

# Newman Weekly

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The New Zealand Centre for Political Debate

## The Underclass

Helen Clark might try to deny that an underclass is flourishing in New Zealand but the public knows better. According to a recent Colmar Brunton poll, more than eight in every 10 people surveyed believed there is an underclass problem. It is little wonder - the signs are everywhere.

Daily news reports remind us that gangs, drugs, violence and crime are commonplace and on the rise. A damning report from the United Nations tells us that we are now amongst the worst of all developed nations for keeping our children safe and healthy. Statistics New Zealand has just released figures showing that teenage birth rates are increasing again. The University of Waikato has exposed a disaster in our state education system whereby more than half of Maori boys are now leaving school without any qualifications at all.

The underclass is funded by taxpayers through the welfare system. It is supplemented by organised crime. Members of the underclass exhibit severe social pathologies including child abuse and neglect, violence and crime, drug and alcohol addictions, educational failure and habitual financial mismanagement, whereby benefit money is spent on alcohol, drugs, cigarettes and gambling, rather than on the necessities of life such as feeding the kids or paying the rent.

While the underclass – estimated to be around five percent of New Zealand families – is still numerically small, it is largely responsible for the major problems in society. Yet little has been done to tackle the problem, with the majority of those surveyed in the Colmar Brunton poll, believing that neither National nor Labour have the solutions.

The seeds of the underclass were sown back in the seventies by the Kirk Labour Government. Until that time, a fundamental social contract existed in New Zealand whereby only those who were ‘of good moral

character and sober habits’ were entitled to state support. The “undeserving” poor were helped by charitable organisations, given food and shelter, usually in return for work. No-one starved and there was no underclass.

Labour however, replaced the needs-based, ‘good character’ requirement for state support with a universal benefit entitlement. That meant that for the first time ever, taxpayers were forced to fund destructive, criminal and anti-social behaviours – a situation that has continues today with most criminal gang members receiving welfare.

Labour also raised benefit levels to be similar to a working wage, effectively undermining the value of work by closing the income gap between benefits and wages. This move sent a strong signal: why bother to work when being unemployed pays almost as much?

The third change introduced by Labour, which set in motion the development of an underclass, was the introduction of the Domestic Purposes Benefit. By subsidising family breakdown and sole parenthood, fathers were marginalised and mothers on welfare, left literally holding the baby, struggled to raise their children on their own. And while many of those families have done well, many more have not.

Lacking the inner resources or desire to leave the welfare system behind, many sole parents passed a defeating set of values and attitudes onto their children. As a result there are now generations of children who have been raised in a culture of deprivation by families with no history of work. But by neglecting to even ensure their children turn up at school, these parents are creating a new injustice for their children. As generations of hardworking parents with big aspirations for their children’s education can testify, a good education is an escalator to a better future. Acclaimed columnist Rosemary McLeod –

this week's NZCPD Guest - mused on this in a recent article We all suffer for their poverty: "there must be Maori physicists out there in Otago, waiting to discover themselves" (see [www.nzcpd.com](http://www.nzcpd.com)).

Welfare has been described as the social policy equivalent of hard drugs, shielding recipients from the demands and obligations of the ordinary world: available, ease-inducing, will-dissolving, all too easy to get hooked on, capable of taking over one's entire life and blighting it. Welfare gone wrong is the most destructive social force. Yet welfare done in a sensible fashion can empower, support and liberate, as the first thirty years of New Zealand's welfare state demonstrated.

We need to tell our politicians that this has all been going on for far too long and that the time has now come to set the goal of reducing - and eventually eliminating - the underclass from New Zealand society.

A few years ago I had an opportunity to visit Sister Connie Driscoll's House of Hope in Chicago. Sister Connie, a Catholic nun with a background in the army, had 'rescued' over 10,000 homeless women, helping them to beat addictions, to learn to be good mothers and to get jobs, so they could get their children back from the welfare authorities and care for them. In a practical way, she demonstrated that with the right sort of tough love help and support, people can rise up from the most dreadful disadvantage to lead successful and productive lives.

Getting people off welfare and into jobs is

at the heart of solving the underclass problem. While work exemptions should be available for sole parents with very young children, the goal for the underclass - and everyone else on welfare who is able-bodied - should be self-sufficiency and independence from the state. That means requiring long-term welfare recipients to engage in full-time individually tailored work experience programmes incorporating work for the dole, job search, education and training, with the support of a comprehensive range of services: child care, after school care, transport help, financial planning advice, relocation costs, mentoring help, drug rehabilitation and the like.

Other countries have taught us that by taking this approach even the most intransigent of beneficiaries can be helped into jobs and independence from the state.

As our politicians reflect on the challenge the underclass presents to communities throughout the country, they should recognise that past governments have condemned the children born into these families to a life of failure. Unless they are lucky enough to grasp hold of a lifeline of adoption, education, or mentoring support, the state will ensure they perpetuate this appalling cycle of deprivation. Are we prepared to stand by and let this happen?

**The poll this week asks:** Would you like to see the underclass become a key election issue in 2008.

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