

**Social Policy  
Practice and  
Processes  
in Aotearoa  
New Zealand**



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New Zealand**

**Edited by Graham Hassall  
and Girol Karacaoglu**



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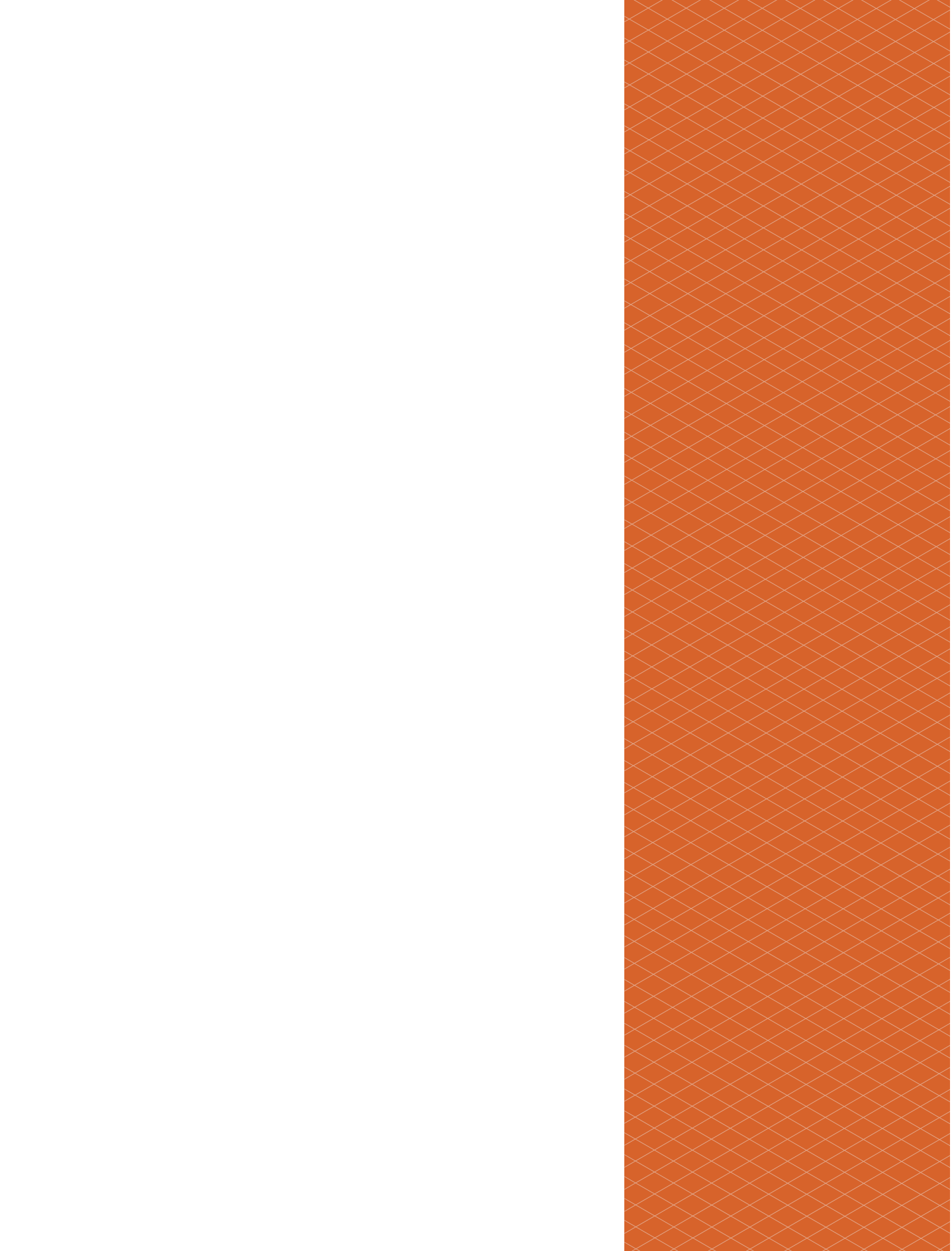
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# **Part 1** **From political** **theory to the** **practice of** **government**

**1.**

# **The scope of social policy**

**Graham Hassall &  
Girol Karacaoglu**



## Introduction

The focus of this book is the practice of social policy in Aotearoa New Zealand,<sup>1</sup> especially since 2008. In the span of some two decades, both conservative and social democratic governments have had opportunity to conceive and deliver programmes aligned with their fundamental values and concepts. These include the Fifth Labour Government (1999–2008) headed by Helen Clark, the Fifth National Government (2008–17) under John Key and Bill English, and the Sixth Labour Government (2017–) led by Jacinda Ardern. Appraisals of the policy impacts achieved by these alternating approaches to government have been offered through a great many studies, from sources including governments themselves; various autonomous assessment agencies, academics and experts; the media; and NGOs and thinktanks.

The text *Social Policy in Aotearoa New Zealand* by Cheyne, O'Brien and Belgrave, first published in 1997, provided assessment of policy impacts through four editions (1997, 2000, 2005 and 2008). Whereas all these editions rightly focused on the shifts in public sector policy and practice caused by wholesale adoption of neoliberal ideas in New Zealand from the 1980s, the fourth and final edition pre-dated the three-term tenure of the conservative Key/English governments. Several additional studies make equally significant contributions to our understanding of policy processes in New Zealand, including those published by Boston and others,<sup>2</sup> and by Lunt, O'Brien and Stephens,<sup>3</sup> although these, too, pre-date the most recent period of conservative political leadership and concomitant approaches to social policy. These studies add to such early works as Oram's *Social Policy and Administration in New Zealand* (1969), in which the author offered his advice on how government from national to local level should best be organised to deliver 'action which has a direct impact on the welfare of citizens by providing them with services or income' (p. 15).

Our 2020 multi-author study is intended to complement and update, rather than supplant, Cheyne et al.'s enduring contribution to the field. It is essential reading for first-year tertiary students in social policy and related subjects, as well as the wider policy-making community and the interested public. Each chapter introduces the reader to the background and context to its central topic, as well as key concepts, ideas and influences, and the main alternate views that have been put forward. These key concepts and issues are supported by the important documents that have shaped them, including official reports, legislation and critical scholarship. As noted in Chapter 4, New Zealand's governance, legislative, institutional and policy arrangements are influenced by both Te Tiriti o Waitangi (Treaty of Waitangi) and by the traditions of Westminster. In addition to assessing recent experiences, each chapter considers possible future issues that policy-makers may have to contend with.

From a global perspective New Zealand is a small country with a small population, but the character of the country is determined not merely by its location, geography and population size, but also by the relations between Māori, as the original settlers, and more recent migrants. These include the Europeans who established a colony and constitutional framework on the land in the 1840s, through to more recent arrivals from the Pacific Islands, Asia and elsewhere.

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1 This book uses Aotearoa and New Zealand interchangeably, and sometimes both names are used together.

2 Jonathan Boston, Paul Dalziel and Susan St John (eds) (1999). *Redesigning the Welfare State in New Zealand: Problems, Policies, Prospects* (Auckland & New York: Oxford University Press).

3 Neil Lunt, Mike O'Brien and Robert Stephens (eds) (2008). *New Zealand, New Welfare* (Melbourne: Cengage Learning).

In 2020 Statistics New Zealand reported the country's total population as 5,025,000,<sup>4</sup> and the 2018 census recorded the country's ethnic composition as European (64.1 per cent), Māori (16.5 per cent), Chinese (4.9 per cent), Indian (4.7 per cent) and Samoan (3.9 per cent).

Issues of ethnicity, identity and wellbeing are thus a constant thread throughout this book. New Zealand is vulnerable to seismic upheavals — principally volcanic eruptions and earthquakes — which can wreak disaster on communities underprepared for them. But the forces of nature are not the only source of danger: in 2019 Aotearoa experienced its largest incident of domestic terrorism when a lone gunman murdered 51 Christchurch residents in a hate crime that targeted Muslims.

## Public policy and social policy

This book is about *social policy*, particularly as it is understood and implemented in New Zealand. This chapter defines the scope of social policy, as a subset of *public policy*. *Policy*, in all contexts, refers to a deliberate effort to influence the outcomes of activities — 'deliberative choice of a calculative kind', as described by Williamson (2000, p. 597) — organised by business, government and other entities. It includes the design, implementation and evaluation of such efforts. If policies fail to deliver the desired outcomes, it also includes the redesign of such efforts.

In the case of *public policy*, the effort is organised and managed by the government (central, regional and/or local) through its various agencies and departments. In this context 'the government' is the generic term we use to refer to any collective agency through which we may wish to organise the delivery of certain products or services; it does not necessarily refer to the central government. Public policy can be thought of as the bridge between private actions and broader environmental, social and economic outcomes. As individuals and communities try to improve their lives, some of their actions have broader benefits, such as the creation of beautiful music or scientific breakthroughs (positive externalities), and others broader costs, such as pollution or epidemics (negative externalities). Creating the natural, social and economic environment for human flourishing, and for minimising the costs of human actions, can be thought of as the main purpose of public policy.

*Social policy* is a subset of public policy, with specific focus on improving the social conditions in which individuals and communities live their lives. In the past, the boundaries of social policy have tended to be equated with those of welfare, thus restricting its scope to helping the less fortunate in society. A key theme of the present book is that social policy changes in response to changes in societal need. Activities once labelled 'charity' were later described as 'welfare' and even 'social development'.

More recently, the scope of social policy has expanded to encompass the needs and interests of all. 'Welfare state' settings now include the setting of tax rates, establishing benefits in the form of transfers and tax credits, setting employment policies, and supporting those with specific needs. But social policy has come to imply concern for the welfare of all members of society, not only those in the most dire social and economic circumstances: it now includes some aspects of infrastructure, education, health care, housing and accident compensation, in

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4 [www.stats.govt.nz/information-releases/national-population-estimates-at-30-june-2020](http://www.stats.govt.nz/information-releases/national-population-estimates-at-30-june-2020)

addition to poverty reduction, income support and social services.

Additionally, while for analytical purposes it may be convenient to classify environmental, social and economic policies into their separate categories, in fact they are quite interconnected. Public policy can take advantage of these interdependencies. By way of example, higher education has social, economic and environmental benefits. Similarly, if economic policy is pursued in a way that inflicts harm on the natural environment, or creates inequities, it has the potential to cause both environmental and social harm.

All public policy actions are eventually funded through taxes or levies ('pay as you go', PAYGO) or through 'social insurance', i.e., saving in various forms to fund future needs and contingencies ('save as you go', SAYGO). Since governments acquire their rights to govern in various ways, democratic or otherwise, the public policy processes (including the extent and nature of engagements with the people affected by those policies) vary a great deal. These variations also reflect philosophical and cultural differences.

What we have outlined so far is not the only conceptualisation of public policy. Nevertheless, as we will see from the definitions provided below, ours is broad enough to accommodate various other approaches. One ever-present question concerns whether the highest value is to be given to human freedom and liberty, under which individuals and societies prosper at their own pace, and as a consequence of their interaction with the resources available to them, or to be given to human interdependence, under which those who prosper are requested/required to share their resources with those who do not. In other words, whether public policy seeks to redistribute wealth in order to reduce inequities, or not. Does provision of welfare create a dependent class in society, or does it show compassion of the majority for the less fortunate minority?

Crucial to this discussion is the question of where responsibility lies for the initiation of social policy, for the manner of its implementation, and for the extent to which it is successful. The 'state-centric' model that placed all responsibility for design and implementation on government and its competent public sector was phased out in the 1980s, to be replaced by leaner government agencies which outsourced service delivery and remoulded themselves as regulators and contract managers. Whilst this model has suited the conservative approach to government which sought market-driven efficiencies, because it expected more autonomous responses from individuals and communities in the improvement of their social and economic circumstances, it also increased society's vulnerability to market forces — which, as it turns out, did not improve public goods in such vital sectors as health, education, aged care and housing.

The sections below outline four levels of social analysis and note that the chapters in this book cover all four, in their respective topics. We identify the main contributors to wellbeing and ask: Why is there a case for public policy? We then proceed to explore how public policy can enhance the wellbeing of individuals and communities. In each step we also cover alternative perspectives and provide references to the proponents of these perspectives, with a view to offering a balanced view of the topics covered. We provide examples, with special focus on New Zealand — against the background of its history and values. One of our key themes and lessons is that public policy cannot be divorced from the society in which it is imbedded — and to which it will be applied.

## Objectives and domains of public policy and social policy

The objective of public policy is to improve the lives of individuals and communities, as they wish to live them (i.e., wellbeing), in a sustainable manner. Although we do not know how people want to live their lives, we have the benefit of numerous studies, covering a large variety of countries and cultures across time, to help us identify the main influences on individual wellbeing. In other words, based primarily on robust, survey-based, empirical evidence, we have a broad sense of the common elements of what individuals value (see Boarini et al. 2014; Smith 2015). These are summarised in Figure 1.1. The so-called ‘domains of wellbeing’ represented in the upper half of Figure 1.1 are classified under the categories ‘quality of life’ (health status, work–life balance, etc.) and ‘material conditions’ (income and wealth, etc.). Note that although the figure refers to *individual* wellbeing, there is no reason to believe that the sources of *community* wellbeing should be any different. What is critical is the claim, supported by a large body of empirical evidence, that these domains of wellbeing appear to be common across humanity.

The complementarity between these domains of wellbeing and the well-known Maslow’s hierarchy of needs (Maslow 1943) depicted in Figure 1.2 is self-evident. It suggests that the first needs of human beings are physiological — food, water, shelter and warmth. These are followed by ‘higher’ sets of needs, including safety, belonging and self-esteem. The highest level in the hierarchy of needs is described as ‘self-actualisation’ and refers to activities that unlock the unique character and contribution inherent in each person that can best be developed if the other more basic needs are securely in place.

If we accept the claim that Figures 1.1 and 1.2 capture the essential sources of human wellbeing, as a working proposition, what then could be the role of public policy and, within that, social policy? What contribution can public policy make towards ensuring that individuals and communities have access to, and enjoy, these sources of wellbeing — and how could it do that? Why does the government have any role to play at all towards helping enhance wellbeing on a sustained basis? After all, individuals — partly through voluntary cooperation and exchanges with others — can and do invest in their own economic and human capital and make all sorts of arrangements to manage associated risks (partly through the purchase of insurance contracts), to sustain their own and their families’ wellbeing into the future. They also voluntarily form communities and associations to create the collective goods and services they value.

You will note at the bottom of Figure 1.1 a set of four capitals: natural, social (including cultural), human and economic (including financial). They are described as ‘resources for/ indicators of future wellbeing’. Public policy can help improve wellbeing, at present and into the future, by investing in these capital stocks, taking into account their interdependencies. By way of example, public investment in hospitals and schools contributes to potential economic growth through the enhancement of human resilience. Of course, good health and higher education also contribute to wellbeing directly. Similarly, investing in broadband and making it available across the country is a way of contributing to potential economic growth by enhancing economic capital; it also contributes to social cohesion by enhancing social capital.

On this broad canvas of public policy, the specific domain of social policy is to appropriately expand both *human capital* and *social capital* in order to strengthen social cohesion,

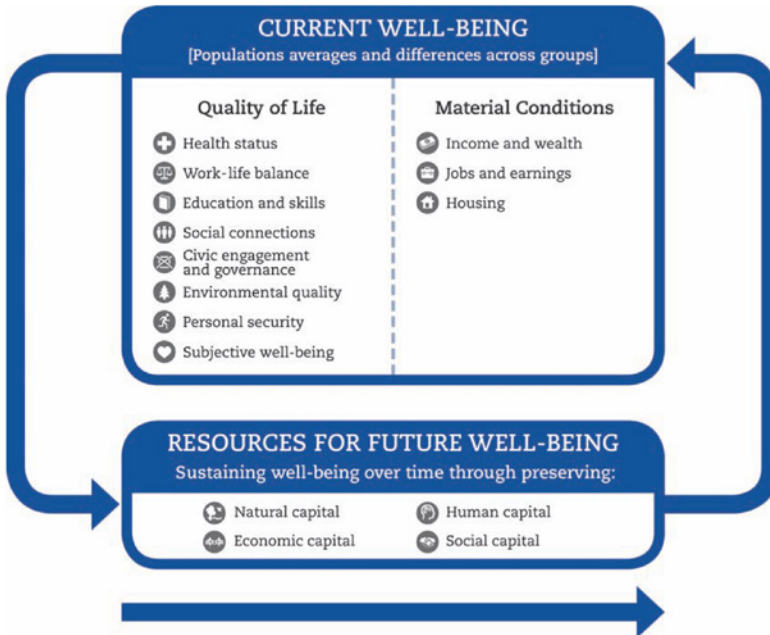
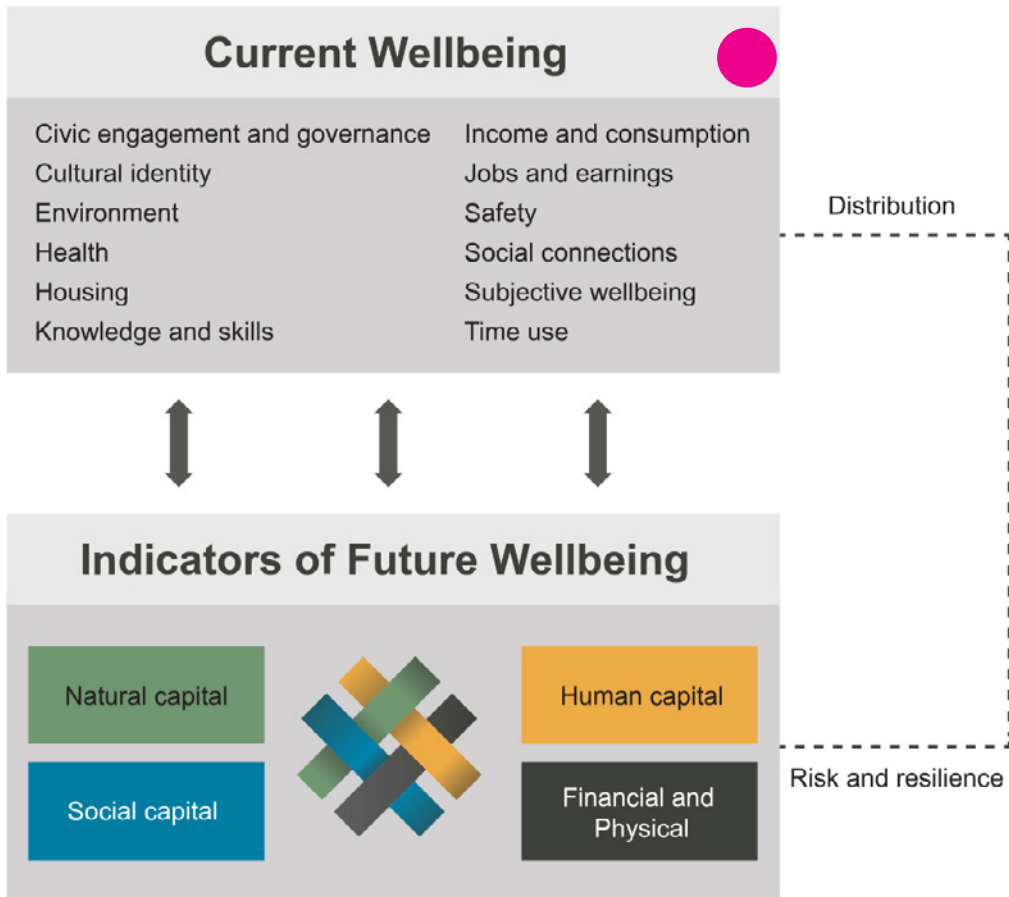


Figure 1.1: OECD and New Zealand Treasury Better Life Indicators.



Figure 1.2: Maslow's hierarchy of needs.

equity, personal freedoms and political voice. As it happens, stronger social capital is also beneficial for potential economic growth; just as increased equity, through lower poverty, is a contributor to higher environmental quality. Thus, a public investment strategy focused on intergenerational wellbeing would aim to exploit the complementarities and interdependencies between these various capital stocks as sources of wellbeing.

While individuals and communities do their best to improve their own wellbeing, as well as that of their communities, they would have neither the incentives nor the resources to undertake investments at a scale to maximise the wider social benefits of these investments. Thus, the objectives of public policy can best be achieved by adopting an integrated environmental, social and economic policy framework. Just as the economy is embedded in society, society itself is embedded in the natural environment.

A wellbeing-focused public policy cannot create and deliver desirable environmental, social and economic outcomes without the active involvement of affected 'stakeholders'. The substantive involvements of interested individuals and communities in the definition of desired outcomes, as well as in the design, implementation and evaluation of public policies aimed at delivering those outcomes, are critical, and later chapters explore the ways in which New Zealand's institutions facilitate policy dialogue between state and non-state actors from local to global levels.

We can assess whether we are pursuing and achieving good policy objectives through four (complementary) mechanisms. First, by establishing whether more resources are being made available to support better lives — say, more funding for housing. Second, by assessing whether these resources are being converted into higher capabilities and opportunities for a better life — say, better (quantity and quality of) housing. Third, and as a complementary step to the first two, by simply asking people, through various survey-based assessments of subjective wellbeing, whether their lives are improving or not. As a subset of, and complement to, the third mechanism, we can also specifically target the most disadvantaged people in the population and ask them whether their lives are improving. Where intergenerational wellbeing is the objective of public policy, there needs to be a fourth assessment specifically targeted at evaluating whether public policy is creating the platform for *sustainable* wellbeing.



## Four levels of social analysis

As the 2009 Nobel Prize winner in economics, Oliver E. Williamson (2000), explains, social analysis can be undertaken at four levels, as illustrated by Figure 1.3. “The solid arrows that connect a higher with a lower level signify that the higher level imposes constraints on the level immediately below. The reverse arrows that connect lower with higher levels are dashed and signal feedback’ (p. 596).

Level 1, ‘social embeddedness’, is where the cultures, history, values, norms, mores, traditions, religious beliefs, etc., of societies are located. These cast a long shadow on everything that is implemented in the wider domains of social policy; they provide ‘informal constraints’ on such policy decisions. They evolve very slowly, over centuries and even millennia. They cannot be influenced by deliberative policy choices; they are therefore taken as given in the design, implementation and evaluation of public policies.

Level 2, notes Williamson, ‘is referred to as the institutional environment. The structures observed here are partly the product of evolutionary processes, but design opportunities are also posed. Going beyond the “informal constraints (sanctions, taboos, customs, traditions, and codes of conduct)” of a Level 1 kind, we now introduce “formal rules (constitutions, laws, property rights)” . . . This opens up the opportunity [to] . . . get the formal rules of the game right.

‘Constrained by the shadow of the past, the design instruments at Level 2 include the executive, legislative, judicial, and bureaucratic functions of government as well as the

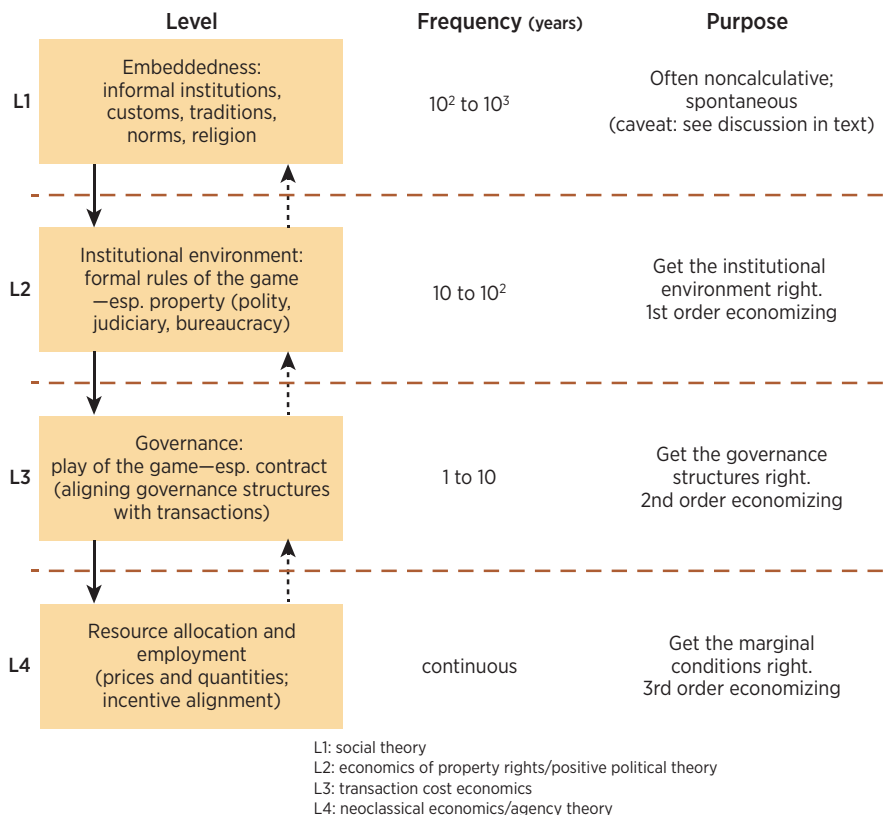


Figure 1.3: The four levels of social analysis. Source: Williamson (2000).

distribution of powers across different levels of government (federalism). The definition and enforcement of property rights and of contract laws are important features' (p. 598).

Level 2 changes are typically triggered by cumulative pressures, which open up windows for policy interventions towards initiating change. The economic and social reforms of the 1980s in New Zealand are an example — triggered by an emerging economic and financial crisis facing the country.

Level 3 is 'where the institutions of governance are located' (p. 599). Governance arrangements provide vehicles for crafting order, towards mitigating conflict and realising mutual gains.

Level 4 is where operational policy analysis takes place. It asks what kinds of interventions, legal, regulatory, incentives, punishments, etc., are required to generate the types of outcomes we are looking for — such as, for example, closing pay gaps between genders.

The chapters in this book will provide analyses at all four levels, often all present in one chapter. Thus, parts 1 ('From Political Theory to the Practice of Government') and 2 ('The New Zealand Landscape') of the book focus on New Zealand's historical and cultural settings, for social policy. Not surprisingly, the history, cultures, values and institutions of immigrants from Britain, and the evolution of all these traits and dimensions as they interacted with Māori, dominate the New Zealand narrative.

In "Social laboratory": Myth or narrative?, Colin James (2020) frames the evolution of social policy in New Zealand in terms of dominant *trigger points* and *tensions*. Among the main trigger points is the evolution of the 'social contract' between the state and the citizens (i.e., the wider duties of the state to the citizens, beyond protecting them from foreign invasion and domestic crime). A second is willingness to innovate in response to demands for fairness and opportunity for the citizenry. A third has been practical responses to emerging social issues such as unemployment. A fourth is the role of political ideology. A fifth is the influence of pressure groups, such as the feminist movement. A sixth trigger point highlighted by James is fiscal constraints, which underpinned the innovation referred to as 'social investment' (see Chapter 10 in this book).

Running through these triggers and guides have been four tensions: between targeting social programmes to specific, usually low-income, people and making them universal; between self-provision of sustenance and services and state provision; between whether something should be done by the central government or local councils and/or not-for-profits; and between practicality and theory'. (p. 28)

Part 3 of this book, 'Policy Design and Implementation', provides an overlap of levels 2 and 3 types of social policy analysis, in the context of Figure 1.3 above. It is about institutional settings and instrument choices for the design and implementation of social policy in New Zealand. Part 4, 'Key Policy Domains', is all level 4 analysis in terms of Figure 1.3. It identifies key areas of concern and focus for social policy in New Zealand, identifies the historic context for each, and explains how the tools of social policy, explained in Part 3, are applied in each case, and to what effect.



## Evolution of social policy — an historical perspective

Social policy has evolved over time under diverse governments. The story of the evolution of social policy, conceptualised as deliberate collective action towards improving the human condition, can be told in terms of the following six parameters: purpose, scope, funding, conditionality, delivery mechanisms and ideology.

### Purpose

Broadly speaking, social policy aims to improve people's lives. 'The study of social policy,' note Cheyne et al. (2008), 'is concerned with the ways in which wellbeing is influenced by the distribution of opportunities and resources available in society' (p. 1). The most fundamental way to do so is to lift people out of material poverty, which is broadly defined as lack of access to what they need or value.

As noted in Figures 1.1 and 1.2, these needs or valued dimensions of life could be wide-ranging. A distinct aim of social policy is to improve the opportunities for people to live better lives. This could be achieved through better access to education, health services, employment, housing and so on. It also involves removing inequities regarding such access, say across genders, ethnicities or age groups. While the imperative of looking after the poor goes back 3000 years and is a common theme across humanity, welfarism is a much more modern concept: it is 'a response of the liberal state to modernising industrial capitalist economies' (Cadogan 2013, p. 2).

### Scope

The term 'social policy' need not limit our attention to sectors such as health, education and welfare. Rather, it is a lens through which the wellbeing of society is examined — including the interaction of environmental, social and economic influences on wellbeing — regardless of sector. As noted by Cheyne et al. (2008),

Social policy as a discipline is . . . not limited to considering the actions of the state in relation to such areas as housing, social security, health, education, and social services. It also includes areas as diverse as transport, employment, environmental policy, regional government, and recreation. Policy analysis is also keenly interested in how the market affects the distribution of goods and resources and in the interactions and transactions that emanate from the voluntary or non-government sector. (p. 3)

Hill and Bramley (1986) list public policies and services that most would agree are within the scope of social policy: (1) social security (income maintenance, pensions, national insurance benefits, etc.); (2) health services; (3) welfare or personal social services, followed by education and housing. They then proceed to topics about which 'there would be less and less unanimity on whether the policy or service in question was "social"' (p. 4), such as 'policies on job training and information, recreation, town planning or public transport'.

Social policy thus includes those aspects of finance, transport, communications and investment which affect the security and prosperity of people at all levels. The focus could be local communities, or national, or global. In this book, we focus on people living in New Zealand, and the wellbeing that results from the interaction of individuals, government and society. The question of scope also relates to boundaries — where do we draw the line? Where

do individual and family responsibility end and collective (state) responsibility start? Which of the items in Figures 1.1 and 1.2 are to be delivered by the state, and collectively funded, and which are strictly the business and responsibility of individuals and families? Clearly history, culture and social values (i.e., the level 1 items in Figure 1.3) play a defining role in specifying these boundaries.

### **Funding**

A key question is how this collective action is to be funded. The most obvious funding mechanism is 'pay as you go'. The state collects revenues through taxes (on income, wealth and/or expenditure) and uses these to fund activities that deliver social policy. A second (possibly complementary) funding method would be through social insurance. Via 'save as you go', the state invests the savings towards accumulating a pool of funds, on which it can draw as needed to finance activities that deliver social policy. A third option would be to borrow and spend. Of course, someone will eventually have to repay the borrowed funds plus interest — and that repayment has to be funded as well. Although we will not go into detail here, it is important to note that the choices between these funding mechanisms have equity (distributional), including intergenerational equity, implications. They also have economic efficiency consequences. For these reasons, they are intensely political decisions.

### **Conditionality**

To whom should the state provide support? Should such provision be universal (i.e., provided to everyone irrespective of circumstances) or conditional (say, on the recipients' income or health or age or gender or ethnicity or health situation)? Again, history, culture and social values will play a role in this decision. The degree and extent of the conditionality of social policy shifts with the evolution of society. Social policy concerns more than 'welfare'. It involves making appropriate adjustments between state, society, the market, and the natural environment that provides the context for their interaction. These adjustments differ depending on whether society is predominantly industrial or agricultural, and they change with the rising expectations of increasingly educated populations.

### **Delivery mechanisms**

Suppose we (in New Zealand) decide that everyone should have access to basic education, health services and housing. Should the state provide these directly, by owning and operating schools, hospitals and health centres, and houses — or should it simply enable such access through ensuring everyone has adequate income to pay for all these services and facilities? Is the focus on entitlement (provision) or enablement? Clearly, history, culture and social values will play a critical role in answering these questions as well.

### **Ideology**

Underpinning all the decision categories identified above are the ideologies to which the decision-makers (i.e., governments) ascribe. Governments are informed and influenced by the advice they receive from public servants, by the political philosophies of their parties, of course by the preferences of their constituents, and by the ideas that are dominant at the time. As the economist John Maynard Keynes (1935) put it:

The ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed, the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back. I am sure that the power of vested interests is vastly exaggerated compared with the gradual encroachment of ideas.

We can summarise the evolution of social policy in the industrialised economies of Europe (including the Scandinavian countries), the USA, the UK, Canada, and Australia and New Zealand, using the parameters above as a prism. When we do that, using a broad-brush sweeping statement, we could describe the evolution of social policy since the end of the nineteenth century as follows (Boston 2019; Cadogan 2013):

FROM being 'pay as you go'- to being 'say as you go'-funded.

FROM being primarily focused on helping the poor and needy, TO adopting a widening welfare state role, TOWARDS adopting an enabling role.

FROM individual responsibility, TO broader state responsibility, back TOWARDS individual and family responsibility.

FROM being universal, TO becoming conditional (means-tested).

FROM the state being a provider, TO becoming an enabler.

FROM an ideology of welfarism, TO a wellbeing (social investment) focus.

Narrowing this broad narrative to New Zealand, to help identify the culture and values that have underpinned the evolution of social policy, the dominant themes have been a strong emphasis on fairness and opportunity, delivered primarily through historical land ownership and employment, and an increasing focus on making biculturalism work.

Cadogan (2013) provides a useful summary that enables us to expand on the preceding broad-brush narrative.

The basic regime changes in welfare can be briefly described as follows. The *laissez-faire* liberal state can be identified as existing from its 1770s inceptions until the 1870s before another paradigm began to modify it, that of the *dirigiste* liberal state, which sought to 'correct' capitalism, through regulatory instruments, and by establishing Government-Owned Companies (GOCs) and State-Owned Enterprises (SOEs). The main period of this post-classical liberalism in setting up the 'enterprise state' and social provision state lay between the 1870s and the 1910s in countries ranging from the United Kingdom to New Zealand, Germany, Austro-Hungary, United States state governments and Italy. (p. 3)

Gradually,

[t]hose 19th century reactions to the Industrial Revolution were transformed into the mid-20th century welfare state. The brutal Poor Laws system became the late Victorian and Edwardian pension or social insurance state, which in turn became the mid-20th

century welfare state. . . . The ‘Golden Age of Welfare’ in the 1960s and 1970s was brief, barely a high-latitude summer. That summer was overtaken by the sudden onslaught of an autumn of de-industrialisation and has now been succeeded by a long winter of hollowing out as the domestic economies and the societies of nation states are restructured in the wake of computerisation and the export of manufacturing sectors to the cheaper labour markets of developing nations (pp. 2–3).

The welfare state, notes Cadogan, ‘came under review from the late 1970s in all OECD polities’. ‘The 1970s oil shock crises precipitated a profound review of the mixed economy state that brought about the emancipation of capital and of the markets that we know as neoliberalism. Prometheus was unbound.’

The welfare systems [were] made to do what they were arguably not set up to do: to provide long-term living standards support for large, unproductive sectors of the population and to subsidise the active economy. Instead of providing social safety nets to support the poor, the disabled and dependent, welfare states [were] converted into routine and universalised mechanisms of domestic economics. As infrastructure, they [became] the support systems for normal capitalist production. The result has been competition for welfare resources between the poor and working poor and the middle classes. [In New Zealand] [t]he elderly are invested with reverence and absolute entitlement to basic New Zealand Superannuation, without any means-testing. The outright poor and unemployed and single mothers have been in constant hazard of stigmatisation. (p. 3)

Then came ‘responsibilisation’:

A marked shift has also occurred from the more utopian and therapeutic and ‘social engineering’ aspirations of the mid-20th century towards the new governance and regulation of ‘responsibilisation’. Although a prolonged crisis has beset welfare provision in OECD nations since the financial crisis of 2008, the turn towards responsibilisation is much older, dating from around 1990. The quiet consolidation of the new welfare paradigm early last decade has become a victory parade in the current environment. The sustainability and morality of publicly supported welfare systems are being debated pro and con at an intensity never experienced before. Opinion polls arguably show the greatest scepticism of welfare and antipathy to welfare recipients since the welfare state commenced. (pp. 3–4)

In the instance of New Zealand, Upton (1987) argued in favour of the ‘withering of the state’, in order not only to limit the cost and size of government, but also to expand ‘individual responsibility for decisions and actions’ (p. 102).

## **The recent past**

Following the 2017 general election and faced with the realities depicted in Table 1.1, the Ardern government experimented with what can be described as a ‘wellbeing approach to social

policy'. It set its priorities using the Treasury's Living Standards Framework (LSF), evidence from sector-based experts and the government's science advisors, and collaboration among public sector agencies and ministers. These priorities included: (1) creating opportunities for productive businesses, regions, iwi and others to transition to a sustainable and low-emissions economy; (2) supporting a thriving nation in the digital age through innovation and social and economic opportunities; (3) lifting Māori and Pacific incomes, skills and opportunities; (4) reducing child poverty and improving child wellbeing, including addressing family violence; and (5) supporting mental wellbeing for all New Zealanders, with a special focus on under-24-year-olds. The government sought to achieve these outcomes by investing in the various types of capital depicted at the bottom of Figure 1.1 — a version of the 'social investment approach' developed and adopted by the previous Key/English government.

<b>Taking mental health seriously</b>	<b>Improving child wellbeing</b>	<b>Supporting Māori and Pasifika aspirations</b>	<b>Building a productive nation</b>	<b>Transforming the economy</b>
<b>Mental health</b> — in any year, one in five New Zealanders will have a diagnosable mental illness, with three-quarters of cases starting by the age of 25	<b>Material hardship</b> — around 150,000 children in New Zealand live in households experiencing material hardship	<b>Living standards</b> — Māori and Pacific people rank low in most measures of wellbeing relative to the rest of the population	<b>R&amp;D expenditure</b> — New Zealand has low research and development expenditure relative to OECD countries	<b>Greenhouse gas emissions</b> — New Zealand has one of the highest per capita rates of GHG emissions in the OECD
<b>Suicide rates</b> — New Zealand's suicide rate for young people is amongst the worst in the OECD	<b>Health outcomes</b> — 41,000 children are hospitalised each year for conditions associated with deprivation	<b>Income level disparities</b> — Māori and Pacific people have lower income levels, on average, than other groups	<b>Future of work automation</b> — 21% of current workforce tasks may be automated by 2030	<b>Quality of waterways</b> — waterways in our farming areas have markedly higher pollution than in catchments dominated by native vegetation
<b>Homelessness</b> — one in 100 New Zealanders are homeless, based on the 2013 census	<b>Family violence</b> — New Zealand has high rates of family violence	<b>Educational attainment</b> — Māori and Pacific people are less likely to attain higher educational qualifications than other groups	<b>Productivity</b> — New Zealand's productivity is low relative to other OECD countries	<b>Soil erosion</b> — annual soil erosion of 720 tonnes per sq km is reducing our land's productivity and harming aquatic ecosystems
<b>Young people in employment</b> — 12% of young people aged 15–24 are not in education, employment or training	<b>Crowded housing</b> — over 40% of Pacific children and roughly 25% of Māori children live in crowded homes	<b>Disparities in health status</b> — Māori and Pacific people are less likely to report good, very good or excellent health than other groups	<b>Incomes</b> — New Zealand's incomes are in the bottom half of the OECD as measured by capita GDP	<b>Waste</b> — New Zealand's level of waste per capita has increased substantially since 2013

**Table 1.1: Social, economic, and environmental trends in New Zealand. Source: New Zealand Government (2019).**

At the beginning of 2020, when the Ardern government was anticipating positive outcomes from its first ‘wellbeing budget’, and both government and opposition began strategising for a general election later in the year, the first wave of the global Covid-19 pandemic reached New Zealand. The ensuing lockdown measures brought a temporary halt to political partisanship, as government and citizens alike sought to comprehend the gravity of the situation and take the most effective courses of action. The pandemic could have proven disastrous, had swift action not been taken to mitigate its impact. Once the Covid-19 virus and its immediate (short-term) impacts are contained, the focus of public policy will again shift to longer-term economic, environmental and social issues faced by New Zealand.

In the wake of the pandemic and its economic and social consequences we are now, as a country, at a turning point. There is a growing realisation that, while extremely sad and unfortunate, Covid-19 has created the opportunity to reimagine New Zealand. This opportunity has been created by the convergence of very disparate interests (business, community, NGOs, different age groups as well as ethnicities) who all now agree that the realities presented in Table 1.1 are unacceptable, and they are the consequences of wrong-headed policies — including social policies. The contributions to this book provide an historic, philosophical and analytical platform from which the strategies to achieve a reimagined New Zealand can be launched.

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