Exploring Pacific Economies: Wealth Practices and Debt Management

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Table of contents

1. Introduction

This report draws together available literature and research on wealth practices and debt management in the Pacific community. As a working report, it is intended to contribute to ongoing discussion in this area and, more importantly, seeks to generate discussion on issues where further understanding may be required. This is not intended to be a comprehensive review but rather points towards relevant areas where further engagement and research may prove beneficial.

The report includes several broad sections. The first section describes the demographic profile of the Pacific community both in New Zealand, and more specifically, in Auckland. In particular, diversity within this community is highlighted. Empirical research is then used to identify the role and value of Pacific wealth practices as well as debt accumulation and management. This is followed by a section that considers the 'diverse economies' approach as an alternative way of thinking about Pacific wealth. The final section summarises the report, identifies specific gaps in the literature and research, and makes suggestions for future research.

2. Pacific people in Auckland

People of Pacific ethnicities have a long history of settlement in New Zealand, with ongoing migration from various parts of the Pacific throughout the last century and a half. The Pacific community is well-established in New Zealand and is now predominantly a New Zealand-born population. Ties to the Pacific Island nations are still strong, but for many Pacific people, New Zealand is where they were born and have settled. Although Pacific communities have settled throughout New Zealand, many have settled in Auckland.

In the 2013 New Zealand Census of Population and Dwellings, 295,941 persons living in New Zealand (7.4% of the total population), identified with at least one Pacific Island ethnicity. Two out of every three people who identify with a Pacific ethnicity in New Zealand reside in Auckland (295,941 usual residents). This makes Pacific people the third largest ethnic group in Auckland (15%), after European (59%) and Asian (23%).

Although Pacific people live in every area of Auckland, there are high concentrations in the south of Auckland. Indeed, over half of Auckland's Pacific population (52%) reside in the Southern Initiative area comprising four local board areas: Māngere-Ōtāhuhu; Ōtara-Papatoetoe; Manurewa; and Papakura.

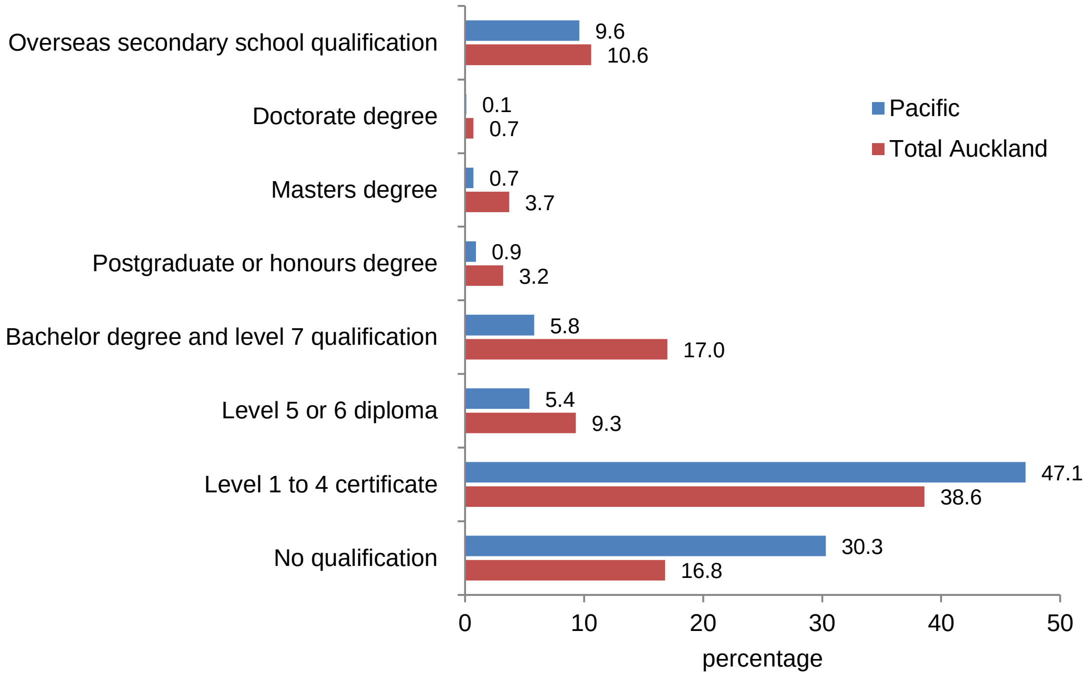
The Pacific population is very youthful. At the time of the 2013 Census, Pacific people had the lowest median age of all ethnic groups in Auckland at 22.6 years. This compares to 35.1 years for Auckland as a whole and 38 years for New Zealand. In fact, 35 per cent of Pacific people (67,770) were aged under 15 years in 2013, compared to 21 per cent for Auckland overall.

That said, the Pacific population is also ageing, although not to the same extent as European and other ethnic populations. In coming years, the proportion of young Pacific peoples is expected to continue to grow rapidly, largely due to higher birth rates and lower life expectancy among Pacific people.

As the Pacific population continues to settle in Auckland from one generation to the next, an increasing proportion of Pacific people are born in New Zealand. In 2013, nearly sixty per cent (59.6%) of Auckland's Pacific population were born in New Zealand. This is about the same as the Auckland population overall with 61 per cent born in New Zealand. Pacific people born in New Zealand tend to be younger than those born overseas. This is due to the migratory history of Pacific people to New Zealand – those born in New Zealand are the children, grand-children and great grandchildren of those who came from overseas. Recent migrants of Pacific ethnicity to New Zealand tend to settle in already established Pacific communities, particularly in Auckland.

Census data on individuals' highest levels of qualifications show that in 2013, over half of Pacific people aged 15 years and over had no qualification or a school qualification, and only 10 per cent had a degree or higher qualification.

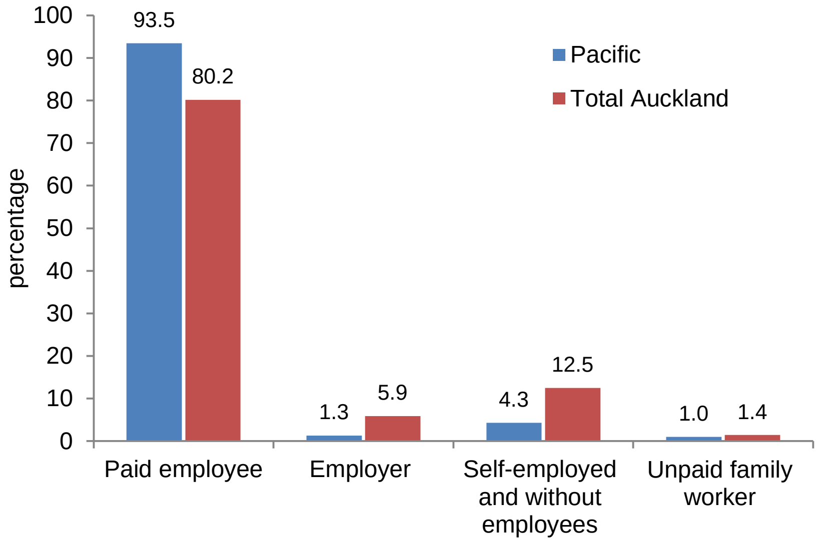
Figure 1: Highest qualifications among those aged 15 years and over, Pacific and Auckland total, 2013



Source: Statistics New Zealand, 2013 Census.

The low qualification levels are reflected in Pacific people's employment status and occupations. Whilst one in two Pacific adults in Auckland (64,239 people) were employed in 2013, they made up only 10 per cent of all those in employment in Auckland at the time. The majority of Pacific workers were in paid employment (93.5%), similar to Auckland overall. Pacific people were significantly less likely than the total population to be self-employed (4.3% compared with 12.5% overall) or to be an employer (1.3% compared to 5.9% overall).

Figure 2: Labour force employment status among Pacific and Auckland workers, 2013



Source: Statistics New Zealand, 2013 Census.

Pacific workers were generally over-represented in the low skilled (and often lower paid) jobs, with about a third of Pacific workers employed as labourers and machinery operators and drivers compared to only 12.5 per cent of all workers in Auckland. On the other hand, Pacific workers were under-represented in the highly skilled occupations, with 22.1 per cent of Pacific workers employed as managers and professionals compared to 44.3 per cent for Auckland overall.

Figure 3: Proportion of workers in each occupation (ANZSCO Level 1), Pacific and Auckland, 2013

Source: Statistics New Zealand, 2013 Census.

Pacific people had the lowest median income across all ethnic groups of $18,900 per annum, compared with $29,600 for Auckland as a whole. This results from a range of factors including a generally younger population, over representation in lower skilled occupations and higher rates of unemployment, as described previously. As a result, Pacific people are also significantly less likely than other ethnic groups to own, or part own, the home they live in; over 80 per cent of the Pacific population do not own their usual residence compared to just over half for Auckland overall.

Pacific people make up an increasingly large proportion of Auckland's population and will continue to do so in years to come.

What do we mean by 'Pacific people'?

So far, this report has referred to 'Pacific people'. However, the Pacific population in Auckland is diverse; Pacific people in Auckland comprise at least 13 distinct languages and cultural groups. Table 1 lists the numbers of people in different Pacific groups in Auckland at the 2013 Census. Samoan remains the largest Pacific group making up just under half of the Pacific population in Auckland, followed by Tongan, representing a quarter of the Auckland Pacific population.

Table 1: Pacific groups in Auckland, 2013

Ethnic group	Number	Ethnic group	Number
Samoan	95,916	Tahitian	903
Tongan	46,971	Rotuman	462
Cook Islands Maori	36,549	Papua New Guinean	279
Niuean	18,555	Rarotongan	267
Fijian	8,493	Solomon Islander	204
Tuvaluan	2,559	Hawaiian	126
Tokelauan	1,959	Ni Vanuatu	114
Kiribati	951	Pacific people not further defined	381

Source: Statistics New Zealand, 2013 Census.
People can identify with more than one ethnicity and groups are not exclusive.

There is great diversity *between* Pacific population groups in terms of demographic characteristics, migratory experiences, and socio-cultural belief systems and practices. Such diversity means that it is problematic to persistently reference 'Pacific' wealth and well-being as though one Pacific ethnic identity can be conflated with another (see Brown, Foster, and Connell, 1995 for an extended discussion of these issues).

Failing to differentiate between Pacific population groups could marginalise some Pacific groups by failing to account for their specific circumstances and making their experiences and practices less visible. In turn, this could inadvertently be detrimental to the financial and socio-cultural outcomes of some Pacific families in Auckland.

Fortunately, most research clearly identifies the specific ethnic group being referenced in the work (for example, Tongan youth in New Zealand) rather than using the generic ‘Pacific’ category. However, given the higher population counts of the Samoan and Tongan community, these groups have received the greatest attention in the research and literature. As a result, much of this report draws on research that focuses on these two groups. Although we have taken care to include this information wherever possible, the use of Samoan- or Tongan-specific literature on wealth and debt management has implications on the relevance of this paper.

3. How is the Pacific economy represented?

Pacific wealth or Pacific economies are often understood and represented as contrary to hegemonic (western, capitalist) economic systems and have been variously described as backward, unproductive, and wasteful (McKinnon, 2010). Indeed, traditional Pacific economic activities are often represented as significant cultural factors that prevent Pacific communities from enjoying and benefiting from productive economic development. As a result, Pacific economies are understood as something to be overcome, adapted and/or integrated with western understandings of wealth and financial systems.

This speaks to an unhelpful binary where Pacific understandings sit in stark opposition to 'mainstream' or western understandings. Table 2 below illustrates this distinction with individually-focused 'mainstream' economies appearing as the standard by which 'Pacific' economies can be compared. Such a binary constructs Pacific understandings of the economy, wealth and value as a sub-optimal 'alternative' that is inferior, unproductive and perhaps something to be overcome (through 'financial literacy' education, for example).

Table 2: Mainstream vs Pacific representations of wealth and economy

Mainstream	Pacific
Individual	Collective
Individual	Family (eg. aiga)
Capitalist	Alternative
Secular	Religious
Monetary	Non-monetary (alternative value currency)
Productive	Unproductive

Discounting the beliefs and practices underpinning Pacific economies potentially wastes a clear opportunity to leverage the strength of collective understandings of wealth and prosperity for Pacific communities. The following section focuses on these traditional wealth practices.

4. Traditional wealth practices

This section considers wealth practices that are commonly associated with the Pacific community. The section begins by considering the cultural norms and practices that underpin Pacific wealth relationships before briefly turning to three specific practices: remittances, gift giving and contributions to the church.

Understanding wealth practices

Pacific economies are not static or singular. In an Auckland setting, they change over time as Pacific economies intersect with non-Pacific economic activity. That said, many Pacific people living in Auckland continue to practice 'traditional' forms of wealth exchange that better reflect Pacific social and cultural norms.

For many Pacific communities, financial wealth is just one aspect of well-being. Non-financial factors are equally, if not more, important. These factors are relationally oriented and include loyalty, relationships with family and friends, and participation in the wider community (New Zealand Institute of Economic Research, 2007; see also Families Commission, 2012; Edwards et al., 2003). Although these factors might also be important for non-Pacific families, the difference is that these factors underpin many Pacific monetary practices. As the Families Commission (2012) points out with reference to Tongan understandings of wealth, emphasis is often placed on loyalty towards the family, the church and the community. The following quote from one of their research participants captures this sentiment beautifully:

> "…if we are rich, we eat 'rich food', if we are poor, we eat 'poor food'. It's what we give to our church and to our family that blesses us. That's where our wealth is." (Families Commission, 2012, p.110).

And as Lui (2003) points out with reference to Samoa:

> "In Samoa, the unit of society is the family not the individual ...The New Zealand environment puts emphasis on the individual and being independent. Samoan culture puts emphasis on family and interdependence between individuals."

Fa'aSamoa underpins the Samoan way of life (see Edwards et al., 2003; Lui, 2003; Families Commission, 2012; Anae et al., 2007) and includes the following foundational, interconnecting values:

- *Alofa*: concept of giving, receiving and sharing of gifts;
- *Fa'aaloalo*: respect is the foundation of good relationships;
- *Ava fatafatafa*: mutually respectful face-to-face relationships
- *Fa'amagalo*: process of restoring broken relationships; and
- *Vā*: relationships with the family.

Each of these values is underscored by kinship, family and a strong sense of socio-cultural identity and cohesion (Lui, 2003). Indeed, the family (‘āiga) is recognised as the primary unit of Samoan society and is one of its most stable features (Fitzgerald and Howard, 1990). These principles colour the wealth practices of many Pacific communities.

Certainly, these strong social ties are a key strength of many Pacific relationships (Lui, 2003) but they also come with responsibilities, including understandings of reciprocity and a sense of obligation toward family members, the church and the wider community (Families Commission, 2012).

With respect to wealth exchange, this sense of obligation and the expectation of reciprocity can impact how relationships are negotiated when transferred to an Auckland setting. Macpherson and Macpherson (2011), for example, explored how contemporary understandings and practices of value exchange complicate cultural and relational processes, sometimes leading to social conflict. Their research showed that whilst the incorporation of cash in some ceremonies, such as weddings and funerals, has been straightforward, its introduction into other ceremonies, such as a formal apology (or ifoga*),* has created problems (see also Macpherson and Macpherson, 2011b). Traditionally, the performance of an ifoga has involved the presentation of symbolic gifts in quantities that reflect the estimated social damage caused by an offense. However, the degree of damage caused is difficult to establish with confidence when exchanging cash rather than symbolic gifts (Macpherson and Macpherson, 2011b, p.35). It seems that monetary exchange through the practice of ifoga has the capacity to complicate (but also, if performed appropriately, to mediate) social disputes.

These cultural values shape the everyday financial practices of many Pacific people (Edwards et al., 2003), including those who were born in New Zealand (Families Commission, 2012). In the following, we focus on three specific financial practices that are common in the Pacific community – remittances, gift-giving and donations to the church.

Remittances are an important feature of Pacific economies

Remittances are “money transfers from private incomes, usually from a family member to relatives overseas (Aiavao, 2014, p.34).[1] Remittances can also, however, go to groups or organisations (for example, churches) or to specific initiatives such as relief aid. NZIER (2007) reports that around 85 per cent of Pacific people in New Zealand send remittances overseas (see also Statistics New Zealand/Ministry of Pacific Island Affairs, 2011) and, notably, financial remittances comprise a significant proportion of money flowing into the Pacific Islands. Samoa, for example, received nearly NZ$220 million through remittances in 2012/13, amounting to around one-quarter of the country’s GDP (Aiavao, 2014).

The specific motivations for remittance are varied but is considered by many Pacific people (both migrants and those who were born in New Zealand) to be an expression of family connection between New Zealand and the Pacific Islands and an important way to maintain kinship ties at a distance (Fitzgerald and Howard, 1990, see also Auckland Council, 2015b). NZIER (2007) notes the following motivations:

- To provide immediate benefit to those living in the Pacific Islands, including providing for daily needs and minor church, school and family obligations (80 to 85% of remitters did so for this reason);
- To provide immediate relief following a crisis or natural disaster;
- To secure future benefits (including securing one’s right to return, maintain one’s social standing, and the right to share in the ownership of land and resources). In this respect, remittances may be seen as a form of savings;
- To contribute to the education of kin. In this sense, remittances can be viewed as a form of investment in the social capital of family members;
- To repay family for their contributions to one’s upbringing; and
- To invest in commercial interests in the home island.

Writing about Tongan remittance practices and drawing on empirical research, Vete (1995) notes, however, that people remit in different ways and for different reasons:

- Women have higher remittance rates than men;
- Younger people with no dependents tend to remit higher proportions of their income, particularly if they are not charged board or rent in New Zealand;[2]
- Older people with fewer financial obligations tend to remit more;

[1] It should be noted, however, that remittances do not only flow from those living in New Zealand to family living in the Pacific Islands (Addo, 2012; Marsters, Lewis, and Friesen, 2006).
[2] It should also be noted, however, that some cultural practices around wealth transfer have been modified over time with young Pacific people (in particular, those born in New Zealand) feeling less committed to making donations to family members and expressing greater concern that wealth practices might lead to debt accumulation (see Families Commission, 2012).

- Those with temporary residency permits (staying in New Zealand for four years or less) tend to remit proportionately more than those with permanent residency; and
- As family size increases, remittance size typically decreases.

Other authors writing in the Fijian context point to remittances as a form of social protection for family members at home given there is no social welfare provision in Fiji (Jiminez et al. 2012).

Writing of the Cook Islands, Marsters et.al. (2006) suggest that remittance behaviours are governed by complex sociological and psychological factors, including cultural obligations, a commitment to home, self-interest, securing and maintaining relationships, and in some cases, altruistic impulses. They also argue, however, that an understanding of Pacific families operating harmoniously to ensure equitable outcomes across the family is a "fallacy"; the flow of remittances is undoubtedly complex (Marsters et.al. 2006, pp. 39-40). The authors' primary research showed that:

- the flow of remittances between groups occurred within ill-defined and flexible boundaries (sending remittance to one household, for example, did not necessarily mean that particular household would directly benefit from that remittance);
- jointly held property rights could be negotiated or contested along and within family lines (remittances could help to strengthen an individual's claim to property rights, but could not guarantee a specific outcome);
- there is not always a clearly identifiable central person who is responsible for all decision-making around remittance practices;
- the transfer of wealth through remittances is subject to self-interested individuals and moderated by complex relational politics; and
- economists' understanding of remittance and wealth transfer is unable to fully account for complex exchanges.

The authors conclude that remittance relationships are best thought of as a network that is produced through the social interactions and practices that govern them, rather than a network with pre-determined boundaries (such as 'the household').

Vete (1995) maintains that, on the one hand, remittances are dynamic and likely to change as needs change (for example, as needs in the homeland decrease, so too will remittance requirements). On the other hand, however, Vete (1995) notes that perceptions of need could also change as standards of living improve. Vete (1995) also draws attention to potential unintended consequences of remittances such as central government reducing social welfare provisions.

The practice of giving gifts

In addition to these more formalised financial remittance practices, for some Pacific people, a reciprocal kinship-based system of gift-giving also takes place. This involves gifts (both material and financial) being exchanged, shared and re-distributed among the extended family (Thornton, Kerslake, and Binns, 2010). Gift giving is a significant component of Pacific wealth exchange and an important means of reinforcing family relationships.

Increasingly, however, traditional expectations around gift-giving are seen to conflict with the realities of urban life (Fitzgerald and Howard, 1990; Thornton, Kerslake, and Binns, 2010; Macpherson and Macpherson, 2011). Reciprocal gift giving (and the sense of family obligation to provide gifts at special life events) is sometimes said to 'hold back' Pacific families and communities from achieving economic security, independence and success (Gibson-Graham, 2005). This is because gifts are not only given by those with the financial recourse to give. Others who are unable to afford gifts are known to borrow money from fringe lenders and loan sharks, thereby creating indebtedness and economic vulnerability (see Anae and Coxon, 2007; Macpherson and Macpherson, 2011; Valins, 2004). It should be noted, however, that this claim privileges individual wealth accumulation over the sharing of resources and fails to fully account for the importance of familial relations in this context.[3]

Contributing to the church is a common and vital social practice

Churches perform an important role for many Pacific communities and tithing or other donations to the church is a common practice (Families Commission, 2012; Edwards et al., 2003). Primary research carried out by the Families Commission (2012) revealed that donations to the church often amounted to a high proportion of household income – often higher than families could afford. Their research also showed that some Pacific families were critical of church practices around donations as a result (see also Edwards et al., 2003). Two key reasons included:

- church attendees being urged to give beyond their means; and
- church ministers reading out the names of families and the amounts donated.[4]

The research also revealed incidences of people taking out loans in order to meet their perceived obligations to the church (Families Commission, 2012).

[3] See also Brown, Connell and Jimenez-Soto (2014) for a discussion of migrants' remittances, poverty and social protection.
[4] It should be noted that the origins of the latter practice may lie in traditional practices of announcing and acknowledging gifts offered by visitors as a sign of respect and honour. However, in the New Zealand context, its meaning appears to have changed (Families Commission, 2012).

Importantly, however, the same study also revealed that some participants described incidences of their church providing material support for those in need, as well as informative classes on managing debt. Other studies have also focused on the positive role performed by the church with respect to wealth transfers. Primary research from Anae et al. (2007), for example, reported many Pacific participants stating that:

- there was no compulsion to give;
- some church ministers encouraged members to attend to the needs of their family before contributing to the church; and
- because churches do good things in and for the community, they are worth supporting.

5. Debt accumulation and management

Debt is a prominent and increasing feature of life across New Zealand (Williams and O'Brien, 2003). However, debt becomes a problem when it becomes unmanageable and leads to financial strain (Families Commission, 2012). This section looks specifically at financial hardship. It should be noted, however, that although this section focuses on the Pacific community in Auckland, much of the content could equally be attributed to non-Pacific communities across Auckland. The section begins by discussing the relationship between Pacific people and debt levels, before turning more specifically to the social and financial impact of wealth practices and the targeted business strategies of lending companies.

Pacific people and problem debt

To some extent, levels of debt can be correlated with ethnicity (see Valins, 2004). The Statistics New Zealand Household Savings Survey (2001), for example,[5] showed that Pacific people had the highest levels of bank debt and liability, and the highest levels of hire purchase debt. Studies of net worth also show that Pacific people have significantly higher levels of debt than people identifying with other ethnic groups (Families Commission, 2012).

Both the Families Commission (2012) and Anae et al. (2007) have considered the characteristics that might predispose Pacific people to be vulnerable to debt accumulation. The following combines the suggestions made across each report:

- High unemployment and low-paying jobs;
- Low home ownership levels;
- Higher negative wealth, where liabilities exceed assets;
- The need to service existing debts, including repayments on credit purchases;
- Living in Auckland, where the cost of living is higher;
- Family members in the homeland being unaware of the financial hardship created when requesting financial support;
- Living in multi-family households;
- A tendency to prioritise wealth transfers (for example, remittances, *fa'alavelave,* church donations) over essential living costs;
- Lack of access to affordable credit and a resulting tendency to use alternative money lending sources;
- Limited knowledge and skills in financial management; and

[5] The Household Savings Survey was a one-off survey commissioned by the Retirement Commission.

- Being disproportionately affected by economic recession.

Rather than a single factor that makes Pacific people vulnerable to problem debt it is likely to be a combination of factors that result in financial challenges (Families Commission, 2012).

Anecdotal evidence from agencies providing social services, including legal and budgeting advice, suggest there are significant concerns about debt levels and its consequences for Pacific families (Anae et al., 2007; Families Commission, 2012). Valins (2004) reports four prominent consequences of debt:

- Financial hardship;
- Poor health;
- Family stress, stigma and social exclusion; and
- Barriers to employment.

The social and financial impact of wealth practices

As discussed above, Pacific wealth practices (for example, remitting, gift-giving and donations to the church) are often grounded in a sense of familial and community belonging, and understandings of mutual support and reciprocity. These practices can inadvertently contribute to social and financial hardship for those Pacific people who are living in New Zealand (Families Commission, 2012).

For example, in a qualitative study of Samoan youth, Edwards et al. (2003) found that family donations and remittances often exceeded what participants felt their families could afford. This led to financial hardship that created difficulties paying household expenses (including, in some cases, everyday necessities). Some family tensions appeared to emerge as a result of this financial hardship and many young participants felt that it was important that donations should better reflect the family’s income to avoid this outcome.

Similar results were found in a qualitative study carried out by the Families Commission (2012) which showed that, in some cases, the practice of reciprocity involved excessive financial demands from senior family members without consideration of the family’s financial situation. At times, this occurred because those living in the Pacific Islands were not cognisant of the high costs associated with living in New Zealand and the financial burden placed on the provider. Given formalised debt is uncommon in most Pacific Island communities, there was also reportedly a limited understanding of the debt people might incur in New Zealand and the associated financial costs of servicing such debt.

Other studies have shown that financial contributions to family members often come at an unexpected and inopportune time when family members are facing financial difficulties themselves. Again, this could put New Zealand-based families under both socio-cultural and financial duress (Anae et al., 2007).

The Pacific community are targeted by fringe lenders

Many Pacific people appear to have difficulties accessing affordable credit through conventional channels. The reasons can include: a lack of assets that are typically required as security; not having a credit rating (Families Commission, 2012; Anae et al., 2001); and more socially-oriented reasons such as feeling intimidated by traditional banks and financial institutions (Families Commission, 2012; Anae et al., 2007).

Credit is readily available, however, from 'fringe lenders' who are known to target low socio-economic areas with high proportions of Pacific people (Anae et al., 2007). Fringe lenders are different from mainstream lenders such as trading banks and finance companies, in that they:[6]

- Provide loans instantly without applying the more stringent criteria that other banks might do;
- Emphasise how easy it is to get money quickly;
- Charge much higher interest rates and have higher additional costs such as administrative costs that are out of proportion to the loan size;
- Target specific ethnic communities with low income levels and/or poor credit ratings, often using ethnicity-specific salespeople and direct-marketing campaigns; and
- Partner with mobile retail stores that sell a range of items door-to-door.

The practices of fringe lenders are criticised primarily because they are more costly to borrowers than mainstream banks and financial institutions. Additional practices that are identified as problematic include:

- Not advising customers of additional costs such as penalty rates for missed payments or early repayment;
- Failing to explain the circumstances of repossession, including the possibility that debt might still be owed following goods being repossessed;
- Complicated contracts that are difficult to understand;
- Publicising and shaming debt defaulters; and
- Applying pressure to borrow additional money, especially when initial loans are repaid.

[6] The following information combines details from the Families Commission (2012) and Anae et al. (2007).

The availability of easily accessible money through such channels coupled with limited means of repayment often results in unmanageable debt levels (Families Commission, 2012). Clearly, fringe lenders do provide a niche market for consumers who might not be eligible for loans or have little access to mainstream banks and lending institutions. However, many fringe lender customers get into financial difficulties and prolonged financial hardship. The following combines the work of the Families Commission (2012) and Anae and colleagues (2007) and outlines specific reasons why the Pacific community might be especially vulnerable to problematic debt accumulation:[7]

- Limited knowledge about financial matters and legal processes, including processes of redress;
- Thinking about debt repayments in terms of traditional flexible cultural understandings rather than as a contractual obligations with attendant costs;
- A focus on the immediate benefits of available money rather than the longer-term costs and implications of borrowing;
- Trusting lenders to volunteer necessary information and not fully understanding specific terms and conditions of loans or their financial implications;
- Being reluctant to ask questions in case offence is taken or the loan is denied;
- Not seeking independent legal or budgeting advice before accepting the loan;[8]
- Seeking advice too late, when the problems are well-advanced and much more difficult to solve; and
- Not shopping around for the best deals.

[7] It should be noted that many of the reasons noted are not exclusive to Pacific communities.
[8] Especially important for those who are fairly recent migrants with few English language skills.

6. A diverse economies approach

The diversity of people, families and communities living in Auckland suggests that understandings of wealth and well-being (as it relates to wealth) are likely to be similarly diverse. Consequently, any discussion of 'Pacific' wealth must keep this diversity in mind. It also raises significant questions:

- Who is and is not included in the category 'Pacific'?
- How applicable is a pan-Pacific identity and construction of wealth and well-being (as it relates to wealth) in this context?
- What might pan-Pacific understandings of wealth and well-being mean for the financial and socio-cultural outcomes of Pacific families in Auckland?

A 'diverse economies' approach is valuable here in that it provides a useful framework for thinking about a diversity of economies. The approach recognises the huge variety of economic transactions, labour market engagement practices and economic organisations that contribute to financial well-being in both positive and unsavoury ways (see Gibson-Graham, 2005; 2006). It is particularly useful for understanding Pacific wealth in all its forms because it:

- Reveals Pacific understandings of wealth as valid economic practices running parallel with more visible systems (i.e. the western system);
- Challenges the limitations of monocultural (i.e. western) systems of knowledge, capitalist productivity and efficiency, thereby opening space for alternatives; and
- Encourages and enables communities to imagine and practice economic development and engagement differently (Gibson-Graham, 2005; McKinnon, 2010).

Gibson-Graham's (2004; 2005; 2010) political project of a diverse economy (see also Rahnema with Bawtree, 1997) provides a useful challenge to singular western notions of what constitutes wealth, value and well-being including the 'productive' and 'judicious' accumulation and distribution of wealth and value. There is a huge variety of economic transactions, labour practices and economic organizations that are distinguishable from western economies and yet contribute substantially to social well-being worldwide. The diverse economies approach groups this variety in three broad non-prescriptive groups:

- Transactions (including all market, alternative market and non-market transactions that circulate goods and services);
- Labour (including wage labour, alternatively compensated labour and unpaid labour); and
- Enterprise (including all the non-capitalist and capitalist enterprises that produce, appropriate and distribute surplus in different ways).

Table 3 below was created by the authors by drawing on a wide sample of research and literature. The table begins to explore the particularities of a diverse economy with respect to the wealth and well-being of Pacific communities in Auckland.

Table 3: Pacific communities' diverse economy in Auckland, New Zealand

TRANSACTIONS	LABOUR	ENTERPRISE
Market Goods: furniture, groceries, pharmaceuticals, vehicles, hardware Services: internet, medical, telecommunications, rental properties Credit: accredited bank; registered lending institutions/ pawnshops; ‘fringe’ lenders; government provided student loan	**Wage** Private business NGO employees General labourers Council employees Municipal employees	**Capitalist** Merchants: retailers, dealers, trading, wholesaler Bank: Manufacturing: businesses (e.g. welding, construction, catering, dressmaking) Services: including private hospitals, schools
Alternative Market *Local trading systems* Transacting of traditional wealth e.g. koloa *Alternative currencies* Traditional wealth (kava root, koloa, ngatu pepa) *Underground market* Drugs *Alternative credit* *Kole* (request) money from relatives	**Alternative paid** *Reciprocal* *pale*: gifts of cash for cultural performances *Self-employed* *Welfare benefit* Unemployment; Disability; Student allowance *Pension* Retirees	**Alternative Capitalist** *Social ethic* Church in host country holds donations in a local bank account on behalf of church in the country of origin.
Non-market *Household flows* Food sharing Childcare sharing Caring for elderly and infirm Care of house and animals *Gift giving* Remittances Traditional Tongan gifts e.g. *koloa* (textiles made by women), *ngāua* (traditional wealth given by men incl. long yams, agricultural produce, pigs, kava roots) Commemorating life-passage moments: food, kola, money *fa’alavelave*: cultural obligations- weddings, funerals, title bestowals *ki’I me’a’ofa*: impromptu small (money) gifts to other members of one’s community or family (voluntary and not obliging reciprocation) *kavenga*: (obligation- duty and burden) ‘large gifts’ *misinale*: regular monetary donations to Christian congregations in the homeland *alofa or peleti*: regular ‘freewill offerings’ to the Church; financial, commodity, labour and in-kind casual gifts to pastors for services rendered personal gifts during a pastor’s service: costs of sabbatical and long-service leaves, medical treatment, children’s weddings and graduation ceremonies, retirement gifts e.g. cash, vehicles, land, houses, overseas travel. tithing: 10 of household income to church series of offerings *(taulaga)*: annual monetary collections by the Church (also known as special offerings): (1) *fa’amati* (annual): church designated item or home improvement for pastor; (2) mē: collection for the works of the national church occasional extraordinary expenditures for construction ((re)building church buildings, pastors’ homes, and ancillary buildings) *failotu:* (sermon or prayer-giving) composite gift of cash, cloth, food, and sermon	**Unpaid** *Housework/Family work* Cooking, cleaning, childcare, care of sick Family work growing food Family work in small business *Volunteer* Voluntary work on church grounds or community buildings Communal work to help households Sports coach or cultural leader *Neighbourhood work*	**Non-capitalist** *Non-profit* NGOs Schools *Communal* *Independent*

Sources: Addo, 2012; Brown, Connell, and Jimenez-Soto, 2014; Jimenez and Brown, 2013; Macpherson and Macpherson, 2011; Thornton, Kerslake, and Binns, 2010.

What is apparent is that there is a raft of alternative, non-market systems of financial exchange that are a legitimate part of the Pacific currency. The diverse economies model is a useful device for recognising and valuing the diversity of economic exchange and their implications. In recognising diversity, the model avoids privileging one set of practices over another and lends itself to an asset or strength-based model (rather than a deficit or needs-based model). This can be empowering for those involved and encourages utility of existing structures as well as imagining ways of doing things differently.

Clearly, the diverse economy project challenges mainstream economic development understandings and the assumption that the only viable economy is a western capitalist economy (Gibson-Graham, 2005). Instead, the diverse economies approach actively seeks to join together what is usually considered to be the mainstream economy (market transactions, wage labour and capitalist enterprise) with other forms of economic transaction and exchange (including traditional forms of Pacific wealth outlined in this report). Given each economic model sustains material and social well-being, this is vital. To conclude, a diverse economies approach to exploring complex and highly situated Pacific networks of wealth provides a non-prescriptive framework that takes account of (and values) a multiplicity of economic activities.

7. Conclusion and research gaps

This final section summarises the key issues raised throughout the report, identifies specific gaps in the literature and research, and makes suggestions with respect to future research.

This report has drawn attention to Pacific practices associated with wealth accumulation and debt management. The report has shown how Pacific economies are often underpinned by a set of collectivist values that are quite different from the individualist values of so-called mainstream economies. It is vital that the public sector recognises the specific value of these alternate economies and avoids reproducing Pacific wealth practices as somehow inferior or non-productive (see de Sousa Santos, 2004). The transfer of wealth within the Pacific community through remittances, gift-giving and contributions to the church are vital practices that are firmly embedded in tradition. Although each of these practices is economic in practice and outcome, their origin lies in the location of the giver within familial and communal relationships. Debt accumulation is a significant problem for many New Zealanders and the Pacific community is no exception. Problem debt is not helped by lenders who target Pacific people.

The report identified a number of gaps in the literature and research. For example, the current literature is unable to fully explain the specific socio-cultural and socio-economic factors which contribute to Pacific economies (see Addo, 2012; Brown, Connell, and Jimenez-Soto, 2014; Brown, Foster, and Connell, 1995). In addition, there is little research that specifically focuses on the multiple ways in which Pacific and western economies are melding in Auckland. Given the increasing number of second and third generation New Zealand-born Pacific people residing in Auckland, calling New Zealand home, and simultaneously retaining links to the Pacific Islands, this is an important gap to fill.

Further primary research would be helpful that provides greater empirical detail on the types of transactions, labour exchange and enterprise that occurs across and within Pacific communities. Research would be especially valuable if able to differentiate between Pacific sub-groups. In addition, given the concentration of Pacific people in the Southern Initiative area of Auckland, it would be valuable to map the economic practices and flows in that area. It is important that any empirical research is applied and has clearly articulated outcomes that are socially and/or economically beneficial to the Pacific community. In other words, research must allow the strengths of the Pacific community to be leveraged.

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