Innes Asher and Janfrie Wakim: **Impacts of the dismal decade still being felt**
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In his column headlined "The myth of the evil decade" (see link to article below), Jim Eagles analysed certain economic policies of the 90s and found them to his satisfaction. He concluded that maybe the 90s wasn't such a bad time.

But before we jump to any such apparently happy endings, we need to look at the social as well as economic policies of the time, and their effects on us all, not just some workers and those in business.

Eagles makes no attempt to analyse how his chosen policies affected children - and he is not alone in his neglect.

Until recently children had been ignored by macro-economic policymakers for 25 years, despite bearing the brunt of those policies.

They and their caregivers - mostly women - were disproportionately affected by policies which dictated self-reliance and independence from the state as primary virtues.

The result, as shown by the latest Social Report released by the Government, is ever-increasing income inequality among households.

The minority of New Zealanders who are rich have got much richer, while everybody else is slightly worse off than in the 1980s.

Even before the 1990s, things were grim for many of our youngest citizens. By 1987, 15 per cent of children were living below the Ministry of Social Development's poverty line.

But worse was to come. GST increased to 12.5 per cent in 1989. The 1991 Budget reduced benefits and abolished the Universal Family Benefit. In consequence, child poverty rates soared, more than doubling to 35 per cent by 1993.

Between 1992 and 1999, 11,000 state houses were sold off, and from 1993 to 2000, tenants of the remaining state houses were required to pay market rents.

Finding the rental market unaffordable, many families were driven into greater poverty, frequently moving house, and crowding into poor quality accommodation, with disastrous effects on children's lives.

Food banks multiplied, as did overcrowding, substandard housing and Third World diseases.

While Eagles seems supportive of the Employment Contracts Act 1991, he acknowledges that wage increases have been miserly.

The Unicef report released in March this year - Child Poverty in Rich Countries - reports that by 2001, New Zealand had the fourth highest rate of child poverty in the OECD.

Those working at the coalface, such as frontline health staff - nurses, GPs, paediatricians - will tell you that the harmful consequences of the 1990s' policies are certainly not mythical.

The most public face of poverty-related disease is a meningococcal disease epidemic, but New Zealand rates of other preventable Third World diseases such as rheumatic fever, chronic lung infections, gastro-enteritis, ear disease, dental disease and serious skin infections also soared in the 90s, well above other comparable countries.

New Zealand infants have a higher chance of dying of disease than in many similar other countries, with especially high rates of deaths among Maori children, most of which are potentially avoidable.

Our dental health used to be the best in the world, but children and young people now have disturbingly high rates of missing and filled teeth.

Much of this poor health in childhood will live on for that generation, leaving expensive long-term consequences.

To the question "Did the Fiscal Responsibility Act 1994 fail?" Jim Eagles decides "presumably not".

While the act requires fiscal prudence it does not require choices between tax cuts and spending on infrastructure such as schools and primary healthcare, for example, to be appraised for any social consequences.

Yet clearly, families and children are shaped dramatically by which spending options are selected.

The social benefits of poverty prevention are measurable only as "prevented social costs" and are thus too easily ignored .

The short and long-term economic and social impact on children and families of policy changes must be factored in to all economic discussions and calculations, for example the direct and indirect costs of a child acquiring a preventable disabling illness.

Similarly, the Reserve Bank Act does not require any monitoring of the social effects of monetary policy.

The only policy tool used to achieve low inflation has been high interest rates, which were very damaging for families with mortgages and largely fixed or declining incomes in the late 1980s and the mid-1990s.

The truth is that the policies of the 90s failed shamefully high numbers of Kiwi kids and their families.

We believe that investment in all children is essential for the future of New Zealand, and responsible economic policy must take care of them and make children our first, not last priority.

Until that happens, the evils of the 90s will reach far beyond that dismal decade.

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