



Lent 2011

Inequality and Welfare Reform: What has been lost and what can be sustained?

Introduction:

This series of studies for Lent focuses on 'asking the questions' about Inequality and Welfare Reform has been put together by members of the Public Questions Network Co-ordinating Group.

Inequality and welfare reform are closely linked. Inequality concerns all parts of society and how the parts relate to each other, and welfare reform concerns the most vulnerable people in communities. Churches and groups concerned with social issues and justice, with Te Tiriti o Waitangi and with specific issues such as child poverty, youth unemployment and imprisonment are giving a lot of attention to inequality. This interest has been lit up by 'The Spirit Level' (2009) by Wilkinson and Pickett, which demonstrates that inequality is an indicator of dysfunctional societies. Their research shows that New Zealand is the fourth most unequal country out of the fifty countries they studied.

The Welfare Working Group Recommendations came out the day of the second Christchurch earthquake. Responding to the loss and dislocation from the earthquake is a priority; we are mindful that recovery will include considerations of inequality and welfare.

These Lent studies on Inequality and Welfare Reform are an opportunity to engage with these topics. NZ Council of Christian Social Services (NZCCSS) is working on a special study of inequality and will put materials on the website from April. There are a range of papers available as backgrounders to inform your discussions. We will provide introductory comments and some questions to lead you into the material.

The sessions are introduced with theological orientations. You may bring further contributions. The studies:

- Identify social situations which seek our attention on Inequality and Welfare Reform
- Invite discussion on the topics through questions suggested here, or through your own questions

Resources:

- Bibles
- Inequality papers.
 1. Andrew Bradstock 'Economic Inequality – a serious theological issue.' (Professor of Public Theology, Otago University). Appended.
 2. Andrew Bradstock 'Tackling economic inequality' http://epress.anu.edu.au/anzsog/public_policy/pdf/ch10.pdf
 3. Betsan Martin. Introduction to Inequality. Inserted.
 4. *The Spirit Level*, by Wilkinson and Pickett. Summary <http://www.guardian.co.uk/books/2009/mar/13/the-spirit-level>
 5. Mind the Gap. A policy document available at: <http://www.greens.org.nz/mindthegap>
 6. The Equality Trust website: <http://www.equalitytrust.org.uk/>
 7. NZCCSS Vulnerability Report: http://nzccss.org.nz/uploads/publications/vulnerability_report%207.pdf

- Welfare Reform
 1. Welfare Working Group Recommendations(Government) 'Reducing Long Term Benefit Dependency'
 - a. Summary and full report: <http://ips.ac.nz/WelfareWorkingGroup/Index.html>
 - b. 'The Dream is Over' Comment by Child Poverty Action Group:
<http://www.cpag.org.nz/assets/SSJ.pdf>
 2. Alternative Welfare Justice Report(s) (Churches). Available at: <http://welfarejustice.org.nz/>
 - a. Welfare Justice for All
 - b. Welfare Justice in New Zealand: What We heard
- Public Questions Study guide for each person. Recording materials. A guide for running a group is appended.



Session One

Scrolls, Sycamore Trees and Inequality

Resources

Andrew Bradstock 'Economic Inequality – a serious theological issue.'

Betsan Martin. 'Introduction to Inequality'

Review of The Spirit Level: <http://www.guardian.co.uk/books/2009/mar/13/the-spirit-level>

Theological Introduction

Jesus sets out his manifesto for ministry in

Luke 4:14-21.

Then Jesus, filled with the power of the Spirit, returned to Galilee. He began to teach in their synagogues and was praised by everyone.

When he came to Nazareth he went to the synagogue on the Sabbath day, as was his custom. He stood up to read, and the scroll of the prophet Isaiah was given to him. He unrolled the scroll and found the place where it was written: "The Spirit of the Lord is upon me, because he has anointed me to bring good news to the poor. He has sent me to proclaim release to the captives and recovery of sight to the blind, to let the oppressed go free, to proclaim the year of the Lord's favour."

And he rolled up the scroll, gave it back to the attendant, and sat down. The eyes of all in the synagogue were fixed on him. Then he began to say to them, "Today this scripture has been fulfilled in your hearing."

And Luke 19:

Jesus entered Jericho and was passing through. A man there, by the name of Zacchaeus was a chief tax collector and was wealthy. He wanted to see who Jesus was, but because he was short he could not see over the crowd. So he ran ahead and climbed a sycamore tree to see him, since Jesus was coming that way.

When Jesus reached the spot, he looked up and said to him, "Zacchaeus, come down immediately. I must stay at your house today." So he came down at once and welcomed him gladly. All the people saw this and began to mutter, "He has gone to be the guest of a sinner." ⁸ But Zacchaeus stood up and said to the Lord, "Look, Lord! Here and now I give half of my possessions to the poor, and if I have cheated anybody out of anything, I will pay back four times the amount." Jesus said to him, "Today salvation has come to this house, because this man, too, is a son of Abraham. For the Son of Man came to seek and to save the lost."

Questions:

1. What do you value from these readings?
2. What would this passage have meant to the leaders in the Synagogue?
3. What kind of community is envisaged in these stories?

Inequality – The Spirit Level Index of Health & Social Problems

Prepared by Betsan Martin, March 2011

The Spirit Level, by Richard Wilkinson and Kate Pickett, is sweeping through nearly every social justice and policy analysis conversation. Wilkinson and Pickett are epidemiologists who have carried out research across social sectors and assessed this against measurements of inequality. The research shows that income inequality can be correlated socially divisive and that it is an indicator of major social problems such as violence, mental illness, poor education outcomes.

Wilkinson says that inequality effects people on lower incomes the most, but that inequality affects everyone: greater income equality has benefits for all people. Wilkinson's research reveals that having more of everything does not increase wellbeing. Beyond certain levels of wealth economic growth does not achieve greater social cohesion, health, educational outcomes or other social benefits.

In *The Spirit Level*, Wilkinson and Pickett use 10 key indicators mapped against income inequality measures to establish the rankings for the 23 countries included in their research. New Zealand is included, and we are ranked the 4th most unequal country out of the 23 in the study.

Wilkinson and Pickett are epidemiologists who have carried out research in health, education and areas of social concern such as violence and imprisonment, across fifty countries. Their comparative analysis shows that greater inequality is an indicator of social dysfunction and dis-ease and that more equal countries perform better across a range of indicators of social wellbeing.

The 10 indicators are:

- Mental health and drug use
- Community life and social relations
- Physical health and Life Expectancy
- Obesity
- Educational performance
- Teenage Births
- Imprisonment and punishment
- Social mobility

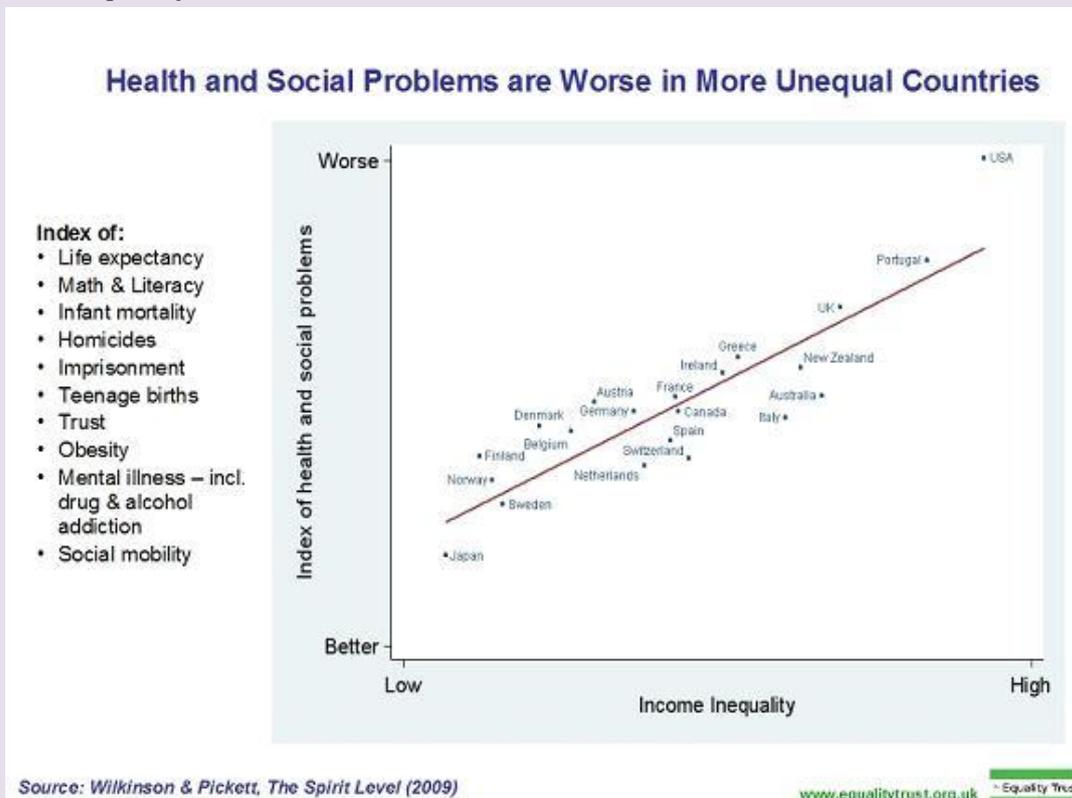
In the Spirit Level shows that everyone is better off, regardless of how wealthy we are, in more equal countries: we get on better with each other, are healthier, live longer, have fewer social problems and are more environmentally sustainable.

The data comparisons are snapshots at one point in time. Further research will be needed to look at trends over time (particularly over the period of rapidly growing inequality from 1984).

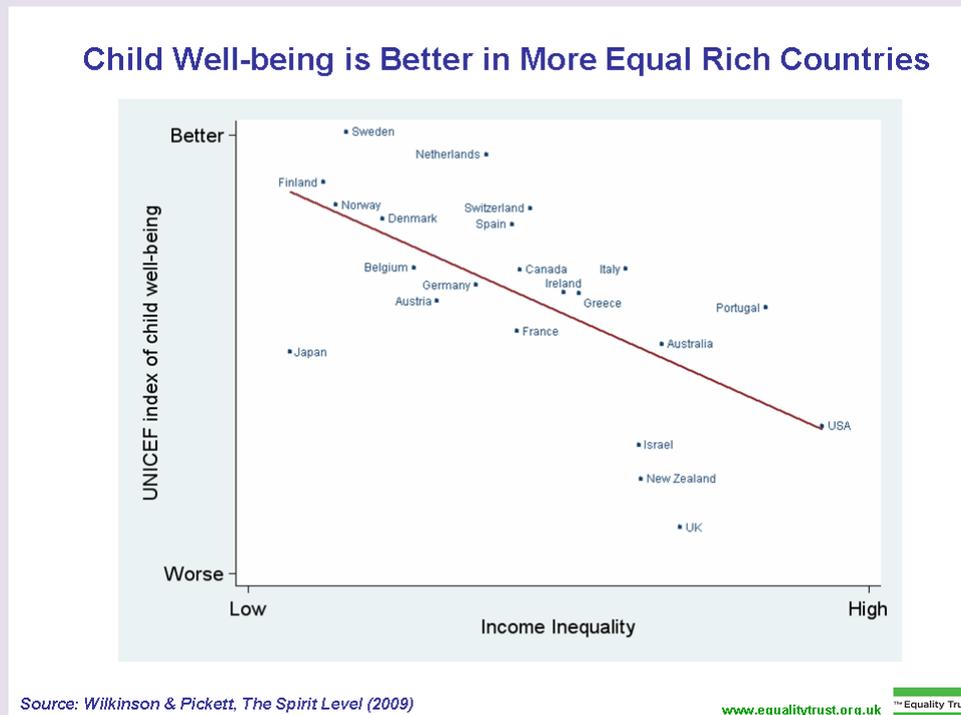
The Hikoi of Hope in 1998 was a march on Parliament, started by the Anglican Church to bring increasing poverty and unemployment to government attention. Some say that it was a defining movement that resulted in a change of government towards policies to begin to address the inequalities in our society. New Zealand is a country with egalitarian traditions and many people are surprised by the information on inequality in New Zealand.

This research highlights, across many countries, the common theme that more unequal income gap countries have more social dis-eases. Thus any policies that tend to increase the gap will also tend to increase social disease. It has been noted that within New Zealand since the market reforms of the 1980's, there has been a marked increase in the gap between the top 20% of incomes and the lowest 20%. And the loss of social cohesion, and our egalitarian way of life has been the result.

The following graph shows New Zealand's place on an inequality scale. The scale measures the 10 indicators on the vertical line, from Social Mobility to Life Expectancy, and shows New Zealand's place in this rating. NZ is measured as being the 4th highest level of inequality.



This graph of child well-being is related to income inequality. From the *The Spirit Level*.



The evidence of this research is that high inequality is an indicator of higher violence and crime rates, imprisonment, ill-health and low educational achievement. The rise of the ideology of monetarism and privatization has been the economic policy driver for rising inequality with sharp salary rises for some groups.

Although sustainability is not included in the measurements, there is a chapter on sustainability in the *Spirit Level*. In a time of the need to lower carbon emissions it is important to note that again that in developed countries further economic growth does not improve health, happiness and measures of wellbeing. Here the question is asked on whether more equal societies are more sustainable? Is sustainability compatible with retaining quality of life?

In exploring these questions Wikelinson and Picket mention a study done by the World Wildlife Fund (WWF) which analysed data on the quality of life (measured by life expectancy and other indicators) in relation to the ecological footprint per person. This shows that scarcely any countries combine quality of life with ecological footprint. Cuba is the only country that does! The possibility from this analysis is that it provides an impetus to renewable energy technology, to commitment to the reduction of carbon emissions, and to turning economies of productivity, self interest and consumerism into an 'oikonomia' of stewardship, relationships and responsibility.

An interesting comment from Wilkinson was that the English speaking world is the most unequal – pointing to the ease of spreading ideas across the same language countries.

There are different ways of achieving greater equality. Sweden, which has high participation of women in the economy, gains greater equality by redistribution through taxation – the earnings differences are thus modified. Japan has smaller income differences and also a lower proportion of women who are economically active.

Japan is an example of a success story in reducing inequality. Japan had very bad health statistics in the 1980's. With policies to create less inequality indicators of good health of risen – life expectancy is higher and infant mortality lower.

Wilkinson was asked about the role of ethnic differences in influencing inequality. Sometimes immigration is blamed for loss of jobs and unemployment. Wilkinson noted that Sweden, which has low inequality, has the same percentage of foreign born population as the US, yet the US is the most unequal society of all developed countries. Wilkinson says 'you can't attribute social malaise to migrant populations'. Ethnic groups (with low incomes) are often treated as low social class because economic status becomes equated with ethnicity.

Wilkinson advocates for greater economic democracy as a means to reduce inequality. Strong trade unions facilitate the reduction of income differences; he cites New Hampshire as a having measures to improve economic democracy through legislation which facilitates membership of trade unions. In companies systems of accountability would include answerability between boards, executives and employees and would increase economic democracy.

The book *Spirit Level*, is accessible to read. Along with the text, many tables demonstrate the effects of inequality and provide a further style of presenting this important account on the significance of inequality.

Paul Barber, NZCCSS, is compiling information on inequality specifically for New Zealand. This will have data on the 10 indicators used by Wilkinson and Pickett. Hopefully this will be available during April and we will send it to the Public Questions network.

Interview: Richard Wilkinson and Unequal Societies.

<http://www.radionz.co.nz/national/programmes/sunday/20100620>

Questions

1. Measures to reduce inequality are intended to address the increasing disparity in Aotearoa-New Zealand.
 - a. What are some ways that reducing inequality could be done? What can be done in households and communities to reduce inequality?

2. What are some problems with this idea? How are the better off affected? When New Zealand was an egalitarian society, Maori were excluded from many of the entitlements so 'equality' did not work for many whanau and Maori communities. The legacy of that differentiation can be seen in current inequalities within the country.
 - i. **Unemployment**
 - ii. In 2010, the 'Māori only' unemployment rate increased to 16.2% (from 14.2% last year). 'Pacific peoples only' unemployment increased to 13.5% (from 12.3% last year). In contrast, people who identified as 'European only' had a rate of 4.3 per cent (down from 4.5% in 2009).

 - iii. **Youth unemployment**
 - iv. Unemployment for Māori aged between 15-24 years stood at 26.8% in September 2010 (an increase of 0.1 percentage points). The unemployment rate for Pasifika youth increased by 1.9 percentage points to 29.8% (compared to 27.9% in September 2009).
NZCCSS Vulnerability Report December 2010.

3. What would need to happen to ensure all communities benefit from reducing inequality? Does a concept such as 'Oikonomia' have any currency today? What might it mean in parish communities?

4. What might work at a government level?



Session Two

A Measuring Tool: Inequality

Resources

Wilkinson and Pickett (2009) *The Spirit Level*. Allen Lane

A video with Wilkinson and Pickett introducing their research on inequality

<http://www.youtube.com/watch?v=zYDzA9hKCNQ&feature=related>

Theological Introduction

Walter Bruggeman:

As you know, we live in a fearful society that is devoured by anxiety. And we imagine in our anxiety that there are extreme “security” measures that will make us safe. But if this is God’s world and if the rule of love is at work, then our mandate is not to draw into a cocoon of safety; rather, it is to be out and alive in the world in concrete acts and policies whereby the fearful anxiety among us is dispatched and adversaries can be turned to allies and to friends.

Bruggeman, Walter. (2007) *Mandate to Difference*, p. 6. Louisville.

Many John Wesley histories and biographies have been written. A recent one from Wesleyan historian, James Stuart, contains this:-

But just when it appears that Methodism has come of age, the tables are turning. All across England, Europe, North America, Australia and New Zealand the influence of Methodism is waning and membership is declining. Methodists need a new appropriation of Wesley’s vision. Before this can happen we need to understand and appreciate in new ways the man and the vision that

first gave birth to Methodism. Perhaps **we can re-imagine that vision and speak to such a vision in a public way..** This is certain: if Wesley were alive today, you can be sure he would be seeking such a vision. Stuart, James. (2008) *The John Wesley Code*, p 203, Wellington.

A New Zealand church leaders statement:

We and our Church members seek social justice because we believe that, as we serve this goal, we truly serve the loving purposes of God. We seek social justice because we worship a just God. We act with compassion because we worship a God who is merciful.

Government elected by the people bears ultimate responsibility for safeguarding the basic well-being of all. It is to act where private initiative does not suffice. It is above all to choose policies which truly serve the needs of the most needy among us, as well as benefiting the wealthy. In its choice of policies and by its direct support of the needy, government should act out the collective will that no citizen of our land experience a life deprived of life’s essentials (‘Making Choices’ 1993).

The following questions are suggested to start discussion. They are based on reading the *Spirit Level*, or review of the book, watching the video link, and working with the resource materials from session one.

Questions

1. What are the possibilities and challenges that come from the *Spirit Level*?
2. New Zealand has become more unequal since the 1980's. What are some of the changes that have made this happen?
3. What are the benefits of greater equality to those in the higher income levels?
4. Can the possibility of recreating greater equality become a vision for New Zealand? What values to New Zealanders have that form the basis for political support for reducing inequality? What values would be in the way of reducing inequality?



Third Session

Carrot and Stick: Inclusiveness or Beneficiary Blaming

Welfare Reform Resources

Welfare Reform Group Recommendations. Summary:

<http://ips.ac.nz/WelfareWorkingGroup/Downloads/Final%20Report/WWG-Executive-Summary-Final-Recommendations-22-February-2011.pdf>

“The Dream is Over, but hss the Nightmare Just Begun?” Comment by Child Poverty Action Group:

<http://www.cpag.org.nz/assets/SSJ.pdf>

Christchurch Methodist Mission: <http://www.mmsi.org.nz/our-views/48-demonising-beneficiaries-is-not-the-answer.html>

Ten Myths About Welfare: <http://werewolf.co.nz/2011/02/ten-myths-about-welfare/>

Christchurch Methodist Mission: <http://www.dmm.org.nz/pdfs/welfarereformtruth.pdf>

NZCCSS: <http://nzccss.org.nz/uploads/publications/KeteKupu%2015%20colour.pdf>

Introduction to Welfare Reform

Prepared by Betsan Martin March 9th 2011

In this session we are going to look at key themes of the Welfare Working Group (WWG) set up by government in April 2010.

We are highlighting welfare reform because these will be significant issues during the election year. We want to be sure that while recovery from the Christchurch earthquake will be uppermost for a long time, we are also keeping in touch with changes and with aspirations that will shape policy in the future. There is every likelihood that the more severe recommendations will be implemented if the National government has a second term.

The main contention about the Government’s approach to reform is that they are framing the discussion about beneficiaries as ‘dependents’, that the onus of getting off benefits is the responsibility of individuals, and that reform is based on the view that the only means to a fulfilling and responsible life is through paid work. The earlier Issues paper (2010) speaks about the ‘large numbers’ of people on benefits, and



Image from www.werewolf.co.n

quotes 170,000 as being in 'long term reliance' on benefits – which has an effect of magnifying the burden of welfare provision. In fact these claims are inflated.

- The total number of people on benefits between 2004 and 2008 has declined (from 309,360 to 258,317)

- The number of people receiving Domestic Purposes Benefit between 2003 and 2008 went slightly down (from 109,000 to 98,000)

- The Unemployment rate in 2008 was the same as in 1986 (4.1%). It peaked in 1991-2 to 10.6%. In 2009 it rose to just over 6%. The current rise in unemployment to 6.8% is because of the recession.

In the introduction to the Issues paper Paula Rebstock writes:

'Long term reliance on benefits has contributed to many adverse impacts such as poverty, poor physical and mental health and deep deprivation where intergenerational dependency has taken hold'.

The Treaty of Waitangi is given no significant place in the Options paper. This seems a remarkable omission given the major policy initiative of Whānau Ora

Christian Social Service agencies are appalled by the 'blame the beneficiary' approach to welfare reform. This is widely known that proposed changes will impact negatively on those most vulnerable in our society. The following is an assessment of the Welfare Reform Recommendations by NZCCSS.

The introduction to the WWG Recommendations states that fundamental change is needed and that 'the social and economic costs of the current system are unacceptably high'. In the recommendations there is a statement about implementing an 'actuarial measurement' of long term liability of benefit dependency.

Key Themes of the Recommendations:

- A work focus for all beneficiaries, with mention made of the need for compassion for sick and disabled people and for those with long term needs. The figure of 31% of working age Māori on benefits is 'intolerable'; (need to lift education, training and employment outcomes).
- All people who apply for benefits will be supported to take proactive steps to secure paid work.
- There will be numerical targets for reducing the number of people on benefits
- Concern is expressed about having 222,000 children growing up in benefit dependent households is a major concern.

- Recognition is given of the need for an across government approach because many of the solutions lie outside the welfare system. Education, with more emphasis on at risk and under-performing children, and health – with attention to rehabilitation and mental health services to better facilitate fitness for work, are identified. There is no mention of the labour market and the fundamental importance of job creation.

Two fundamental changes to welfare are proposed

- **Jobseeker Support. This is a new single work-focussed benefit to replace all existing categories of benefits. The rate will be set at the current Unemployment benefit, which is lower than other benefits.** (Note: A single benefit has been proposed before and has proved to be unworkable).
- **Establish 'Employment and Support New Zealand, a new agency to implement the new emphasis on actively pursuing, securing and maintaining employment.**

People applying for Jobseeker Support will have to take immediate steps to seek work. Those with significant 'barriers' to paid work would be in a 'transition to work' stream. The emphasis is on personal responsibility to get into paid work.

Some of the proposals include:

- The baseline single benefit will have supplementary payments to meet specific needs. These are currently provided for under the various benefits such as widows benefit, sickness benefit, unemployment benefit. Under the proposed scheme these will be called 'supplementary payments.' The current entitlement to hardship payments will be replaced by hardship grants at the discretion of the case manager. This is to encourage people to live within their means.

- Under the term 'reciprocal obligations' the responsibility of applicants for benefits to be in paid work is spelled out

- Measures are included to prevent teen pregnancies – New Zealand has one of the highest teen pregnancy rates in the OECD. All 16-17 year olds are to be in education or training and will be required to live with a responsible adult. Their welfare payments will be made to such an adult. Sixteen to seventeen year old sole parents will be required to attend budgeting courses and to have welfare payments 'managed'.

- The 'Disabling' nature of the welfare system is interpreted as encouraging dependence. The assumption will be made that disabled people can work, and any support with health issues will be provided.

- All children will have health checks and participate in Early Childhood Education from the age of 3. Sanctions for not complying will not mean payments are reduced, but it could mean that their benefit will be managed by a third party. However there will be payment incentives for sole parents to be in work. There needs to be increased availability of afterschool care.

Commentary from NZCCSS: 'Celebrate Beneficiaries - The Heroes of the Recession'

<http://nzccss.org.nz/uploads/publications/Ke-teKupu%2015%20colour.pdf>

It is the government who is making bad life choices, not beneficiaries! In fact, NZCCSS says beneficiaries are the heroes who are carrying the country through the recession.

The recent release of the third and final report from the government Welfare Working Group Report shows the government plans to continue with its "a job – any job" approach for those on the unemployment, sickness and domestic purposes benefits.

NZCCSS believes electioneering has already begun with the roll out of the old anti-welfare recipient rhetoric (otherwise called beneficiaries bashing). It was appalling to hear the Prime Minister say that those forced into using foodbanks are making "poor choices" and that their lack of food was due to bad "lifestyle choices". It follows his earlier comment that "people on benefits need a kick up the pants".

So let's look at the choices made by this government. In last year's Budget, the Government announced its great tax switch – the "take from everybody and give to the better-off" policy. Entrepreneur Sam Morgan, who founded

Trade Me in 1999 and sold it in 2006 to Australian publisher Fairfax for over \$700 million, told the National Business Review, "I pay basically no tax. And that's not right, but what am I supposed to do?" Yet in the 2009/10 Budget, those on or above the average wage got significant assistance via the Government's 'tax-switch'. They received significantly higher incomes even after the impact of GST is taken into account. That leaves low income earners and beneficiaries paying off the nation's debts!

In the 2009/10 budget, the spend on imprisoning New Zealanders was \$710 million. A further billion dollars is earmarked for new prison construction over the next 10 years. The Government is committing funds to a failed imprisonment policy that is not making New Zealand any safer or delivering social outcomes that will result in long term improvements. From a NZCCSS perspective, it is the Government who is making the bad life choices.

Those who have lost their jobs due to the Government's choice not to focus on job creation during the recession are paying for our economic rebalancing. They are the one-parent families, who live in the cheaper parts of town, without effective public transport, without neighbourhood childcare, without appropriate local part-time employment opportunities. Yet instead of celebrating their huge contribution to our national wellbeing,

they are called 'benefit dependent' problems who need to correct their bad life choices.

NZCCSS is committed to a fairer and more equal New Zealand, where our wealth is about good health and strong communities and not just about money. The Council will closely examine the Welfare Working Group report and promote any sensible supportive strategies contained within. We will also challenge the Government on any areas that widen the gap between those who earn the most and those who earn the least.

In discussing our welfare system, we need to focus on the long-term wellbeing of New Zealand families – even those who need welfare support. This will be achieved through sensible, inclusive discussion that focuses on providing appropriate support to families, building skills and creating employment. The use of derogative terms and the “them and us mentality” is not helpful. We need a solution that recognises the contribution that good quality social welfare makes to New Zealand’s national wellbeing.

NZCCSS Kete Kupu Lifestyle Choice – Food on the table or pay the rent?

“...anyone on a benefit actually has a lifestyle choice. If one budgets properly, one can pay one’s bills. That is true, because the bulk of New Zealanders on a benefit actually pay for food, rent, and other things. Some make poor choices, and they do not have money left.” Prime Minister John Key.

A spectacular lack of understanding of the real situation of people on lower incomes was demonstrated by the Prime Minister John Key in Parliament recently. Social service agencies operating foodbanks and budget advisors assisting people on benefits were outraged at his casual indifference to the desperate daily struggle of people to get by on poverty level benefits.

As one commentator pointed out, his clients’ “lifestyle choice” each week is whether to pay for food or the rent! Budget advice services around the country are flat out assisting people to manage their incomes but budgets can only help so much – sudden emergencies, illness can throw all this into chaos.

NZCCSS December **Vulnerability Report** (which is sent directly to the Prime Minister and Deputy Prime Minister’s offices) described the reality that the PM seems unwilling to grasp. Work & Income is now actively referring people to budgeting services and those services are trying to gear up to meet this additional



**Waitakere Foodbank
Manager Victor**

demand. Foodbanks continue to see increased need for parcels. The Salvation Army reported last week on the 14,000 food parcels they distributed, more than double the number they were distributing on 2007

Food prices are leaping ahead of inflation and this will undoubtedly lead to further pressure on low income household’s budgets. Fresh fruit and vegetables rose

by 7.4%, including milk price rises of nearly 10%. Everyone will have noticed the price of petrol increasing steadily over the past year (14.2%) (January food price index - Stats NZ) and regular petrol is now over \$2 a litre.

Options and Responses: by Laura Black, Dunedin Methodist Mission.

The issues raised in the Options paper by the Government Welfare Working group are significant. Some of these are credible, but many betray the limited terms of reference of the review. Laura Black of DMMI comments:

- the economic system, labour market, health and education systems need to be aligned with strategies to reduce long term benefit dependency support.
- the focus on paid work needs to be complemented with active support and clear obligations so as to enable people to take work opportunities when they emerge. (An example might be the availability of and access to child care if a part time job for a parent with child care responsibilities becomes available)
- The WWG group has failed to provide any analysis of the contribution of underlying macro-economic conditions to the number of poor individuals and whānau, and no analysis of the low-skill nature of much of our economy and/or

the long tail of educational failure and their impact on the macro-economic environment. These elements are the primary cause of poverty in Aotearoa/New Zealand and any solution that excludes answers to these contributing factors can only fail.

Some Suggestions (abbreviated):

- Provide wrap around support and advocacy services via NGO's for long-term beneficiaries toward the rebuilding of individual and whanu resilience so that education and employment opportunities are able to be embraced
- Support community employment projects
- Establish internship to provide positive incentives for beneficiaries to move into work experience.

The strong focus of this submission on creating educational and training pathways into employment, along with the need for policies for job creation are also features of the Welfare Justice proposals.

The Children's Commissioner John Angus has pointed to the risks to children that will be the outcome of the 'draconian measures' presented in the Welfare Working Group Options paper. Reduction in benefits and punitive measure against women who are not working will lead to further stress on families.

Questions

1. With this strong emphasis on jobs, what strategies are provided to ensure jobs are available? How could jobs be created in your community?
2. Are the supports to enable people with disabilities adequate? What are the benefits of the emphasis on paid work? How are the contributions from non-paid work being recognized in New Zealand? And in your community?

- 3.** How do the different approaches of carrot and stick (encouragement and punitive measures) work in the Welfare Reform proposals? Do you think keeping benefits low provides an incentive for people on benefits to get into paid work?

- 4.** Over the last 10 years the crime rate in New Zealand has been fairly constant (1500 offences per 10,000 people in 2000, and about the same in 2009). Yet we have imprisoned more people. (2003, 155 per 100,000 people ; 2009, 179 per 100,000 people). Last year the government budgeted \$500 million per year on building new prisons. This represents a choice of priorities. What expenditure do you consider should have priority for the government?



Session Four

Justice and Responsibility

Resources:

Welfare Justice for All: <http://welfarejustice.org.nz/dox/Welfare%20Justice%20for%20All.pdf>

Welfare Justice in New Zealand. What We Heard:

<http://welfarejustice.org.nz/dox/WELFARE%20JUSTICE%20IN%20NEW%20ZEALAND%20What%20We%20heard.pdf>

'Mind the Gap'. A policy document available at: <http://www.greens.org.nz/mindthegap>

Theological Introduction

'The Love of God is revealed in responsibility for others' (Caritas 2009)

John Chapter 3. Vs 14-20.

Now there was a Pharisee, a man named Nicodemus who was a member of the Jewish ruling council. ² He came to Jesus at night and said, "Rabbi, we know that you are a teacher who has come from God. For no one could perform the signs you are doing if God were not with him." "You are Israel's teacher," said Jesus, "and do you not understand these things? Very truly I tell you, we speak of what we know, and we testify to what we have seen, but still you people do not accept our testimony.

Everyone who does evil hates the light, and will not come into the light for fear that their deeds will be exposed. ²¹ But whoever lives by the truth comes into the light, so that it may be seen plainly that what they have done has been done in the sight of God.

Emmanuel Levinas

Philosopher and Jewish scholar Emmanuel Levinas is known for his ethics of the face-to-face relation. Relationships with others is a basis for responsibility and is expressed in welcome and hospitality (it will be difficult to convey these ideas in a short introduction although they resonate with biblical theology). Levinas questions the priority given to freedom in liberal thought, and replaces it with the notion of responsibility:

The stranger, as my neighbor, interrupts, interpolates the subject in his or her freedom, and in doing so, in this moment, presents the opportunity for ethical response. Ethical subjectivity dispenses with[being], which reduces everything to itself. The ethical 'I' is subjectivity precisely because it kneels before the Other', sacrificing its own liberty to the call of the other. For me, the freedom of the [person] is not the highest or primary value. Our response to the human other, or to God as the absolutely other, precedes the autonomy of our freedom. As soon as I acknowledge that it is 'I' who am responsible, I accept that my freedom is anteceded by an obligation to the other. (Levinas, E (1986) 'Face to Face with Levinas' p. 27).

Such acts of kindness are reminders that *I* am the one who is responsible, and that ethical responsibility is *my* concern not someone else's. The face-to-face ethical structure of

responsibility is therefore, for Levinas, the core of a demand for a just polity. As Critchley has noted, ethics is ethical for the *sake* of politics, for the sake of a more just society. The necessity, indeed the inevitability, of political rationalities is recognised in Levinas's thought. But as Levinas often points out, the state bureaucrat cannot see, nor respond to the tears of my neighbour: that is my affair. Small goodnesses emerging from ethical responsibility invest and challenge politics—they are part of the possibility of a non-totalising politics. (Hoskins, *Te Kawehau Māori and Levinas. Kanohi ki te Kanohi for an Ethical Politics*. (1010), p. 38)

Questions

1. The idea of prioritizing responsibility over freedom is a challenge. What opportunities are presented by this new, yet ancient injunction to welcome to the stranger and neighbour, and to hospitality?
2. The Government Welfare Recommendations are shaped by individual responsibility (to find work). What are the possibilities of more relational understandings of responsibility? Could these contribute to more cohesive communities?

Welfare Justice

Prepared by Betsan Martin

Introduction

'Welfare Justice: the Alternative Welfare Working Group was established out of a common concern in the community sector that Welfare Working Group (WWG) was limited by narrow terms of reference, a punitive approach to welfare, exclusion of significant matters such as benefit adequacy, and a non-consultative style'. The Alternative Welfare Working Group was commissioned by Caritas, the Anglican Social Justice Commission and the Benefit Advisory and Advocacy Federation to address shortfalls in the Government consultations, advice and terms of reference for Welfare Reform. The commissioners are Mike O'Brien (Social Policy Academic), Paul Dalziel (Economist), Pihopa Muru Walters (Anglican Bishop), Susan St John (Economist), Māmari Stephens (Lawyer), Sue Bradford (ex MP) and Wendi Wicks (Disability Advocacy).

The documents published by the Welfare Justice Commission are available on line. The Report 'Welfare Justice for All' documents New Zealand's welfare, and gives attention given to the role of Māori in that system. In very readable form it goes through the real issues of change, the challenges to be met and gives ideas for long term reform.

Welfare Justice for All states

The government's WWG's terms of reference include this sentence; *'The group will need to consider the fit of the current system with a flexible labour market and the*

modern roles and responsibilities within families'. It our view that this obvious monetarist economic approach does not conform to our history of social security built on full employment, education to realise potential, access to quality healthcare, affordable and healthy housing and income adequacy. (p158 '**Welfare Justice for All**').

There is to be no discussion of the adequacy of the current support payments made nor the value that voluntary work contributes to the wider economy. The Welfare Justice Group all identify social participation, social inclusion and wellbeing as the key frameworks for achieving social cohesion and an inclusive society. All these groups and agencies agree that major reform should be designed and built on these values and frameworks for long term sustainability.

The 'Welfare Justice for All' paper provides an overview of the significance of welfare and for Māori; it includes analysis of the over-representation of Māori in social disadvantage. Any reform must prioritize whole of system multifaceted strategies for education, employment and welfare.

Paul Dalziel, member of the Alternative Welfare Justice Commission, and others have said – of course those who are on benefits are living in deprivation, because the benefit is paid at levels which are 30 - 80% below the average wage, and below the poverty line (see Welfare Justice For All p. 34). The failure of the welfare system is that with incomes below poverty levels, 30% of New Zealand children are growing up in deprivation –and likely to present the symptoms of poor health, poor educational achievements, crime and addictions. The symptoms of deprivation are inter-related and need integrated, whole of system strategies to address them.

The Need for Reform

Many have suggested that government concerns about the monetary cost of the welfare system is the real issue. Bishop Muru Walters quoted the Prime Minister saying that welfare is unsustainable. Mike O'Brien makes the point that the cost of Welfare is not a blow out, and the government is using the cost of welfare to manipulate public opinion against welfare provision.

Even before legislated reform there are already stringency measures in place to deter people from accessing benefits, and for pressuring people into work when there are not the jobs to take up. Then sanctions can be applied in withholding benefit payments if it is deemed that insufficient effort has been made. The loss of motivation and depression from multiple rejections from job applications – sometimes hundreds, and the exhaustion from re-crafting CV's to no avail, have to be recognized in the challenges facing job seekers.

The Alternative Welfare Justice Group agrees that reform is needed, and also challenges the approach being taken. There seems to be little real engagement with the realities of people with disabilities in regards to work, the government is working with a narrow definition of work so that the caring work and voluntary work are

disregarded as contributions, and there is no strategy for wider-government engagement to make child wellbeing a priority.

The higher numbers of people on benefits at present are because of the recession – the unemployment benefit fell to low levels during the recent period of economic prosperity.

For further information on poverty, wellbeing and justice see NZCCSS Vulnerability Report and Policy Watch www.justiceandcompassion.org.nz

Questions

1. How do the ideas/intentions expressed in the Alternative Welfare Justice report line up with Luke's account of Jesus announcing his mission when he read scroll in the synagogue?
2. Zaccheus sharing his wealth is a personal story of transformation. Does this have any relevance to politics? Can we assume that society can take responsibility for redistribution of wealth? What are some of the barriers to thinking we can transfer the personal to the political?
3. What are the possibilities of welfare justice in parishes? In your community? What are some examples of New Zealanders sharing wealth, in monetary, social and community terms?
4. 'Mind the Gap' is an example of a policy document specifically designed for Social Justice. Most political parties identify concerns for justice and fairness – they may differ on what they mean by fairness and on how this can be achieved. Identify other examples of policy which are designed with a social justice purpose.

APPENDIX

Group Guidelines

When the group first meets you will need to consider the following:

1. group size, a group of between six and twelve is best. If needed, split the initial group up to get this number.
2. Then, will you have a convenor? It is helpful if someone will take on the task of facilitating the group, to ensure that the processes used are helpful, and follow agreed guidelines include times.
3. Other tasks could be advising members of a venue change or a cancellation if must.
4. Take some time (say ten minutes) to explore what your expectations and hopes are. This can be done in pairs then shared with the group.

Question; what are my expectations and hopes for this group?

If you record these on newsprint you will be able to check later if those expectations have been met, Please do not assume that everyone has the same understanding or expectations or experience.

5. **Decide** when to meet, where and for how long, (no more than two hours we suggest).
6. Other matters:
 - a. Will you start with a cup of tea/coffee? Will you start on time regardless of who is delayed?
 - b. Will you include a prayer time before, during or after or not at all? We suggest you end with the normal Benediction, said by all to each other.
 - c. Talk about the group behaviours, do we all agree that;
 - Everyone is expected to make a contribution but it is ok to pass?
 - Everyone will speak for themselves with 'I' statements? No 'everybody knows' or 'you will find' generalisations.
 - everyone has the right to express their view/opinion without criticism by others?
 - listen to the feelings behind the contribution as well as the actual view expressed?
 - pause a little before rushing in with the next point?
 - Everyone is able and expected to highlight when the above guidelines/norms are being ignored? Perhaps agree on a silent highlighting signal such as a raised hand.
 - Everyone commits themselves to keeping people's inputs confidential to your group?
7. Introductions: **Take a few** minutes each to tell how your journey led you to be here? Let people decide themselves when to make their contribution. (The time taken here will depend on the number involved of course, but we are not looking for long testimonies of faith)