

What Do New Zealanders think About Welfare?

Introduction

‘Welfare’ is always a controversial topic, with considerable debate about the causes of need and thus who is responsible for ensuring well-being. In its final report the Welfare Working Group (WWG) (2011) acknowledges this, noting that structural factors, such as the recent recession, shape welfare outcomes alongside individual behaviours and problems within welfare institutions. However, the WWG was established specifically to examine ways to reduce long-term benefit dependency in New Zealand amongst people of working age. Its recommendations thus place a particular focus on the individual behaviours of the unemployed. The proposed introduction of Jobseeker Support, a new single work-focused welfare payment to replace all existing categories of benefit, suggests that the circumstances behind working-age benefit receipt are similar and that it is therefore appropriate to extend new reciprocal obligations to a wider range of benefit recipients, including young people, sole

parents and people facing sickness or disability. The new obligations will, however, run alongside ‘effective, tailored and innovative support to those people at risk of long-term welfare dependency through the use of contracted not-for-profit, private sector and community responses’ (WGG, 2011, p.3). This latter focus, along with the development of a new outcomes-focused delivery agency called Employment and Support New Zealand, indicates that the WWG also views current welfare institutions as part of the problem. This belief lies behind a call for the new agency to be driven by an actuarial approach to measuring the forward liability of ‘welfare dependency’, including numerical targets for reducing the number of income support recipients.

The WWG conducted two rounds of public submissions and stresses that ‘the views of a wide range of New Zealanders’ were ‘invaluable in shaping our analysis and recommendations’ (WWG, 2011, p.41). Inevitably, however, the 500-plus submissions made to the WWG inquiry were written by individuals and groups with a particular interest in welfare issues, and it is unclear how well they or the WWG’s final recommendations fit with general views and preferences

of 'average' New Zealanders on welfare issues. As such, this article documents findings from two research studies which explored public support for the welfare state and notions of social citizenship (the guarantee of basic rights to health, education, work and welfare) in New Zealand. The first used existing quantitative data from the New Zealand Election Study (NZES) over an 18-year period (1990–2008) to track trends in attitudes across time.¹ With at least 1,000 individuals responding to a relatively stable set of questions each cycle, this data set is New Zealand's most comprehensive and reliable on welfare state issues. The second study documented contemporary attitudes to social citizenship through interviews and focus groups involving 87 New Zealanders from a wide range of backgrounds between 2007 and 2008 (Humpage, 2010).² This qualitative approach allowed a deeper exploration of the ambivalence found in the NZES data and in welfare debates more generally.

While neither study addresses the WWG recommendations specifically, responses to questions relating to the unemployed, employment, work-related conditions and the impact of the welfare system on benefit recipients give us some idea of whether public opinion supports the general tenor of the recommendations detailed above. It is argued that public attitudes appear to be shaped by a range of factors and are thus rather mixed: consequently, the New Zealand public is likely to endorse some but not all of the proposals made by the WWG.

Responsibility for the unemployed and for employment

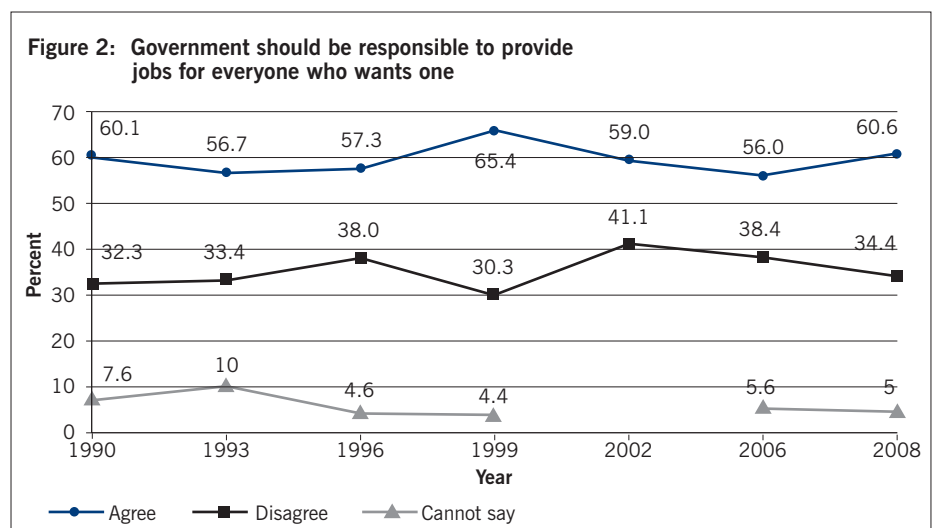
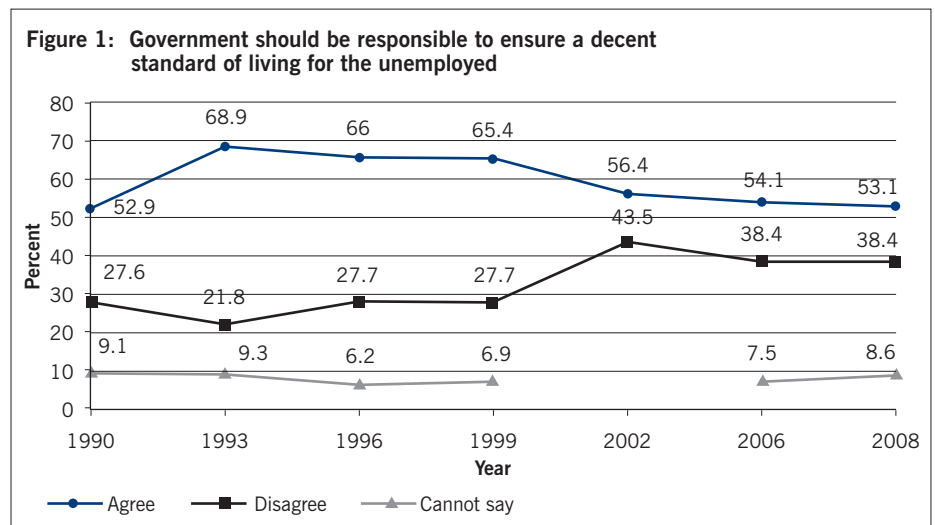
This section highlights tensions between an apparent hardening of public attitudes towards the unemployed and a continuing belief that employment is shaped by structural factors outside the control of unemployed individuals. Figure 1 shows that 53% of NZES respondents in 2008 agreed³ that 'Government should be responsible to ensure a decent standard of living for the unemployed'. This represented virtually no change on the level of affirmative support offered in 1990, although a 16% rise between 1990 and 1993 was followed by decline

(most sharply between 1999 and 2002). In addition, almost 11% more New Zealanders disagreed with government being responsible for ensuring a decent standard of living for the unemployed in 2008 than in 1990, with the greatest increase occurring, once again, between 1999 and 2002. These results suggest a hardening of attitudes towards the unemployed.

International research (e.g. Blekesaune, 2007; Brook, Preston and Hall, 1998), however, finds that economic conditions often shape public attitudes towards the welfare state. In New Zealand, analysis does show that more respondents agreed that 'Government should be responsible to ensure a decent standard of living for the unemployed' during the early 1990s as unemployment rates rose. Support remained high during the 1990s even while unemployment rates dropped significantly, suggesting that this effect lasted for some time. Nonetheless, in the 2000s support for a decent standard of

living for the unemployed fell at about the same rate as the unemployment rate. It will be interesting to see if 2011 NZES data shows any shift in thinking as a result of the 2008 financial crisis. But existing results suggest that structural factors, like the level of unemployment, have shaped public attitudes towards the unemployed in the past and that attitudes on this issue are neither fixed nor necessarily in terminal decline.

Further evidence that New Zealanders are aware of how structural conditions influence unemployment and employment is found in Figure 2. In 2008, 60.6% of respondents agreed that 'Government should take responsibility to provide jobs for everyone who wants one', a statement that implicitly assumes that employment is influenced by structural factors that are outside an individual's control but may be malleable to government intervention. Figure 2 shows that almost the same number of NZES respondents agreed



that government should be responsible for jobs in 1990 as in 2008, with only mild fluctuations in the intervening years. This suggests public preferences on this issue are consistent and fairly stable across time, and have not been irreversibly changed by income support policies framing both employment and unemployment as an individual responsibility since the 1990s. Indeed, they may well be more in line with the National government's employment assistance packages for employees affected by recession-related redundancy in 2008 and the Canterbury earthquakes in 2010 and 2011, which both demonstrate how

over 6% higher in 2008 than in 1999. This indicates a hardening of attitudes towards the unemployed in a relatively short time, a finding reinforced by steady, although small, declines in 'neutral' and 'disagree' responses to the statement.

The NZES question does not allow respondents to differentiate between types of benefit recipients, yet it is well documented that the public differs in its support for various groups of needy people and for the schemes directed towards them. In all countries studied internationally, members of the public are most likely to favour social protection

people' are regarded as very deserving because they have usually spent a lifetime working (and paying tax), and because old age comes to us all. In contrast, not everyone will be unemployed, and this circumstance can result from both structural and individual factors (van Oorschot, 2008).

The NZES data on attitudes towards sole parents and the sick or disabled is rather limited, but the qualitative study suggests that New Zealanders consider them more deserving than the 'unemployed'. This was especially the case when participants were asked whether they supported work-related conditions being placed on benefit recipients. Around a third of participants fully supported 'work-for-dole' (28%), 'work-tests' (37%) and 'other conditions' (34%) being imposed. But another 33–51% of participants said they only 'sometimes/maybe' supported such conditions. Analysis of these ambivalent responses showed that many participants did not consider work-related conditions appropriate for sole parents and sick or disabled benefit recipients. Many others indicated that they were not sufficiently knowledgeable about what these conditions entail to offer a clear-cut answer. This level of ambivalence suggests there may be some discomfort with WWG recommendations which reframe both sole parents and sick/disabled groups as simply 'unemployed', not only by merging the unemployment, domestic purposes, sickness and invalid's benefits into one Jobseeker payment but also by extending work-related obligations to them.

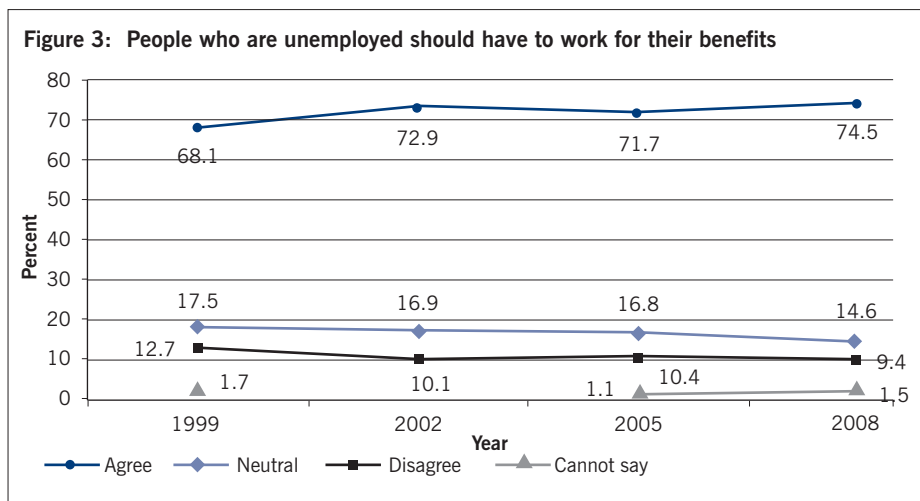
In all countries studied internationally, members of the public are most likely to favour social protection for, in this order, old people, the sick and disabled, needy families with children and the unemployed

factors other than individual behavior can affect employment (Key, 2008, 2011).

Work-related conditions for the unemployed

Despite public recognition of the structural factors highlighted above, this section finds that many New Zealanders support work-related conditions being imposed on the 'unemployed', but it is unclear exactly who they include in this category. When asked whether 'People who are unemployed should have to work for their benefits', 74.5% of NZES respondents agreed in 2008. Figure 3 shows that support for the unemployed working for their benefit was

for, in this order, old people, the sick and disabled, needy families with children and the unemployed (Forma, 1997; Larsen, 2006; van Oorschot, 2008). These differing perceptions of deservingness have long been apparent in New Zealand (Humpage and Craig, 2008) and are evident in NZES responses. For instance, 93–94% of respondents agreed that it should be the 'Government's responsibility to ensure a decent standard of living for old people' between 1990 and 2008. This contrasts with the lower and more volatile level of support for a decent standard of living for the unemployed found in Figure 2. 'Old



Welfare as the 'problem' – and the 'solution'

This section highlights that many New Zealanders acknowledge problems associated with welfare state institutions, but they continue to believe government has a responsibility to help the needy. Figure 4 shows that around 62% of respondents agreed that 'Welfare benefits make people lazy and dependent' in 2005 and 2008. Many New Zealanders may, therefore, support the WWG's premise that the welfare system itself encourages inappropriate individual behaviour. However, it difficult to gauge exactly to whom respondents thought the generic

term 'welfare benefits' referred. Previous discussion highlighted how old people are not considered 'lazy and dependent', while the qualitative study indicates that they are not regarded as being on 'welfare'. It is possible NZES respondents also excluded other groups considered to be more 'deserving' of assistance than the unemployed, such as the sick/disabled or sole parents, when answering this question. If so, this would be in conflict with the WWG's framing of these groups as a major factor in the 'welfare dependency' problem.

Although we must read Figure 4's findings with caution, it is clear the New Zealand public acknowledges that there are problems within the welfare system. 90% of interview and focus group participants agreed in some way that 'People receiving social security benefits are made to feel like second class citizens': that is, devalued or unequal compared to other New Zealanders. Importantly, when asked *why* benefit recipients might feel 'second class', 48% of responses referred to the poor treatment of benefit recipients by 'Work and Income/ Accident Corporation Compensation officials and policies'. Current benefit recipients offered examples of this most frequently, but they were not alone in describing attitudes of disrespect and suspicion and rules that do not take into account individual circumstances. 33% of participants felt that 'stigma', referring to a broader societal perception of benefit recipients as lazy and undeserving, was an important factor in explaining why

benefit recipients feel 'second class'. Surprisingly few participants thought that feeling 'second class' had more to do with personal factors associated with benefit recipients themselves, such as their being 'lazy' (3%), 'dependent' (3%) or because they 'feel guilty' for not working (2%).

This identification of welfare policies and practices, rather than the personal behaviours of individuals, as the cause of benefit recipients feeling 'second class' is in

of improving our welfare institutions and cultures, but are likely to be wary of the WWG's recommendations which seek to enhance the aspects of the welfare system that coerce, penalise and stigmatise benefit recipients.

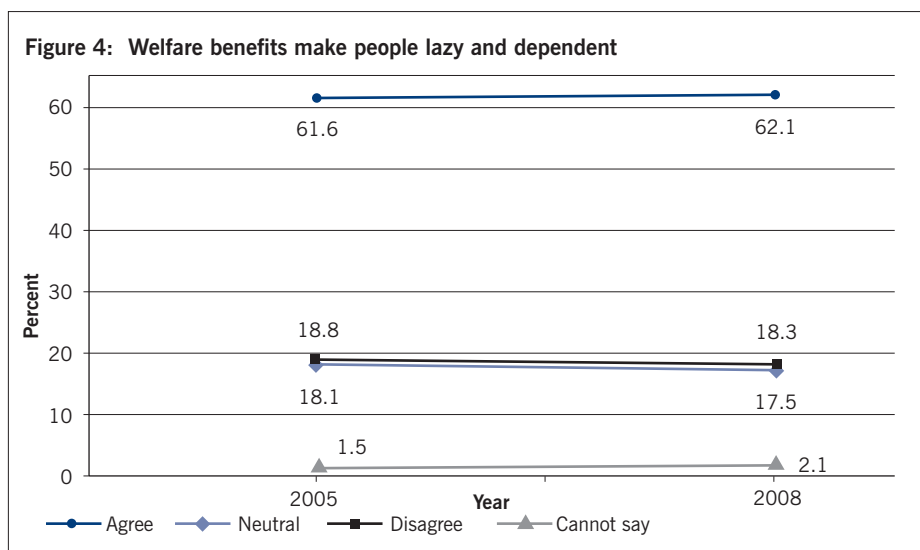
This argument is reinforced by considerable ambivalence and uncertainty about the causal factors shaping need in New Zealand. When asked 'Why do you think there are people in New Zealand who

... New Zealanders have a far wider interpretation of individual responsibility than is evident in the dominant discourses framing government policy and the WWG's recommendations, and that there is no majority support for coercive or punitive means of encouraging 'responsible' behaviour ...

tension with the NZES findings depicted in Figure 4. This tension is heightened by the fact that when participants were asked whether it was *appropriate* that benefit recipients should be made to feel like 'second class' citizens, only 3% of participants answered 'yes', 55% said 'sometimes/maybe' and another 41% said 'no'. Thus, almost all participants were either ambivalent or did not think benefit recipients should be treated differently than other citizens. The New Zealand public consequently may support the idea

live in need?', 38.3% of NZES respondents said people were 'poor because of laziness and lack of will-power'. Just 21.7% of respondents acknowledged structural factors, agreeing that people were 'poor because of an unfair society'. But the most common response was 'neither/don't know' (39.9%). This significant number of ambivalent responses, along with noticeably higher (60%) support for the lazy/lack of will-power option when the New Zealand Values Study (Rose et al., 2005) asked a similar question in 2004, indicate that many people are uncertain about or find it difficult to respond to such questions in opinion surveys.

In part this finding may support Espiner's (2010, p.94) claim that: 'The Bennett welfare reforms are about politics, plain and simple. The Government knows voters hate the idea that others might be ripping them off and few will have a clear idea of whether that is actually true or whether the solutions put forward will actually work.' The qualitative study offers evidence that some New Zealanders may favour individualistic causal factors for poverty and support conditions being placed on benefit recipients such as work-for-dole simply because they



are responding to the dominant cues provided by public discourse, or opinion surveys. Prior to specific questions about work-for-dole and other conditions, participants were asked more generally about how we might encourage greater 'individual responsibility' in New Zealand. Participants named a total of 23 activities that might encourage individual responsibility. Although 18% supported 'sanctions', such as the work-tests or work-for-dole conditions noted above, 45% named 'education', 31% favoured 'incentives' and a further 21%

responsibility, the most common responses by far were those categorised as 'helping the needy' (66%). This category included specific references to Work and Income and Accident Compensation Corporation payments, as well as more general comments about assisting those who cannot help themselves because of sickness, injury or bad luck. Although only around a third of respondents thought having 'basic needs met' (34%) and 'welfare entitlement' (31%) were rights of citizenship, it is also notable that they were even less likely to name traditional

policies targeting benefit recipients is mixed. Evidence from the NZES suggests a hardening of attitudes towards the unemployed over the last 18 years. But New Zealanders also seem to be more supportive of welfare assistance in times of high unemployment, a majority believe government is responsible for ensuring jobs are available, and they employ a hierarchy of deservingness when considering policy for different groups of income support recipients. Thus, New Zealanders frequently take into account the structural factors that shape unemployment and employment and do not endorse a purely individual or institutional view of causality on these matters.

In New Zealand it is likely that the public will support some WWG proposals, such as a greater work focus for benefit recipients, without necessarily constructing the problem in terms of 'welfare dependency' which downplays the structural factors they identify as shaping employment outcomes.

It would be easy to argue that such mixed findings, alongside a high degree of uncertainty about why people live in need, suggest a lack of knowledge or understanding of welfare issues in New Zealand. However, such ambivalence is not unique, with similar tensions evident in public opinion in Britain (Sefton, 2003) and Australia (Eardley and Matheson, 2000). Dean and Melrose (1999) stress that we should not assume people are ignorant 'dolts' whose opinion shifts like the wind simply because they offer mixed or even contradictory viewpoints on welfare issues. Instead, they demonstrate how individuals draw upon differing discourses about responsibility, justice and equality when considering differing policy areas, welfare issues or groups of welfare recipients. Their British empirical study found, for instance, that although moral concerns about income inequality did not necessarily translate into support for redistributive intervention, and people's expectations of the state were inflected towards highly-focused and instrumentally-specific demands, these expectations nonetheless remained strong.

indicated 'role-model values' as a way of encouraging individual responsibility. These results suggest that New Zealanders have a far wider interpretation of individual responsibility than is evident in the dominant discourses framing government policy and the WWG's recommendations, and that there is no majority support for coercive or punitive means of encouraging 'responsible' behaviour when questions do not specify work-related obligations, especially when it comes to the sick/disabled and sole parents.

In addition, although the NZES findings suggest that a significant minority of New Zealanders consider need to be caused by personal failings, such as laziness or lack of will-power, we should not assume they are unwilling to assist the 'needy' nonetheless. 82% of participants in the qualitative study agreed in some way with the statement that 'Government should take responsibility to ensure that everyone is provided for'. When asked specifically what activities they thought should be a government's

political rights, such as 'freedom of speech' (17%), the 'vote' (16%) or 'passport/diplomatic protection' (13%). Indeed, only 'health' (54%) and 'education' (44%) were more likely than 'basic needs met' or 'welfare entitlement' to be named as rights of citizenship. Thus, even if some members of the public believed need to be caused by individual behaviours and many were ambivalent when asked specifically about the unemployed, this did not undermine their strong belief that the government should continue to help needy New Zealanders. Other survey results support this argument: although it was earlier noted that 60% of respondents in the New Zealand Values Study (Rose et al., 2005) believed need was caused by laziness or a lack of will-power, 77% also thought government was doing 'too little' or 'about the right amount' for needy people.

Conclusion

This paper has indicated that New Zealand public opinion about unemployment, employment and particular kinds of

In New Zealand it is likely that the public will support some WWG proposals, such as a greater work focus for benefit recipients, without necessarily constructing the problem in terms of 'welfare dependency' which downplays the structural factors they identify as shaping employment outcomes. This appears to be particularly the case for sole parents and

the sick or disabled. The public may also view welfare institutions as part of the problem but, given that the New Zealand economy remains weak and that the Canterbury earthquakes have reminded us of the unpredictable risks that can affect us all, be unwilling to dismantle a system

founded on the belief that government has a responsibility to help the needy. In this way, public endorsement of the WWG recommendations is likely to be as mixed and ambivalent as opinion on welfare is more generally.

References

- Blekesaune, M. (2007) 'Economic conditions and public attitudes to welfare policies', *European Sociological Review*, 23 (3), pp.393–403
- Brook, L., I. Preston and J. Hall (1998) 'What drives support for higher public spending?', in P. Taylor-Gooby (ed.), *Choice and Public Policy: the limits to welfare markets*, Basingstoke: Palgrave Macmillan
- Dean, H. and M. Melrose (1999) *Poverty, Riches and Social Citizenship*, Houndsmills: Macmillan Press
- Eardley, T. and G. Matheson (2000) 'Australian attitudes towards unemployment and unemployed people', *Australian Journal of Social Issues*, 35 (3), pp.181–202
- Espiner, G. (2010) 'Dealing to dole bludgers', *North & South*, 290 (May), pp.94–5
- Forma, P. (1997) 'The rational legitimacy of the welfare state: popular support for ten income transfer schemes in Finland', *Policy and Politics*, 25 (3), pp.235–49
- Humpage, L. (2010) *New Zealand Attitudes to Social Citizenship in the Context of Neoliberalism*, [http://artsfaculty.auckland.ac.nz/staff/?UPI=lhum005&Name=Louise Humpage](http://artsfaculty.auckland.ac.nz/staff/?UPI=lhum005&Name=Louise+Humpage)
- Humpage, L. and D. Craig (2008) 'From welfare to welfare-to-work', in M. O'Brien, N. Lunt and B. Stephens (eds), *New Welfare, New Zealand*, Melbourne: Cengage Press

- Key, J. (2008) 'ReStart to help people made redundant', press release, 15 December, <http://www.beehive.govt.nz/release/restart-help-people-made-redundant>
- Key, J. (2011) 'PM releases initial earthquake assistance package', press release, 28 February, <http://beehive.govt.nz/release/pm-releases-initial-earthquake-assistance-package>
- Larsen, C.A. (2006) *The Institutional Logic of Welfare Attitudes: how welfare regimes influence public support*, Aldershot: Ashgate
- van Oorschot, W. (2008) 'Public perceptions of the economic, moral and social consequences of the welfare state: an empirical analysis of welfare state legitimacy', working paper 2008–61, Aalborg: Centre for Comparative Welfare Studies
- Rose, E., J. Huakau, P. Sweetsur and S. Casswell (2005) *Social Values: A report from the New Zealand Values Study 2005*, Auckland: Massey University
- Sefton, T. (2003) 'What we want from the welfare state', in K. Thomson (ed.), *British Social Attitudes – the 20th report: continuity and change over two decades*, London: Sage
- Welfare Working Group (2011) *Reducing Long-Term Benefit Dependency: Recommendations*, Wellington: Institute of Policy Studies

- 1 Data sourced from New Zealand Election Study computer files, 1990–2008, New Zealand Social Science Archive Data Services, Auckland. Research funded by the University of Auckland Faculty of Arts Research Development Fund.
- 2 This research was funded by the Royal Society Marsden Fund.
- 3 In Figures 1–4, 'agree' includes 'definitely should' and 'should' responses, while 'disagree' includes 'definitely should not' and 'should not' responses.

Retirement Income Policy and Intergenerational Equity

Edited by Judith Davey, Geoff Rashbrooke and Robert Stephens

Population ageing is widely recognised as a major issue throughout the world. A crucial implication of ageing is its impact on retirement income policy. Having a reliable income in retirement or being able to look forward to a comfortable standard of living is important for everyone. It is not just a concern for older or even middle-aged people.

Retirement income policy raises questions of fairness and intergenerational equity. Whether a tax-funded pension system is sustainable depends on the balance between the number of recipients and the number of taxpayers who can contribute to it. If the financial support of pensioners is indeed a 'burden', then how could that fiscal burden be shared between current and future taxpayers, and pension recipients?

These and related issues are discussed in *Retirement Income Policy and Intergenerational Equity* in a series of papers from a wide range of perspectives. These papers were originally presented at a conference run by the Institute of Policy Studies, with the support of the Retirement Commissioner, in July 2010.

All three editors are senior associates at the

Institute of Policy Studies, Victoria University of Wellington.

Judith Davey is a consultant on social policy and social research. Her research focus is the ageing of the population and its policy implications.

Geoff Rashbrooke is a fellow of the Institute of Actuaries. From 2004 to 2009, Geoff specialised in retirement income policy at the Older People's Policy Unit, Ministry of Social Development.

Robert Stephens retired as associate professor in public policy at Victoria University in January 2010. His research has been largely in the areas of social and public policy and tax reform.

An Institute of Policy Studies Publication edited by Judith Davey, Geoff Rashbrooke and Robert Stephens

Publication Date: December 2010

Format B5 Paperback, pp 200

ISBN 978-1-877347-42-9 – IPS/PUB/170 Price - \$35 (including P&P within New Zealand)

Place your order by email, phone, fax or mail to

Institute of Policy Studies, Victoria University of Wellington

Email ips@vuw.ac.nz Telephone +64 4 463 5307 Fax +64 4 463 7413

PO Box 600, Wellington, New Zealand

An invoice will be issued with your order

Retirement Income Policy and Intergenerational Equity

Edited by
Judith Davey,
Geoff Rashbrooke
and
Robert Stephens



Institute
of
policy
studies