

Louise Humpage and Susan St John: A bill the poor will pay for

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Work, work and more work: what ever happened to social security? Most people don't know it, but social security is undergoing significant changes.

These could affect any of us, if we were suddenly to become sick or disabled, a sole parent, or if the economy was to force employers to shed large numbers of employees.

The Social Security Amendment Bill 2006 has just passed its second reading and, if not stopped, will legislate fundamental changes to the Social Security Act 1964, which was intended to "consolidate and amend" the 1938 Social Security Act introduced by the first Labour Government.

The 1938 act became the foundation stone for the modern welfare state. "Welfare" has a bad name now but then it was about safeguarding New Zealanders from hardship arising from age, sickness, widowhood, orphanhood and unemployment to allow all to participate and belong in society.

The Royal Commission on Social Security in 1972 and the Royal Commission on Social Policy in 1988 demonstrated New Zealanders still endorsed these goals. In the 1990s many policy changes undermined the purpose of social security (user-pays in health and education, "work-for-the-dole" for the unemployed, "dob in" campaigns targeting sole mothers) but the principles were never formally challenged.

That is all about to change: the Social Security Amendment Bill wipes away any notion that our social security system is about ensuring everyone can participate as citizens. Instead, it makes getting people into a job, any job, the fundamental duty of citizenship. This principle is baldly stated "Work in paid employment offers the best opportunity for people to achieve social and economic well-being."

The bill fails to acknowledge that many undertake unpaid work looking after children, the sick and elderly or doing other community activities. This work is crucial to the running of our society but receives no value in the bill. Nor does the proposed legislation do anything to ensure that meaningful, adequately paid, secure employment is available.

Instead it punishes those who can't find work. It allows for a new pre-benefit activity to be completed before anyone is even allowed to apply for the unemployment benefit. Under a new government, this activity could include work-for-the-dole.

Being sick or disabled is no longer an excuse not to work. Sickness and invalid beneficiaries will be subject to new "planning and activity" requirements which means that if they don't start for planning for work, they could risk having their benefit suspended or reduced. Spouses are also expected to get paid work even though they may be caring for their sick spouse and/or have young children.

The rationale for these new requirements is that sickness and invalid benefit numbers are increasing at a time of low unemployment.

But rather than an epidemic of "dole-bludgers" shifting to these benefits, we are largely seeing the effects of an ageing population who, due to improvements in technology are living longer than ever but nonetheless may suffer from ill health that stops them working the last few years before retirement.

As if in hindsight, the bill does provide some social security "to help alleviate hardship". But this phrase is far more limiting than the goals of eliminating poverty and ensuring participation and belonging for all citizens that we have long embraced.

Furthermore, paid work, which is enshrined in the new act as the only source of well-being, is increasingly becoming the basis for state-provided welfare. Those outside the workforce are in grave danger of being regarded as second-class citizens. While we don't yet have health insurance tied to employment as in the US, access to a major part of Working for Families tax credits and KiwiSaver subsidies to ensure a secure old age are already conditional on being in paid work. Caregivers, who are predominantly women, should be alarmed at this trend.

That a Labour Government is undermining the original notion of "well-fare" would have Michael Joseph Savage turning in his grave.

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