

Engendering poverty - rolling back the state on New Zealand women

Jane Kelsey

In less than a decade Aotearoa/New Zealand has gone from a bastion of welfare interventionism to a liberal reformer's paradise. The Labour, then the National, governments bolstered the power of capital through economic policies which promoted accumulation, free from government restraint and irrespective of the social or political consequences. They divested the state's power over many agencies, assets, and activities to the private sector by corporatisation, privatisation, and devolution. They imported market measures, personnel and ideology into what was left of the state sector. And they began to dismantle the welfare state.

I THE UNITY OF STATE AND MARKET

How important for women is this transfer of economic and political power from the state to the market-place? Feminist conceptualisations of public and private¹ suggest there is a single public sphere, incorporating both the state and the market, which can be contrasted to the private arena of the home into which most women are cast. The market and the state are driven by the same imperatives.

Neither welfare nor liberal capitalism recognises the value of women or women's values. Marilyn Waring explains how scientism allows economists to disguise the value judgments which underpin economic theory, policy, and practice, and enables policies to be developed and implemented at a level of abstraction which divorces them from their real-life consequences.² In economics, everything is given a monetary value, calculated according to the price mechanism of supply and demand. Concepts of growth and development, for example, are measured by production and exchange.

Values which are seen as non-economic are excluded. In the 1986 census more than 320,000 women gave home duties as their main activity, compared to around 8500 men.³ The value put on this "unproductive" labour in the year 1984-1985 was \$90 billion - a figure one half of the country's total gross domestic product for that year.⁴ If

1 See for example: S Okin "Gender, the Public and the Private" in D Held (ed) *Political Theory Today* (Polity Press, Oxford, 1991) 67; N Taub and E Schneider "Perspectives on Women's Subordination and the Rule of Law" in D Kairys (ed) *The Politics of Law: a Progressive Critique* (Pantheon, New York, 1982) 117.

2 M Waring *Counting for Nothing: What Men Value and What Women are Worth*, (Allen & Unwin, Wellington, 1988).

3 Department of Statistics *1986 Census of Population and Dwellings* (National Summary) (Dept of Statistics, Wellington, 1986).

4 M Wood "An Economy Inclusive of Women" in R Pelley (ed) *Towards a Just Economy-Employment, Economics and Social Justice in Aotearoa New Zealand in the 1990s* (Combined Chaplaincies, Victoria University of Wellington, 1991) 67.

home-making and child rearing were to be recognised as productive work to be included in the national economic accounts, women might no longer be perceived as unproductive members of society, and the receipt of welfare might not imply dependency.⁵ It is not only domestic and reproductive labour which economic science ignores. Voluntary work, primarily performed by women, informal traders, and cottage industry are invisible in all the factors on which public policy is based.

Self-serving market measures factor out other, equally vital, concerns. Waring concludes that:⁶

[t]he current state of the world is the result of a system that attributes little or no "value" to peace. It pays no heed to the preservation of natural resources or to the labour of the majority of its inhabitants or to the unpaid work of the reproduction of human life itself - as well as its maintenance and care. *The system cannot respond to values it refuses to recognise.*

The gendered economic and social foundations of Western capitalist democracies make poverty structural and inescapable for many women.⁷

Women make up the majority of the elderly, particularly the frail elderly, and they are the front-line guardians of children's health and welfare. As workers, they are clustered in those occupations and situations where they are most in need of safeguards against exploitive wages and conditions, including unequal pay and sex harassment.

Historically, women in the paid work-force have been the lowest income earners. Provisional 1991 census figures show men still receive more income than women in all income groups over \$20,000 a year. Fewer than one worker in seven who earn \$70,000 or more are women, while women make up 60 per cent of all those earning less than \$20,000.⁸ This disparity is reflected in ownership of assets, including homes. Levels of ownership indicate that women acquire such assets from men after death - over 40 per cent of women's wealth was owned by women aged over 60.⁹

Maori women bear the heaviest burden. Kathie Irwin reminds us that:¹⁰

Maori women's health, education, family structure and support, employment and unemployment statistics are significantly different from Maori men. Our women earn

5 US Senator Daniel Moynihan, quoted in Waring, above n 2, 6.

6 See Waring, above n 2, 3.

7 A Else "Gender and the New Right" in R du Plessis (ed) *Feminist Voices: Women's Studies Texts for Aotearoa/New Zealand* (Oxford University Press, Auckland 1992) 239, 240.

8 *Status of New Zealand Women 1992: Second Periodic Report on the Convention on the Elimination of all Forms of Discrimination Against Women* (Ministry of Women's Affairs, Wellington, 1992) 39.

9 S Payne *Estate Duty Data and its use for Constructing Estimates of Wealth* (New Zealand Planning Council, Wellington, 1990).

10 K Irwin "Towards Theories of Maori Feminisms" in *Feminist Voices*, above n 7, 1 and 2.

less, are left alone to raise children, take subjects at school which prepare them for the lowest paid, least secure sectors of the labour market, and have health problems which lead the world in negative indices in some areas such as smoking and related health problems.

Maori women, especially those under 30, have the highest rates of unemployment, are more likely to be sole parents and have lower incomes than either Pakeha women or Maori men. Maori girls are at greater risk of leaving school without formal qualifications, with the gap between Maori and non-Maori students growing. This carries through to unemployment statistics and other negative indicators such as teenage pregnancy and suicide.

Despite the common foundations of welfare and liberal capitalism, the growth of the interventionist welfare state was important to women - not because it proved an effective and indispensable defender of women's interests, but because it subsidised the unpaid domestic functions provided "voluntarily" by women, and mitigated some other impacts of market and colonial inequality. Changes to how the state fulfilled those tasks would dramatically affect all women's lives.

Women had been forced to rely on all public services - from benefits to public transport - far more than men, and were the most dependent on the state sector for income and employment in "women's work" of teaching, nursing, clerical and social services. Before the 1980s' recession, one quarter of non-Maori women and almost half of Maori women relied totally on social security benefits as their source of income, compared to only 11 per cent of Maori men, and six per cent of non-Maori men. Women of all ages were more likely than men to rely on income from welfare benefits and pensions. By 1988-1989 benefits made up over 20 per cent of the incomes of women under 35, compared with five per cent of men in the same age group. Over the age of 60, 72 per cent of women's incomes were derived from social welfare payments compared to 49 per cent of men's.¹¹

New Zealand women had been made dependent on the welfare state. The liberal agenda embraced by Labour in the 1980s and expanded under National in the 1990s kicked those supports away.

II LIBERALISM AND THE NEW RIGHT

The force behind this new order is commonly described as the rise of the *New Right*. That term is often used too loosely, without recognition of its two distinct elements:¹²

[1] *liberalism*, which comprises the restoration of the traditional liberal values of individualism, limited government and free market forces; and *conservatism*, which

11 Above n 8, 39.

12 D King *The New Right: Politics, Markets and Citizenship* (Macmillan, Houndmills, 1987) 2 (emphasis added).

consists of claims about government being used to establish societal order and authority based on social, religious and moral conservatism.

Bruce Jesson has used the alternative terms *libertarian* and the *authoritarian* right.¹³ Both elements condemn state provision of economic and social welfare. The liberals are motivated by fear that the expansion of such rights will limit individual liberty, while the conservatives seek to defend traditional values. The result is a "new hegemonic project, that of liberal-conservative discourse, which seeks to articulate the neo-liberal defence of the free market economy with the profoundly anti-egalitarian cultural and social traditionalism of conservatism".¹⁴

Liberalism is the dominant element in the New Right equation. Its ideological premises have important implications for women. Liberal philosophy is founded on individualism and the maximisation of self-interest. It does not require equality of outcomes among the population - indeed, egalitarianism is seen to stifle initiative and institutionalise mediocrity. It insists that individuals rise to dominance by their own enterprise, not by inherited or ascribed social status. There is no room for putting altruism ahead of self-interest, compassion ahead of efficiency, or mutual obligations and collective identity ahead of individual benefit. Nor is there any doubt about the intrinsic superiority of the market-place, or the premises upon which it operates.

As Phillida Bunkle and Jo Lynch point out, the market model:¹⁵

is based on the learned male values of competition and aggressiveness and the adult male life cycle with an uninterrupted working life. As such it benefits only those who are able to take advantage of the market, and in New Zealand this means predominantly white, middle-class, able-bodied men.

Women's economic lives are lived outside that market economy, rendering them invisible, subordinate, and exploitable as voluntary labour.

The assumption of individual choice denies the reality that decision-making on the unlevel domestic playing field of the household is exercised primarily by men:¹⁶

the terms and conditions of distribution of household income are left for individual negotiation so that some women receive regular spending money, whilst others have

13 B Jesson "Right-wing Politics in Contemporary New Zealand" in B Jesson and others *Revival of the Right: New Zealand Politics in the 1980s* (Heinemann Reid, Auckland, 1988).

14 E Laclau and C Mouffe *Hegemony and Socialist Strategy* (Verso Press, London, 1985) 175.

15 P Bunkle and J Lynch "What's wrong with the New Right?" in C Briar (ed) *Superwomen: Where are you? Social Policy and Women's Experience* (Dunmore Press, Palmerston North, 1992) 27.

16 C Briar "Women, Economic Dependence and Social Policy" in *Superwomen: Where are you?*, above n 15, 48.

little control over household resources and may experience difficulty in obtaining sufficient money from the spouse to care for themselves and their children.

This involves a logical contradiction. Individuals are supposed to be motivated by self-interest and driven by the forces of supply and demand to achieve the most efficient outcomes of their choice. Yet these market individuals must somehow be produced and reproduced. That process takes place in the family, an entity which is the mirror opposite of the market individual. Family members are essentially other-directed, embroiled within long-term, emotional, altruistic relationships. Anne Else explains how the gap between the market and family is bridged by resorting to different concepts of human nature - the *market man* and the *family woman*. Family work is unpaid. The solution is for market workers to give family workers part of their earnings. These self-directed individuals will do so in exchange for goods (children) and services (domestic and sexual) produced by the family worker. She, however, performs her part of the bargain out of the non-market motivation of love, and will continue that work regardless of the way in which resources are re-allocated.¹⁷ Or, as Bunkle and Lynch put it, the free market approach "is based on the assumption that people will behave in a rational way - motivated by money. It assumes that women who work unpaid are therefore irrational".¹⁸

Similar myopia underpins the professed colour-blindness of liberalism. The emphasis on individual choice and responsibility, in particular, fails to recognise the different social relations, cultural ethos, and financial obligations of Maori women—just as assumptions of consumer sovereignty ignore their entrenched position of poverty and the double oppression of being Maori and women.

III ENTRENCHING WOMEN'S POVERTY

Both Labour and National pursued this liberal ideology with vigour, denying any inherent gender bias. While the state remained the primary deliverer of housing, health, and education under Labour, a shift from progressive income to uniform consumption tax, devolution, user-pays, and benefit cuts undermined the ideology, funding, and delivery systems of the welfare state. By October 1990 a change of government, or of political strategy, could see it virtually decimated overnight.

Treasury's 1990 briefing papers urged the new National government to bring social policies into line with the prevailing liberal economic model. Constraining government spending required a comprehensive reappraisal of existing institutions and policies, especially health, education and social welfare. Inefficiencies, Treasury argued, worked against the poor and unemployed by depriving them of the benefits of economic recovery, and lack of incentives prevented people from achieving dignity, security and participation in society. The solutions lay in redesigned benefit policies, labour-market reforms, and targeted assistance to the "deserving poor".

17 Above n 7, 242.

18 Above n 15, 30.

National wasted no time implementing such a programme. The first moves came in Ruth Richardson's December 1990 economic statement. This was followed by the "mother of all budgets" in July 1991. According to Richardson, "[r]eal welfare is created by people and families through their own efforts. Our redesigned welfare state will support those efforts and assist those who cannot assist themselves."¹⁹ Jonathan Boston described it somewhat differently: "[b]y self reliance the government appears to mean not that individuals should be able to care for themselves, but that they should become dependent on their immediate families and voluntary agencies rather than on the state".²⁰

These changes took place at three complementary levels: cuts to welfare spending by reduced benefits; replacing universal benefits with targeted assistance, and tighter rules on eligibility; commercialisation of government-owned assets and utilities; and devolution of social service delivery. All aspects disproportionately affected women.

A *Cuts to government spending*

Women in all economic circumstances suffered from spending cuts. Abolition of the family benefit in 1991, for example, removed many women's only independent source of income for her and her children. The compensatory rise in Family Support directed to low income families rendered women living in modest or high income households and outside the paid workforce totally dependent on their spouse. But the cuts also entrenched the poverty of Maori, poor, and elderly women. Under the new order, the gap between beneficiaries and wage earners widened. A Treasury study released in September 1992 showed the after-tax income of a couple with two children on a benefit had fallen to just 52.8 per cent of the average wage - the lowest point for 20 years.²¹

The nature of women's poverty and responsibilities also meant benefit cuts had gender-specific consequences. Women are more likely to receive benefits which reflect their caring and nurturing role and their relationships with men, such as the domestic purposes, widow's, and family benefits, whereas men depend more on those related to participation in the paid workforce, such as the unemployment and sickness benefits.²²

The domestic purposes benefit (DPB) provides the economic lifeline for many single mothers, and the escape route for abused women. Attacks on the DPB were savage. In the December 1990 economic package, widows and domestic purposes beneficiaries suffered cuts of nine to 16 per cent, purportedly as an incentive to become self-supporting. Eligibility was limited to mothers aged 18 and over, with emergency maintenance available for younger mothers in limited circumstances. This was accompanied by moves to tighten the accountability of (primarily) fathers for ongoing maintenance of their children through the liable parent contribution scheme. This was prompted by a desire to cut costs and punish recalcitrant fathers, not a desire to improve

19 *Budget 1991*, 30 July 1991, 8.

20 J Boston "Redesigning New Zealand's Welfare State" in J Boston and P Dalziel (eds) *The Decent Society* (Oxford University Press, Auckland, 1992) 1, 7.

21 *New Zealand Herald*, Auckland, New Zealand, 3 September 1992, 5.

22 Above n 16, 57.

the quality of life for the custodial parent and her children. The money went to reimburse the state, rather than supplementing the family's income. To make the system work, women were required to disclose the identity of the father as a pre-requisite to receipt of the benefit.

The cuts were presented as gender-neutral, and intended to convey a market message to existing and potential parents. But they had a clear deterrent motivation in the eyes of their main proponents. The Business Roundtable's 1992 blueprint, *Budgetary Stress*, endorsed earlier Treasury proposals to limit the DPB to parents of primary or pre-school age children, and raising the age of eligibility to 21, with a hardship grant for those whose parents would not support them. In addition, it urged the government to further reduce the level of the benefit, tighten eligibility criteria and increase the percentage of cost recovery from non-custodial parents.²³

In the longer term, arrangements which place the prime obligation for supporting care givers and children on the non-custodial parent, rather than on other members of the community as tax-payers, would be more equitable and would encourage greater personal and family responsibility.

Behind this lay the Roundtable's view that the DPB "weakens the incentives of individuals to consider the implications of family responsibilities in advance and to individuals to provide for caregivers and their children".²⁴ Pregnancy was apparently as amenable to market forces and consumer choice as any other of life's decisions - just as leaving a violent relationship could become a market decision based on the price mechanism of the domestic purposes benefit. Those who made the wrong choices about relationships and child-bearing would have to pay for their own mistakes. The human impact of these proposals never entered the picture.

Elderly women were severely affected by both government's manoeuvrings over superannuation. The superannuation tax surcharge, based on joint income, meant women were deprived of an independent benefit once their spouse earned over \$80. Previously they would have enjoyed half the married rate of the pension, irrespective of their husband's income. National unequivocally promised to lift Labour's unpopular national superannuation surcharge. In the 1990 economic package, abolition of the surcharge was deferred, pending negotiations in an all-party conference called for 1991. The government also reneged on a promised cost-of-living update. The all-party conference predictably failed. In the 1991 budget, National replaced the surcharge with an even harsher income test. Increases in pension payments were deferred for another two years. And the age of eligibility was to be raised from 60 to 65 over the next ten years. Women, with less historical income and fewer assets and savings to fall back on, and a longer life expectancy than men, would be the main victims of this change.

23 NZ Business Roundtable *Budgetary Stress* (Business Roundtable, Wellington, 1992) 30.

24 *New Zealand Herald*, Auckland, New Zealand, 19 February 1992.

Cuts to other areas of welfare spending compounded the pressure on women to remain in dependent, and often abusive, relationships. Under the Legal Services Act 1991 means-testing became more rigorous, cost recovery was increased, and the range of eligible cases was cut back. Legal aid was assessed on the assets of the applicant and their partner, their chances of winning the case, the cost of the case, the type of legal problem involved, and whether it was "fair" to get assistance in the case of civil matters. The means test level was disposable annual income and disposable assets of \$2000. This was assessed on *family* income. For women seeking domestic protection orders that meant legal representation and the amount of any contribution was determined according to the financial circumstances of themselves and their violent spouse. Even where legal aid was granted, the woman would still have to find an initial \$50 fee, unless she could secure a waiver from the local legal services sub-committee. Her assessed contribution to the costs, plus accrued interest, would be a charge against any assets which she owned herself or jointly with her violent partner.

The accident compensation reforms implemented in 1992 further compounded women's economic subordination and reinforced the market/domestic division. The scheme was already inherently unfair to women. Unpaid household labour has never been included in the definition of "occupation", excluding women working in the home from earnings related compensation, or compensation for loss of potential earnings. Under the former regime, women paid 45 per cent of the levies but received only 22.5 per cent in claim payments.²⁵ In the 1990-1991 year there were 152,928 claims. Only one third came from women. Of the \$1 billion paid to earners, only 27 per cent went to women. Injury claims resulting from rugby football were 7225 - more than the total number of claims by non-earning women between 20 and 60 years old.²⁶

The new regime shifted the burden from employers to potential consumers. This meant women would pay a greater proportion than before through new levies on petrol and car registration.²⁷ At the same time, eligibility for women to claim was cut back. Medical misadventure, for example, was restrictively defined. The injury now had to be "rare" and "severe". According to the initial Bill, "rare" meant one chance in 2000. The final Act reduced that to one chance in 100. "Severe" required fourteen days hospitalisation, or an injury which leads to a significant disability lasting more than twenty eight days. The definition excluded most of the grievances which the Cervical Cancer inquiry had exposed: failure to diagnose correctly, failure to provide treatment, failure to obtain informed consent, and injury resulting from a research programme where the woman had given written consent to participation.

Compensation for sexual assault - belatedly secured from a reluctant Accident Compensation Corporation in 1987 - was narrowed to assaults which were offences under the Crimes Act 1961 and which met the criminal standard of proof "beyond reasonable doubt". Similar changes affected claims for sexual abuse. In recent years,

25 S Coney "Accident Compensation: a Women's Issue" a report prepared for the Federation of Women's Health Councils Aotearoa/New Zealand, 1992.

26 M Russell "Winners and Losers" *Listener*, Auckland, New Zealand, 1 June 1992, 16.

27 Above n 26.

increasingly numbers of survivors had sought recognition of their injury from the ACC. The impact of the change was described by one of my students thus:²⁸

The main disadvantage for women claiming compensation for sexual abuse is the replacement of the lump sum payment with the weekly "independence allowance". The previous "one-off" payment for sexual abuse averaged around \$1250, 12.5% of the maximum allowable limit. This payment was in line with the "clean break" principle now advanced in family law, that is, the woman received the money and was able to get on with her life, in theory at least. The money was often used by women for such things as improving the security of their homes, moving to another job, house or town, gaining a qualification - with ensuing increase in self-esteem - or simply supporting themselves while they took time out to start getting their lives back together. They found the money gave them a sense of independence, self-confidence and empowerment.

The new Act replaced this with a weekly allowance on the recommendation of a psychiatrist nominated by the ACC. In most cases this would amount to around \$5 a week. Payment would be reassessed every one to five years, serving as a constant reminder to the survivor of her abuse. There was a new twelve-month time limit for lodging applications, ruling out the vast majority of cases as most abuse survivors do not disclose their trauma until many years later. (Exemptions to this time limit were provided for such traditionally male-related injuries as industrial deafness.) Depending on how the Act was interpreted there was also a risk that funding for counselling could be cut off for those women who were eligible to claim. This task would fall back on the already over-stretched, under-funded, and woman provided victim support services.

The story in other social services was much the same. Health care became rigidly targeted. Category one and two health users were entitled to various levels of subsidy on prescriptions, doctors visits, and hospital charges. Many of these were expenses which had not existed several years before, and which made demands on non-existent discretionary spending. State house rentals, which had been pegged at 25 per cent of the tenant's income until 1990, were to be raised to their full market value within two years. Even with the supplement, a single superannuitant living alone, with the housing supplement, would still pay \$78.90 compared to \$56.77 in 1990. A widow under 65, on a benefit of \$136.50 a week and living in a state house with a market rental of \$200, was expected to find her weekly rent increased from \$34.14 to \$140.²⁹

The government's approach was callous, and at times contemptuous of the human consequences of the reforms. Their cumulative impact on women was exposed in a test case brought by the newly corporatised Housing New Zealand in December 1992. The SOE sought to evict a single mother who had lived in her state house for almost 12 years, and who was one week behind with repayment of rent arrears. The DSW had

28 J Daldy "Women and Social Policy", unpublished research paper for Law and Society course, Law Faculty, Auckland University, 1992 (on file with author).

29 *New Zealand Herald*, Auckland, New Zealand, 7 August 1992, 1.

suspended her benefit pending production of a birth certificate. The District Court Judge, ruling in the woman's favour, observed:³⁰

This case is brought against a background of grinding poverty, a case of a woman with young children being sought to be evicted from her home for what I consider a venial breach. ...I consider it unduly harsh if the appellant was to lose her home because of some misunderstanding with the Social Welfare Department which was her only source of income.

B The Victims of Targeting

Susan St John observes how redesigning the welfare state via targeting and user charges shifted the burden:³¹

from the sick to the well, those with children to those without, and in the future from those tertiary students who earn less to those who earn more, from those who declare full incomes to those who can disguise them for tax and abatement purposes. ...High effective marginal tax rates are created for low and middle income earners in a way that is administratively costly and intrusive. The choice between progressive taxation and universal family benefits, pensions, student support, health on the one hand, *and* flatter low tax rates on the rich and abated targeted payments for the poor on the other, is a question of who pays, not how much.

It was the supposed beneficiaries of the new streamlined targeted approach to state support - the poor, the sick, women and the unemployed - who bore the brunt of change. Faced with a daunting combination of unemployment, benefit cuts, enforced dependence, and user part-charges, their freedom of choice was whether to use their scarce resources to buy housing, health, education, or other essentials like food for themselves and their children - and which of these essentials to go without.

In the name of improving the wellbeing of the "deserving poor" through increased targeting, the population was divided into low, modest and high income earners. Low income earners were those on income tested benefits, elderly people on low incomes, students on allowances, families on full Family Support, and some low income earners without children. The majority of women fell into this category.

The shift from universal entitlement to targeting and progressive subsidies meant greater monitoring of individual circumstances and personal consumption. Category one and two users would be required to carry a community services, or poor, card to prove their eligibility for subsidies. If the card was not presented, the user would be required to pay the full rate for the service. Predictably, people began to be ranked socially according to the category of card they carried. One woman told the People's Select Committee in 1992: "I rang up to see if the charges (at the doctor) had changed with the new system. The four nurses I spoke to all talked of normal people or those on the card

30 *New Zealand Herald*, Auckland, New Zealand, 31 December 1992, 5.

31 S St John "Costing the State" Paper to the Social Policy Conference, Wellington, December 1992 (on file with author).

and I feel as though those on a card are no longer normal."³² A mother was asked to provide her card number to the school before her child went on a school trip. When she complained to the office of the Minister of Education, she reported being lectured on how lucky she was to have a card.³³

To police this system the government introduced a regime of information matching between a number of specified state agencies: Accident Compensation Corporation, Customs, Justice, Social Welfare, Education, and the Registrar of Births, Deaths and Marriages, and, with certain limitations, Inland Revenue. Once an agency decided there was a "discrepancy" over which it would take "adverse action", the individual concerned would be given notice by post or other delivery. The original Privacy of Information Bill had provided for fifteen working days, the same as the parallel Australian measure. But this was cut back by the select committee to five working days to avoid paying a further week's benefit to those who were considered not entitled.³⁴

Under the new Act beneficiaries, already on the breadline as a result of benefit cuts, rising rents, and costs of basic services, could be called to account at any time where a government agency perceived a "discrepancy" - including one which had not been checked out. Labour's David Caygill pointed out that the first some beneficiaries might know of this would be if their bank accounts had less money than expected.³⁵ And MP Lianne Dalziel reported:³⁶

When we considered the Bill we were virtually told that it did not really matter if people were wrongly taken off a benefit because they could go into the Department of Social Welfare office and get a cheque and that everything would be all right. Life is not like that, and members who think that is it like that have not been into a social welfare office for a long time... .

The bogey of welfare fraud was invoked to justify the harsh new regime. But no figures were produced in support. It was enough to claim that the state and fellow taxpayers were suffering from the greed and dishonesty of unemployment and domestic purposes beneficiaries. The Privacy Commissioner Act 1991, as it was finally named, was essentially a device to facilitate and legitimate the state in collecting personal data and matching information - not to restrain its abuse.

C *Competitive provision and transferable assistance*

Moves to separate ownership of utilities and assets from delivery of services also had significant consequences for women. The burden was shifted from the state to the individual. The government converted any potentially commercial operations into profit-

32 *Neither Freedom Nor Choice: the Report of the People's Select Committee* (Massey University, Palmerston North, 1992) 29.

33 *New Zealand Herald*, Auckland, New Zealand, 11 March 1992, 3.

34 NZPD, vol 521, 6049-6050, 10 December 1991.

35 Above n 34, 6048.

36 Above n 34, 6074-6075.

driven enterprises which were required to tender for funding from centralised, but politically arms-length, agencies, in competition with private sector deliverers. So government-appointed boards were appointed to run Crown Health Enterprises (CHEs) as commercially competitive corporations, in place of elected Area Health Boards administering public hospitals which had provided free health services to their local communities. The new CHEs would compete with private health providers for regional funding which the government had made available.³⁷ Housing New Zealand became a commercial enterprise operating the residual state housing stock for a profit - again administered by a government-appointed board of directors, and competing with the private housing market.³⁸ Alongside these structural changes, universal provision gave way to minimal base funding, to be supplemented by varying degrees of user pays, private provision, and targeted assistance for the poor.

The goal was to encourage private provision and cut the cost of public services. This was sold in the name of improving public provision to those in genuine need. But once those in the top stratas of society lost their involvement in the public health system, service to the rest would also be undermined. The result would be a second-rate service for those who remained dependent on the public sector, especially women.

Even before the scheme came fully operational, costs and staff cuts to health services were affecting women's wellbeing. National Women's Hospital, for instance, faced embarrassing front-page disclosures that women had discharged themselves soon after delivery because of the unhygienic and spartan conditions.³⁹ Action was taken by the administration on the infestation of cockroaches. But claims that cuts to basics like tissues and nappies were designed to instil thrift in new mothers had a hollow ring. With future funding to be determined through competitive tenders, and overseen by boards of directors comprising mainly men from financial, management, and professional occupations, prospects for improved public hospital maternity services looked dismal.

Despite the government's denials, the logical end-point of the reform was a health and hospital system based on the system of transferable vouchers, redeemable through public and private health care providers. An option to transfer individual entitlement for state health services to private health care schemes was raised in the 1991 budget. Although these plans were set aside in 1992, they clearly remained central to the liberal agenda. In *Budgetary Stress* the Business Roundtable, for example, argued that private health plans should take over many of the regional health authority's functions, with income tax "scaled back as consumers accept responsibility for their health costs directly and via compulsory insurance premiums".⁴⁰ Production and consumption of health goods and services would then be driven by the pricing mechanism of the market. Government would remain responsible for public health and regulatory functions, which it was best equipped to undertake. The CHEs should also be privatised to improve

37 Health and Disability Services Bill 1992.

38 Housing Restructuring Act 1992.

39 *New Zealand Herald*, Auckland, New Zealand, 26 February 1993, 1.

40 Above n 23, 37.

efficiency and promote competition. From the Roundtable's perspective, health was just another commodity to be bought and sold on the level playing field of its particular market place. Women, along with the terminally ill and the chronically poor who, despite their transferable coupons, could not afford the medicines, doctors visits, and hospital care which were once accepted as the entitlement of all, would simply be the casualties of the market.

A system of transferable entitlements had already been introduced for housing. Accommodation supplements for low income earners could be used to top up payment of market-rentals in the public or private sector, or mortgage payments for house buyers. An air of unreality surrounded the rationale for reform. The chair of the select committee dealing with the Bill, Alec Neill, suggested that a low-income person who wished to rent or buy a home of their own should consider moving to low-cost areas like Twizel, Oamaru, or Waimate, arguing that they "are very caring communities in which to live".⁴¹ Only those who could afford to buy a house or pay private sector rents, it seemed, should have the freedom to choose in which city they, their children, and their families lived. Women who chose to stay in areas of high rents, housing shortages, and sub-standard accommodation because of their job, the children's school, child care, community support, or tribal affiliation would only have themselves to blame.

A similar approach to superannuation was proposed. In late 1992 the Todd taskforce on private pension provision came down in favour of a voluntary savings scheme.⁴² This, too, was presented as gender neutral. But fewer women have jobs and access to an occupational pension scheme, and those who do have far less disposable income than men to invest in superannuation or save. If the proposals went ahead most elderly women would only be entitled to whatever minimal safety net the state continued to provide - leaving them dependent on their spouse and other family members to elevate that to a decent standard of living. The Ministry of Women's Affairs objected that Maori women, in particular, would derive few benefits from the option. Given their low income status, benefit dependency on the state, and extensive financial obligations towards whanau, hapu and iwi, Maori women did not have the economic capacity to participate in the private insurance market.⁴³

Accident Compensation would go in the same direction, if the reformers had their way. The Business Roundtable, again:⁴⁴

41 NZPD, vol 528, 10532, 11 August 1992.

42 J Todd *Private Provision for Retirement: the Way Forward: Final Report of the Task Force on Private Provision for Retirement* (The Task Force on Private Provision for Retirement, Wellington, 1992).

43 Te Ohu Whakatupu; Ministry of Women's Affairs *Te Whakarite Whai Oranga mo te wae Kuia ai te Wahine Maori: Maori Women and Private Provision for Retirement*, (Ministry of Women's Affairs, Wellington, 1993).

44 Above n 23, 35.

A critical factor is the recognition that accident compensation is a matter of insurance, not welfare. Proper cost control and enhanced responsibility for preventing accidents and minimising the costs of those that do occur will depend on the refinement of the insurance mechanisms contained in the present scheme. Essentially this requires the creation of a competitive insurance market. *The Accident Compensation Corporation should be corporatised and ultimately privatised and barriers to competition in the provision of accident insurance should be removed.*

Increased reliance on private provision meant that women with no discretionary income for insurance, savings, or topping-up subsidies would be condemned to dependence on inferior state provided services. All women, irrespective of their current socio-economic position, potentially faced this dilemma because of their structural subordination in both the public and private spheres.

D Devolution

There was a further important element to the restructuring process, known as devolution. In the name of empowerment, government transferred the responsibility for providing services to the community, while retaining control of the fundamental policy and resource decisions. "Community" here is short-hand for that which is outside the "real money economy". This, by no coincidence, is the sphere in which women predominate. When incomes in the paid workforce are inadequate to sustain a woman and her family, and benefits provide an even less secure independent future, economic coercion works to keep her in the home. Celia Briar notes how this full or partial financial dependence places women under an obligation to provide a range of unpaid services for young dependent children, sick or disabled family members and able-bodied husbands.⁴⁵ So it is women who are expected to pick up the pieces when the state fails to meet its responsibilities, whatever the cost to their current and future employment, and to their health and wellbeing.

Plans to deinstitutionalise the elderly and mentally and physically disabled shifted the burden to unpaid workers in the home. Groups providing community-based services were kept on short-term funding cycles, with shoestring budgets, subject to constant monitoring and unable to make long-term commitments to staff, programmes, or consumers. Situations emerged where particularly vulnerable services run by women, who were themselves past consumers with no independent source of income, could be faced with a contract which made their funding subject to immediate termination if the funders considered a material breach had occurred, which had not been remedied to the funders' satisfaction within one month. The contract could also be terminated at three months notice without cause and with no provision to negotiate. Such groups were often already the victims of abuse. Devolution compounded that abuse, imposing impossible levels of stress and financial insecurity on women who assumed responsibilities which were properly the task of the state.

⁴⁵ Above n 16, 46.

IV CONSERVATISM

Labour created the foundations for these reforms. The first major benefit cuts occurred in the 1990 budget, shortly before Labour was voted out of office. It had already instituted the devolution policy, increased cost-recovery for social services, and set the corporatisation and privatisation programme firmly in place. Had Labour been re-elected in 1990, pressure from the liberal lobby within and outside the party to cut spending and corporatise the welfare state would have intensified. That would have proved enormously divisive and damaging for a party so historically and ideologically tied to welfare state. Losing the election saved Labour from provoking its traditional support base, including the strong women's lobby, even further.

National faced fewer restraints. As a traditionally conservative party embarking on a path of radical liberal reform, National was truly a government of the New Right, along the lines of Britain under Thatcher and the United States under Reagan and Bush. Significant parallels soon began to emerge. British writer Stuart Hall coined the phrase *authoritarian populism* to describe how conservative values were incorporated into Thatcher's liberalisation project.⁴⁶

Thatcherite populism is a particularly rich mix. It combines the resonant themes of organic Toryism - nation, family, duty, authority, standards, traditionalism - with the aggressive themes of a revived neo-liberalism - self-interest, competitive individualism, anti-statism.

This project was universalised in terms of the *national interest* - a concept which was invoked to justify increasing state authoritarianism, especially the abrogation of civil liberties and the rule of law. But while the ideal of unity referred to the whole nation, it really meant the white nation and the patriarchal family. This narrow, ethnocentric, and exclusivist conception of national identity fostered a search for the *enemies within*.⁴⁷

The traditional targets of New Right campaigns everywhere have been women, gays, pacifists, and blacks. Feminism is threatening on an ideological level because it challenges the gendered nature of concepts which are fundamental to Western capitalist democracies. But the New Right has rarely confronted feminism on this intellectual level. Attacks are usually pitched at a more basic level - the protection of "family values".

The family provides an important point of unity for the *liberalism* and *conservatism* of the New Right. As Anne Else explains, the authoritarian right focuses on the traditional, nuclear, role-stereotyped, family unit. The libertarian right takes the existence of such a family for granted. This theme resurfaces constantly in the discourse

46 S Hall "The Great Moving Right Show" in S Hall *Thatcherism and the Crisis of the Left: the Hard Road to Renewal* (Verso Press, London, 1988) 29.

47 S Hall "Introduction: Thatcherism and the Crisis of the Left" in S Hall, above n 46, 8.

of liberal reformers. Social Welfare Minister Jenny Shipley in 1992 attributed the breakdown of the family to the welfare state:⁴⁸

I believe that for a long time there have accumulated many serious disturbances in the role and function of families and other historic institutions such as the Church, law and education systems. A consequence of these disturbances is that the welfare state itself, through its mechanisms, produces young illiterates, juvenile delinquents, alcoholics, substance abusers, drug addicts and rejected people at an accelerated speed.

Treasury expressed similar concerns over the economic and social costs of family breakdown in its 1987 briefing papers.⁴⁹

Alongside the stresses caused by the economic problems of unemployment are changing patterns in family life. The increasing incidence of marriage breakdown and the increasing proportion of families headed by a sole parent mean that many children are growing up in a family environment very different from the traditional family structure, and our schools, police and social agencies are facing large numbers of children suffering significant stress from their home environment.

The move to keep women in the home, reduce demand for expenditure on early childhood education, and re-establish traditional family values, was encapsulated in the National government's programme called "Parents as First Teachers". More correctly "mothers as first teachers", it was piloted in four centres around the country in 1992, primarily through Plunket. The scheme aimed to improve parenting skills through intensive input of time and energy by the primary caregiver. Hence the "good mother" would be the woman who stays at home with her children to ensure tomorrow's generation of well adjusted, achievement-oriented and appropriately skilled young people. The "bad mother" who works, presents an inappropriate role model, or reflects her own economic, social or cultural stress in how she, not the state, nor the frequently absent father, responds to her children, will bear the blame for the youth crime, low educational achievement and unemployment of the future.

The greatest threats to family values come from lesbians and single mothers. The prevailing image of the latter is the young woman who has "got herself pregnant" knowing she can bludge off the state for at least the next fifteen years. It is never the victim of rape and incest, or the beaten wife who has escaped with her life, but has no means to support herself or her children on her own. The "solo mum" is assumed to be cheating not only the state, but those of her fellow citizens who are prepared to make sacrifices, pay their taxes and obey the rules.

This stereotype is used by the Department of Social Welfare (DSW) to justify intense surveillance over every aspect of her life - where she lives, where she travels, what she spends, who she sleeps with and how often. Ongoing monitoring to ensure she is legitimately in receipt of a benefit, and not in a de facto relationship as defined by

48 *New Zealand Herald*, Auckland, New Zealand, 20 July 1992, 8.

49 *Treasury Government Management: Briefing Papers to the Incoming Government* (Treasury, Wellington, 1987) 397.

the DSW itself, relies largely on citizen informers—neighbours, families, and workmates spying on the single mother. A system where citizens are paid to inform is just a short step away. Indeed, Australian Simon Davies, writing in 1992 on the threat to privacy there, disclosed proposals by the Australian Government's Finance Department to pay up to 50 percent of money recovered as a reward to those who inform on benefit or tax fraud. Departments involved in the proposed policy included Tax, Social Security, Veterans' Affairs, Primary Industries, Customs, Education, Defence and Administrative Services.⁵⁰

Potential for error or vindictive false reporting becomes an accepted by-product. The human costs of this are revealed in a decision by the Social Security Appeal Authority in January 1993. An Auckland mother of four had her domestic purposes benefit terminated as the result of an anonymous allegation by one of the mother's siblings. Ordering the DSW to backdate and restart her benefit payments, the Authority stated:⁵¹

[t]he lack of information about where the appellant's friend was living at the time she was being investigated, the lack of information about whether a sexual relationship existed between them and the paucity of any details about the way they presented themselves to outsiders means that the department had insufficient evidence on which to base its decision.

But the Authority was criticising the level of proof which the DSW had obtained - not the implications of a policy which makes all domestic purposes beneficiaries, including the overwhelming majority who do not abuse the system, the targets of surveillance as the price for their economic survival.

V CONCLUSION

The same imperatives of maintaining the nuclear family and exploiting women's unpaid labour apply whether the market or the state is the dominant source of economic and political power. Nevertheless, the welfare state in the past provided an important safety net which prevented women being left to the mercy of a market place within which they were structurally unequal. The message of this article is that such intervention is worth fighting for.

There is no single women's viewpoint on how that should be done, and what form it should take. Liberal feminists, lesbian feminists, Maori feminists, socialist feminists, radical feminists, and women who do not see themselves as feminist at all, have different experiences and perspectives. Recognising this diversity allows for greater openness of debate, recognition of gendered voices and diversity within them, and requires a more sophisticated approach when identifying political options. But it does not mean giving way to a bland pluralism which tries to incorporate everybody's perspective, and satisfies none. There is real danger that emphasising diversity and open-

50 S Davies *Big Brother: Australia's Growing Web of Surveillance* (Simon and Schuster, Sydney, 1992) 12.

51 *New Zealand Herald*, Auckland, New Zealand, 8 January 1993.

ended discourse will provide a self-indulgent inertia at a time when women are under increasing social and economic stress.

Fighting to preserve the authority of the state over social and economic policies, and intervention to redistribute opportunities and outcomes, is vitally important. The challenge is to find a new means of achieving that goal which reverses the dominance of patriarchy in the state's ideology, structure, and operation, and the perpetuation of public and private power. Such answers can only come from the ground up, based on women's own analyses of their oppression, and using practical, real life examples of economic, political, social, cultural and tribal self-determination.