WORKING PAPER 5

Te Oranga o te Iwi Maori:
A Study of Maori Economic and Social Progress

Maori and Welfare

Lindsay Mitchell

NEW ZEALAND BUSINESS ROUNDTABLE
MAY 2009

National Library of New Zealand Cataloguing-in-Publication Data

Mitchell, Lindsay.
Māori and welfare / Lindsay Mitchell.
(Te oranga o te iwi Māori)
Includes bibliographical references.
ISBN 978–1–877394–24–9 (pbk.)
ISBN 978–1–877394–25–6 (internet)
1. Maori (New Zealand people)—Public welfare
2. Maori (New Zealand people)—Social conditions.
I. Title. II. Series
362.8499442—dc 22

First published in 2009 by
New Zealand Business Roundtable
PO Box 10–147
The Terrace
Wellington
New Zealand
http://www.nzbr.org.nz
ISBN 978–1–877394–24–9 (print)
ISBN 978–1–877394–25–6 (online)
ISSN 1177–2565

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About the author

Lindsay Mitchell has been researching and commenting on welfare since 2001. Many of her articles have been published in a variety of media and she has appeared on radio, television and before select committees discussing issues relating to welfare. Lindsay is also an artist who is best known for her Maori portraiture and she works as a community volunteer with disadvantaged families.

Introduction

Writing in the *Dominion Post* in 2006, New Zealand Business Roundtable chairman Rob McLeod (Ngati Porou) reminded us that when the general unemployment rate had been over 8 percent there was widespread anxiety, yet Maori unemployment was still that high and was attracting little comment.[1]

At that time, 88,500 or 29 percent of working-age Maori (18–64 years) were receiving a benefit.[2] More positively, 71 percent of Maori were not receiving a benefit.

Unfortunately, however, Maori statistics paint a regrettable picture, not only because of current over-representation in most negative social indicators, but also because the disproportion was less pronounced in the past. Maori were not always over-represented in dole queues, prisons, and the courts, in high rates of gambling and alcohol addiction, youth suicide, substance abuse and smoking. That may, in part, be an effect of Pakeha society ignoring Maori. For instance, Maori ex-nuptial births were not documented until the 1960s. However, at some point, Maori were not as widely afflicted by the social problems many experience today, despite their population generally becoming more prosperous, better educated and living longer. It appears the socio-economic and skills gap within Maoridom is greater than that between Maori and non-Maori.

While acknowledging the existence of confounding factors, such as low educational achievement and childhood deprivation, this paper considers what role welfare reliance has played in both creating and perpetuating this gap and why the associated social dysfunction and crime are more prevalent among Maori. It makes alternative suggestions for preserving a safety net without generating destructive dependence.

Maori crime

One of the few areas for which long-term Maori statistics were kept is crime. At the turn of the nineteenth century, Maori (defined as people having half or more Maori ancestry) made up 5 percent of the population. In 1898, 22,752 charges were heard before magistrates and only 2.3 percent were against people of the "aboriginal native race".[3] Additionally, the number for Maori was down on the previous year, unlike charges for non-Maori. Persons committed for trial in the Supreme or District courts numbered 712, and 10 percent were Maori. Of the

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1 The Household Labour Force Survey unemployment figures for Maori at March and June 2008 were respectively 8.6 and 7.1 percent.

2 Ministry of Social Development, Benefit factsheet, March 2006/ Census 2006.

3 *New Zealand Official Yearbook 1900*, p 245.

admissions to prison in the same year, Maori numbered only 134 of 1,724, or 7.7 percent. That year, more women than Maori were admitted to prison.[4]

During the next four decades, this pattern persisted. The percentage of Magistrates' Court (less serious) convictions for Maori was commensurate with their share of the population, whereas convictions obtained in the Supreme Court were above what might have been expected.

By 1957, the Maori share of offences tried in the Supreme Court was 18 percent, but in just five years it climbed to 23 percent.[5] In 1959, Maori made up 25 percent of the boys admitted to the correctional Owairaka Boys' Home in Auckland. By 1969, the proportion had risen to 70 percent, and by 1978 it was 80 percent.[6] By 1961, the Maori arrest rate for 15 year-olds and older was almost 5 times the non-Maori rate.[7] Young Maori migrating from rural to urban settings were no longer under the control of their elders. Young urban Maori increasingly joined emerging groups such as the Mongrel Mob and Black Power.[8]

James Belich plausibly speculates that the 'desocialisation' of Pakeha men, a crime-inducing process that occurred in the nineteenth century during male migration from their homelands (and families) to New Zealand, was a similar process to the 'detribalisation' that happened to Maori in the latter part of the twentieth century, and similarly caused high crime rates. Belich argued that:

> People avoid crime, not primarily because it is illegal, but because of the disapproval of those that matter to them – in the traditional, rural Maori case, the kin group.[9]

Detribalisation and relative confinement of large families within small urban houses delivered 'street culture' and youth gangs. The economy that supported the detribalisation process was a mix of low-wage employment and increasingly accessible welfare benefits.

According to historian Bronwyn Dalley, in 1986 the Department of Social Welfare estimated that one in eight young males appeared in court before their seventeenth birthday; for Maori, the ratio was almost one in three.[10] A 1985 ministerial advisory committee report on institutional racism (reported by the 1988 Royal Commission on Social Policy) showed that 63 percent of children in

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4 *New Zealand Official Yearbook 1900*, p 250, p 251.

5 *New Zealand Official Yearbook 1963*, p 266.

6 Royal Commission on Social Policy, *The April Report*, Vol 1, Wellington, 1988, p 162.

7 *New Zealand Official Yearbook 1963*, p 70, 265.

8 *New Zealand Official Yearbook 1995*, Maori society 1935–72, p 39.

9 James Belich, *Paradise Reforged: A History of the New Zealanders from the 1800s to the Year 2000*, Allen Lane: Penguin Press, Auckland, 2001, p 482.

10 Bronwyn Dalley, *Family Matters: Child Welfare in Twentieth-century New Zealand*, Auckland University Press in association with the Department of Internal Affairs, Auckland, 1998, p 277.

Social Welfare residential homes for young offenders in the Auckland area were Maori, and the number was rising.

> Juvenile offending is higher among Maori than non-Maori teenagers, and is particularly high among Maori boys. Almost half (46.5 percent) of all offenders under 15 years in 1984 were Maori boys. Together, Maori boys and girls accounted for 60 percent of the Children and Young Persons' Court appearances that year.[11]

The authors laid some of the blame on:

> … the breakdown of traditional values and sanctions, due to urbanisation and subsequent dislocation.[12]

In the early 1990s, young Maori made up nearly all court cases in South Auckland, Rotorua, the East Coast and Northland.[13]

Maori[14] comprise about 14 percent of the general population (but 20 percent of the population aged under 30). However, by 2004, of all convicted cases where ethnicity of the offender was recorded, 45 percent were New Zealand European, 43 percent were Maori and 9 percent were Pacific peoples.[15] For violent offending, the percentages were 38, 47 and 13 respectively. The Maori youth apprehension rate is three times higher than that for New Zealand Europeans.[16]

Naturally, there are arguments about police bias and Maori faring less well in the judicial process[17] contributing to these statistics. I do not reject these. Neither do I imagine that correcting these aspects would make a significant difference. As James Belich has pointed out, while there were virtually no Maori police in the 1950s, there were many in the 1990s.[18] Today one in ten sworn staff is Maori.[19]

As late as 1936, only 8,000 or 10 percent of Maori lived in New Zealand towns and cities.[20] A dramatic shift was about to occur. By 1971, the proportion had jumped to 70 percent.[21] During the 1950s and 1960s, it was common for social problems affecting Maori to be blamed on urbanisation and adjustment to living in nuclear families. Historian Bronwyn Dalley has shown, however, that the

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11 Royal Commission on Social Policy, *The April Report*, Volume 1, p 162.

12 Royal Commission on Social Policy, *The April Report*, Volume 1, p 161.

13 Bronwyn Dalley, *Family Matters*, p 277.

14 The definition of Maori had now been redefined more than once to accommodate intermixing.

15 Corrections Department, *Statistical Report*, Wellington, 2004, p 51.

16 Corrections Department, *Statistical Report*, p 163.

17 Howard League for Penal Reform, The Imprisonment of Maori, Fact sheet, Canterbury, 1999.

18 James Belich, *Paradise Reforged: A History of the New Zealanders from the 1800s to the Year 2000*, p 482.

19 New Zealand Police Annual Report, p 99.

20 *New Zealand Official Yearbook 1973*, Maori population, p 67.

21 *New Zealand Official Yearbook 1995*, Maori society, p 39.

increase in contact between Maori and the courts predated the drift of young Maori to the cities.

> With few exceptions, most reports of Maori juvenile delinquency before the mid-40s came from the rural districts of Northland, the East Coast and the central North Island, all areas in which child welfare work was a new feature of government policy, and where Maori delinquency was 'discovered' as Maori health and housing became subject to closer inspection.[22]

As suggested earlier, it may be that the problems were nothing new, only the attention they were receiving was. Until 1945, discretionary welfare services for families had been almost exclusively offered to Pakeha.[23]

District nurse weighs a baby, Waihara Gumfields, Northland, c 1940s. Northwood Collection, Alexander Turnbull Library, Wellington, New Zealand.

As historian Michael King points out:

> For a long time the official attitude to problems of Maori health and welfare was to ignore them. There were, in effect, two New Zealands: Pakeha New Zealand, served and serviced by comprehensive systems of national and local government administration; and Maori New Zealand, largely ignored by both except when those systems wanted to appropriate resources such as land, income and manpower.[24]

Until the 1950s most Maori lived rurally and communally, with the whanau (comprising more than two generations, two nuclear families and usually more than one household) forming the basis for the larger hapu (sub-tribe) and iwi (tribe). Until 1955, Maori adoptions, whangai, were dealt with in the Maori Land Court.[25] Child welfare was largely left in the domain of Maori child welfare officers and was thought to be best dealt with through whanau. Children belonged to the

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22 Bronwyn Dalley, *Family Matters*, p 119, p 120.

23 Bronwyn Labrum, Negotiating an increasing range of functions, in *Past Judgement: Social Policy in New Zealand History*, eds Bronwyn Dalley and Margaret Tennant, Otago University Press, Dunedin, 2004, p 162.

24 Michael King, *Nga Iwi o te Motu: One Thousand Years of Maori History*, Reed, Auckland, 1997, p 50.

25 Bronwyn Dalley, *Family Matters*, p 229.

whanau, not as possessions but members. Whanau shared in the raising of children, who were not thought of as the exclusive possession of their parents.[26]

Early discrimination and separatism

During the nineteenth century, Maori were, in the main, excluded from charitable aid provided by local government because they did not pay rates.[27]

> One occasionally comes across references to Maori recipients in charity records, their rarity thought worthy of comment.[28]

The Native Department (now Te Puni Kokiri) was held to be responsible for Maori welfare, and funding streams – local and central government – were separate.

According to official sources, Maori had been reduced to only 7 percent of the population by the 1890s. The veracity of this number has been questioned in respect of the qualifying criteria and method of counting, but there can be no doubt that Maori numbers were heavily affected by warring, epidemics and intermarriage, which meant that more and more people no longer qualified to be categorised as Maori. Most Maori lived in poor conditions; many stayed in unsanitary, makeshift camps, relying increasingly on public works and seasonal farm work, growing barely enough food for their own needs.[29] Life expectancy was around 25 years in 1890 but rose to 35 by 1905.[30] While participating in the Pakeha economy, Maori remained a distinct group as expressed by whanau life, language and culture. Maori children made up only a "tiny minority" of those in orphanages or industrial schools during the early 1900s.[31]

In 1898, the Crown was most reluctant to provide the Old Age Pension to Maori, but given their comparatively short life expectancy, the expectation of few payouts was a mitigating factor in their inclusion. The reluctance came from a belief that financial support was unwarranted because Maori lived communally or 'communistically', a word employed by nineteenth-century writers.

Eligibility for the Old Age Pension was means-tested. Lack of assets improved eligibility, but proving title to Maori land (or non-title as the case may be) was particularly difficult. It was also suspected that entire communities would have an interest in undervaluing land so that more pension payments would flow into the district. In addition, sharing of the payment with younger family members

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26 *New Zealand Official Yearbook 1994*, Te whanau, p 134.

27 *New Zealand Official Yearbook 1994*, Maori welfare, p 149.

28 Margaret Tennant, *The Fabric of Welfare: Voluntary Organisations, Government and Welfare in New Zealand 1940–2005*, Bridget Williams Books, Wellington, 2007, p 60.

29 *New Zealand Official Yearbook 1995*, European and Maori: 1840–90, p 27, p 28.

30 *New Zealand Official Yearbook 1995*, Maori society: 1890–1935, p 33.

31 Bronwyn Dalley, *Family Matters*, p 24.

was seen as proof that the pension was either too high or not needed.[32] As it became apparent that Maori were not a dying race at all, governments' reluctance to pay pensions further increased, and the rigorous granting and supervision of them intensified.

In 1920, the Pensions Department, in an attempt to monitor and control how the money was spent, encouraged payment of pensions to an agent, often a local store owner.[33] The potential for a conflict of interest and abuse was obvious. Relatives could draw on a pensioner's account to buy goods that were in the storekeeper's interest to sell. Delays in finding and appointing agents meant pensioners went without or became indebted. Alternative Maori agents could not be found. It was the view of the Auckland registrar of pensions that Maori were themselves just as liable to dupe their elders.

At the mercy of the local magistrate's discretion, Maori continued to experience discrimination in the payment of pensions. In 1937, 2,213 of the 2,389 Maori receiving pensions were getting a rate one-fifth lower than Pakeha.[34] Maori widows generally received a lower benefit rate also. Elderly Maori were caught in a Catch 22 paradox – their overall standard of living was lower, so it was considered that their financial needs were fewer. In order to qualify for full pension rates, they had to present proof that they did not hold legal title to land, but this proof was rarely attainable.[35] Also, it was usually impossible to present proof of age.

During the Depression, 40 percent of the male Maori workforce was unemployed whereas the Pakeha unemployment rate was only 12 percent.[36] According to Tipene O'Regan (Ngai Tahu):

> In the 1930s, Maori were denied the dole on a belief that they could look after themselves better than Pakeha by living off the land.[37]

Other sources claim, however, that 'unemployment' benefits were available to Maori but were paid at a much lower rate and were harder to obtain.[38] At least one relief scheme paid a single Maori man nine shillings and sixpence per week whereas his Pakeha counterpart was paid between twelve and seventeen shillings and sixpence depending on whether he lived rurally or in a main centre.

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32 Margaret McClure, *A Civilised Community: A History of Social Security in New Zealand 1898–1998*, Auckland University Press in association with the Department of Internal Affairs, Auckland, 1998, p 27.

33 Margaret McClure, *A Civilised Community*, p 43.

34 Margaret McClure, *A Civilised Community*, p 79.

35 Margaret McClure, *A Civilised Community*, p 44.

36 *New Zealand Official Yearbook 1995*, Maori society: 1890–1935, p 34.

37 Tipene O'Regan and Api Mahuika, Modern day developments within Maori society, *Social Policy Journal of New Zealand*, November 1993, www.msd.govt.nz/about-msd-and-our-work/publications-resources/journals-and-magazines/social-policy-journal/spj01/01-modern-day-developments.html (last accessed April 2009).

38 Michael King, *Nga Iwi o te Motu*, p 78.

The Labour government theorised about equality for Maori and Pakeha and acted to abolish unequal benefit rates in 1935,[39] but there is evidence that, in practice, discrimination persisted.[40]

Official papers state that where Maori shared in social security provision, benefits were paid at lower rates.[41] The practice of paying Maori less, because they lived communally and shared living expenses, persisted. The sharing of benefit payments was seen as a misuse, much as it is today when beneficiaries do not declare their living arrangements. For Maori, the assumption that they shared was tacit. In order to receive a European level of benefit, Maori had to live like Europeans.

In a departure, however, family allowances, introduced in 1926, were granted to Maori at the full rate. Although small, and not available for first and second children, the allowance gradually grew in generosity and availability. By 1946, at ten shillings per child per week, for a mother of six the payment amounted to the same as a woman's minimum wage.[42] The substantial increase in income this brought to typically large Maori families provoked suspicion that men were reducing paid work and thereby undermining community cohesion.

Margaret McClure, who reviewed the Department of Social Welfare's files of correspondence, wrote that during the 1940s Family Benefit for Maori was the most controversial aspect of the department's work. Rather than supplementing hard work, the benefit demoralised Maori communities already vulnerable to drinking and gambling excesses. The men could spend their wages as they wished, regarding the benefit as covering family needs.

> The *New Zealand Financial Times* called social security the 'chief industry' of the East Coast and blamed the government for 'debauching the Maori with easy money'. Police at Ruatoria reported that the position was 'chaotic'. The child welfare officer noted that parents were no longer urging young adolescents into the workforce and 25 boys were on trial for crimes.[43]

Concern about Family Benefit persisted throughout its life:

> Certain areas in Wellington are holding housie evenings on the same day as "family benefit" comes out and the Wellington District Maori Council is concerned that the choice of date is designed specifically to catch the money which should be directed to the homes.[44]

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39 Michael King, *Nga Iwi o te Motu*, p 94.

40 Claudia Orange, A kind of equality: Labour and the Maori people 1935–49, MA thesis, University of Auckland, 1977.

41 *New Zealand Official Yearbook 1995*, Maori society: 1935–72, p 39.

42 Margaret McClure, A badge of poverty or a symbol of citizenship? Needs, rights and social security, 1935–2000, in *Past Judgement: Social Policy in New Zealand History*, eds Bronwyn Dalley and Margaret Tennant, Otago University Press, Dunedin, 2004, p 144.

43 Margaret McClure, *A Civilised Community*, p 117.

44 *Evening Post*, 12 September 1972, p 2.

Sir Apirana Ngata, social reformer and MP for Eastern Maori from 1905 to 1943. Alexander Turnbull Library, Wellington, New Zealand.

When Sir Apirana Ngata (Ngati Porou), the East Coast MP, warned about the destructive effect of welfare on Maori, this benefit was one he had mind. If he could read about present-day Ruatoria, his worst fears would be confirmed. The subject is worth a quick diversion.

In 2006, journalist Martin van Beynen penned a cutting series on poverty in New Zealand, including a close look at Ruatoria. In Ruatoria, he was told, 90 percent of the households rely on a benefit.[45] Ruatoria has one of the highest ratios of one-parent families. In 2001, they numbered the same as two-parent families. Apparently, there were 87 one-parent families, yet Domestic Purposes Benefit (DPB) claimants registered at the Ruatoria Work and Income Office in 2004 numbered 216.[46] With the local population trending down, the discrepancy is probably explained by fraudulent claims and a number of recipients living in the outlying regions.

Speaking to Michael Laws during a radio interview in 2004 then prime minister, Helen Clark, described towns like Ruatoria in this way:

> In some parts of our country, whether it's the Far North or East Coast, you've got kids who have never seen Mum or Dad, or even Granddad or Grandma, go to work and you get long term demoralisation set in in those communities and that's where crime's rife, the drug take is rife, alcoholism's rife, the ill health-overweight's rife and you have trouble just getting people off their backsides and into a job because of the problems.[47]

She was describing why a 'no-go zone' policy was being applied to unemployed beneficiaries but refused to concede it should include single parents who wished to raise their families in or move to such places.

Some may be tempted to turn a blind eye so long as the troubles in such towns remain localised. There is another closely related problem, however. The East Coast has the highest fertility rate in New Zealand. We cannot keep on ignoring this. Thirty-six percent of Ruatoria's residents are under 15 years old compared

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45 Martin van Beynen, Of poverty and priorities, *Dominion Post*, 6 September 2006, p A6.

46 Official Information Act request, 15 July 2004.

47 Prime Minister, Helen Clark, speaking to Michael Laws, *Radio Live*, 5 March 2004.

with 23 percent for the rest of New Zealand. Ruatoria is just one of many similar towns or suburbs that appear to have survived only through welfare and whose residents are reproducing faster than the general population. For many young people, a baby becomes a source of income.

As van Beynen wrote:

> Ron Hedley, owner of the local sawmill, confirms he has vacancies … The work ethic and pride in independence have been lost, he says. "A culture has been established with the Government keeping everyone afloat with handout money, and why work if you've got someone who is going to support you?" Joe Parata, who runs the Ruatoria Hotel, echoes Mr Hedley. "There's only one way out of it and that is to end welfare. Everyone's too gutless to do anything about it".[48]

Certainly there is nobody with Ngata's fortitude and determination devising and implementing the types of practical self-sufficiency measures the East Coast saw in the 1920s with his land schemes and alcohol prohibition.

Getting back on chronological track, in 1945 the Department of Social Security's discrimination was formally ended by the Maori Social and Economic Advancement Act, but authorities still sought to control what Maori could spend their Family Benefit money on. Tribal Committees were established to this end, and they had some success. However, there continued to be a mix of semi-affluent and very poor communities. The latter were plagued by widespread drinking and gambling. Some families lived in tin shacks with bare earth floors and sack windows, and tuberculosis was still common.[49]

Bronwyn Labrum, who reviewed child welfare files from the 1950s and 1960s, described how Maori needs differed.

> Pakeha officers struggled to understand Maori attitudes to and practices of fostering and adoption and family formation that took little cognisance of Pakeha law. These 'problems' demonstrate that Maori were not defining their needs in the ways that Pakeha were, and that the welfare state could not function in the Maori community in the way that it did for Pakeha … As with Pakeha however, domestic conflict contributed to a sizeable number of cases, and appears to have intensified, or become more visible, under pressures of urbanisation, relocation and living in a nuclear family style. Money troubles and the commonly accepted rates of Maori drinking only made matters worse. In 1958 the Secretary of Maori Affairs informed the minister that welfare officers were constantly being called upon to mediate in "domestic disputes" and needed "tact and diplomacy plus a fair share of good fortune" to solve such cases. The reports from the districts suggested excessive drinking, unequal distribution of family income, unfaithfulness, and bad living conditions, among other things, as reasons.[50]

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48 Martin van Beynen, Of poverty and priorities, *Dominion Post*, 6 September 2006, p A6.

49 Margaret McClure, *A Civilised Community*, p 122.

50 Bronwyn Labrum, Negotiating an increasing range of functions, p 169, p 170.

I cannot resist further quoting Bronwyn Dalley, who said of the same era (but not specifically about Maori):

> A sense of things being out of control pervaded New Zealand society in the 1950s and 1960s, and concern about the quality of family life often lay at the centre of this.[51]

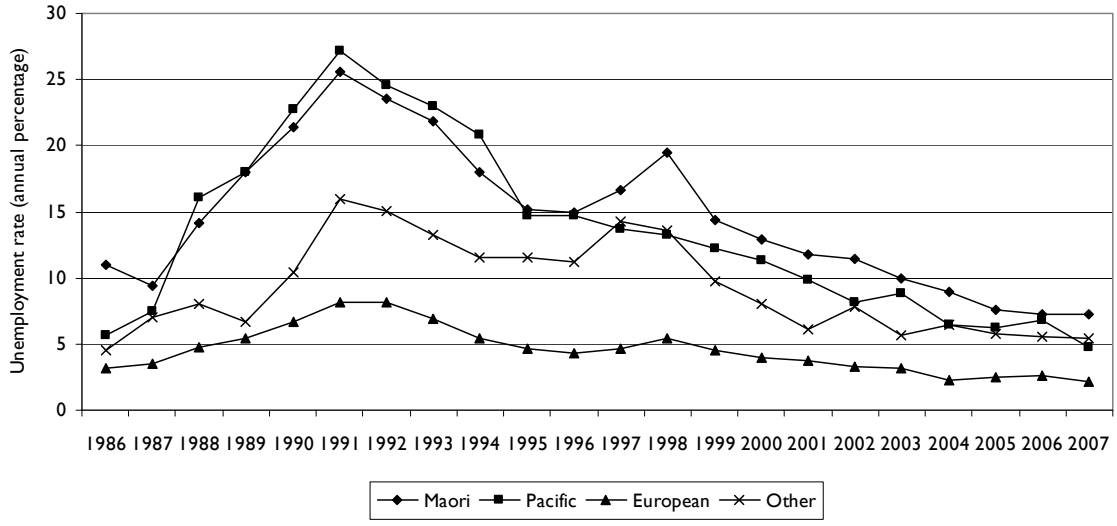
If anything, that "sense" has intensified despite ongoing and increasing attempts by governments to quell it.

Unemployment

Consistent with the government's separate treatment of Maori via the social welfare system, Maori were not included in Census unemployment data before 1951.[52] Through the 1960s and 1970s, overall unemployment was low but when it began to climb, the Maori rate accelerated faster than the non-Maori rate.

Over the last few decades, Maori unemployment has been consistently higher than Pakeha. In 1981, it was 14 percent compared with less than 4 percent for Pakeha; in 1993 it was 24 percent versus 8 percent.[53] Today, it remains two to three times higher.

Figure 1: Unemployment rate by ethnic group 1986–2007



Source: Statistics New Zealand Household Labour Force Survey, December quarters, 1986–2007.

It is frequently forgotten or ignored that unemployment had risen steadily *before* the economic reforms of the mid-1980s. Nine hundred and eighty three

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51 Bronwyn Dalley, Deep and dark secrets: government responses to child abuse, in *Past Judgement: Social Policy in New Zealand History*, eds Bronwyn Dalley and Margaret Tennant, Otago University Press, Dunedin, 2004, p 178.

52 *New Zealand Official Yearbook 1973*, Unemployment, p 871.

53 *New Zealand Official Yearbook 1995*, Maori society since 1972, p 43.

unemployment benefits were in force at 30 June 1970. By 1984 that figure had swollen to over 50,000.[54] As well as unemployment rates being higher among Maori, they were higher among young people. By the mid-1980s, children who had been the product of a welfare upbringing from birth were reaching young adulthood, some with no learned work ethic.[55]

An *Evening Post* headline from 1983 read "Jobless Maoris not taking up Hutt work help". Representatives of a job-finding programme, Rapu Mahi, said they had all met at least one school leaver who was happy to be on the dole and did not want a job.[56] In contrast, a story from the same period, entitled "Proud men seek work trust", described how a group of older Maori who were mainly family men had formed a work trust to avoid going back on the dole.[57]

The high unemployment of the late 1980s and early 1990s was partly exacerbated by the economic reforms associated with Roger Douglas, finance minister from 1984 to 1988, but other countries, notably our leading trading partners, had similar high rates. In 1992, Australia was slightly higher at 10.7 percent, and the United Kingdom was slightly lower at 10.0 percent.[58]

Many argued that 'Rogernomics' disproportionately influenced Maori unemployment, but the ratio of Maori to Pakeha unemployment has been reasonably constant. Interestingly, in the early 1990s, when unemployment peaked, the Pacific rate was higher than the Maori rate.[59] Today, it is lower, indicating a better economic recovery or unwillingness to remain on a benefit. Indeed, the Pacific share of the Unemployment Benefit, at 9.2 percent of claimants, much more closely matches their proportion of the population than do Maori at 38.1 percent of claimants.[60] Given that many Pacific people also belonged to the group of manual, unskilled workers affected by deregulation and privatisation, their adjustment to changing labour markets has been stronger.

As well as driving Maori on to Unemployment Benefits, a lack of work drove Maori females onto the DPB, which was introduced in 1974 as a statutory entitlement for sole parents, regardless of the reasons for their single parenthood. In the 1970s, around 50 percent of all sole parents worked, yet by the 1980s, nearer to 20 percent had jobs.[61] Domestic tension and conflict can develop in homes where men are unemployed, and subsequent break-ups added to a growing DPB caseload, compounding the effect of growing ex-nuptial births. By 1999, 33 percent

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54 *New Zealand Official Yearbook 1996*, p 139.

55 The Domestic Purposes Emergency Benefit was introduced by the National government and became available in 1968.

56 *Evening Post*, Jobless Maoris not taking up Hutt work help, 11 January 1983, p 4.

57 *Evening Post*, Proud men seek work trust, 16 March 1983, p 1.

58 *New Zealand Official Yearbook 1996*, Employment, p 296.

59 *New Zealand Official Yearbook 1994*, Unemployed persons by ethnicity, 1993, p 293.

60 Ministry of Social Development, Unemployment Benefit, Benefit factsheets, Wellington, March 2008.

61 Margaret McClure, *A Civilised Community*, p 228.

of those on the DPB were Maori, and by 2007, 41 percent were. Maori men were also more likely to rely on a single-parent benefit than New Zealand European men. In 2005, half of all male single parents on welfare were Maori.[62]

Maori and single parenthood

In 1972, Mrs Eleanor Hetet was crowned Mrs Wellington, a rather quaint concept long since abandoned. Mrs Hetet was proud of her Maori blood and believed she was what she was because she had received both Maori and English cultures from her parents. She believed family life, which she saw as disappearing rapidly, to be most important.[63]

Mrs Hetet was right. Family life was disappearing fast, especially for Maori. Although some would argue that marriage is a European construct, today the Maori marriage rate is much lower than that of the general population (29 percent compared with 49 percent of over-15 year olds),[64] while the Maori cohabitation rate is only slightly higher than the general population's (31 percent compared with 27 percent.)

According to Ministry of Social Development research:

> Māori women had a greater likelihood of separation by any given duration of marriage than non-Māori women. For instance, 25 percent of Māori women had separated within 10 years of marriage, compared with 19 percent of non-Māori women.[65]

Traditionally in Maori culture, it was not uncommon for children to be raised by grandparents or an extended family. According to Margaret McClure, the European taboo against illegitimacy did not exist, and some single Pacific females needed to prove their fertility in order to find a husband.[66]

However, with migration to the cities and fewer family members living nearby, the unmarried mother supporting her own children became increasingly common. Advocating for a statutory domestic purposes benefit, submitters to the 1972 Royal Commission of Inquiry on Social Security highlighted their plight and argued for benefits that reflected traditional cultural attitudes to sex and marriage.

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62 Official Information Act request, 13 May 2005.

63 *Evening Post*, 'Mrs Wellington' Proud to be the product of two cultures, 28 August 1972, p 12.

64 Statistics New Zealand, Census 2006.

65 *Raising Children in New Zealand: Patterns of Family Formation and Change in New Zealand*, www.msd.govt.nz/about-msd-and-our-work/publications-resources/research/patterns-family-formation, p 30 (last accessed April 2009).

66 Margaret McClure, *A Civilised Community*, p 170.

Maori ex-nuptial birth rates were and are far higher than those of Pakeha. In 2004, 76 percent of all Maori births were ex-nuptial.[67] The practice of 'customary marriage' is part of the reason given for the past high ex-nuptial birth rate, but it is unclear whether customary marriages are longstanding or provide for financial independence from the state.

In the United States, the high and growing rate of unmarried births among Hispanics is a subject of alarm. Nuclear families are described as being in a state of "meltdown".[68] Yet, the rate of unmarried births to either American blacks or Hispanics still trails that of Maori.

There is a strong link between unmarried births and high rates of child abuse. During the 1960s, the Child Welfare Division's research unit investigated the connection between single motherhood, abuse and neglect. A 1967 survey found established cases of child abuse tended to be ex-nuptial births and to occur in larger families and in homes in which one or both birth parents were absent.[69] The reported rate of abuse for Maori children was six times that for Pakeha.[70] The survey was based on the 255 established cases of abuse (but not neglect) that year.

More recently, Child, Youth and Family Services (CYFS) data showed that Maori accounted for 46 percent (4,672 cases) of child abuse, compared with 27.8 percent (2,828 cases) from Pakeha families.[71] There is a legitimate question about whether Maori are unfairly over-notified. Hospital admissions, however, show that between 50 and 60 Maori infants per 100,000 suffer head injuries as a result of child abuse.[72] The national rate is 22 per 100,000. Of children in the care of CYFS in 2007, 49 percent were Maori compared with 40 percent who were Pakeha.[73]

Writing in the *New Zealand Listener* in 2001, Pamela Stirling said Maori children were five times as likely as other children to be abused or, at least, to have abuse detected. In response, the head of the Women's Refuge Collective, Merepeka Raukawa-Tait asked:

> Where are the good men in this country saying enough is enough? And why don't we say to young Maori girls, "Listen, don't go with any drongo. Don't get into a relationship with anyone who hasn't got a job or isn't interested in getting out of bed in the morning".[74]

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67 *New Zealand Official Yearbook 2006*, p 92.

68 *Investors Business Daily*, The 'M' word, 12 August 2006, www.investors.com/NewsAndAnalysis/Article.aspx?id=329583&Ntt=the+%92m%92+word (last accessed April 2009).

69 Bronwyn Dalley, Deep and dark secrets, p 182.

70 Bronwyn Dalley, *Family Matters*, p 252.

71 *Herald on Sunday*, CYF seized Nia's sibling after injuries, 5 August 2007, www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=10455891&ref=rss (last accessed April 2009).

72 Stephen Cook, Doctor decries staggering level of child abuse, *Herald on Sunday*, 15 July 2007, p 26.

73 Correspondence from the Ministry of Social Development to the author, 28 June 2007.

74 Pamela Stirling, In harm's way, *New Zealand Listener*, 17 March 2001, p 21.

At about the same time, a former social worker turned head of Maori strategy for CYFS, Peter Douglas, rattled a few cages in calling for a review of the DPB.

> I think we should be thinking about the damage that those benefits do to some communities. Because it takes away the need for ambition, it takes away a sense of responsibility and sets young people on a trail of entitlement.[75]

I know for a fact that in this area where there's high unemployment, young Maori girls are told to get pregnant when they leave school so that there's money coming into the home. There is no shame in their culture to be an unmarried mother. I feel so sad to see these young 16/17 year olds up the street pushing pushchairs, that that is their future. A lot of them have been at school with our own children so I know their ages.

PTA member, Far North (Personal correspondence to author, 2001)

Peter Douglas went on to say that the DPB gave a young woman, who may not like life at home, what appeared to be independence – not necessarily by making a choice to become pregnant but certainly by not making a decision to prevent it. Young people knew more about safe sex than ever before but were still choosing not to protect themselves.[76]

From 2000 to 2002, the Maori teenage birth rate was 70 per 1,000 15–19 year olds, which was more than three times higher than that for New Zealand Europeans. The difference in young adolescent birth rates is even more pronounced:

> The rate of childbearing among young Maori under 18 is significantly higher than the non-Maori rate. In 2000, there were 22.7 births per 1,000 to Maori females compared to 4.9 for non-Maori. Of the 1,175 under-18 births in 2000, over half (670) were to Maori.[77]

It is now well established that teenage birth, particularly among those females aged under 18 years, presents a range of concerns.

> Childbearing among young adolescents has been associated with a number of negative outcomes for both mother and child including low child birth weight, increased risk of infant mortality, reduced maternal educational attainment, reduced participation in paid work, and increased risk of long-term reliance on income support.[78]

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75 Val Aldridge, It's time to axe the DPB, *The Dominion*, 24 November 2000.

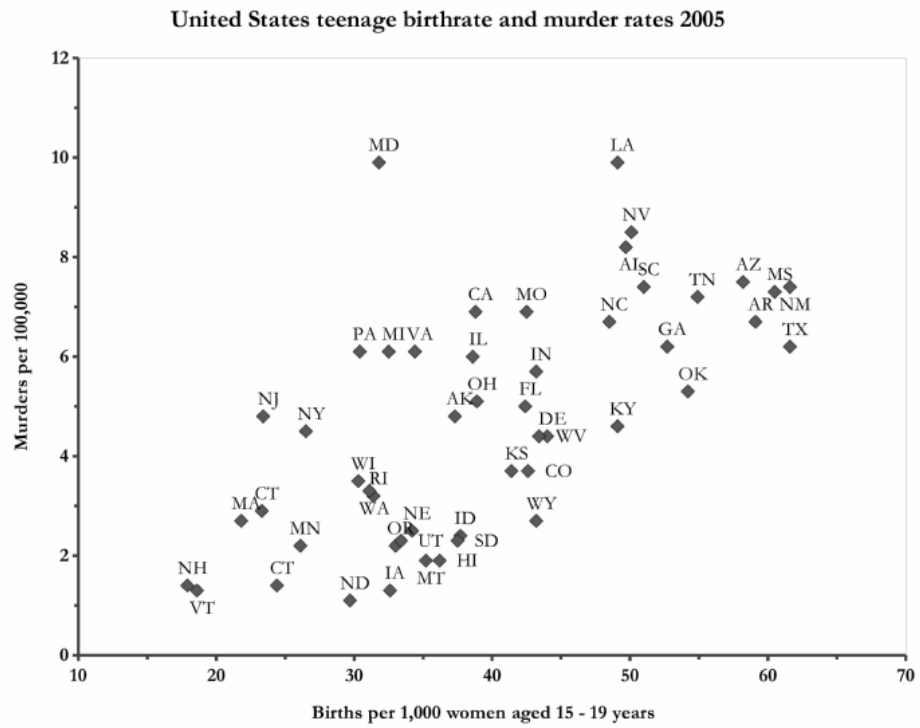
76 TVNZ News Report, *DPB review urged*, 24 November 2000, www.tvnz.co.nz/view/page/425825/17891 (last accessed April 2009).

77 Ministry of Social Development, *The Social Report 2001*, www.socialreport.msd.govt.nz/2001/index.shtml (last accessed April 2009).

78 Ministry of Social Development, *The Social Report 2001*, www.socialreport. msd.govt.nz/2001/index.shtml (last accessed April 2009).

All of which can also, in turn, contribute to young people being truant, abusing alcohol and other substances, and becoming involved in petty crime escalating to violence.

Figure 2: Teenage births and murder rates in the United States



Data source: http://www.thenationalcampaign.org/national-data/pdf/STBYST07.pdf; http://www.deathpenaltyinfo.org/murder-rates-1996-2007 (last accessed April 2009).

An American study into income inequality found that adolescent birth rates and general homicide rates were closely correlated with each other internationally and within the United States.[79]

A report about recent US research into the cost of teenage births said:

> Most of the costs in 2004 – $8.6 billion – were incurred by mothers 17 and younger. Compared with women who have a first child at 20 or 21, those girls are more than twice as likely to have a child placed in foster care, to be reported for child abuse or neglect, and to have a son sent to prison. Their kids are far more likely to drop out of high school and their daughters to become teen mothers themselves, the report states.[80]

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79 Adolescent birth rates, total homicides, and income inequality in rich countries, *American Journal of Public Health*, vol 95(7), July 2005, www.pubmedcentral.nih.gov/articlerender.fcgi?artid=1449337 (last accessed April 2009).

80 Wendy Koch, Fewer teens are giving birth, but cost to taxpayers still steep, *USA Today*, 30 October 2006, www.usatoday.com/news/health/2006-10-29-teen-births_x.htm (last accessed 20 April 2009).

Analysis of over 50,000 Washington State birth certificates from 1974 to 1975 revealed that males born to unmarried mothers under 18 years old had an 11-fold increased risk of chronic offending when compared with males born to married mothers aged 20 and older.[81] That a similar pattern operates here cannot be discounted without the relevant research. The findings may partly explain why Maori make up around half of our prison population.

Maori are eight times more likely than non-Maori to be teenage parents on welfare.[82] Most 16- and 17-year-old parents (until eligible for the DPB) will rely on the Emergency Maintenance Allowance, which pays the same rate.

At least half of the single parents currently on welfare started there as teenagers.[83] Officially around a third of all Maori children are living with a sole parent on welfare (although an unknown number of single mothers on welfare illicitly cohabit). A life on welfare is often characterised by hardship and transience. Little is made of this facet of life on benefit and the lack of stability and security it may engender.

Peter Douglas caused more waves when he urged removal of at-risk Maori children from their whanau. This provoked a response from Tariana Turia, then a Labour MP.

> I am totally opposed to children being raised outside whakapapa links.

Eerily foreshadowing the Kahui case, Douglas countered:

> I saw a really interesting example of how whanau gather and support each other and it was centred around a little girl killed in the Wairarapa, and that whanau gathered and supported and hid from the police … So if we are going to talk about whanau let's talk about all of them.[84]

He was talking about the murder of 21-month-old Hinewaoriki Karaitiana-Matiaha, better known as Lillybing, but he might just as well have been talking about the whanau of Chris and Cru Kahui, twin babies battered to death in 2006.

After the Kahui incident, columnist Jim Hopkins wrote that the wrong people were getting the blame for the wrong reasons, the wrong people being Maori. He contends that Maori were set up by the middle-class elite as the anointed, the especially spiritual, and when such atrocities occurred, they were vilified for not 'walking the talk'.

> And while the simmering resentment about the 'Treaty industry' should be aimed at the policy elite who've spent the past three decades diligently recasting New Zealand's first settlers as faithful guardians of a Garden of

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81 Amy Conseur, Frederick P Rivara, Robert Barnoski and Irvin Emanuel, Maternal and perinatal risk factors for later delinquency, *Paediatrics*, vol 99, no 6, June 1997, pp 785–790.

82 Official Information Act request, 18 May 2007.

83 Official Information Act request, 7 December 2006.

84 Angela Gregory, Turia: whanau best to deal with child abuse, *New Zealand Herald*, 6 November 2000, p A3.

> Eden destroyed by the rapacious colonist, that isn't what happened … What we now know about the murder of Chris and Cru Kahui suggests this is a crime of condition, not colour. References to a 'party' house with numerous people drifting through implies that some on the property were connected with that great underclass that has been, if not created, then certainly sustained by the benefit system. This is a system with no moral compass, administered by people who require of themselves none of the conditions they expect of other employers.[85]

More brown babies are killed in New Zealand than white. That is a fact. However, a white underclass also exists. It is just proportionately smaller. The underclass is not defined by a lack of money but a lack of affirming morals. It is largely, but not entirely, a product of inter-generational welfare dependence. Statistics show that there is considerable overlap between the Work and Income caseload and the CYFS caseload. Children whose parents rely on the DPB are four times more likely to be the subject of a care and protection notification.[86]

Table 1: Maori* receiving benefits – March 2008

Benefit type	Number	Percentage of total
Unemployment	7,252	38.1
Sickness	12,195	26.7
Invalid	17,200	21.2
DPB	39,686	41.4
All main benefits**	80,563	31.5

*Maori percentage of the population aged 18–64 years = 12%

**This category includes people on benefits other than those listed above.

Source: MSD factsheets, March 2008.

At the end of September 2008 there were 55,255 working-age female Maori in receipt of a main benefit.[87] That equates to one in three working-age Maori women.

Over-reliance on welfare has exacerbated the size of, and problems associated with, an underclass, but why was the effect, right from early times, greater on Maori? At the risk of generalising, perhaps Maori were more vulnerable to the corrupting power of welfare handouts, having only recently been an agrarian people who had had to work the land and fish the waters to survive, whereas colonists were largely industrialised and accustomed to handling earned money – the only kind they had known.

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85 *New Zealand Herald*, Wrong people get the blame for the wrong reasons, 23 June 2006, p A17.

86 Mike Rochford and Bryony Walker, The benefit status of caregivers of children and young people who come to the notice of CYPFS, *Social Policy Journal of New Zealand*, issue 7, December 1996, p 207.

87 Official Information Act request, 21 November 2008.

Perhaps, too, where there is more sharing there is also the opportunity for more exploitation. Individual ownership of property was not an overriding ethos and while whanau could be a rich source of support they could also consume assistance intended for an eligible individual, broadening overall dependence.

From *Nga Iwi o te Motu*, Michael King offers:

> [Peter] Buck wrote in his annual report [as Native health officer], "The [Maori] communism of the past meant industry, training in arms, good physique, the keeping of the law, the sharing of the tribal burden, and the preservation of life. The communism of today means indolence, sloth, decay of racial vigour, the crushing of individual effort, the spreading of introduced infections, diseases, and the many evils that are petrifying his advance." [Maui] Pomare added: "The Maori having been an active race and always having been kept in a state of excitement by wars and the rumour of wars, can now only find vent for his feelings on the racecourse, gambling and billiard-playing, with an occasional bout in the Land court".[88]

These observations were made in the early twentieth century, well before widespread welfarism, but shed light on the whys and wherefores of what followed. In the 1800s, Maori men lost their potential mana as warriors and in the 1900s, their potential mana as providers. Their willingness to embrace welfare caused the latter.

Earlier I described the separatism and discrimination historically experienced by Maori. Today, there are marked similarities between African Americans and Maori: their high rate of adolescent and teenage birth; low rate of marriage; disproportionate reliance on single parent welfare; high crime and incarceration rates. Travis Snyder, in his impressive analysis of the US war on poverty and its results wrote:

> The scourges of welfare are colour blind, but because African Americans happened to be the poorest at the time of its enactment, it hit them the hardest. I've described the reasons for their poverty *before* the surge in welfare spending; existing welfare, segregation, discrimination and the scars of slavery. The reason a higher percentage of African Americans *continue* to languish in poverty can be directly attributed to the effects of welfare, especially its destructive affect on family formation.[89]

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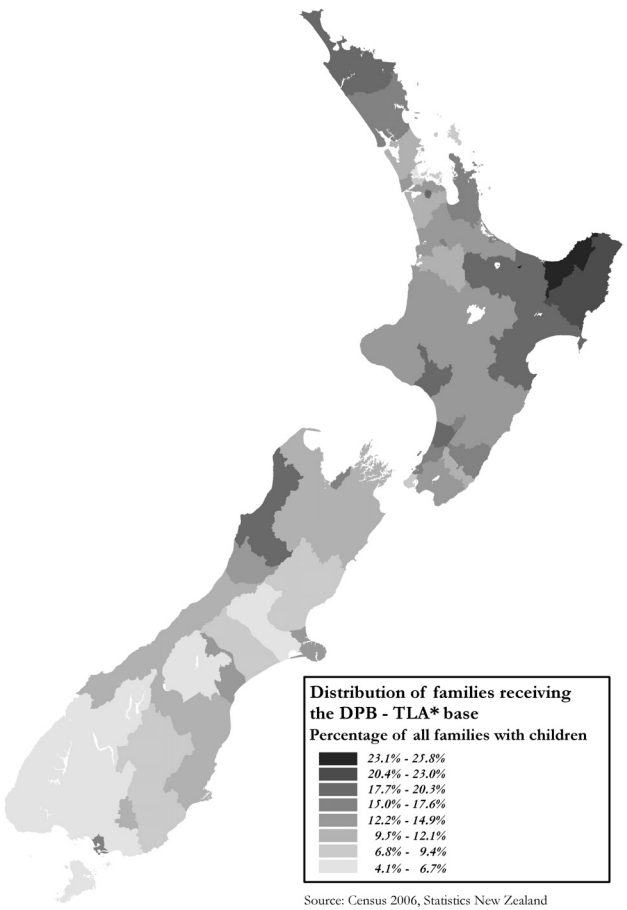
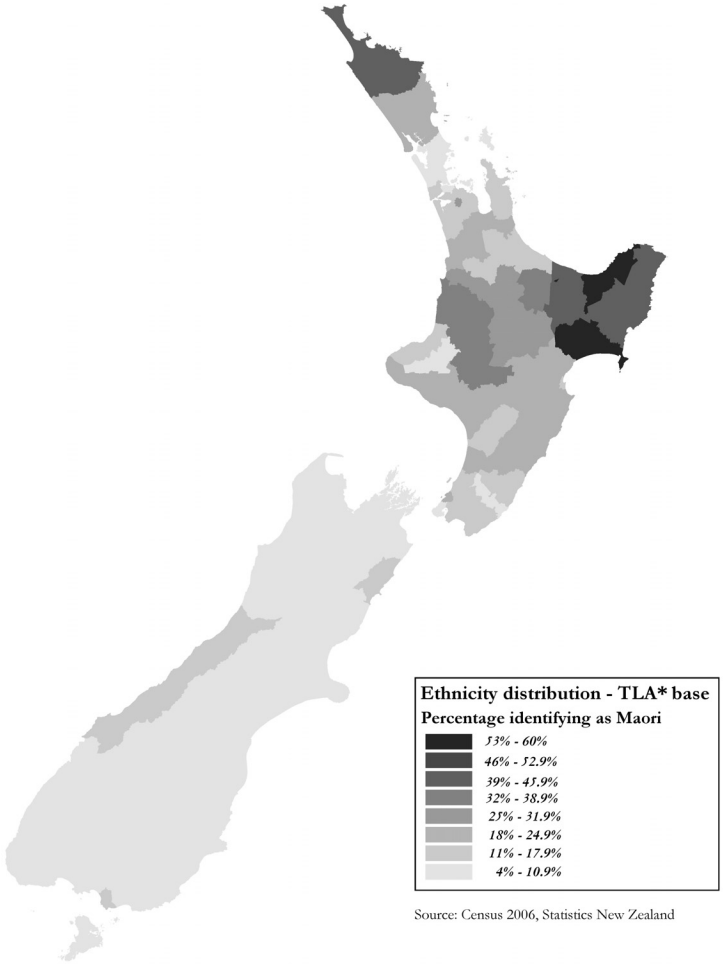
88 Michael King, *Nga Iwi o te Motu*, p 64.

89 Travis Snyder, *Welfare; History, Results and Reform*, www.neoperspectives.com/welfare.htm (last accessed March 2009).

Figure 3: Distributions of Maori and families receiving the DPB





* TLA = Territorial local authority

Alcohol and, later, drugs, which were relatively new to Maori and made more accessible and usable by land sales first and benefits next, also created greater problems for Maori than for New Zealand Europeans. Although Maori do not necessarily drink more, some seem to have a tendency to binge drink.[90] A recent survey showed Maori were more likely than other ethnicities to use drugs or drink in a "hazardous" manner.[91] Additionally, Maori are twice as likely to suffer from a substance abuse disorder or addiction.[92] The relevance of alcohol and drugs to the welfare discussion is vital. The two issues are compounding. Welfare has alleviated the need to moderate the use of alcohol and drugs in the interests of holding down a job or parenting well. General reliance on sickness or invalid benefits for substance abuse and alcoholism is steadily rising. Research into the growth in invalid beneficiaries has noted the high incidence of schizophrenia among Maori[93] and there is evidence cannabis use in adolescence increases the likelihood of experiencing symptoms of schizophrenia in adulthood.[94] Maori have a higher rate of cannabis use than non-Maori. As at December 2008, 34 percent of those reliant on a sickness benefit with a primary incapacity of 'substance abuse' were Maori.[95]

Perhaps the disruption of whanau links, especially those between koroua and kuia and their mokopuna (grandparents and grandchildren), has irreparably damaged some Maori. It has not been sufficient to send in Pakeha substitutes for absent nurturers and teachers. A Plunket nurse recalls her experience:

> In the seventies Maori mothers had a choice between Plunket and Public Health; those who had no interest in having their baby supervised tended to play one organisation off against the other and attended neither. Retaining contact with 'lapsed' mums was brought about by indefatigable sleuthing by

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90 Kyros Kypri, Maori/non-Maori alcohol consumption profiles: implications for reducing health inequalities, *New Zealand Medical Journal*, vol 116, no 1184, 24 October 2003, www.nzma.org.nz/journal/116-1184/643/ (last accessed April 2009).

91 NZPA, *New Zealand Herald*, Maori alcohol and drug use 'more hazardous' – survey, 5 November 2007, www.nzherald.co.nz/maori/news/article.cfm?c_id=252&objectid=10474088 (last accessed April 2009).

92 NZPA, *New Zealand Herald*, Maori 'twice as likely' to develop drug addiction, 21 November 2006, www.nzherald.co.nz/section/story.cfm?c_id=1&objectid=10411772 (last accessed April 2009).

93 Moira Wilson and Keith McLeod, Understanding the growth in Invalid's Benefit receipt in New Zealand, *Social Policy Journal of New Zealand*, issue 29, November 2006, www.msd.govt.nz/about-msd-and-our-work/publications-resources/journals-and-magazines/social-policy-journal/spj29/understanding-the-growth-29-pages127-145.html (last accessed April 2009).

94 Louise Arseneault, Mary Cannon, Richie Poulton, Robin Murray, Avshalom Caspi, Terrie E Moffitt, Cannabis use in adolescence and risk for adult psychosis: longitudinal prospective study, *British Medical Journal*, vol 325, no 7374, 23 November 2002, pp 1212–1213.

95 Official Information Act request, 19 March 2009.

> both Plunket and Public Health nurses – a needless waste of time and energy and often money for wasted trips.[96]

Handouts have hurt Maori, and will continue to hurt Maori more than other New Zealanders. In particular, the practice of paying for single parenting, of substituting the state for whanau, will ensure the rebuilding and renaissance of Maori society shuts out a class of people who will continue to feature heavily in statistics that describe the worst aspects of life today. What can be done?

The way forward

There exists an extreme view that the state has no role at all in welfare provision. It is not one I share. Nevertheless, the state should limit its involvement to that of providing a safety net of last resort. Self and family responsibility must come first. Middle class welfare – the provision of cash or services to those who can afford to meet their own needs – must be avoided. Welfare reforms that deter people from behaving in detrimental ways because there is no perceived risk should be made with those basics in mind.

New Zealand politicians have a habit of looking overseas for policy solutions. Who can blame them? Too much time can be spent reinventing the wheel. Sometimes, however, not a lot of thought is given to whether the countries looked to have much in common with our population make-up, characteristics and cultures.

New Zealand is unique. Maori are unique. The experience of Maori, though, shares commonalities with that of other indigenous minorities.

Unfortunately, contemporary policy analysts frequently look to Europe, especially Scandinavia, for inspiration, yet New Zealand has little in common with long-time homogenous and largely Lutheran societies. Instead, New Zealand shares more with the younger, multicultural United States. Sadly, some of those generalities are not happy ones. We feature both amongst the highest teenage birth and imprisonment rates, for instance. It nevertheless makes sense to look at what the United States has been doing in the welfare reform area and what effect those reforms have had.

President Clinton promised Americans he would "end welfare as we know it". Living on welfare would no longer be a lifestyle; it would be a temporary event only.

A major plank of the US reforms was time-limiting their DPB equivalent – Aid to Families with Dependent Children (AFDC) became Temporary Assistance for Needy Families (TANF). The assistance was only available for two years at any one time and five years over a lifetime. Consequently, between 1996 and

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96 Correspondence from Eneka Odinot to the Children's Commissioner, 1 August 2005.

2008 the number of families receiving welfare dropped 64 percent.[97] The poverty levels of female-headed households with children have neither declined nor increased significantly despite predictions that the reforms would massively increase poverty.[98]

The legislation covering the reforms was entitled the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). The United States enshrined the idea of personal responsibility in the law's name.

For Maori, who, it would appear, have a strong attachment to collective responsibility, there may be a reluctance to entertain this notion, although to say as much seems a slight. Personal responsibility can exist as a subsidiary of collective responsibility, but the tension between, and reconciliation of, the two must be addressed if solutions are to be genuinely sought.

Paternalism

If the principle of collective responsibility is to continue to dominate, then paternalism will be justified. Unfortunately, paternalism, with the state as the primary agent, may prove little better than the status quo. We currently have a government department that controls the income of people on welfare and sporadically attempts to control their lives and well-being. The first function justifies the second. A school of thought maintains that since the state is paying benefits, recipients must jump through prescribed hoops. It attempts to define what those hoops are according to the rest of society's standards. There is talk of 'reciprocity' or 'mutual obligation'. Taxpayers have, via the state, expectations about how recipients should conduct their lives.

For example, concern that children are not being fed properly is frequently expressed. To that end, providing welfare in kind, rather than cash, is a recurring suggestion. In the United States, the Kennedy administration turned food stamps into a permanent programme in 1963. It was expected the scheme would expand to cover around 4 million people at a cost of $119 million. However, by 1995 spending for food stamps had increased to $26 billion and the monthly number of recipients was 28 million.[99] Between 1996 and 1999, post-reform, food stamp

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97 US Department of Health and Human Sciences, Administration for Children and Families: www.acf.hhs.gov/programs/ofa/data-reports/caseload/monthly/2008_09_tan.htm; www.acf.hhs.gov/programs/ofa/data-reports/caseload/afdc/1996/fycytotal96_ek.htm (last accessed March 2009).

98 US Bureau of the Census, *Current Population Survey, Annual Social and Economic Supplements*, www.census.gov/hhes/www/poverty/histpov/perindex.html (last accessed March 2009).

99 James L Payne, *Overcoming Welfare: Expecting More from the Poor and from Ourselves*, Basic Books, New York, 1998, p 28.

usage fell by about one-third.[100] But by early 2009, food stamps, now re-named SNAP (Supplemental Nutrition Assistance Program), were received by a record 31.8 million monthly recipients.[101] The hallmark of government welfare programmes was apparent. Attempting to fill a need creates more.

Food stamps – and other vouchers – can also be sold for drugs, alcohol, cigarettes etc. The US General Accounting Office estimated in 1995 that 10 percent of benefits were trafficked.[102]

Clearly, food stamps still breed growing dependence and are not guaranteed to achieve their goal of engineering behaviour change. Having said that, they may still achieve better results than cash hand-outs.

Taking the programme a step further, Australia has been trialling income management by using electronic SmartCards as a way to deliver assistance-in-kind.

> The Income Management Card will use the EFTPOS system to efficiently deliver income-managed welfare payments to about 20,000 Centrelink customers in Northern Territory income-managed communities and the trial of income management for people referred by child welfare authorities in selected areas of Western Australia.
>
> Individual customers on income management will be offered a PIN-protected card which allows them to use their income-managed funds to purchase priority needs, such as food, household goods and clothing at approved merchants using EFTPOS.[103]

As at March 2009, 15,000 Aborigines were being income managed. This involved half of their welfare income being quarantined for spending on essentials using a BasicsCard at nominated stores. Advantages include a reduced risk of cash being stolen (by partners) or misused. However, problems include beneficiaries being confined to the Northern Territory, feeling racially discriminated against through 'rationing' and a correlated increase in violence. The Northern Australian Aboriginal Justice Agency has blamed the quarantining for an increase in murders.[104]

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100 Michael D Tanner, *The Poverty of Welfare: Helping Others in Civil Society*, Cato Press, Washington, DC, 2003, p 81.

101 'Record 31.8 million on food stamps', CNN Money.com, 5 March 2009, www.money.cnn.com/2009/03/05/news/economy/foodstamps.reut/index.htm?section=money_latest (last accessed March 2009).

102 James L Payne, *Overcoming Welfare: Expecting More from the Poor and from Ourselves*, p 78.

103 Senator the Hon Joe Ludwig, Minister for Human Services, ministerial speech, 11 June 2008, www.mhs.gov.au/media/speeches/080611-Ministerial-address-smart-cards-summit.html (last accessed March 2009).

104 Welfare curbed for 15,000 Aborigines, *The Age*, 29 March 2009, news.theage.com.au/breaking-news-national/welfare-curbed-for-15000-aborigines-20090323-96ou.html (last accessed March 2009).

There is always a real risk that people will do 'anything' for cash. Policy makers must ever be mindful that in attempting to solve one problem another usually presents. If the latter problem is worse then they must be ready and willing to review.

Some Maori want an expanded form of 'income management' – adding a middleman to take control of recipients' benefit money so that it cannot be used in ways that are detrimental either to themselves or their families. The process is sometimes referred to as 'devolution' because money is being diverted from state control to a local intermediary. This is an approach proposed by Waipareira Trust chief executive, John Tamihere. Both he and fellow ex-MP Willie Jackson can be heard frequently expounding on the subject via their radio talk show.

Faint alarm bells might sound at this juncture when recalling the past experience of appointing agents for Old Age Pensions. There is always a risk that unscrupulous types will misuse the money or the power that control of money confers. Even the well-intentioned Apirana Ngata eventually resigned under a cloud of alleged nepotism and misuse of state funds.[105]

Would Maori today be well served by such an approach? The arrangement may sit comfortably within a tribal and hierarchal society and result in some lives being improved, but the intermediaries might experience the same limitations as religious groups – traditionally missionaries and latterly, new age churches. In fact, they might act as the secular-state equivalents, succeeding only to the degree that participants are willing to be 'ministered' to.

The most obvious pitfall with income management, with or without intermediaries, is that beneficiaries do not mature and learn to stand on their own two feet. It would seem proponents of this form of welfare provision have given up on that eventuality, while clinging to the hope the next generation might. Ironically, when former Australian prime minister John Howard proposed the paternalistic control of Aboriginal benefits, he was pronounced racist, yet when Maori propose the same for their own, no such distaste is voiced. Is that because the very idea of Maori finding Maori solutions overrides doubts about the usefulness of those solutions? If so, both separatism and paternalism are deemed acceptable.

My own view is future separatism is neither desirable nor sustainable in a country where the successful intermixing and intermarrying of two races has been quite unparalleled in the developed world. Maori and non-Maori can only progress together. After all, the redefinition of Maori in the Maori Purposes Act 1974 recognised that intermixing of the races had occurred to such an extent over the previous century and a half that it was necessary to produce a less specific definition of what was meant by the word 'Maori'.[106] Most recently, to be defined

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105 Michael King, *Nga Iwi o te Motu*, p 94.

106 Correspondence from Michael Bassett, January 2008.

as Maori it is sufficient to 'feel' Maori, which is largely a result of embracing cultural heritage and whakapapa links.[107]

However, any improvement on the current tragedy that is euphemistically called social security is preferable and, to that end, I discuss possible mechanisms for Maori solutions next.

Individual responsibility

It is unavoidable that most weaknesses, like most strengths, begin and end with the individual. The philosophy of individualism has been misunderstood in recent times as the culture of 'me first'. It is unsurprising that Maori, in particular, have shunned a concept that appears uncaring and isolating. In reality, however, individualism merely equates to personal responsibility. It does not throw out the voluntary groupings people naturally want to make.

The only *abiding* welfare system will be based on the principles of voluntarism and individualism. Individuals are first and foremost responsible for themselves and their dependants. Beyond that, help must come from a voluntary source. If the state is to continue as the prime funder of a last resort safety net, the taxpayer must be a *willing* contributor.

There is considerable resentment from taxpayers regarding the misuse and abuse of welfare. They are no longer willing funders of a benefit culture. However, if Maori (and many Pakeha) as taxpayers and voters will not accept these principles, then there can be no lasting or effective reform of welfare. That is because the reforms urgently needed are not dissimilar to those adopted in the United States under the PRWORA. A consensus that individuals are first and foremost responsible for themselves and their children must necessarily precede the required passage of legislation to enact reforms.

As part of achieving that consensus, an agreed priority must be established. For Maori, that priority must be to stop the inflow of young people into the benefit system. Many, including existing beneficiaries, can be persuaded of the sense and humanity in this. That aim is *even more important* than dealing with present caseloads.

Crucial to solving dependence and all the attendant problems is preventing more young girls with babies from entering the system that then traps them. That means discouraging them from getting pregnant in the first place. To that end, the DPB should be abolished. In its place, the state should provide strictly temporary assistance for a maximum period of one year. Any longer and the deterrent effect will begin to diminish; any shorter and the time for birth and

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107 Statistics New Zealand, www.stats.govt.nz/census/2006-census-information-about-data/information-by-variable/ethnicity.htm (last accessed April 2009).

bonding will be inadequate. Beyond this, financial responsibility for raising the child lies with the mother, father and whanau.

One year should also be sufficient time for those exiting relationships to be re-established and the adults to reinstate themselves as breadwinners. (After 1938, but prior to the DPB, there was usually some level of financial assistance for single mothers, albeit short-term and discretionary. While the numbers of births outside marriage slowly increased, they were still relatively small in the mid-1970s, at around 15 percent of all births,[108] compared with 47 percent today.)

Other benefits

In respect of other benefits, we can again be guided by the principle of personal responsibility and the arrangements that work more effectively and fairly in other countries. State welfare provides for the unexpected loss of income or other hardship. It is no more than a form of insurance. Once funding (and subsequent receipt) is removed from dedicated contributions and universal entitlement operates, the scope for misuse is widened. Therefore, a return to contributory unemployment insurance, at least, should be a second priority. Those who have not worked should be treated separately from those who have. This is normal in overseas jurisdictions. Any assistance from the taxpayer then ceases to be a legal entitlement and more a matter for discretion and tight administration.

For the time being, sickness and invalid benefits should continue to be funded by the state but with a rigorous tightening of eligibility applied. It is important to recognise that after their introduction, for many years (four decades to be precise), these benefits did not present a problem in terms of rapid growth. That changed and today over 130,000 – or one in 20 – working-age New Zealanders rely on these benefits. Over-represented again, Maori make up 23.5 percent of the total.[109] What can be done?

The Organisation for Economic Co-operation and Development refers to the worldwide blow-out in incapacity benefits as, "… the medicalisation of labour market problems", the implication being that many on these benefits are able to work.[110]

Perhaps qualifying certification needs to be shifted from solitary doctors to a panel of practitioners to prevent strong-arming and intimidation.

> Independent Practitioners Association Council chairperson Doug Baird says there are people who think the easiest way to get a benefit is to get a

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108 *New Zealand Official Yearbook 1994*, p 86.

109 Ministry of Social Development, *National Benefit Factsheets*, December 2008, www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/2008-national-benefit-factsheets.html (last accessed April 2009).

110 *Sickness, Disability and Work Breaking the Barriers: Norway, Poland and Switzerland*, Organisation for Economic Co-operation and Development, vol 1, 7 November 2006.

> permanent one, and one they don't have to justify to people in authority. Christchurch GP Andrew Causer says the problem has become so bad he has a sign at his practice saying he doesn't do sickness benefit medical assessments for casual patients. He says 95% of the patients he saw who wanted "sick notes" were fit to work.[111]

It goes without saying that there are genuinely needy people receiving these benefits. But, there are, for example, more people relying on an incapacity benefit because of substance abuse than because of cancer. Can we afford to keep indulging people who cause their own incapacity to work? We didn't used to. At the inception of these two benefits, eligibility required that *incapacity for work was not self-induced*. That rule must be reinstated.

Under the US welfare reforms, for the purposes of eligibility for social security payments, an individual was no longer considered disabled if drug addiction and alcoholism (DA&A) were contributing factors *material to a finding of disability.*

If otherwise disabled claimants have a DA&A condition they must accept substance abuse treatment, their payments are made to a representative payee and a 36-month time limit applies.[112]

Beyond tightening eligibility, I suspect that the greatest reduction in over-dependence would occur through changes in the health system, in particular, a re-evaluation of how and where mental health problems are treated and the role of prevention over cure. That debate is outside of the scope of this paper.

In any discussion about welfare reform, the thorny question of what happens to existing beneficiaries looms large. That is usually the point at which an impasse is reached and, consequently, nothing happens. We need not become paralysed by the issue of those in the system who may have prohibitive difficulty attempting to support themselves. If necessary, these people can be grand-parented to retirement although it is not envisaged this would apply to a great many, certainly not a majority. Again, the priority must be turning off the welfare tap to prospective chronic beneficiaries. The basic goal is to stop inflow as the primary strategy to reduce the welfare roll and improve lives.

Accepting then the continuing, but reduced, role of the state as funder of a last resort safety net, a better mechanism for delivery is required.

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111 *The Jobs Letter*, Issue 211, 11 August 2004, www.jobsletter.org.nz/jbl21100.htm (last accessed March 2009).

112 Annual Report of the SSI Program 2007, www.socialsecurity.gov/OACT/ssir/SSI07/History.html#wp383007 (last accessed April 2009).

Privatisation of services

Consider again the US reforms:

> The welfare reform of 1996 replaced the old Aid to Families with Dependent Children (AFDC) with a new program named Temporary Assistance to Needy Families (TANF). The key to welfare reform's reduction in dependency was the change in the funding structure of AFDC.
>
> Under the old AFDC program, states were given more federal funds if their welfare caseloads were increased, and funds were cut whenever the state caseload fell. This structure created a strong incentive for states to swell the welfare rolls.
>
> When welfare reform replaced the old AFDC system with TANF, this perverse financial incentive to increase dependence was eliminated. Each state was given a flat funding level that did not vary whether the state increased or decreased its caseload.[113]

With this in mind, it is possible to envisage a similar exercise in New Zealand, taking matters a step further. If Work and Income New Zealand were i) regionalised and ii) privatised, with an initial flat government funding allocation based on its current caseload, the new operator would be incentivised to reduce beneficiary numbers, with the excess funding treated as profit. The funding contract would then be periodically renegotiated based on the caseload at time of negotiation. The change would obviously need to be accompanied by the legislative reform already outlined – time limits, new qualifying criteria, and so on.

Regionalisation (or tribalisation for that matter) allows for competing operators and increased efficiencies. The model could include urban Maori authorities.

Of course, the risk for the private operator is covering increasing demand between contracts. But the operator has protection from this scenario with the new eligibility rules. They also have an opportunity to provide profit-making employment or childcare services. Key here is flexibility and innovation at a local level unachievable under the present, no-incentives, state-run monopoly.

Flying some mana aute (kites)

Outside of this proposal a handful of other ideas are worth mentioning.

Partial privatisation

Grandson of Sigmund Freud, Sir David Freud, a key welfare adviser to Gordon Brown, recently defected to the Conservative Party, where he will take a front

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113 Robert E Rector and Katherine Bradley, *Stimulus Bill Abolishes Welfare Reform and Adds New Welfare Spending*, 11 February 2009, www.heritage.org/Research/Welfare/wm2287.cfm (last accessed March 2009).

bench position. His 'big' reform idea is for private companies to be paid a significant amount of money to keep former beneficiaries in a job for a minimum of three years. The employer receives nothing if they fail. Freud has calculated that an employer could be paid as much as £62,000 (NZ$158,500) per beneficiary and sees this as a way of letting the market, rather than the state, decide who can be on welfare. Entrepreneurs would have an incentive to seize the opportunity to provide large-scale employment opportunities for typically difficult-to-employ groups, for example, Bangladeshi women.[114] Again, such a scheme would present opportunities for Maori entrepreneurs. There is no reason why this idea couldn't be incorporated with my earlier proposal.

Loans instead of benefits

There is a view, which I have heard expressed more than once, that all income support should be by way of repayable loans. Certainly beneficiaries in this country do borrow from Work and Income New Zealand, some to a significant and problematic degree. But these loans are on top of their basic entitlements.

Loans may work for people who expect to resume earning or receiving support elsewhere – those temporarily incapacitated, between jobs or relationships. They might also prove an effective disincentive for the young never-partnered single parent. If she wants to spend her early years being a stay-at-home mum then she can borrow in the same way that a student borrows. Not a very lucrative prospect.

However, in respect of those who are genuine invalids from birth or become invalided at a later point, their call on the state for ongoing support is warranted, a sentiment that surveys show members of the public support.

Private banks would not lend to people with little or no prospect of repayment, for obvious reasons. To make loans the only form of income support would generate a mountain of bad debt. If the burgeoning student and child support debts were Taranaki and Ruapehu, income support debt would be Everest.

Interestingly, and unsurprisingly, there is no social security system that operates with loans as a basis for all assistance. Perhaps though, accompanied by tax relief, part of the current social welfare budget could be effectively reduced through some adoption of loans. Such an idea might fall nicely into an 'opting-out' scenario -– which brings me to another worthy 'kite'.

Opting-out

This is the proposal of Australian think-tank, the Centre for Independent Studies. Briefly, people should be allowed to opt-out of the public health and welfare

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114 Rachel Sylvester and Alice Thomson, *Welfare is a mess, says adviser David Freud*, 4 February, 2008 hwww.telegraph.co.uk/news/newstopics/politics/1577313/Welfare-is-a-mess-says-adviser-David-Freud.html (last accessed March 2009).

system in return for commensurate tax relief and assuming an obligation to finance their own needs privately. This idea has recently been championed in New Zealand by the architect of the 1980s economic reforms, Sir Roger Douglas. It is an idea that resonates with people of means. However, as Maori collectively consume almost as much 'social benefits in cash' as they pay in tax,[115] this option may not be a reality in the near future. Indeed, such a strategy adopted nationally could pose real problems in raising enough funds to cover future social security needs. Again, it might be feasible if, and only if, dependency is reducing.

In reality there is nothing preventing a mix of all of these ideas forming a new and improved safety net.

Summary

In prioritised sequence my recommendations are as follows:

- replace the DPB with temporary assistance only;
- replace state-funded unemployment benefits with private unemployment insurance;
- tighten eligibility for sickness and invalid benefits;
- consider assistance-in-kind and income management as stop-gap measures only;
- consider privatising income support delivery to improve efficiency and incentives and allow for Maori ownership;
- consider empowering employment entrepreneurs, and increased use of loans and opting-out as features of a future safety net system.

But what about the recession?

There is an understandable view that now is a bad time to be talking about reforming welfare. On the contrary: there is no bad time to be trying to reform welfare.

If increasing resources are going to be needed for unemployed people, an effort to reduce dependency on other benefits is doubly urgent.

Traditionally, when unemployment rises, so do numbers on the other main benefits. During the period 1986–90, numbers drawing a sickness benefit rose 105 percent and drawing the DPB, 52 percent.[116] The numbers rise, in part, as an indirect result of growing unemployment. Families break up, sometimes because of the stress of unemployment but also because they want to maximise

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115 New Zealand Institute of Economic Research, *Maori Economic Development*, Wellington, 2003, p 12, table 3.

116 *New Zealand Official Yearbook 1995*, Income support, p 170.

entitlements. People seek reclassification on to better paying benefits as the prospect of re-employment becomes increasingly remote.

This must be prevented, especially as the labour market is dynamic. For instance, during 2008 the part-time workforce grew by almost 4 percent while the full-time labour force was static. It is an ill-wind that blows nobody any good. Part-time jobs are better than no jobs and ideal for DPB mums returning to the work force.

If the government is genuinely keen to create jobs, the kind of entrepreneurial initiative David Freud proposes would be a better use of taxpayer funds than subsidising reduced productivity through shortened working weeks.

There is apparently a serious shortage of private childcare in New Zealand, yet we have about 50,000 DPB women being paid and housed to look after just one child. There is a job creation opportunity going begging.

It seems to me that a recession calls for more hands on deck – not fewer.

Above all, it is a matter of utmost urgency that the government does everything in its power to discourage newcomers into the system. Too many have been apathetically defaulting to, or actively choosing, welfare for too long. That is not how a bona fide safety net operates.

Conclusion

There can be no doubt that Maori have, at times, been treated unfairly, patronised, exploited, duped and marginalised. We live, though, in times of reconciliation and reparation. New Zealand has established an unmatched record in this endeavour. Despite this, some Maori academics and politicians continue to blame past deeds for present depression and deviancy, thereby handing 'victims' a passport to languish. Teaching blame is the antithesis of teaching aspiration. Negligent leaders have told Maori that the Pakeha world owes them a living in the same way that radical feminists told women the male world owed them one. Resentful dependence is thus perpetuated.

Some ambiguously promote more benefits and higher payments[117] while simultaneously acknowledging the dangers of handing out easy money for no effort. Others have come closer to grasping the nettle but have not carried sufficient political clout to make reform a reality.

In terms of welfare policy, we stand at a crossroads. Either Maori will insist on finding their own 'solutions', which could inadvertently lock in further addiction and dysfunction, or the government of the day will continue to pursue a one-

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117 The Maori Party want a universal child benefit reintroduced and the In Work tax credit made available to beneficiaries. Although promoting work-for-the-dole, co-leader Tariana Turia does not believe welfare reform proposals should include Maori women on benefits.

policy-for-all approach. If some Maori determine a need to find solutions rooted in traditional concepts, such as tribal committees, these must be purely transitional. Running the lives of beneficiaries as if they are children, in order that the real children get to school and learn independence through education, should be no more than a stop-gap.

In the long run, this is the only approach that will further Maori aspirations. We must not seek to be separate peoples. I would go further. In my experience, Maori do not reject the helping hand of Pakeha if the help, be it material, practical or emotional in nature, is offered generously not high-handedly, condescendingly or self-servingly. To remove government from a near-monopoly on welfare provision, more individuals will need to get involved at an intimate level. We need to do a lot more than pay lip service to the process of mentoring.

Once much was talked about 'breaking the cycle'. Now the phrase seems to have faded from use as generation after generation has proved stubbornly immune to the efforts of social workers, case managers and the opportunities presented by a strong economy. That is because welfare payments of the existing kind disrupt the natural order of social structures and human incentives: the greater the level of welfare, the greater the disruption.

Despite global economic uncertainty, current conditions continue to allow for bold policy moves. (Indeed, it may transpire that global conditions *demand* those moves.) Employment opportunities still abound. It gets progressively easier to avoid unwanted pregnancies and premature parenthood. Maori females have unprecedented access to education and careers, as do Maori males.

The time is ripe for Maori to make welfare reform as important as pursuing Treaty settlements. The gains for Maori society as a whole would be far greater in the long run.