



The social value of a job



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Executive Summary

1. In considering the social effects of primary industries, this report aims to move beyond the simple number of “paid jobs created” as the sole indicator of employment benefits. Therefore this report explores a range of flow-on social effects that may occur as a direct result of paid jobs.
2. In this report, a job means a paid job. While we acknowledge that unpaid work is also part of the social economy, the relevance of unpaid work to developments in primary industries in New Zealand has not been explored here. However, considerable overlap can be expected.
3. The report is based on three lines of enquiry: a literature scan, including grey literature; a search for relevant New Zealand contextual data sets; and peer review.
4. Data sources explored included longitudinal studies, meta analyses, systematic reviews, and qualitative studies. Given time and budget constraints, the focus on meta analyses and systematic reviews in the literature was deliberate. We did not review the corresponding plethora of individual research reports. Population survey or census data were considered only contextually, since they do no more than suggest possible associations between having paid work and other social outcomes.
5. The literature accessed has concluded that there is evidence of causality – that having a paid job does indeed cause a variety of beneficial social outcomes to occur.
6. The following two tables summarise the key findings of this investigation. Table 1 summarises the social benefits of having a job for individuals and their households, while Table 2 summarises the social benefits for the wider community.
7. The findings presented here should be treated as an initial exploration of the field, inviting primary industries to look below the surface of simple job data when assessing the social effects of proposals and suggesting a range of useful lines of enquiry that could be pursued during assessments.
8. In some limited cases (for example, the *NZ General Social Survey 2012*), data on the New Zealand context exists to support particular findings of this report. However, such quantitative social data are not plentiful. There is considerable opportunity for qualitative/quantitative research if the resources can be found.
9. Social assessments of primary industry developments – or indeed of new development proposals in any sector – can draw on this work in several ways, by:
 - direct use of the findings as a source of evidence;
 - highlighting how social outcomes of paid work may arise at the individual and household level, and at the community level, and ensuring that both levels are addressed;
 - using the social outcomes identified in this report as a basis to consider whether more in-depth enquiry is required.
10. Finally, this report explains how a company’s conscious consideration of the social benefits of work to itself, its workforce and its community are relevant to developing a Social Licence to Operate.

Table 1. The social benefits of having a job – for individuals and households

Lay summary	Technical details
Provides money; boosts living standards; and provides a way out of poverty or to avoid poverty	<ul style="list-style-type: none"> • Is typically the main source of household income, and consequently determines material wellbeing and living standards • Is the main route out of poverty for poor men and women • Increases the long term employability of employee
Improves our health and wellbeing	<ul style="list-style-type: none"> • Lowers death rates. • Improves physical health. • Lowers rates of long standing illness; of poor general health; of somatic complaints; of disability; of consulting a GP; of using medications; of admissions to hospital.
Helps us say no to addictive substances	<ul style="list-style-type: none"> • Lowers heavy use of tobacco, alcohol and drugs.
Improves our mental health and how we feel about ourselves	<ul style="list-style-type: none"> • Lowers rates of suicide and death from accidents. • Lowers rates of depression and anxiety. • Improves self-respect and self-esteem.
Contributes to making children's lives better, making children feel better, having better health and behaving better.	<ul style="list-style-type: none"> • Lowers rates of chronic illness, psycho-somatic illness and enhances wellbeing for children. • Lowers psychological distress and subsequent lower rates of withdrawal, anxiety, depression, aggressive or delinquent behaviour in children. • Improves social status of family members, and their wellbeing.
Helps children say no to addictive substances	<ul style="list-style-type: none"> • Lessens substance abuse in children
Enhances future job prospects for our children	<ul style="list-style-type: none"> • Children are less likely themselves to be out of work in the future.
Enhances our social circle of friends and gets us out more.	<ul style="list-style-type: none"> • Increases the frequency and number of social contacts, social outings and participation in recreation. • Increases diversity of people connected with.
Helps us feel good about ourselves	<ul style="list-style-type: none"> • Meets psycho-social needs where employment is the norm. • Is central to a person's social status. • Helps people to gain meaning from their life, by their job helping others and contributing to society.
Shapes who we are	<ul style="list-style-type: none"> • Shapes self-respect, individual identity and social identity.
Makes our lives more satisfying	<ul style="list-style-type: none"> • Boosts life satisfaction and perception of wellbeing.

Table 2. The social benefits of having a job – community outcomes

Lay summary	Technical details
Contributes money and resources into communities	<ul style="list-style-type: none"> • Increases resources available to a community. • Improves community quality of housing, fundraising ability of community and increases the number of services which can be sustained. • Increases salary and wage spend into community. • May increase company spend on supplies (local and regional). • May increase corporate social responsibility investment by company (local and regional). • Increases local and regional taxes paid. • Multiplier effect of additional jobs from the above local and regional spend.
Helps us get on better with each other	<ul style="list-style-type: none"> • May increase trust and understanding of other people (including friends, neighbours and government). • May improve social capital and sense of engagement with others. • May reduce social exclusion for minority groups. • May increase level of civic engagement (joining organisations and participating in civic life); and subsequent social cohesion.
Contributes to social gradients in our community	<ul style="list-style-type: none"> • As job grade increases, rates of chronic disease decrease. • Job networks may either include or exclude people from certain jobs.
Contributes to society	<ul style="list-style-type: none"> • Jobs can contribute to society by producing meaningful, safe and environmentally sustainable products and services.

1. Introduction and method

Introduction

In 2012, the Ministry for Primary Industries (MPI) Aquaculture Unit began a work programme dealing with the social effects of aquaculture, including:

- guidelines on how to undertake social impact assessment within the aquaculture industry;
- a report on how primary industry might improve its social licence to operate (Quigley and Baines, 2014).

The guidelines work identified that while employment (paid jobs) was often listed as a social outcome of aquaculture, there was little detail about the flow-on social effects of these paid jobs. Therefore the Ministry for Primary Industries wanted to improve their information base on the social impacts of job creation, so that the social benefits of new primary industry development proposals can be better considered. The authors of this report were therefore asked to answer the question:

'What are the social outcomes of having a job?'

This was to be answered with high quality¹ international data, backed up by contextual New Zealand data where possible.

Finally, to dovetail with the preceding two pieces of work, sections on exploring links with the SIA Guidance and *Social Licence to Operate* report were requested.

Method

The work was carried out in three phases:

- **Literature scan** – Bibliographic databases were systematically searched² at the University of Otago library. Relevant articles were retrieved. A google search for grey literature was also undertaken. Finally, contact with social science experts provided additional documents.

- **Contextual data from New Zealand government organisations** – Once it was clear what social factors were affected by having a job (based on the evidence in the first draft of this report), contact was made with certain government agencies to attempt to gain contextual data (e.g. population survey data) for each area.
- **Peer review** – This document was sent to peer reviewers: Kirsty Austin (Andrew Stewart), Kristie Carter (Treasury), and Gerard Fitzgerald (Fitzgerald Applied Sociology) for comment. Peer reviewers (GF and KA) then met with the authors and the Ministry for Primary Industries face-to-face to discuss their comments. Changes were incorporated into this final version.

A guide to evidence and data used in this report

In this report, the source of the data is always stated when we describe a potential outcome, e.g. longitudinal, survey, meta-analysis. We have largely used systematic reviews and longitudinal studies. Also, the data is population-level data; e.g. collected from large numbers of individual people in a longitudinal study or census. Statistical tests are used to determine if the correlations between variables are due to chance or not. Therefore everything in this report boils down to increased or decreased likelihood of 'an outcome' for groups of people, and cannot be ascribed to any particular individual. We refer to such population data in this report as affecting 'people'. Following is a brief description of the type of evidence used in this report.

¹ Data from longitudinal studies, systematic reviews and meta analyses; instead of population surveys.

² The search strategy was developed with assistance from the University's search strategy librarian. Databases searched were OVID and Scopus, from 1996 to May 20th 2014. The main search terms used were 'social outcomes', 'social impact', 'social value', 'crime', 'housing', 'relationship', 'employment', 'job', 'work' and 'occupation'. This returned 482 potential documents to review. After review of title and abstract, 29 articles were retrieved for consideration in this review.

Population surveys and censuses: These provide basic data that can say whether one variable is associated with a second variable. For example, being employed (first variable) may be associated with tobacco smoking (second variable). This association provides an idea (hypothesis) of a relationship, however it does not help with understanding the direction of the relationship. For example, a survey cannot answer whether being employed causes lower/higher smoking rates, or whether smoking affects the likelihood of employment. Also in a large survey (or census) with a lot of questions asked, there will be many associations that ‘happen by chance’³ – known as spurious associations. Because of the issues with surveys and censuses, we have only included New Zealand context data of this type. Such data is not included in the evidence sections of this report, nor in the summaries or conclusions. It is context only.

Longitudinal studies: Higher quality evidence comes from studies that follow groups of people over time. Such studies can observe changes in smoking as individuals move into and out of employment. Such studies allow a researcher to check that some ‘phenomena’ (measured, data) occurred before an outcome (measured, data), and that the two vary together (e.g. as one goes up, the other goes up/down, etc.)

Meta analyses: A meta analysis draws on the data from several studies (of the same type) and allows re-analysis drawing on a much larger sample size. The meta analysis then has increased power to identify small effects, and to identify the average impact (quantitatively).

Systematic reviews: These are large-scale reviews of published literature on a topic. Drawing on other authors previous efforts is a wise use of resources (time and money). Ensuring systematic reviews have been rigorously undertaken is the main consideration when using evidence from existing systematic reviews

Qualitative studies: For truly understanding impacts in a community, mixed methods are required. Methods that can complement those already described above are qualitative studies, such as interviews, focus groups, workshops and case studies. Such data help to identify/understand complex relationships (rather than just simple associations as per a survey/census), identify rare outcomes, and provide a ‘how come’ answer (instead of just a ‘what/how much’ answer). They can be particularly useful if undertaken before and after an intervention has occurred to identify the changes experienced.

³ To test if an association is statistically significant, it is typical to test whether the association has less than a one in twenty likelihood of being due to chance ($p < 0.05$). However if there are 500 variables/pieces of data in a survey, approximately 25 statistically significant associations are likely to be spurious and due to chance alone.

2. Scope of the work

Scope

The Ministry for Primary Industries asked for a concise, simple report that was accessible to primary industry stakeholders. It is not an academic paper, and due to budget restraint it is not a systematic review of all the available literature. Notwithstanding that, the authors stand behind the quality of the work.

Definition of a job

In this report a colloquial definition of jobs is used: “a paid position of employment” (*Oxford English Dictionary*, 2014). This includes fulltime work, part time work, casual work, contract and temporary work. We have also included studies comparing a paid position of employment with unemployment – to fully understand the benefits of a job. For completeness, it is important to keep in mind another category of jobs – unpaid work. Unpaid work can be within a person’s own household, or for someone else. Some New Zealand statistics are collected on these two categories of jobs. While the social consequences of unpaid work are not identical with those of paid work, there is considerable overlap. Furthermore, there are situations in small businesses where unpaid work by family members complements the efforts of those in paid work. However, the relevance of the role of unpaid work to developments in aquaculture in New Zealand has not been explored. Despite this, it should not be inferred that unpaid work does not have flow-on social benefits

We are confident in our colloquial use of ‘jobs’ given the *World Bank Development Report* (2013) titled ‘Jobs’, which also extends to the above terms.

Extent of the literature

We identified an excellent recent summary about jobs and social outcomes in our literature scan (*World Bank Development Report*, 2013). The New Zealand and Australian health sectors have also produced excellent position statements on the health and wellbeing effects of work (Royal College of Psychiatrists, 2014; Royal Australasian College of Physicians, 2011) based on previous high quality reviews. Otherwise, data is scattered across many articles. As recently as 2010 a review by the European Commission on how to assess the social impacts of employment concluded ‘methods are often basic in

nature’, ‘there is weak demand’, ‘a poor supply side’ and ‘a gap exists between theory and practice’ (de Vet et al, 2010). Despite this, there is solid evidence to draw firm conclusions and we hope this summary contributes to New Zealand’s understanding about the social value of having a job.

Complexity of this topic

The social value of being employed is different to the negative aspects of being unemployed – yet both are relevant and therefore presented in this report. Also, not all jobs are created equal – is part time employment as beneficial as full time, and are there different outcomes if workers are contractors vs permanent staff, or if work is seasonal and only available for 8 months of the year? Some workplaces are less safe than others and does this also lead to different social outcomes? Such data, where it exists, are reported.

This report does not cover unpaid roles undertaken, nor does it cover how to improve employee wellbeing while at work (reviewed elsewhere: New Economics Foundation, 2014). Also, a comprehensive report into the social effects of aquaculture in developing countries (Food and Agriculture Organization of the United Nations, 2006) has not been cited in this report due to issues with transferability of evidence to a New Zealand context.

What about the negative effects of job creation?

While not the focus of this report, there are always potential negative effects from all interventions, including job creation. For example, large scale employers not using local labour and flying/driving in ‘outsiders’ may create a local (community and individual) negative effect. Though at a regional/national-level the development could still be seen as positive; and for the household employed (no matter where they live – it will be positive for them). Several examples of negative effects are described in the report, but are handled in a positive way. For example, “by avoiding phenomena x, more positive outcomes are achieved”.

3. Overall, what is the social value of having a job?

The social effects of having a job are experienced at two levels – by an individual and the household in which they live, and by communities. Consequently, having a job is critical to an individual’s wellbeing (and to the others in the household), and to sustaining a vibrant community in which the household is situated. In summary the *World Bank Development Report* (2013) says it best:

“Jobs are transformational. They are more than just the earnings and benefits they provide. They are also the output they generate, and part of who we are and how we interact with others in society. Jobs boost living standards, raise productivity and foster social cohesion”

Good jobs are those that improve the wellbeing of the individual who holds the job (without harming others). But, the best jobs for society are those which not only serve the individual person, but also produce positive spill-over benefits to the community.

The overall benefits of having a job (for individuals and their household, and a community) are summarised in Tables 1 and 2 (in the Executive Summary). The tables report only the positive outcomes, and these may be changed by other employment factors as discussed in the detail in this report.

These findings do not discriminate about the particular circumstances of individuals and households. Certain factors, particular to an individual or household, may well alter the conclusions about social benefits in some

cases. For example, the particular circumstances of a sole parent, or someone whose household has responsibilities for caring for an elderly/infirm family member, or someone with a disability may render some of these generalised conclusions inappropriate or even irrelevant.

The implications of such an acknowledgment must be kept in context. If an assessor is trying to assess the flow-on social benefits of paid work arising out of an aquaculture proposal in a specific social setting, the findings remain pertinent, unless a demographic analysis of the relevant population reveals an exceptional proportion of sole-parent households or households caring for a dependent family member.

Furthermore, if future studies permit a more nuanced interpretation of potential social benefits of paid work then such insights ought to be applied, as appropriate.

4. Evidence from literature

4a. A job provides money, boosts living standards and provides a way out of poverty or to avoid poverty

Key points: A job that pays a living wage provides money, boosts living standards and provides a way out of poverty. A job:

- is the main source of household income, and consequently determines material wellbeing and living standards (especially where a living wage is paid);
- is the main route out of poverty for poor men and women;
- increases the long-term employability of employee.

A United Kingdom independent review of scientific evidence found that employment is ‘generally the most important means of obtaining adequate economic resources’, which are essential for material wellbeing (Waddell and Burton, 2006). In other words, for most people, jobs are the main source of household income, and subsequently the most important determinant of living standards.

There is strong evidence that families escape or fall into poverty (in developed and developing countries) because family members get or lose a job. Increasing earnings from getting a better paid job is also a strong step towards improvement in material wellbeing (*World Bank Development Report*, 2013).

A substantial OECD (2009) review also shows productive employment and decent work are the main routes out of poverty for poor men and women (in developed and developing countries). In turn this raises income, allows short term coping, allows spending on material goods by poor men and women, and increases their long term employability (and subsequent long term coping and spending on material goods).

In societies where women have low rates of paid employment, a job that provides income to a woman also

gives the woman more say on the way household resources are allocated. This has typically led to greater household spending on raising children (*World Bank Development Report*, 2013). The transferability of this particular piece of international evidence to a New Zealand context is unclear, though as discussed below (Perry, 2013), a substantial proportion of poor children in New Zealand live in working households.

But not all the time – what if the job is poorly remunerated?

Jobs do not automatically guarantee sustained improvements in earnings. Poor men and women (in developed countries) often have more than one job and work long hours, but their jobs are poorly remunerated (*World Bank Development Report*, 2013). This focuses attention on the significance of the level of remuneration. Many of the flow-on benefits of a job rely not merely on the existence of the job but more importantly on the adequacy of its remuneration.

There is growing interest in New Zealand in the concept of a living wage, in both the public and private sectors of the economy. This is based on Ministry of Social Development data that “*on average from 2007 to 2012, around two in five (40%) poor children still came from working families*” (Perry 2013). While a living wage is more than just having the basic necessities, it is also worth noting that 230,000 New Zealand households report ‘not enough’ income to meet everyday needs (Statistics New Zealand, 2013). The living wage is not compulsory, instead it relies on the initiative of business owners. The living wage enables an employer to know that what s/he pays a worker is sufficient for them to live modestly and participate in society. ‘*It has proved very attractive to many employers and studies show it pays off in terms of morale and productivity*’ (King and Waldegrave, 2014).

What is the effect on the community?

Widespread unemployment of individuals living in close proximity (neighbourhoods/areas) reduces the resources

available to that community. Identified outcomes include low quality housing, lower fundraising ability for schools, fewer services and more people reporting lower levels of 'belonging' to their community (American Psychological Association, 2014).

Using a different source of evidence, a social impact assessment about mining operations in New Zealand provides an example of the potential monetary benefits from additional jobs via survey data (JKTech Pty Ltd, 2013), including:

- Salary and wage expenditure in the local community. Non-discretionary spending on groceries, health and transportation attracted the highest proportion (> 80 percent 'most' or 'all') of local spending, compared with furniture and clothing (40 percent 'most' or 'all');
- Supply chain and local/regional spend by the company (> 50 percent of this spend was local/regional compared with national);
- Corporate social responsibility investment and contributions;
- Local taxes are paid, e.g. rates, water, rubbish;
- Multiplier effect of additional jobs in other sectors/ suppliers.

New Zealand context

The *NZ General Social Survey 2012*⁴ shows that 11 percent of employed people 'did not have enough' income to meet everyday needs. This compares to 45 percent of people who were unemployed. Furthermore, 57 percent of employed people had 'enough' or 'more than enough' income to meet their everyday needs. This compares to 23 percent of people who were unemployed (Statistics New Zealand, 2014).

⁴ The New Zealand General Social Survey 2012 personal questionnaire was answered by 8462 individuals. Households were selected at random using a multi-stage sample design.

4b. A job improves health and wellbeing

Key points: A job that pays a living wage improves our health and wellbeing; and improves mental health and how we feel. A job helps us say no to addictive substances.

A job:

- lowers death rates and improves physical health;
- lowers rates of suicide and improves mental health, self-esteem and self-respect;
- lowers use of health services and medications;
- lowers heavy use of tobacco, alcohol and drugs.

There is consistent and high quality evidence that being out of work (unemployed) is bad for physical and mental health, for people of all ages. And the opposite, a job is good for physical and mental health (Royal Australasian College of Physicians, 2011; Waddell and Burton, 2006).

Also, when people move off benefits and into a job, their physical and mental health improves. It is summed up strongly by evidence-based documents “*These findings are not just associations. For people, being in-work causes, contributes to, or accentuates*” (Royal Australasian College of Physicians, 2011; Royal College of Psychiatrists, 2014; Waddell and Burton, 2006):

- Lower death rates⁵, particularly from cardiovascular disease and suicide.
- Better physical health, particularly lower rates of cardiovascular disease, lung cancer and respiratory infections.
- Better mental health, psychological wellbeing and self-esteem.
- Lower rates of long standing illness.
- Lower rates of poor general health.
- Lower rates of somatic complaints⁶.
- Lower rates of disability.
- Lower rates of consulting a GP, using medications, and admissions to hospital.
- Higher self-respect (Winkelmann et al, 1998).

In contrast to the positive effects of a job, Aylward (2010) undertook a comprehensive review of studies to show

long-term unemployment leads to a:

- health risk similar to smoking 10 packs of cigarettes per day;
- 40-fold increase in risk of suicide for young men out of work for longer than 6 months compared with those in work;
- 6-fold increase in risk of suicide for all population groups out of work longer than 6 months compared with those in work.

For young people in particular, unemployment causes or accentuates depression, anxiety and/or low self-esteem. These in turn affect physical health outcomes for many young people, including heavy tobacco, alcohol and drug use, as well as higher death rates from suicide and accidents (Royal Australasian College of Physicians, 2011).

What if a job is unsafe or unsatisfying?

All of these positive outcomes (above, from having a job) assume the workplace is safe and the job is satisfying – it is not the case when a workplace is unsafe or a job unsatisfying⁷ (Royal College of Psychiatrists, 2014; Royal Australasian College of Physicians, 2011).

The security of the job, work practices, workplace culture, work-life balance, injury management programs and relationships within workplaces are key determinants, not only of whether people feel valued and supported in their work roles, but also of individual health, wellbeing and productivity (Royal Australasian College of Physicians, 2011). A New Zealand report on occupational health concluded work-related disease and injury is responsible for considerable morbidity and mortality in New Zealand (Driscoll et al, 2004).

A World Health Organization (2003) report which drew on several European studies concluded health can suffer⁸ when people have little opportunity to use their skills and have low decision making authority.

New Zealand longitudinal evidence (Melchior et al, 2007) also concludes that job stress (excessive workload, extreme time pressures) can lead to depression and

⁵ The number of deaths in a population over a specific time period. It can be calculated for all-causes of death, or for specific diseases/events.

⁶ Mental disorder where symptoms suggest physical illness or injury, but no medical cause can be found.

⁷ Unsatisfying refers to psychological and/or emotional sense, and not in relation to whether the remuneration is sufficient to meet the everyday needs of the individual or household.

⁸ Increased risk of low back pain, sickness absence and cardiovascular disease; independent of psychological aspects and adjusted for multiple confounders.

anxiety in previously-healthy young workers (two-fold risk compared to those with low job demands)⁹.

Having said all of the above, it is an argument with some nuances. **Long-term** unemployment is worse for people's health than having what is considered 'dangerous jobs', as this quote from a comprehensive United Kingdom review describes:

"...long term worklessness is one of the greatest risks to health in our society. It is more dangerous than the most dangerous jobs in the construction industry, or [working on an oil rig in] the North Sea, and too often we not only fail to protect our patients from long term worklessness, we sometimes actually push them into it, inadvertently..." Professor Gordon Waddell (Waddell, 2007)

Also, unemployment does not always impact negatively on health and wellbeing. In around 5 to 10 percent of the population, unemployment leads to improved health and wellbeing. Such improvements are generally seen in people who have financial security or who have planned for the situation, and are the exception rather than the norm (Royal Australasian College of Physicians, 2011).

Finally, a single (longitudinal) study of solo mothers voluntarily moving from unemployment into low wage jobs in the United States of America showed there were no harmful effects on cognitive or social outcomes for their children, even though the wages were very low (Moore and Driscoll, 1997).

Job insecurity and health

There are good data on the effects of perceived job insecurity and health for permanent workers. Negative effects stem from the threat of job loss, the stress response to sustained uncertainty and the lack of control (Benach et al, 2014). Job insecurity (anticipating job loss) in this definition is a chronic experience (long periods of time), rather than acute (short periods of time). It is not the same as actual job loss (studied separately). Job insecurity for permanent workers is associated with:

- reduced mental health (increased prevalence of depressive symptoms; minor psychiatric morbidity; and generalised anxiety disorder); and

- increased risk of physical ill-health (increased symptoms, worse self-reported health; increased use of health services; increased musculo-skeletal complaints; increased cardiovascular risk; increased heart attacks and coronary deaths);
- dose response relationships¹⁰ have also been identified.

A meta-analysis found a small negative effect for physical health (mean correlation -0.159) and a medium negative effect for mental health (mean correlation: -0.237) with job insecurity. Another meta-analysis found a modest negative association (32 percent increase in risk) between coronary heart disease and job insecurity (Benach et al, 2014).

New Zealand Context

New Zealand longitudinal data showed that moving from employment into 'unemployed and not looking for work' may be worse for mental health than moving to 'unemployed and looking for work'. The authors note their results are not consistent with studies which report becoming 'unemployed and looking for work' is associated with deteriorating mental health – suggesting a complex relationship between transitions into and out of employment and mental health (McKenzie et al, 2013).

In the *NZ General Social Survey*, 66 percent of employed people self-rated their health status as 'good' or 'very good'. This compares to 55 percent of people who were unemployed (Statistics New Zealand, 2014).

A summary

Job loss is bad for your health, long-term unemployment is very bad for your health and having a job is good for your health. Debate will continue about whether any job is better than no job. However, it is clear the greatest physical and mental health benefits come from having a safe workplace and a satisfying job.

⁹ The analysis controlled for socioeconomic position, a personality tendency to report negatively, or a history of psychiatric disorder prior to labour-market entry.

¹⁰ As the dose/exposure increases, so does the response/effect (or vice versa). Existence of a dose-response relationship (or not) is one criteria typically used to inform causation.

4c. A job keeps children and families healthy and well

Key points: A job that pays a living wage contributes to making the lives of dependent children better; making children feel better, having better health and behaving better. It helps children say no to addictive substances and enhances the future employability of children. A job:

- lowers rates of physical illnesses in children;
- increases wellbeing and mental health for children;
- lowers aggressive or delinquent behaviour in children;
- lessens substance abuse in children;
- improves social status of family members, and their wellbeing;
- means children are less likely to be out of work in the future as adults.

The influence of having at least one person in the household with a job extends to the children of the family. The impact on children from a parent having a job, where that job contributes a living wage is:

- a lower likelihood of chronic illnesses, psychosomatic symptoms and an enhanced sense of wellbeing for children in families where one or both parents have worked in the previous six months;
- children living in households where one or both parents have jobs are less likely in the future to be out of work themselves, either for periods of time or over their entire life; and
- psychological distress is less likely in children whose parents face reduced economic pressure. This consequently reduces the likelihood of withdrawal, anxiety and depression in the children, and reduces the likelihood of aggressive, delinquent behaviour and substance abuse (Royal Australasian College of Physicians, 2011).

A substantial position statement from the United States of America also reports similar impacts on families and children from one or more parents having a job:

- Enhanced sense of individual and family wellbeing.
- Decreased punitive and arbitrary punishment of children.
- Lower rates of distress and depressive symptoms in children, which in turn contribute to reduced risk of academic problems, substance abuse and risk of suicide (American Psychological Association, 2014).

The *World Bank Development Report* (2013) also concluded a lack of employment can lower the self-esteem and undermine the social status of other family members.

4d. A job provides social contact and contributes to social cohesion.

Key points: A job enhances our social circle of friends and gets us out more. A job:

- increases the frequency and number of social contacts, social outings and participation in recreation;
- increases the diversity of people connected with.

Jobs connect people to networks of other people. The workplace can be a place to encounter new people, and people different from oneself (by ethnicity, age, gender, sexual orientation, etc.). It is commonly reported that a worker interacts with a greater diversity of people at work, than he/she would in their usual social situation. This expansion of networks is important to engender trust and understanding between different peoples (*World Bank Development Report*, 2013).

For those people who may face discrimination, e.g. ethnic groups, people with a disability etc., work can reduce social exclusion at the individual level and increase fairness at a community level – where proportionate hiring occurs¹¹ (Royal Australasian College of Physicians, 2011). Employment of people who typically face discrimination can increase the extent to which individuals and groups feel they have a stake in society (*World Bank Development Report*, 2013).

For communities, job loss appears to foster mistrust not only toward former employers or government authorities suspected of being indifferent or responsible for the lack of employment opportunities but also among neighbours, former colleagues, and friends (*World Bank Development Report*, 2013). Longitudinal studies show unemployment leads to a loss of contact with people in the workplace and in related social networks. This reduction in contact can erode social capital and undermine the sense of engagement with others (*World Bank Development Report*, 2013).

Furthermore, there is strong evidence that work meets important psychosocial needs in societies where

¹¹ Where those groups are employed at or above their relative proportions in society, otherwise known as affirmative action or positive discrimination.

employment is the norm. It is central to social roles (Waddell and Burton, 2006).

In a multi-stage meta analysis of European unemployment census data (across 20 countries), unemployment significantly and substantially reduced participation in recreation, going out, and contact with friends; but not for religious participation (Dieckhoff and Gash, 2012). The authors concluded that this lack of social participation by unemployed people was affected more by social attitudes rather than financial constraints. Egalitarian and redistributive values¹² (held by society at the macro level) were more protective of social participation than attempting to relieve financial constraints ('increasing benefits/giving more money').

Longitudinal studies show lower levels of trust¹³ and lower levels of civic engagement¹⁴ when people are unemployed or suffer job loss. Both trust and civic engagement are core indicators of social cohesion. The reverse is also true, as people move into employment, trust and civic engagement increase (*World Bank Development Report*, 2013).

In extreme cases, in several countries around the world, a lack of jobs has contributed to social unrest (Waddell and Burton, 2006).

New Zealand Context

The *New Zealand General Social Survey 2012* provides substantial data about employed versus unemployed for several social contact and cohesion variables, and this is presented in Table 3 below. Although employed people always had marginally greater social contact, overall there appears to be little difference (not statistically tested).

¹² This variable measured respondents' level of support for redistributive state policies to reduce income inequalities. For example, societies with high levels of egalitarianism are likely to be more sympathetic towards the unemployed with less blame associated with the status of unemployment. Instead, unemployment is seen as a consequence of economic circumstance or misfortune.

¹³ Trust refers to the extent to which individuals have confidence in people whom they know personally, including family and neighbours. It can also refer to trust in people met for the first time and in people of different religions and nationalities.

¹⁴ Civic engagement captures the extent to which people participate voluntarily in civil society by joining community organisations, unions, political parties, or religious organisations, and by engaging in civic life.

Table 3. Social contact and cohesion by labour force status

Measure	Employed %	Unemployed %
Can access support in a time of crisis from another household	97	94
Had face-to-face contact with non-resident family	84	77
• At least once a week	68	66
• Around once a fortnight	16	15
Had non-face-to-face contact with non-resident family	96	94
• At least once a week	82	78
• Around once a fortnight	11	15
About right amount of contact with non-resident family	74	67
Too much contact with non-resident family	2	8
Had face-to-face contact with friends	94	87
• At least once a week	77	77
• Around once a fortnight	16	15
Had non-face-to-face contact with friends	94	91
• At least once a week	85	89
• Around once a fortnight	11	9
About right amount of contact with non-resident friends	76	75
Felt lonely in the last 4 weeks 'none' of the time or 'a little' of the time	86	77
Undertook voluntary work	31	35
Undertook unpaid work	66	66

4e. A job contributes to life satisfaction

Key points: A job that pays a living wage helps us feel good about ourselves. A job:

- meets psycho-social needs where employment is the norm;
- is central to a person's social status;
- helps people to gain meaning from their life, by their job helping others and contributing to society.

A job bolsters life satisfaction, especially in countries where paid employment is the norm (*World Bank Development Report, 2013*).

Happiness is both a personal goal and (more recently in certain developed countries) a social aspiration. It is strongly related to employment status. A large body of literature shows that wellbeing increases when a job is gained; and decreases when it is lost. The “unhappiness effect” from the loss of a paid job and unemployment is more typically reported in men than in women, but evidence indicates that women are affected by the unemployment of their spouse. When a lack of jobs is widespread in a community, the negative effect on individual happiness of unemployment is lower (*World Bank Development Report, 2013*).

Australian data from longitudinal studies confirm that having a job improves life satisfaction. This was seen when the participants were at school – those with a part-time job had higher satisfaction than those without. Later on, as young adults those with ‘time fully accounted’ by either work and/or study had greater life satisfaction than those with ‘no time accounted’. Young adults with ‘time partially accounted’ by study and/or work had middling life satisfaction scores. This finding was maintained when data were adjusted by participants’ level of satisfaction in previous years (Rothman and Hillman, 2008).

But not all the time

Substantial reviews of the evidence point out that simply having a job does not always guarantee higher life satisfaction. Feeling insecure at work because of earnings variability, job instability, minimum wages or health and safety concerns can negatively affect a person's sense of wellbeing. This is supported by evidence that workers often care more about job security than about income (*World Bank Development Report, 2013*).

Also, jobs that provide more autonomy are linked to higher life satisfaction. However, the level of autonomy must be appropriate to the job. In highly monotonous jobs, providing autonomy about what can be done achieves the opposite result to what is desired, and actually increases worker stress. Though even in such situations workers might, for example, have autonomy about when they have a break (*World Bank Development Report, 2013*).

New Zealand context

The *NZ General Social Survey 2012* shows that 88 percent of employed people responded ‘satisfied’ or ‘very satisfied’ when asked about their overall life satisfaction. This compared to 73 percent of people who were unemployed. Unemployed people were three times more likely (14 percent) than employed people (4.5 percent) to say they were ‘dissatisfied’ or ‘very dissatisfied’ with their lives overall, and twice as likely as those not in the labour force (7.5 percent) (Statistics New Zealand, 2014).

4f. A job contributes to a sense of identity and jobs can contribute to society

Key points: A job shapes who we are and who we want to be. A job:

- shapes self-respect, individual identity and social identity;
- can contribute to society.

Historically, family names in most cultures are associated with specific occupations. People were literally named after, and defined themselves by what they did. There are hundreds of examples in the English language alone, for example, Miller, Farmer, Clark (clerk), Fletcher (arrow-maker) and Frobisher (finisher of armour), etc.

A substantial review of the evidence concluded in most societies, jobs are a fundamental source of self-respect, social identity and contribute to how people view themselves (*World Bank Development Report, 2013*). This was a similar finding by Waddell and Burton (2006) in their seminal review of the scientific literature. They concluded,

“Work is central to individual identity”.

The *World Bank Development Report* (2013) also found jobs contribute to society. Surveys repeatedly show most people feel strongly that their job should be meaningful and contribute to society. For example, results from a high-income-country survey of 29 countries showed ¾ of participants reported it was important to have a job that is useful to society, and a similar share agreed that it was important that their jobs help other people (*World Bank Development Report, 2013*).

4g. Jobs drive social gradients in physical and mental health

Key points: A job contributes to social gradients in our community.

- As job grade increases, rates of chronic disease decrease.
- Job networks may either include or exclude people from certain jobs.

A job's direct contribution to health is one outcome. What if the social status of the job drives another layer of health effect, independent of the job itself? What if a job places a person somewhere on a social gradient, and depending where on that social gradient a person sits, their health is substantially better or worse?

Certain jobs are highly respected and empowering, whereas other jobs are seen as undesirable and/or are not accorded respect. Similarly, not having a job can shape how people view themselves, and how others view the person who is unemployed.

Job title was the first measure of social gradient ever used in the classic Whitehall studies of coronary heart disease deaths and job grade¹⁵ in the 1970s. Such findings have been replicated in all developed countries. The studies show the incidence of many chronic diseases decreases as job grade increases, even when adjusted for socioeconomic status, education and income. This is important because job grade is associated with other determining factors such as income, but even when income is controlled for, job status alone is important.

The last decade has been spent understanding if associations between job status and effects are causal or not, and the authors of a substantial review concluded '*the best evidence in 2009 suggests that occupation matters (causally) for the social gradient in health*' (Clougherty et al, 2009). The mechanism of action is explained as:

- Status (or job grade) is, all by itself, a contributor to the social gradient of health effects, across many different types of occupations.

- Job strain contributes to the social gradient of health outcomes (cardiovascular disease and death) in white collar jobs, but not blue collar jobs (which are more physical). Instead, in blue collar jobs, job strain/physical work contributes to injury, musculo-skeletal disability and depression.
- Exposure to chemicals contributes measurably to gradients in chronic lung disease and cancers.
- Employment 'contracts' e.g. stable work, temporary work, job insecurity suffer from a lack of study regarding their causal relationship to the social gradient of health (Clougherty et al, 2009).

Another way to consider how employment interacts with social gradients is to consider job networks. Such networks can include or exclude people. For example, people whose fathers do not have professional jobs are significantly less likely to have such jobs themselves. Perceptions about who has access to opportunities and why, can and do shape expectations for the future (*World Bank Development Report*, 2013).

In a large scale scientific review of the evidence, Waddell and Burton (2006) concluded that employment (and the consequent socio-economic status) was the main driver of social gradients in physical and mental health, and death (Waddell and Burton, 2006).

New Zealand and Australian longitudinal data affirm this conclusion. Being inactive in the labour force was the single largest contributor/explanation to income-related health inequalities for both general health and mental health, to the advantage of the rich and the disadvantage of the poor¹⁶ (Gunasekara et al, 2014).

15 Clerical, professional/executive, administration, other.

16 Quality of life scores from SF36 data via the Household Income and Labour Dynamics in Australia (HILDA) Survey and the New Zealand Survey of Family Income and Employment (SoFIE).

4h. A temporary job vs a permanent job

Key points: Temporary jobs encompass several types of employment and bring a complex mix of positive and negative outcomes – several of which are significant, such as job satisfaction; wage rates; and health outcomes.

Such outcomes are likely mediated by factors about: the job itself (e.g. quality of work and conditions); and of the employee (e.g. desirability of temporary work given life stage; skill level).

A Netherland's PhD thesis (Zijl, 2006) provides high-quality data from mixed methods of study about the relative value of temporary work (i.e. regular contractors, fixed term seasonal contractors, on-call workers and workers employed by temp agencies) versus full time permanent positions. Due to the unique nature of employment law in New Zealand compared with the Netherlands, a degree of caution is required about transferability of results. However, it is the best available evidence:

- Temporary work acted as a stepping stone to permanent employment for 43 percent of temporary employees over a six year period (after controlling for multiple other factors).
- Ethnic minorities (particularly males) did not experience a stepping stone effect from temporary to permanent employment.
- On-call workers (who were employed to service peaks in demand) earned a wage premium above regular employees.
- Fixed term contractors (who were typically being assessed for the quality of their work, e.g. before potential regular employment) experienced lower wages than regular workers.
- Across regular and temporary workers, satisfaction with job content is the main determinant of job satisfaction. All other aspects have comparatively little importance in overall job satisfaction, but in order of importance they are: working conditions, working hours, wage, working times, commuting distance and job security.
- However, for temporary and on-call workers, commuting distance and job security are important.
- Temporary agency work results in a lower overall job satisfaction than regular work. Such a finding does

not hold for fixed-term and on-call work arrangements when compared with regular employment.

- When employed in a fixed-term work arrangement, an individual is more satisfied with working conditions and wage, and less satisfied with job security, than regular workers.

In a substantial review by Benach et al (2014), temporary workers were shown to experience poorer physical and mental health outcomes compared with permanent workers. Temporary work was defined as '*all forms of non-permanent contracts such as fixed term, project specific, on call and temporary help agency*'.

Furthermore, a Cochrane Review found that temporary employment had either no or negative effects on health outcomes. A meta-analysis on temporary employment showed increased psychiatric morbidity (25 percent higher), increased risk of occupational injuries, yet reduced sickness absence (33 percent lower) (Benach et al, 2014).

New Zealand Context

The characteristics of New Zealanders who undertake temporary work are well described by Dixon (2009) who analysed Statistics New Zealand's *Survey of Working Life*:

- One in ten employees (9.4 percent) were working in temporary jobs (casual, fixed term contract, or temporary employment agency).
- Life-cycle stage (being at the start or end of the working age range) and part-time employment are the characteristics most strongly associated with a higher likelihood of temporary employment.
- Youth workers were particularly likely to be working in casual jobs. Tertiary educated employees were more likely to be employed in fixed-term jobs, and employees with lower levels of education were more likely to be employed in casual jobs.
- People work in temporary jobs for a variety of reasons, such as only wanting to work for a finite period of time, preferring the flexibility associated with casual or short-term work arrangements, wanting to earn a pay premium, or not being able to find a suitable permanent job.
- 40 percent of people working in a temporary job indicated they would prefer to have a permanent position.

- Job satisfaction ratings of temporary employees were similar to those of permanent employees.
- Casual and seasonal workers were more likely than permanent workers to have worked at non-standard times of the day or week. In contrast, fixed term and temporary agency workers were less likely to have worked at non-standard times.
- Over half of all temporary workers said their hours of work changed from week to week to suit the employer's needs, and was more common among casual workers (62 percent).
- After adjusting for differences in job characteristics, New Zealand survey data showed little evidence for a 'wage penalty for temporary employment relative to permanent employment'. This is in contrast to Zijl's finding (above) which found Netherlands' temporary workers were paid a wage premium for a similar type of job.
- Temporary workers also had a lower chance of having undertaken workplace training in the last year.
- Seasonal workers stood out as a group with a relatively high level of physical symptoms, with 15 percent of all seasonal workers saying that they had often or always experienced physical problems or pain because of work (compared with 7 percent for all employees).
- Temporary workers were much less likely to know about their statutory rights than permanent employees (e.g. paid annual leave entitlement; type of contract they were on) (Dixon, 2009).

4i. Workforces with atypical work schedules

Key points: Within the mining sector in Australia, atypical work schedules have led to negative experiences by non-industry stakeholders. This is shaped by fly-in/fly-out workforces, male dominated workforces; and substantial increases in housing costs for non-mining families; and the consequent negative outcomes for communities.

An extensive qualitative study (of several Australian mining towns) showed that, in general, work in the minerals sector leads to many positive outcomes, however atypical work schedules presented strong themes of negative issues across all towns in the study and were 'extremely unpopular' with non-mining stakeholders (Petkova et al, 2009).

Context is important. Long distance commuting by mine workers is underpinned by work rosters of 12 hour shifts, day or night, combined with 4-7 days on and 4-7 days off. Such arrangements allow workers (and their families) to live in major centres (not necessarily nearby), and the workers fly or drive in for their shift, before leaving again 4-7 days later. In New Zealand, social impact assessments have predicted dilution or geographical re-distribution of social benefits as the proportion of fly-in/fly-out or drive-in/drive-out employees increases (Baines, 2012; Taylor Baines, 2102).

Petkova et al (2009) showed issues were inter-related, and a demographic shift to 'more males' was also seen in each town, as well as substantial increases in housing costs which made rents unaffordable for non-mining families. These factors plus atypical work schedules are concluded by the authors to be drivers behind a:

- reduction in the viability of government and private sector health and social services as the critical mass of permanent residents was undermined;
- decline in community organisations as mine workers had no time to participate in organisations, volunteer or participate in other activities;
- lack of integration by miners into community life and a lack of interaction with usual residents which created an 'us and them' feeling;
- increase in the perception of criminal, anti-social behaviour and substance abuse about mine workers by

the permanent residents; and a substantial increase in actual rates of crime from pre-mining to mining operation;

- a perception of increased potential for road accidents. This stems from the long drive commute times coupled with fatigue from long shifts. In a large random representative survey of workers, ¼ reported falling asleep at the wheel in the previous 12 months.

The above data is retrospective, with residents being asked to reflect back on what had happened. This is good quality data, however causality is best demonstrated by longitudinal studies in such 'boomtown' scenarios. This rapid scan of the literature has not identified any such studies.

The experience of one New Zealand mining proposal (Baines 2012) is indicative of how such issues can be incorporated within a project impact assessment (prediction of future effects) in a quantitative and qualitative manner. For example, the impact assessment described how in the Marlborough region, employment in aquaculture can involve a degree of fly-in/fly-out (FIFO) employment where workers live in other parts of the country and travel to Marlborough for 4-day or 7-day shifts¹⁷. The fly-in/fly-out workers live in accommodation provided at the farm site. The level of fly-in/fly-out does influence the distribution of social benefits between one community and another, and it is possible it can create adverse social costs (as per the Australian example above). Not only because the flow-on benefits of such employment are experienced elsewhere (and not locally) but also because there can be consequential social dis-benefits experienced both in the local community and in the households from which such workers come¹⁸. Fly-in/fly-out needs careful consideration and each situation should be assessed on its own merits.

¹⁷ See, for example Taylor Baines (2012) at p.36.

¹⁸ J. Baines (2012), Appendix 3, Section C5.

5. Link with SIA Guidance

Each social impact assessment undertaken occurs in a unique environment, with a unique proposal, potentially affecting unique populations. While it is useful to have the best available evidence base about what the potential effects might be from this report, there are a number of questions a social assessor needs to ask before attempting to triangulate the literature here, with other data collected in a social impact assessment. Such questions might show the assessor that the effects noted in this report might substantially improve; or might detract from, or completely negate outcomes identified in this report. The questions a social assessor might consider in a social impact assessment include:

- How many jobs will be created?
- How many of the jobs are full-time, and how many are part-time?
- Are the jobs likely to be filled by people who were previously employed somewhere else (in other parts of NZ or in other countries) or people who were previously coming out of unemployment?
- Are the jobs for temporary, contract or permanent positions?
- Do the jobs follow a regular, weekly pattern, with traditional daily hours and weekends; or do they involve shift-work (e.g. night-time work; 5 days on/off; etc.)?
- Can workers return home to their families in the evenings, or do they stay on site (or near-site) for several days/nights at a time?
- What type of skills will the jobs require (e.g. low skilled, specialist/high-skilled)?
- Is there capacity in the local or regional community to access any of the proposed jobs (e.g. do local or regional residents have the necessary skill sets; what are the unemployment levels and would any of those residents have appropriate skills)?
- Will the proposal result in immigration into the area/commuting? Will workers bring dependents with them? Will there be sufficient housing for them (and will there be any knock-on effect on rental or sales prices)?
- Is there provision for local people to gain training to enable them to access the new jobs?
- Does the job pay the minimum wage, or a margin above the minimum wage reflecting particular skill(s)? Or what is the distribution of income levels associated with the jobs that are created?
- Will pay rates compete with other work opportunities locally and make it difficult for other local employers to recruit replacements, or force local wages to increase?
- Does the employer have policies that result in hiring of minority or disadvantaged groups, or the unemployed?
- Does the job provide an appropriate level of autonomy?
- Is the workplace safe?
- Does the job offer prospects for promotion, developing new skills?
- Does the job offer accommodation and/or other benefits (and what is the quality of accommodation and other benefits)?
- Does the job provide any links to existing social services?
- Does the company have policies that result in the company having high local and regional spending?

Typical social impact assessment evidence in New Zealand

Previous social impact assessments have considered how employees (and the company) have contributed to other social consequences in the community. The primary source of data for social impact assessments is from qualitative interviews with potentially affected stakeholders and reflects on their past experiences. Secondary data sources of supportive evidence are also used in social impact assessments (see 'A guide to evidence and data used in this report' in Section 1 for examples). Using this wide range of data, a social impact assessment predicts potential future impacts. The impacts typically describe potential changes to infrastructure and services (but do not measure changes in subsequent social consequences, as that would be the role of ongoing monitoring). For example, a social impact assessment into aquaculture (Taylor Baines and Associates, 2012) identified potential to:

- have boats and facilities in relatively isolated areas

which may contribute to assistance in future emergencies;

- staff able to contribute to future beach clean-ups;
- financial contributions to local environmental programmes, e.g. those run by DOC, wildlife sanctuary, reserves;
- student scholarships to attend University;
- financial assistance to local sports organisations, festivals and events;
- more affordable barge trips for local users via back- or side-loading of regular aquaculture services;
- rental revenue from local staff renting accommodation.

A social impact assessment about mining operations in New Zealand provides an example of the potential positive social effects from additional jobs (JKTech Pty Ltd, 2013) when it described that 68 percent of employees or their partners participated in voluntary community activities such as sports or service organisations, community welfare, education, church or cultural. The argument put forward was that with more staff, there would be more participation in voluntary community activities.

Similarly, a social impact assessment (Baines, 2012) of potential mining operations on the West Coast of New Zealand described:

- 85 percent of employee's would likely be resident locally;
- average salaries would be above \$100,000 per employee;
- 60 percent of workers would likely have a partner, and the average household would have 2.3 people (approximately 126 children across the entire new workforce);
- increase in residential ratepayers by 9 percent;
- residential rents and property values will continue to rise;
- an absolute shortage of housing was possible (for 2–3 years), compelling higher levels of fly-in-fly-out or drive-in-drive-out workers than would otherwise be the case, and thereby slowing the flow of other social benefits to the District;
- positive outcomes for primary schools, but additional

pressure on already stretched early childhood education services;

- while acknowledging that shiftwork is not always conducive to workers participating in out-of-work social and cultural activities, workers partners and children have been found to contribute at increasing levels in recent years.

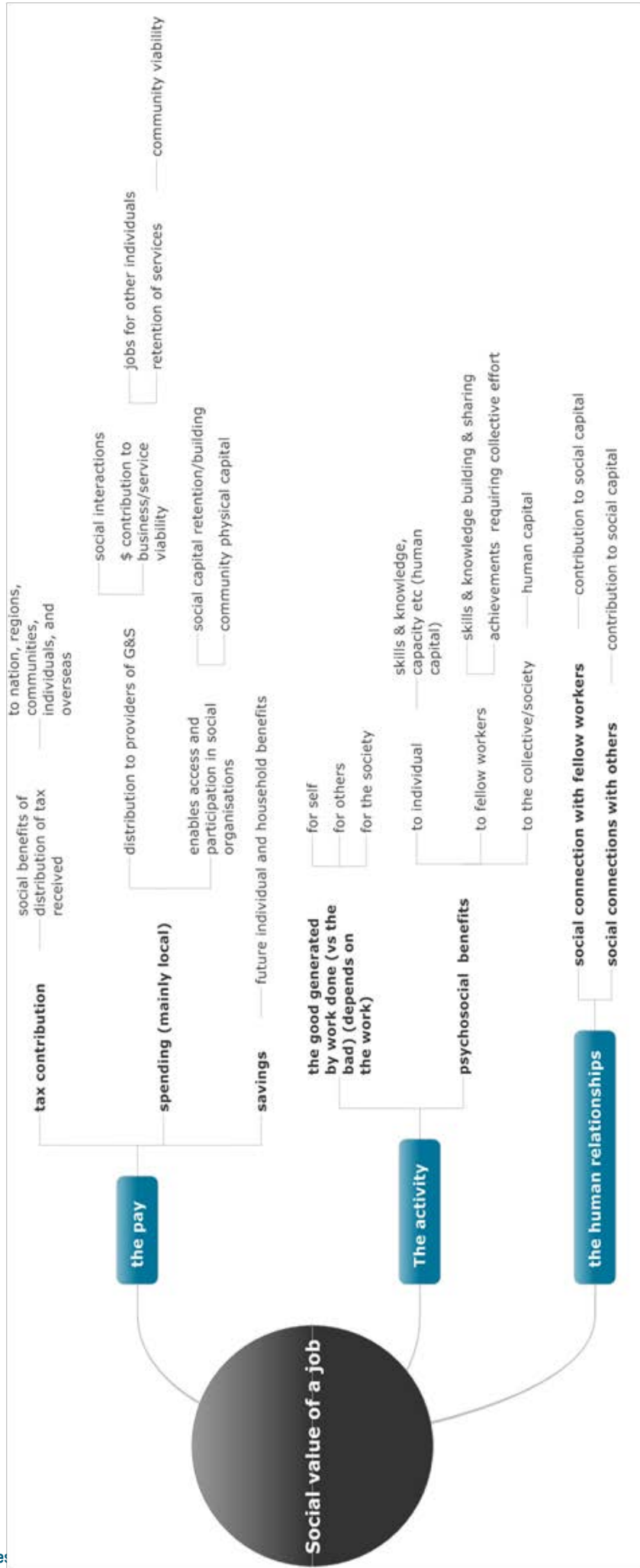
How to use the evidence of this report

This report draws on population-level data, largely from longitudinal studies and censuses. What are the implications for a particular community or society from the data in this report? Such questions cannot be answered via 'evidence' from the literature, but instead from reasoned extrapolation of the evidence underpinned by a hypothesis/model of causation. Social impact assessment practitioners can take account of the specific issues of each community and development, and use the evidence from this report to bolster their own collected data. For example, a practitioner might produce a proposed hypothesis/ model of causation and attempt to find local data to support/refute the hypothesis. An example hypothesis/model of causation is presented below in Figure 1 (as an example only, not as gospel) (Fitzgerald, 2014).

On the basis of the literature materials reviewed, we have attempted to set out a conceptual framework for the analysis of the potential social benefits of paid employment, as well as some of the key findings of empirical fact from these studies and relevant NZ sources. Social assessments of new aquaculture development proposals – or indeed of new development proposals in any sector – can draw on this work in several ways:

- Using the framework to highlight and differentiate outcomes which arise at the individual and household level from those which arise at the community level, and ensuring that both levels are addressed.
- By using the factors outlined in the various themes as the basis to formulate more in-depth enquiry.
- By direct inferences from the empirical findings themselves.

Figure 1. Example hypothesis/model of causation



6. Link with social licence to operate

The social consequences of having a job are substantial (see section 4). The summary of this report (section 3) concludes *'good jobs are those that improve wellbeing of the people who hold them (without harming others). But, the best jobs for society are those which not only serve the individual person, but also produce positive spill-over benefits to the community.'* Effectively, a good job has good outcomes, leaving the question - how can a company create good jobs? Three key factors emerge: creating local jobs which pay a living wage, being a good employer and being a good community member.

Create local jobs

It is easier for a company to form relationships with the wider community where the employees of a company reflect the breadth of people in the wider community and come from the local community.

Investing in local people to develop skills and then employing those people (especially if moving people off a benefit) is particularly beneficial to the individual and community. While it is unrealistic to expect that new aquaculture developments will generate only jobs for locals, and only jobs for people not already employed, the findings of this investigation demonstrate the various ways in which enhanced levels of social benefit can be created when particular attention is paid to local recruitment and especially to creating job opportunities for those not currently fully engaged in paid work to the extent that they would wish.

The prospect of fly-in/fly-out employment is neither all bad nor all good in terms of flow-on social benefits. However, the level of fly-in/fly-out does influence the distribution of such social benefits between one community and another, and it can create adverse social effects itself. It is a dimension of a company's activities that needs careful consideration; each situation should be assessed on its own merits.

Be a good employer

Being a company that is a 'good employer' may help improve the community's perception that the company is a good neighbour, and a good company to engage with. Being a good employer helps the workforce feel like

they're working for a good company – they're proud to be working for a company like that. This further assists the company reputation with the community as the employees are part of the community.

When employees have little opportunity to use their skills and have low decision making authority, health can suffer. With social licence, employee involvement in company decision making is a key feature. Putting the two together suggests that where companies can allow all staff to be involved in decision making (to an appropriate degree), this has the potential to benefit both agendas.

This report confirms most staff want their job to have meaning, to make a difference. This ties in with social licence to operate where the company seeks to make a difference on social outcomes. For example, where staff actively maintain community networks and contribute to community outcomes (good for the individual). This in turn can contribute to relationships between their company and their community, and via social licence the company can support community work in multiple ways beyond just staff time.

Poor health and safety records, staff bullying, poor working/contract conditions, low rates of remuneration (especially if below the living wage relevant to the local cost of living) and other negative work circumstances undermine the social value of a job. It is highly likely that such approaches would undermine a social licence to operate as well.

Finally, if a company is considering its social licence to operate, employment factors in section 5 should be considered.

Be a good community member

At a population level, having a job contributes to increased employee trust and understanding of other people. These are similar outcomes to what social licence to operate is trying to achieve: a trusting relationship and understanding each other's needs. It could be argued that staff who have higher individual trust and understanding are more likely to be able to participate in trusting relationships on behalf of the company. Similarly, employed people have greater social networks and better

engagement with communities – two features that appear relevant for a company wishing to improve its social licence.

Companies who wish to expand into social licence should start where their strengths lie, and that can be building off existing social benefits of employment. For example:

- if the company is already undertaking some form of corporate social responsibility via grants – what can the company do to formalise this arrangement, hand decision-making to the community via a secure governance arrangement, and how can transparency be increased in the access/ distribution of grants;
- build capability and transfer skills into the community (e.g. committing a senior manager to take a substantial local role, e.g. chairing the school board);
- providing resources to local groups (e.g. photocopying etc.);
- policies that give preference to local suppliers when evaluating tender documents.

A major regional employer could influence social cohesion beyond the boundaries of the workplace. Companies can directly and indirectly affect social cohesion via the people they hire – for example, by hiring an appropriate mix of ethnic groups and genders.

In summary, there are many opportunities for an employer to use the understandings described in this report in order to engender enhanced social license to operate in their community.

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