

Newman Weekly

By Dr. Muriel Newman
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The New Zealand Centre for Political Debate

Long term unemployment - a 20 year term

A long-term dole recipient phoned me the other day. He'd been unemployed almost 20 years and, after reading some of the comments I'd made – about long-term unemployment being an undeniable symptom of Government failure – he wanted to tell me his side of the story.

He explained that, 20 years ago, a Family Court Judge threatened to pass an unfair verdict in a custody case involving his children. He said he told the judge that, if he went ahead with such an unreasonable finding, then he would refuse to ever work again. The judge ignored his concerns, passed the judgment and, the father alleges, he's been on the dole ever since.

He says it's not difficult to fail the rare job interviews he has to attend and, meanwhile, runs a company – paying himself \$60 an hour and living a double life. He claims to know at least 20 others doing basically the same thing, and scoffs at the Department of Work and Income for its incompetence in failing to make him take a job.

Taxpayers need protecting from those long-term unemployed – like my unidentified caller – who are quite capable of working, but choose to abuse the system. We need mechanisms in place to require that anyone who is able-bodied gets, and keeps, a job. At a time when the country is crying out for workers, it is simply unacceptable for anyone to be unemployed in the long-term. Yet, official figures tell us that there are around 78,000 people receiving the dole. While some 22,000 have been on a benefit for less than six months, over 56,000 have been on welfare longer than six months – with more than 30,000 for over two years. Of those, some 5,000 had been receiving a benefit for over 10 years.

Alan Harper was one such person. At the age of 45 – just six months ago – Alan got his first full-time job after 20 years unemployment. He's delighted to be working: "It's great to have something to do in the day, and it's great having the extra money. It's great for companionship. I've got a sense of purpose in life, and there are so many good people that work here. I used to wake up in the mornings and wonder what was the point? What was there for me?"

The welfare system undeniably failed Alan, leaving him to waste 20 years of his life. Instead of focusing on the easy-to-place short-term unemployed, the department's priority should be people like Alan who need professional help and support.

Alan believes that the main reason he had difficulty finding a job is that he can't read or write. He says there is a lot of stigma attached to illiteracy that turned many prospective employers off.

His new employer concurs, but believes that more employers should give the serial unemployed a fair chance at work: "Don't close your mind just because someone hasn't worked for a long time. Alan has been a very good worker for me since we've had him and I've employed others who have been long-term unemployed."

It is to make it easier to give the long-term unemployed – and others with a dicey work record – a go, that I asked Parliamentary Counsel to draft for me a new Private Members Bill to introduce a three-month trial period into our employment law. If there were a clear provision in law, that enabled an employer to give someone a go – ensuring that if things didn't work out, then employer and employee

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could call it quits without costly litigation – then more employers would be prepared to give people like Alan a job.

My hope is that my Bill will be drawn in the ballot so that Parliament can debate its merit. While I don't expect that Labour's union friends will view it favourably, I do believe that employers up and down the country, as well as many employees – particularly those who are inexperienced or viewed as a high risk – would welcome a more practical, common sense approach to employment relations.

But, even if employment law is changed to allow those beneficiaries who face challenges to more readily take on a job, the discussion with the unidentified caller highlighted just how vulnerable taxpayers are to being ripped off by beneficiaries who want to rot the welfare system.

I have a strong view that better checks and balances are needed in the welfare system to protect the rights of taxpayers. That's one reason I favour time limits on welfare: anyone who hasn't been able to get a job within six months of going onto the dole would be required to engage in a 40-hour a week work experience programme designed to support them into the habits and disciplines of the workforce, to enable them to network more effectively, and generally to give them the skills to help them find and keep a job.

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As Alan Harper explains: “The more people you get out and meet the more chance you have of getting a job. It's not just the extra money thing. It's also about getting out and having something to do all day and meeting a lot of new people.”

While most people on the dole are capable of earning their own living, there is a small number that has limited prospects of being able to earn an independent living without some form of support.

These are the people who may have a mental or physical impairment, a drug or alcohol dependency problem, a prison record, or some other deterrent. But, given that they are on the dole and not an Invalid Benefit, then they can be expected to contribute with the right sort of support in place. In fact, there already exist a myriad of job programmes with subsidies attached that reduce as new employees improve their productivity and performance.

The dole is there to provide an income for people who do not have a job. We must make sure that systems are put in place to protect taxpayers who fund it, by preventing people from abusing it.

Dr. Muriel Newman is the director of the NZ Centre for Political Debate.

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