

Talking Cents

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Talking Cents is an ecumenical group charged by the Anglican Diocesan Council to promote an alternative to current economic and political thought, and to encourage debate within the church. Ministry units are encouraged to distribute these articles. This article is contributed by Margaret Bedggood, a member of the Third Order of the Society of St. Francis.

Reforming social welfare

The provision of ‘social welfare’ or ‘social security’ has a long history in Aotearoa New Zealand and at every stage of that history the Christian churches have had something to say – as instigators, supporters or critics of proposed changes. The current programme of social welfare reform thus needs to be considered in the light of that history.

The roots of our welfare provision are to be found in Britain in the 17th century “Poor Laws” and the workhouse, but more immediately in responses to the conditions produced by the industrial revolution in the 19th century in Britain, as paralleled and reflected here. These address a number of ‘classic risks’: sickness, invalidity, unemployment, employment injury, the need for medical care, child birth, child rearing, old age and death.

From the beginning these developments were under-girded by two different approaches to misfortune: one is marked by punishment (the destitute are somehow responsible for their own plight), the other by compassion and empathy (those suffering misfortune are part of society and to be supported by it). Social welfare provision in New Zealand has and continues to this day to reflect one or other of these approaches, to a greater or lesser degree.

The present social security system is often seen as beginning with the Old Age Pensions Act 1898, the first attempt to legislate for the provision of welfare at a national level. After the great depression of the 1930s, the system was consolidated in the Social Security Act 1938, which basically set the template for the next sixty years of the welfare state, the

scheme being broadened and further consolidated in the Social Security Act 1964, with the addition of the no-fault Accident Compensation scheme. Benefits were provided on the basis of universal entitlement and were intended to enable all citizens to participate at some level in New Zealand society.

From the mid 1980s New Zealand’s social security system underwent significant changes. The prevailing ‘free market’ philosophy led to the cutting of state spending and efforts to address ‘welfare dependency’, with benefits cut in real terms and made more targeted and conditional, with an emphasis on ‘choice’ and the obligations of beneficiaries to the society which supported them. These changes were paralleled by a massive restructuring of New Zealand’s employment law.

The ‘social development’ approach of the next decade brought little change to these emphases, with the addition of a new focus on the imperative of moving beneficiaries, where possible, to paid employment, and all can be seen in the 2007 Amendment Act. The National-led Government made it clear from its election in 2008 that it would be going further, that welfare reform was of high priority and initiated that reform with the establishment of its Welfare Working Group (WWG). The Group’s Report, *Reducing Long – Term Benefit Dependency* (February 2011) was narrowly focused on two familiar themes: the ‘problem’ of welfare dependency and the perceived need to drive beneficiaries back into the work-force. The Government followed up in October/November 2011 with its announcement of a programme of legislative reforms to implement many of the Report’s

recommendations. The first of these Bills, the Social Security (Youth Support and Work Focus) Amendment Bill, was introduced in March 2012, with the promise of others to follow. Thus it can be seen that the present set of reforms is part of a long and complex history in which a number of themes recur. For Christians engaging in this debate this history can be instructive.

Alongside there is a parallel history, for it cannot be supposed that there has been no reaction, secular and religious, to these various changes, often linked to other related policy issues, in particular industrial relations and taxation. The responses of the churches to the 1930s reforms were often ambivalent or unable to speak with one voice, despite one of the architects of those reforms referring to them as ‘practical Christianity’. But developments in the 1990s brought a more cohesive response, notably in the 1993 Church Leaders’ Social Justice Statement and then the 1998 *Hikoi of Hope*.

One of the difficulties may be that while it is possible to advance Biblical and theological grounds for objection, other counter arguments can also be proffered. The Hebrew scriptures contain many admonitions to care for disadvantaged groups, notably ‘the poor’, widows, orphans and ‘the stranger’. The same theme is carried through in the New Testament, particularly in the parable of the sheep and the goats. It leads to a theology of community, based on the acknowledgment that each human being is deserving of dignity and respect, as made ‘in the image of God’, which is central to Catholic social justice teaching and the work of reformers such as William Wilberforce.

But it is also possible to trace a thread of Hebrew and Christian thinking which can provide for alternative views, a theology which emphasises the results of sin, or the importance of hierarchy or defers hope to an after-life: a theology reflected in the condemnatory approach to the provision of social welfare, mentioned at the beginning. Those engaging in these debates will need to be aware of these alternatives.

The present round of ‘reforms’ has again prompted widespread criticism, both secular

and religious. Two responses are of particular interest: the most substantial are the two reports of the Alternative Welfare Working Group (AWWG) *Welfare Justice*,¹ which canvassed much more widely than the WWG report, both in terms of consultation and range of issues. They focus on: underlying values and a societal vision; the history and context of social security; the various groups affected, including Maori, people with disabilities and families and children; and alternative associated policy options, for example around workplace issues, the availability of jobs, childcare and training; and possible alternatives to the proposed reforms. In short, they are a valuable resource, drawing on a variety of sources from a range of disciplines, for those wishing to comment on the present reforms as they are rolled out.

The second response, which has a more clearly religious focus, is a statement issued in October 2011 by the leaders of a range of churches.² This has an explicit Biblical base, from which it sets out ethical questions and basic principles. One interesting inclusion is their clarification of the role of the state in modern welfare provision. There have been other responses too: reports, submissions, internet discussions, although some church groups may be constrained by their concomitant role as welfare providers. All these respondents agree with the Government that some reforms are necessary. It is in the nature of and rationale for these reforms that differences occur.

Social welfare reform is a crucial and very much a live issue here; firstly it is important to look carefully at the details of any solutions proposed, affecting, as they do, the lives and well-being of particular people – it is always against the stories of individual hardship that more general questions need to be considered. But our general approach to social welfare is also part of our approach to broader questions, including labour relations and taxation, and reflects our hopes for the kind of society which we want here in Aotearoa New Zealand – a discussion on which Christians might surely have something to contribute?

¹ www.welfarejustice.org.nz

² www.nzccss.org.nz