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Reframing Welfare

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Abstract

This paper considers the restoration of entitlement of ownership by beneficiaries of the income paid to them by the government. This would allow beneficiaries to have the full responsibility for the disbursement of income in the same manner as wage and salary earners. This would recognise beneficiaries as citizens of New Zealand and allow them to participate fully in the fabric of life in New Zealand. Such an approach would align the rights of beneficiaries with all other New Zealanders and be in keeping with the direction of the Living Standards Framework and Wellbeing initiatives. The income of a beneficiary needs to be reframed as being an income the recipient is entitled to as an economic unit in New Zealand society rather than as a burden and inconvenience to the taxpayer.¹

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Introduction

This paper highlights the need to recognize beneficiaries as citizens of New Zealand in the same manner as all others, and postulates that by doing so the whole of society is advantaged.

There has been gradual erosion of rights for beneficiaries as successive governments have amended the Social Security Act to expand penalties against beneficiaries. Politicians have been liberal in

¹ <http://www.scoop.co.nz/stories/HL1808/S00051/economic-review-of-the-status-of-beneficiaries-in-nz.htm>, Gail E. Duncan, published SCOOP August 2018.

blaming beneficiaries for any downturn in the economy and selling the idea that to balance the books benefits must be given out sparingly to prevent hardship for the rest of the population by diverting funding from more deserving allocations such as health and education. This representation of beneficiaries is faulty because their circumstances are the result of, not the cause of, downturns in the economy or the impact of broader societal factors.

Any New Zealander can go quickly from relative security to nothing. Presently in New Zealand there is no guarantee of provision of a means to live for 16-64 year olds regardless of how long they have been in the workforce, how great their potential or actual contribution to society, or how long they have contributed to the community in one form or another.

In addition to this the Social Security Act (SSA) prohibits normal human relationships and opportunities for both beneficiaries and members of a family unit. There are major differences between the obligations required of beneficiaries and rights that other New Zealanders take for granted. The concept of each New Zealander as an economic unit and their entitlement to a means of income and freedom to engage in relationships will be explored.

Public attitude to the unemployed and other beneficiaries aged 16 to 64 is not positive, with the idea that beneficiaries are 'bludgers' being imprinted in public consciousness. This was made clear in the lead up to the 2017 election where Metiria Turei stepped down following revelations of 'benefit fraud' dating back to 1990. And is being imprinted in our minds now with the recent November 2019 announcement by Simon Bridges of the National Party policy to further reduce beneficiaries' entitlements. And now tax cuts which would reduce government revenue, probably leading to further benefit cuts.

Stringent reforms to the Social Security Act 1964 took place in the 1990's and more recently in 2013 as if punitive measures against beneficiaries were going to add value to our economy. There has been some realisation that this approach is counterproductive in the 2019 Budget speech '...New Zealanders have relatively high levels of wellbeing, but there are significant gaps.' (Robertson) And recent publications by the Productivity Commission indicate that security of income and accessibility to entitlements plays a role in improving productivity in NZ.(Commission)

There are stark differences in freedoms between a beneficiary and an earner in NZ. For example, income earned by an individual who is waged, on a salary, or is a business owner is owned by that individual. They have the freedom to spend that income as they see fit, freedom to engage in relationships, sublet or share accommodation, and accept gifts from family. They can take out loans and have savings and investments with impunity.

In contrast a beneficiary's income is regarded as 'from the taxpayer', not owned by the individual on receipt. There are risks of penalties, deductions and refunds. Relationships have consequences on income, and their privacy is breached. Sharing or subletting as anyone else would do to save money has consequences on their income. They can't receive food, gifts, assistance with rent or mortgage from family or any other party. They can't have surplus, savings or investments.²

The most recent example of an intrusion into the lives of beneficiaries would be the New Zealand National Party social issues discussion document proposal of cutting benefits to sole parents who fail to immunise their children. Some (Luxton) suggest going further, by cutting Working for Families payments. This example shows how vulnerable beneficiaries are for 'targeting' in policy agendas because they are such an easy catch and considered by the public as the 'undeserving poor' when their issues are issues that affect all members of society. Note that the solo parent is generally the

² Ministry for Social Development (MSD) <https://www.msd.govt.nz/>

first to come under attack because the thought of women (or men) bringing up a child or children on their own is not (even today) seen as a suitable family arrangement choice for people to make.

In 2018 the Labour/Green/NZ First Government delivered the 100-day plan announcement in January 2018 which included the concept of wellbeing built on the Treasury Living Standards Framework. Following this framing of the concept of wellbeing two working groups were established. These were the Tax Working Group (TWG) (T. W. Group) and the Welfare Expert Advisory Group (WEAG). (W. E. A. Group)

Both the TWG and WEAG reports delivered very conservative, cautious reports on the status of taxation and the welfare of New Zealanders. Both reports identified opportunities to improve upon the present position we are in but held fast to dated perceptions of the circumstances in which people should lead their lives and the manner in which improvements could be delivered.

To gain a greater understanding of the public perception of beneficiaries I have looked into the TWG and WEAG reports which had canvassed the views of New Zealand society.

Review of the Tax Working Group Report

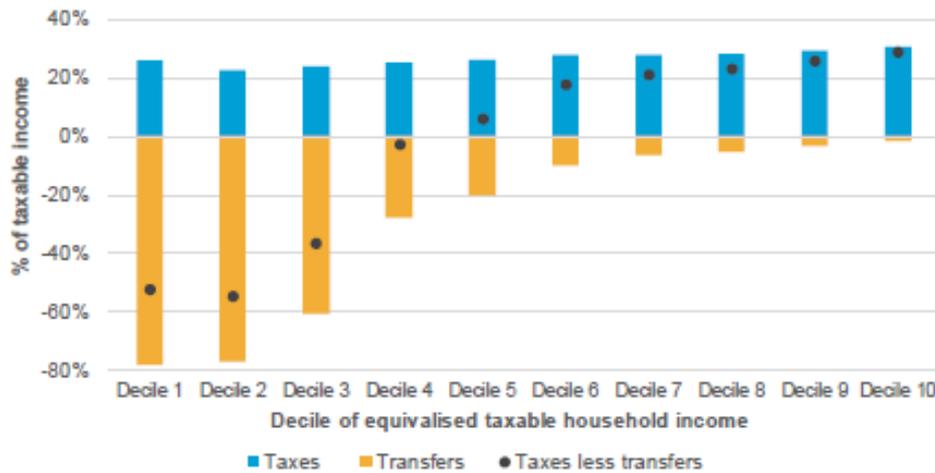
The recent Tax Working Group report classified income into labour income and capital income with benefits being considered as transfers and not as an income as such to the recipient. Yet transfers are considered as income with respect to abatement rates of taxation. If welfare was considered an income that was given to each individual irrespective of their relationships it would be much more consistent. The assumption should be that every individual will be active in society to some degree whether they are in employment or not.

The TWG (page 3 of 194) describes New Zealand's current tax system is a 'broad-base low rate' system enabling government to raise substantial amounts of revenue at relatively low rates of taxation. NZ is one of the few countries which collects tax from individuals so highly – 42% from individuals, 10% corporates, 42% GST, 6% other. There are few other avenues for tax collection.

Households in the lowest four deciles do not pay net tax after transfers are subtracted from income tax, GST and ACC levies. Households in the top income decile pay 35% of all income tax whereas house in the lowest five income deciles collectively pay less than 20% of all income tax. There are high net taxes as income increases.

However, the TWG point out that New Zealand's tax system is not a progressive tax system where a larger percentage is taken from high income earners. There is not a significant increase in average effective tax rates across income deciles even though the amount of tax paid increases by income decile.

Figure 3.2: Taxes and transfers, by income decile (2012/13)

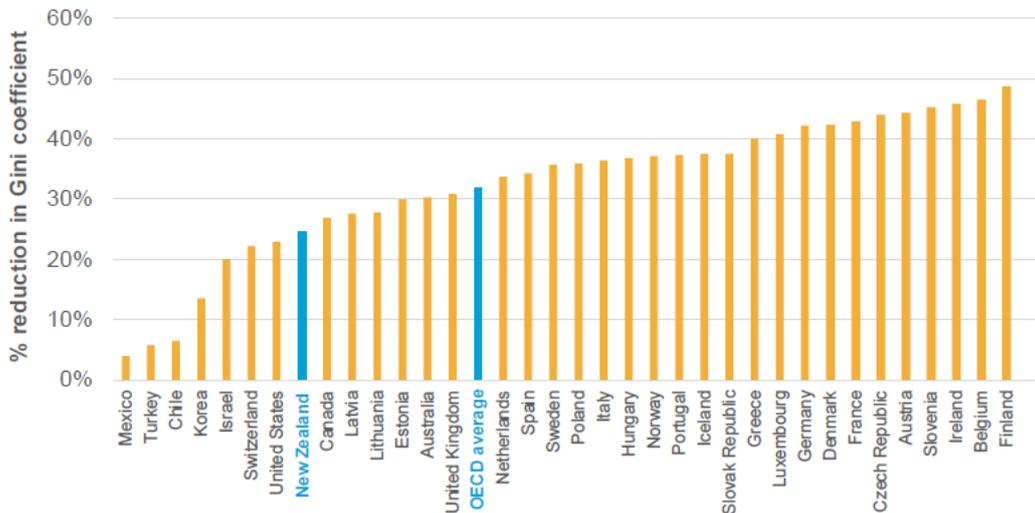


Note: Taxable income excludes, by definition, untaxed capital gains. Tax is calculated for the purpose of this figure as the sum of income tax, GST and Accident Compensation Corporation (ACC) levies. Estimated using the Treasury's model of the tax and welfare system and Household Economic Survey 2012/13 data.

Source: The Treasury

TWG points out (page 20 of 194) that the inequality reducing power of the tax and transfer system has fallen over in the last three decades (1990s, 2000s, and 2010s). Both the tax system and the transfer system have become less effective in reducing inequality. New Zealand is well down on the GINI coefficient listing.³

Figure 3.3: Reduction in income inequality on account of the tax and transfer system across OECD countries (2014/15)



Note: Estimated as the percentage difference in the Gini coefficient of income inequality before and after taxes and transfers. This figure is based on the OECD Income Distribution database. It includes personal income taxes, employees' social security contributions and cash transfers but excludes payroll taxes and value-added taxes such as GST.

Source: OECD

³ The Gini coefficient is a statistical measure of distribution developed by the Italian statistician Corrado Gini in 1912. It is a gauge of economic inequality, measuring income distribution or, less commonly wealth.

Non-earners

Regardless of whether an individual is entitled to benefits, individuals in our current system can be left with NO INCOME for stand-down periods, or permanently if they happen to be in a relationship where the other party is earning, or partially if they are considered in the context of the family unit but are not compensated directly by negative taxation.

An individual without work in the regular workforce is still a participant in the economy and needs income to prevent a slide into poverty or being rendered unable to make financial decisions on their own behalf. They must have an income of some description to enable participation in society, and should not be reduced to abject poverty because they are not in the labour market for a period or choose not to enter the labour market because they have other responsibilities or aspirations.

The business of the community as a whole includes activities that are not paid for by wages, salary or business but are necessary for the maintenance of community. These activities include the health and wellbeing and support of those who are 'employed' and the raising of new persons to enter the 'workforce' and be part of the general community activities.

Persons 'performing a service' are not just professionals, but include every housewife, househusband, artist or any other who is performing activities in the community (for good or bad). These people are consumers in the community alongside those in paid employment.

Consideration of 'labour income' and 'capital income earned from an asset' is biased against women in that they are not represented in terms of significantly lower labour income and assets relative to men and that the period of their lives (periods outside employment to use the jargon) where they are managing a household is not calculated as performing essential service to those 'employed' and those who will become 'employed'.

Page 84 of TWG

Table 7.2: The distribution of taxpayers (2017)

Taxable income bracket	Number of people in each bracket	Percentage of people in each bracket
0-\$14,000	787,190 ³⁶	20.9%
\$14,001-\$48,000	1,720,580	45.6%
\$48,001-\$70,000	612,200	16.2%
Over \$70,000	655,360	17.4%

³⁶ This includes 95,000 people on nil income. People with negative income because of losses are recorded as having nil taxable income in the tables.

Note that 95,000 people are recorded as having nil income. Are these the 'missing people' those who have not entered the formal workforce, those who are not defined as being 'employed'? Note that this total includes persons with clever accountants who can tally up a zero or negative income.

distribution among a population. The coefficient ranges from 0 (0%) to 1 (100%), with 0 representing perfect equality and 1 representing perfect inequality. [Source: Investopedia]

The biggest disappointment in the TWG report is that non-earners were not considered as contributing to the economy at all despite the fact that a large proportion of non-earners are women running a household, propping things up for the 'income earners', and often working non-stop for children or elderly dependents. This is work, they are earning in the sense of supporting the community. Marilyn Waring has pointed out (PSA meeting 26 May 2019, and her book 'Marilyn Waring The Political Years' (Waring)) that the non-earning section of the economy is economically active to a degree that exceeds the current calculated GDP, but is simply not accounted for in terms of estimated hours spent and value delivered. When GDP was first adopted in the 1950's for general use to compare nations growth and development it was expressly determined not to value the contribution of non-earners to the economy. We can't gloss over the inequity of this exclusion any longer.

Burden of our current taxation system on women

I was surprised as I undertook this study just how much of the burden of living on the least, coupled with the negative attitude of society, falls on women. Women are still regarded to some extent as property of their husband, father or brother. Women are not treated as individuals with full legal entitlement to their own economic/financial means, property and choice of relationships. This imposes unfair restraints, leads to lack of independence and decision-making capability.

The TWG did highlight gender outcomes. It was acknowledged that women receive less income than men and pay less tax overall. Women receive more in transfers than men and therefore benefit less from tax reductions or tax concessions. And because the family support system and basic benefit system rank receivers of the tax concession or transfer with respect to their relationship status, women, more often than men, are not the receivers. This seems to be a result of women not yet being seen as full adults with full entitlement to income in the way men are.

The notion of a family with a breadwinner still prevails and women are 'bought' into a relationship and on entering lose any standing as an individual entitled to an income of their own. This has consequences in that women can become dependent and vulnerable to being treated as property rather than as persons. It also means no account is made on the government books of the loss of personal leisure time, loss of income from other employment options for those who choose to employ themselves in the task of raising a family. The cost of child care is a general indicator of the cost of employing the mother (or father) to stay home to care for children or other dependents, not including the care provided by the housewife (or househusband) for any other members of the family employed outside the home. (App and Rees)

We are informed by the TWG that retirement savings for women are affected - in women's adult lives they are likely to have periods outside the workforce, have part time employment and lower wages, and lower government contributions to KiwiSaver than would otherwise be the case. The average annual income for a woman is \$36,000 (median \$26,000) against the average annual income of a man being \$54,000 (median \$45,000) noting that incomplete taxation of capital income is more likely to benefit men than women who have much less personal wealth than men.

The periods when women are outside the workforce, they are likely to be raising children or caring for dependents all of which is essential work for society, for the commons and is not being catered for in the measurement of GDP.

Review of the Welfare Expert Advisory Group report

The WEAG Report of May 2019 highlights that benefit, and tax credit systems are unmanageably complex and the level of financial support from welfare payments are so low that too many New Zealanders find themselves living in impoverished circumstances. As Judge Andrew Beecroft pointed out at the CPAG summit of 18 November 2019 child poverty and the conditions in which those children are living has reached unprecedented levels of hardship.

Dominant cultural assumptions e.g. the definition of a family which underpins the positioning of each person under the tax system, often exclude women and children as income recipients. And there are differences in income definitions between the tax and welfare systems which is problematic, creating confusion for individuals trying to understand their entitlements (if any).

The Social Security Act 1938 provided assistance to be able to achieve an adequate standard of living. Income support was/is based on one-earner in the family model. This dates back to the days when women were expected to give up the jobs once they were married.

The welfare system does not treat each individual in that family unit as a discrete economic unit, and when a single individual enters a relationship that person's entitlement immediately changes. The complexity of the welfare system today means that many families with entitlements where both parties are earners do not even apply for their entitlement.

In the light of conditions today the simplicity and sincerity of intent of the original 1938 Social Security Act needs to be reconsidered. Through the passage of time from 1938 to 2019 the Social Security Act has been tinkered with to reduce it from the intent of providing security for all New Zealanders to create the very thing it was meant to overcome, poverty caused by people having to beg for alms.

To quote the Right Hon Mr Savage ("Social Security Bill") 'the honourable gentleman said that the people had to find the means to provide benefits for themselves. But who else would find the money? That seems to be an easy question to answer. The people of New Zealand need certain benefits, they need certain security; and I suggest there is only one way to get them and is to combine to do it for themselves.' This bill lays the foundation for that' [August 18, 1938, Social Security Bill [House] page 417].

In 1939 a year later Savage stated 'The passing of the Social Security Act last session brought into being the machinery for the inauguration of the most comprehensive scheme of social insurance so far attempted in any British country, providing on a contributory basis for the contingencies of unemployment, old-age, widowhood, orphanhood, sickness and invalidity, as well as for the supplementation of the incomes of breadwinners where this is necessary'. ("Governor General's Speech") This honourable intent to ensure a means to live was supplied to all New Zealanders regardless of circumstances needs to be rebirthed to avert the poverty that New Zealand is now experiencing. This largesse would be expected to increase productivity by enabling engagement in society of more New Zealanders, as has been highlighted by recent Productivity Commission reports.

The other conundrum which is handled particularly poorly in the current welfare system is the transition from accepting a benefit to entering the workforce. An abatement system has been instituted to phase out the benefit. (Len Cook speaking at the CPAG Summit 18 Nov 2019) This was originally based on the income tested benefits in the 1950's.

WEAG supports the concept of abatement rates continuing as this is deemed necessary to ensure people are financially better off in paid work. This recommendation does not give any credence to the work that any person in our society must do and the value offered by a good proportion of them to the stability of the household, the community and support provided to those who are employed. Abatements are effective marginal tax rates well above the top marginal tax rates for high earners.

The WEAG requests that abatement rates 'be reasonable' especially at the point where people are entering the workforce. The fact is that these are presently set in a manner that they make it nearly impossible for people to begin entry into the workforce on part-time work or work of variable hours or work for fixed periods. This was explained at the recent CPAG Summit (18 November 2019) as being related to value rather than the number of hours when abatement rates were first included in the SSA in 1980's. It was originally 25 hours, which has now whittled down to 5 hours under current hourly rates.

The total income a person gains through a benefit and/or work over the course of a financial year could be considered as a lump sum, then this could be taxed according to our stepped tax scale. It comes back to the necessity of giving each individual income security. Before PAYE was introduced this was the basis of the tax system.

In the 10 principles second bullet point (p27 of WEAG) is again the statement that 'income support ensures people are better off in paid work'. This disregards part-time work or temporary work where you are very unlikely to be better off, this ignores the value of unpaid work and contribution of people's talents to the community. WEAG recommends that the abatement threshold is increased to \$150 a week. This is a paltry eight and a half hours work a week at the minimum wage (\$17.70 per hour). The idea should be to encourage people to move to a 40-hour week of \$708 at least.

The benefits paid are small sums overall as the benefit levels have fallen so far behind since the 1990's. There has never been a realignment of benefits to the same relativity they were prior to the Ruth Richardson 1991 Mother of all Budgets. The threshold should be totally dropped and the total income for the year reviewed as often people are in seasonal employment over a few months of the year or have varying hours in multiple jobs with very low pay. This type of employee has to wait until the end of the financial year to finalise their earnings and claim any tax refund due.

Our current benefit system and the WEAG report did not recognise the no-fault circumstances of those made redundant. This is very prejudiced and implies people bring these conditions upon themselves. The worker is not the one who can influence the circumstances of the business or the decisions to merge, close or relocate a business. The worker is at the mercy of those decisions. The attitude/assumption that the worker is at fault should be turned upside-down to investment by government in support of those in such circumstances, valuing their previous service and enabling their continued contribution to society in a manner suitable to each individuals' skills and talents. We need to return to the principle of individuals needing 'certain security' as Savage put it.

Relationships

In the WEAG report many submissions were received on the disadvantage of entering a relationship at all. Even the definition under spelling correction for 'single' in Word says 'solitary, particular, unmarried' implying once you are married your 'singleness' status changes and you effectively lose your identity. If you were single receiving a benefit and marry (or enter a relationship with) a working person your benefit ceases. If you enter a relationship with another beneficiary, then everything is recalculated, and you lose your entitlements as a single person (individual). If you are a

married working person and you lose your job you are not entitled to any benefit or assistance to find employment – you are in fact unregistered and become effectively a non-person. The government and the TWG tend to use the word ‘non-earner’. I call these people New Zealand’s missing persons.

Many beneficiaries feel they must choose to remain single to ensure they have independence of income, and as such they are sacrificing the joy of a relationship, becoming effectively celibate, just to be an individual. This can’t be called an ‘unintended consequence’ of our taxation and benefit systems, it is clearly intended to recoup money from a vulnerable source, is a roll-over of longstanding prejudices against women and must be addressed.

We must also recognise that some people might be a lot more comfortable to raise a child on their own without a partner, and this should not be automatically considered a bad or unsatisfactory life choice.

WEAG recognises that there is a ‘financial disincentive to partner’.

The impact of penalties for being in a relationship is the worst form of social injustice. It is effectively a loss of the most basic human right, as the most essential thing for most people is to establish relationships. This impacts women unfairly. No-one who is working full-time or part-time or runs a business and is not receiving any assistance from MSD is hit by this relationship status criteria.

I have never had a benefit and had no idea of the burden placed on beneficiaries once they enter or change any form of relationship until I read a CPAG report in December 2014 ‘The complexities of ‘relationship’ in the welfare system and the consequences for children’ (St John et al.) . It could just be the act of flapping and having one or more people move in to help share the costs and all of a sudden a declaration must be made and any gains that could and should be made by living together vanish for the beneficiary.

Workers (not on any benefit) can live together in a flat, share expenses and the tax department doesn’t hound them. A person on ACC can receive a benefit and it goes to them as an individual without regard to their living arrangements.

The burden of this paper is this: Why can’t a person who has lost their job, or is not yet experienced enough in life to have a job (e.g. a student in training or young mother) receive a benefit as an individual and move into (or out of) relationships in the same manner as the rest of New Zealanders do?

Value of benefits

The current extremely low benefits are well under the living wage let alone the minimum wage. Being granted a benefit at current levels is NOT going to reduce poverty, it is going to generate poverty. A basic benefit per annum for a single person under 25 is 68% less than the living wage, 62% less than the minimum wage, and 52% less than the ‘starting wage’ for a 40-hour week, 52 weeks (per annum). For a person over 25 this calculates to 54%, 52% and 46% less. Given that the proportion of an earners income spent on rent is 40% on average there is not much left for food!

In our current welfare systems the means by which one is assessed for entitlement for the basic benefit or superannuation or accident compensation demonstrates clearly how the die can be cast

three different ways to compensate an individual depending on the circumstances they find themselves in. The following table with figures derived from Susan St John’s presentation at the Woodhouse Memorial Lecture 2019 (St John) demonstrates this very clearly:

Rate	Accident Compensation Corporation New Zealand (ACC), 80% of earnings up to	New Zealand Superannuation (NZS)	Job Starter (unemployment benefit New Zealand)
Single living alone	\$78,000	\$21,380	\$11,378
Single sharing	\$78,000	\$19,735	\$11,378
Married person, partner earning	\$78,000	\$16,446	No entitlement
Eligibility of a married person relative to a single person	100%	76%	0%

There are huge disparities between compensation for job loss depending on how you lose your job, and what your relationship status is.

Non-entitlement

WEAG report goes into special needs grants to help the already impoverished. If the benefit was adequate or anywhere near the minimum income perhaps these special needs grants would be obsolete.

Many people are identified as ‘receiving money for which they were not entitled’ \$768.7 million. It would appear that the complex, overcomplicated, rigid system is unable to accommodate the unstable nature of employment for many people in such circumstances; part-time, seasonal and irregular work. Overpayment recovery creates a growing debt burden for the least able to repay. There is no data available on the total value of underpayment by MDS or estimates of those who are entitled and have not applied supplied by MSD.

WEAG supports the continued shake-down by MSD on fraud. No examples of fraud were provided. What is fraud in the context of a benefit? Entering a relationship? Commencing a job with greater than eight and a 1/2 hours a week work as WEAG recommends is little improvement on the current entitlement of only 5 hours.

Abatements and benefit cancellation

The expectation that the beneficiary should PAY BACK if they earn even a paltry amount is still evident in the WEAG report (see page 80). The expectation that the beneficiary OWES New Zealand for receiving a benefit has to go and is certainly not how our welfare system was originally founded. We need to return to Savage’s commitment of ‘The people of New Zealand need certain benefits, they need certain security’. People should be able to engage in paid employment when opportunities arise in the market, and not have to front up to MSD at every turn.

Providing opportunities for volunteers (to gain experience and develop skills) could easily become work for nothing and the volunteer element removed. MSD needs instead to encourage the community to more actively seek volunteers including persons on benefits without distinction or expectation.

On page 82 the WEAG report informs us that after exhaustive consideration of reasons a person 'not meeting reasonable expectations' the department may find it necessary to cancel their benefit. I can't believe what I am reading! What could those 'reasonable expectations' be? There can be NO REASONABLE EXPLANATION that could ever be offered to cancel a person's paltry means of support that our welfare system offers and leave them with nothing to live on. This is tantamount to Government enforced starvation, verging on 'economic cleansing'. Thus, abrogating the fundamental purpose of government to ensure a functioning, inclusive society.

The procedure of 'case management to support a client experience' to support a 'positive client experience' and 'shared experience'. This is in fact an intervention and is not well-defined and is non-consensual. The sense of shared purpose is the ultimate goal of explaining the client's circumstances in law and ultimately getting them a JOB. Agree, submit to the regime or starve!

The WEAG report discusses the 'Golden Triangle' with three objectives (1) to reduce poverty, (2) ensure there are incentives to work, and (3) provide support at a sustainable cost to government. There is a fourth leg that hasn't been included and that is continuing support for basic economic activity through consumption of life's essentials. After all consumption is the engine that delivers economic activity.

Providing support at a sustainable cost to the government does need careful consideration. However, it appears that the goals of wellbeing and the Treasury Living Standards Framework would suggest that the benefits of recompensing those not participating as earners in a more dignified and equitable way would easily be recovered by the reduction in crime, health costs and the cost of administering the punitive controls of the current system etc, etc. Time spent with families and opportunities generated for participation in society, and reduction in family abuse by releasing women from the harness of relationship criteria and acknowledgement of their contribution as individuals are examples of benefits. The story of Kathryn highlights in the most tragic way the impact of 'the system' on one individual. <https://www.cpag.org.nz/news/cpag-mourns-passing-of-kathryn-and-calls/>

International Perspectives

Approaches to include all citizens are now being proposed by many social commentators and economists. Following the 2008 Global crisis where promotion of attractive mortgage packages in the US, but impossible for buyers to finance once the full criteria became effective, coupled with high unemployment and the scaling up risk by the selling and speculating on derivatives of these high risk mortgages toppled the banking industry.

Governments bailed out the banks, but the ordinary person caught in the scam mortgages had no recourse. Lives and futures of millions of people in the US were ruined, and since then banking has resumed bad behaviours based on being considered 'too big to fail' even though the global financial crisis was so recent. This blatant unfairness has not gone unnoticed and has highlighted the fragility of income and financial security for the greater majority.

This plus the ongoing recession, negative interest rates and turpitude of investment since 2008 has generated thoughts on alternative approaches to stimulate the economy including investment in sustainability, efficiency, and new means to guard against poverty.

Economists have revisited Keynesian approaches of pumping money into the economy at the bottom level to generate activity. The money returns immediately into the economy for actual

services and goods required, which in turn supports basic industries and stimulates larger investments to support demand and necessary infrastructure. On the other hand, tax relief for the wealthier results in wealth being locked into investments or removed entirely from economic activity by being secreted in havens.

ISO 37120 Sustainable Development⁴ aims include fundamental elements for inclusion in society: Every person is to be recorded and their needs estimated. All sectors of the community are to be engaged with. Opportunities around environmental improvements must be developed. The supply of services must be ensured. The efficiency of industry and society must be invested in and promoted. There must be provisions made for the disabled to ensure their participation. All of this requires human input, governance and organisation which in itself is an investment in society. All of these aims lead to opportunities for all members of society in turn.

The International Monetary Fund (IMF) (IMF) has highlighted that the financial inclusion of women is vital for economic advancement. The economic participation of all members of society is important for investing in the whole economy of society. And diversification and facilitation of more equal income distribution results in improved participation in the workforce. The IMF strongly states that the burden of a country's debt must not fall on those with the least.

New horizons

A quantum shift is needed to generate a coherent society and ensure that all are enabled to participate and receive rewards accordingly. Recognition for labour, voluntary work and essential tasks such as raising children and caring for dependants is necessary.

Policy should encompass citizens' rights and aim to have each individual accounted for including the homeless, and the non-earners. Everyone with a bank account or means of banking by cell phone at the least. There must be options for the development of opportunities for participation at every level of society.

Reframing welfare must be a bold move ensuring the right to an income, a means to live is framed in our Bill of Rights. There is a pressing need to remove the discrimination between New Zealanders that exists now, to end poverty and recognise every New Zealander as a contributor to the economy. To achieve this: freedom of relationships and the right to ownership of income received is essential such that every individual can participate in political, social, cultural and other fields of public life.

Conclusion

Money is a means to measure the value of trade, and wealth. It is like numbers, an abstract measurement, not a real entity, that represents the value of capital, land and effort and opportunities. We can accept money being created by governments for banks (c.f. the Global Financial Crisis) where the government created bonds, bought by banks, which recouped these through loans. This in turn supported investment and business activity, underpinning infrastructure and public goods to support the community and make profit both for investors and the interests of the community as a whole (either positively or negatively depending on externalities e.g. air pollution in large cities)

⁴ International Standard ISO 37120 First edition 2014-05-15 Sustainable development of communities – Indicators for city services and quality of life

The government could also ensure each individual has entitlement to an income at all stages of their life whether this is for under 65's an assurance of a benefit every week during breaks from employment, or an ongoing lifetime superannuation, stipend, citizens dividend, universal basic income – whatever you want to call it. Income security in turn supports current and future business activity and infrastructure and provides a buffer against the poverty which is corrosive to the interests of the community by disengaging people from participation.

The key to public acceptance of the need for change is to raise public awareness of the two-tier society New Zealand has become, how low benefits are relative to wages and the need every one of us has for income security.

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