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# Inequality and Class in Rural New Zealand

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**Abstract**
A preliminary exploration of an under-researched topic, class divisions in rural New Zealand, points to major inequalities that are highly likely to be affecting the life chances of some rural residents. Census and socio-economic deprivation data for the rural component of 20 of New Zealand's territorial authorities show there is considerable variation between the three rural settlement types: rural districts or open countryside outside centres of 300+ people, rural centres of 300–999 people, and minor urban centres of 1000–10,000 people. The clear inequalities among these settlement types point to class divisions in rural New Zealand. The analysis shows that in addition to social distinctions such as ethnicity and gender, and the impact of geographic location on access to services, class is also likely to be differentially impacting on the life chances and access to services and material possessions of New Zealand's rural population.

**Keywords:** social class; rural; inequality; community

## Introduction

Almost half a century ago, David Pitt made the comment that "until very recently the official and intellectual ideology was that New Zealand is, was, and should be, an egalitarian society, and certainly that there is little poverty" (Pitt, 1976, p. 5). He also suggested, however, that all contributors to his collection of studies about class in New Zealand, while differing markedly in how they grasped the concept, "agreed…that there is some kind of social differentiation that resembles some form of class" (Pitt, 1976, p. 5), but that prior to the 1970s, there had been little analysis of poverty and inequality, much less of class, class conflicts or the relationship of power to class. There was a spate of activity in the 1980s, perhaps inspired by the debate between Bedggood's (1980) Marxist and Thorns and Pearson's (1983) neo-Weberian analyses of class (see Crothers, 2013) and also Chris Wilkes's attempt to apply Erik Olin Wright's neo-Marxist class schema in New Zealand (Crothers, 2013). However, as Crothers (2018, p. 86) noted, in the following three decades, "despite the sharply increased inequalities in NZ due to 'Rogernomics', there was only a trickle of class analyses".[1] Similarly, Ongley (2011, p. 163) lamented that "in New Zealand as elsewhere, [analysis of] sociology of class went into decline at a time when it could have provided valuable insights into some major transformations."[2]

The importance of recognising inequalities and the impact on people of unequal access to resources is reflected in Max Rashbrooke's (2013, 2021) recent research. Using International Monetary Fund data, Rashbrooke shows how inequality limits economic and social well-being. Low-income families lack money to invest in the education (and health and housing) their children need for their future contribution to society, while wealthy asset-rich people can influence politicians to pass laws favouring their interests, not those of the wider economy, and society is more unstable and less resilient to shocks (Rashbrooke, 2013, p. 11). Rashbrooke made a compelling argument that in widely unequal societies, "nearly everybody, not just the poor, is adversely affected" (Rashbrooke, 2013, p. 13). Pierre Bourdieu's (1977, 2002) empirical

[1] 'Rogernomics' is a term coined by journalists in the 1980s to describe the neoliberal economic policies introduced by the then Minister of Finance Roger Douglas.
[2] This point was also made by historian Jim McAloon (2004) in a scrutiny of the disappearance of class from the New Zealand historiography.

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research has also shown that ingrained habits of behaviour, social conditioning and life circumstances can block perception of alternatives, and condition and circumscribe action. Such conditioning (labelled 'habitus' by Bourdieu) can perpetuate inequalities (see Pomeroy, 2022). However, while inequality was being locally studied, such analyses were rarely if ever embedded in perspectives on social class (Crothers, 2013, p. 274).

Ownership of, in particular, economic assets (including land and commercial and residential property) and class are intrinsically linked, and as Wright (2015, p. 148) noted, not only is there "unequal distribution of ownership and control of economic assets, but…this inequality in assets is consequential for people". Wright used the example of the closure of a major business on small-town residents: "One would be hard pressed to convince a group of newly unemployed workers from a factory that has closed because the owner moved production abroad that their lack of ownership of capital assets has no significant consequences for their lives" (Wright, 2015, p. 149). Such devastating consequences have been experienced by residents of rural and small-town locations across New Zealand when a business providing the predominant source of work closes (see, for example, Peck, 1985; Pomeroy & Tapuke, 2016; Sampson et al., 2007). Drawing on his Marxian credentials but mindful of other sociological stratification perspectives, Wright pointed out, however, that when workers own the business in which they work or have enforceable employment rights, a different set of class relations operates than in the conventional capitalist firm extracting surplus value from the labour process (Wright, 2015, pp. 151–152). While this different set of class relations also occurs when workers (top-tier corporate or government managers) are part-paid in stocks and company shares, or receive large enough salary packages that they can invest in wealth-generating capital assets of their own (Wright, 2015, pp. 134–138), few of these top-tier managers reside in small towns.

If there has been little analysis of class per se in New Zealand (with some notable exceptions), there has been even less on class issues in rural locations. Indeed, as Charles Crothers has drily noted, there is little sociological analysis of New Zealand's rural areas at all (Crothers, 2012, 2018). Penetration into subnational issues relating to socio-economic differentiation, class and status tend to stop at the regional level, but to understand the composition and structure of rural communities, data have to be analysed at the subregional level (Crothers, 1984). A successful bid to the New Zealand government-funded National Science Challenge (NSC) 'Building Better Homes, Towns and Cities' (the Hinterland Project, 2018–20) and support from the Taranaki Bishop's Action Foundation (Pomeroy, 2019a) provided an opportunity to explore class inequality in New Zealand's rural communities. The research uses Ongley's (2016) three class-location typology based on Wright's criteria of ownership, authority and expertise. This typology distinguishes between a capitalist class (who own the means of production), a middle class (owners who work on their own account and non-owners in managerial or professional positions), and a working class (non-owners in non-managerial and sub-professional jobs) (Ongley, 2016, p.77). Among other things, the NSC research brief sought information on inequalities and local well-being/disadvantage in the small towns and rural districts which constitute non-metropolitan New Zealand (Nel & Connelly, 2019). This research has enabled the kind of subregional analysis called for by Crothers. It points to clear inequalities between and within rural locations, inequalities reflecting (as Ongley (2016) has identified) differences in social status, hierarchies of socio-economic advantage/disadvantage, relations of exploitation and power imbalances—that is, inequalities that arise from class divisions.

## Research on class in rural New Zealand

In the early 1970s, Howard and Tiiti Gill (1975) developed a framework for studying rural society that focused on farming and, in particular, property ownership. When comparing urban and rural status in terms of income and occupation, they found farming to have high status compared with other occupations, but while farm owners were relatively well-off, farm workers were low-income earners. Other studies from the 1980s and 1990s (summarised in Pomeroy, 2019b, 2022) pointed to strong class and status differences between landowners and employees, and between farmers and other rural residents. Class divisions between farm owners and employees spilled over into social events (with managers and workers not invited to most farmer-hosted activities), reinforcing status distinctions. Other studies found power differentials arising from farm owners' dominance of community leadership positions and control of decision-making (Campbell, 2020; Campbell & Fairweather, 1991; Hall, 1987; Wilkes, 2019).

As part of Erik Olin Wright's international study on class structure, Christopher Wilkes led a research project on class in New Zealand in the 1980s (Wilkes et al., 1985). The study was based on a national survey (undertaken in 1984) that focused on jobs and attitudes. It aimed to verify whether there were links between class location and class consciousness. Of 1017 respondents, 79 were from minor urban areas (1000–10,000 population) and 183 were from rural areas (outside centres of 1000 or more people). Wilkes et al. (1985, p. 23) argued that class relations between rural and urban were permeable since urban settlements were "deeply penetrated by rural production and its social relations", but failed to further define what they meant by this. For example, did they mean class conflict between landowner and farm worker, or the subsumption of family farmers by the banks and food/fibre processing companies,[3] or simply that the services used by producers were located in urban centres? The team did, however, usefully provide a breakdown of their respondents into class positions and geographic location.

Using Wright's combination of Marxian- and Weberian-influenced approaches to stratification and class analyses, Wilkes and his team assigned their respondents' class position according to their ownership of the means of production and extraction of surplus value from the exploitation of labour. For non-owners, class position was ranked in terms of respondents' decision-making within the sphere of paid employment and control of their own and others' work. Other than briefly discussing the position of people doing domestic work (such as housewives) as being (theoretically) working class (a contention which ignored household access and ownership of capital assets), this categorisation did not take account of people who were not in the paid workforce. Also, while recognising that large numbers of people worked in central (and local) government, the power wielded by holders of top management positions in large corporates and core central government agencies was not discussed. Wilkes et al.'s figures are reconstructed in Table 1 to more clearly differentiate the proportion of each class in each settlement type.

This reconstruction of the survey figures showed (unsurprisingly, given the predominance and structure of farm ownership in rural locations) that employers (particularly employers of a very small number of workers) and the self-employed dominated in rural areas: some 52.5% of Wilkes et al.'s survey sample fell into the category of business ownership (bourgeoisie/petty bourgeois or capitalist) in rural areas, compared with only 15.2% in minor urban centres and 12.7% in the larger urban centres and cities. Compared with urban locations, the working class (proletariat) was underrepresented in rural areas (Wilkes et al., 1985, p. 25).

[3] The process by which, according to Marxian theory, control of farm production moves from family-farm owners to off-farm agri-business through, for example, contract-farming arrangements (Davis, 1980). The theory states that unable to compete profitably, such farmers become indebted and ultimately bought out by corporate, industrial or merchant capital.

Table 1: Class by settlement type

| | Urban centres (over 10,000 people) | | Minor urban centres (1000 to 10,000 people) | | Rural (outside centres of 1000+) | |
|---|---|---|---|---|---|---|
| Class location | Number | % | Number | % | Number | % |
| Bourgeoisie: business owner, 10+ wrks | 17 | 2.3 | 5 | 6.3 | 8 | 4.4 |
| Small employers: 2–9 employees | 30 | 4.0 | 4 | 5.1 | 47 | 25.7 |
| Petty bourgeois: self-employed/1 wrkr | 48 | 6.4 | 3 | 3.8 | 41 | 22.4 |
| Manager | 150 | 19.9 | 17 | 21.5 | 12 | 6.5 |
| Advisor-manager | 73 | 9.7 | 8 | 10.1 | 5 | 2.7 |
| Supervisor | 110 | 14.6 | 10 | 12.7 | 13 | 7.1 |
| Semi-autonomous | 52 | 6.9 | 3 | 3.8 | 8 | 4.4 |
| Worker: no or low autonomy in work | 275 | 36.4 | 29 | 36.7 | 49 | 26.8 |
| **TOTAL** | **755** | **100** | **79** | **100** | **183** | **100** |

*Note:* Adapted from Tables 1 and 5 showing respondents' residential location by their class location, Wilkes et al., 1985, p. 24.

The following year, Claudia Bell, Nigel Clark and Charles Crothers (1986) used Wilkes et al.'s data set to provide context on the social and demographic characteristics of the rural population for a study on library services in rural New Zealand. They noted that rural areas had only a small proportion of 'large' employers but a very large proportion of 'small' employers who together made up 30% of the rural paid workforce (in contrast to only 11% of the total New Zealand paid workforce). They concluded: "This suggests the view that a capitalist class is emerging in the rural sector" (Bell et al., 1986, p. 26). They then argued, however, that depending on how class was defined, it could be said that family farm units were 'giving way' to capitalist enterprises, but that it was debatable if heavily indebted farmers should be considered petty bourgeois (Bell et al., 1986, p. 27). Unfortunately, no further exploration or discussion of this perspective was provided.

In 2019, Wilkes published a re-appraisal of the team's survey results but did not provide further geographical distinctions or further insight on the issue of the position of family famers raised by Bell et al. (1986). He also did not explore major changes in attitudes and advances in class thinking, including by Wright himself (see, for example, Wright, 2015), that had occurred over the intervening 35 years. While the 2019 analysis provided a historical framework and more information on the survey and case studies, it still contained many arguable aspects (Pearson, 2021). For example, husbands and wives were considered separately (as individuals) with no consideration made of access they had to their partner's (that is, family) assets or income, and no consideration was given to the worth or type of capital assets self-employed people had at their disposal. Thus, self-employed farmers who possessed large (economic) capital holdings but did not hire staff were equated with self-employed tradespeople who owned few (economic) capital assets. With no further discussion of the implications, both groups were categorised as middle class (Wilkes, 2019, pp. 260–261).

A further issue was the failure to recognise that farmers are not the only business owners living in rural areas. Brian Pomeroy's (1993) analysis of rural entrepreneurs (15 factory owners and 15 farmers in the Wairarapa, Gore and Cambridge districts) threw some light on non-farm business owners compared with farm owners.[4] He found that the majority of businesses were owned by relatives (predominantly husband/wife), and while most factories were structured as limited liability companies, the farms were mostly structured as partnerships.[5] In his (admittedly tiny) sample, only two factories and one farm had

[4] The factories included clothing, machine componentry, engineering, farm building, food, giftware, joinery, skins, and tiles and paving. Farms included dairy, sheep/beef, deer, crops, flowers and orchards.

[5] Since the 1990s, on the advice of lawyers and accountants, family-farm businesses have tended to be structured as trusts and, more recently, as (family) companies.

non-family partners. Women were partial or co-proprietors in a majority of the factories and farms, but more had an active role in the factory operations, and most participated in decisions affecting the business's finances and operation. This suggests a different picture to that of Wilkes's (2019) study, but Wilkes did not take account of the importance of joint ownership/family assets in determining the class location of respondents.

Manufacturers in the Pomeroy study employed more staff than the farmers did: 11 factories employed between five and 20 staff, one more than 20, and only three had five or fewer staff (average 7.3 people per business – small employers in Wilkes's typology), while 11 farms had fewer than five employees and four had between five and 20 (average was four per farm including contractors). Interestingly, factories created on average 1.45 jobs per $100,000 invested while farms created on average 0.13 jobs per $100,000 invested. On the other hand, whereas factories created on average 0.85 jobs per $100,000 sales, farms created on average 1.36 jobs per $100,000 sales (Pomeroy, 1993).

Whereas the farmers in Pomeroy's sample owned their properties, half of the manufacturers worked from rented premises (which arguably freed up more capital for production). All proprietors owned their plant and machinery, although some famers hired specialist plant, and also contractors and specialist professionals (such as vets) when needed. The value range of factories and farms (excluding houses) was similar, but while the average value of the factories was $0.5 million, the average value of the farms was $1.3 million. Most employers socialised with employees and their families up to four times per year (usually on special occasions), with farmers apparently socialising more than factory proprietors. Half the farmers expressed concerns for the well-being of their employees compared with one-quarter of the manufacturers.

Pomeroy's report was not focused on class. Nevertheless, it provided greater insight into the class location of self-employed productive property owners than Wilkes's study in which class designation was primarily based on employment status and occupation. To arbitrarily dismiss self-employed property owners as middle class was a failure to recognise the capacity of productive property to generate profit (even without employees), and hence its location within Marx's capitalist class. This is a common error for those reliant on census data when exploring issues regarding social stratification and the division of labour. Published census data only provides generic information on employment status,[6] occupation and income for groups of people in specific locations; it does not provide information on their capital holdings, nor the social relations between them. For that, survey and more qualitative data is needed. Surveys allow data on a range of variables to be analysed for each respondent, together with those for the respondent's family. Unfortunately, the case studies carried out by Wilkes et al. (1985) did not investigate that dimension.

This is an issue that confronted Patrick Ongley (2011, 2016) in his use of census data. Ongley also utilised Wright's conceptualisation of class in his interrogation of census data to explore the impact of neoliberalism on the structure of New Zealand's labour market. Wright's typology is based on the Marxian division of capital and labour, but in addition to class being structured by mechanisms of domination and exploitation, Ongley acknowledged Wright's argument that skills, education and motivation were key determinants of economic prospects, market position and status. In this way, Wright (and following him, Ongley) not only made a division between owners and non-owners of the means of production, but also divided the class of owners according to the amount of labour they controlled and non-owners according to their level of authority and skill, yielding a 12-class typology (Ongley, 2011, pp. 141–142). To Ongley, this exemplified "two separate but linked dimensions of inequality – relations of production and divisions of labour" (Ongley, 2011, p. 144). Utilising Wright's criteria of ownership, authority and expertise (skills), Ongley identified three classes: an asset-rich propertied "capitalist class (who own or control the means of production), a middle class (owners who work on their own account and non-owners in managerial or professional positions), and a working class (non-owners in non-managerial and sub-professional jobs)"

[6] Employed, self-employed, unpaid family assisting, employees.

(Ongley, 2016, p. 77). In actuality, middle-class workers may or may not be residential owner-occupiers, or self-employed/employers in the kinds of small business that do not require large capital investment.

Ongley's analysis was based on population census data, and while he had access to unpublished data (enabling in-depth cross-analysis), this data set does not provide information on productive property ownership. Thus, while Ongley's careful and detailed analysis enabled insights into the power of non-owners who control organisational assets, it precluded detailed understanding of business owners (such as farmers, erroneously categorised by Ongley as middle class) who do not need to employ workers within their own operations in order to generate capital. Significantly, however, Ongley did recognise that labour processes have themselves changed. He argued that "the social division of labour has evolved as activities surrounding the production, circulation and consumption of commodities have increasingly been divided between specialised enterprises and industries. Technical divisions of labour have changed as production processes have come to involve less direct labour and greater elaboration of the surrounding tasks within extended, hierarchical and mental divisions of labour" (Ongley, 2011, p. 231). While Ongley was referring to middle-class employment, his observation could also be applied to the activities of land-based self-employed proprietors as an explanation for their being able to generate capital from their operation of multi-million-dollar enterprises, despite a lack of (in-house) employees.

Ongley identified that there has been a growth in inequality alongside diminishing class awareness, with the result that many New Zealanders have placed themselves in the middle class. Objectively, however, as he noted: "Like all capitalist societies, this [New Zealand] is a class society in that it is characterised by structural inequalities based on the control of resources which are economically, socially and politically advantageous" (Ongley, 2016, p. 73). This is nowhere more evident than in rural New Zealand, but there has been little interest in rural structural inequalities or power imbalances here.

## Census data (2013), property ownership and inequality in rural New Zealand

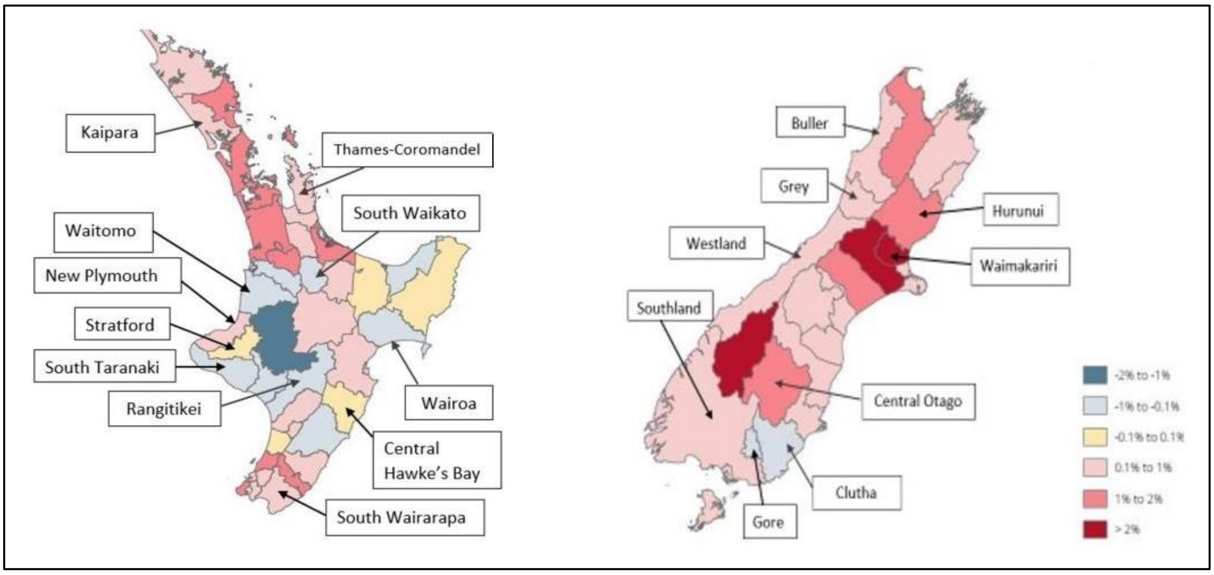
An opportunity to research the topic of inequality and social class in rural locations arose in conjunction with the NSC Hinterland project. This work built on previous research undertaken by Ann Pomeroy for the Taranaki Bishop's Action Foundation in which area-unit data from the 2013 Census of Population and Dwellings was used to analyse the rural component of 20 territorial local authorities (TLAs) across New Zealand (Pomeroy, 2019a).[7] These local authority areas are identified and named on the map in Figure 1 (which also shows changes in the TLAs' population numbers).

While some TLAs were selected to provide in-depth analysis of interest to the research sponsors and partners (for example, the three Taranaki TLAs, West Coast, Otago and Southland TLAs), others were selected to reflect TLAs that were growing as well as those declining or stagnating. Other factors in selection included diversity of topography/climate, population size, degree of main urban-centre influence, and resource base (Pomeroy, 2019a). Data analysed covered:

- 20 rural districts; that is, 27% of the 513,960 people living outside centres with 300 or more people[8]
- 62 rural centres; that is, 38% of the 71,964 people living in centres with populations of 300–999 people
- 46 minor urban centres; that is, 44% of the 337,314 people living in centres with populations of 1000–9999 people.

[7] 2013 Census data were used because of major problems (inaccuracies) with small-area data in the 2018 Census.
[8] Total counts of usually resident people living in New Zealand's rural districts, and rural and minor urban centres as at the 2013 Census, were provided by Stats NZ in response to the author's request for this information.

Figure 1: 20 study areas showing population change 2001–2013




*Source:* Garden and Nel, 2016.

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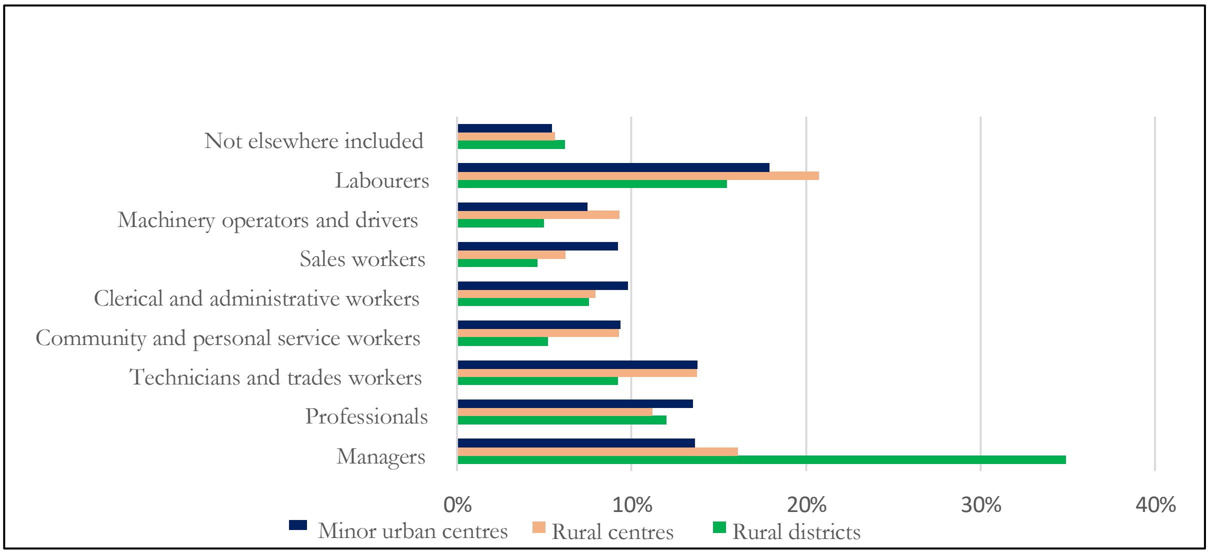
Being based on census data, this analysis suffers from the same limitations as other census-based studies in that the data on their own cannot provide insight into the influence of productive property ownership. Instead, this has to be inferred from the literature and surveys (see, for example, Pomeroy, 2015, 2019b, 2022). Nevertheless, comparisons of the three rural settlement types (rural districts, and rural and minor urban centres) using the earlier analysis of census area-unit data plus some additional analysis appears to demonstrate class divisions (based on Wright's schema (Ongley, 2016)).

One of the most immediate and obvious differences between settlement types is that over twice as many managers lived in rural districts as lived in minor urban and rural centres in 2013 (Figure 2). This is a critical difference. The occupational category 'managers' as defined by Stats NZ includes farm and non-farm business owners as well as managers of farm properties, government employees and managers working in corporate enterprises. This definition arises from Stats NZ's use of the International Standard Classification of Occupations (ISCO). While ISCO's Group 6 is labelled 'skilled agricultural, forestry and fishery workers', Stats NZ (and the International Labour Organization) differentiate between workers and owner/managers. The latter, ISCO's Group 1 ('legislators, administrators, managers'), includes managing directors, chief executives, senior government officials, and commercial and production managers (including managers of

[9] Total counts of usually resident people living in New Zealand's rural districts, and rural and minor urban centres as at the 2013 Census, were provided by Stats NZ in response to the author's request for this information.

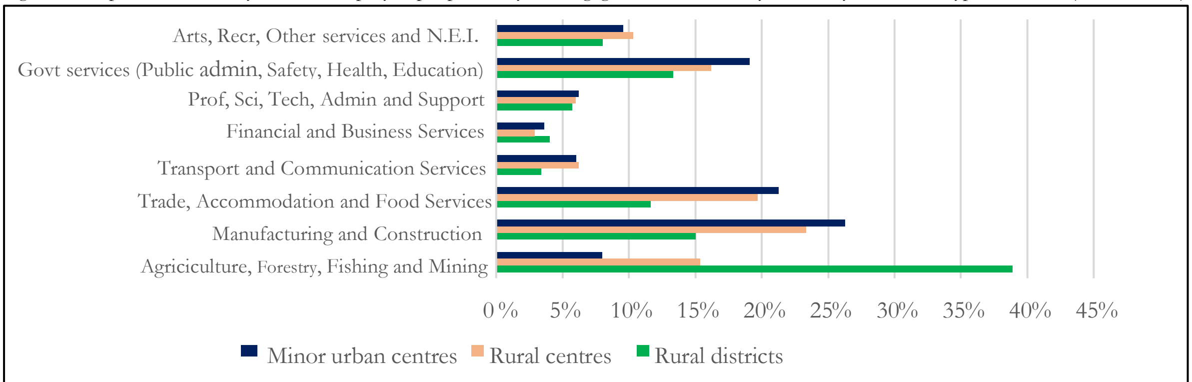
hotels and restaurants). Thus, farm owners who run their own farms are categorised by Stats NZ as 'managers' rather than as workers or 'manual labourers'. This categorisation is supported by the data in Figure 4, which shows rural districts to have a far greater proportion of employed or self-employed (that is, business owners) compared with the centres. Figure 2 shows rural districts had slightly fewer labourers than the centres, and far fewer service and sales workers, machinery operators and tradespeople than the centres.

Figure 2: Proportion of employed 15+ years usually resident population, for each occupational group, by settlement type, 20 TLAs (2013 Census)



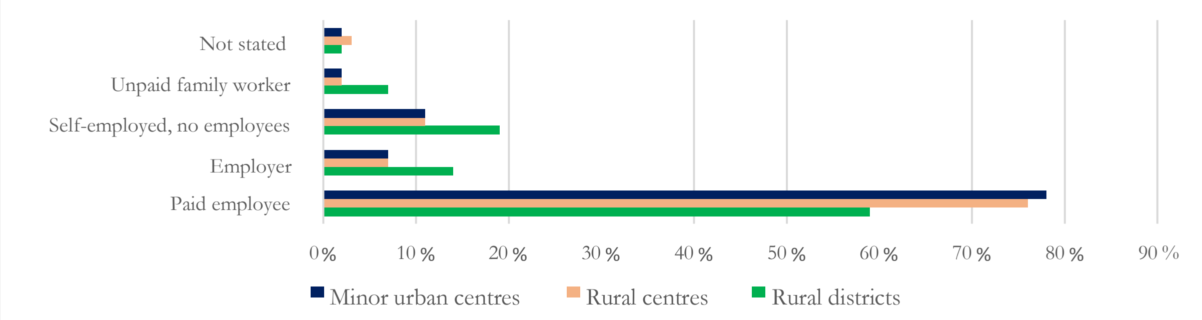

Unsurprisingly, primary industry is the predominant industry in rural districts (Figure 3), although less than half of the rural labour force worked in that industry. Some 45% of rural district residents in the paid workforce were engaged in the service industries, which helps explain why such a large proportion of rural district residents (59%) were employees (Figure 4). Also unsurprisingly, people engaged in manufacturing and construction, trades, food and accommodation, and government services tended to locate in the centres, particularly in minor urban centres (Figure 3).

Figure 3: Proportion of usually resident employed people 15+ years engaged in each industry sector, by settlement type, 20 TLAs (2013 Census)



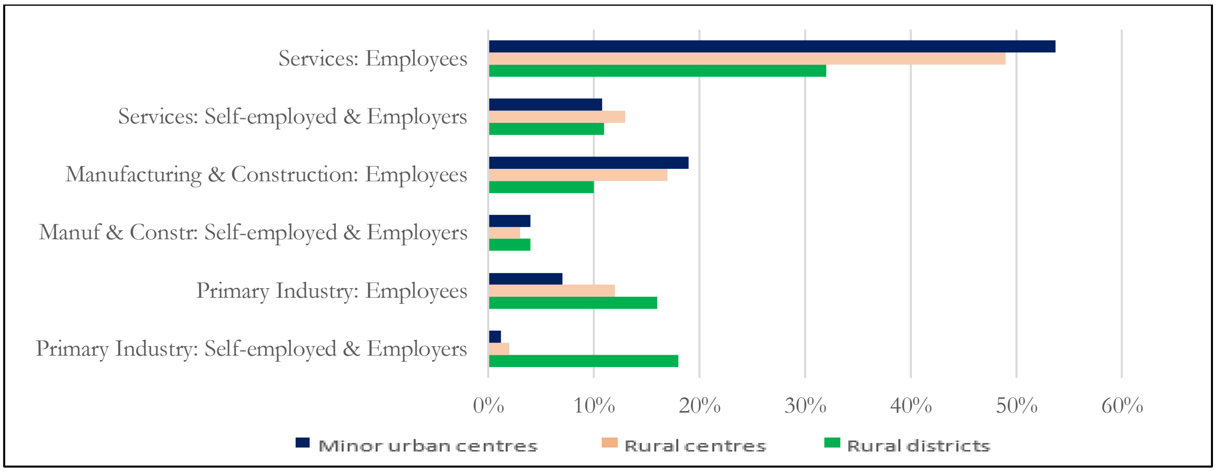

Employment-status data (Figure 4) showed that employed residents 15+ years living in minor urban and rural centres were mostly employees (78% and 76%, respectively), whereas only 58% of employed people living in rural districts were employees. On the other hand, by far the most employers and self-employed people lived in rural districts: 33% compared with minor urban centres' 16% and rural centres' 18%. Unpaid family workers (Figure 4) are unpaid in that they do not receive formal remuneration. Their sustenance generally comes from farm and/or other business profits (see, for example, Begg 2004; Rivers, 1992).

Figure 4: Employment status by settlement type, usually resident employed people 15+ years, 20 TLAs (2013 Census)




Unfortunately, Stats NZ does not supply data for employment status and income at the area-unit level in its publicly accessible data tables. Further analysis of employment status by industry for the 20 TLAs did, however, reinforce the relationship between business ownership and geographic location. Analysis of the industry groups in which the self-employed/employers versus employees engaged, by settlement type, showed that the largest proportion of employers and self-employed engaged in primary industry (predominantly agriculture) (Figure 5).[10] This reinforces the supposition that the rural districts are more likely than the rural centres to house people from the capitalist class, given that employers and self-employed people living in the centres tended to be in industries such as services that do not require the kind of investment in capital assets that farming requires. Of the 33% of employers and self-employed people who lived in rural districts, 18% engaged in 'agriculture, forestry and fishing', 4% in manufacturing or construction, and 11% in the service industries. There were more owners of construction business than manufacturing businesses, but both were tiny groups and were spread across the three settlement types.

Figure 5: Status in employment, key industry groups, usually resident population 15+ years, by settlement type (2013 Census)




Data for the 20 TLAs on the proportion of people 15+ years who were unemployed at the 2013 Census (Table 2) showed that while rural unemployment was below the national rate, there were marked differences in the rates for rural districts compared with the centres. The rural districts had considerably lower unemployment compared with minor urban and rural centres. The rural centres had the highest rates of unemployment. While five of the 62 rural centres had no unemployment,[11] nine had rates over 10%.[12]

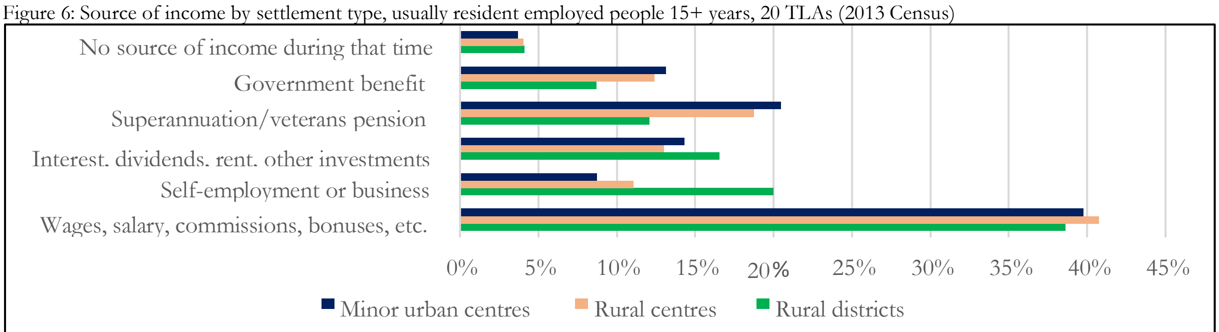
[10] Primary industry is agriculture, forestry, fishing and mining. Most of the (few) people engaged in mining (94%) were employees.
[11] Manapouri (Southland), Naseby (Central Otago), Franz Josef (Westland), Koitiata (Rangitikei), and Pauanui Beach (Coromandel).
[12] The rural centres with the highest levels of unemployment in 2013 were Tuai (20.5%) and Nūhaka (18.4%) in Wairoa TLA; Te Kōpuru (20.4%) and Ruawai (13.7%) in Kaipara TLA; Ratana (17.8%) in Rangitikei TLA; Granity (12.5%) in Buller TLA; Blackball (10.4%) in Grey TLA; and Waitotara (11%) and Manaia (10.4%) in South Taranaki TLA.

Table 2: Unemployment rates, 20 TLAs (%)

| | Average | Median | Range |
|---|---|---|---|
| Minor urban centres | 5.9 | 5.4 | 1.7–13.4 |
| Rural centres | 6.9 | 6.2 | 0.0–20.5 |
| Rural districts | 3.7 | 3.3 | 1.6–9.0 |
| **New Zealand** | | **7.1** | |

Source of income data (Figure 6) for the 20 TLAs in 2013 was also instructive.[13] These data were analysed in terms of the proportion of people receiving income from a particular source rather than in terms of individuals per se; that is, people receiving salaries may also have a government pension and/or interest and dividends. Nevertheless, there is a clear pattern. The data showed residents of rural districts were far more reliant on self-employment/business and investment income than were people from rural and minor urban centres. People living in the centres relied on superannuation and government benefits to a greater extent than rural district residents, a reflection of different age structures whereby the median age of people in the rural districts was younger than that of the centres.

Figure 6: Source of income by settlement type, usually resident employed people 15+ years, 20 TLAs (2013 Census)




*Note*: Includes more than one income source.

Socio-economic level of deprivation (Figure 7), while based on some of the census parameters discussed above, provides a further summary of the differences between the rural districts and centres. The 20 TLAs' rates were taken from the New Zealand Index of Deprivation (NZDEP, 2013). This index is calculated on nine dimensions of deprivation (see Atkinson et al., 2014):

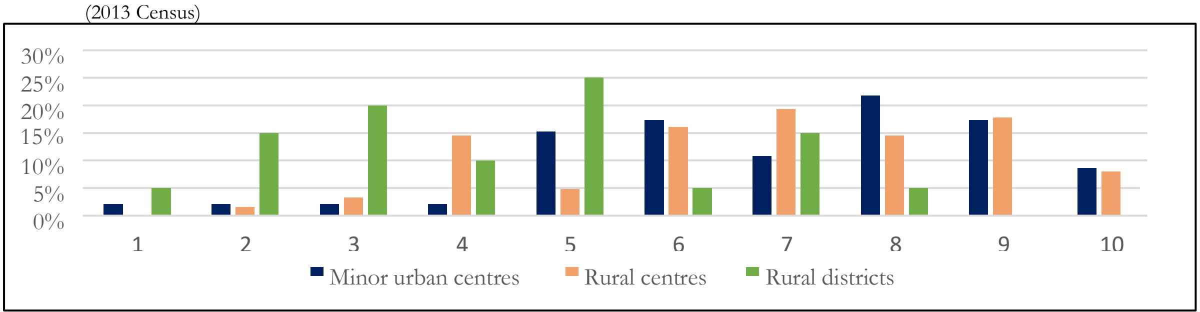
- aged <65 with no internet access at home
- aged 18–64 receiving a means-tested benefit
- living in 'equivalised' households with income below an income threshold ('equivalised' refers to the Atkinson et al. methodology to control for household composition)
- aged 18–64 who are unemployed
- aged 18–64 without any qualifications
- not living in their own home
- aged <65 living in a single parent family
- living in 'equivalised' households below a bedroom occupancy threshold
- without access to a car.

Problematically, this index (being based on census data) cannot include information about productive or capital assets (other than home ownership and income). On a scale of 1 to 10 where 10 was the highest level of deprivation, rural districts had low levels of deprivation. Three-quarters of the districts scored 5 or below, and none was over 8. In contrast, only one-quarter of the rural and minor urban centres

[13] While all government benefits were combined, receipt of one benefit generally precludes receipt of another. 'New Zealand superannuation or veterans pensions' were combined with the tiny numbers in the 'Other superannuation, pensions, annuities' category, and this may have resulted in some overlap.

scored 5 or below. In other words, while the majority of centres had a high level of socio-economic deprivation, the rural districts had a low level of deprivation (Pomeroy, 2019a).

Figure 7: Proportion of settlements at each level of deprivation by settlement type, usually resident employed people 15+ years, 20 TLAs (2013 Census)




*Note:* 1 is the lowest level of deprivation, 10 is the highest.

Similar differences emerge from comparing median personal income by settlement type (Table 3). New Zealand's median personal income in 2013 was $28,500. The median of the 20 rural districts' median incomes was $31,000.[14] Some 85% of the rural districts had median income levels above the national level, whereas only 13% of rural centres and under one-quarter of minor urban centres were above the national level. Notwithstanding, the medians of the minor urban and rural centres were very similar, particularly when Pegasus was excluded.[15] The medians in both were lower than the national average and considerably lower than for the rural districts.

Table 3: Median personal incomes

| | Average median income | Median of the median incomes | Range |
|---|---|---|---|
| Minor urban centres | $ 25,285 | $ 24,600 | $19,000–$41,900 |
| Rural centres | $ 24,725 | $ 24,400 | $17,400–$34,600 |
| Rural districts | $ 31,645 | $ 31,000 | $23,700–$37,700 |
| **New Zealand** | | **$ 28,500** | |

While socio-economic diversity within areas is highly likely, the contrast between rural districts and the centres is striking. Figure 2 shows that rural districts had a high proportion of 'managers', and Figure 8 shows that the personal annual income of these people was high. Managers (including owners) resident in rural districts formed the largest proportion of any occupational group, particularly at the highest income level. Figure 8 shows that community/personal service workers and sales workers tend to be low paid.

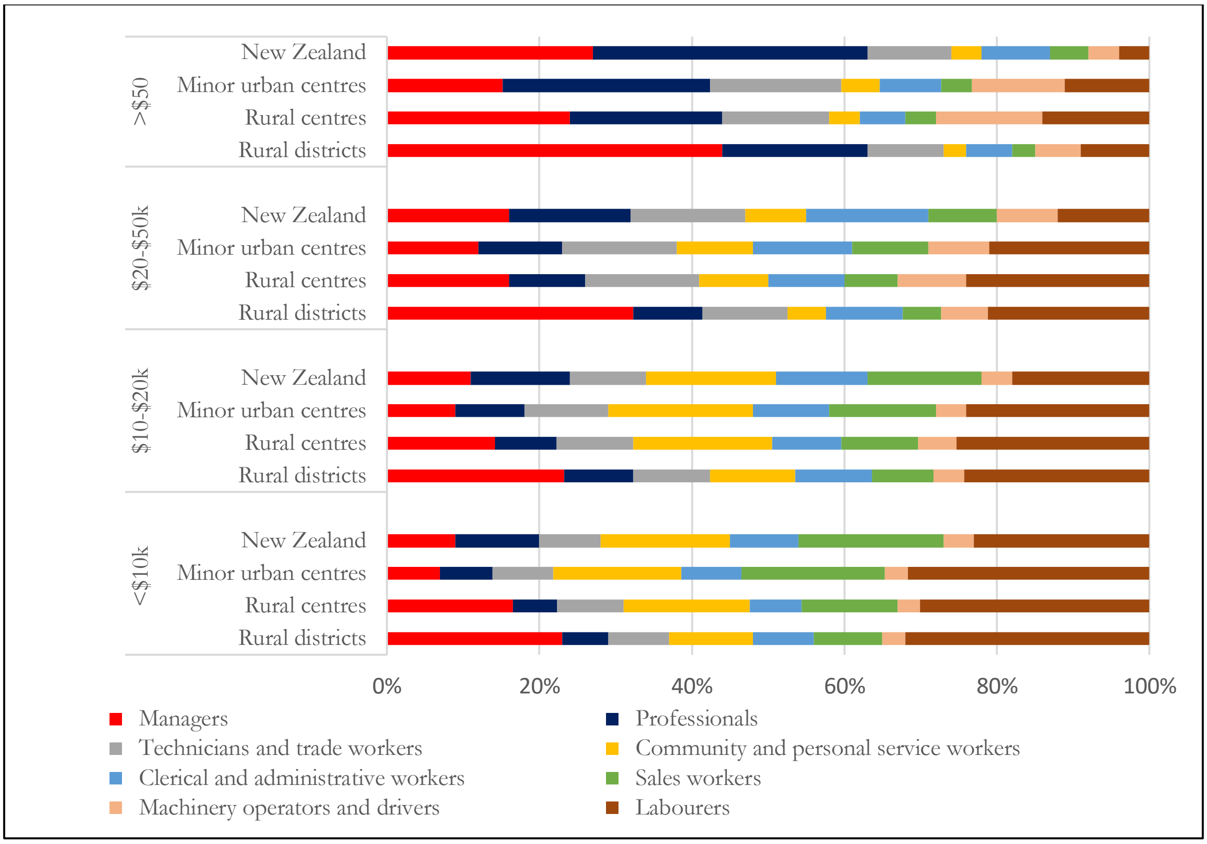
These two groups appear in greater proportions in the centres than in the rural districts. The largest proportion of machinery operators/drivers were in the top income bracket. This may be due to their owning their businesses. While the centres had sizeable populations of public servants, technocrats and professionals, those people are rarely, with the exception of local government employees, senior staff since the highest-paid senior staff and officials tend to locate in city headquarters. The difference in socio-economic status/median income between the districts and centres is, therefore, likely to be attributable to the ownership of productive property (particularly land, but also other material assets like stock and machinery) by factory and farm owners (capitalist producers), and the majority of the latter are

[14] Since Stats NZ only provides median income for each area-unit and settlement in its census data, this is the unit of measurement used here. The median was derived by listing median income for all locations in the 20 TLAs for each settlement type, and finding the mid-point for each.

[15] Pegasus had the highest median income of the minor urban centres ($41,900). It is an anomaly. Since the Canterbury earthquakes, this new town has grown exponentially, providing a home for Christchurch city commuters. Without Pegasus, the range became $19,000–$30,300 and the average median income of the minor urban centres' medians dropped to $24,916.

located in rural districts. Inequality between the two settlement types is, therefore, likely to be a product of class divisions.

Figure 8: Proportion of employed people 15+ yrs, in each occupational group, by income and settlement type (2013 census), 20 TLAs and New Zealand




## Discussion: Class divisions and inequality in rural New Zealand

It is unfortunate that Wilkes et al. made no real attempt to fully understand the real-life economic (and social) circumstances of the small employers and self-employed people in their survey sample. A mitigating factor, as pointed out by one of the reviewers of this article, was that the study by Wilkes et al. was a "component of a larger ongoing piece of comparative research on the class structures of various industrialised countries" (Wilkes et al., 1985, p. 6), and was much more oriented to control within the workplace and other questions about class and culture salient to the sociology of work at that time. Wilkes et al. (1985) and Wilkes (2019) worked on a questionnaire that had much more to do with understanding contradictory class locations than with poverty and lack of opportunities.

Applying census data and literature findings to Wright's very useful three-class structure as articulated by Ongley (2016, p. 77) shows class differences between New Zealand's rural settlements. Capitalists, middle-class people and workers reside in rural districts. Dominated by a capitalist-worker split (despite businesses employing few people), rural districts were shown by the census data to be relatively wealthy. Census data on median personal incomes for people in the 20 TLAs' three settlement types showed that median income was much higher for rural districts than for the centres. Level of deprivation was lower in rural districts than the rural centres, and this seems to be as a consequence of the high proportion of employers and self-employed (in other words, business and particularly farm owners) in rural districts. Rural and minor urban centres were home to lower-paid professionals and service workers, tradespeople (including self-employed and contractors), factory and farm workers; that is, the middle and working classes.

Comparisons of the three settlement types using other variables such as ethnicity, gender, age and education levels show interesting differences and similarities (see Pomeroy, 2019a). For example, the rural districts had a slightly younger age profile than both the minor urban areas and particularly rural centres. The latter tend to be retirement destinations for, among others, people who formerly lived in the districts. There were wide variations within the settlement types, but being somewhat top-heavy with retirees, the centres had a higher proportion than the districts of people with no qualifications. This may be a reflection of a generation that did not have the opportunities to acquire the educational qualifications available today, but the trend is reinforced in that centres skewed towards a more elderly population usually had fewer children (0–14 years), particularly compared with the districts.

Using New Zealand's city residents as his primary examples, Rashbrooke (2021) has pointed out the differences in educational and career aspirations of the wealthy versus the poor. Research literature shows that these differences are exacerbated in rural areas. While age profiles were not analysed for all 20 TLAs, age was investigated for the three settlement types in the three Taranaki local authority areas (New Plymouth, excluding New Plymouth city, Stratford and South Taranaki districts). There the districts tended to lose their secondary-school-age young people (15–19 years), and also people in their twenties who moved from the districts to the cities for tertiary education and training. Anecdotally, many property owners send their secondary-school-age children to urban boarding schools whereas children of workers and the middle class who live in rural districts travel (sometimes quite long distances) to attend local area schools. The literature also shows that many farm workers leave rural areas so that their secondary-school-age children can attend city schools (see, for example, Kranenburg, 2016). Area schools are often perceived to provide a more limited range of subjects and are known to experience difficulties in attracting and retaining staff in curriculum areas such as mathematics, science and technology (Lee & Lee, 2015).

Nevertheless, the differences in income levels between the three settlement types seem to be more likely the result of class divisions arising from the prevalence of farm and other business ownership in the rural districts rather than from educational, age structure or gender differences. On the contrary, educational and other differences arise between those who can utilise their property ownership and other capital assets for wealth generation and those who cannot.

While other literature (such as that summarised in Pomeroy, 2022) also points to a broad separation on class lines between districts and centres, the presence of wealthy landowners gives rural districts an image of affluence that is not shared by all residents. More studies are needed to explore divisions within settlement types as districts are also the home to many working-class people such as casual, seasonal and migrant workers, including up to some 12,000 people working under the Recognised Seasonal Employer scheme, some of whom are poorly paid, mistreated and exploited (see, for example, Enoka, 2019). Given how class attitudes shape ideas, societal structures and people's life courses (Bourdieu, 1977, 2002; Rashbrooke, 2021), it is expedient to recognise that the class structure of rural districts supports the wealthy, preserves disadvantage, and may well perpetuate distinctive rural social mores.

## Conclusion

While scrutiny of census data shows a picture of marked economic inequality between rural districts and New Zealand's small, nucleated settlements (rural and minor urban centres), taking analysis further to identify the class distinctions that led to this inequality requires studies that focus on more than occupational data, particularly wealth and property differentials, although such data are less accessible. People in the census occupational category of manager, and the employment-status categories of employers with few employees, self-employed without employees, and unpaid family workers predominate in rural districts. Rural districts have lower socio-economic deprivation scores and higher median incomes than rural and minor urban centres, due to the prevalence of owners of productive property and other capital assets living there. Clearly, further analysis of the economic assets owned by the people in those census categories is needed for a more nuanced understanding of class divisions in rural New Zealand.

While social distinctions, such as ethnicity and gender, and factors such as geographic location constrain, or facilitate, access to services and material possessions in rural New Zealand, class divisions emanating from ownership of productive property strongly contribute to inequality. Access to resources through educational advantage, the job market (occupation), and investment in economic assets and the stockmarket provide opportunities to improve life chances for the middle and capitalist classes. Further analysis of both working-class lives and the class position of self-employed property owners, as well as of the relations between the different classes, is needed to fully understand the impact of class on the life chances and well-being of rural people.

As this article argues, despite increasing concern about various forms of inequality in New Zealand, the continued absence of class-based research is striking, within and beyond sociology. How access to resources, for example, through educational advantage, the job market (occupation), and investment in economic assets and the stockmarket is linked to levels of wealth as well as income, especially property ownership, remains under-researched using class analyses. This applies to studies of not only capitalist and 'middle' classes and their relations with working-class persons but also self- and family-employed property owners, who historically were and remain a key component of the New Zealand class structure. Which brings us full circle to restressing the need for sociologists to focus on the much-neglected study of the classed lives of rural people.

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