

## **At last! A fundamental shift in social policy.**

**Child and Youth Wellbeing Strategy – Submission by Emeritus Professor Ian Shirley**

**5 December 2018.**

It has taken over four decades and ten Prime Ministers but after twelve months in government it is clear that the Coalition and its Prime Minister Jacinda Adern have taken the first steps to introduce a fundamental shift in this country's social policy arrangements. To appreciate the significance of the changes proposed by the Coalition government, this submission will summarize two major research programs in which I have been involved over several decades.

The first stems from what is best described as interrogating the *development patterns* of New Zealand society over time, an approach that tracks the changing parameters of public and social policy from the settlement period through to the present day. The focus of this review will concentrate on the transitions that have occurred as New Zealand searched for alternative ways of dealing with our vulnerability as a trading nation whilst at the same time providing some form of social security. A Briefing Paper I wrote in 2014, [The purpose of social policy](#), captures some of these changes.

The second body of research focusses on *Family Policy* and the concept of a social or family wage – policy constructs that have been central to the development of New Zealand's welfare state arrangements. The wide range of research projects conducted within the framework of family policy culminated in a major comparative study of twenty countries coordinated by the Mannheim Centre in Germany. This international study<sup>1</sup> published a comprehensive review of family policy over time with particular emphasis on the changing national and international conditions out of which family policies emerged. In particular, the research paved the way for a radical rethinking of policies relating to children. Instead of a focus on 'troublesome children and children in trouble' the emphasis was on childhood outcomes<sup>2</sup>, with the research project funded by the Social Policy Agency and summarized in a presentation to the Ministerial summit on Children and Childhood hosted by the Minister of Social Development in 2000.

### **From capital-intensive development to neoliberal economics**

When the Taskforce on Economic and Social Planning reported in 1976 it suggested that New Zealand was at a 'turning point'<sup>3</sup>. Our vulnerability as a small trading nation at the bottom of the world was becoming increasingly evident in the wake of Britain's negotiations with the European community and when coupled with the declining value of the social wage it was apparent to the taskforce at least that major changes would need to be made in our economic and social arrangements. The Taskforce placed its faith in a pattern of development that might achieve 'a harmonious balance among economic, social and other goals' and it paved the way for the formation of the NZ Planning Council.

Robert Muldoon had just commenced his tenure as Prime Minister and his recipe for treating the vulnerable economy was a capital intensive industrial program based on industries such as petro-chemical production, electricity generation, aluminium smelting, the manufacturing of steel and the processing of forestry products. Euphemistically referred to as 'Think Big' the program was ill-conceived with the New Zealand taxpayer forced to bear a disproportionately large share of any subsequent deficit. Social policy at this time was characterized by incrementalism with a belated attempt to address the falling value of the family wage by imposing a freeze on wages and prices.

As the country's indebtedness increased under 'Think Big', public policy swung dramatically to the right. An international study<sup>4</sup> of the Anglophone countries refers to Thatcherism, Reaganomics and Rogernomics as misleading abbreviations for an antiquated version of laissez-faire economics which varied from one context to another but followed nevertheless, a clearly established pattern. Jobs were cut – incomes were reduced – state services were withdrawn, and the increasing costs of health, education, housing and community care were transferred to families in general and to women in particular. The most graphic example from the international study was New Zealand<sup>5</sup> which chose to venture far beyond any other jurisdiction by adopting an extreme version of economic fundamentalism in pursuit of a highly speculative development path.

Bruce Jesson's assessment (with minor qualifications) stands today as one of the most articulate summaries of New Zealand's neoliberal experiment.

A generation ago our economy was controlled by producers. Since the mid-1980s it has been dominated by money lenders and dealers. Buying and selling companies became more important than selling products. Economic theologians freed markets where they were controlled by government and they constructed markets where they did not exist, as in the case of electricity. In other areas such as health they simulated markets where markets could not be constructed. Instead of selling products we sold companies and debt and with these assets we sold the income that went with them<sup>6</sup>.

The ideology underpinning these reforms was articulated in Briefing Papers prepared by The Treasury<sup>7</sup> in 1984 and 1987. In these papers, society was portrayed as a collection of individuals without any social or cultural identity. Paraphrasing Margaret Thatcher's penetrating intellectual discovery that there was no such thing as society, Treasury concluded:

Families and tribes are not organic entities with mortality, rationality and senses, they cannot feel pleasure and pain - the individual person is the logical basis for (social policy) analysis.

Human groups, institutions and collectivities of one sort or another were reduced to a world of rational individual beings seeking to maximize their productive capacities. Even concepts such as justice and fairness were prescribed by individual rights and responsibilities with major social policy domains such as health and education reduced to a range of

commodities which could be purchased by individuals for their own enhancement and wellbeing.

In Treasury's terminology, the purpose or function of education was 'to prepare the individual for his or her economic role'. Education we were told was 'a private commodity not a public good'. In contrast to the Task Force emphasis on fusing economic and social policy, the neoliberal reforms artificially separated social factors from economic policy and as a consequence social policy was reduced to a form of social plumbing, plugging leaks and patching a failing neoliberal experiment.

With the election of a new government in 1990, these measures were taken to their illogical conclusion. Spearheaded by the 1991 'Mother of all Budgets', the National government set out to redesign the welfare state by imposing benefit cuts and by putting a series of measures in place which not only increased levels of destitution and hardship, but also created the most punitive set of welfare policies of any OECD country designed to make the claiming of benefits less attractive<sup>8</sup> (Gough, 1995).

Although these development patterns represented a major shift in both economic and social policy they nevertheless maintained the relatively conservative approach to social security that has characterized the welfare state in New Zealand. Despite our historical reputation as a 'social laboratory for the world', New Zealand's approach to social policy was initially based on the 1894 Industrial Conciliation and Arbitration Act where the aim was to provide 'the worker with a decent living according to the colonial standard'. Since the average 'worker' of the time was male and since 'normal needs' encompassed domestic responsibilities, the 'fair wage' as it was called was soon defined as a family wage sufficient to support a wife and two or three children. Thus the 'male wage-earners welfare state' was established and maintained over a period of almost eighty years with the most significant developments occurring in the wake of the 1930's depression.

With the election of the Labour government in 1935 the domestic economy was insulated from overseas influences by establishing protective tariffs, imposing import licences, and creating marketing agencies for New Zealand's primary exporters. In social policy terms the basic minimum wage was supplemented by government in the form of a national health service, access to free primary and secondary education, a state housing program for those who could not afford a home of their own and a comprehensive, although largely selective, system of social benefits. It was a form of social policy that differed radically from the extensive systems of income maintenance and social insurance that characterized the welfare states of Europe and Scandinavia. Although the combination of full employment and a fair wage served a majority of citizens over several decades it was a distinctive approach to economic and social policy that could not be maintained.

Quite apart from New Zealand's vulnerability as a trading nation, major changes occurred from the 1950s on in both the demographic patterns of family life and in the broad configurations of family, state and market<sup>9</sup>. The way in which Maori were alienated from their land during the process of colonization was replicated by successive governments as Maori were marginalized in both economic and social policy and this became increasingly evident during the migration of Maori from rural to urban New Zealand. Similarly, the

domestication of women was exposed by the inadequacies of the 'family wage' and by women entering the paid workforce in increasing numbers. While government remained focused on the 'nuclear family' in its approach to family policy (the 1991 budget stands out as the most graphic example of ideology ignoring demographic realities) the parameters between state, family and market had changed and this was most evident with children being identified as the country's most vulnerable population. Whereas Condliffe could confidently assert in the 1950s that "a baby born in New Zealand [had] a better chance than in most other countries of living and thriving", by the time we reached the turn of the 21<sup>st</sup> century social scientific research was identifying children as our most vulnerable population. Although the bulk of this research continued to target 'deviant populations' it forced a rethink in framing the context of social policy and this in turn influenced the way in which 'family' research was increasingly subjected to a critical agenda.

### **Children and childhood: the nation's greatest asset**

The research program on family policy in New Zealand was a logical progression from its central role in underpinning the 'wage-earners welfare state' coupled with the primary significance accorded 'the family' in the nurturing and raising of children. Historically speaking the familial form that dominated policy discussions throughout the twentieth century assumed the nuclear family was the norm with any other construction being regarded as an anomaly. This was particularly so for sole parent families<sup>10</sup> who were frequently treated as problem households especially in the care and protection of children. Likewise, the extended families of Maori and Pacific households did not fit the nuclear model and when policies were being developed to accommodate these diverse cultures and communities the social service practices were drawn from European traditions that were demonstrably inadequate.

Social scientific research, especially in the application to economic and social policy, was also inadequate especially through the 1970s and 80s when the focus tended to be primarily on 'captive populations'. Research practices at this time came under a sustained attack from leading researchers such as Dr. Lois Bryson<sup>11</sup>, who challenged social scientists to question whose interests were being served by focusing on individuals who were relatively powerless. Bryson advocated a more critical approach that would lead social scientists to study up the organization, focusing on those in power, and this inevitably led to what became basic questions for social scientists conducting research in economic and social policy, namely: who plans, on what basis and who benefits? The scope of Bryson's critique led to a rethinking of research topics and a desire among many researchers to focus more specifically on research outcomes.

This critical approach to social scientific research had particular relevance for research on 'the welfare state' where the emphasis was aimed at studying down on marginal groups such as beneficiaries, the unemployed, truants and solo parents. Even children were treated as a captive population and thus the desire to rethink our approach to children and childhood became a major research initiative.

A major review of the international literature on children was initiated by means of a contract with the Social Policy Agency<sup>12</sup>. The emphasis was on defining 'the determinants of

good childhood outcomes' with emphasis on children as social actors, influencing, as well as being influenced by the worlds in which they live. We were asked to place primary emphasis on good outcomes as defined in the literature with particular emphasis being paid to the wellbeing of children. The aim was to assess the range of factors that influence good childhood outcomes, leading to what is described in the literature as individual and social wellbeing.

### **From the individual child to childhood and to children as a population group**

The two most important factors in the constitution of modern Childhood are identified as legislation prescribing compulsory education and laws setting parameters for child labour. A child became someone who had not finished elementary education and was too young to work. These defining characteristics were followed by penal laws raising the age of criminal responsibility and regulating sexuality and marriage. Even the protection of children was confined to legal sanctions against murder, maiming and incest. When the protection of children against adult cruelty and neglect followed, it was modelled on legislation aimed at preventing cruelty to animals.

Not only did the rights of children come last in the family hierarchy, but early protective legislation defined children as subordinate members of society who owed obedience and deference to the father of the family, to the master of the school, and to other institutions *loco parentis*. Whereas the emancipation of adult males was a liberation from gerontocracy, feudalism, slavery and other socio-economic tyrants, the emancipation of women and children has been a process of liberation from patriarchy with children's rights only emerging 50 years after the first significant advances of women.

The historical ambivalence in the treatment of children is reflected in the changing priorities of the social sciences. Childhood has rarely been explicitly studied at all, but when it does feature as the focus of research agendas, the main emphasis has been on children as passive recipients in the 'process of becoming adults'. Children are treated as 'non-people in non-places' with research focusing on the child as an outcome of genetic and environmental processes, rather than a social being actively engaged in life. Good outcomes for children traditionally means developing those skills, competencies and cultural practices that enable a child to make a 'successful' transition to adulthood. Children are dealt with as '*human becomings*' rather than human beings.

A second theme evident in the research literature centres on the preoccupation with negative indicators and outcomes. It is a bias encapsulated in research on dysfunctional families and 'children at risk' where the emphasis is either on children in trouble or troublesome children. The international literature is preoccupied with:

Neglected children, children who are victims of violence and sexual abuse, children who have disappeared, children of divorced families, criminal and deviant children, truants – indeed, even hyperactive and exceptionally talented children seem to constitute a problem<sup>13</sup>.

Whereas the human development literature generally adopts a life-cycle approach in explaining the transitions made by individuals as they proceed from one stage of development to another, policy-related studies on childhood are dominated by a 'welfare' focus where the emphasis is on those individuals or groups who deviate from the norm. The welfare approach is problematic for two reasons: first it focusses attention on a minority with 'explanations' inevitably limited to groups that have already been defined as deviant; and secondly, it begs the question, what is normal development?

A third theme to emerge from the international literature concerns the narrow definition of 'risk' and the limited range of factors that are used in focusing policy options and in prescribing social service intervention or 'practice'. Whenever children are viewed as a population group they are generally perceived as a collection of individuals – the dependent cogs of the family unit within a society of adults. Even the statistics we collect on children are almost exclusively focused on 'the family' or 'the household' and as a consequence the child is viewed as a 'by product' of the main unit of observation. This reductionist approach to childhood is exemplified in studies of children at risk where the focus centres on individual differences and pathologies, thereby excluding environmental factors such as housing, work-poor households, the economic circumstances of the family and the pervasive influence of 'unfavourable neighbourhoods'.

### **Conclusions drawn from these combined research programs**

There is very substantial evidence that can be drawn from these combined research programs reinforcing the Coalition government's focus on children, not just vulnerable children but all children. The reality is that all children are vulnerable and at the same time the nation's children represent our future as a nation and our greatest asset.

The focus on children and childhood represents the most fundamental shift in social policy in over four decades. As a policy focus it gives New Zealand the ability to make a comprehensive start on addressing economic and social inequality, the most significant social policy issue of this 21<sup>st</sup> century.

By focusing on childhood and children as a population group attention is drawn to the comparative wellbeing of children vis a vis other populations and subgroups of the population. The draft outcomes as defined in the Child Wellbeing Strategy are reinforced by the research outcomes focus as defined in the studies reviewed in this submission. In particular the emphasis on addressing structural issues in promoting economic and social wellbeing is both acknowledged and supported.

The child wellbeing strategy makes a comprehensive start on developing an integrated approach to economic and social policy and the way in which it addresses the cultural foundations of childhood in both framing policy and in assessing outcomes is a major strength of the draft strategy. At the same-time it highlights a number of challenges:

- The first concerns the potential focus areas for policy work as referred to in the draft document. I am assuming that distinctions will need to be drawn between those aspects of the policy that will be the primary

responsibility of government and those that will be mediated by other parties such as parents, whanau, caregivers, schools etc. One of the limitations of the social indicators movement of the 1960s and 70s was the way in which it promised to measure the 'nation's' quality of life. It clearly over-promised and largely failed when it fell short in terms of its original objectives.

- This leads to a second major challenge which concerns the way in which outcomes will be analyzed and monitored. As in the context of the Child Poverty Bill, I am assuming that Statistics NZ will be involved in the collection and dispersion of data and that reports relating to outcomes will be reported through Parliament to the public at large. In the meantime, it is essential in my view to draw on both national and international expertise in forming a working group capable of establishing the technical guidelines for both measuring and monitoring the economic and social wellbeing of children. Again, this was a major challenge in the development of social indicators with the major criticism of the systems eventually established focusing on the way in which they failed to address fundamental issues such as inequality. While measures relating to poverty will need to be addressed it is important to distinguish between relative and absolute definitions in the New Zealand context.
- The comprehensive nature of the Child Welfare Strategy is a great foundation on which to undertake the ongoing policy work and measures on which the Strategy will be evaluated, but before that happens I would like to suggest that consideration be given to distinguishing between children and youth as currently defined. While we have a very comprehensive research foundation for advancing the economic and social wellbeing of children, youth as a population group require a lot more work. In my view, the grouping together of children and young people tends to distort both populations and whilst some of the fundamental building blocks are common to both I support the separation of the two, with children being the exclusive policy focus in the short-term followed by the establishment of a separate strategy for youth.
- The final comments in this submission concerns the process from here on in. While the way in which government has pushed to ensure widespread public consultation in the development of the Strategy, it is essential in my view, that the fundamental shift in social policy that has been advanced by the government is not compromised during implementation. An obvious example concerns the policy that is currently referred to as 'social investment'. As implemented in New Zealand social investment is a form of targeting that utilizes data to focus in a very intensive way on captive populations. While it has the potential to provide limited evidence and knowledge in the 'treatment' of individuals it does not advance either the framework or systems capable of making a fundamental shift in New Zealand's social policy. In my view, the concept

of social investment needs to be reconsidered – perhaps this will be one of the issues addressed by the government’s welfare review.

- In a similar vein, I am somewhat ambivalent in placing too much emphasis on the UN Convention on the rights of the child. It stems from an historical focus on individual children as defined in law and as our research has demonstrated it reinforces a pervasive cultural framework that has done little to advance childhood outcomes especially for Maori and Pacific communities. While a ‘rights focus’ is frequently used in discussing child-centred practice, where is the evidence to show that it is a fundamental concept in advancing the economic and social wellbeing of children? As in the case of ‘social investment’ the ‘rights’ of children may have a role to play in ensuring some children such as those that are disabled have access to services and support but in policy terms we need to demonstrate how articulating a ‘rights’ perspective is consistent with a strategy aimed at promoting ‘good childhood outcomes’.

## **References**

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