wages are increased (Luce, 2017). As labour becomes more costly, an incentive emerges to move to capital intensive modes of production (Hirsch & Valadez-Martinez, 2017), reducing reliance on low-wage workers, decreasing job numbers and increasing efficiencies. Neo-classical economic theory predicts an increase in unemployment when wages increase. Some job loss may be acceptable if it means a larger number of workers are able to earn a self-sufficient income (Luce, 2017). Earning a low wage can also have a detrimental impact on a person's mental health. This is due to the inability or failure to meet the basic needs of their family, resulting in a lower quality of life, causing a negative impact on one's work performance (Reburn et al., 2018).

## **2.6 Developed versus Developing Countries**

To a large extent, literature on the LW has focused on developed as opposed to developing countries. This is important as each constitutes different economic and social conditions. In developed markets like that of London, there are very structured/formal economies with low paid and precarious employment (Ford & Gillan, 2017; Mcknight, Steward, Himmelweit, & Palillo, 2016). In developing nations such as Asia and the Pacific, labour markets concern predominantly informal work and provide for minimal if any social welfare provisions. Employment opportunities are limited and minimum wage rates are very low and often not enforced (Ford & Gillan, 2017). Furthermore, in developed countries, only 10% of the world's population fall short of receiving a LW. Every person, including those at the poverty line, are much richer than most people in the world (Brennan, 2017).

As Werner and Lim (2016: 437) note, "(w)ages are a market estimation of what a worker adds to the production of goods and services that society wants." Marginal product theory asserts that person should be paid what they are worth. If the marginal worker produces \$5 an hour, they should be paid \$5 an hour. If they produce more, they should be paid more; if they produce less, they should be paid less. In this way, people who earn more than they produce are deemed unproductive. The main reason economists give for why wages in the developing world are so low is because workers are unproductive (Brennan, 2017). This suggests that for a LW to be applied the workers need to be more productive, to the extent their productivity equates to that of the LW.

## **2.7 Who is responsible for paying the Living Wage?**

LW campaigners assert that all those who work a 40-hour work should receive a LW. However, the question remains: from whom should they receive it? Upon whom does the duty fall to guarantee that individuals are obtaining enough income to lead a dignified life? (Brennan, 2017).

Many would agree that an employer has a responsibility to endow their employees with a just wage as it is the only means for a worker to receive a decent livelihood (Brennan, 2017; Konigsburg, 2017). Does a just wage equate to a LW? The LW has direct consequences for businesses as it dictates how much an employer is to pay to their low wage employees (Werner & Lim, 2016). As pay is a major cost to an organization, businesses would not be happy if they are forced to pay wages higher than an employee's marginal productivity. Subsequently, a business may choose to cut jobs instead (Luce, 2017; NZ Treasury, 2013).

One could argue that a LW is part of an organisation's moral obligation or its corporate social responsibility (CSR) (Bennett, 2014). Businesses generally want to do the right thing; CSR aids a company to be socially responsible and conscious of the impact that it is having on society. Therefore, if paying a LW is the right thing to do, then businesses are morally obligated as stewards of funds/profits to pay a just or LW (Konigsburg, 2017).

Furthermore, government have the ability to regulate the price of labour (Konigsburg, 2017). Economists largely believe that wages should be imposed by market forces and not government. "Predictably, when a government does intervene and legislates what businesses must pay employees, it is contested by the business community and its assorted allies" (Brooks, 2013, p. 440). The main reasons given by those opposing a mandated LW indicate a concern that a law will result in employers hiring fewer workers and ultimately be a deterrent for companies to locate to the cities, resulting in the increase of costs for city services and taxpayers (Brooks, 2013).

However, if it is established that employers have the responsibility to pay at least a LW, how should it be adopted? Should it be regulated (mandatory), voluntary or incentivized by the government (Werner & Lim, 2016)? If the LW is regulated without having economic and social structures in place to support it, employers could struggle to be able to pay the higher wages and eventually be unable to compete, forcing them

to consider relocating to a country with inexpensive labour or to close their business (Brooks, 2013).

Also, employees depend on their wages to financially support themselves and their families (Hidalgo, 2013). Regulating a LW can thereby be seen as aiding businesses to be good employers by ensuring that individuals receive a decent livelihood, thereby improving an employer's reputation as they will be perceived to be positively impacting on society (Konigsburg, 2017).

Contrary to this, regulating the LW can be seen as a signal of "anti-business" to firms looking to do business in that area and therefore may choose to take their business elsewhere (Lester, 2012). This can prove detrimental to developing countries as it not only impacts individuals but families and communities. An economic impact analysis may be good for governments to undertake so as they can understand the impact of a LW on businesses and the overall economy.

Businesses can reap rewards for choosing to pay a voluntary LW by applying for accreditation and receiving an employer 'mark'. This can be seen as an ethical badge for a responsible employer which is used on promotional/marketing material used by the organisation, strengthening their reputation (Swaffield et al., 2018).

Indeed, it has been suggested that "(t)he broad role of the government is to promote security, encourage prosperity and provide protection for all citizens" (Konigsburg, 2017, p. 6). This means that, if individuals are not productive, it is the government's responsibility to protect them by supplementing their wages to a LW. This can be seen in the form of tax credits, housing benefits, tax breaks and subsidies to employers that pay low wages, (Konigsburg, 2017; Werner & Lim, 2016; Wills, 2009). However, many governments are struggling and in deficit and cannot afford to offer assistance to low-wage earners. Indeed, if governments cannot afford to offer assistance, it does not follow that businesses can (Brennan, 2017).

The consumer also has a part to play. They are morally bound to pay fair prices for goods and services. We live at a time when everyone is looking for the best deal. How

will businesses have the means to pay a decent wage to employees if profits are minimal? Consumers can also take moral responsibility by purchasing their goods and services from accredited LW employers.

The literature thus shows no clear consensus on who ought to pay. “Calls for a ‘living wage’ may imply that it is primarily employers’ responsibility to meet the needs of workers and their families; but ‘if creating a living wage is seen as primarily or largely a government responsibility, then a wider array of policy tools are available” (Weldon and Targ as cited in Bennett, 2014, p. 48). Ultimately, therefore, employers, governments and consumers all have a role to play.

## **2.8 Impact of Globalization**

On any given day, more than 258 million people move from one region to another. The global migration is equal in number to the total population of the United States (International Organization of Migration, 2017). In conjunction with the internet, the sophistication of modern-day technology, transport, communication and globalization, the world is shrinking. As the world transforms and becomes more diverse, so too does the workforce ( Anderson, 2011; Anderson, 2014; Arsenault, 2004; Beer, 2015; Bugg, 2016; Color, 2018; Klein & Wang, 2010; Morrison & Lumby, 2009; Randolph-Seng, Cogliser, Randolph, Scandura, Miller, Smith-Genthos, 2016; Soutphommasane, 2017; P. A. Thompson, 2004). It also means businesses today are ‘footloose’ or have greater flexibility and choices to relocate or expand. It is thus not uncommon for governments to offer incentives to attract organizations to locate to a given area (Lester, 2012).

Globalization has also had a substantial impact on human mobility as there has been a significant increase in the number of migrant workers. Migrant workers have become a reserve army of labour that has taken up lower-grade employment in more affluent countries. Many countries now depend on this labour in sectors such as cleaning, construction and hospitality. However, these workers are not generally entitled to benefits available to their colleagues such as sick and annually leave and subpar working conditions. As such, they struggle due to the lack of support and therefore

need to work longer hours, multiple jobs and to share their accommodation with others to survive (Wills, 2009).

Furthermore, migrant workers are often unaware of their entitlements in their host countries and employers evade employment laws altogether through alternative contracting arrangements. Thus, among employers, there is evidence of willful non-compliance and wage theft though penalties for non-compliance are minimal (Thorntwaite, 2017). Wage theft occurs when employers fail to pay wages or benefits to employees as legally required. Many workers worldwide are being underpaid, in some cases when accommodation and transport costs have been paid some workers are left with nothing. This seems to be evident in the case of seasonal workers, international student visas and migrants. In Australia, for instance, there is evidence to suggest that minimum employment standards are being regularly violated (Thorntwaite, 2017).

In a global economy, low-wage workers in developed countries such as the US have to contend with even lower-wage workers in other parts of the world. If a LW were to be implemented the higher wages will place firms in that country in a weaker competitive situation than firms in other countries. Firms may then choose to relocate overseas or utilize outsourcing to remain competitive, therefore reducing the number of low wage jobs. The higher wage may result in an increase of immigrants thus, putting pressure on employment opportunities and wages in general. (Stabile, 2008).

Furthermore, as migrant workers make more money in their low paid jobs than they did in their home countries, they are often expected to send money home in remittances to support their families in their home countries. This is so common that remittances now exceed the amount being given in international aid (Wills, 2009).

Thus, if a worker does receive a LW, there is concern as to what low wage earners will they do with the additional income. Will they use it so it is beneficial for them? (Thompson, 2011). Will they develop the capability to see that the higher income is

spent on things that will enhance their situation? (Thompson, 2011; Werner6 & Lim, 2016).

## **2.9 Gaps in Literature**

This literature review indicates that there is extensive research on the LW. However, much of it focuses on the benefits of the LW on employees. By contrast, there has been limited research from the employer's perspective (Grant & Trautner, 2004).

Furthermore, little research has been conducted on the impact of the LW on the employer (Fairris, 2005; Parker, Eastgate, Arrowsmith, & Carr, 2015). This is important as it helps governments and LW campaigners understand the real barriers to implementing a LW and how to eventually overcome them.

Indeed, living wage campaigns are now active in Australia, Canada, the USA, New Zealand and the UK (Brooks, 2013; Wills & Linneker, 2014). Much of the literature reviewed on the LW comes from developed countries. There is very little research from developing countries and none specifically from the Pacific Islands. However, as the Pacific Islands are similar to other island/developing nations, the perspectives/ issues identified in this research will be applicable and therefore generalizable to these countries too. Thus, this study can have a broader influence/impact on extant LW knowledge.

My research asks the question 'What do the employers think of the Living Wage in Fiji, Tonga and the Marshall Islands?' The nature of this research will bridge the gaps identified. It provides a perspective of employers from developed countries in the Pacific Islands.

## **2.10 Summary**

Due to the complexities of life an exact definition of a LW has never been established. More people are familiar with a MW which is the minimum remuneration an employer is legally required to pay. In contrast, a LW is generally voluntary and assesses the basic needs of a family. MW and LW are terms that are often used interchangeably as people

mistakenly understand them to have the same purpose, which is to protect workers from low pay. The purpose of a LW is to ensure full time workers have sufficient income to cover the essential living costs of a family.

A growing concern in many countries are the number of people struggling despite having full time employment. This is evident in the increasing divide between low- and high-income earners. The rich are getting richer and the poor are getting poorer. implementing a LW will go a small way to bridging this divide. Knowing how to calculate a LW is therefore important. One form of calculation that is growing in acceptance is the Anker methodology.

There are several benefits identified of a LW including a decrease in absenteeism and turnover, improved retention and an increase in morale, productivity and profit. Unintended consequences include ripple effects, job gentrification, substitution, threat of mechanization and mental stress.

The extant literature has focused on developed as opposed to developing countries. Labour forces in developing countries are predominantly informal, opportunities are limited, and minimum wage rates are low. As such, people are left without the means/opportunity to be able to work to support themselves and their families. Hence low wage earners are failing to meet their basic needs, which in resulting in poor quality of life and deficient physical and mental health.

There is much debate over who is responsible for ensuring a living rate is paid. Ultimately the employer, government and consumers all have a role to play in ensuing full time workers receive a LW. Globalization places additional pressure on governments to accommodate businesses, as they are not fixed to a location. If governments were seen to be creating barriers such as an increasing a MW or introducing a LW, businesses may choose to relocate to remain competitive. Globalization has also led to a significant increase in labour migration both within and between countries. As such low wage roles are predominantly filling the degraded

employment in affluent countries. Thus, resulting in situations where they are receiving benefits and wages lower than what is regulated, resulting in wage theft.

A lot of the literature focuses on why a LW should be applied and the perceived benefits for families and businesses. It does not delve into how a LW will impact a developing country, or if a LW will actually help families in the way intended. Especially with the understanding that families are larger in developing nations, which means that a calculation using 2 adults 2 children will never be enough to meet the needs of a larger family. The literature does not include is the impact of corruption and nepotism in small economies and how this limits access to opportunities. Also, in developing countries access to quality education and resources is limited which again stifles opportunities and leads to a cycle of generational poverty.

Realistically it is impossible for everyone to receive a LW unless productivity and the current state of economic development increases (Brennan, 2017). Being paid the LW does not guarantee enough hours of work or immunity from recessions, sickness or redundancy (Roston, 2002) It also does not ensure quality of job or prospects of labour mobility (Osterman, 1999).

Thus, more research is required from employers and developing countries. Indeed, there is virtually none in the latter area, encouraging the focus of this research on Pacific employers' perspectives from Polynesia, Micronesia and Melanesia.

## **CHAPTER THREE METHODOLOGY**

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### **3.0 Introduction**

In the previous chapter, we explored the literature on the Living Wage. In this chapter, we outline the research methodology used to empirically respond to this research aim. It introduces the participants, the data collection process, ethical considerations, the process undertaken for data analysis and then concludes with a summary of the research process.

### **3.1 Research Design**

#### **3.1.1 Qualitative Approach**

The methodological framework used for this research is qualitative based on an interpretive paradigm. Quantitative research is used to quantify a problem by using statistical measures of data collected through surveys, questionnaires, polls or manipulating statistical data. Qualitative research is a research strategy intended to emphasize words rather than numbers in the collection and analysis of data (Bryman & Bell, 2015). It is an approach which allows the researcher to experience the world through the eyes of the people being studied (Dickson-Swift, James, Kippen, & Liamputtong, 2009). The interpretive paradigm is concerned with understanding the world through the experiences of the participant and attaching meaning to it (Bryman & Bell, 2015). A qualitative interpretive approach is the chosen methodology as it is exploratory in nature and the intent for this study is to understand and give voice to the employers' experiences and perspectives (Dickson-Swift, James, Kippen, & Liamputtong, 2007) of the living wage in Fiji, Tonga and the Marshall Islands. The employers voice is one that has not been heard/researched before hence, the originality and contribution of this empirical inquiry.

Each employer brings with them their own ontology or view of reality, as they have had unique experiences, have come from varied backgrounds, and each reality is subjective. That is, even though individuals may have been in similar situations, their

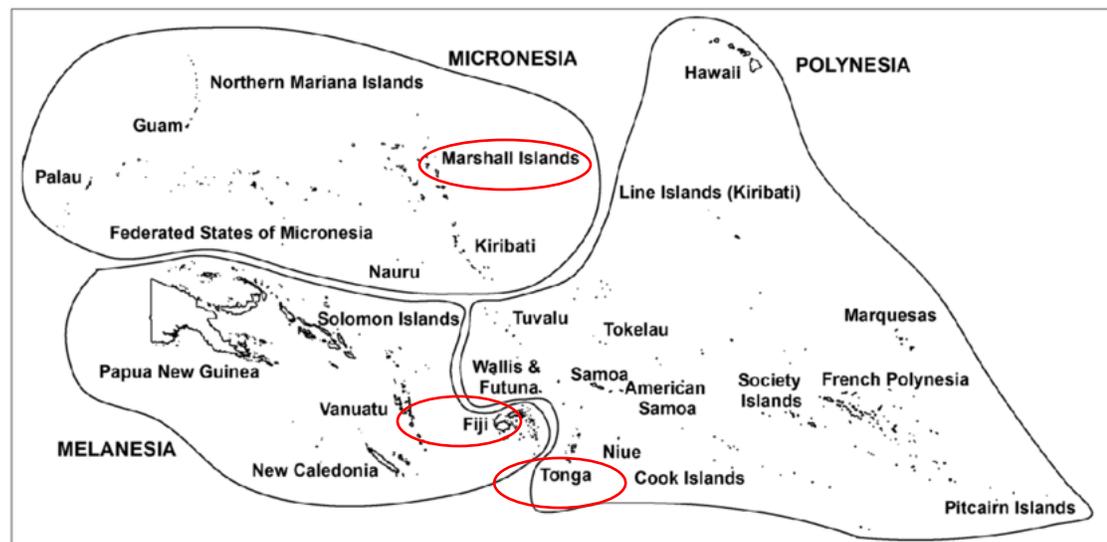
explanations of the realities or view of the truth differs due to their experiences, backgrounds and biases (Bryman & Bell, 2015).

Epistemology is the theory of knowledge acquisition; it seeks to discover what is known and how it is known. It allows us to think about the way we think. It is a useful method to evaluate the world around us. It is how we construct and validate truths in our thoughts and actions. We need epistemology to make sense of reality and justify belief and opinion. Bryman and Bell (2015) state that the epistemology underlying qualitative research is face-to-face interaction.

### 3.1.2 Countries under examination

For this research, face-to-face semi-structured interviews were conducted with 25 sector-level employer representatives in the countries of focus: Fiji, Tonga and the Marshall Islands. These countries were selected as they are representative of the Pacific Islands: Polynesia, Micronesia and Melanesia (Figure 7).

Figure 7: Map showing the Melanesia, Micronesia and Polynesia



This is appropriate for this research as it allows the researcher the opportunity to explore the perceptions and experiences of the employers on complex and sometimes sensitive issues. It also enables the researcher to probe for clarification or for further

information (Louise Barriball & While, 1994). For these reasons a questionnaire or survey would not be appropriate for this research. A survey would not allow employers to be able to express their viewpoint as individuals respond by selecting researchers words based around issues which the researcher deems important (Margaret C. Harrell; Melissa A. Bradley, 2009) Focus groups are group interviews and would also not be suitable for this study, as the subject of money and wages can be a sensitive topic and employers may not feel comfortable discussing this topic in a group setting (Kitzinger, 1995) .

Source: Taylor and Kumar (2016) .

Country	Sub -Region	Population	Population Growth	Legal working age	Unemployment Rate	Fertility Rate	Life Expectancy	Retirement Age
Marshall Islands	Micronesia	50,000	0.1%	61%	8%	4.1 children	65. 2 years	60
Tonga	Polynesia	100,000	0.7%	58%	5%	3.7 children	72.9 years	60
Fiji	Melanesia	900,000	0.7%	65%	9%	2.5 children	70.3 years	55

Table 2 Data of Fiji, Tonga & Marshall Islands (International Labour Organisation, 2017)

### 3.1.2.1 Fiji

Fiji is located in Melanesia (Figure 6) and has a population of approximately 900,000. Fiji is a hub in the South Pacific and therefore has one of the more developed economies. The tropical climate and sandy beaches attract many tourists and therefore guarantees its position as a popular holiday destination. The national language is English, and currency is the Fijian dollar. Over half of the population in Fiji live in urban areas with an overall growth rate of 0.7% (Table 2). As the majority of the growth is in urban areas there has been an emergence of squatter settlements (Encyclopedia Brittanica Inc, 2019). Around 65% of the population are of the legal working wage and the unemployment rate is 9%. The retirement age in Fiji is 55, this is to allow the younger generations a place in the workforce. This is quite young considering the life expectancy is 70 (Table 1). However, it makes some sense as 29% of the population is under 15 years of age (International Labour Organisation, 2017).

In 2014, UNICEF stated (Furlow, 2019) that more than 40% of children in Fiji are malnourished as parents did not have the funds to purchase food for their children to survive.

### **3.1.2.2 Tonga**

The Kingdom of Tonga is located in Polynesia (Figure 6) and is known as the Friendly Islands. It is the only monarchy in the Pacific. Its population of 110,000 and like Fiji it has a growth rate of 0.7% (Table 2). 70% of the population is located in the main island Tongatapu. It is estimated that there are more expatriate Tongans than current citizens, with most migrating to Australia, New Zealand and United States. The national languages are English, and Tongan and the currency is Tongan Pa'anga. Religion is an important part of Tongan society and most are members of a Christian church. Most businesses do not operate on Sunday as it is observed as a sacred day (Encyclopedia c4 Brittanica Inc, 2019).

Historically, poverty was not an issue for Tonga as its people were able to live off the land and rely on remittances, extended family and community networks. However due to monetization many are struggling to survive. This is evident as today 22.1% of Tongans live below the poverty line which translates to 1 in 5 Tongans (Fifita, 2011). This means that families are struggling to feed themselves or choosing to purchase the cheaper alternatives.

### **3.1.2.3 Marshall Islands**

The Republic of the Marshall Islands is located in Micronesia. The Marshalls Islands were governed by the United States but attained independence in 1986 under a Compact of Free Association (COFA), This enables Marshallese to easily relocate to the United States. Marshall Islands has a population of 50,000 with a population growth of 0.1% (Table 2). Due to the COFA about one third of the population has relocated to the United States. The national languages are Marshallese and English and the currency is the US dollar.

Due to the US nuclear testing compensation that occurred on some of the islands between 1947-1962, compensation is still being received by those who suffered serious health effects or birth defects as a result of the testing. The 2011 census found concluded that on-third of the population fell below the poverty line. An economic review was conducted in 2015 by the United States government and found “high unemployment , financial hardship, hunger and poor nutrition” (Fielder, 2017, p. 1). This is a great concern especially as three quarters of the population reside in Ebeye and Majuro.

Under the COMP agreement, the US is providing aid to the MI. One of the major concerns for Marshallese is the economic uncertainty as the aid supplied by the US is due to end in 2024 (Walsh, 2019).

As the islands in the Pacific have small populations with limited resources and employment opportunities, people are struggling and are living below the poverty line(Connell, 2006). A LW could be solution for the Pacific Islands and as such it would be important to understand from employers what the barriers are to introduce and implement it.

### **3.1.3 Research tools**

The research tool used as the primary data collection method is semi-structured interviews. Interviews allow a two way exchange of ideas and information (Pandey & Pandey, 2015). In consultation with my Research Supervisors, prepared open-ended questions which were carefully chosen to center around my research questions <sup>1</sup>. Semi-structured interviews permit flexibility and allows the interviewer the opportunity to delve deeper or probe into a topics or new paths that were not initially considered (Margaret C. Harrell; Melissa A. Bradley, 2009). In addition, the researcher can explain or rephrase the questions if respondents are unclear about the questions.

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<sup>1</sup> See Appendix D

Fiji, Tonga and Marshall Islands are developing countries and very different from developed countries such as New Zealand, Australia and United States. This research is relevant for these countries as Polynesian people have a migrant culture and typically move to these developed countries to pursue better employment opportunities and a better way of life(Connell, 2006). As such, this research can provide a unique insight into employee relations and work ethics of the Pacific which can contribute to the exiting body of knowledge, Employers in the developed countries can also draw on this research to create workplace policy and practices,

### **3.2 Researcher's Background**

Every decision one makes is influenced by experience, background, biases and beliefs. In qualitative research, the researcher is an instrument as he/she effects/influences the information that comes to them. The interpretation of the information collected is viewed through the lens of the researcher's biases, experiences and beliefs (Bryman & Bell, 2015). Values and beliefs of participants and of the researcher influence the actions or understanding of the issues that one wants to study. The values and beliefs of both the participants and the researcher cannot be removed when one wants to understand a phenomenon.

In my case, I am one of five children. My parents were 17 and 19 when they married and had me and two of by siblings 18 months apart; the next was eight years and then 15 years later. Growing up, my parents struggled to make ends meet. I did not realize this at the time, as most people around us were from a similar demographic. I remember there were days when we would have to stay home from school as we did not have enough food to take for lunch. My parents, however, wanted us to have every experience in the world, and my mother would always look for opportunities for us. I grew up in South Auckland<sup>2</sup> and was blessed to have parents who valued education. As a result, we all learned musical instruments, played sports and did well in school. When

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<sup>2</sup> South Auckland is home to a large Māori and Pacific Island demographic. The heart of the South Auckland community is known to be low income households. Just as a heart is an essential organ in the body, low income households are an essential part of South Auckland as they make up the general population.

selecting a school for us, my mother made sure we were sent to the better schools in our area. For high school, she was advised not to send me to any of the local schools. Consequently, I applied and was accepted into a prestigious girl's school in central Auckland.

I remember a period when things were extra tight as my dad had stopped working and went back to school to get a trade certificate. Not long after, my mum went back to school as an adult student to study for her university entrance and then went on to gain a University degree. Because of their example, after high school, I went to university and completed an undergraduate degree.

In my employment, I have had the opportunity to travel throughout the Pacific. In my travels, I have observed poor housing conditions, and widespread poverty. Although the people are poor, generally there seemed to be no shortage of alcohol, tobacco and loan sharks. During school hours, the streets have many school aged children playing outside, with adults sitting in front of their houses staring out onto the street. When entering homes, there are no books or furniture. The houses are typically two to three bedrooms, gutted out, with an outdoor kitchen and no power. There are no tables where a child could study.

I currently work for a Christian humanitarian NGO. The purpose of our organisation is to identify needs in communities and then educate people on tools and resources available to help lift themselves out of poverty and onto a path of self-reliance. At times, it can feel as though we are enabling dependency as opposed to self-reliance. In learning about the LW, I thought that this could be the solution for people in the Pacific, aiding them to be self-sufficient and enabling families to experience a better quality-of-life.

As the researcher, my epistemology may create bias as qualitative data is subjective in nature. My personal views and experiences will influence the way I interpret and analyse the data. As I will be drawing from these to make meaning of the information.

### **3.3 Participants**

#### **3.3.1 Sample**

Data collection is key in any research, as the data collected enables the researcher to answer the research question and evaluate outcomes (Etikan, Musa, & Alkassim, 2016). As my research is focused on employer perspectives of a LW, I focused on this key employment relations group. As it is impractical to attempt to interview every employer, in consultation with my supervisors, it was decided that eight to nine participants from each of the countries of focus would be an appropriate sample size to for this research. This number per country would enable me to amass a considerable body of rich and in-depth exploratory material, and likely reach a sense of 'saturation' with regard to the amount of material (Janesick, 1994).

Participants for this research were selected using purposive sampling. As my research focuses is the employer's perspective of a LW, I purposefully sought employers to participate in the interviews (Bryman & Bell, 2015). To recruit participants, I engaged with a local specialist in each country to identify employers and extend an invitation to be interviewed. The local in-country specialists whom I engaged with are my work colleagues. The function of their role is to understand the needs of people and how to meet them. This includes understanding the employment market and having relationships with government agencies, employers and schools. I advised the specialist that the participants had to be meet a criterion: they had to be employers or people in charge of hiring/employing people in an organisation. Due to the exploratory nature of the study, I wanted a mix of employers from both the public and private sectors, and those included in the study also needed to employ low wage earners. The low wage earners in this study are those who earn MW or below.

Given the specific criterion for participants, convenience sampling would not have been a viable option as participants selected using this approach may not be relevant to the research problem. Furthermore, it could create a potential risk of collecting poor quality data and results, impacting on the reliability of the research (Etikan et al.,

2016). Random sampling would also be inappropriate as quality was more of a focus than quantity.

### **3.3.2 Participant Protection**

Risks are inherent part of society; they are only deemed to be risks because of the knowledge about them. During studies, researchers need to be aware of the risks and protect participants from any negative effects of conducting the research (Dickson-Swift, James, Kippen, & Liamputtong, 2008). By understanding risk, one becomes aware of various sensitivities. There is often controversy over what constitutes a sensitive research topic. Lee and Renzetti (as cited in Elmir, Schmied, Jackson, & Wilkes, 2011, p. 12) “argued that it is possible for any topic to be sensitive, although some topics are more likely to cause distress than others. For example, money is often a sensitive topic of discussion for people, especially as it relates to them personally. For some individuals, money may signify how much they are worth, when wealth is perceived to equate to power and social status; others may see it is an indication of the living standard that they can afford (Hirsch & Valadez-Martinez, 2017). For employers, it may be seen as a means of determining how much they value their employees or as a measure of the success of their business (Brecht, 2016). As this research considers income/wages, there is thus an element of care and respect that is necessary.

### **3.3.3 Participants**

Participants for the study were recruited using in-country local specialists. Table 3 exhibits a list of the employers who were interviewed for this research. The names in the table have been changed to protect the employer’s identity. Working with each specialist, I was able to interview a range of public and private employers. Although gender is not a specific focus of the study, it is interesting to note that, in Fiji and Tonga, the employers I interviewed were predominantly female whereas, in Marshall Islands, they were predominantly male. 9 of the 25 participants (36%) were male and 16 (64%) were female.

Table 3: Participants<sup>3</sup> interviewed in research

Country	Gender	Sector	Number of employees
Fiji	Female	Private	5+
Fiji	Female	Private	17+
Fiji	Male	Private	18
Fiji	Male	Private	22
Fiji	Female	Private	400
Fiji	Female	Private	11,000+
Fiji	Female	Public	260
Fiji	Female	Public	260
Marshall Islands	Male	Private	5
Marshall Islands	Male	Private	12
Marshall Islands	Female	Private	19
Marshall Islands	Male	Private	27
Marshall Islands	Male	Private	57
Marshall Islands	Female	Private	62
Marshall Islands	Male	Public	40
Marshall Islands	Female	Public	40-50
Marshall Islands	Male	Public	1,000+
Tonga	Female	Private	10
Tonga	Male	Private	15
Tonga	Female	Private	30-90+
Tonga	Female	Private	40
Tonga	Female	Private	200
Tonga	Female	Private	300
Tonga	Female	Public	9
Tonga	Female	Public	3,000+

The Government is the biggest employer in the Pacific. However, as the government has a set pay scale for their employees in each country, it was important to get the views of the different industry employers in the private sectors. In Table 4, we can see that over 50% of the employers who were interviewed come from the private sector. Table 5 illustrates the role/position of the employers within their organisation. As illustrated by Table 5, employer participants hailed from different industries.

Table 4: Sector of participants

<sup>3</sup> Names have been changed to maintain anonymity of participants

Sector	
Private	18
Public	7

Table 5: Positions of participants

Position	
CEO	2
Manager	3
Managing Director	3
Other	4
Director	6
HR	6

### 3.4 Data Collection

The primary data collection method used in this study was face-to-face, semi-structured interviews. The interviews were conducted with employer representatives in Fiji, Tonga and the Marshall Islands. Semi-structured interviews allow some structure and eases the task of organizing and analyzing the research data. It also allows the opportunity for a conversation to develop organically with a broad structure of questions (Margaret C. Harrell; Melissa A. Bradley, 2009). Building rapport is an important part of this process as it necessary for a researcher to develop a relationship where the participants feel comfortable enough to tell their story (Dickson-Swift et al., 2007)

Data would be limited if I as a researcher did not gain the participants trust or couldn't communicate with them. When participants feel safe they are more inclined to share aspects of their lives they may not have shared otherwise (Dickson-Swift et al., 2007).

A local, in-country specialist in each country was engaged to identify participants as they had the local knowledge, contacts and the trust of those participants (Dickson-Swift et al., 2007). It was also necessary due to language barriers that some participants had to be able to communicate in English.

Participants were approached via telephone, email or personal visit and invited by the specialist to be interviewed. Upon initial contact, they were provided with a copy of the information sheet<sup>4</sup> and consent form.<sup>5</sup> This was done so that each participant had information at the start of the research process and could make an informed voluntary choice about whether to participate or not.

I consulted with each specialist to discuss travel arrangements based on their availability and location. “Interviewing is a flexible and powerful tool to capture the voices and the ways people make meaning of their experiences” (Rabionet, 2011). A schedule of interviews was arranged prior to my arrival at the interview sites. Interviews lasted for 30-60 minutes and were conducted at locations convenient and comfortable for the participant, with most occurring at the participants’ place of work while some were held at a local café or church building. I travelled to each of these countries to conduct face-to-face interviews. In consultation with my supervisors, I created a set list of prepared questions<sup>6</sup> that I used as a basis for the interviews.

As I met with each participant, I began by introducing myself and thanked them for taking the time to meet with me. I reviewed the information sheet with each employer and asked if they had any questions. I reiterated that the interview would be recorded, that their identity was anonymous, participation was voluntary, and that the information would only be used for research purposes. I then asked them to complete the consent form.

Following these formalities, I shared a bit about my background and what brought me to where I am today. I explained my relationship with the specialist with the intention of making the participant feel safe. I then started each interview by asking some demographic questions. This was intentional as it helped to ease participants into sharing their views and knowledge. I then introduced the concept of the LW and gauged their understanding of it. I quickly learned that, for many, a LW was a foreign

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<sup>4</sup> See Appendix A

<sup>5</sup> See Appendix B

<sup>6</sup> See Appendix D

concept and many of the interviewees kept referencing the MW. As I clarified/probed, they were able to understand the difference between the two and offered more nuanced information.

The next set of questions focused on the motivations of people to work, challenges faced in employing people, who should be responsible for ensuring that a LW is paid and establishing if the participant was a LW employer. I found that I had to be mindful of how I asked the questions as money matters can be a sensitive issue. I also found that the more experienced employers obviously had more to share than those with less experience.

I used an audio recording device to record the interview. Prior to my interviews, I tested the device to ensure that it was able to capture conversations clearly. During each interview, I positioned the device close to the employer. I used the pre-arranged questions as intended and then probed for clarification or for further information. At the conclusion of each interview, I thanked the participants for their time and left them with a small gift of New Zealand chocolate.

After conducting the interviews, I personally transcribed all of the interviews. I found that this was time consuming but helped me to become familiar with the interview material, and to surface employers' real concerns.

### **3.5 Qualifications**

In conducting my research, there are a number of things that I needed to consider.

As I do not reside in the countries of focus, it was important that I engage with a local specialist. As a specialist knows the area, I was able to give them my participant criteria and they were able to approach eligible participants accordingly. This enabled me to connect with a range of government and private employers. As I had no relationship with these individuals beforehand, my research would have been impossible without the assistance of the specialist and the involvement of the participants themselves.

Furthermore, these islands countries are small and 'everybody knows everybody'. As the specialists had existing relationships with the participants, the trust they had with those people was transferred to me. Also, in my work, I have a managerial title. Within Polynesian culture, titles are to be respected and this allowed me extra mana or prestige. For example, I was promptly seen as someone to be respected and trusted, and worthy of speaking with.

Thirdly, as locals, the specialists could speak the language used by the informants and were able to translate the purpose of my study to them. As the LW is an unfamiliar term in these contexts, the word itself may not be easily translated. Having a local communicate it effectively to them in their own language was thus very beneficial and helped to ensure that they understood the research and were able to give informed consent.

Finally, As I have an existing relationship with the specialist, it was relatively easy to communicate with them and follow up. My relationships with the specialists also aided the building of rapport with the participants as we had something in common from the start. However, this could also create a response bias as the informants might have felt inclined to answer in a way to please me and tell me what they think I wanted to hear. To ensure that this did not occur, I provided key statistics to illustrate different views and reiterate that whatever they said was in confidence.

### **3.6 Ethical Considerations**

All of the fieldwork that was undertaken conducted adhered to appropriate ethical guidelines. An information sheet (*Appendix A*) was provided to all potential contributors, outlining the purpose of the research and the rights of the participants. Participation was voluntary, and participants were able to withdraw at any time. Prior to commencing the interviews, informed consent was obtained from all participants (*Appendix B*). Names have been changed in this report so as to ensure confidentiality and the anonymity of participant. There was an opportunity at the end of each interview for each informant to ask questions. All data were stored and secured

according to University guidelines and requirements. No harm, risk, or hurt occurred to participants during the interview process.

### **3.6.1 Low Risk Notification**

A Low Risk notification is obtained as the nature of the harm is assessed as minimal and no more than one would normally encounter in everyday life. This research involved 25 human participants in the Marshall Islands, Tonga and Fiji. Ethical considerations thus needed to comply with the Massey University Code of Ethical Conduct for Research, Teaching & Evaluations Involving Human Participants (Massey University Human Ethics Committee, 2017). In consultation with my supervisors, it was determined that the research was a low-risk study. A low risk application was lodged and approved (Appendix C), prior to commencing the fieldwork. The ethical issues considered for this research were as follows: .

- Interviews will be set up at a time that is convenient for the employer and will be audio recorded (if permitted by the employer). They will then be transcribed and used for analysis purposes. Appropriate ethical guidelines will be adhered to.
- . An information sheet will be given to employers outlining the purpose of the research and the rights of the participants. Participation will be voluntary, and participants will be able to withdraw at any time.
- Prior to commencement, informed consent will be obtained from all participants. Names will be changed within the final report so as confidentiality and anonymity of participant is protected
- All data will be stored and secured according to University guidelines and requirements.
- Gender is not expected to be a consideration in any way.
- For my employment my role has responsibility for managers in the Pacific Area including Fiji, Tonga and Marshall Islands.

- I travel to these countries regularly and therefore I am familiar with the local culture and customs.
- I have managers in each country who responsibilities include a focus on employment and understanding barriers to self-reliance.
- No perceived harm, risk, or possible hurt is anticipated through this interviewing process.

### **3.7 Data Analysis**

For the purpose of this research, I adopted Braun and Clark's (2012) six phase approach of thematic analysis (TA) to analyse the interview material. TA is a widely used qualitative analytic method that identifies, analyzes and reports patterns (themes) within data (Braun & Clarke, 2006, 2012). The themes are then used as categories for analysis. The main advantages of thematic analysis are flexibility and accessibility. That is to say that it is a form of analysis that is easy to grasp and learnt relatively quickly (Nowell, Norris, White, & Moules, 2017)

#### **Phase 1 – Familiarisation with the material**

This involves listening to the audio recording and reading through the transcripts so as to become familiar with the material. Before any coding can be done, the audio recording of interviews needs to be transcribed. Prior to starting my analysis, I listened to the audio recording and transcribed my interviews. This required that I listen to the audio multiple times so as to ensure I recorded all of the information correctly.

The following phases will be discussed in detail in the subsequent chapter:

#### **Phase 2 – Generating initial codes**

While reading through the data, code any relevant information that relates to the research questions.

### Phase 3 – Searching for themes

Review the codes/data and group the codes that share a unifying feature so as to describe a pattern in the data.

### Phase 4 - Reviewing themes

This is essentially about quality checking. There are 2 levels to this phase

- 1) Read all collated extracts to see they relate to the theme. Do they form a coherent pattern? If so, move onto level 2. If not, you may need to rework or review it. Do the data extracts need to fit under a new theme or be extracted?
- 2) Reread your data set to create a thematic map

### Phase 5 Defining and naming themes

Select extracts to be able to tell a story about each theme around these extracts. Each extract will clearly be able to illustrate the point you are making. It needs to be able to what about the extract is interesting and why.

### Phase 6 – Producing a report

Provide a compelling story about your data. It needs to related back to the research question and literature.

TA analyses the participants realities and experiences to develop themes which represent data collected and address the research questions.

## **3.8. Data management**

Data is a valuable resource. As such all-digital records are stored in a password protected computer file. Hard copy transcripts are stored in a lockable filing cabinet in the researcher's office.

## **3.9. Quality Assurance**

Reliability and validity are key aspects in any research (Bryman & Bell, 2015). They aid researchers to ensure credibility, trustworthiness and acceptable research findings.

Reliability is concerned with the consistency of measure and whether it can be replicated. For its part, validity is interested in whether the research measure is accurate and measures what was intended (Golafshani, 2003).

In quantitative research, the emphasis is on facts and causes of behaviours. Data collection often takes numerical forms which are analysed utilizing statistical methods. In contrast, quality research emphasises words rather than quantification. “A good qualitative study can help us “understand a situation that would otherwise be enigmatic or confusing” (Eisner,1991, p.58 as cited in Golafshani, 2003).

There is much debate over whether reliability, validity and generalisability are appropriate in qualitative research due to it being subjective in nature. For instance, “(q)ualitative research is frequently criticised for lacking scientific rigour with poor justification of the methods adopted, lack of transparency in the analytical procedures and the findings being merely a collection of personal opinions subject to researcher bias” (Noble & Smith, 2015). Noble and Smith (2015) assert that, in qualitative research, the alternate terminology for validity is truth value, consistency is trustworthiness and generalisability is applicability. Truth value recognises that multiple realities exist. The realities involved are the researchers, the participants and the readers (including peers and grant approvers). Qualitative research emphasizes the uniqueness of the human situation, so that variation in experience rather than identical repetition is sought (Field & Morse, 1985as cited in Krefting, 1991)

In terms of truth value, I included my researcher background section in this chapter so as to give context of my reality/perspectives. I also provided some brief details on each participant (Table 2). To ensure trustworthiness, I audio recorded and personally transcribed each interview. During transcription, I referred to the audio recording multiple times to ensure it correctly reflected the participants’ experiences, perspectives, and narratives. In terms of applicability, many of the conditions/issues discussed /experienced in this research are applicable to developing/island nations. As such this research can potentially have a broad reach and extend to be used there. It can also have relevance for developed nations like Australia, NZ and United States as

many migrants from the Pacific Islands to find employment and choose to settle in these countries - legally or illegally. They bring with them their own narratives, experiences and history. The experiences of the employers from this research could aid employers/governments in these developed nations to create policy that can be adapted/applicable to cater for Pacific Island migrants.

### **3.10 Limitations**

Bias in research is unavoidable. Quantitative data and their analysis are about eliminating bias. However, qualitative research is about understanding that it bias will occur and seeking to understand its nature and rationale(Bryman & Bell, 2015). To assist with reducing bias during the interviews, I interviewed each of the participants. However, I did not control for question order effects. There were several interviews where the participant would answer multiple questions in one response or simply jump between topics. Research reflexivity was necessary as the questions would sometime be asked out of order or not at all. As I conducted each of the interviews, at their end, I would review my question sheet to ensure I had covered all my questions.

In order to help the participants, feel comfortable in the interview context, I would share information or preface a question with information or statistics. I would further build rapport by repeating back my understanding of their responses. Furthermore, intrinsically, there may be potential for leading questions and wording bias. To minimize this bias, I used their own language via the specialist, and waited for them to respond.

As the specialist was known person by both the participant and the researcher the mutual acquaintance may pose a risk of social desirability bias. To counter this, I reiterated that all participant identities would be kept confidential and encouraged them to respond truthfully. This may be amplified by the research being a cross-national study. The countries selected represented Polynesia, Micronesia and Melanesia, the regions in the Pacific. As such they are reflective of similarities to the

wider Pacific Island countries. Future research could extend to other Pacific Island countries.

### **3.11 Summary**

In this chapter, the research methods that is appropriate for this study was discussed. The methodological framework used for this research is qualitative, based on an interpretive paradigm. Face-to-face, semi-structured interviews were conducted with 25 sector-level employer representatives in Fiji, Tonga and the Marshall Islands.

Participants for this research were selected with purposive sampling. They were recruited using in-country local specialists. Semi-structure interviews were used for data collection as this allowed the opportunity in this exploratory investigation to probe for clarification and more information.

An audio recording device was used to record the interviews and the researcher personally transcribed them. All of the fieldwork phases adhered to appropriate ethical guidelines.

For data analysis, Braun and Clark's (2012) six- phase approach of thematic analysis was utilized as it is a widely used method across different disciplines and provides a clear outline of how to go about conducting a thematic analysis. It is also well suited to questions related to people's experiences. Data from this analysis will be stored in a password protected computer.

In the next chapter, the narratives collected from the participants are conveyed and interpreted.

#### 4.0 Introduction

As noted in the previous chapter thematic analysis was conducted in this study. This chapter presents the findings of the semi structured interviews that were conducted with 25 employers from Fiji, Tonga and the MIs. This study intends to understand the experiences and realities of employer’s in relation to the research question: “What do employers think of a LW in Fiji, Tonga and the Marshall Islands?” Figure 8 illustrates the Six broad themes generated through coding of the interview data.



Figure 8 - Thematic map illustrating 6 themes generated from interview data

These themes will be discussed in this chapter with evidence/examples illustrated using quotes from the interviews.

#### **4.1 Knowledge of a LW**

##### **4.1.1 LW vs MW**

Figure 9 reveals that employers in Fiji, Tonga and MI have not heard of a LW. What employers are familiar with is a MW. In MI the “MW is \$3 but, it was meant to increase by 50 cents per year until it reaches \$4. But they put a stop to it until they do a proper study” (Betra, MI).

In addition to a MW, Fiji have a social wage. Social wages are funds provided by the State as a bundle of social services. An external consultant was brought in by the government from the University of New South Wales last year to calculate the social wage. They calculated it to be an additional \$120 a week or \$1.65 an hour. Apenisa explained that,

“he’s consulted widely, the employers, the trade unions as well as the employees. Even with the employees he’s gone across an array of different types of people. You know whether it be in the cities or the rural areas, towns etc. And then he’s put together this figure, taken all this information and then he’s computed it and he reckons the social wage is about \$120 a week. So, in effect the governments paying \$120 a week for the family to tag onto the \$2.68 that you’ve got”.

Fantasha further explained:

“They pay for free education. If you are earning less than \$30,000 you don’t get taxed, you don’t pay a water bill, power supply is subsidised, you’ve got free transportation for different segments of society. So, \$30k and under, if you have children at school, they get free bus fare. There is a special fare concession for pensioners and other groups of people. So, we had a consultant come in last year to help us look at the MW and what it should be. And worked out, if government is providing all these things, then that’s additional and actually means that your MW is a \$1.65 add on. So, if MW is \$2.68 you need to add in \$1.65 because that is what the government is subsidising on your behalf. So, people tend to forget they are getting \$2.68 as the MW and the government is paying an extra \$1.65. So, in reality the MW is \$4.30”.

For these reasons Fijian employers concluded that the MW is in fact a LW.

In Tonga there is no employment relations legislation. Therefore, there is no mandatory MW for workers. Pay rates are dictated by the employers.

“MW hasn’t been set yet. [It is] currently being passed. For government the lowest salary is \$6720 per annum, so about \$3.13 an hour. In private sector they could be paying more. But this is the rate in the public sector. That is for someone without any qualifications” (Amanaki, Tonga).

Despite what the rate of pay is, employers agreed that “people are struggling” (Ailik, MI). “Now what they are doing is living wages to wages. As soon as the wages come in it is finished. There is nothing left for the end of the week” (Kaiara, Fiji). “They can’t really survive as the prices are going up, but salaries are not. Challenges for family are food, clothes, kids schooling. And even those who have better rates, they still struggle themselves” (Papahi, Tonga).

Although MW laws are in effect in MI and Fiji, employers have observed that not all businesses are observing this law.

“[S]ome private companies are not paying that, so there are a lot of issues even though there is a law” (Langidrik, MI).

“Some of the smaller companies would say that they are paying the minimum wage, but they don’t pay the minimum wage, they are paying perhaps half of that, maybe even less. And if they can’t afford to pay you, they will say, ‘hang on, when I get some work next week, I will pay you.’ So, there are small companies who are struggling even to meet below minimum wage rate for people” (Ema, Fiji).

When employers were asked what they thought a LW would be in their country, their responses varied. In Marshall Island employers’ responses ranged from \$7 - \$20 an hour and in Tonga \$5-25 an hour. Due to the social wage most employers in Fiji deemed the MW pf \$4.30 to be the LW. However, one employer did think it should be as high as \$15 an hour.

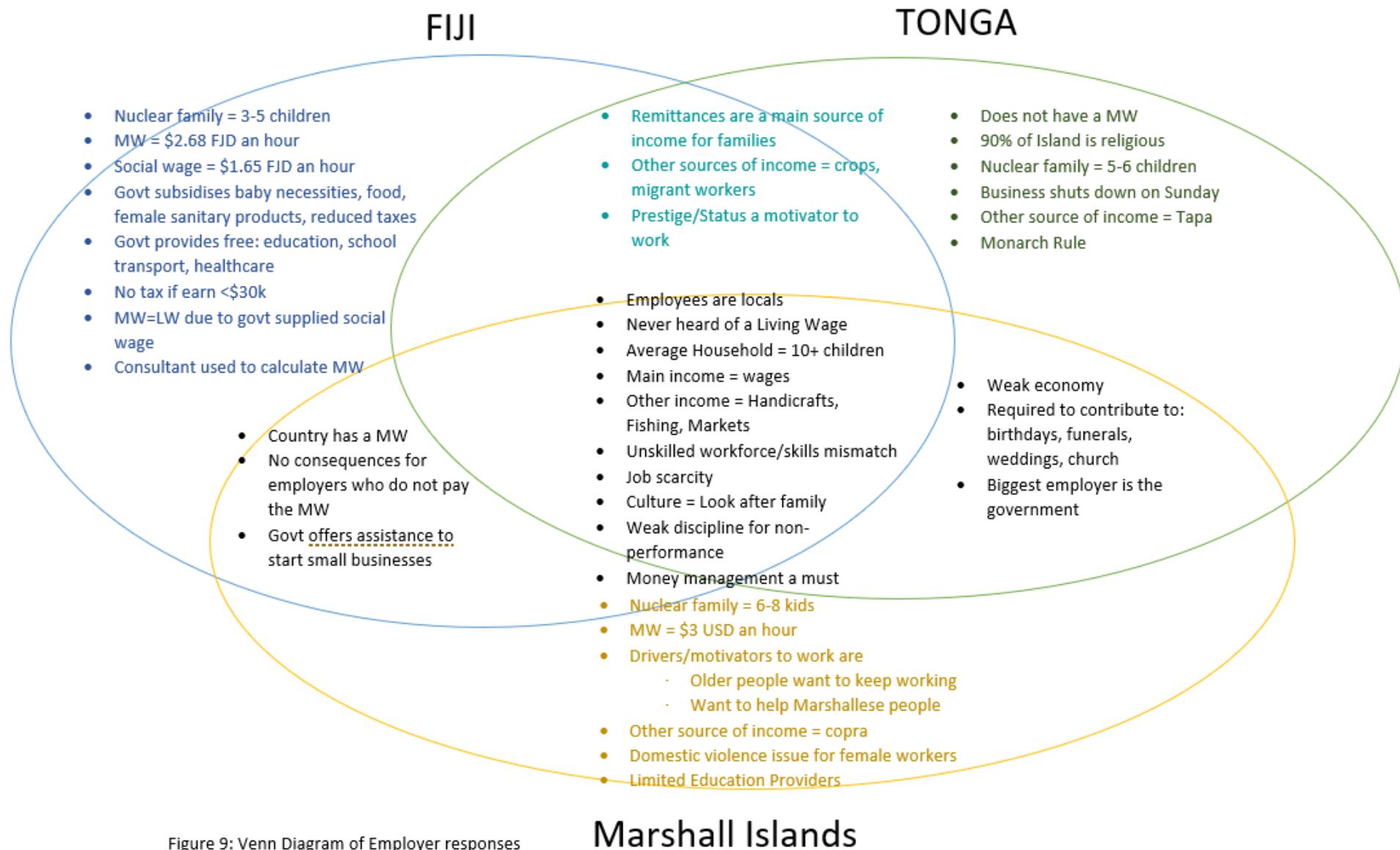


Figure 9: Venn Diagram of Employer responses

#### 4.1.2 Benefits of a LW

After having introduced the concept of a LW, I asked employers to describe what they perceived the benefits of a LW to be. Following are some of the benefits they stated:

“they would be able to pay for other things like more appropriate health to go to the clinic, but the clinic costs money. The hospital is free, and you have to wait forever. And sometimes there may not be a doctor there, as they will be at the private clinic, where he takes his money. It can take \$60-\$100 if it’s just a visit, and on top of that is the medicine from the pharmacy” (Kalasiah, Tonga).

“[The] crime rate would decrease, because, the whole reason why people are doing what they are doing right now, because I think sometimes, the government, the policy makers, the leaders in this country, doesn’t look at the root cause of the problems. Because, if the salary would be higher, I think the crime rate would decrease. People would have sufficient income and salaries to cater for the needs of their families” (Seini, Tonga).

“A LW would change everything. In terms of first, it would be what they can afford to put on the table. Now people are buying off cuts, parts of the whole carcass to survive and the quality is not good. And, you know Fiji has one of the highest rates of noncommunicable diseases (NCDs) in the world, especially cause of the food we consume. So, I think that would be one of the things, the rate of food items, the quality of food items. Also, the accessibility to education. Even though the government says education is free, the parents still have to provide food and other things that come with a child’s needs, to be able to send them to school” (Kalara, Fiji).

“If done right productivity will increase, more businesses would could come in, so everybody wins. It’s got to be a win-win situation for everyone. And from an employer’s perspective they all want to hang on to a good employee. Cause there’s so much training going into it and they do spend a lot” (Apenisa, Fiji)

“Overall it will raise the level of living in Fiji. For example, there are some kids who are roaming the street and if you talk to them, they have 9 or 10 siblings, and only 3 have gone to school and the rest are looking or begging for money. Maybe we don’t know because, some it’s just negligence from parents and others would be just a clear cut, kids are not interested in school” (Elenoa, Fiji).

“A LW would mean better living standard, health, food, education and would increase life expectancy” (Morelik, MI).

“They would have more means to survive. They would have the means to properly educate their kids. Maybe not in terms of a private school education but, send their kids to schools. Because, right now they can’t afford putting them in a taxi, they can’t afford registration, they can’t afford the uniform or food. You see kids not going to school, and you wonder why they aren’t in school. And when you ask them, some will say, ‘I don’t have a uniform’ or, ‘I don’t have the registration “(Betra, MI).

“Better nutrition for the families, they could buy the better food instead of just ramen and hotdogs so that’s one thing. I think people would also be able to better living. Like, they would be able to buy or renovate their places because they don’t really have anything. They would be able to buy more things to live more comfortably. Their houses are just structures/shells. The houses here don’t have an ice box, or they cannot afford to buy Clorox, or proper floors. There are so many people. You go out there, you see them. They don’t have clothing, they’re just absolute poverty but that’s a lot, that’s the Marshallese. I would say 60% of the population living like that (Ailik, MI)

One thing to note is that the benefits the employers identified were similar for Tonga, Fiji and MI. Employers perceived that a LW will be able to help their people. It would help individuals to raise their living standards. It would enable access to quality healthcare, food and education for families. It will decrease the risk of NCDs and ultimately increase life expectancy.

#### 4.1.3 A LW for all?

The principle behind the LW is that it is available to all. So, I asked employers, “Do you think all employees are entitled to receive a living wage?” Table 5 reveals that their views were split, 13 agreed that it should and 12 disagreed.

Table 5: Employer responses to ‘Are all employees entitled to a LW?’

Country	Yes	No
Fiji	5	3
Tonga	4	4
Marshall Islands	4	5

The employers didn't disagree with the concept per say, what some employers took issue with was fairness. They questioned whether people who were loyal and had strong work ethics, should be paid/rewarded the same as someone with no work ethic:

“should everyone be paid the same when their work ethic is not the same? How fair is it on the person that turns up to work every day, that doesn't take a day's sick leave in a year? So, why should I be looking after you, when I should be looking after the guy much better, and we do. And most employers do because they are loyal, they are at work every single day, they work hard. “(Apenisa, Fiji).

“I agree with the concept but not just anyone, someone has to work for it. If they don't have the right work ethic, they should not be paid the same. Only give it to the people who are deserving of it, not just anyone because the standard of living is high” (Ailik, Marshall Islands).

“not all people are the same. They have different capabilities and qualifications and it's not fair to say everyone should be the same. But at least something that they can survive with their families with. But I don't think everyone should receive the same” (Seini, Tonga).

## **4.2 Money Management**

### **4.2.1 Income sources**

As illustrated in Figure 9 the main source of income in the Pacific are wages earned from working. However, one of the things that all employers recognise is that “most employees have another source of income for their family because their salary cannot cater for the needs of the family” (Seini, Tonga).

#### **4.2.1.1 Remittances**

In the Pacific remittances are a common source of income (Fig 9). In Fiji remittances are the second highest income to tourism and accounts for 20-30% of the Gross Domestic Product (GDP).

“Remittance doesn't subsidise it's just the second highest income behind tourism. Tourism I think, accounts for 40% of the GDP. This [remittances] would account for just over 20-30% which is a significant amount. It means there are, is so many people earning outside of the country and sending money back. In a

way its good but what happens in an economic crisis? The value goes down, it's the first thing to stop or reduce. So, if you're sending \$5 back home, you might only send \$1 or \$2 or \$3. It's not something a country should rely on" (Apenisa, Fiji).

Tonga is heavily dependent on remittances. It is a major income stream for the country. In a lot of households that is the main/only source of income.

"Remittances is big in Tonga, it's the biggest, even as government employees we still get money from overseas from relatives for things "(Amanaki, Tonga).

"There is a report that states that Tonga has the highest number of people overseas transferring money to the country to their families. And they're mainly from Australia, New Zealand and America" (Seini, Tonga).

"A lot of our families send remittances too, because there would be a family of 3 or 4 living in one house and no one works there. They can do farming and stuff, but nobody has a real job. Family send money every week "(Kalasiah, Tonga).

In the MI the issue with remittances is the reverse. With what little income they receive they are transferring overseas to assist family members in the US. However, during income tax season, families from the US send packages home filled with clothing and other luxury items.

"We send more money out instead of coming in. I think it would be really interesting to know why this is. Because when we go to the US, we said we are going for work and education and what not. For better opportunities, but we don't see that translated into what the current practice is. So, I think that's one area to research. It is only during income tax in US when you see people sending boxes and boxes. Usually clothes or goodies but that's pretty much it" (Ailik, MI).

#### **4.2.1.2 Informal**

In the Pacific Islands many people, especially women earn or supplement their incomes in the informal sector. As shown in Figure 9, money is earned by making handicrafts, growing crops, fishing and then selling goods at local markets or on the roadside.

"There are quite a number of informal businesses- off the books. The government is encouraging people to be entrepreneurs and it is not being

monitored strictly at the moment. If people want to supplement their income, there are opportunities to do so. For civil servants you have to declare you have a business, like a taxi driver or some sort of different income” (Josivini, Fiji).

“Here in Marshall Islands in the 2 urban centres of Ebeye and Majuro, [it is a] wage, otherwise in the outer islands then you have mainly subsistence economy living on copra and fish or planting” (Kabua, MI).

“In rural areas they would depend on their own means of income like some agriculture, selling of food or produce by the roadside or in the village areas. But in the urban areas, I think it’s mostly jobs in the form of employment or, some of the families it would be small shops or canteens. Or, even some of the children have to sell the food items or things they could cook at home. It depends if you are looking at the rural population or the urban population” (Kalara, Fiji).

#### **4.2.1.3 Migrant workers**

Diversity is commonplace in today’s society and globalization has created a workforce of transient migrant workers. Of which the Pacific is a contributor. Labour mobility represents a significant opportunity for people of the Pacific. It allows them the opportunity to be able to travel abroad and earn significantly more money than they would if they stayed and worked locally. In the Marshall Islands the US income tax season is an opportunity for families in the US to send money back to the MI to bring their families to the mainland.

“Income tax season, there is a long line at the Bank of Marshall Islands to get their money, then they go to the passport office to get their passports and then they go to United Airlines. Trend of out migration: (Lomon, MI).

In Fiji and Tonga many able men leave their families for the seasonal work program. This is where for a season a worker is employed to work in places such as Australia (Aus) and NZ to pick fruit. While it may not seem like much of a career, it provides significant income for not only the individual but the family.

“We export rugby players, soldiers, peacekeepers, just people going pick fruits etc, and these people almost everyone, they know somebody. Or, there’s somebody in their family who has gone overseas to earn money and also relatives who have migrated. Like every island they always remit money back to

relatives who are still at home, who need it, they know they need it so they send it. From here to outer islands or from overseas to Fiji” (Ema, Fiji).

“We send about 4500 people every year up to 7 months to NZ or Aus for the seasonal picking. It’s got social impact because it takes a lot of male figures from the homes but in terms of earning money that’s what they do. And that’s because they earn up to \$50k every 7 months they go and that’s better than getting a job here in Tonga. So, if they work really hard, they can earn \$1000 a month in the construction sector is \$1500 a week this is NZ/Aus” (Ailine, Tonga)

While the wage benefits of seasonal work are positive, it doesn’t come without its cons. A number of the employers expressed concern as it depletes the local labour force. Employers are unable to match the money offered and loose them to the program.

“Competing with seasonal work overseas. We can never beat the money offered for seasonal workers overseas” (Atamai, Tonga)

Employers are also concerned about the long-term effects on families with fathers being uprooted and separated from their families.

“[A] social impact assessment on it would definitely outline a lot of negativities. Like” young pregnancy, broken families, father figure not being there. Some of them have gone up to 10 years so, their son haven’t had their dad at home for the majority of the time. And he spoils them and then he starts to be strict and it’s time for him to go back. And so, the son for another 7 months grows and during that time he doesn’t have a father figure. There is research by Professor Bedford, and it forecasts that by 2020 about 40% of males aged 25-40 here in Tonga would be away at any given time. And that’s a really high percentage and that’s the labour force Tonga needs for construction, for agriculture” (Ailine, Tonga)

#### **4.2.2 What will become of the additional income?**

Although employers agree with the concept of a LW, what they did question was whether individuals would use the additional income for what it was intended. Would it really go on things like, food and education? Employers doubted that a LW would suddenly enable people the ability to manage money successfully. They asserted that it

would most likely go on servicing vices or towards contributions to church, family or community commitments.

“Everyone deserves a LW to sustain themselves, to pay their bills, to put food on the table. However, what happens to families when a mother or father doesn’t come home after getting paid and they go to the pub or go MIA and then partner and children get nothing. Is this going to change? Does it change if \$10 an hour or \$100? Are things going to change for that family?” (Bujen, MI).

“They will contribute to weddings, funerals, to church, it doesn’t necessarily mean they will invest in themselves per say and phone credit. And they would rather pay for electricity to have light, than to have food on the table. They’ll make do with whatever they have but, a lot of reliance still on remittances. (Ailine, Tonga).

“To a certain degree people can’t manage money or they can manage money but they are comfortable with their lifestyle, they don’t want to work hard, a lot more leisure time and you’re comfortable within the time and money you are earning” (Apenisa, Fiji)

“Church obligations, family obligations and some families socialising like trying to keep up with the image or trying to fit it like husbands will go beers, beers, beers and some mums have a socialising group at work and feel like they have to fit in that could be a problem. Your spending money you don’t have like going to lunch” (Papahi, Tonga)

### **4.3 Pressures of Culture**

#### **4.3.1 Large Families**

Family is everything in Pacific culture. In fact, the employers concurred that the main motivation for individuals are families. Table 9 shows that in each country the nuclear family ranges between 3-8 children, but a household can exceed 10+ people. This is because families look after each other and do not turn anyone away. As such, while there is no homelessness, there is overcrowding. Households include “uncles, cousins, parents, in-laws and family from outer islands. There maybe 1 major bread winner and 1 or 2 may work at the lower level” (Amanaki, Tonga). With so many people and only 1 or 2 wage earners, households struggle. Regardless you “support your family (Lomon MI).

“People are struggling because of the additional pressure to provide for their extended number of dependents, which add financial strain and pressure especially in urban areas. And also, to send money back to rural areas” (Fantasha, Fiji).

“People are willing to work for that to provide for their families even how low it is. Family, they will do anything for family, for church, for their country, their community. But family first and then the church. Education for the kids” (Kalasiah, Tonga).

#### **4.3.2 Overcrowding**

People typically live in a 2-bedroom houses. The houses are with a bathroom/toilet and a kitchenette. Being that the average household houses 10+ people, overcrowding is an issue. With only 1 or 2 wage earners supporting the household, finances are tight. Space is also a luxury.

“An average house has 1 or 2 bedrooms for at least 10 people. We don’t have housing facilities for people that don’t have land to build their own house. Migrants, People coming from Vava’u or Hapai will have to stay with their families or find a shed somewhere to live or there’s no govt housing” (Kalasiah, Tonga)

“Housing is an issue here because it’s overcrowded, So people need places and they tend to squeeze into a house, or many landowners will build houses too close because we have no, we have laws but you can’t really plan a place you don’t own. So, governments can’t tell landowners every house has to be 5 feet between type thing. So, landowners they try to accommodation people, so they put the houses too close together and because they are a lot of people looking for space” (Betra, MI)

“Housing –a lot of people are renting. The Suva-Nausori corridor has about two thirds of the population concentrated in this area and is mainly apartments/rentals. It is just a house with a room or two and then stick on the bathroom and toilet or kitchenette where you cook in one corner. More like a studio but apartments are becoming more common. “(Ema, Fiji)

Major events or celebrations create further strain on households as additional family members turn up to stay for extended periods of time.

“If you have a lot of families coming from the village you can house up to 20 or 30 people. Maybe rugby tournaments in Suva or school tournaments the relatives all come to stay” (Elenoa, Fiji).

People choosing to move to main urban centers places added strain on housing demands. In Fiji this has resulted in the emergence of squatter settlements.

In the Suva- Nausori corridor there are a lot of squatter settlements and that how people live. Majority are average to below average working class” (Kalara, Fiji)

“No-one in Fiji should be saying, ‘I don’t have food’. Why the situation is changing is that we’ve had a whole lot of squatter settlements that have sprouted up around all the urban areas, now they don’t even call it a squatter settlement any more, they just call it a settlement some have actually called it a village. And calling it a village there are people who have been there for 20 years and people say, ‘I’ve been here forever’ it’s our village, but it’s not a village” (Fantasha, Fiji)

#### **4.3.3 Commitments/Obligations**

In Pacific culture a lot of financial obligations accompany family commitments. In addition to managing households there is an expectation to contribute to funerals and weddings as well as church and customary donations.

“Why aren’t people surviving then, I think its community obligations, church obligations. A lot of the families have that, a lot of the families have say, a death in the family and suddenly you’ve got to contribute, and it defers from community to community” (Apenisa, Fiji).

“What there is, is customary donations. So, it’s like maybe the clan head is over in the states, and they are therefore a medical reason, and they need help with their medical bills and so for each house they can request contributions. Sometimes you give and sometimes you don’t, like \$20 a month” (Betra, MI)

“And I think it’s part of what our people struggle with, because we have so many cultural things that we need to do. You know when there’s a wedding people go do a big loan, or when there’s a funeral we have to do a loan just to, just because of our culture we have to feed people and it doesn’t help it contributes to the problem because people are going to loans” (Seini, Tonga)

Although they may appear to be voluntary and one off/isolated events, they are anything but. Paying the contributions bring with it a social rank. It impacts how you are perceived in the community and amongst your family. If gives you a voice. Failure to pay brings shame to your family.

“Social Rank, you know how you have the family contributions, for them to be able to contribute a lot means a lot. Because they have a social rank in their family circle or in their community and that’s an important role in what they do and how they perceive themselves. They go into debt to pay the annual church offerings, also funeral, so you have your own responsibility and if you are not able to, you are belittled by the family members (Alisi, Tonga).

This also exists to business. Many individuals attempt to run small businesses. However, when family members find out, they come asking for a handout. Either by way of free product or money. A family member is family regardless of how closely related they are to you. If you refuse to help you get shamed and belittled. So many businesses fail because of the demands of the extended family.

“Our small businesses are not surviving I would say 2 out of 10 would survive. So, they have these big loans left. Extended family are a family so when you come, you’re my cousin and I’m running a business and you come to me and say Ailik, I need rice because my kids are hungry, so they give it to you because they are family. So, I give it to you, and you may never come back and pay for it so then it continues and you not the only cousin I have, there are other mothers and fathers, cousin. So, Marshallese culture doesn’t help you do well in business. And if you say no, they are going to look at you and judge you. Her mother probably didn’t raise here, didn’t teach here so there’s shaming “(Ailik, MI).

#### **4.3.3.1 Loans**

Due to the cultural pressures to fulfil family obligations/commitment, people are forced to go into debt to save face. People would rather go into debt then to embarrass themselves and their families. Employers themselves stated that they struggle with meeting their financial obligations and find themselves living off loans.

“People loan their money to a point, like me, I’m an educated person, I don’t think you need to educate on this. The Bank of Marshall Islands makes loaning so easy, it’s called ‘quick loan’. Like you just go and submit it and you get it the

next day. So, a lot of people, they use their cheques all the way to zero. The government tried to put a stop to that, but it didn't work" (Betra, MI).

"They don't have a lot of things at home. Loans for luxury items. Retailers are now doing HP \$1 deposit or 0% interest, people are getting caught in traps. There are clauses where if they miss one payment it goes to 26%. Interest can go to 25%. Look for an unsecured loan and found highest of 29% and lowest was 18%" (Josivini, Fiji)

"Because if someone works in the family everyone looks up to the persons that they'll provide everything when something happens. So, that expectation itself puts a lot of weight on the person who's working, and it doesn't help at all. Because he has to go and make a big loan and it doesn't stop cause after the wedding there might be a funeral. After the funeral there might be a reunion it's still coming. And if you won't go and do the loan to provide for that then they'll say, 'oh, why you think you go to work and you look down on us and you know you're not contributing you don't even love you family.' it's just yeah" (Seini, Tonga)

"There are certain churches that say there is a target in the church, so you put a target there for a group, whether its \$30k or so. And if you have like 4 families, that's everyone getting a \$10k contribution. And if you put that 10% of your salary that means you're left with little, that's ridiculous. And that's why I feel like some people should just say no and some leaders they do. There are social consequences, the shame, people looking at you and talking. They preach you get more blessings and some it's like a legacy, because your parents gave that much your supposed to carry on. Basic needs are living on a loan" (Amanaki, Tonga).

#### **4.4 Challenges**

There are many challenges that employers have identified to introducing a LW especially in developing countries. These include an increase in prices for consumers, job losses and relocation of businesses.

"Let's take the MW as a floor rate. So, if you are moving the floor up, the ceilings go up as well and the employers are going to say, fine you want us to pay \$5 an hour we'll do that. Then the top notch would want that. It's a push up effect, everybody wants to move higher. Who do you think is going to end up paying for that? The consumer, so the same person who is benefiting from it, it's going to come around and it's gonna hit them because the costs has gone up doing business. It's gonna be passed on. Prices have increased before the MW has increased" (Apenisa, Fiji).

“Because you don’t want a negative impact where companies lay off a lot of people or even have a major business moving because they have a cheaper place to work somewhere else. There’s resistance towards a LW” (Betra, ml).

“The mw will be way higher than what the private sector is paying. Even \$5 will be very difficult for the private sector, all that will mean is that they will have to increase the price of goods and services. It would most likely increase their contribution of church offerings because the culture is still there. They will contribute to weddings, funerals to church it doesn’t necessarily mean they will invest in themselves per say and phone credit” (Ailine Tonga)

#### **4.4.1 Limited jobs opportunities**

Fiji, Tonga and MI have small economies and therefore there are limited jobs. Graduates are coming out of school with no roles to fill. People are migrating from outer islands to main centers, again to no jobs. Why, because the roles that are available, they are unqualified and unexperienced to do. So, everyone is competing for the same entry level, low skilled roles.

“When they leave the outer island, they stay in the place and don’t think, other than just come here to Majuro to suffer here. They don’t get a job here and really suffer. When they move, they suffer because they have to pay for more things. It’s a different way of life” (Morelik, MI).

“If you go to some places in Suva people are still living in huts and they are not being looked after and there is some, more people in the street. And why are all these things happening? Because there are no jobs. And Suva is getting so congested that jobs are not available like they want “(Isa, Fiji)

“If there are a lot of skilled people who are in jobs where their skills are not used, where their expertise are not used because it’s the only job available at the time and you want to earn a living and want to get paid but it’s not what you went to study for, it’s not the expertise you have (Ailine, Tonga)

“I think it’s a little bit hard because now you can see there is so many graduates from universities and there is a lack of jobs advertised in the paper (Isa, Fiji)

“Because jobs are limited it’s an employer’s market and they can dictate terms, people will apply for the jobs and accept what they get offered. There is no real

package because you can't be choosy. There is a saying 'beggars cannot be choosers' (Isa, Fiji).

#### **4.4.2 Skills mismatch**

One of the most issues facing employers is trying to find someone with the right skills and experience to fill a role. In developing countries many people cannot afford to go a post-secondary institution. Or if they can, the training organizations are limited and may not offer a training in an area of need.

"More obstacles for non-skilled workers as skilled workforce are taking entry level roles" (Isa, Fiji).

"Finding people with the right skills. We need skilled workers (Atamai, Tonga)

"We don't really have local skills for things that require good background, or good education or good experience. You know like for the high posts we usually hire people from outside to contract them, like at the hospital we don't have that many Drs or nurses, so we tend to hire from outside for like 2 years contracts and stuff like that. But they come in and they train us with the hope and thinking if they leave, we take over. But still it's been very challenging" (Langidrik, MI)

"We don't have a skilled level labor force. We have limited people that go out, complete their university and come back" Ailik, MI)

#### **4.4.3 Work ethics**

A common issue experienced by employers is poor work ethics. Employees are late, they have bad attitudes, they choose when they want to turn up and how much work they do. If a family member has passed or is unwell, they take indefinite leave and return when they choose. There is not much employers feel that can do. Discipline is weak because people are often related, and you can't discipline family. Also, you still have a need for that person to work do can't afford to let them go.

"So, attitude is a problem, work ethic, punctuality. They lie when they put their timesheets in" (Isa, Fiji).

"Attitude and punctuality, tuning up is an issue. We consult with them and sometimes we give them warning but they will. We want them to follow our

rule but when we report it, its Marshallese custom to, let's see what we can do to improve their performance. They improve when they are really serious and know they will be losing their job. But when things are going good, they start to slip" (Utrik, MI)

" People's attitudes, as long as they get the work done, they choose when to come to work. Disciplinary is weak as still need the worker and you are related" (Betra, MI).

"People don't turn up on time because they think 'island time' and there's always a family something maybe their grandparent died how many times, they use it as an excuse. It is an issue. People when they are given a job the islanders are not very focused. If you give them a job it will take them 2 weeks to do it, when if you give it to someone who is focused, they'll probably do it in 2-3 days. It's like if you give them a deadline they'll probably wait till the last day and try to finish the work. It does compromise the quality of the work" (Amanaki, Tonga).

In relation to the above, Fiji employers noted that a culture seems to have emerged where when people have learnt to survive on a set amount of money, they do enough to make that amount and no more. They will stop at that point and won't show up to work till the following week. If an increased wage were to be introduced, they would just work less as they would make the amount faster.

"you are comfortable earning what you are and you're not going to work, over and above your normal wage rate. For example if you wage rate is \$200 a week and you are comfortable living in it, if you 've accumulated \$200 in the first 3 days of the week, the chances are you might not come to work on a Thursday, or a Friday or Saturday or anything of that sort. Which doesn't help the employer, which doesn't help productivity and doesn't help the nation as a whole because if you're looking at growing the economy as a whole everybody's got to work together. And we always advocate that when you get overtime pay, put it aside. It's got to be your savings" (Apenisa, Fiji)

#### **4.5 Role of government**

Employers concurred that if a business is doing well and can afford to pay a LW, then they should do so, as it is the right thing to do. What they questioned however was if mandated, where the money would come from to support it. They recognized that in developing countries' economies are small and revenue/resources are limited.

“The government, our government depends on aid from the US and it’s not increased. Our resources are not big enough to bring in more money. Our government relies on aid. There is not a lot of revenue coming in, our main revenue is from outer islands, coconuts. But those are not making money because, government subsidises the copra price, tuna. I don’t think we are getting the fair share from the tuna we are sharing. So, its, we have a big problem here to be able to live through living cost” (Utrik, MI).

“We don’t have the means to support it. We don’t have resources that we can use for to be able to do that. The only things we do have are maybe a few coconuts and we have the ocean, but we don’t get so much from that. So, whatever we make from our main export is just used to subsidise all the other corporate responsibilities of the government so that would be the communication, health, transportation, those kinds of things. So, there is really no available resources that I can think of that would allow the government to support a living wage” (Ailik, MI)

#### **4.5.1 Mandate**

At the end of the day employers will pay whatever is mandated by law. That includes in places like Tonga where they are still yet to mandate a MW.

“I think private sector would pay if it is a law, but they would have to cut their work force. Because private companies are just trying to make a profit so private companies would cut their workforce” (Ailik, MI)

“Government because if private sector can provide for that, what about the other industries, just like the current MW in Fiji, government has the sole authority” (Elenoa, Fiji)

“I think it should be both the government and employer. The government should support it. We need to write it in our constitution and our law in policy. We should take care of our people. And the employers should because it’s the right thing to do (Kalasiah, Tonga).

#### **4.5.2 Decrease Taxes**

Employers stated that if a LW were to be introduced that the government would have to come to the party first and decrease taxes. If they do not decrease taxes, they would not be able to afford to pay the required amount and ultimately consider closing.

“If a LW is introduced government would need to decrease taxes so businesses can still operate, make a profit to survive, so as can maintain profits” Isa – Fiji  
“Tonga has high taxes, 15% tax for an economy such as Tonga. To me this is too high and yet they pay that, and they also pay income tax as well” (Ailine, Tonga).

“Our government here is 60-70% from donors from outside and our income is maybe 40% fish and the copra that’s mainly our income for government. If government increase the wages our government will suffer and die in the future. Just because there’s no money. Government may not be able to sustain an increase in wages. If you look at income statement, they may spend more than they earn. Working in private sector you will earn more than government. When you pay private sector, money gets invested back into the country. We would need to promote market so as can promote people. It needs to work for the business and the people so as the business can still operate” (Morelik, MI)

## **4.6 What is really needed**

### **4.6.1 Financial Literacy.**

Expenses are increasing every day. People are struggling and often drowning in debt. In order to truly help people to improve their lot, employers felt that before increasing wages, people need to be taught how to manage their finances. This is so as they can learn how to use their money wisely and then how to save.

“One of the first things we need to do is educate the people on financial literacy. That is the first things that should be done before anything else. They need to be able to save money, to utilize money. If we increase them only, we need this training to be mandatory to all the people, the LW people. They get the training even before thinking about increasing it” (Elisapeti, Fiji).

“What creates most stress for families is money. Use of, or lack of literacy of the use. Like they take a loan but don’t read the document to understand terms of interest rates” (Josivini, Fiji)

“People need to learn how to manage their money. Some of these people they have good salaries but most of their salary they go to these loans, so it’s really even though you may have a good salary it would really affect that. So, an obstacle for the people is not knowing how to manage their money. We can see now things getting changed compared to before how they manage their budgets. Cause during Christmas time you can see the banks are full trying to

get loans. It's worse. In Christmas they try to use their money to have a good Christmas. You can see they have a quick loan it just brings you in" (Lomon, MI)

"The needs have increased so much that, it's beyond their means, and people are living beyond their means right now and it's not because, I feel personally the salary should be sufficient. But there so much on church obligations. Some its keeping up appearance for society that drives people to maybe go back and ask for money or something like that. (Amanaki, Tonga)

#### **4.6.2 Education**

Education is the gateway to opportunity. Employers felt that in order for countries to really help their people, they need to invest in education. They recommend that the government invest in a study on the skills shortages. Identify where the gaps are and training providers that can support these courses on island. If they do not have a training provider, look abroad and partner with someone who does.

"One of the key messages we get from here is getting the ministry of education to understand that we need to be looking for tradespeople, more engineers, we needs to be identifying where the core business is growing, what are the segments that are needing more people and trying to identify that those are the types of scholarships that you need to be giving out. So, they're doing that a lot more now" (Fantasha, Fiji).

"Education is the focus on needs as it will give them opportunities" (Betra MI)

#### **4.7 Summary**

The main objective of this chapter was to present the results for this study, which is to understand the employer's perspective of a LW in Fiji, Tonga and Marshall Islands. 25 employers were interviewed to gage the experiences and realities of the employers. Six themes emerged from the data: knowledge of a LW; money management, pressures of culture; challenges; role of government; what is really needed.

Employers had never heard for a LW but are familiar with the MW. Even though a MW is mandated in Fiji and MI there are employers who are still paying less. Employers perceive that a LW can really help their people to be able to experience a better

standard of living. They will be able to eat better, access quality education and healthcare. Although employers understand the benefits, they don't think all low wage earners are entitled to a LW as individuals have different work ethics and capabilities.

While the main source of income in the Pacific are wages, many employees are able to supplement their income with remittances, making handicraft, growing groups fishing and selling these are local markets. In Fiji and Tonga many men choose to participate in the seasonal work program. This is a great source of income but takes men away from families for long periods of time. This can have a negative impact on the family. If a LW were to be implemented employers' question whether the additional funds will go on what it was intended for. Will it really go on better food, helping gets get an education or will it go on vices such as alcohol or making a bigger contribution to the church.

Family is everything in Pacific culture. In the Pacific we have large families of 10+ people who live in 2-bedroom homes. People squeeze into these homes and result in overcrowding. With big families come obligations to contribute to weddings, funerals, church donations and customary donations. People would rather go and get a loan than not pay and be shamed and belittled.

Employers have identified that introducing a LW could lead to increase in prices for consumer, job losses or relocation. Fiji, Tonga and MI have small economies and therefore there are limited jobs. Employers also struggle to find people with the right skill set to fill existing roles. In addition to that employers have expressed concern over the work ethic of employees. They are late, have bad attitudes, and often do not show up for work. They are not willing to do more.

Employers agreed that if they can afford to pay a LW they should. A decrease in taxes would assist to accomplish this. Though, they have stated that they will pay whatever the government mandates. Regardless of a LW employers expressed what is really needed is financial literacy and access to educational opportunities.

## CHAPTER FIVE: DISCUSSION

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### 5.0 Introduction

The purpose of this study is to address the key question ‘What do employers think of the Living Wage in Fiji, Tonga and Marshall Islands?’ This chapter will discuss the key findings of the study in relation to the research question and existing literature.

This chapter discusses if a LW is applicable in the Pacific, barriers to implementing a LW, who is responsible for ensuring a LW is paid if not a LW then what?

### 5.1 Is a LW applicable to the Pacific?

“A living wage is the income necessary to provide workers and their families with the necessities of life. A living wage will enable workers to live with dignity and to participate as active citizens in society” (Living Wage Aotearoa, 2019a, p. 1). Employers interviewed in this study had never heard of a LW. They were only familiar with a MW. They acknowledged that people were struggling and recognized the benefits of a LW as, the ability for individuals to raise their living standards and enable access to quality healthcare, food and education for families. Employers concluded it will decrease the risk of NCDs and ultimately increase life expectancy. The literature identifies the benefits to be improved retention rates, reduced absenteeism and an increase in morale. (Klassen, 2013; Konigsburg, 2017; Luce, 2005; Parker, 2018; Swaffield et al., 2018).

The economic effects of introducing a LW are still unknown (Prowse, Lopes, & Fells, 2017). However, by increasing low wages, the low paid will have more money to be able to spend locally. Thereby stimulating economic development, often in the poorest areas. (Konigsburg, 2017; Prowse & Fells, 2016). If the LW is regulated without having economic and social structures in place to support it, employers could struggle to be able to pay the higher wages and eventually be unable to compete, forcing them to consider relocating to a country with inexpensive labour or to close their business (Brooks, 2013).

The employers in this study stated that they would be happy to pay a LW if they could afford to, but most conceded it would be too expensive for them to do so. Some do pay bonuses when affordable. The literature accepts that implementing a LW in developing countries would be more challenging but believe voluntary adoption of a LW by indigenous businesses or multinationals that operate in these counties will be even more significant (Werner & Lim, 2016).

### **5.1.1 LW Calculation**

The LW calculation utilizes the household structure of two adults and two children and assumes one or two wage earners per household (Anker & Anker, 2017). Figure 9 illustrates that this does not fit the norm in the Pacific, with households accommodating in excess of 10 people. In principle you would have to triple the figure calculated for it to be applicable to a household in the Pacific. As the size of a household increases, more income is required to maintain the same standard of living. Placing additional pressure to provide for the extended number of dependents.

Furthermore, you have to ask will any form of calculation cater for a LW in these conditions? Also is a 2 adult, 2 child model representative of an actual household?

## **5.2 Barriers to implementing a LW**

### **5.2.1 Limited Job Opportunities**

In developing countries jobs opportunities are limited (Ford & Gillan, 2017).. For a LW to be applicable a person needs to be employed. Employers identified that people are not getting educated in areas of need. They are graduating from University in areas where the markets are saturated, and jobs do not exist. Hence, new graduates are forced to compete for low skilled roles as they don't have the skills or experiences for other roles. Forcing low skilled workers into unemployment. "In every country, formal sector jobs are being created more slowly than school leavers are emerging from the education system. The consequences are rising unemployment, the growth of the informal sector and visible signs of poverty within urban areas"(Connell, 2006, p. 61).

### **5.2.2 Demands of culture**

For a LW to be effective and make a difference there must be a change in culture. Employers stated that people can live quite well on a MW as most have access to additional income sources. From our study we learn that there are additional financial obligations required of families. It is traditional for families to make substantial contributions to funerals, weddings and for church donations. In some countries there are also customary donations. These costs are not considered when calculating a LW and can be quite considerable. Families are shamed and belittled if they choose not to pay. The employers themselves noted that this is not just an issue for low income families. As they too must seek out loans to accommodate these additional obligations. Thus, people cannot dig themselves out of debt. The LW will not make any difference if this is not addressed.

### **5.3 Who is responsible for ensuring a LW is paid?**

The literature shows no clear consensus on who ought to pay. “Calls for a ‘living wage’ may imply that it is primarily employers’ responsibility to meet the needs of workers and their families; but ‘if creating a living wage is seen as primarily or largely a government responsibility, then a wider array of policy tools are available” (Weldon and Targ as cited in Bennett, 2014, p. 48).

#### **5.3.1 Employer**

Upon whom does the duty fall to guarantee that individuals are obtaining enough income to lead a dignified life (Brennan, 2017)? If paying a LW is the right thing to do, then businesses are morally obligated as stewards of funds/profits to pay a just or LW (Konigsburg, 2017).

The efficiency wage hypothesis states that the productivity of employees increases due to the attractiveness of a higher wage. Employers in the study did not agree with this. They stated that increasing pay does not improve performance. Employers from this study agree that pay should be linked to performance. They indicated that they do not

feel that it is fair to mandate a LW and pay a blanket increase when some employees have no loyalty or work ethic. However, if businesses can afford to pay a LW then they should.

### **5.3.2 Government**

The broad role of the government is to promote security, encourage prosperity and provide protection for all citizens” (Konigsburg, 2017, p. 6). Government have the ability to regulate the price of labour (Konigsburg, 2017).Employers in this study have stated that if government expect a LW to be paid it needs to be mandated.

The literature states that many governments are struggling and in deficit and cannot afford to offer assistance to low-wage earners. Indeed, if governments cannot afford to offer assistance, it does not follow that businesses can (Brennan, 2017). This is supported in our study as employers reiterated that governments in developing countries do not have resources big enough to bring in more money and are often dependent on aid.

Employers advised that they could not afford a living wage because governments impose too many taxes on businesses. If a LW were to be mandated governments will need to decrease taxes so as not to impede on the company’s revenue. If revenue is impacted, then employers will be forced to downsize business or close.

An economic impact analysis may be good for governments to undertake so as they can understand the impact of a LW on businesses and the overall economy.

### **5.4 If not a LW then what?**

Whilst there is much research on the LW, it is predominantly from developed countries and focuses on its impacts on employees or low wage earners (Grant & Trautner, 2004). The low wage employers in this study identified that they cannot afford to pay a LW in the current economic conditions. Employers stated that before a LW can be introduced to the Pacific the following is necessary: people need to be educated on

financial literacy, education opportunities need to be analysed and employee productivity/work ethics need to increase.

#### **5.4.1 Financial Literacy**

The purpose of a LW is to “enable workers to live with dignity and to participate as active citizens in society” (Living Wage Aotearoa, 2019a, p. 1). Employers throughout this study expressed concern of how people manage their money. The employers themselves stated that even though they earn more than the low wage earners, that they too struggle with managing their finances. Therefore, the first thing that needs to occur is that people need to be educated in financial literacy. They need to be able to understand how to manage their money and then how to save it. With the larger family sizes and additional financial obligations, a marginal wage increase in a LW is not going to make any difference in improving the circumstance of low wage earners. The employers in this study emphasized that this training needs to be mandatory and be completed prior to increasing any wages.

#### **5.4.2 Bridge gap between education and market needs**

Poor quality education limits opportunities. Rashbrooke (2013, p.76) states that this may be the “direct result of limited opportunities earlier in their life due to childhood poverty or a poor-quality education. In other words, despite their innate ability, they have not enjoyed a genuine opportunity to become appropriately skilled or qualified. If competitive disadvantages of this kind are to be reduced, there will need to be government intervention to minimize poverty and equalize educational opportunities”.

In developed countries educational providers are limited and the programs offered, do not necessarily meet the needs of the market. One of the issues constantly brought up in interviews with employers, was the struggle to fill roles due to a skills mismatch. It would be beneficial for government to do a gap analysis on skills shortages and educational providers. They can then use this as a means to incentivize people into studying in these areas. This could be through providing scholarships, internship or mentorship opportunity.

### **5.4.3 Strengthen economy by increasing productivity**

The main reason economists give for why wages in the developing world are so low is because workers are unproductive (Brennan, 2017). This suggests that for a LW to be applied the workers need to be more productive, to the extent their productivity equates to that of the LW. Employers have stated that they would be happy to pay a LW to employees who were productive. An increase in productivity leads to an increase in revenue. An increase in revenue would enable employers to be able to pay more in wages. Higher wages equate to an increase in consumer spending and increase in profits/revenue to businesses.

### **5.5 Summary**

The cost of living is increasing, and people are struggling. Despite understanding the benefits of a LW, most employers in the study could not afford to increase wages under current conditions. The literature acknowledges that implementing a LW in developing countries is difficult but voluntary adoption of a LW by indigenous or multinationals would be more significant.

In the Pacific, job opportunities are limited and as a result new graduates/skilled labour are being forced into low skilled roles, pushing low skilled workers into unemployment. For a LW to be effective culture needs to change. The financial demands on families to contribute to cultural practices cannot be met and people are going into debt to save face.

Who is responsible for ensuring a LW is paid? Employers state that a LW should be attached to performance. However, if paying a LW is the right thing to do and employers can afford to pay it, then they should. Employers state that if a LW is to be implemented it needs to be mandated. However, taxes would need to decrease for businesses to be able to afford it.

Employers suggested that before a LW is introduced people need to be educated on financial literacy. This is so as they can learn how to manage money and save. In

developing countries there are skills shortages. A market gap analysis on skills shortages and education providers would be advantageous. Poor education limits opportunity, a government intervention may be necessary to minimize poverty and equalize educational opportunities.

## CHAPTER SIX: CONCLUSIONS AND RECOMMENDATIONS

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### 6.0 Introduction

This chapter will present conclusions of key findings, recommendations, limitations of the study, suggest recommendations for future research and then end with some concluding remarks.

### 6.1 Conclusion of key findings:

The purpose of this study was to explore the employer perspectives of the LW in the Pacific. The employers interviewed were from the urban centers of Fiji, Tonga and Marshall Islands. The employer's views are important as they are the ones who determine what to pay their employees. The objective of the study was to understand if the LW is applicable in the Pacific, what the barriers for implementation are, who is responsible to ensure a LW is paid and if not a LW then what?

#### 6.1.1 Is a LW applicable in the Pacific?

So, is it applicable? Yes and no. Findings of the study identified a number of benefits of a LW. However, there are things that need to be addressed prior to even thinking about implementing a LW in the Pacific. The first is affordability, employers felt that despite the benefits they could not afford to pay more than the MW. They questioned whether a small economy could sustain a LW and wondered where the money would come from. In instances where businesses can afford to pay a LW, they should.

#### 6.1.2 What are the barriers to implementing a LW?

The main barrier is jobs. You cannot get a LW without a job. Limited job opportunities and a skills mismatch are the main barriers employers identified to implementing a LW. However, in conjunction with that employers stated that the workforce employees have bad work ethics. They turn up late, or not at all, have bad attitudes and are not productive. As such employers do not want to pay them more as they are unproductive. If their work ethic were to improve that would no longer be an issue.

### **6.1.3 Who is responsible for ensuring a LW is paid?**

The study found that the government is responsible. Majority of employers stated that for them to pay a LW it will need to be mandated. Government would also need to decrease taxes. Taxes are currently quite high, and businesses would not survive or would have to relocate in order to continue operating.

### **6.1.4 If not a LW then what?**

Based on the responses from employers I have made some recommendations in the following section 6.2.

## **6.2 Recommendations**

### **6.2.1 Financial Literacy programs**

A mandatory financial literacy program be introduced to educate people on how to manage and budget their funds. This can be taught in the workplace, in homes, at churches and at schools as necessary. This can be introduced as early as high school. However, a partner program could be created for children to participate in primary/elementary schools. From the research we learn that although people can have multiple income sources, families are still struggling and living in poverty. If it were to be introduced prior to, or in conjunction with a LW it will more fully “enable workers to live with dignity and to participate as active citizens in society” (Living Wage Aotearoa, 2019b). The younger the children engage in financial literacy programs the greater head start they will have for their futures.

### **6.2.2 Gap analysis on skills shortages and educational providers/programs**

Wages are a source of income from a job. Therefore, a LW can only be of benefit if people can obtain a job. Employers stated that they struggled to fill roles due to a skills mismatch. Therefore, this recommendation is for governments to conduct a gap analysis to determine jobs/skills shortages. Once shortages are identified, they can then identify the programs required to be taught these skills. If programs do not exist,

then governments can work with educational institutions to identify a resource, (maybe from overseas) to train a trainer so as the skill can continue to be taught locally. Governments can then offer scholarships or other forms of incentives to train people in these areas so as they can gain meaningful employment.

### **6.2.3 Strengthen economy by increasing productivity**

All employers in the study referred to the poor work ethics of their people. Punctuality, unexplained absenteeism, bad attitudes, theft and dishonesty. All leading to poor productivity in the workplace, which directly impacts on revenue and ultimately the economy.

Behaviour will not change if there is no accountability. An introduction of a rewards scheme to reward/enforce good behaviours could be introduced. An introduction of a leadership program to give employees an opportunity to step up, engage and lead could also be a solution. The study indicated that performance management and discipline in the workplace is poor. As such a performance management program could be another solution. However, it will not be effective if there is no consistency or follow up. So, if employers are not prepared to monitor and follow up, a performance management process will be redundant.

### **6.3 Limitation of the study**

The aim of this study was to gain an employer's perspective of the LW in the Pacific. Following are limitations identified for this study:

1. This study focused on the employer's perspective of a LW in Fiji, Tonga and Marshall Islands. However, benefit could have been gained from interviewing employees to get their perspectives.
2. The study was a cross national study but only included MI, Fiji and Tonga. The sample could have included a larger representation of countries.

3. This study seeks to represent the participants fairly and capture the experiences of employers. However, this sample does not fairly represent in terms of gender as there are 16 female participants and 9 males.
4. The scope in this study was narrow as there were only 8-9 employers interviewed in each country which is small considering the number of employers in each country.
5. The participants interviewed were from the main urban centers. It did not include and outer or rural area employers.
6. Interviews were conducted in Fiji, Tonga and MI. Due to distance and time I was limited with what I could accomplish so may have not got the right mix of employers. For this study I interviewed 18 private sector employers and 8 public sector employers.

#### **6.4 Recommendations for Future Research**

The exploratory nature of this research has elicited several interesting avenues for further research. As noted throughout this study a LW is defined as “the income necessary to provide workers and their families with the basic necessities of life. A living wage will enable workers to live with dignity and to participate as active citizens in society”. What is unclear is what the additional income received from a LW is used for. Does it really go on the necessities and therefore serve the objective stated in this definition? Or does it go on other things and leave them no better off?

Additional to this it would be interesting to investigate if a LW will curb bad habits. The literature discusses the benefits for business and how it will help families, but it doesn't directly address the bad habits or vices of people and how these impact on a LW.

Further research is also necessary on the LW calculation. Is a family of 2 adults and 2 children is a true representation of the masses? Does this reflect the model/standard in the Pacific?

Other areas to research are: What is the impact of a LW on developing countries?  
What is the impact of a LW on developing countries? The impact of financial literacy education on a LW?

## **6.5 Concluding Remarks**

Having traveled to the Pacific many times I have often thought about what can be done to help lift people out of poverty. I thought the LW was a quick solution however like everything else, things are never as simple as they appear. The LW may not necessarily be the solution today. But it's definitely something that the Pacific can work towards. This study explored the employer's perspective of the LW in Fiji, Tonga and Marshall Islands. Overall the perspectives and experiences of the employers were similar.

Although they were mindful of and wanted to help their people, they are employers first and foremost and need to protect the business. In terms of a LW, if it were to be implemented it needs to be mandated. To ensure it is sustainable the government needs to decrease taxes. Jobs are limited and as such the effectiveness of a LW would be limited because of the narrow reach.

The recommendations of a financial literacy program, gap analysis and a rewards/performance management program are no simple solutions. They will take time and will require buy in from government, employers and employees. However, if pursued could have significant impact in the home, workplace, government and economy.

In terms of culture vs productivity, this could be a double-edged sword. One of the things the study suggested that needed improving was productivity. The main attraction for tourist to the Pacific is the laid-back nature of the environment and the people. However, the question remains, how do you increase productivity whilst maintaining a laid-back attitude /environment? How do the two almost contrary concepts coexist harmoniously?

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## ***What do employers think about the Living Wage in Fiji, Tonga and Marshall Islands***

### INFORMATION SHEET

Bula/Malo e lelei /Iokwe, my name is Ariel Wetere and I am currently studying towards a Master of Business (Management) at Massey University in New Zealand.

You are being invited to take part in a research study. Before you decide you need to understand why the research is being done and what it would involve for you. Please take time to read the following information carefully. Ask questions if anything you read is not clear or if you would like more information. Take time to decide whether or not to take part. Thank you for reading this.

For generations, many Pacific Islanders have struggled to achieve a sustainable standard of living. With limited resources and rising costs of living, there are few opportunities for people to lift themselves out of their circumstances. Many who do work are given minimal hours and paid a low wage. Many countries' social and economic problems are linked to low rates of pay. Low pay means that working families cannot afford decent housing and struggle with basic living costs

A living wage is an income needed/required to provide an adequate standard of living for a family. This project will investigate the employers' perspectives of the living wage in Fiji, Tonga and Marshall Islands. These countries were selected as they are representative of the Pacific Islands: Polynesia, Micronesia and Melanesia. Semi-structured interviews will be conducted with approximately 8-10 sector-level employer representatives in each country context. Target sectors will be: Government, NGOs, Public, Private and Religious. Employers will be identified with the help of local, in-country contacts and invited to take part in the interviews.

It is envisaged that this study will add to the extant body of Living Wage empiricism and the development of a model(s) in terms of employer perceptions in the Pacific about the Living Wage. This in turn can affect workplace/government policy and practice, thereby improving business performance as well as employee wellbeing. This piece of research will also contribute to a major study being conducted in New Zealand on the Living Wage by the Massey University Business Schools MPOWER (Massey people, Organization and Employment) Research group.

You are being invited to take part in this research project as you have been identified as an employer in one of the identified sectors in Fiji/Tonga or the Marshall Islands. Your views and knowledge on this matter are important and we value your experiences and views. It is up to you to decide whether or not to take part. If you do decide to take part, you will be able to keep a copy of this information sheet and you should indicate your agreement to the consent form provided. You can still withdraw at any time. You do not have to give a reason. Taking part in this research will involve you being interviewed. The interview will last approximately one hour and will be audio-recorded for research purposes.

The data will be anonymized and will not be used in any way which would enable identification of your individual responses (unless agreed to by participant). Data will be stored securely on a password-protected computer. Data will not be shared with any third parties. Signed consent forms and original audio recordings will be retained in digital format in a password protected file until after my degree has been conferred. A transcript of interviews in which all identified

information has been removed will be retained for a further two years after this. Under the freedom of information legislation, you are entitled to access the information you provided at any time. There are no other commitments or lifestyle restrictions associated with participating. Participating in the research is not anticipated to cause you any disadvantages or discomfort. The potential physical and/or psychological harm or distress will be the same as any experienced in everyday life.

Results of the research will be published. You will not be identified in any report or publication. Your institution will not be identified in any report or publication. If you wish to be given a copy of any reports resulting from the research, please advise.

You are under no obligation to accept this invitation. If you decide to participate, you have the right to:

- decline to answer any particular question;
- withdraw from the study
- ask any questions about the study at any time during participation;
- provide information on the understanding that your name will not be used unless you give permission to the researcher;
- be given access to a summary of the project findings when it is concluded.
- ask for the recorder to be turned off at any time during the interview.

If you have any questions about the study, please feel free to contact me at [arielwetere@gmail.com](mailto:arielwetere@gmail.com). Alternatively, if you are concerned about any aspect of this study you may contact Professor Jane Parker [J.Parker@massey.ac.nz](mailto:J.Parker@massey.ac.nz) – lead Supervisor of this study, Professor Jim Arrowsmith [J.Arrowsmith@massey.ac.nz](mailto:J.Arrowsmith@massey.ac.nz) or Professor Stuart Carr [S.C.Carr@massey.ac.nz](mailto:S.C.Carr@massey.ac.nz)

Thank you for taking the time to consider this invitation.

APPENDIX B: PARTICIPANTS CONSENT FORM



**What do Employers think of the Living Wage in Fiji, Tonga and Marshall Islands**

**PARTICIPANT CONSENT FORM**

I have read and understand the Information Sheet provided. I have had the details of the study explained to me, any questions I had have been answered to my satisfaction, and I understand that I may ask further questions at any time. I have been given sufficient time to consider whether to participate in this study and I understand participation is voluntary and that I may withdraw from the study at any time.

I understand that my personal details such as name and employer address will not be revealed to people outside this project.

I understand that my words may be quoted in publications, reports, web pages, and other research outputs, but data collected about me during the Study will be anonymized before it is submitted for publication.

I agree/ do not agree to the interview being audio recorded

A agree to participate in this study under the conditions set out in the information sheet.

**Declaration by Participant:**

I \_\_\_\_\_ hereby consent to take part in this study.

[print full name]

**Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**LOW RISK NOTIFICATIONS**

“This project has been evaluated by peer review and judged to be low risk. Consequently, it has not been reviewed by one of the University’s Human Ethics Committees. The researchers named above are responsible for the ethical conduct of this research.

If you have any concerns about the conduct of this research that you wish to raise with someone other than the researchers, please contact A/Prof Tracy Riley, Acting Director, Research Ethics, telephone 06 356 9099 x 84408, email: [humanethics@massey.ac.nz](mailto:humanethics@massey.ac.nz)”.

APPENDIX C: LOW RISK NOTIFICATION LETTER



Date: 11 June 2018

Dear Ariel-Rose Wetere

Re: Ethics Notification - **4000019671 - Employers Perspectives on the living wage in Fiji, Tonga and Marshall Islands**

Thank you for your notification which you have assessed as Low Risk.

Your project has been recorded in our system which is reported in the Annual Report of the Massey University Human Ethics Committee.

The low risk notification for this project is valid for a maximum of three years.

If situations subsequently occur which cause you to reconsider your ethical analysis, please contact a Research Ethics Administrator.

Please note that travel undertaken by students must be approved by the supervisor and the relevant Pro Vice-Chancellor and be in accordance with the Policy and Procedures for Course-Related Student Travel Overseas. In addition, the supervisor must advise the University's Insurance Officer.

**A reminder to include the following statement on all public documents:**

*"This project has been evaluated by peer review and judged to be low risk. Consequently, it has not been reviewed by one of the University's Human Ethics Committees. The researcher(s) named in this document are responsible for the ethical conduct of this research.*

*If you have any concerns about the conduct of this research that you want to raise with someone other than the researcher(s), please contact Professor Craig Johnson, Director - Ethics, telephone 06 3569099 ext 85271, email [humanethics@massey.ac.nz](mailto:humanethics@massey.ac.nz)."*

Please note, if a sponsoring organisation, funding authority or a journal in which you wish to publish requires evidence of committee approval (with an approval number), you will have to complete the application form again, answering "yes" to the publication question to provide more information for one of the University's Human Ethics Committees. You should also note that such an approval can only be provided prior to the commencement of the research.

**Research Ethics Office, Research and Enterprise**

Massey University, Private Bag 11 222, Palmerston North, 4442, New Zealand **T** 06 350 5573; 06 350 5575 **F** 06 355 79 73

**E** [humanethics@massey.ac.nz](mailto:humanethics@massey.ac.nz) **W** <http://humanethics.massey.ac.nz>

Yours sincerely

A handwritten signature in blue ink on a light yellow background. The signature is cursive and appears to read 'C Johnson'.

Professor Craig Johnson  
Chair, Human Ethics Chairs' Committee and Director (Research Ethics)

**Research Ethics Office, Research and Enterprise**

Massey University, Private Bag 11 222, Palmerston North, 4442, New Zealand **T** 06 350 5573; 06 350 5575 **F** 06 355 79  
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**E** [humanethics@massey.ac.nz](mailto:humanethics@massey.ac.nz) **W** <http://humanethics.massey.ac.nz>

## APPENDIX D: INTERVIEW QUESTIONS

Topic: What do employers think about the Living Wage in Fiji, Tonga and Marshall Islands

Name :

Name of organization:

Role in organization:

Length of time in organization:

Number of employees:

Average age of employees

Average gender:

Ethnicity of employees:

Education level of employees:

Religion of employees:

Average hours of work:

Average size of families:

Average household size:

Income range for employees in your organization:

Average time of employees in organisation:

Are there specific skills/qualifications required to work here

Many countries social and economic problems are linked to low rates of pay. Low pay means that working families can not afford decent housing and struggle with basic living costs

- Have you heard of the term Living Wage?
- A living wage in a NZ context is an income needed/required to provide an adequate standard of living for a family. Does this resonate with you? What is your perspective of a living wage?

- In NZ the minimum wage is \$17.70 but the living wage is \$21.15 In your opinion what would a living wage rate be in your country?
- Imagine people in your country were to win the lottery tomorrow, money was no longer an issue, what would be the motivation/drivers for someone to continue to work?
- Is a wage earned by working the main source of income for families?
- How is wage determined? Is it based on skill level?
- Do people get money from other sources?
- What are the things that matter most to the people? Is money their main motivator?
- What would an attractive salary package involve in your country?
- What are the major challenges you face in recruiting, retaining and managing people?
- Do you think all employees are entitled to receive a living wage? Explain
- Who do you think is responsible for ensuring all individuals receive a living wage?
- What are your views on employers being responsible for ensuring all employees receive a sustainable wage?
- For those who are low -paid how do you think their wages are working for them?
- Are the low skilled/paid workers being paid a living wage in your organisation?
  - If yes - what were the factors that influenced, you to do so?
  - If no – what would need to change for you to do so?
- What do employees like most about working here?
- Is there anything else you want to say?