

Newman Weekly

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The New Zealand Centre for Political Debate

Working for the Dole

Winston Churchill once said: *The inherent vice of capitalism is the unequal sharing of the blessings. The inherent blessing of socialism is the equal sharing of misery.*

In his state of the nation speech “The Kiwi Way: A Fair Go For All”, the new leader of the National Party, John Key, this week highlighted the misery that has been created by New Zealand’s entrenched socialist welfare policies (John’s speech is this week’s NZCPD feature comment – to read the full speech see www.nzcpd.com).

New Zealand’s growing underclass is a socialist’s dream: generation after dysfunctional generation ever more in need of the involvement of the state. The dependency culture that has been created has spawned a massive bureaucratic machine – a veritable army of tens of thousands of social workers, counsellors, welfare officers, teachers, special education providers, truancy officers, doctors, nurses, police, lawyers, judges, court officials, prison workers, parole officers, to name but a few!

It is little wonder that the Prime Minister denies there is an underclass problem – these people depend on her for their livelihoods, as she depends on them for their votes.

But one only has to look at the lives of these families to know how little socialism does to help the poor. As John Key puts it in his speech: “The worst are home to families that have been jobless for more than one generation; home to families destroyed by alcohol and P addiction; home to families where there’s nothing more to read than a pizza flyer; home to families who send their kids to school with empty stomachs and empty lunch-boxes; and home to families where mum and the kids live in fear of another beating from dad”.

Socialist welfare has a lot to answer for. So

what are the alternatives?

To put New Zealand’s situation into perspective it is interesting to look at the recommendations of the OECD, which regularly analyses the results of international welfare programmes. For instance in 2004, the OECD reported to our government that they had found that the Domestic Purposes Benefit was the primary cause of child poverty in New Zealand and strongly recommended that work requirements be imposed on sole parents.

In general the OECD regards welfare programmes that entrench dependency as being harmful and advises that they be replaced by policies that result in independence from the state. Accordingly, they suggest that the rights-based concept of welfare as an ‘entitlement’ should be replaced by one of ‘mutual obligation’ - in return for the state providing financial support, the beneficiary is obliged to find a job. Further, they recommend that to be effective, welfare to work programmes should be compulsory and full-time, and that work requirement should be applied to sole parents and disabled beneficiaries as well as to the unemployed.

With this in mind, it is important to note that in New Zealand there is no argument that a core role of the state is to help those in genuine need. Instead, the debate about welfare centres around how best to help those who have temporarily fallen on hard times (either through the loss of their job, accident or injury, or as a result of relationship difficulties) to get back into the workforce. Without proper incentives in place, far too many able-bodied beneficiaries remain on welfare without any intention of getting a job, supplementing their benefits with cash jobs, and other illegal activities. Many of these people are at the core

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of the underclass.

National is arguing that state support should come with a mutual obligation for self-help and they are planning to introduce an Australian-style work for the dole programme. This scheme would require long-term unemployed beneficiaries to take part in a two-days-a-week work for the dole programme or face a temporary loss of their benefit.

The reaction from the Prime Minister was predictable: she dismissed the idea saying that it didn't work when it was tried before and that with our present low levels of unemployment it is not necessary.

The Green Party also expressed their opposition to work for the dole: "The beneficiary-bashing approach that is inherent to the work for the dole scheme failed in the 90s. It will fail again". They believe that benefits should be raised to the level of the minimum wage.

The Maori Party co-leaders Pita Sharples and Tariana Turia on the other hand, concerned that 28% of Maori over the age of 15 are receiving a benefit, came out strongly in favour of a compulsory programme of work for the dole or training for anyone who is unemployed, going much further than National: "We're tired of our people being tied to the benefit strings, it leads nowhere, it gives no hope, it becomes a way of life instead of a stop-gap measure and that's what we're fighting against. If you are going to give benefits out, let the people start using the skills of working and supporting something in order to get their benefit. If they are physically and mentally able then let them serve their society."

The Maori Party does however support the Green Party's call for increasing benefit rates: "We believe the amount of the benefit should be raised to the minimum wage".

In the end the debate about welfare comes back to setting objectives and then designing policies that will deliver them.

If you believe that able-bodied beneficiaries should not be paid to do nothing, then a compulsory work experience/work for the dole programme is the answer. If you want to eliminate welfare fraud then the programme should be made to be full-time, since people on a full-time work experience programme cannot do cash jobs, nor maintain more than one benefit identity. And if you want to make sure the unemployed take their work experience programmes seriously, then make sure they are clear about the rules: if you don't turn up, you don't get paid, and if you turn up late, your pay will be docked.

Ultimately, the imperative in a free society is for individuals to help themselves to achieve and succeed. If the state bureaucracy has become complicit in creating the dependency culture, which is preventing individuals on welfare from achieving that imperative, then surely it is time that the job is turned over to the private sector.

The poll this week asks: Do you think people should have to work for the dole? If you think they should, should it be a full time or part-time programme? The results will be sent to all MPs.

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