Children and poverty: moving beyond rhetoric

Now life seems as tricky as holding a hedgehogs with your bare hands.

There's plenty to go around why not share.

I'm too young to learn life's hard lessons.
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Editorial: Child poverty

By Dr Jo Cribb, Deputy Children’s Commissioner

Poverty. It is a word we have heard a lot in the last few months. We have seen the human faces of poverty on our TV screens and read the frightening statistics in our newspapers. Those faces and those numbers are disproportionately children. Because sadly, poverty disproportionately impacts on children.

While it is promising that child poverty created so much debate in the lead up to the election – that debate can not be left to die. Just because the rosettes and ballot boxes are back in storage, it doesn’t mean poverty should be too.

Poverty gets right to the core of political debate and ideology, about the role of the state, about the economy, about social spending. It is an emotive subject that can get right to the core of our personal beliefs. This is cold comfort for the children who will not have dinner tonight and will sleep in an unhealthy house because we have no enduring consensus on the way forward.

Poverty is a complex issue about sources and level of household income, decisions about what income is spent on, cost of essentials, levels and quality of service, transport, infrastructure, family support, assets and debt levels. It is a complex picture about the state of the economy and labour market, as well as what happens in communities and within individual families and whanau. There will not be an easy answer. Answers will be even more difficult given the state of our nation’s finances.

But we have to find a way forward. A pragmatic way forward. And that will have to include a level of consensus amongst the nation’s leaders. Chopping and changing policies and working in a piecemeal way does not serve our children well.

The aim of this edition of Children is to present the statistics and research evidence about child poverty, and discuss some of the challenges and opportunities for making progress with the issue. It is also to clearly signal that children growing up in poverty will be a focus of the work of the Children’s Commissioner and our Office over the next few years.

Bryan Perry, a Principal Advisor at the Ministry of Social Development, outlines the available statistics and trends on child poverty and hardship as well as discussing the limitations and challenges in measuring and comparing poverty data. Associate Professor Manuka Henare presents a Maori perspective on poverty and challenges us on how to think about poverty and wealth. Professor Fergusson outlines his findings from his 30 year longitudinal study about the impact of growing up in poverty in New Zealand. David Grimmond, an economist, discusses the impact on us all of children growing up in poverty – in terms of the cost to society and impact on our economy of children growing up in poverty.

We can not forget that behind the statistics and trends and evidence – poverty has a child’s face. Children’s views on poverty are presented by Michelle Egan-Bitran from our Office. Nikki Taylor, from the Anglican Family Care Centre, tells us about the impact of poverty on the children that she and her team work with, as does Darryl Evans from Budget Services Mangere.

There are many challenges, as well as opportunities, facing us as we look for a pragmatic, long-term consensus about how we improve circumstances for children growing up in poverty. David Preston presents an historical account of the current tax and welfare system which shows how it has grown in an unplanned and incremental way and is not well placed to meet the needs of 21st century children and their families. Other jurisdictions have implemented a wide range of measures to address children growing up in poverty with varying degrees of success – as described by Robert Stephens in this edition. We can learn from these successes and failures. Just as we can learn from the successful programmes Post-settlement Te Runanga o Ngai Tahu have put in place to build wealth and capacity amongst their people, as Fiona McLeod outlines.

Rod Oram concludes this edition by helping us frame a way forward. And we have to find a way forward. A pragmatic, enduring consensus. We owe it to our children.

Nā tō rourou, nā tuku rourou, ka ora ai te īwi
With your food basket and my food basket, the people will thrive
By Audrey Barber, General Manager, Office of the Children’s Commissioner

Highlights

Dr Russell Wills and Dr Jo Cribb have been working on the strategy for the Office for the next 4½ years of this Term and have taken up speaking opportunities with Police, Child, Youth and Family, health and others.

A recent focus for the Office has been on leading discussions around the Green Paper on Vulnerable Children. The Commissioner, Deputy Commissioner and staff have presented and facilitated numerous meetings to encourage debate and submissions on this process. These have ranged from meetings with individuals to presentations and workshops to large audiences – like the Plunket conference and the North Shore Council of Social Services.

Dr Sarah Te One, Michelle Egan-Bitran and Rebecca Blaikie have been consulting with children and young people in schools and youth networks around the country, capturing their views to be packaged into a Green Paper submission to complement those coming from the Office and other agencies. Zoey Caldwell, Marlane Welsh-Sauni and Tom Ratima will be moving around all nine residences over the summer, to give the young people in custody an opportunity to have their say on the issues the Green Paper raises.

On 23 November, several Office staff attended the launch of UNICEF’s For Each and Every Child He Taonga Tonu te Tamariki at the children’s section of the Wellington Library. The Office is proud to be the principal sponsor of this remarkable book, describing children’s rights in English and Maori, beautifully illustrated by New Zealand artists. Two members of the Young Persons Reference Group spoke on behalf of the Office at the conclusion of the ceremony.

On 12/13 December the Young People’s Reference Group met in Wellington, joined by some visiting youth ambassadors from Te Wananga O Aotearoa for discussion – and some Christmas fun.

A farewell to Dr Nicola Atwool

After six years as the Office’s Principal Advisor on all matters relating to the child welfare sector, Dr Nicola Atwool decided to leave the Office at Christmas. Nicola is taking up an opportunity to return to the academic world, at the University of Otago, where she will take a position in the Department of Sociology, Gender and Social Work. We acknowledge the work Nicola has done to improve the wellbeing of children and young people in New Zealand/Aotearoa. We know her shoes will be difficult to fill and we send her off with our thanks and best wishes.

Spotlight on the monitoring team

The Office has a wide mandate, set out in the Children’s Commissioner’s Act 2003, to advocate for the best interests of children and young people. An important specific role is to monitor, assess and report on the services delivered by agencies exercising any function or power conferred by the Children, Young Persons
and Their Families Act 1989. The services are primarily concerned with responding to child abuse, neglect and offending by children and young people and the Office focuses on the policies, services and practices of Child, Youth and Family. While the operationalisation of this monitoring responsibility is not spelt out in the Act, the Office and Child, Youth and Family have agreed on a monitoring framework that details how that monitoring will be carried out, how feedback will be given and suggested improvements made.

We monitor Child, Youth and Family by:

- considering complaints about services to individual cases from Child, Youth and Family, received by our Child Rights Line advisor (On 0800 224453, Press 1, available 8.30-5pm Mon-Fri)
- receiving and analysing Child, Youth and Family policy and procedure documentation
- meeting with key stakeholders at a national and local level
- visiting 8-10 Child, Youth and Family sites every year and all of the nine residences
- analysing information obtained as part of site and residence visits, including case samples and management information
- considering social work reports sent to the Commissioner pursuant to section 47 (CYPF Act 1989)
- considering reports into the deaths of children and young people, by homicide or suicide, known to Child, Youth and Family in the 12 months prior to their deaths
- receiving and analysing Care and Protection Resource Panel annual reports and Grievance Panel quarterly reports.

Introducing the monitoring team members

Zoey Caldwell, born in the USA, but raised in New Zealand; Zoey is a qualified social worker who spent most of her front line practice as a youth justice social worker in the UK and New Zealand. When Zoey joined the Office, in 2009, she brought with her an advanced knowledge of youth justice systems and a passion for making a difference for young people. Zoey takes particular responsibility for monitoring youth justice services at Child, Youth and Family sites and for visiting every residence at least once every year.

During visits to youth justice sites, Zoey’s focus is on improving outcomes for young people who have offended. Zoey is committed to ensuring that youth justice teams actively support the young people they work with, the development and professionalism of their staff and show a strong commitment to working collaboratively across the local youth justice sector.

Zoey enjoys the time she is able to spend directly talking with young people both during site and residence visits, listening to their stories about what has helped or hindered their development; and working with the agencies supporting them, to make positive changes to their practice.

Zoey recognises that she can’t do this work alone and looks forward to meeting with young people and youth justice stakeholders during her travels to hear your stories about how youth justice services can be delivered in order to achieve the best possible outcomes for young people.

Zoey raises her 16 year old step-daughter with her partner.
Marlane Welsh-Sauni, Ngati Whaatua – Ngati Porou, joined the Office in 2010. Marlane has had a varied career in the social sector spanning front line social work, management, public education and community engagement. Over the last decade, Marlane has worked for Child, Youth and Family, the Alcohol Advisory Council (ALAC) and in the private sector.

Marlane’s passion is in creating opportunities for positive changes that improve the lives of children, young people and their families. This passion is evident in her evaluative and developmental approach to her monitoring role and fits a strengths based framework.

During visits to Child, Youth and Family sites, Marlane takes a focus on children in care and the policies and practices of Child, Youth and Family as they relate to quality service provision for this group. To assist this work, Marlane meets with Child, Youth and Family social workers, community providers of care services, caregivers, and children in care, in order to listen to their stories, experiences and perceptions of how well care services meet the needs of children and how they may be improved.

“Working for the Children’s Commissioner is a highlight of my career – it is a wonderful opportunity to improve the well being of children and to support the people who are out there every day toiling for the same endeavor”

Marlane is married to Pale Sauni and together they care for her dad and his dog NATI. Marlane has two adult daughters and a step-daughter.

Tom Ratima, Ngati Kahungunu ki Heretaunga; Te Whatu i Apiti; Rongowhakaata; Te Aitanga a Mahaki; is the newest member of the team, having joined the Office earlier this year. Tom has practiced as a statutory social worker since 1989. He has a Diploma in Social Sciences and Certificate in Community and Social Work Practice, both from Massey University. Tom is a registered social worker and an ANZASW member. In 2010, Tom graduated from Te Aratiatia, the Ministry of Social Development leadership programme.

Tom sees his work at the Office of the Children’s Commissioner as being defined by the following whakatauki:

- Hei whakariterite mo te tau kotahi, whakatokia he mara raihi
  To plan for a year, sow a rice paddy field
- Hei whakariterite mo te ngahuru tau, whakatokia he rakau
  To plan for a decade, plant trees
- Hei whakariterite mo nga rau kei tua, poipoia nga tamariki
  To plan for a future, nurture children

Tom takes a special interest in monitoring the front end of statutory social work – intake, differential response, investigation and assessment and decision-making around appropriate intervention.

Tom is married with seven children and 19 mokopuna.
**Children’s Day**

Children’s Day – Te Rā O Te Tamariki – is held on the first Sunday of March each year. It provides an opportunity to share time and have fun with our children. Mums, Dads, aunties, uncles, grandparents, caregivers all join in to give ‘love and affection’ to their young people. Love and affection is the theme for next year’s celebration, because that is what celebrating children is all about. This is a fantastic opportunity for us all to give extra special hugs and love to the children in our lives when we celebrate the 12th National Children’s Day on Sunday 4 March in 2012.

The inaugural Children’s Day was held on Sunday 29 October 2000, after the idea was initially suggested by the first Children’s Commissioner, Dr Ian Hassall, in 1991. His suggestion was developed and progressed by the Rotary Club of Wellington. The following Children’s Commissioner, Laurie O’Reilly, mooted the idea to Government with the third Children’s Commissioner and former Minister of Youth Affairs, Roger McClay taking it to implementation. He endorsed the concept along with several other Ministers, and Children’s Day was born. In 2007 it was changed from October to March in keeping with the Aotearoa/New Zealand summer. Each year it has grown in popularity and in 2011, 500 public and private events were held throughout the country. The beauty of Children’s Day events is that they are free. They are fun and offer exciting activities for children and adults alike.

Last year there were many exciting events to choose from, including the one that the Office of the Children’s Commissioner was involved with in partnership with other members of the Children’s Day National Steering Group and Child, Youth and Family. It was held at Capital E and Civic Square in Wellington and run by about 30 volunteers overseeing activities which included face painting, art activities and making hacky sacks. There were performances by The Flukes ukuele group, a Zumba class, a tug-o-war with Hurricanes’ players Victor Vito and Cory Jane and a very popular appearance by the WotWots. There was also a special performance from the Youth Performance, a children’s dance troupe and a demonstration by a Police dog. Our Children’s Day patron Lady Susan Satyanand attended the event and read stories to children with books provided by Wellington based publishing house, Gecko Press and the Wellington Library. There was also a yummy sausage sizzle and delicious fruit available. About 1,000 people attended this event. All at no charge to those attending.

Communities can organise their own activities. These events can be as small or as large as you wish – the Toddlers Day Out in Waitakere had about 11,000 people attend and some activities had only two or three houses in the neighbourhood involved. So begin thinking what you might want to do for Children’s Day next year. If you are planning to hold an event you can register it on the Children’s Day website where you can also access free resources [http://www.childrensday.org.nz](http://www.childrensday.org.nz). Children’s Day has a facebook page – this link will take you to it, feel free to add your comments, [http://www.facebook.com/childrensdaynz](http://www.facebook.com/childrensdaynz)

If you are not planning to organise an activity but want to participate in one, you will be able to find the nearest event to your place on the website in January next year when groups begin to register their events.

Artwork by McFadyen Family
By Bryan Perry, Principal Advisor, Ministry of Social Development

Child poverty and child disadvantage more generally now feature prominently on the international political, research and statistical agendas for OECD and EU nations, and for the institutions themselves.

The impact on children of growing up in low-income families and in families experiencing significant material deprivation is not just about the here and now. There is good evidence that these circumstances contribute to reduced life chances later on in terms of educational, labour market, health and behavioural outcomes. This is not good for the children or for society as a whole. There is also a growing recognition that children are more significantly affected by not having their basic needs met than are older youth and adults.

This article is about how we currently measure and monitor poverty and hardship in New Zealand, and what we know about child poverty from national surveys. It opens with a section which discusses what is meant by ‘poverty’ in the richer nations, then draws on Ministry of Social Development (MSD) publications on measuring poverty, hardship and material living standards, including international comparisons.

The data sources are Statistics New Zealand’s Household Economic Survey (HES) and the Ministry of Social Development’s 2008 Living Standards Survey (LSS).

Poverty and hardship in richer nations?

When talking about poverty or material hardship in the more economically developed countries (MEDCs) like New Zealand, people are usually referring to relative disadvantage. This means that, in comparison to others in the population, a person has a day-to-day standard of living or access to resources that falls below a minimum acceptable community standard. In contrast, ‘absolute’ poverty usually refers to very basic minimal needs, such as the clean water, food, shelter, clothing and sanitation which a person requires just to survive.

The absolute/relative distinction is a useful one as a starting point for understanding the difference between what is meant by poverty in MEDCs in the 21st century compared with ‘third world’ poverty and with the deprivations experienced by our forebears in past centuries. It is not however a completely clear-cut distinction. Even the relative disadvantage notion has an ‘absolute core’: while there is usually clean running water and good sanitation for children in MEDCs, there are some children in each country whose nutrition, housing, clothing and other basic needs are not adequately met. For these children, and for others whose very basic needs may be minimally met, the household resources are so limited as to also severely restrict the children’s ability to participate in the normal activities that the vast majority of other children enjoy and which are important for their healthy development.

The high-level definition of poverty that has come to be broadly accepted across the EU and OECD nations is an explicitly relative one that includes both input and outcome elements. Poverty is understood in the MEDCs as exclusion from the minimum acceptable way of life in one’s own society because of inadequate resources. The ‘minimum acceptable way of life’ refers to material living standards (the things that money can buy), rather than the broader notion of quality of life.

In practice, household income is usually used as the measure of resources, while material living standards are measured using more direct information about what households have and do (non-income measures).

Clearly there are judgment calls to be made about what ‘inadequate’ income and ‘minimum acceptable’ living standards mean in practice. All income poverty and hardship measures, even official ones, are constructs requiring judgement calls on a range of matters. Some of these calls can at first sight appear to be just technical decisions but which in fact reflect or imply underlying assumptions. There is no clear delineation between the poor and the non-poor that science can identify independent of judgement. This is not to say that any measure will do nor that all measures are equally suspect – some are clearly more defensible and reasonable than others. What is crucial in discussing poverty rates and
trends is to identify what measures are being used, to understand the conceptualisations of poverty or hardship that lie behind the different measures, and to be aware of the strengths and limitations that each measure has.

**Using household incomes to measure child poverty**

The income measure that is usually used for monitoring income poverty is total after-tax household income from all sources, adjusted for household size and composition (‘equivalised disposable household income’).

Household incomes can be either before or after deducting housing costs (BHC or AHC). AHC incomes are used for most of the findings in this article as this enables more realistic comparisons between households facing quite different housing costs (e.g., renters vs mortgage-free home owners).

A key decision is where to set a low-income threshold or poverty line. This article uses a 60 percent of median threshold as the main measure. This is in line with the official measure used by the EU, agreed to by all EU governments. It is the threshold that the UK uses for income poverty in the official suite of measures specified in their Child Poverty Act. It is supported by the findings of focus group research carried out by the New Zealand Poverty Measurement Project in the 1990s in which people from poorer households were asked to estimate how much they needed to ‘survive adequately with minimal participation’. These minimum budgets came out close to 60 percent of median household income.

This article also reports on trends and levels using a 50 percent of median threshold, the measure that the OECD generally uses in its publications. This is useful not only for comparing findings using a more stringent measure, but also for giving an indication of the ‘depth’ of poverty by comparing the 50 percent and 60 percent poverty rates. The closer the rates, the greater is the depth of poverty.

Once a low-income threshold or poverty line is set in a given year, a decision has to be made as to how to adjust that poverty line for use in the next survey. There are two common ways of doing this. They reflect two quite different notions of what the essence of income poverty is. Both are valid and both are needed to properly tell the poverty story.

The ‘moving-line’ or ‘relative’ approach sets the poverty line as a proportion of the median income from each survey (e.g., 60 percent of the median, as in the EU). This means that the poverty line changes in step with the incomes of those in the middle of the income distribution. On this approach the situation of a low-income household is considered to have improved only if its income gets closer to that of the median household, irrespective of whether its own income has increased or decreased in real terms (i.e., taking inflation into account). The moving-line approach can be understood as giving an indication of the degree of inequality in the lower half of the income distribution.

The ‘fixed-line’ approach sets a poverty line in a given year (the reference or anchor year), then updates it at each survey using the CPI (i.e., adjusts for inflation). The ‘fixed-line’ poverty line has the same value in real terms from survey to survey. On this approach a household’s situation is considered to have improved if its income rises in real terms, irrespective of whether its rising income takes it any closer to or further away from the middle or average household. The reference year has to be updated from time to time once the low-income standard set by the fixed line has moved too far from contemporary standards.

Changes in AHC poverty rates over time on a fixed-line measure occur when there are changes in incomes for low-income households (BHC), or changes in their housing costs. On a moving line measure, changes can in addition be driven simply by changes in median income.

**Figure 1** shows how median household income has tracked in New Zealand from the 1982 to the 2010 HES. The trend is shown in inflation-adjusted terms in $2010.

![Figure 1: Median household income ($2010), HES](image)
The figure shows the reference years that are used for the fixed-line measure in the Household Incomes Report and in this article (1985/1998 and 2007). Median household income was the same in 1998 as in 1985 despite some fluctuations in between. The same fixed-line measure has therefore been able to be used for a relatively long period (1982 to 2007). The continuing and significant growth in the median after 1998 means that fixed-line thresholds fell well below the corresponding moving-line thresholds, so the reference year had to be updated. Starting with the 2010 issue the Household Incomes Report has used 2007 instead of 1998 (1985) as the reference year.

**Findings using AHC income measures**

There are three main types of information about (child) poverty that can be reported based on national sample surveys: current levels, relativities between different groups, and trends over time.

The choice of low-income threshold or poverty line (e.g., 50 percent or 60 percent of median) has a significant impact on the reported current level of income poverty. It can impact on the reported relativities and trends too, but the impact is usually less marked.

**Figure 2** shows the changes in child poverty from the 1982 to 2010 surveys using three AHC measures. Although there are differences in some aspects of the trends, what is common for all three measures is that child poverty rates in the 2010 survey are significantly higher than in the 1980s, double on the relative measures.

Using the 60 percent of median constant value (CV) or fixed-line measure with 1998 (1985) as the reference year:

- child poverty rates rose very rapidly from around 12 percent in the late 1980s to 35 percent in 1994
- this rise was driven by rising unemployment, cuts in benefit rates, and rising accommodation costs
- the improving labour market helped reduce child poverty rates after 1994, and the income-related rents policy (2000) and Working for Families (WFF) from 2004 further reduced the rate to 16 percent in 2007

The high-level story is somewhat different when using the 60 percent of median relative measure. The main source of the differences is the fall and subsequent steady rise in the median from the late 1980s to 2010 (see Figure 2). These changes mean that the poverty line itself fell and rose in a similar way:

- as with the fixed line measure, the relative measure shows the rapid rise from the late 1980s to 1994, but the size of the change is smaller as the falling median lowered the poverty line and therefore the reported poverty rate on a relative measure
- similarly, the relative line does not reflect the impact of improving employment for low-income households with children from 1994 to 1998, as the median and therefore the poverty line was also rising
- from 2001 to 2007 the relative rate fell more slowly than the fixed-line rate as the median was rising rapidly, thus raising the poverty line for the relative measure each survey
- with the median continuing to rise from 2007 to 2009, and there being no significant policy changes impacting on the incomes of low-income households with children, the relative rate rose and the fixed-line rate remained steady
- in the 2010 survey, the child poverty rate using the 60 percent relative AHC measure was 26 percent, and 16 percent on the more stringent 50 percent measure.

The changes over time are just one part of the picture. Another important aspect is how child poverty rates compare with those for other age groups. Using the 60 percent fixed-line AHC measure, there is a clear age gradient: 0-17 years (22 percent), 18-24 (15 percent), 25-64 (13 percent), and 65+ (7 percent). For the
population overall the rate for 2010 was 14 percent. These differences by age are not new, though they are less marked in recent years than they were in the mid 1990s. The third set of findings show how child poverty is unevenly distributed according to children’s different family circumstances. Using the 60 percent fixed-line AHC measure:

→ for children living in sole-parent families, the poverty rate (53 percent) in 2010 was more than three times as high as that for children in couple families (16 percent)
→ for children in households where there was no full-time worker, the poverty rate (53 percent) was five times as high as for those where at least one adult was in full-time work (10 percent)
→ the poverty rate for children in couple families where one parent was working full-time and the other was not in paid employment (16 percent) was almost three times as high as where both parents were employed full-time (6 percent)
→ on average over 2007 to 2010, the poverty rate among Maori children was double the rate for European children (one in three compared with one in six)
→ children in larger families (3 or more children) have poverty rates around 50 percent higher than for those in smaller families (27 percent and 18 percent respectively).

When these poverty rates are combined with information about the number of children in the various sub-groups, we can get a picture of the makeup of the children-in-poverty group:

→ around 40 percent are from families with at least one full-time worker, down from 60 percent before WFF (the figures for Australia, the UK, Ireland and France lie within a similar range)
→ around half are from couple families and half from sole-parent families
→ just under half of poor children are of Maori or Pacific ethnicity.

Persistent poverty?

The picture we get from the information in the HES provides an understanding of the situation at a particular point in time only. Each survey looks at a different group of families. While living in a family with very low income for even one year is not what we would want for our children, it is the ongoing experience of low income year after year that is most likely to have lasting negative impacts for children. To more fully assess the low-income experiences of New Zealand children, we also need to follow the same children from year to year, to gain a longitudinal perspective as well.

From MSD data on benefit receipt, we know that around one in five children turning 15 in 2008 had been supported by a main benefit for a total of seven or more of their first 14 years of life. An estimated one in ten spent a total of 11 or more of their first 14 years supported by a main benefit. Given the high rate of income poverty and material hardship among beneficiary families, this is a good indication of high levels of poverty persistence or at least of recurring spells of poverty for a sizeable group of New Zealand children. For fuller information covering all children, the best source is Statistics New Zealand’s longitudinal Survey of Family, Income, and Employment (2003 to 2010). It is hoped that the relevant analysis of the income data will be published in 2012.

Using non-income measures

While households with higher incomes generally have higher living standards than those with lower incomes, other factors can also make a significant difference. Two households of the same size and composition with the same total current income can have quite different actual living standards. This can arise, for example, if one household has higher debt servicing, higher health-related or transport costs, more demand on the budget to purchase or upgrade common household appliances and furniture, significant financial commitments to others outside their own household, or lower total income over previous years, and so on.

One of the advantages of using non-income measures to assess the material wellbeing of households is that the combined impact of all these factors on a household’s actual day-to-day living standards is automatically incorporated and reflected in whatever index is used.

MSD has developed an index of material wellbeing using non-income measures: the Economic Living Standards Index (ELSI). ELSI uses information about basic things that people may have or do (eg good bed, warm winter coat, presents for friends and family, holiday away from home once a year), and on the extent to which the
household has to do things or refrain from doing things to make ends meet (eg put up with the cold to save on heating costs, continue to wear worn out shoes, cut back on hobbies or local trips, postpone a visit to the doctor). The index score also includes the respondent’s own rating of their living standards relative to others, and of the adequacy of their household income to meet outgoings on necessities such as food, accommodation, heating, clothing, and so on.

Households are ranked by their ELSI scores from low to high living standards, with the scores grouped into seven levels for convenience. Just as there are degrees of severity of income poverty, so there are degrees of severity of material hardship or deprivation. The hardship threshold is set at the top of Level 2. Households whose ELSI scores put them in the lower two levels report many enforced lacks of basics, and have very few of the non-basics the survey asked about. Many in Level 3 are struggling to make ends meet, but their average level of deprivation is much lower than for Levels 1 and 2. As shown below (Figure 2), the hardship rates using Levels 1-2 are very similar to those using the 60 percent AHC income measure.

Findings using non-income measures
Using the ELSI measure, the population hardship rate in 2008 was 13 percent, and for children 19 percent (see Figure 3). Most children were in households with good to very good living standards (top four levels), although, on average, households without children had higher living standards.

Figure 3: Living standards using ELSI scores, LSS 2008

Material hardship, like income poverty, is not evenly distributed across the child population. As Table 1 shows, the findings using the non-incomes approach paint a very similar picture to the one using AHC incomes.xii

Table 1: Hardship and poverty rates for children by selected family characteristics (percent)

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<th>Family Characteristic</th>
<th>Non-income measure</th>
<th>Income measure</th>
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<td></td>
<td>ELSI, Levels 1&amp;2</td>
<td>AHC 60% CV</td>
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<tr>
<td>Total population</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Older NZers (65+)</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Children (0-17)</td>
<td>19</td>
<td>22</td>
</tr>
<tr>
<td>Couple</td>
<td>11</td>
<td>16</td>
</tr>
<tr>
<td>Sole parent</td>
<td>39</td>
<td>42</td>
</tr>
<tr>
<td>Parent(s) in FT work</td>
<td>12</td>
<td>10</td>
</tr>
<tr>
<td>Parent(s) on a main benefit</td>
<td>53</td>
<td>59</td>
</tr>
<tr>
<td>Pakeha/European</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>Maori</td>
<td>32</td>
<td>33</td>
</tr>
<tr>
<td>Pacific</td>
<td>40</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>13</td>
<td>-</td>
</tr>
<tr>
<td>No formal qualification</td>
<td>43</td>
<td>50</td>
</tr>
<tr>
<td>School qualification only</td>
<td>24</td>
<td>27</td>
</tr>
<tr>
<td>Post-school non-degree</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Bachelor’s degree or higher</td>
<td>8</td>
<td>12</td>
</tr>
</tbody>
</table>

Note:
The income-based figures for ethnicity are an average over 2007 to 2010 in order to get sufficient sample numbers for reporting for Maori children. Sample sizes in the HES for Pacific and Other are too small to support robust child poverty reporting beyond the high-level finding noted earlier.

A closer look at the specific deprivations experienced by children in families with very low living standards

One of the strengths of the non-income approach is that it can give a real sense of the day-to-day experiences of restriction and deprivation for those identified as poor or in hardship. Table 2 provides a detailed picture of the day-to-day experiences of New Zealand children living in hardship.

The second row in Table 2 shows how children are distributed across the living standards spectrum (cf Figure 3 above). 19 percent are in the hardship levels (1-2). Two in three (67 percent) are in levels 4 to 7 which cover the ‘OK to high’ living standards zone and 14 percent are in the Level 3 ‘in-between’ zone.
The top half of the table shows the differing experiences of children in relation to 12 child items that most New Zealanders are likely to consider that all children should have. The lower half introduces wider family and community items that impact on the children.

The overwhelming impression is that life for those children identified as ‘in hardship’ on the ELSI measure, and especially for those among the most deprived 10 percent, is very different from that experienced by the vast majority of New Zealand children. All this well illustrates what it means in practice to be ‘excluded from the minimum acceptable way of life in one’s own society’.

There is more here though than just ‘relative disadvantage’. There is not just a gentle gradient across the whole spectrum, reflecting what most would consider to be ‘acceptable inequality’. There is severe lack for many in Levels 1 and 2, compared with those in Levels 4-7. Some of the lacks and deprivations are of such fundamental importance to child health and wellbeing that they would be part of an ‘absolute core’ that the wider population would consider that no child in an MEDC should be without.

The lower part of the table shows the considerable levels of financial strain and deep dissatisfaction with their own living standards that are reported by parents in families in the hardship levels (Levels 1-2). The negative impacts of these factors on parenting behaviour, adult mental health and relationship stability are well-established.

**International comparisons**

Using the OECD’s 50 percent of median income measure, New Zealand’s child poverty rate in 2009 (latest available comparisons) was 12 percent, putting New Zealand at the OECD median alongside Australia. Using the EU’s official 60 percent of median measure, New Zealand is again at the median with a child poverty rate of 20 percent.

It has become commonplace for the OECD, UNICEF and the EU to use such information to produce international league tables ranking countries by their child poverty rates. Such tables all too easily leave the impression that children in countries with lower child poverty rates are better off than their peers in countries with higher rates. The OECD and UNICEF also use these child poverty rankings as part of their overall assessments of child wellbeing.

In my view, the message given by the league tables is misleading, and their use in measures of child wellbeing is flawed. For example, the child poverty rate for Hungary on the OECD measure was 7 percent in 2009, considerably lower than the OECD median (12 percent) and ‘better’ than the Netherlands and Belgium (10 percent). This leaves the reader with the misleading impression that children in Hungary are better off than children in the Netherlands or Belgium. It is misleading because the poverty lines in both Belgium and the Netherlands are considerably higher than the income levels of middle-income households in Hungary. Unsurprisingly, in a 2010 survey asking about the difficulty citizens were having in living on their household’s income, Hungary posted a much higher rate (73 percent) than Belgium (16 percent) and the Netherlands (9 percent) for those responding with ‘difficult or very difficult’. In my view, international comparisons of child poverty using income measures need to come with an explicit health warning. They tell us only about relative inequality in the lower half of the income distribution, not about how the actual living conditions of children compare across countries.

A useful alternative is to use non-income measures to compare children’s circumstances across countries. Such comparisons require countries to collect the same data about actual living conditions, and until recently such data was available only in a few countries. In recent years the EU have been conducting an EU-wide Survey of Income and Living Conditions (EU-SILC) which among other things collects non-income measures. In 2008, the EU agreed on an 8 item deprivation index. MSD included the 8 items in its 2008 LSS and New Zealand can therefore be located within the EU spectrum. The key findings using the EU index are that:

→ the hardship rate for the whole New Zealand population was 13 percent, 18 percent for children and 3 percent for those aged 65+ – these are very similar to the findings using the ELSI measure

→ the NZ hardship rate for children (18 percent) was higher than the old EU countries like France (15 percent), the UK (15 percent), Ireland (14 percent) and Germany (13 percent), but lower than Greece (20 percent), Slovakia (32 percent) and Hungary (42 percent)

→ for New Zealand, the ratio of the hardship rate for children to that for the rest of the population was higher than that for all EU countries except the UK.
Table 2: Children’s deprivations of necessities, and other restrictions or stress points in their day-to-day lives, by their family’s ELSI score (Living Standards Level), LSS 2008

<table>
<thead>
<tr>
<th></th>
<th>ALL</th>
<th>HARDSHIP ZONE</th>
<th>SEE NOTE 1</th>
<th>OK TO HIGH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living standard level (1=low, 7=high)</td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Distribution of children across the levels (%)</td>
<td>100</td>
<td>10</td>
<td>10</td>
<td>14</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Enforced lacks of children’s items (%) – do not have because of the cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>warm winter clothes</td>
</tr>
<tr>
<td>two pair of good/sturdy shoes</td>
</tr>
<tr>
<td>waterproof coat</td>
</tr>
<tr>
<td>all school uniform items required by the school</td>
</tr>
<tr>
<td>separate bed</td>
</tr>
<tr>
<td>separate bedrooms for children of opposite sex (aged 10+)</td>
</tr>
<tr>
<td>friends to birthday party</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Economising ‘a lot’ on children’s items to keep down costs to enable other basic things to be paid for (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>continued with worn out shoes/clothes for the children</td>
</tr>
<tr>
<td>postponed child’s visit to doctor</td>
</tr>
<tr>
<td>unable to pay for school trip</td>
</tr>
<tr>
<td>went without music, dance, kapa haka, art, swimming, etc</td>
</tr>
<tr>
<td>involvement in sport had to be limited</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Multiple lacks of children’s items</th>
</tr>
</thead>
<tbody>
<tr>
<td>3+ of the 12 children’s items above</td>
</tr>
<tr>
<td>4+ of the 12 children’s items above</td>
</tr>
<tr>
<td>5+ of the 12 children’s items above</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Enforced lacks reported by respondent in child’s family (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>could not keep main rooms warm because of cost</td>
</tr>
<tr>
<td>cut back or did without fresh fruit and vegetables (‘a lot’)</td>
</tr>
<tr>
<td>postponed own visit to doctor (‘a lot’)</td>
</tr>
<tr>
<td>delayed repair or replacement of appliances (‘a lot’)</td>
</tr>
<tr>
<td>no home computer / internet access</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Housing and local community conditions (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>difficult to keep house warm in winter (major problem)</td>
</tr>
<tr>
<td>dampness or mould (major problem)</td>
</tr>
<tr>
<td>crime or vandalism in the area (major problem)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial strain (%) – for the first 4 items below, the selected response was ‘more than once in the last 12 months’</th>
</tr>
</thead>
<tbody>
<tr>
<td>received help (food, clothes, money) from food bank or similar</td>
</tr>
<tr>
<td>borrowed from family/ friends for everyday living costs</td>
</tr>
<tr>
<td>late payment of car registration / insurance</td>
</tr>
<tr>
<td>late payment of electricity, water, etc</td>
</tr>
<tr>
<td>unable to cope with unexpected $500 expense (ie cannot pay within a month without borrowing)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Children’s serious health problems reported by respondent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>serious health problems for any child in the last year</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Overall dissatisfaction with living standards reported by respondent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>dissatisfied or very dissatisfied with material standard of living</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Summary multiple deprivation scores (based on 12 children’s items plus 8 general household items – see note 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5+ of 20</td>
</tr>
<tr>
<td>6+ of 20</td>
</tr>
<tr>
<td>8+ of 20</td>
</tr>
</tbody>
</table>
Notes:
1. Level 3 lies between the hardship Levels and the ‘OK to high’ zone. A possible descriptor is ‘many find it difficult to make ends meet’.
2. The 20 items used in the summary multiple deprivation measure are the 12 children’s items in the top half of the table, plus 8 from those applying to the wider family context: unable to keep rooms warm, cut back on fresh fruit and vegetables (a lot), delayed repairs or replacements of appliances (a lot), dampness or mould (major problem), crime or vandalism in the area (major problem), received help from food bank etc (more than once in the last 12 months), late payment of car registration (more than once in last 12 months), late payment of electricity etc (more than once in the last 12 months).
3. For the economising questions the possible responses were ‘not at all’, ‘a little’, or ‘a lot’. ‘A lot’ is used in Table 2. For the housing and crime questions, the possible responses were ‘no problem’, ‘minor problem’, or ‘major problem’. Only ‘major problem’ is used.

Summing up

→ Table 3 gives the latest available figures for child poverty and hardship in New Zealand using five of the measures discussed above. Using the two non-income measures and the 60 percent of median fixed-line AHC incomes measure a summary figure of ‘one in five’ (20 percent or 210,000) is reasonable.

→ Child poverty rates were lower in the 2010 HES than in the mid 1990s. The decline reflects the impact of higher employment rates, the income-related rents policy and WFF. Even so, child poverty rates were still higher in 2010 than in the late 1980s on AHC measures, mainly because of higher housing costs.

→ While poverty rates for children in beneficiary families are much higher than for children in working families, around half of the children identified as poor or in hardship are from families where at least one adult is in full-time employment. Many other MEDCs report a similar figure.

→ On both income and non-income measures, child poverty and hardship rates are high relative to those for older New Zealanders and other adults in households without children.

→ By international standards, the ratio of the hardship rate for children to that for the rest of the population is high for New Zealand. New Zealand’s ratio is higher than for all EU countries except the UK.

What changes can we expect when child poverty and hardship figures are updated with the 2011 HES in the next reports in 2012?

→ On the fixed-line AHC income measures and the non-income measures, poverty and hardship rates for children can be expected to be higher in 2011, reflecting the impact of the economic slowdown and increased unemployment and under-employment.

→ On the relative income measure, child poverty is unlikely to rise and may even fall if median incomes decline sufficiently.

Table 3: Child poverty and hardship in New Zealand: summary

<table>
<thead>
<tr>
<th></th>
<th>Non-income measures, LSS 2008</th>
<th>Income measures, HES 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EU index ELSI (1-2) 60% CV 07</td>
<td>50% REL 60% REL</td>
</tr>
<tr>
<td>proportion</td>
<td>18% 19%</td>
<td>22% 16% 26%</td>
</tr>
<tr>
<td>number</td>
<td>190,000 200,000</td>
<td>230,000 170,000 270,000</td>
</tr>
</tbody>
</table>
There are non-material as well as the material manifestations of poverty. Poverty has to be understood not just as a disadvantaged and insecure economic condition but also as a shameful and corrosive social relation. The non-material aspects include:

- lack of voice; disrespect, humiliation and assault on dignity and self-esteem; shame and stigma; powerlessness; denial of rights and diminished citizenship.


References


ii Poverty and disadvantage are multi-dimensional. While the focus of this paper is on two aspects of ‘the material core’, there are other dimensions to a more comprehensive conceptualisation of poverty. In other contexts ‘child poverty’ is used as a catch-all short-hand term that also covers the multiple disadvantages in health, education, social engagement and personal safety that are often associated with material disadvantage.

iii Stephens, R & Waldegrave, C. (1995), ‘Measuring poverty in New Zealand’, Social Policy Journal of New Zealand, (5), 88-112. The standard of living that the minimal budgets were intended to deliver were further defined as a family having ‘sufficient income to purchase its own food and clothing, pay its utilities and rent without going into debt or needing to visit food banks or taking out [special support] from [Work and Income]’ (p91). Similar research in the UK, based on what the general public considers to be the income needed for households to attain a ‘minimum socially acceptable standard of living’ (above mere survival, but no luxuries or extras) produces a minimum income standard of 70 percent to 75 percent of the median. See Hirsch, D., Davis, A. & Smith, N. (2009) A Minimum Income Standard for Britain in 2009. York: Joseph Rowntree Foundation, and subsequent updates.

iv The OECD has recently started publishing findings using a 60 percent measure as well.

v Poverty and hardship are complex and multi-dimensional. No one measure can capture all aspects adequately. This is now widely accepted and is reflected for example in the UK’s Child Poverty Act where four measures are prescribed: fixed and moving line income measures, a persistence of low income measure, and a deprivation indicator using non-income measures.

vi ‘2010 HES’ is a short-hand for ‘2009-2010 HES’. Interviews for the 2010 HES were carried out from July 2009 to June 2010, and the income question asked about income for the twelve months prior to interview. The income information in the 2010 HES therefore reflects (on average) the situation that prevailed in 2009. The early impact of the economic slowdown is captured, but the October 2010 tax changes are not.

vii See n5.

viii The sample size of the HES (~3000) is too small to support robust findings on Maori or Pacifica children from year to year, but these averages over several years are robust enough for the high-level findings reported here. The finding is in line with the findings using non-income measures in MSD’s Living Standards Surveys which have a larger sample size (~5000).


xi There is good quality information on poverty dynamics for children from longitudinal studies in the US, the UK, Ireland, Germany, Canada and Australia.

xii Note that the overlap is not 100 percent. 60 percent of the children in hardship come from families with incomes below the 60 percent AHC moving line. Others have higher current incomes, but presumably have above average demands on the budget and/or limited savings to draw on.

xiii The EU and Eurostat are currently reviewing this 8 item index using data from a special material deprivation module in the 2009 EU-SILC.
Pōhara, Tōnui, Kōkiri: Imagine a child and whānau centred economy of wealth creation and poverty removal

By Associate Professor Manuka Henare¹, Associate Dean Māori & Pacific Development The University of Auckland Business School

Three complementary reports published in August and September 2011 shaped the thinking behind the idea of a child and whānau, or family, centred economy of wealth creation and poverty removal. The reports point to a sophisticated level of collaboration among child focussed human rights and development organisations, and academic, public and private sector research teams. The consensus seems to be that children are New Zealand’s greatest wealth and current levels of poverty are detrimental to the New Zealand vision of the good life.

The first report was commissioned and published by the organisation Every Child Counts, and released in August 2011. Titled, The first 1000 days: The effectiveness of public investment in New Zealand children (Grimmond, 2011) it had a particular focus on the economics of Māori and Pasifika children. The evidence shows that however successful Aotearoa New Zealand appears to be on the basis of international comparisons of health, education, and labour market outcomes, Māori and Pasifika children are not sharing in the success.

According to Rev Dr Hone Kaa, Chair of Every Child Counts, the second report, commissioned and published by Every Child Counts, complements the economic cost of public investment in New Zealand children. Titled, He Ara Hou: The Pathway Forward: Getting it right for Aotearoa New Zealand’s Māori and Pasifika children (2011) explores the nature of factors contributing to Māori and Pasifika child poverty.

He Ara Hou says that of the...200,000 children living below the poverty line in our country, just over half are Māori (59,651) and Pasifika (44,120). Māori and Pasifika have hardship rates two to three times higher than other groups. They are more likely than other groups to live in overcrowded households. Māori and Pasifika children have two to three times poorer health than other groups. (2011, p.vii)

Second, it assesses this reality against the goal of sustaining children’s potential, and proposes a new way of thinking is timely:

...we do this in terms of a new political philosophy called the Capabilities Approach. Māori and Pasifika development then becomes the expansion of their capabilities to lead the kind of lives they value. Such an approach has a bearing on our interpretation of Te Tiriti o Waitangi/ Treaty of Waitangi and the formulation, implementation, and evaluation of social policy. The Capabilities Approach addresses human rights and social justice, and offers better systems for Māori and Pasifika to evaluate the effectiveness of policies in terms of well-being for themselves. (p5)

The third complementary report was released in September 2011 by the Child Poverty Action Group (CPAG) and is titled, Left Further behind (Dale, O’Brien & St John (eds.) September, 2011). It is a much wider study that explored how current policies fail the poorest children in New Zealand. The core message was that ALL children are entitled to the best possible support from parents and all New Zealand society; that charity alone cannot solve the problem of poverty; and that poverty faces around 200,000 children in New Zealand at the moment. The research team concluded with seven key recommendations such as, set specific targets to end child poverty by 2020; create a senior cabinet position with responsibility for children and move towards a child-centred approach to policy and legislation; acknowledge the vital social and economic contribution made by good parenting; remove work-based rules for child assistance and simplify tax credits; free access to health care for children under six; develop and fund a national housing plan; and provide adequate funding for low decile schools, thus guaranteeing access to quality education.

Pōhara, Tōnui and Kōkiri: Sustainable Economic Response to Wealth Creation and Poverty Removal

Three traditional Māori terms, pōhara, tōnui and kōkiri inform a Māori sustainable economic response in terms of understanding the moral issues and the removal of poverty and its consequences. Pōhara refers to poverty, of being poor, or being cut off from opportunity. The other side of pōhara is tōnui, rendered as prosperous, prolific – not in a utilitarian sense but in terms of the common good and the quest of a good life. The plan of action is found in Kōkiri meaning a group moving decisively forward with a purpose, a goal, a target. The report He Ara Hou: the Pathway Forward...
(p.5) addresses these three agenda, in sustainable Māori terms (Henare, 2000a).

The He Ara Hou Report (p.5) sees the current reality of ngā uri pōtiki, the youngest descendants of the ancient Austronesian trader explorers; namely Māori and other Pasifika children living in Aotearoa today. We assessed this reality against a goal of sustaining their potential, and we do this in terms of a new political philosophy called the Capabilities Approach. Māori and Pasifika development then becomes the expansion of their capabilities to lead the kind of lives that they value. Such an approach has a bearing on Te Tiriti o Waitangi/Treaty of Waitangi and social policy formulation, implementation and evaluation. The Capabilities Approach addresses human rights, social justice, and offers better systems for Māori and Pacific Islanders to evaluate the effectiveness of policies in terms of well-being for themselves (Mahuta & Henare, 1991; Henare, 1999; cf. Henare, 1998).

Te Tiriti o Waitangi/The Treaty of Waitangi continues to shape the emergent partnership of the Māori and the New Zealand Crown via the Government and administration of the day (Henare & Douglas, 1998). Te Tiriti o Waitangi being the Māori text is of significance to Māori because it determines the nature of the relationship with the Crown. The Māori agency of wealth creation feeds the vital essence of the four well-beings of Māoritanga: spiritual well-being, environmental well-being, family, kinship and social well-being, and economic well-being. Paradoxically, despite the wealth creation, the tragedy of poverty among Māori children is now evident on a scale not experienced in recent times. Poverty starves the mauri or life force of ngā uri pōtiki Māori, the most vulnerable sector of Māori society, with potentially dire long-term consequences if not addressed immediately. The injustice of pōhara, poverty, is a Tiriti o Waitangi issue of significance today.

The Preamble of the Māori language version of Te Tiriti o Waitangi 1840 has within it a key principle of economic development and business futures: the Māori philosophical idea of a ‘good life’. The principle is relevant today and will continue to be for the coming 50 years (Henare, 2011b). In the Preamble Queen Victoria tells the world that a lasting peace and the continuation of a quality of life as determined by Māori is an expectation of the relationship between her government and Māori.

In speaking to the world through the proposed treaty, Victoria states in the Māori text of Te Tiriti, “kiatohungia ki a rātou ō rātou rangatiratanga me tō rātou wenua, kia mau tonu hoki te Rongo ki a rātou me te Ātanohō hoki”. This is rendered as her desire “to preserve to them their full authority as leaders (rangatiratanga) and their country (tō rātou wenua), and that lasting peace (Te Rongo) may always be kept with them and their continued life as Māori people (Ātanohō hoki)” (Henare, 2003, p. 229).

Artwork by Oscar Littlefair

Regarding ngā uri pōtiki Pasifika, the young children of the Pasifika communities, who themselves are also affected through the starving of their life force and potentialities, the injustice, while not a Tiriti o Waitangi matter, is a human rights, social justice and equity issue.

Meri Ngaroto, Te Aupōuri tribal leader of the early nineteenth century, dramatically challenged her people about a form of behaviour of the time, namely He kōhuru tangata, the killing of another by stealth. Posing a question in poetic form upon hearing of the plan, she said:

*He aha te mea pai? What is the most important good?*

*He Tangata, he tangata, he tangata! Humanity! humanity! humanity!*

Meri is part of the genre of Māori-Polynesian-Austronesian humanistic and reciprocal traditions. Humanism and reciprocity is a philosophical duality that informs the ethical and moral basis of living a responsible life and a life of obligation that constitutes ‘a good life.’ She is not alone in her thinking. Nobel Prize winning
economist Amartya Sen (2000; Crocker, 1995, pp153, 157) maintained that a truly developed society would enable humans to be and do, and to live and act, in certain valuable ways. Both actual achievements and the freedom to achieve are intrinsically valuable ingredients in a good human life.

While Meri’s question and response appear to put humanity above all other, in the Māori worldview, humans are part of, and not separate from the spiritual, cosmic, environment, kinship and economic spheres of existence. Humans are part of an integrated whole, a unified two-world system in which the spiritual is the higher order and interpenetrates the material/physical world of te ao mārama, and the material proceeds from the spiritual. Tangata can exert some control over the natural world. At the core of Māoritanga is a belief in life forces – tapu, mauri, hau, wairua – that are significant in society and nature (Henare, 2000b). Furthermore, philosophically speaking Māoritanga consists of four well-beings: spiritual well-being, environmental well-being, family and kinship well-being, and economic well-being (Henare, 2011b).

Given that the Māori worldview is that humans are inseparably integral to their environment, the He Ara Hou report (p.18) argues, from a policy perspective, that sustainable development necessarily involves a similar approach to humans (i.e. to sustain the potential of humans, by safeguarding their capacity and combating adverse effects), which would constitute sustainable life.

Mark Anielski, among others, exposes fundamental flaws in using Gross Domestic Product (GDP) as a measure of standards of living, as it fails to measure well-being and human capabilities. He argues instead, that sustainability should be founded on the key principle of genuine wealth: "the conditions of well-being of a community or organization in accordance with the values of its citizens" (Anielski, 2007, p. 98). As the values of citizens are diverse, it follows that well-being will be perceived differently by various cultural groups. Therefore, it may be inappropriate to assess well-being by one benchmark, or to make comparisons between ethnic groups. It is the gap between Māori and Pasifika aspirations (based on their values) and the reality for their children, rather than any gap between their data and national measures or non-Māori/non-Pasifika data, or even between Māori and Pasifika, that is important. Nevertheless the report presents some comparative material as a means of highlighting the differences between what is possible and what is the reality.

Sustainable human and economic development is a holistic approach; it involves whole of life sustainability, but in He Ara Hou (p.20) we recognise the importance of investment in the formative stage of life, the youngest. This is not to reduce humans to the mere status of ‘resources’, but because we can think of such an investment as having an important economic as well as non-economic return. Nevertheless, well-being and improvement in GDP are not to be confused.

When the data of He Ara Hou (p.20) is measured against Māori and Pasifika capabilities and aspirations, the level and extent of material poverty of Ngā Uri o Te Moana Nui a Kiwa ki Aotearoa grows at an alarming rate. The poverty of Ngā Uri, specifically Māori and Pasifika children of Aotearoa, who are both the descendants of the common Austronesian-Polynesian ancestor Kiwa, is both unsustainable and ethically and morally wrong. The new generation is at risk. The term ‘poverty’ describes an undesirable gap. In development thought, the poor are seen to be lacking income, or the ability to satisfy basic needs, or the capabilities to lead a fully human life. A focus on basic needs is excessively based on commodities as alleviators of poverty (Levine & Abu TurabRizvi, 2005, pp. 41, 46).

Someone whose basic needs are satisfied would still be poor if her or his potentialities as a human being were not sustained. As Durie, Fitzgerald, Kingi, Mckinely, & Stevenson (2002) have already said:

... ultimately, Māori development is about Māori people and if there is economic growth but no improvement in health well-being, then the exercise is of questionable value. Equal recognition of both social and economic goals is therefore imperative. (p.25)

Returning to Meri Ngaroto’s proposition, what constitutes a good human life in Māori terms? Sen answered in general terms ‘both actual achievements and the freedom to achieve’. A good life in Māori and Pasifika terms is one in which the mauri is not only maintained, but enhanced (Henare, 2007a; 2007b).
As noted above, many have criticised the use of GDP as the primary indicator of national standards of living. Moves have been made to develop much broader measures than the GDP/GNP ‘standard-of-living’ index, one of which is the Human Development Index (HDI) adopted by the United Nations and the OECD ‘to shift the focus of development economics from national income accounting to people-centred policies. This index has been used since 1993 by the United Nations Development Programme (UNDP). The index has standardised a system of measuring well-being, and uses specific measures for the well-being of children. It is a summary measure for assessing long-term trends in three basic dimensions of human development – health (life-expectancy at birth), knowledge (literacy and education) and standard of living or Gross National Income (GNI) per capita (Henare, Puckey & Nicholson, 2011, p.21).

New Zealand ranked third in a list of ‘very high development’ countries in 2010, behind only Norway and Australia.

A second measure, the inequality-adjusted HDI, was introduced in 2010 to indicate the inequalities within a nation’s population in the three basic dimensions of income, life expectancy and education. Data for the inequality-adjusted HDI 2010 survey was not available for New Zealand. However, data from the 1980s to 2005 ranked New Zealand well above OECD average inequality (i.e. adversely), which suggests that New Zealand’s inequality-adjusted HDI ranking could be lower than the comparatively favourable unadjusted HDI rank. Within New Zealand’s population, Māori and Pacific Islanders are at the lower end of the spread (Henare, Puckey & Nicholson, 2011, p.22).

Amartya Sen (2000) maintained that a truly developed society would enable humans to be and do, and to live and act, in certain valuable ways. He described a good human life in terms of functioning and capabilities, achievements and the freedom to achieve. Earlier, He Ara Hou (p.22) noted that in development thought the poor are seen to be lacking income, or the ability to satisfy basic needs, or the capabilities to lead a fully human life, and that a focus on basic needs is excessively based on commodities as alleviators of poverty (Levine & Abu TurabiRizvi, 2005, pp. 41, 46). Whereas poverty might be seen as a lack of capacities or abilities to meet basic necessities for bare survival, the term ‘capabilities’ is used to refer to a wide range of capacities and opportunities required for human well-being as a whole. The term capabilities indicates more clearly the agency and active participation of a person, rather than an entitlement, which implies that the person does not have to do anything (J. M. Alexander, 2008, p. 56).

Alexander quotes Sen (1987): ‘A functioning is an achievement of a person; what he or she manages to do or to be. ... It has to be distinguished from the commodities which are used to achieve those functions’ (2008, p. 56). Functionings are the various things a person values being or doing; these are culturally diverse. This is consistent with Anielski’s key principle of genuine wealth: “the conditions of well-being of a community or organization in accordance with the values of its citizens” (Anielski, 2007, p. 98). On the other hand, ‘capabilities are the various combinations of functionings that a person can achieve or could have achieved. Capabilities stand for the extent of freedom that a person has in order to achieve different functionings’ (J. M. Alexander, 2008, p. 57).

Following Amartya Sen, I have earlier proposed that functionings are constitutive of Māori being and are the
ends and sometimes the means of Māori life (Henare, 2011a). They may be understood in Māori terms in the following way, mana tangata is the actualisation of tapu tangata, where tapu is the God and ancestral-given potential of being. Achieved functionings are measurable, observable and comparable e.g. literacy; life expectancy. Functionings can be elementary, such as escaping morbidity and mortality; nourishment; mobility. They can be complex involving self-respect, participation in Māori life, or to appear in society without shame.

I would reason that capabilities or freedoms are therefore such things as mana Māori motuhake, which is autonomy, self-reliance and self-determination. Sen clarified these concepts and the interplay between freedom and capability:

The freedom to lead different types of life is reflected in the person's capability set. The capability of the person depends on a variety of factors, including personal characteristics and social arrangements. A full accounting of individual freedom must, of course, go beyond the capabilities of personal living and pay attention to the person's other objectives (e.g. social goals not directly related to one's own life), but human capabilities constitute an important part of individual freedom. (Sen as cited in J. M. Alexander, 2008, p. 57)

Martha Nussbaum built on Sen’s capability approach and, focusing on human dignity, proposed a systematic list of central capabilities that could serve as benchmarks for governments and policymakers (Nussbaum, 2007, pp. 115 – 116):

1. Life. Being able to live to the end of a human life of normal length.
2. Bodily health. Being able to have good health; to have adequate shelter.
3. Bodily integrity.
4. Senses, imagination and Thought. Being able to use the senses, to imagine, think and reason – and to do these things in a truly human way, a way informed and cultivated by an adequate education.
5. Emotions. Being able to have attachments to things and people outside ourselves; to love those who love and care for us. Not having one’s emotional development blighted by fear and anxiety.
6. Practical reason. Being able to form a conception of the good and to engage in critical reflection about the planning of one’s life.

7. Affiliation (a). Being able to live with and toward others, to recognise and show concerns for other human beings. (b). Having the social bases of self-respect and non-humiliation; being able to be treated as a dignified being whose worth is equal to that of others.
8. Other species. Being able to live with concern for and in relation to animals, plants, and the world of nature.
9. Play. Being able to laugh, to play, to enjoy recreational activities.
10. Control over one’s environment (a) Political. Being able to participate effectively in political choice. (b) Material. Being able to hold property and having property rights with others; having the right to seek employment on an equal basis with others; having the freedom from unwarranted search and seizure.

Artwork by Millie

In He Ara Hou (2011, p.26) we argue that such a capabilities approach would involve developing an MDI (Māori Development Index) using Māori-value based data in its measurement. The same development of capabilities would apply to a Pasifika indices (PDI) for life in Aotearoa.
A capabilities approach to Māori and Pasifika development as well-being is concerned with the agency of tangata, human person, as a member of Te ao Māori and New Zealand society, and as a participant in economic, social and political actions. Māori and Pasifika development becomes then the expansion of Māori capabilities to lead the kind of lives that Māori value. Mana motuhake enhances the ability of tangata to help themselves and to influence the world.

Māori and Pasifika agency means that Māori-Pasifika act to bring about change, and their achievements are judged in Māori-Pasifika terms according to kawa atua, tikanga tangata and ritenga tangata, meaning God-given virtues, human principles and appropriate behaviour, and moemoea-wawata, rendered as dreams and aspirations of Māori and Pasifika people.

References

1 I acknowledge the significant contribution of colleagues of the University of Auckland Business School, Dr Adrienne Puckey, Amber Nicholson, Mira Szászy Research Centre and Dr M. Claire Dale, Associate Professor Rhema Vaithianathan, Centre for Applied Research in Economics (CARE).

2 See also Henare & Douglas (1998).

3 See also Nussbaum, 2010


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Artwork by Sara Monty


Artwork by Laura Johnstone
Childhood family income and later outcomes: results of a 30 year longitudinal study

By David M Fergusson; L John Horwood; Sheree J Gibb; Christchurch Health and Development Study; University of Otago, Christchurch

The Issue

There has been increasing public and political debate about the issue of child poverty in New Zealand with recent estimates suggesting that in the region of 15 percent of New Zealand children are growing up in households subject to some degree of economic or material deprivation (Organisation for Economic Co-Operation and Development, 2011). These statistics raise important questions about the consequences of being raised in a poor family for the individual’s longer term development and wellbeing.

There is extensive research evidence which suggests that children growing up in low income families have more adverse outcomes in later life. These outcomes span: poorer educational achievement (Duncan et al., 2011; Duncan et al., 1998; Fergusson et al., 2008; Melby et al., 2008); lower earnings (Duncan et al., 2009; Duncan et al., 2010; Hobcraft & Kiernan, 2001); higher rates of welfare dependence (Duncan et al., 2009; Duncan et al., 2010; Hobcraft & Kiernan, 2001); higher rates of crime (Bjerk, 2007; Jarjoura et al., 2002); higher rates of mental health problems (Dearing, 2008; Lundberg, 1997; McLeod & Shanahan, 1996) and higher rates of teen pregnancy and parenthood (Duncan et al., 1998; Hobcraft & Kiernan, 2001). These findings raise the clear possibility that, by various routes, low family income and associated poverty during childhood leads to longer term disadvantages (Barbarin et al., 2006; Bradley & Corwyn, 2002; Dearing, 2008; Williamson et al., 2005). However, this explanation is complicated by the fact that low income families have increased risks of other adverse features that are known to be associated with life outcomes. These adverse features include such factors as: limited parental education; limited child cognitive ability; higher rates of child abuse and neglect; higher rates of family violence; higher rates of parental substance use and similar factors (Gibb et al., submitted). Given this evidence it may be argued that the higher rates of later problems amongst children reared in poor families do not reflect the direct effects of income inequality on these outcomes but arise from other social and family factors associated with income inequality.

Resolving issues relating to the direct contribution of income inequalities to later outcomes is critical to the development of appropriate childhood and family policies focussed on maximising the long term potential of children. If income inequalities play a direct role in the later disadvantage of children reared in poor families then the appropriate policies to address these issues are through various policies aimed at reducing these inequalities. If, however, the associations are mediated by the other forms of childhood and family disadvantage described above, reducing income inequalities will not be sufficient to eliminate the disadvantages faced by children reared in poor families unless this reduction is accompanied by a similar reduction in rates of psychosocial adversity faced by poor families.

The Research

These issues have been addressed in recent research conducted by the Christchurch Health and Development Study (CHDS). The CHDS is a longitudinal study of a birth cohort of 1265 children born in Christchurch in 1977. This cohort has been studied on 22 occasions up to the age of 30. The power of this study design is that it makes it possible to examine the extent to which events and circumstances during childhood have longer term impacts on outcomes in adulthood.

In a recent study the CHDS research team (Gibb et al., submitted) looked at the association between family income and poverty in childhood (0-10 years) and later outcomes up to the age of 30.

Key Study Findings

As expected, children reared in poor families fared less well than children reared in more affluent families in terms of: educational achievement; earnings at age 30; rates of welfare dependence; crime; mental health problems and early pregnancy/parenthood. In general, disadvantages in these areas increased as family income declined. These trends are illustrated in Figure 1 which shows the associations between Childhood Family Income (0-10 years) and measures of: educational achievement; earnings at age 30; rates of welfare dependence; crime; mental health problems and early pregnancy/parenthood. The measure of Childhood Family Income was based on the average of inflation adjusted family income over the child’s first ten years. For graphical purposes this measure is organised into 20 percent groups (quintiles).
ranging from those in the lowest quintile of Childhood Family Income (quintile 1) to those in the highest quintile (quintile 5). The figure shows that declining income was associated with: lower rates of leaving school with qualifications; lower personal gross income at age 30; increasing rates of welfare dependence; increasing rates of property and violent crime; increasing rates of mental health problems and increasing rates of teen pregnancy. It is notable that in all cases increased rates of disadvantage were not confined to families in the lowest income quintile; rather, there were general trends for rates of disadvantageous outcomes to increase with declining childhood family income.

The findings shown in Figure 1 paint a picture in which family income during childhood is related to a wide range of later adverse outcomes. However, this analysis does not take into account associations between family income and other aspects of family functioning. An important feature of the CHDS is that extensive data has been gathered on family context. Analysis of these data showed that family income was associated with a wide range of other disadvantageous features. These features included: limited parental education; lower childhood IQ; higher rates of marital conflict and breakdown; single parenthood; higher rates of childhood physical and sexual abuse; higher rates of parental criminality and substance abuse; higher rates of parental mental health problems. These findings raise the clear possibility that the associations between childhood family income and later outcomes were due to other disadvantageous features associated with childhood family income. Through the use of multivariate statistical methods it was possible to estimate the associations between childhood family income and later outcomes taking into account the associations between childhood family income and other family features. The results of this analysis led to some interesting conclusions.
First, even following adjustment for family factors, childhood family income was related to later educational success and earnings at age 30. Children in the poorest 20 percent of families fared less well on these outcomes whereas children in the most affluent 20 percent of families did the best. These associations could not be explained by differences in child intelligence or parental education since the findings were adjusted for these factors. These findings clearly suggest that being reared in a poor family poses a barrier to future educational and economic success independently of the child’s academic ability and the family context. The mechanisms which lead to this association between childhood family income and later educational and economic success are unclear. However, it may be conjectured that in comparison to children reared in poor families, those in more affluent families may be exposed to a number of conditions that foster later success. These factors may include exposure to successful parental role models; greater parental investment in educational success and greater exposure to peers who are committed to educational and career success.

However, after adjustment for family factors there were no statistically significant associations between childhood family income and later: welfare dependence; crime; mental health problems or teen pregnancy. In all cases, these associations were explained by the fact that declining family income was associated with increasing child and family disadvantages. These disadvantages included: limited parental education; lower child IQ; higher rates of parental criminality and substance use; higher rates of childhood conduct problems; greater exposure to child abuse; poorer school achievement. Rates of all of these disadvantages were highest for children in quintile 1 families and lowest for children in quintile 5 families with the result that statistical adjustments for childhood and family context explained the associations between childhood family income and later welfare dependence, crime, mental health and teen pregnancy.

There are three general explanations for this finding. The first is that childhood family income does not make a causal contribution to later psychosocial disadvantage and the association between childhood family income and later outcomes arises because childhood family income is correlated with the extent of general childhood and family disadvantage. The second explanation is that childhood family income is causally related to later outcomes by an indirect route in which:

a) childhood family income influences risks of childhood and family disadvantages; b) variations in childhood and family disadvantage determine risks of later welfare dependence, crime, mental health and teen pregnancy. The third, and most agnostic, explanation is that the associations arise from a mixture of the indirect causal effects of income on later psychosocial outcomes and from the influence of disadvantages correlated with income.

Policy Implications
This analysis of the CHDS data reveals some of the complications that are associated with developing policy to address the longer term consequences of childhood poverty and income inequality. On the face of things, the findings in Figure 1 suggest that childhood income inequalities are associated with a wide range of later adverse outcomes spanning educational achievement; later earnings; crime; welfare dependence; mental health; and risks of teen pregnancy. Given this evidence it could be argued that addressing child poverty and reducing income inequality will have far reaching effects on the long term wellbeing of children and young people.
However, further analysis shows that matters are not quite this simple since family income is related to a series of other family characteristics (parental education; family stability; family violence; parental substance use; child intelligence etc.) which are independently related to later outcomes. When these correlated factors are taken into account, childhood family income inequalities are no longer associated with later: welfare dependence, crime, mental health and teen pregnancy but associations with later income and education remain.

While these findings suggest that investments in reducing inequalities in childhood family income and reducing childhood poverty may have beneficial consequences, they also suggest the success of such policies may be influenced by the extent to which change in family income leads to changes in other areas of family functioning. These considerations suggest that the most successful strategy for addressing the issues raised by child poverty will require a two pronged approach in which policies are developed to: a) reduce income inequalities and child poverty; b) address the range of psychosocial problems that are more common in low income families.

Examples of generic policies that may reduce income inequalities include:

→ Taxation policies which seek to reduce the income gap between the rich and the poor
→ Welfare policies which seek to increase the level of income support provided to beneficiary families and/or encourage greater workforce participation of these families
→ Employment policies which seek to increase levels of workforce participation and reduce levels of welfare dependence

Examples of policies that seek to address the psychosocial problems present in low income families include:

→ Early intervention targeted at such areas as Family/Early Start, Whanau Ora and greater participation in Early Childhood Education
→ School based policies aimed at addressing behavioural and educational disadvantages (e.g. School Wide Behaviour Support)

Community based programmes aimed at providing parents with support and assistance for a wide range of issues including: budgeting and financial problems; marital problems; mental health; substance misuse and related outcomes

It seems likely that the optimal policy mix for addressing the linkages between income inequality in childhood and later outcomes will require a judicious combination of policies that includes those targeted specifically at reducing income inequalities and policies aimed at addressing the range of social and family problems that occur at a higher frequency in low income families. Given that Māori families are overrepresented amongst those families in poverty, careful consideration will need to be given to developing inclusive policies which are based on a Te Ao Māori perspective.

Finally, it is important to recognise that the findings of the CHDS are based on a cohort of children born nearly 35 years ago. Because of this, there is no guarantee that the findings of the study will apply to the circumstances faced by contemporary cohorts of children. Nonetheless, it is not unreasonable to assume that the findings of the study provide some general guidance about the complex mix of factors which underlie the associations between childhood family income and later outcomes and the type of family policies that are likely to be most effective in ameliorating these disadvantages.

References


The economic and social impact of growing up in poverty

By Dave Grimmond, Director, Senior Economist, Infometrics Ltd

Poverty and child outcomes

In nearly all OECD countries child poverty rates are significantly higher for jobless families, for single-earner (versus two-earner) families, and for sole-parent (versus two-parent) families (Whiteford & Adema, 2007).

People who experienced poverty in their childhood are more likely to have worse lifetime outcomes than those who do not. The economic costs of poor child outcomes can be measured in terms of low educational and training success, reduced workplace productivity, and increased public health, welfare and justice expenditures.

At the most basic level, family income has an impact upon the child’s access to certain purchased goods and services important for their development including books, home computers, primary health care, sport and school field trips. But limited finances also restrict parents’ emotional wellbeing and the day-to-day running of the household, as well as their, and their children’s, social opportunities and experiences (McQuaid, Fuertes, & Richard, 2010).

However, the relationship between household income and child outcomes is considerably more complicated than a simple issue of access to resources. Although there is considerable evidence that poor child and later-life outcomes are correlated with household income in early childhood, this does not necessarily mean that low incomes during childhood cause all of these problems. To begin with one needs to note that many children from poor beginnings go on to have productive and successful lives; likewise children from privileged backgrounds can develop considerable problems and cause considerable costs to society.

One can think of a number of reasons why poverty in childhood could be expected to worsen lifetime prospects. A lack of financial resources will increase the chances that children are malnourished, live in over-crowded conditions, lack warmth during winter, and do not have access to resources and services that might stimulate their education outcomes. Poor conditions during childhood can have ramifications for future prospects. For example, poor childhood diet could increase the risk of diabetes, which in turn could contribute to later health deterioration such as kidney failure, blindness, and heart disease. The lifetime impacts of poor childhood health can also be compounded by its negative impacts on education attainment, which will potentially reduce later life career opportunities.

Extended durations of low income appear to have stronger adverse effects on children than short periods. Mayer (2002, p68) notes that a short period of low income has very few long term consequences for children. But families that are poor for a long time are more likely to be headed by someone who suffers from depression, anxiety, psychological problems, physical health problems, low cognitive skills, drug and alcohol problems, and so on. All these factors, Mayer argues, make it more difficult to provide the involved, consistent and nurturing environment important for the upbringing of children.

A lack of income may actually be more a marker of potential problems for children rather than the root cause of their problems. For example, in some situations it might be that the type of circumstance that undermines a parent or parents’ ability to care for their children simultaneously impacts on their access to income and resources. Solo parents may simultaneously lack financial and moral support from their absent partners. In other circumstances it might be that the personal characteristics that make someone unsuccessful in the labour market also make them poor parents. Someone with a drug addiction problem may be unreliable both as a worker and as a parent.

A further mechanism by which lack of family resources can influence child outcomes is through associated
social exclusion. This might come about through an isolating effect where family circumstances lead to children developing values, norms and behaviour that are potentially regarded as dysfunctional by others. In this respect relative poverty might compound the harm caused by absolute poverty by adding psychological impacts to the costs of material deprivation. Social isolation can influence the prospects of children in a number of ways such as instilling a moral code that differs from what is accepted by society in general, by limiting children’s perspective of appropriate role models, and by stunting their aspirations.

If a cycle of self-reinforcing social exclusion is indeed a driving force behind poor child outcomes it raises important questions about policy implications concerning effective ways of breaking the cycle and encouraging the reintegration of such families into the wider society. Poorly designed support might even exacerbate problems if it creates or highlights a sense of social stigma.

The role of society

What is the role of society in improving child outcomes? Individual children obviously benefit from the support of the government and their local communities, but it is becoming increasingly clear that the rest of society also benefits from timely and effective investment in children.

The underlying concept that investment in early childhood should improve outcomes in adulthood is based on a human capital perspective of skill development. The possession of productive skills increases the returns from working for that person and reduces their likelihood of being reliant on the state or society to support them. The acquisition of skills is a cumulative exercise, with skills acquired early in life providing children with the grounding to acquire further skills in later childhood. This perspective is nicely encapsulated in a quote by Heckman and Masterov:

An accumulating body of knowledge shows that early childhood interventions for disadvantaged young children are more effective than interventions that come later in life. Because of the dynamic nature of the skill formation process, remediating the effects of early disadvantages at later ages is often prohibitively costly (...) Skill begets skill; learning begets learning. Early disadvantage, if left untreated, leads to academic and social difficulties in later years. Advantages accumulate; so do disadvantages. A large body of evidence shows that postschool remediation programs like public job training and general educational development (GED) certification cannot compensate for a childhood of neglect for most people.

But just spending more money does not guarantee success. It is necessary also to examine the effectiveness of such expenditure. This is illustrated in a comparison across OECD countries between public spending on children aged under six years of age and a composite indicator of child outcomes developed by myself using data from the 2009 OECD report: Doing Better For Children. The child outcome indicator ranks the relative performance of thirty OECD countries across up to twenty dimensions of child outcomes. The outcomes include issues such as literacy rates, teenage pregnancies, youth suicide rates, and so on. The resulting indicator is ordinal with a score of one being optimal (implying that the country ranks best across all domains).

The regression line in the graph indicates that more public spending directed at children aged under six typically improves outcomes for children. But the graph also suggests that spending more public money is not the only way to achieving better outcomes. The countries that spend most on children (Austria, Finland, France, Norway, Israel, Sweden, and Denmark) do achieve better child outcomes. However, the tight cluster of these countries at the bottom right of the graph might indicate that these countries are beginning to face diminishing returns to their marginal investments in children. In contrast, the wider dispersal in outcomes at
lower levels of public spending (ie towards the left in the graph) suggests that there is a wide divergence in the effectiveness of public spending in obtaining better child outcomes. For example, the Netherlands achieves similar child outcomes to countries like Norway and Sweden but for half the investment.

Artwork by Renee Andrew

The result for New Zealand is marked at the top right in the graph. Its position in the figure has the poorest child outcome indicator and also among the lowest levels of public spending per child. Two observations can be drawn from this. First, improvements in child outcomes in New Zealand probably require more public spending on the welfare of under six year olds. Second, and perhaps more importantly, New Zealand needs to improve the effectiveness of this spending. In this regard the graph also suggests that the Netherlands could perhaps be a better role model for New Zealand than the Nordic countries.

A slightly more sophisticated analysis of international child outcome and spending patterns suggested the following observations:

→ A negative quadratic relationship between public spending and child outcomes support the view that there are diminishing returns from increased public spending on children.

→ Economic growth is generally positive for child outcomes.

→ There is an interaction between the benefits of higher public spending and higher household incomes for child outcomes: higher levels of public spending require higher levels of tax, which lower private income levels. However, it would seem, given the current situation in New Zealand, that on average the benefit from more public spending on young children outweighs the negative consequences for children from households having to pay more taxes to fund this spending.

→ Focussing public spending towards young children (aged under 6) appears to be a more cost effective way of improving child outcomes than we are obtaining from the current balance of government spending, which is tilted more towards older children. My estimates would suggest that an extra dollar of public spending on children aged under six will be three-times more effective at improving child outcomes than if it was spent on older children.

Although the results of the cross country analysis indicate that more public spending on early childhood services is likely to result in improved child outcomes, this is not the same as saying that this spending will be cost effective. That will depend on the extent that improved child outcomes result in the type of economic gains suggested by the international research. It also in turn depends on the effectiveness of specific policies in delivering the sought after outcomes.

To illustrate, I undertook some rough calculations about the types of costs and benefits that would be associated with improving New Zealand child outcomes to the same level as the OECD median and for the Netherlands. According to the measures that I used in the graph, a 30 percent improvement in child outcomes would be required for New Zealand to catch up with the OECD median and a 49 percent improvement would be required to catch up with the Netherlands. Using a rough estimate that poor child outcomes are imposing an annual cost on New Zealand society equivalent to 3 percent of GDP, then obtaining these types of improvements could effectively add 0.9 percent or 1.5 percent to GDP respectively. But how we get there is vitally important for assessing whether it is in the national economic interest. If we obtain the 30 percent improvement in child outcomes to reach the OECD median, but only achieve an effectiveness of public spending on children equivalent to the OECD median, then the addition to public spending would be in the order of 1.8 percent of GDP. If this is the case the sums just do not work: we get a welfare improvement that is equivalent to 0.9 percent of GDP but used 1.8 percent of GDP to get it. However, if we are as clever (or lucky) as the Dutch, the cost of an improvement in welfare equivalent to 1.5 percent GDP could be achieved at a cost of 0.9 percent of GDP.
This back of the envelope analysis does not provide a categorical answer on what the likely returns on public investment in children is likely to be. However, it does suggest that a contention that there are strong social and economic returns from public investment supporting pre-school children and their families is plausible, so long as the right programmes are promoted. More research is obviously required than offered here, but the results here are consistent with the "new consensus": the quality of programme funded is of paramount importance for ensuring the achievement of national benefits.

In summary, I have sought to demonstrate that:

i) deprivation is a cause of poor adult outcomes for a child when it denies them access to critical needs for their full development;

ii) deprivation is a critical indicator of other likely causes of poor adult outcomes for a child such as stressed or inept parenting and also an important parental stressor;

iii) the way that problems compound over time means that deprivation during the early years of childhood is potentially more damaging than during the later years;

iv) the factors contributing to poor childhood outcomes are complex but lone parenthood and the employment status of parents are important markers of child exposure to deprivation and this has a significant impact;

v) some re-orientation of public spending so that a greater proportion is focused on younger rather than older children is likely to be a more effective use of public funds;

vi) focus on younger children is also likely to be growth enhancing so long as it is directed towards well designed and effectively run programmes.

I do not have the scope to cover solutions here, but the foregoing discussion does have some implications for the design of any policy suite that wishes to mitigate the problems of child poverty:

Income support should be regarded as only part of the solution.

Parental engagement in the labour market is potentially important, not just because of the financial benefit but also because work encourages social connection, parental self-esteem, and a socially acceptable role model for children.

Community-based support services are likely to be important and should include both support for parents and early education programmes.

This article is based on the report prepared for Every Child Counts: The effectiveness of public investment in New Zealand children

References

1 Sourced from Gluckman et al (2011) p29
2 This estimate is derived from the results of Holtzer et al (2007) and Hirsch (2008) and using a number of brave assumptions.


Children and young people speak out about child poverty

By Michelle Egan-Bitran, Senior Advisor, Office of the Children’s Commissioner

“Poverty in NZ! I do think there is poverty in NZ but I also think mainly children are suffering from it.”

Renee, teen parent, Gisborne

“Poverty to me means children missing out.”

Majenta, teen parent, Wanganui

In examining the impact of child poverty in New Zealand, the Office of the Children’s Commissioner asked children, young people and young parents for their views and experiences. The result is This is how I see it: Children and young people’s views and experiences of poverty, a collection of photos, poems, artwork, stories and autobiographical accounts (www.occ.org.nz/childpoverty).

From August 2007 to June 2008, the Office worked with nine community partners and 70 children and young people and 30 teen and young parents living in low socio-economic communities throughout New Zealand. The main aim was to enable children and young people’s views and experiences to be heard by those who can help end child poverty in New Zealand. By engaging with and listening to children and young people we had the opportunity to:

→ begin to understand some of the experiences and realities of childhood poverty
→ gain an insight into the issues and concerns that low-income children identify as important
→ learn how policies and the provision of services impact on children’s lives.

The project

A series of workshops were held with eight groups of children, young people, teen and young parents to define poverty, take photographs and articulate their significance and meaning to create a journal or posters. Facilitators worked in a strengths-based manner to create safe environments in which the children, young people and young parents felt comfortable, honoured and empowered by the process. The facilitators encouraged and fostered critical reflection of the issue of poverty and its impact on their lives and/or the lives of others in their communities. While this project predominantly sought to explore children and young people’s views and experiences of poverty through photographic images and participants’ interpretations of pictures, participants could also draw, write poems, stories, lyrics or record dramas to express themselves and their perspectives, which many chose to do.

Artwork by Millie

This approach enabled participants to identify, represent and reflect on their views and/or experiences of poverty while significantly guiding the focus of the project themselves, ensuring that the project was guided by their own definitions of poverty.

The project, which included those disengaged from mainstream education, saw critical awareness of and reflection on poverty emerge. As children and young
people shared their stories and views, most community partners commented that competencies developed in self-expression through drawing, painting, photography and writing. In this way, the children and young people sought to articulate the significance and meaning of their work and as a result created work which can be used by the young people and community partners in their own communities to help advocate for change.

**What did children and young people say?**

Child poverty exists in New Zealand and it impacts on children and young people in ways that are often quite distinct from adults.

Being picked on, being rejected by their peers, bullying and social exclusion were significant issues for many of the children. This was exacerbated by not being able to wear adequate and suitable clothing and not being able to take part in sporting, cultural and school activities.

“Can’t afford school uniform...Lack of books, can’t afford...Can’t go on school trips...No lunch...Not accepted by their peers...Left out...Get picked on at school...Stress...Shame...Low self-esteem...Unhappy...Lonely...Sad...Depressed ...Angry...Feelings of worthlessness.”

*From young people’s group definition of poverty*

“Poverty is...not getting proper opportunities like going on school trips, hard to take part in things like sports and other activities.”

*From young people’s group definition of poverty, Dunedin*

Participants also highlighted stigmatising institutional processes and practices within schools. These included:

“Teachers causing shame to students in front of their peers because they have no stationery, uniform etc. Schools should deal with parents and not punish the kids for not having shoes, books etc.”

*From teen parents group definition of poverty, Wanganui*

“Poverty is...going to school but schools not understanding difficulties families are having – shame and embarrassment for kids. Kids playing up at school and get in trouble because of family issues. Schools reacting to kids’ behaviour and not why they are acting that way and maybe kicked out of school.”

*From young people’s group definition of poverty, Wanganui*

The children and young people involved also spoke about the impact of a lack of money or low income/benefit levels, poor health and adequate and stable housing.

“Poverty is...moving houses, always moving – stressful. Having to move in the middle of the night – unable to pay rent, scary. Don’t make a lot of friends if moving a lot.”

*From young people’s group definition of poverty, Palmerston North*

Having a lack of basic essentials such as food, clothing and warmth was also identified by the children and young people. Many children spoke about hunger and lacking nutritional food.
Children and young people also spoke of the tensions and pressures poverty placed on families and how this impacted upon them.

“Hard working parents but still unable to support their family. Parents working too much and unable to spend time with their children, missing special occasions like birthdays.”

From young people's definition of poverty, Dunedin

“Children left home alone as parents need to work. Children having to stay at home to look after brothers and sisters.”

From young people's definition of poverty, Dunedin

Children and young people expressed their concerns about their future prospects with many having a sense that ‘this is my lot in life’, living day-to-day, or just trying to get by. One young person from Otahuhu spoke of being “locked up in poverty”. There was little discussion about hopes and future aspirations.

They also pointed to the complex nature of poverty and how they often saw poverty as being connected to issues such as unemployment or a lack of employment opportunities, the cost of childcare, family violence, alcohol, drug and gambling addictions and environmental factors such as gambling and liquor outlets.

When you are poor you can get angry. Frustration can get worse then comes VIOLENCE”. Anonymous, Paeroa

“Many children and young people believed that there was a need to upgrade physical environments in order to improve
opportunities and wellbeing. This included having access to safe playgrounds and recreational facilities.

“Parks are pubs. Bus stops are beds and home sucks” From Streets Ahead 237 group, Porirua

Finally, participants called for action to address poverty, asking the government and those in power not to think of them as a statistic but to actually do something to help.

Poverty by Sa’o Otahuhu

Poverty is just a word... but a word that means a lot not when said but when seen.
Poverty is a cycle but an on-going cycle not being altered but left aside.
Poverty is on our conscious but at the back of our minds not acted on... but why not?

PLEEZZE To people in power + the Government – don’t tuck us away as a statistic.

Alice, Te Puru

This is what poverty is about, having families, the community helping to stop poverty.

Panepasa, Otahuhu

What have you learnt, think about it. What now can you do!!

Jack, Te Puru

Conclusion

It is critical that an informed debate about child poverty, which includes children and young people’s perspectives, progresses in New Zealand. As this project has shown, we can learn a great deal from children and young people about how they experience and perceive their world and issues which affect them. By listening to children and seriously considering what they have to say, we have the opportunity to gain valuable insights into how we can better meet their needs.

Some of the work from this project can be viewed at our online gallery www.occ.org.nz/childpoverty

To read and to download the full report This is how I see it: Children and young people’s views and experiences of poverty go to http://www.occ.org.nz/home/childpoverty/the_report
Anglican Family Care Centre has been running a food bank service in Dunedin for over thirty years, and this grew in scale at the time of the benefit cuts in the early 1990s. The distribution of food poses a number of ethical dilemmas and provokes strong reactions in our community where the issue of poverty is for many hidden or invisible. Poverty is defined in the Oxford Concise Dictionary as “indigence, want; scarcity, deficiency” – the deserving poor – or also as “inferiority, poorness, meanness” – the undeserving poor. The underlying causes of poverty are complex and those who seek our help may have long term chronic and acute need, or be facing temporary and unexpected hardship due to sudden change in circumstances – loss of employment, poor health or death of a family member.

Prejudice, judgement and blame are common reactions, but the depth of the generosity we receive from many people in our community makes our work possible, and these people allow us to assist the most vulnerable children and families in times of need. The humiliation of asking for food is close to begging, and we respond with respect and empathy to those who ask. The reasons for seeking help are complex. We view poverty in the broader sense – a ‘poverty of the spirit’ – isolation, despair, feeling overwhelmed. We believe that children need one or more parents whose own needs are met, and the parents who seek our help are experiencing a number of obstacles and personal difficulties.

Let me describe some of the people we meet.

→ A mother who prefers her own company rather than being in groups, history of depression and, since the birth of her baby, post natal depression
→ A large family, father working for the minimum wage, family forced to move several times for the father to secure employment, working long hours and unable to spend quality time with the children, leaving the mother to cope with most of the parenting work. The mother has a low literacy level, and due to her own negative experiences of education, does not hold the institution in high esteem. As a result of poverty this family invest a lot of their time and energy in struggling to meet their basic physiological and safety needs and therefore lack motivation for achieving any greater potential with regards to cognition and self actualisation referred to in Maslow’s (1946) hierarchy of needs
→ A mother in a seriously violent relationship, known IV drug user, intergenerational involvement with Child Youth and Family, expecting a baby
→ A mother with a history of violent relationships, which involved her children in the violence, and a family background of her own mother and grandmother exposing their children to violent men, and of being verbally, physically and sexually abused as a child. Issues such as drinking, gambling, angry and aggressive behaviour in the house, and a fear that the children are exposed to danger and neglect, resulted in them being removed from the mother’s care.

So what does this mean for the children in these families?

→ The baby of the mother suffering both depression and post natal depression did not smile and was behind in her developmental milestones. He was found to be cognitively very advanced but socially delayed. By supporting the mother with her social isolation and connecting her to other parents, her interaction with her child has improved, and she has discovered the joy of playing with her son.
→ The large family with the father working long hours and the mother with a low literacy level – one child is illiterate and has been diagnosed with developmental delay and learning difficulties. This child is unable to
engage in some of the specially designed educational programmes as the financial cost is too high. The house is overcrowded with a chaotic environment where household routines are practically non-existent and standards of hygiene are low. The children attend school smelly and there are concerns they are malnourished.

→ The baby of the mother living in a violent relationship was removed from her care by Child Youth and Family and the mother received intensive support under supervision to care for her baby. She continued contact with her violent partner although she had sought a protection order. Her baby was being neglected. She did shift her attitude to accepting help after finally realising that she would lose her baby if she did not. Her baby returned to her care. She now faces overwhelming practical issues – a state house, using electric heaters, no carpet or sunlight in the bedrooms which are cold and damp. Her baby suffers from asthma, and keeping him warm incurs high power bills. Repeated ear infections have delayed the baby’s ability to talk or use responsive language. This has required further specialist medical support.

→ The mother with the history of violent relationships, involving exposing her children to the violence – these children have been exposed to significant traumatic incidents, danger and ongoing neglect. Drinking and gambling by the father left no food for the children, and the mother was not allowed to leave the house. Support from our agency has led to a shift in focus for the mother, encouraging her to learn to protect her children, and she has made decisions to end her relationship with the violent man. She is working towards resuming the care of her children.

The issues facing these vulnerable children and their families are complex and span several generations. We assist with food to alleviate the most urgent and acute need, but this in itself does not address the causes of the poverty these children face. We are seeing neglect of the most extreme kind, stemming from issues of loss, depression, poor education, isolation, addiction, family violence and so on. Low or insufficient incomes compound the stresses faced by these families. Children fail to receive the most fundamental supports – safety, food, play, learning. The nature of the interventions we provide, stemming initially from a careful assessment of the history of the family and the environment, allows for gradual change and desire to work for change, coming from the parents themselves. We can support them to provide for their children after having addressed the fundamental issues getting in the way of this happening. This does not happen overnight.

Artwork by Millie

Poverty is a complex issue, and working for change to improve the circumstances of these children requires a significant shift in attitude from their parents, an environment where they are focused enough to meet the needs of their children, and have the resources and understanding to do this well. Attitudes of judgement and blame inhibit this change, and notions of deserving or undeserving poor mask the real causes of neglect and poverty for children. Poor education, intergenerational abuse, family violence, low incomes, poor health and depression, addictions – many factors prevent parents from meeting the needs of their vulnerable children. The picture of the whole family must be understood to work for effective change for the future.
By Darryl Evans, CEO, Budgeting & Family Support Services (Operated by the Mangere Budgeting Services Trust. Est 1994)

This past year many New Zealanders have experienced unprecedented uncertainty in terms of rising financial stress and hardship and whether they get to keep their job. Many have had to seek benefit support for the first time in their lives and with this we are seeing increased demand for our services. Families and individuals are coming into services such as Mangere Budgeting & Family Support Services (operated by the Mangere Budgeting Services Trust) as they seek advice and support. Many families now believe their future to be bleak as some face homelessness, some face loss of employment but overwhelmingly most feel they no longer have a secure future; this is distressing for so many individuals and whanau/families. More importantly this causes major stress for their tamariki / children. With statistics in New Zealand that 1 in 4 children live in an impoverished home, this means we must do things better so that our children and theirs, can live in the hope of a brighter future.

As a community organisation we have seen unprecedented growth as demand for our services increase daily. Once an organisation that solely provided budgeting support to the community of Mangere in South Auckland, we have had to do things differently so as to meet community needs. With this in mind we now deliver a range of essential services that meet the needs of vulnerable people; these are:

- One on One Budget Advice & Support
- Budget Planning
- Negotiations with Creditors
- Advocacy with Government departments
- Financial Literacy Programme – budget education workshops
- Housing Advocacy
- Family / Individual Counselling
- Strengthening Families Programme – Lead Agency for Mangere
- Healthy Lifestyles Cooking Programme – learn how to feed a family on a tight budget
- Supermarket Tours – Learn how to shop smarter
- Food Parcels to families in need (strict criteria applies)
- Freephone Budgeting Help Line – 0508 22 22 83 or 0508 ABC Budget.

Our organisation is proud of the fact that we worked alongside over 2000 individuals and families this past year. Our staff continue to work hard in providing innovative and quality focused services whilst never losing sight of our mission; which is to be dedicated to helping families/whanau and individuals achieve better lives for themselves and their children/tamariki.

This past year has also been a hard year in terms of the complexities of the issues our families present with. Over the past 19 years we have predominantly provided support to beneficiaries but since the recession the face of budgeting has changed dramatically; as we now provide support to those who are working; these we call the ‘working poor’.

These are often families who work a full 40 hour week, many earning little over minimum wage and yet they struggle to pay the essential bills such as rent and power. When delivering good sound budget advice we spend time talking about priorities and need vs. want. We advocate that on receipt of your income whether it be from benefit or wage that they pay the rent as priority #1, so as to keep a secure roof over their children’s heads. #2 is ‘power’ so they can heat the home and cook the food and #3 is actually buying food. This past year we have seen a 69 percent spike in the number of families having to access food parcels as food insecurity is most definitely on the rise in Aotearoa. Those who tell you otherwise are either ill-advised, misinformed or burying their head in the sand. Most definitely in New Zealand we are seeing an increase in the number of children going hungry and turning up to school having had no breakfast and with no lunch. Some go home knowing that there will be no kai on the table that night or tomorrow’s for that matter.

In my humble opinion, one child going hungry in ‘God’s Own’, is one child too many and we as a country have to address the social divide between those who have and those who do not as the impacts on our children can be devastating.

Often the perception by some in our communities is that those who present to a budgeting and social service such
the Mangere Budgeting Services Trust are either dole bludgers, solo parents with little to no parental skills or the no hopers when in fact the reality is very different. Of course we see those who appear to be evading work and those who could do with parental up-skilling and sometimes even those who misuse drugs, alcohol or who gamble but again the vast majority are good, decent people who are merely struggling to get by on minimum wage and with little hope for the future or those looking for jobs, that appear not to exist.

We have had so many successes this past year in terms of providing holistic, wrap around support to the children of our clients. One family who came under our Strengthening Families Programme presented with very complex issues from domestic violence, they lived in a boarding house in an over-priced undersized room which housed mum, dad and the children, aged 13, 11 and 5. The mother stated the children were all angry and each had anti-social behaviours. The father often raised his hand to the mother following a heavy drinking session and this cycle of abuse had been happening since they lost their private rental home due to mounting rental arrears. Our Strengthening Families Coordinator asked for my help and together we managed to convince Housing New Zealand that this was no place for children to be raised. A comfortable 3 bedroom state house was found for them, one which they could easily afford. We encouraged the father to seek support for his anger and through individual and couple counselling he at last learnt how to address the bullying issues he had, which he claimed he had learnt from his own father. The mother was also provided with counselling support, which she still attends to this day. Both parents regularly meet with one of our Budget Advisors and are beginning to manage their finances better. The children were provided with art therapy and counselling and we also managed to get them activities of their choice. The 13 year old wanted to play rugby, which he is now doing not only at school but also through his local church youth group. The 11 year old wanted piano lessons but knew mum and dad were unable to pay for them and so with a small fund available through Strengthening Families we were able to cover the cost of lessons for six months and I managed to get an older piano donated to him through a friend of mine. The now 6 year old son has since joined a Keas Club and is enjoying developing his creativity. This family is now beginning to enjoy being a family.

I can share with you the bitter sweet success we have had with a local Maori family who again presented to us with many social problems, which were all compounded due to the Mother’s terminal illness. This lovely family came to see us having been referred by a family member who had utilised our services. I always ask the family, what it is they need from us and was taken aback with the heartfelt plea from this brave young mother. She stated she wanted to die knowing her children were living in a safe, warm and affordable home and also knowing that her husband would be supported to care for their 4 children. We again sprung into action and within 5 weeks Housing New Zealand delivered the most amazing newly built home for them to live in. Budgeting and Financial Literacy were provided to this family as was Positive Parenting classes for the father and also we put him on our Healthy Lifestyles Cooking programme, so he’d know how to prepare some healthy kai for the kids. The children have been a great source of support for their mother but tragically she lost her battle and passed away earlier this year. Since then each child has received grief counselling, the 3 oldest have been away during term break on a health camp, which they tell me they enjoyed enormously. All are now active in various sports and although we can never bring back their Mother; they know that she passed away knowing they had a safe home to grow up in and they were left debt free; as she achieved another goal of paying off their $10,700 debt before she died.

The Maori word ‘Whakama’ or cultural embarrassment is a word that needs eradicating in terms of indebtedness. There is no shame in putting your hand up and asking for help and support. When 1 in 4 children in this country live in homes where they experience high levels of debt, financial hardship and/or food insecurity; we as a nation have an obligation to do whatever it is we can to help them achieve brighter futures. I truly believe if we work in collaboration and partnership then we can make a difference but only if and when we all recognise that we need to do better by our nation’s children; it is then that we can make a difference “one child at a time”.
The New Zealand welfare state and financial assistance for children

By David A Preston

David Preston is a consultant specialising in public sector economic and social policy. He previously held senior Positions in Treasury, Foreign Affairs, and the former Department of Social Welfare. He has also worked for the IMF, been a Visiting Fellow at the Victoria University Economics Department, and a consultant to the ILO Social Security Department on projects in Asia and the Pacific.

Introduction

Financial assistance for low and moderate income households with children is now a key component of the New Zealand Welfare State. However, the form that state financial assistance for children has taken has varied over time. In particular universal family benefits were a late and impermanent element in the NZ Welfare State, emerging only in 1946, and coming to an end in 1991.

Over the longer period three main types of financial assistance to households containing dependent children have been evident:

→ Supplements to benefits paid to adults
→ Tax concessions
→ Cash Family Benefits and Allowances

The development of these approaches may be viewed in the context of the general development of the Welfare State in New Zealand which is set out in the following section. In addition to cash assistance, households with children have also received direct assistance via health, education and housing services. Other payments have also been provided for student allowances and for special needs children. Government has also assisted some families by collecting child support maintenance. However, these latter elements lie largely outside the scope of this paper.

The Development of the NZ Welfare State

The colonial New Zealand which emerged from the mid 19th century European settlement after 1840 did not have any formal public welfare system. The English Poor Law was not brought in with the immigrants, and support for dependents was regarded as a core responsibility of families; in the Maori case the whanau or extended family. There was at times some aid from hospital boards or private charities, and some former soldier or government officials received state pensions, but in general for adults as well as children the government was not responsible for their support. For working age adults there were also at times “Workfare” projects in the form of public works contracts but no other cash transfers from the taxpayer.

Artwork by Millie

The state did recognise some types of economic need, notably by defining employer liability for work injuries in the 1882 Act. However, it was not until nearly the end of the 19th century with growing numbers of former immigrants attaining old age without visible means of support that the NZ Government began to assume direct responsibility to fund some types of income support needs. Thereafter the scope continued to widen for the next three generations.
### The Expanding Welfare State 1898–1990

**Table 1: The main events in the growth of The Welfare State 1898–1990**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1898</td>
<td>Age Pensions at 65 years (means tested) available from 1899</td>
</tr>
<tr>
<td>1910</td>
<td>Widows Pension for widows with dependent children. Contributory National Provident Fund established with government subsidy</td>
</tr>
<tr>
<td>1912</td>
<td>Military pensions for veterans of the New Zealand Wars (then called the Maori Wars)</td>
</tr>
<tr>
<td>1914</td>
<td>Income tax allowance – initially a deduction from assessable income of 25 pounds ($50) for each dependent child under 16 years</td>
</tr>
<tr>
<td>1915</td>
<td>Miners pensions. War Pensions for World War I veterans and the spouses, children and other dependants of those soldiers killed or injured</td>
</tr>
<tr>
<td>1920</td>
<td>Epidemic Pension (victims of Spanish Flu epidemic)</td>
</tr>
<tr>
<td>1924</td>
<td>Pension for blind adults aged 20 plus</td>
</tr>
<tr>
<td>1926</td>
<td>Family allowance (income tested) for families with 3 or more children</td>
</tr>
<tr>
<td>1930</td>
<td>Unemployment Boards set up to promote subsidised employment</td>
</tr>
<tr>
<td>1936</td>
<td>Invalidity pension for blind or permanently incapacitated persons aged 16 or above. Deserted wives made eligible for the renamed Widows Benefit</td>
</tr>
<tr>
<td>1938</td>
<td>Social Security Act lifted benefit rates, lowered the renamed age benefit age from 65 to 60 years, widened eligibility for some existing benefits, and set up several new benefits available from 1 April 1939 notably: Unemployment Benefit, Sickness Benefit, Emergency Benefit, Orphans Benefit. Universal Superannuation from age 65 years (available from 1940)</td>
</tr>
<tr>
<td>1943</td>
<td>Compulsory Employer Insurance for Employment Injury</td>
</tr>
<tr>
<td>1946</td>
<td>Universal Family Benefit at 26 pounds a year per child</td>
</tr>
<tr>
<td>1958</td>
<td>Family Benefit Capitalisation for Home Ownership Assistance</td>
</tr>
<tr>
<td>1972</td>
<td>Accident Compensation Act with 80 percent Earnings Related Compensation</td>
</tr>
<tr>
<td>1973</td>
<td>Statutory Domestic Purposes Benefit established</td>
</tr>
<tr>
<td>1976</td>
<td>Young Family Tax Rebate begins</td>
</tr>
<tr>
<td>1977</td>
<td>National Superannuation (now NZ Superannuation) at age 60 with pension for couple set to rise to 80 percent of average wages. Single Income Family Tax Rebate established</td>
</tr>
<tr>
<td>1978</td>
<td>Handicapped Childs Allowance. Accommodation Benefit</td>
</tr>
<tr>
<td>1983</td>
<td>Family Tax Rebate</td>
</tr>
<tr>
<td>1984</td>
<td>Family Care</td>
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<tr>
<td>1986</td>
<td>Family Support and Guaranteed Minimum Family Income</td>
</tr>
<tr>
<td>1988</td>
<td>Unsupported Child Benefit</td>
</tr>
<tr>
<td>1990</td>
<td>Independent Youth Benefit</td>
</tr>
</tbody>
</table>
The listing of highlighted dates in table 1 sometimes obscures other significant changes both before and after these dates. Over time the effective coverage of the 1938 Act was further extended, a process which the 1960 Year book referred to (page 209) as “provision has been considerably amended and enlarged to correct anomalies and to cover more comprehensively the needs of the people.”

In other cases an Act came well after the main changes had actually occurred. For example while Unemployment Benefit did not officially exist till 1939, prior to this the Unemployment Boards paid out “Subsistence” payments to those unemployed for whom suitable subsidised work could not be found. The 33,302 people receiving “Subsistence” in 1933-34 were vastly more numerous than the 4,053 receiving Unemployment Benefit by March 1940. In effect the 1938 Act was able to fund a big expansion of the notional coverage of benefits because rising employment levels meant that very few working age adults actually accessed these benefits. This remained true for a generation after 1938.

Similarly the emergence of the statutory Domestic Purposes Benefit in 1973 followed the practice for a number of years precedent of paying the growing numbers of non-widowed sole parents seeking social welfare assistance an Emergency Benefit. The dating of Accommodation Benefit used here should also be regarded as an approximation, since it emerged out of an earlier practice of paying for high beneficiary accommodation costs from additional benefit payments.

The text has not included the development of Tertiary Student Allowances from 1989, although these can also be viewed as being part of the evolving Welfare State.

Rationalisation and Restructuring in the 1990s

The era of incremental growth in the welfare state had largely come to an end by the beginning of the 1990s, and governments were increasingly looking at ways of trimming fiscal costs. The problem was the fiscal cost of the huge rise in the numbers supported by the state and its negative impact on workforce participation. The numbers of working age adults on benefits in 1965 had numbered only 27,553, and just over half of these were widows. By 1990 the total had swelled to 294,918. For retirement pensions the 1965 number had been 214,659 on the two pension types then paid. By 1990 with NZ Superannuation available at age 60 the pension total had grown to 495,500.

1991 saw a series of major social security eligibility changes which included:

- abolition of the Universal Family Benefit
- reduction in benefit rates for working age adults, and tighter conditionality for some. Indexation of main benefits to the Consumer Price Index meant that they thereafter gradually declined as a percentage of net average wages.
- the NZ Superannuation pension age to be phased up to 65 years by 2001, with the pension wage ratio to gradually reduce through consumer Price indexation from 80 per cent to a lower floor (currently 66 per cent) of net average ordinary time wages.

However, while the main theme of the 1990s was rationalisation and reducing main benefit and pension entitlements to cut fiscal costs, there was also a focus on increased use of selective additional assistance. This included:

- the development of the Community Services Card
- expansion of the Accommodation Supplement which had replaced Accommodation Benefit
- increased use of Special Benefit and Special Needs Grants
- growth of Out of School Care and Childcare subsidies.

The 1990s and the following decade also saw the expansion of the role of family assistance, and the creation of additional margins for earners, details of which follow in a later section.

21st century changes

2002 saw the introduction of paid parental leave, which is currently paid at up to $441.62 a week for 14 weeks. Unlike the situation in most developed countries, this is taxpayer funded rather than a social insurance or employer provided benefit.

One other major new initiative occurred in the first decade of the 21st century. This was the 2007 creation of the taxpayer subsidised KiwiSaver scheme for retirement provision.

For child assistance the main theme was the progressive expansion and differentiation of what is now the Working for Families system.
Against the background framework for the longer period it is now instructive to turn to the more detailed description of the development of government financial assistance for children.

**Government Financial Assistance for Children**

Child assistance in New Zealand began as pension or benefit supplements. It was then followed by tax concessions, and then by low income family allowances. Universalism in family assistance emerged in 1946, and lasted 45 years, but long before the Universal Family Benefit was abolished in 1991 the policy focus shifted back to income-related additional payments for low and moderate income families. The history of family assistance since 1984 has been the progressive development of income targeted assistance, and the creation of additional margins for families not claiming main welfare benefits or pensions.

**Pension and Benefit Supplements 1911 to 1984**

The first appearance of direct government financial assistance for supporting children came in 1911 when the Widows Pension incorporated supplements for the number of dependent children under the age of 14 years. The basic pension for a widow with one child was 12 pounds per annum ($24). This rose to 18 pounds with 2 children, 24 pounds with 3 children, and 30 pounds with 4 or more children.

This was followed up by the 1915 Miners Pension which added five shillings per week (13 pounds a year) for dependent children, later raised to 10 shillings a week.

The next expansion of pension supplements to include dependent children came with World War I and the massive expansion of War Pensions. By 1920-21 War Pensions had surpassed old Age Pensions as the main income support payment funded by Government. The supplements for dependent children for incapacitated War Veterans then became a moderately significant form of child assistance. For example in 1927 there were 3,550 children of War Pensioners receiving assistance.

Supplements for beneficiaries with children were largely redundant once Universal Family Benefit became payable from 1946. However, some were again being paid in the late 1960s (e.g. to widows in 1967) and in the 1970s they began to increase as the relative value of the Family Benefit shrank. By 1973 a $3 second child supplement was being paid to beneficiary sole parents, and $2 (later $3) to beneficiary couples with one child. In 1974 extra children attracted another $1.25 each. From 1973 onwards however the largest benefit supplement was the allowance for the first child of a sole parent which was built into the benefit structure following the recommendations of the Royal Commission on Social Security.

More generally beneficiary child supplements were raised to $4 a week, and then to $5 week in 1981, and $8 in 1984, and lastly to $10 per week in 1985. The supplements were finally abolished in 1986 when Family Support became payable to beneficiaries as well as employed earners. However, an implicit first child payment is still embodied in the benefit rate for sole parents.

**Tax concessions 1914 to 1975**

The second major initiative which recognised the financial cost of child dependence came at the other end of the income spectrum in the form of income tax concessions to actual or potential income tax payers. The 1914 Act allowed a deduction from assessable income of 25 pounds per dependent child under 16 years. In 1920 this was raised to 50 pounds for dependent children under 18 years. The concession however was accessible only to a small minority of the population. This was because there was a personal exemption from income tax of 300 pounds per annum before income tax was payable. This was above the average wage at the time, so the exemption was of value only to higher income earners. In 1919-20 for example there were only 44,084 income tax payers.

The concession however was accessible only to a small minority of the population. This was because there was a personal exemption from income tax of 300 pounds per annum before income tax was payable. This was above the average wage at the time, so the exemption was of value only to higher income earners. In 1919-20 for example there were only 44,084 income tax payers.

The tax exemption thereafter had an ambivalent history. It remained unchanged at 50 pounds a year till 1953, when it was raised to 65 pounds, and then in 1954 to 75 pounds, and to 78 pounds ($156) in 1960. As incomes inflated considerably over the period from 1920, the concession shrank to a fraction of its initial real value just as the number of income earners eligible for it grew through the same income inflationary process.

In 1973 the tax concession was shifted to a tax rebate of $60 per dependent child, equal to a 40 per cent rebate on an income of $150 per year. The change meant that lower income earners gained more from the rebate, and some higher earners less.
Family Benefits 1927-1991

The first general Family Allowance payable from 1 April 1927 was a very tightly targeted 2 shillings (20 cents) a week for the third and subsequent children of low income families with 3 or more children. It was payable only to those whose income did not exceed 4 pounds (8 dollars) a week. Subsequently the payment was extended to the second child. In 1930, a total of 3,838 Families with 19,474 dependent children were receiving this allowance. By 1934-35 with the Economic Depression deepening this had grown to 12,321 families with 54,040 dependent children.

As the Economic Depression subsequently eased, the number of eligible families began to drop. Concurrently, payment rates were increased and eligibility widened. By the time of the 1938 Social Security Act the income limit was raised to 5 pounds a week, and the per child rate raised to 4 shillings ( 40 cents) per week. In 1940 the 4 shillings payment was extended to first child of low income families. In 1944 the payment went up to 7 shillings and sixpence (75 cents), and in 1945 to 10 shillings (one dollar) per week.

In 1946 the Universal Family Benefit of 10 shillings ($1) a week was extended to all children without any parental income test. For a long period thereafter it gradually reduced in real value as prices and incomes rose. It was raised to 15 shillings ($1.50) in 1958, $3 in 1972, and $6 in 1979. Thereafter it remained frozen till abolished in 1991. The $6 per child weekly payment equivalent was then incorporated into income tested Family Support.

When it began in 1946 a Universal Family Benefit payment for two children was equivalent to 25 percent of the social security benefit for a couple on Unemployment or Sickness Benefits. By 1975 this ratio was down to 12.5 percent. In 1990, the last full year of Family Benefit the ratio was only 5.4 percent of a couple Unemployment Benefit, and 4.4 percent of the then higher rate of Sickness Benefit for a couple.

Income related tax rebates 1976-1984

By the mid 1970s it had become clear that parts of the family population were under significant financial pressure, while Family Benefit was trending downwards relative to incomes. Economic factors were complicated by the fact that the old Male Breadwinner/Female Homemaker model for households with dependent children which had underpinned the 1938 Social Security Act was less and less a representation of social reality. In effect the population of families with dependent children was trifurcating into three main groups:

→ households with two or more significant earners
→ sole parents
→ single Income traditional households

Most (not all) households with two full time earners had sufficient income, while most sole parents were catered for by Social Welfare Benefits, notably the new Domestic Purposes Benefit. Low income households supported by employment (including some sole parents) were less visibly catered for.

In this context a series of tax measures to boost the net incomes of low earners supporting children took place in the 1970s. These were:

→ The 1976 Young Family Rebate. This provided a tax rebate of $6 per week ($312 a year) for families with a child under 5 years, and income below $100 per week. The assistance reduced by 15 cents in the dollar for income above this level. In 1977 this became $9 per week reducing at 10 cents in the dollar above $150 per week.

→ The 1977 Single Income Family Rebate of $4 week ($208 per year) for families with a child under 10, and spousal earnings of less than $20 per week. The rebate was later raised to $5 per week.

→ A 1980 Low Income Family Rebate which replaced the Single Income Family rebate. The new rebate was $9 per week.

→ Finally in 1982 a Family Rebate of $1,404 a year ($27 a week) merged and replaced the other rebates. It was available in full to families with income below $9,800 per year or $188.46 a week.
Family Care and Family Support 1984 onwards

A change of Government in 1984 brought new variants on targeted child assistance:

→ In 1984 a Family Care allowance of $10 a week was made payable to non-beneficiaries. Benefit supplements were raised to $8 per child, and then to $10 a week in 1985.

→ In 1986 this assistance plus the previous tax rebates were merged into a Family Support Tax Credit which could be taken either as a tax rebate or a benefit payment. It also replaced benefit child supplements. The new Family Support payment was $36 per week for the first child and $16 for subsequent children. It reduced at 18 cents in the dollar for family incomes above $14,000 per year.

→ Underpinning the Supplement was a Guaranteed Minimum family Income for households with dependent children working 30 or more hours per week (20 for Sole Parents).

The 1990s – Family Support increases plus a margin for earners

1991 saw the end of Universal Family Benefit. The $6 per child rate was incorporated into income related Family Support. Periodic increases in rates of assistance also occurred during the decade:

→ From 1993 payments for second and subsequent children were raised to $35 for those aged 13-15 and $42 for those aged 16 plus, thus differentiating payment rates by age.

→ From 1996 an extra child tax credit for earners but not beneficiaries was introduced. Initially this was $7.50 a week ($390 a year) per child, subsequently raised to $682.50 per year. This credit was subsequently restructured and renamed Independent Family Tax Credit and raised to $15 per week ( $780 per year) per child.

→ The Guaranteed Minimum family Income was restructured as a family tax credit.

By 2000 a fourth element was added to the family assistance package. This was the parental tax credit, which in its current form pays up to $150 a week for 8 weeks to parents of a newborn child who are entitled to what is now an In Work Tax Credit. It also was income tested.

Working for Families 2008

Throughout the balance of the first decade of the 21st century the amounts of family assistance were periodically increased, and the components went through further name changes. By 2008 the family assistance package had been redeveloped into the “Working for Families” model with significantly increased payment levels.

In the form which operated from April 2011, the Working for Families model had two main elements and two subsidiary elements. The main elements were:

→ A Family Tax Credit which had replaced the former Family Support. For those with incomes under $708 a week this provided a tax credit of $88.04 per week for the first dependent child, and $61.19 per week for subsequent children. Some additional supplements were payable for children aged 13 to 15 and 16 to 18. Both earners and beneficiaries received this payment. It reduced at 20 cents in the dollar for income above the income limit.

→ An In Work Tax Credit payable to non-beneficiary earners. This was $60 per week for earner families with 1-3 dependent children, plus an additional $15 per child for children above this number. The In Work Credit reduced once Family Tax Credit had been fully abated. It is not available to beneficiaries, NZ Superannuitants, or Student Allowance recipients.

The two subsidiary elements were:

→ A Minimum Family Tax Credit, which ensured a guaranteed minimum income for low earners.

→ A Parental Tax Credit which paid up to an extra $150 a week for 8 weeks after the birth of a child for those entitled to an In Work Tax Credit.

The Working for Families child assistance package is relatively large for low income earners. The payments for a household with two children in 2011 for the two main payments aggregated to over 48 per cent of the net minimum wage after tax for a 40 hour week, or equivalent to over 62 per cent of an Unemployment or Sickness Benefit for a couple. For families with 3 or more children these ratios were higher again, as were those for families with second or subsequent children 13 years or above.
Inland Revenue estimates indicate that the four programmes together cost the taxpayer $2.825 billion in the 2010-11 fiscal year.

Policy Tradeoffs in the Working for Families Design

An examination of the design structure of Working for Families as it has evolved indicates that it can be viewed as embodying a trade-off between several competing policy objectives:

→ assisting low and moderate income families with the cost of children
→ containing fiscal cost
→ providing incentives for parents to be in paid work rather than on social welfare benefits.

The relatively high levels of assistance for low earners have been achieved by using income based targeting to exclude higher income households, and to limit the amounts of assistance to those families in the middle income groups.

The fiscal cost of $2.825 billion of Working for Families is a large element of government spending, absorbing an estimated 1.43 per cent of GDP in 2010-11. However, the proportionate cost of taxpayer support for children now is actually lower than in the 1960s. In fiscal 1960 for example Family Benefit alone represented 2.44 per cent of GDP. This decline in relative cost is despite the fact that the child assistance levels for low income families are larger in both relative and real terms than was then provided by Universal Family Benefit. In part this is because children are now a significantly smaller proportion of the New Zealand population than in the “Baby Boom” era. However, the bigger effect is the impact of the income based targeting in reducing or eliminating entitlement for middle and higher income families, plus the non applicability of the In Work Credit to beneficiaries, who make up the bulk of the low income family population.

The ongoing work incentive focus in Working for Families is reflected in two main features:

→ The In Work Tax Credit (and Parental Tax Credit) which are not available to beneficiaries or student allowance recipients.
→ The relatively moderate (20 cents in the dollar) abatement rate at which assistance is reduced as income rises.

The second feature reflects a concern that high abatement rates on top of income tax liability act as a discouragement to work effort.

Summary

The development of government financial support for children in New Zealand has had an involved history. Starting from the 19th century New Zealand view that the financial responsibility rested solely with families, an increase in the government role went through several phases:

→ Initially, in the early 20th century there were child benefit add-ons for a small beneficiary population.
By the 1920s and 1930s the two extremes of family income distribution were receiving some forms of family assistance, or child tax concessions, but not the majority of families in the middle.

From 1946 to 1991 Universal Family Benefits were paid.

From the mid 1970s Family Benefit was increasingly supplemented by income targeted tax rebates for dependent children, and by benefit add-ons.

By 1986 income related Family Support which merged the tax concession and cash benefit approaches replaced other forms of targeted assistance for dependent children other than the implicit component in sole parent benefits.

From 1991 Universal Family Benefit was abolished, and income targeted Family Support became the main form of dependent child assistance. Amounts of assistance were periodically upgraded.

From 1996 working parents began to receive more child assistance than beneficiaries.

By 2008 this had been elaborated into the Working for Families structure described above.

Conclusion

Governments in New Zealand now provide very large amounts of child assistance to low income working families, and significant but lower levels to beneficiaries and those on comparable forms of public assistance. Child Assistance phases out at middle levels of household income, and in contrast with the situation 1920s and 1930s and even the 1970s none now goes to high income families.

The system now in place has grown up incrementally with a number of different policy objectives shaping the design. At no stage has the amount of family assistance ever been formally defined in terms of a measured cost of supporting dependent children in a family.

The level and form of government assistance with the cost of caring for children has been an active focus of policy development and review in a high proportion of the budgets of recent decades. For the future a number of issues are likely to impinge on the way the cost to the state of providing financial support for the cost to families of supporting children may be subject to policy review. Issues which have already been raised by political parties in New Zealand, or have been features of child assistance programmes abroad include the list below. In some cases these involve deciding between competing policy objectives as indicated in several of the listings.

Poverty reduction via increased cash assistance to low income and particularly beneficiary families as against incentives for the parent(s) to be in paid employment.

Redefining and narrowing the definition of income for family assistance purposes to deal with the situation of high net worth households whose legal taxable income does not appear to represent their real economic situation.

Cost containment via increased targeting as family income increases as against the potential employment disincentive effects of greater loss of assistance from earning more.

Cash assistance to the family as against direct delivery of services to children.

Greater conditionality on assistance involving incentivising parents to ensure that their children receive appropriate health and education services.

Interfaces with the benefit system for adults, including child support contributions from liable parents; and with programmes such as Whanau Ora.

The priority for children as against income support transfers to the retired age group.

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NZ Official Yearbooks 1900-2010
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Ministry of Social Development Website
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By Robert Stephens, Senior Associate, Institute of Policy Studies, Victoria University

Introduction

The impact of poverty and income inequality amongst families with dependent children has become an increasing concern for most OECD countries, including New Zealand. Stephens (2009) and Perry (2011) show a high and rising level of income poverty for children. Most OECD countries have introduced policies to reduce child poverty: for instance, between 1999 and 2008 successive Labour-led administrations improved financial assistance for children through the Working for Families (WfF) package, and provided free early childhood education for those 3–5 years.

International and New Zealand literature show that inadequate incomes, along with mothers’ age and educational attainment, are seen as major causes of poor child outcomes such as health status, education achievement, teenage pregnancy, behavioural problems, employment levels all of which can lead to inter-generational cycles of disadvantage (Kalil 2003). Low family income does not necessarily lead to poor child outcomes because of asset holdings, family resilience and parenting skills. Increasing family income is not necessarily the magic bullet because of family background, attitudes, and lack of supportive and appropriate social services. Nevertheless, curing this child poverty is more than a concern for social justice and the well-being of children, but also for future social and economic outcomes.

The aim of this article is to take an international perspective on child poverty. The article shows how income poverty rates differ between OECD countries, and then tries to unravel some of the immediate causes affecting those different rates, including data from a recent study on the relative generosity of assistance to families with dependent children (Kershaw 2009).

The Incidence of Income Poverty

All OECD countries have a significant proportion of children growing up in families where their income is substantially below an acceptable level of living. Table 1 shows that income poverty rates vary significantly between OECD countries, with Germany, Sweden, the Czech Republic and the Netherlands having below average child poverty rates, while the USA, Australia, Canada, Spain and Italy all have relatively high rates.

Table 1: The Incidence of Poverty in Selected OECD countries, late 2000s, using 50% and 60% median income poverty thresholds

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>POPULATION</th>
<th>CHILDREN</th>
<th>ADULTS 65+</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>50% 60%</td>
<td>50% 60%</td>
<td>50% 60%</td>
</tr>
<tr>
<td>OECD/EU average</td>
<td>11.1 16</td>
<td>12.3 20</td>
<td>15.1 18</td>
</tr>
<tr>
<td>New Zealand – REL*</td>
<td>11.0 18*</td>
<td>12.2 20</td>
<td>23.5 36</td>
</tr>
<tr>
<td>CV (1993 base)*</td>
<td>8.2* 12.9</td>
<td>12.2 22</td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>14.6 20</td>
<td>14.0 22</td>
<td>39.2 45</td>
</tr>
<tr>
<td>UK</td>
<td>11.3 17</td>
<td>13.2 21</td>
<td>12.2 22</td>
</tr>
<tr>
<td>USA</td>
<td>17.3 24</td>
<td>21.6 29</td>
<td>22.2</td>
</tr>
<tr>
<td>Canada</td>
<td>11.4 20</td>
<td>14.8 25</td>
<td>4.9</td>
</tr>
<tr>
<td>Ireland</td>
<td>9.8 15</td>
<td>11.0 19</td>
<td>13.4 17</td>
</tr>
<tr>
<td>Germany</td>
<td>8.9 16</td>
<td>8.3 15</td>
<td>10.3 15</td>
</tr>
<tr>
<td>Sweden</td>
<td>8.4 13</td>
<td>7.0 13</td>
<td>9.9 18</td>
</tr>
<tr>
<td>Netherlands</td>
<td>7.2 11</td>
<td>9.6 15</td>
<td>1.7 8</td>
</tr>
<tr>
<td>Spain</td>
<td>13.7 20</td>
<td>17.2 24</td>
<td>20.6 25</td>
</tr>
<tr>
<td>Italy</td>
<td>11.4 18</td>
<td>15.3 24</td>
<td>8.9 20</td>
</tr>
<tr>
<td>Czech</td>
<td>5.4 9</td>
<td>8.8 13</td>
<td>3.6 7</td>
</tr>
</tbody>
</table>


*REL – based on 60% of current median income. Constant Value (CV) – based on 1993 60% median income updated by the consumer price index (Stephens 2009). If the base is 1998, then 14% of the population were poor (Perry 2011).

The population and child poverty rates in New Zealand are roughly equal to the OECD average, irrespective of whether one uses the 50 percent or 60 percent median income thresholds. Only about 8 percent of children live in households with incomes between the 50 percent and 60 percent thresholds, where a relatively small amount of extra money will alleviate that poverty. The majority of poor children live in severe poverty - it is in these families that low income is more likely to interact with poor housing conditions, health status and educational achievement, potentially leading to the intergenerational transmission of poverty.

New Zealand and Australia stand out as having much higher pensioner than child poverty rates – in New Zealand some 36 percent of those aged 65+ are below the 60 percent median income threshold, and 20 percent of children. The Constant Value (CV) method, which is used by the Retirement Commissioner, shows only 3.9 percent of those 65+ are poor (Hurnard 2011). Methods
of updating poverty thresholds are very important when discussing poverty rates.

Some Causes of the Differences in International Poverty Rates

The obvious question to ask is: ‘What factors cause these significant differences in the risk of child poverty between OECD countries?’ Are these differences related to the operation of the labour market, to social circumstances such as lone parenting, to social attitudes, or to policy variables? If a significant cause is policy variables, then which policy instruments are more effective? Unfortunately answers cannot be given to all of these questions, but the OECD comparative data, given in Tables 2&3, can provide some insights.

The first column repeats the child poverty data from Table 1. The next columns provide a perspective on the willingness of government/society to provide child assistance. Column 2 shows the maximum cash benefit provided for one child as a percentage of the average wage. The data combines both universal and income-tested benefits. The New Zealand estimate includes the Family Tax Credit, for those in work, partly explaining the generosity of assistance [it is not clear whether the in-work benefits or tax credits of other countries are included].

The next three columns provide data on the level of public spending on family benefits. As can be seen, different countries place differing emphasis on the use of cash, services including parental leave benefits and childcare and tax breaks. New Zealand lists tax credits as cash while many countries place in-work benefits in the tax break column. The US pays virtually nothing to anyone, and what it does pay is positively related to income.

Table 2: Family Cash Benefits

<table>
<thead>
<tr>
<th>INDICATOR COUNTRY</th>
<th>CHILD POV 60%</th>
<th>CASH 1 CHILD % AV WAGE</th>
<th>PUBLIC SPENDING ON FAMILY BENEFITS, %GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>CASH TOTAL</td>
</tr>
<tr>
<td>OECD Average</td>
<td>20</td>
<td>na</td>
<td>1.22</td>
</tr>
<tr>
<td>NZ</td>
<td>20</td>
<td>10*</td>
<td>2.26</td>
</tr>
<tr>
<td>Australia</td>
<td>22</td>
<td>14</td>
<td>1.80</td>
</tr>
<tr>
<td>UK</td>
<td>21</td>
<td>6</td>
<td>2.13</td>
</tr>
<tr>
<td>USA</td>
<td>29</td>
<td>3</td>
<td>0.10</td>
</tr>
<tr>
<td>Canada</td>
<td>25</td>
<td>8</td>
<td>0.80</td>
</tr>
<tr>
<td>Ireland</td>
<td>19</td>
<td>6</td>
<td>2.32</td>
</tr>
<tr>
<td>Germany</td>
<td>15</td>
<td>8</td>
<td>1.09</td>
</tr>
<tr>
<td>Sweden</td>
<td>15</td>
<td>4</td>
<td>1.49</td>
</tr>
<tr>
<td>N’lands</td>
<td>15</td>
<td>3</td>
<td>0.61</td>
</tr>
<tr>
<td>Spain</td>
<td>24</td>
<td>1</td>
<td>0.52</td>
</tr>
<tr>
<td>Italy</td>
<td>24</td>
<td>5</td>
<td>0.65</td>
</tr>
<tr>
<td>Czech</td>
<td>13</td>
<td>3</td>
<td>1.49</td>
</tr>
</tbody>
</table>

Source: OECD Family Data Base (2011)

*Includes Child Tax Credit and In Work Benefits

Table 3 shows that the Anglo countries have the highest level of inequality. There is some relationship between the incidence of poverty and the extent of income inequality. Wilkinson and Pickert (2009) show how the degree of income inequality affects most social outcomes, including health, education, crime and overall quality of life, all of these adversely impacting upon children growing up in poor households.

Children growing up in lone parent families are usually at high risk of poverty, with low levels of employment and educational attainments, especially among teen parents. New Zealand certainly has a high proportion of lone parenting, especially for teenagers and among Maori families. Most of the countries with high lone parenting do have above average poverty rates, but Italy and Spain tend to show that lone parenting is far from the only cause.

The level of unemployment is another variable that would be expected to increase the risk of poverty. But New Zealand and Australia have relatively low rates of unemployment, along with the Netherlands, but contradictory results concerning child poverty. Even
Sweden has a relatively high unemployment rate. Thus the benefit level when unemployed, and its tapering when entering work, is an equally important variable.

Employment of parents is an alternative method of considering the likely level of disposable income for families with dependent children. Using 2005 data [i.e. before the financial crash], roughly half the couples with dependent children had employment for mothers, although New Zealand is about average. Both Sweden and the Netherlands had very high rates of employment, partly explaining their low poverty rate while Germany contradicts that result. The German result in part represents societal norms on parenting but also comes from disincentive in the tax/benefit system to move to a dual income household (OECD 2007). The US data shows that having 2 earners is not sufficient to avoid poverty; if anything it shows that 2 earners are required to provide a modest income. The degree of inequality, especially of wages at the bottom end of the spectrum, becomes a major determinant of poverty among children in families in the workforce. The Swedish and Dutch indicate that a successful poverty reduction strategy is to have both high levels of maternal employment and effective redistribution of resources through the tax-benefit system.

Table 3: Selected Indicators on the Possible Causes of Child Poverty, 2005

<table>
<thead>
<tr>
<th>INDICATOR/ COUNTRY</th>
<th>INEQUALITY GINI</th>
<th>% KIDS LONE PARENT FAMILIES</th>
<th>UNEMPLOY. RATE: 2010 DATA</th>
<th>EMPLOYMENT RATES [2005]: MOTHERS WITH CHILDREN</th>
<th>BENEFIT/60% MEDIAN INCOME: FAMILIES 2 KIDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD Average</td>
<td>0.31</td>
<td>15.8</td>
<td>8.1</td>
<td>na</td>
<td>70</td>
</tr>
<tr>
<td>NZ</td>
<td>0.33</td>
<td>21.4</td>
<td>6.3</td>
<td>47</td>
<td>53</td>
</tr>
<tr>
<td>Australia</td>
<td>0.34</td>
<td>16.8</td>
<td>5.7</td>
<td>48</td>
<td>50</td>
</tr>
<tr>
<td>UK</td>
<td>0.34</td>
<td>20.9</td>
<td>7.8</td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td>USA</td>
<td>0.38</td>
<td>25.8</td>
<td>9.4</td>
<td>58</td>
<td>74</td>
</tr>
<tr>
<td>Canada</td>
<td>0.32</td>
<td>22.1</td>
<td>8.4</td>
<td>63</td>
<td>68</td>
</tr>
<tr>
<td>Ireland</td>
<td>0.30</td>
<td>23.3</td>
<td>12.2</td>
<td>56</td>
<td>45</td>
</tr>
<tr>
<td>Germany</td>
<td>0.30</td>
<td>14.5</td>
<td>7.8</td>
<td>45</td>
<td>62</td>
</tr>
<tr>
<td>Sweden</td>
<td>0.21</td>
<td>16.2</td>
<td>8.5</td>
<td>76</td>
<td>82</td>
</tr>
<tr>
<td>N’lands</td>
<td>0.29</td>
<td>11.8</td>
<td>3.9</td>
<td>70</td>
<td>57</td>
</tr>
<tr>
<td>Spain</td>
<td>0.31</td>
<td>8.8</td>
<td>18.1</td>
<td>48</td>
<td>84</td>
</tr>
<tr>
<td>Italy</td>
<td>0.34</td>
<td>10.9</td>
<td>7.9</td>
<td>49</td>
<td>78</td>
</tr>
<tr>
<td>Czech</td>
<td>0.26</td>
<td>14.5</td>
<td>6.8</td>
<td>35</td>
<td>63</td>
</tr>
</tbody>
</table>

On average the employment rates for lone parents are greater than for mothers in couple families – in New Zealand for example, half of lone parents do not work, but only a third of those working do so full-time. The UK has a similar pattern, but while the Netherlands has a high employment rate, most of those employed are part-time. In general, employment rates increase with the age of the child, and poverty rates fall significantly where the mother (both couple and lone parents) are in work. Being in work substantially reduces the incidence of poverty: for instance, in New Zealand, working age beneficiaries had a poverty rate of 67 percent, those with some income 35 percent, those with one worker 18 percent and those with two workers had a poverty incidence of 5 percent.

The last 2 columns in Table 3 investigate the extent to which the benefit system is adequate to avoid poverty. The data for New Zealand shows that the benefit level for a lone parent with two children is 74 percent of the 60 percent poverty line, i.e. the benefit needs to be raised by 26 percent for lone parents to escape income poverty. A couple with two children require a 19 percent increase in their benefit to reach the poverty threshold. In comparison with the OECD, New Zealand has average generosity, especially couples with children. The OECD data indicates that neither the UK nor Ireland need any increase in benefit levels to avoid poverty, whereas in the USA, a 57 percent increase is required for a lone parent household. However, in most European countries the majority of beneficiaries receive a generous social insurance benefit before going onto social assistance which is a benefit of last resort.

The level of social expenditure going to the working age (and pensions) could also indicate the willingness to assist families. Unfortunately, OECD data does not give a breakdown on the level of expenditure for children, which is also determined by the unemployment rate as well as the degree of generosity to families with dependent children. Table 2 shows that for the OECD social expenditure on the working age is about 55 percent of that on pensions, but that in New Zealand and Australia, more is spent on the working age than pensions, and expenditure on the working age is 30 percent higher than the average. There is some correlation with child poverty rates, but the relationship seems to relate to unemployment levels, and to a lesser extent lone parenting, than working age expenditure.

As shown above, New Zealand has average level of child poverty (by OECD standards). But that level is still unacceptably high. It is the Anglo countries that have the highest level of child poverty (plus those from southern Europe), while those from northern Europe show that poverty among children can be reduced. Child poverty cannot be easily explained by the above variables – New Zealand benefit levels are not out of line with OECD countries, unemployment rates are low, government expenditure on families is relatively high, and the level of child benefits relative to earnings seems high. Two other, interrelated issues could possibly provide some insights – one is the efficiency of government expenditure in reducing poverty, while the other uses a model family methodology to look at the relative generosity of assistance to families with dependent children.

The Effectiveness in Reducing Poverty

People can be poor due to a lack of market income, or insufficient disposable income (income after the operation of the tax and benefit system). It is then possible to consider the extent to which direct government policies can offset the inadequacies of market income. Unfortunately there is very little comparative data for families with dependent children. Bradshaw (2007) provides some indicative evidence for some of the study countries, with New Zealand added, both before and after the WfF package, from the data base of the New Zealand Poverty Measurement Programme.

Figure 1 shows that the incidence of market income poverty in New Zealand was relatively low in 2004 and 2007, but the disposable income poverty rate was comparatively high, meaning that tax-benefit policies were relatively ineffective in reducing the incidence of poverty. The WfF package improved the effectiveness of government policies, and was thus the major cause in reducing the incidence of child poverty in 2007. The UK and Ireland’s disposable income poverty rate for children stems from a high market income poverty rate, with government policies being relatively effective in reducing that poverty, whereas in Spain and Italy, market income poverty is average, but the government is ineffective in reducing that poverty. Sweden’s low child poverty rate is due to the very high effectiveness of government tax and benefit policies, while the Netherlands has both low market income child poverty and a very good effectiveness rating – the gold standard.
The Relative Generosity of Family Assistance

Over the last 18 years there have been three studies looking at the level of financial assistance to families with dependent children (Stephens and Bradshaw 1995; Stephens 2003; Bradshaw 2006; with a further study by Kershaw (2009) still being analysed). Each of these studies has used a model family methodology, with a variety of income levels (social assistance; half, average and twice average earnings), lone and couple parents with 1-4 children of different ages. The comparison is made with the net income of a couple with no children after the imposition of income tax and receipt of child benefits. Further analysis also considers the extra costs of education, health care, housing and child care. Data was collected by social policy experts in each country. In the first three studies, New Zealand was firmly in the laggards category, along with the southern European countries, though New Zealand fared better in the social assistance and half average earnings cases, showing a degree of targeting of child assistance.

The fourth study uses 2008 data. Many countries, including New Zealand, had improved their financial package for children during the prosperous 2000s, using a mix of universal child benefits, reducing abatement rates on (improved) targeted assistance, providing in-work benefits and/or tax credits on the basis of the age or number of children. Tables 4, 5 and 6 provide information on three of the cases [the author can provide access to other income and family type cases]. In all cases, the results are made comparable by using 2010 purchasing power parities (OECD 2011). The results get complicated very quickly, and care must be taken in interpreting the results. For instance, the level of child assistance in the UK and Canada is over 100 percent in Table 4, but this indicates more the level of the parental benefit than the degree of generosity of child assistance. The Netherlands is the reverse, with a large parental benefit, so that the child benefit seems relatively small. The way benefits are structured is also important: sole parents in New Zealand receive an implicit additional allowance for the first child as well as the child tax credit.
Table 4: Composition of Family Assistance: Lone Mother with 2 year old. Social Assistance. PPP USA $

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Parent Benefit</td>
<td>9083</td>
<td>9778</td>
<td>4837</td>
<td>3693</td>
<td>8076</td>
<td>7427</td>
<td>10142</td>
<td>12868</td>
<td>3462</td>
<td>7677</td>
</tr>
<tr>
<td>Universal Child Benefit</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1503</td>
<td>983</td>
<td>0</td>
<td>1394</td>
<td>0</td>
<td>930</td>
<td>0</td>
</tr>
<tr>
<td>Income-tested</td>
<td>2971</td>
<td>5513</td>
<td>4041</td>
<td>2731</td>
<td>2688*</td>
<td>0</td>
<td>4422</td>
<td>1202</td>
<td>571</td>
<td>695</td>
</tr>
<tr>
<td>Child Ben % Parent Benefit</td>
<td>32.7</td>
<td>56.3</td>
<td>134.5</td>
<td>100.6</td>
<td>33.3</td>
<td>18.8</td>
<td>43.6</td>
<td>16.5</td>
<td>16.5</td>
<td>9.0</td>
</tr>
<tr>
<td>Net Disposable income</td>
<td>12055</td>
<td>15292</td>
<td>10383</td>
<td>7768</td>
<td>10764</td>
<td>14565</td>
<td>15002</td>
<td>4051</td>
<td>8372</td>
<td></td>
</tr>
<tr>
<td>% Income diff Couple</td>
<td>14.1</td>
<td>9.5</td>
<td>36.7</td>
<td>138.0</td>
<td>177.7</td>
<td>_**</td>
<td>56.3</td>
<td>-22.5</td>
<td>16.5</td>
<td>9.0</td>
</tr>
</tbody>
</table>

*Food Stamps ** There are no social assistance benefits for couples.

Table 4 looks at the situation of a lone mother on social assistance – the worst case scenario. Except for Australia and New Zealand, there is a period of eligibility for social insurance, at a percentage of individual prior earnings, for those previously in the workforce, ranging from 6 months in the USA to three years in France. This absence of social insurance partly explains the level of the benefit to the lone mother in Australia and New Zealand. Countries have different mixes of universal and targeted child benefits. Using purchasing power parities, Australia’s income-tested benefit and net disposable income is the most generous, with New Zealand in fourth position.

Table 5: Composition of Family Assistance: Lone Mother with 2 year old. Half Average Earnings. PPP USA $

<table>
<thead>
<tr>
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<th>N’LAND</th>
<th>ITALY</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Earnings</td>
<td>17285</td>
<td>20521</td>
<td>19412</td>
<td>21827</td>
<td>20430</td>
<td>17986</td>
<td>25496</td>
<td>22102</td>
<td>20748</td>
<td>14709</td>
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<tr>
<td>Universal Child Benefit</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1503</td>
<td>786</td>
<td>1000</td>
<td>3078*</td>
<td>2270</td>
<td>930</td>
<td>0</td>
</tr>
<tr>
<td>Income-tested</td>
<td>5037</td>
<td>8202</td>
<td>4041</td>
<td>2315</td>
<td>2946</td>
<td>0</td>
<td>0</td>
<td>1202</td>
<td>2426</td>
<td>695</td>
</tr>
<tr>
<td>Child Benefit % Earnings</td>
<td>29.1</td>
<td>40.0</td>
<td>28.6</td>
<td>14.2</td>
<td>19.3</td>
<td>17.1</td>
<td>8.9</td>
<td>9.7</td>
<td>11.6</td>
<td>4.7</td>
</tr>
<tr>
<td>Income tax</td>
<td>2841</td>
<td>2438</td>
<td>623</td>
<td>1955</td>
<td>1654</td>
<td>3958</td>
<td>1900</td>
<td>3956</td>
<td>4918</td>
<td>0</td>
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<tr>
<td>Social security</td>
<td>241</td>
<td>0</td>
<td>1211</td>
<td>1600</td>
<td>1563</td>
<td>0</td>
<td>5220</td>
<td>0</td>
<td>1687</td>
<td>933</td>
</tr>
<tr>
<td>Net Disposable income</td>
<td>19240</td>
<td>26285</td>
<td>23122</td>
<td>23129</td>
<td>21159</td>
<td>17106</td>
<td>20646</td>
<td>23662</td>
<td>17480</td>
<td>14471</td>
</tr>
<tr>
<td>% Income diff Couple</td>
<td>35.5</td>
<td>30.6</td>
<td>34.6</td>
<td>17.0</td>
<td>14.6</td>
<td>22.0</td>
<td>2.4</td>
<td>14.8</td>
<td>16.6</td>
<td>5.0</td>
</tr>
<tr>
<td>MTR Social Assist → ½ AE</td>
<td>58.4</td>
<td>46.4</td>
<td>34.4</td>
<td>29.4</td>
<td>49.1</td>
<td>62.3</td>
<td>76.1</td>
<td>50.2</td>
<td>35.3</td>
<td>58.5</td>
</tr>
<tr>
<td>Net Child care</td>
<td>3225</td>
<td>1420</td>
<td>2260</td>
<td>836</td>
<td>2357</td>
<td>495</td>
<td>985</td>
<td>1000</td>
<td>2142</td>
<td>2295</td>
</tr>
</tbody>
</table>

*Includes guaranteed child support

Table 5 looks at the situation of a lone mother in a low wage job, working sufficient hours to claim an in-work benefit where appropriate. New Zealand, Australia, the USA and Italy all provide more income-tested assistance to those in the workforce, with the USA providing both universal and income-tested child tax credits, the latter through the Earned Income Tax Credit. At this income level, Canada has already started to abate its income-tested child benefit, and Germany has already completed its abatement. At this income level, New Zealand’s child assistance seems to be relatively generous, though not compared to Australia. New Zealand has a relatively high income tax levy, but when social security taxes are added (New Zealand’s ACC levy), the total tax burden is not remarkable. The Germans, Dutch, Swedes and Italians have the highest tax levies (the information is based on the nominal tax schedules, not what is actually paid). There is quite a change around in the rankings of net disposable income – New Zealand rises from 8th to 7th. Sweden is the very interesting outlier.

Most of the countries have a high marginal tax rate when moving from a benefit to low income work, with New Zealand at the higher end of the spectrum. The disposable income problem for New Zealand lone parents becomes more serious when child care payments are included in the analysis: the direct childcare charges are not out of alignment, but the degree of subsidy given by the state is comparatively low, giving a very high net child care cost, and thus a further disincentive to enter the part-time labour force.
Table 6: Composition of Family Assistance: Couple with 2 year old and 7 year old, One Worker. Average Earnings. PPP USA $

<table>
<thead>
<tr>
<th></th>
<th>NZ</th>
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</thead>
<tbody>
<tr>
<td>Earnings</td>
<td>34570</td>
<td>41042</td>
<td>38824</td>
<td>43654</td>
<td>40860</td>
<td>35982</td>
<td>50992</td>
<td>44204</td>
<td>41496</td>
<td>29418</td>
</tr>
<tr>
<td>Universal Child Benefit</td>
<td>0</td>
<td>0</td>
<td>2506</td>
<td>984</td>
<td>2000</td>
<td>2920</td>
<td>4540</td>
<td>2060</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Income-tested</td>
<td>5066</td>
<td>5022</td>
<td>2577</td>
<td>1536</td>
<td>1046</td>
<td>0</td>
<td>0</td>
<td>713</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Child Benefit % Earnings</td>
<td>14.7</td>
<td>12.2</td>
<td>13.1</td>
<td>5.8</td>
<td>7.5</td>
<td>8.1</td>
<td>8.9</td>
<td>6.5</td>
<td>1.7</td>
<td>0</td>
</tr>
<tr>
<td>Income tax</td>
<td>7439</td>
<td>8935</td>
<td>7877</td>
<td>5786</td>
<td>4056</td>
<td>21950</td>
<td>5744</td>
<td>10681</td>
<td>8576</td>
<td>260</td>
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<tr>
<td>Social security</td>
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<td>0</td>
<td>347</td>
<td>3225</td>
<td>3126</td>
<td>0</td>
<td>0</td>
<td>3373</td>
<td>1868</td>
<td></td>
</tr>
<tr>
<td>Net Disposable income</td>
<td>31713</td>
<td>37111</td>
<td>32711</td>
<td>37163</td>
<td>36714</td>
<td>29176</td>
<td>39349</td>
<td>36733</td>
<td>30261</td>
<td>27292</td>
</tr>
<tr>
<td>Average Net Tax Rate %</td>
<td>8.3</td>
<td>9.5</td>
<td>15.9</td>
<td>14.9</td>
<td>10.1</td>
<td>18.9</td>
<td>22.8</td>
<td>16.9</td>
<td>7.2</td>
<td></td>
</tr>
<tr>
<td>% income diff Couple</td>
<td>16.0</td>
<td>9.7</td>
<td>15.5</td>
<td>7.7</td>
<td>8.5</td>
<td>10.0</td>
<td>12.7</td>
<td>8.7</td>
<td>6.5</td>
<td>7.4</td>
</tr>
<tr>
<td>MTR Half -&gt; Av Earning %</td>
<td>27.9</td>
<td>46.5</td>
<td>48.4</td>
<td>32.1</td>
<td>33.6</td>
<td>23.5</td>
<td>33.9</td>
<td>38.2</td>
<td>38.8</td>
<td>10.9</td>
</tr>
</tbody>
</table>

When attention is focused on a couple with two dependent children at average earnings, Table 6 shows that all countries have begun to abate their income-tested child benefits (attention must also be given to the allowance for the second child). The abatement is least in New Zealand, and this result is also shown by the relatively low effective marginal tax rate in moving from half to average earnings for this family type. The degree of targeting of child assistance and effective marginal tax rates are the largest in Australia and the UK. Countries with a universal child benefit have, on average, lower effective marginal tax rates.

New Zealand has the lowest effective average tax rate. Average tax rates in general are low, indicating the extent to which child assistance offsets the tax burden. This result is also demonstrated by the differences in disposable income between a couple and those with children – a proxy measure of the degree of effort that countries make towards families with dependent children.

Conclusions

No single statement can be made as to the causes of difference in child poverty rates. Nor is there any magic bullet that can eliminate child poverty. The best approach, based on Figure 1, is that of the Netherlands which has the combination of low poverty from market income as well as very effective government policies to reduce the extent of child poverty. It also has a relatively low degree of inequality and proportion of lone parents. The 2010 unemployment rate is very low, plus very high labour force participation rates for both couples and sole parent families. Public spending on family benefits is above average, basically through above average use of tax breaks and service provision, although expenditure is low for cash benefits. New Zealand, on the other hand, has average child poverty rates, despite having both a relative high child benefit level and high public spending, especially cash, on families. Australia and the UK have higher poverty rates, but have high public spending on family benefits – need as well as generosity may be an explanation. The degree of income inequality and lone parenting are also explanatory variables, but the relative benefit levels and employment rates seem to have less impact. The USA has the worst of all worlds, though it does have a reasonable level of child assistance, either through food stamps or tax breaks.

The data on the composition of family assistance by family type and income level almost provides contradictory information. There Australia and New Zealand appear to be relatively generous, although partially offset by high tax levels, while Sweden, with surprising low annual earnings, has only a moderate level of total child benefits. The contradiction is explained by very few Swedes being on social assistance, remaining on the far more generous social insurance benefit. One factor that does impinge heavily on New Zealand working families is the very high costs of child care: most other countries having significant subsidies or tax breaks to offset child care costs. Countries with greater reliance on income-tested benefits have higher poverty rates than those with universal child assistance. The countries with universal benefits tend to start with lower market income poverty: the relief of poverty starts with a view on the overall equality of society, not just government policies.
Notes

1 Generally the analysis assumes no behavioural effects from the taxes and benefits, i.e. the provision of an unemployment benefit increases the likelihood of becoming unemployed. There is considerable dispute over the size of these incentive effects, ranging from 2 percent-20 percent impact. A programme like New Zealand Superannuation is likely to have a large effect on people’s willingness to save and continue working past the age of receipt of the pension.

2 I would like to acknowledge the assistance of David Rea in the compilation of the New Zealand data.

3 There appear to be some anomalies in the data as recorded by the national informants – where feasible, adjustments to the data have been made.

4 Data was also collected for 2009 to see whether countries had adjusted their child assistance policies post the 2008 financial crash: at that stage, there had been virtually no change.

References


Ngāi Tahu – investing in future generations

By Fiona McLeod, Communications Advisor, Te Rūnanga o Ngāi Tahu

Ngāi Tahu has always been innovative and understood the long term benefits of building capacity in its people. Long before the tribe’s Settlement with the Crown the Ngāi Tahu Māori Trust Board invested heavily in making education accessible for its members. It also had a strict reinvestment policy which saw the tribe build substantial assets prior to its 1997 Settlement.

Post-Settlement Te Rūnanga o Ngāi Tahu is widely-known for how it has structured, managed and grown its economic wealth. The motivation that drives the tribe is rangatiratanga – the ability to decide its own future and provide for Ngāi Tahu Whānui – to ensure they are culturally enriched, live long and well and lead the future.

The iwi actively invests wealth back into its people through a range of social and cultural programmes, guided by its tribal whakatauki or vision: mō tātou, ā, mō kā uri ā muri ake nei, for us and our children after us.

Kotahi Mano Kāika or KMK is a strategy developed by Te Rūnanga o Ngāi Tahu to increase the numbers of speakers within the tribe who are using the Māori language as the main form of communication in their homes and with their children. The main aim is to bring about intergenerational transfer of the language and give te reo Māori a greater chance of surviving for future generations of Ngāi Tahu.

The expected benefits of the KMK initiatives for Kāi Tahu children are significant. Bi-lingual tamariki will have much greater economic and employment opportunities later in life. They can act as bridge builders between generations of reo speakers and generations without. These children have the ability to communicate with a wider range of people and have a more in-depth understanding and appreciation for other cultures and languages. They are able to think more flexibly and creatively, have a raised self-esteem and much greater security in personal identity. And they will find it easier to learn a third language.

KMK Leader Paulette Tamati-Eliffe says some of the benefits for tamariki learning te reo include a greater sense of identity, belonging and connectedness as well as a greater awareness of whakapapa and tradition.

“Relationships are strengthened through te reo Māori – whakawhanaungatanga between the whānau who attend the KMK initiatives. They feel very connected to the other KMK whānau.”

These tamariki identify being Kāi Tahu as being part of a collective of whānau who value, speak and nurture te reo Māori. They will have built friendships and connections in te reo Māori with their Kāi Tahu whānauka since childhood, which we hope they will carry into the future generations.”

It took just one generation, to render Te Reo an endangered language. And it will take at least three generations for the KMK strategy to begin restoring what was nearly lost. The key to its revival starts in the home – parents speaking te reo with their tamariki every day. The home plays the most vital role in terms of a child’s language development. This is where intergenerational transmission occurs and where language use is normalised. The current resourcing of Māori language institutions such as Kura Kaupapa and Kōhanga Reo alone will not secure te reo Māori into the future. Families need to take charge of their child’s language development and support it from the home level. Having initially cast a wide net, the KMK kaupapa has progressed to supporting a core group of more than 20 families, committed to raising ‘generation zero’, and it is intended these families will go on to inspire others.

Whai Rawa is a Ngāi Tahu developed savings scheme which aims to increase social and economic independence for Ngāi Tahu Whānui. The scheme includes working with hapū and whānau in the area of financial literacy as a part of a long-term strategy of sustainable development. In the five years since the scheme was launched, more than 16,000 Ngāi Tahu have joined and thanks to their whānau, more than half of enrolled tribal members are under 16-years-old.

Whai Rawa Chair Diana Crossan says efforts by whānau to sign up tamariki and mokopuna shows how well they understand the importance of planning for the future. “By opening accounts for their tamariki and mokopuna, whānau have made a commitment, the value of which those young ones will increasingly understand and appreciate over the years to come.”

Te Rūnanga o Ngāi Tahu Kaiwhakahaere Mark Solomon agrees and says Whai Rawa helps tamariki learn important money skills for life.
“They can see how quickly their savings grow using the matched savings scheme. The great thing is, even modest deposits into their Whai Rawa accounts grow quite quickly. whānau can save $50 per annum and receive full matched savings for child members (under 16). In five years tamariki accounts can grow to almost $1500.” Mark Solomon is pleased to note more than 600 whānau, including those living overseas, have been able to draw on their Whai Rawa savings for tertiary education, first home purchases and retirement.

Tuahiwi Primary School teacher Raewyn Bourke has just bought her first home using her Whai Rawa account to help pay the deposit. “With our first child on the way, we were really keen to get settled. It was great to be able to be able to use my Whai Rawa account to help pay for our new home, which we moved into in early October.

Student teacher Ashleigh Rule says Whai Rawa was a great help in paying off her student loan and becoming debt free. “I completed my Bachelor of Fine Arts last year and used my Whai Rawa account to pay off my student loan.” Ashleigh is now completing her teacher training to become a photography teacher and is continuing to save with Whai Rawa, this time for her first home.

Since its inception, Te Rūnanga has contributed $9.69m to Whai Rawa member accounts by way of matched savings and distribution payments, helping whānau towards their savings goals.

A way forward

By Rod Oram, Business Commentator

When we’re confronted by child poverty, outrage and paralysis are common responses from we members of the public. The more stories we hear about the suffering of children, the angrier we get. Yet, the more studies we read about the sheer complexity of the causes, the more impotent we feel.

Mercifully, though, deeply dedicated professionals keep fighting for our children, as the other articles in this newsletter testify. They search ceaselessly for knowledge and understanding; they work tirelessly for more effective ways to help children and their families; and they may be discouraged sometimes but they never give up.

Clearly, the intense practical and emotional, cultural and scientific, economic and political factors involved in alleviating – and eventually eradicating – child poverty are immensely challenging.

As a business journalist and a generalist I have no specialist skills in this utterly crucial field of child poverty. But I hope I can weave together some of the strands in a way that might offer a broad perspective on how we as a society can do much better for our children.

The starting point is inviolable. Every person, however young, has an inalienable right to the longest, fullest and most fulfilling life possible. For our own sakes we should want to help everyone achieve that. Only if we unleash everyone’s talent and energy will we find ways for today’s 7 billion people to live well on this planet, rising to 10 billion people by 2050.

The starting point is also deeply troubling. It is no comfort that the proportion of New Zealand children living in poverty is back where it was in the late 1980s. Yes, some economic progress plus some government policies to help families has pulled us back from the perilous peak in 1994 when almost 30 percent of our households were below the 60 percent poverty line (net of housing expenses), according to data in the government’s 2010 Social Report.

But child poverty today remains the greatest failing of our society. Some 20 percent of children are denied the fullness of life, as shown in Bryan Perry’s article on Page 8.

The human cost is huge for the children now; and typically for many of them it will remain so through their adult lives. They will suffer poorer health and social lives, education and work rewards compared with people with a more supportive upbringing. The economic cost is
high too, both from helping them and from the reduced economic contribution they make through their work.

In searching for the main reason why so many children live in poverty, it’s tempting to think unemployment or low-income work for their parents and caregivers are the main factors that lead to adverse consequences such as poor education and health.

While there are serious weaknesses in our economy that contribute to unemployment and low wages, those are often exacerbated by other social and family factors, as the analysis of the 30-year study of Christchurch children shows on Page 24. These factors include family violence, parental substance abuse and welfare dependency. And the cycle can perpetuate itself from generation to generation.

So, if we’re going to reduce and ultimately banish child poverty, we need to work on economic and social issues in tandem. Both sets of challenges are immensely difficult, and are made even more so by the need to work on them together.

Let’s take the economic ones first. When we hit an economic crisis in the mid-1980s, we embarked on a massive restructuring of the economy. We removed many rigid structures, rules and other impediments that were tying up people and the capital, equipment and other resources they needed to do their jobs.

For example, we stopped assembling elderly models of cars in small plants protected by high tariff barriers from competition from better, cheaper cars made overseas. Similarly, telecommunications, railways and other areas of activity protected by government ownership were sold to the private sector.

The process led in many organisations to lower wages, less job security and fewer employees as they adapted to the newly competitive environment. Moreover, a senseless stock market frenzy in the mid-1980s, fuelled by reprehensible behaviour by a larger number of company promoters, triggered a financial collapse and subsequent long, deep recession.

As a result, these economic upheavals propelled unemployment to well over 10 percent by the early 1990s. But that was only an average with Maori and Pacific Islanders hit far harder than Pakeha. This was the main factor in the weakening of the social compact we had developed in New Zealand over the previous half a century. In contrast, Australia phased-in its reforms more slowly, resulting in less economic and social dislocation.

Nonetheless, our reforms did make our economy more dynamic, more adaptable and better able to benefit from opportunities in the global economy. We stopped doing plenty of inefficient things and instead channelled our efforts and resources into the things we did well, particularly producing agricultural commodities.

However, in essence we haven’t changed the way we earn our living in the world economy. We just work better and harder. Our work week is now one of the longest in the developed world. Yet, for all our efficiency and skill, our agricultural, forestry and fishing commodities are low value products. As a result, our GDP per capita – the economic value we create per person – ranks us 22nd among the 34 advanced countries that constitute the OECD.

This is the main reason we have a relatively low wage economy. In one sense, however, we’ve adapted well. We are very efficient at scouring the world for the best value products we need, such as Chinese clothes or second-hand Japanese cars; and with many high technology products such as drugs, medical devices and aircraft for which there are few bargains, we’ve learnt how to use them very efficiently or to ration ourselves through Pharmac, for example.

We have also enjoyed a false sense of prosperity in the 2000s. Like many other countries, we tapped into the vast global credit bubble. With credit cheap and readily available, many of our households piled on debt. Average household net debt soared from 60 percent of net disposable income in 1992 to 160 percent in 2007, making Kiwi households the second most indebted in the OECD after Iceland’s.

While rampant house prices accounted for a majority of that extra debt, the rest fuelled consumption. Some business sectors were similarly incautious. Dairy farmers, for example, quadrupled their debt in the 10 years to 2007.

Despite finding ways as a nation to make our money go further, the stark reality remains: people on the lowest wages struggle to meet their needs. Thus, some 40 percent of children living below the poverty line are in households where at least one adult was in full-time employment or self-employed, according to data cited by the New Zealand Council of Christian Social Services in the September 2011 edition of its Vulnerability Report.
What might the future hold? The global economy is undergoing profound changes as heavily indebted developed countries struggle to regain their viability and developing countries accelerate their growth. In theory, we could play to some of these huge shifts in order to achieve a massive transformation to a high value, high wage and more resilient economy.

However, the strategies of most companies and the government are firmly fixed on incremental growth of existing business models and sectors. Despite this weakness, the government’s Economic Growth Agenda has some very ambitious targets for 2025 such as raising exports from 30 percent of GDP to 40 percent and achieving income parity with Australia.

The government also translate those targets into some very big sectoral goals such as trebling the value of food and beverage exports by the same date. Increased efficiency, better marketing, increased public funding for science and more opportunities through free trade agreements will all help.

But constraints such as a limited supply of additional land for dairying will limit volume growth of commodities; and the sheer dominance of commodities means it will take a very long time for value added products to grow to a meaningful proportion of exports.

Above all, the history of financial busts around the world is very clear. Such is the damage they do, the recovery takes years. Individuals, companies and governments struggle to pay down some of their debts, rebuild their confidence and revive their fortunes. Studies by the IMF and the OECD show that such recoveries typically take seven years or so.

We’re familiar with that pattern here in New Zealand. We felt the negative effects of the 1987 Stock Market Crash well into the 1990s. This time around, we began our longest, deepest recession in 40 years in early 2008. Since then households have pared back their spending and chipped away at their debt; companies have cut costs sharply but, thankfully, have shed fewer workers than might have been expected given the drop in economic activity; and the government has tightened its spending. Our GDP per capita remains below its peak in 2007. NZIER forecasts we will not match it again until 2015.

While the rebuilding of Christchurch and the fixing of leaky buildings is forecast to account for about half of economic growth by late next year, the overall growth rate is expected to quickly fall back to the long-term average of around 2 percent in the following years.

Thus in broad terms, the growth in jobs and wages will be subdued in most areas of the economy except the construction sector; household finances will remain strained; and the government will need to cut its spending further if it is to reduce its deficit and meet its goal of balancing its budget in the 2014-15 financial year.

And even if we start to see some signs of transformation to a higher value, higher wage economy by the middle of this decade, that won’t in itself conquer poverty. The highly skilled jobs created will be beyond the reach of people with limited training and work experience.

Moreover, the more successful we are at developing such an economy, the more likely it will be that higher wages will help bid up the cost of housing and many other essentials. Income inequality will likely rise, causing more people to be trapped deeper in poverty.

Thus, it will likely get even harder to tackle poverty, given these economic conditions and the government’s reduced capacity to respond. Here are some broad thoughts about how we might best respond:

→ We need to recognise that the opportunities for people to work their way out of poverty are more limited now given the state of the economy than they have been for at least a decade; and they will likely remain limited for some years to come.

→ The government’s financial scope to reduce taxes, increase benefits and fund more programmes to help the poorest fifth or so of society is the most limited it has been for more than a decade; and will certainly become even more limited for at least five if not more years.

→ Government programmes to help the poor are focused on narrow cost-based goals; they are not designed in terms of money, timeframes and skills for dealing with the complex interaction of factors that contribute to poverty.

→ New government approaches aimed at a more integrated approach, in particular WhanauOra, might in due course prove their worth. But they will take time to scale up and are likely to be staff and funding intensive.

→ Given that the disadvantaged in society need a wide range of practical, financial and emotional help over
long periods to develop their life skills and to deal with setbacks along the way, community groups might be better suited than government agencies to give them support for such long term integrated help.

→ While such groups draw on the resources of their communities, it is essential they receive financial and other support from government; and that support increases as the groups grow in skill and scale.

→ As New Zealanders, we need to redevelop a greater sense of community so that more help and resources flow from society into communities with the greatest need.

→ This suggests, we as a society need to develop:
  - Common sense – a greater understanding of the needs of people
  - Common purpose – a more engaged, more effective range of responses
  - Common wealth – a rich blend of the shared social, economic and cultural benefits we would all achieve.

Above, we need to listen to people such as Alice of Te Puru. As she says in Children’s Voices on Page 36:

“PLEEZE To people in power + the Government
– don’t tuck as away as a statistic.”

Information, resources, conferences

Opportunities for submissions

**Family Court Review**

In April 2011 the Government directed the Ministry of Justice to undertake a review of the Family Court.

The Family Court deals with families and children at highly stressful and sometimes risky times in their lives. It is vital it operates effectively so all involved can safely and securely move on with their lives.

The review’s aim is to ensure that the Court is sustainable, efficient, cost-effective, and responsive to those people who need access to its services – particularly children and vulnerable people. It will also ensure that the processes of the Family Court are straightforward and its decisions are fair, timely, and durable.

A consultation paper on the review has been released for public feedback. A high level summary of the consultation paper is also available to help inform your submission.

You can make a submission in writing or by email. To help write your submission, you can use the questions from the consultation paper if you wish. Feel free to answer only the questions relevant to you.

Submissions close 29 February 2012.


**The Green Paper**

Social Services Providers Aotearoa (SSPA) is hosting a series of seminars around issues pertaining to the Green Paper on Vulnerable Children. Speakers will present in Auckland (1 Feb 2012), Wellington (2 Feb 2012), Christchurch (8 Feb 2012) and Dunedin (9 Feb 2012):

→ Mai Chen, ChenPalmer, Privacy Act: Barrier or Opportunity to Minimise Harm to Vulnerable Children?;
→ Dr Tony Burton, Principal Advisor, Treasury, Addressing the funding barriers to providing effective services for vulnerable children;
→ Dr Ben Matthews, School of Law, University of Queensland, Does the protection of vulnerable children require a system of mandatory reporting of abuse/neglect? The evidence to date;
→ Dr Nicola Atwool, Principal Advisor, Children’s Commissioner, Does the Green Paper for Vulnerable Children reflect best practice and robust research?

The venues have yet to be confirmed. The event is free to SSPA members and for a yet to be confirmed but nominal fee for non-SSPA members (no more than $20 to help with catering).

For more information please email John Dickson: info@sspa.org.nz
Select Committee Inquiry

Public submissions are invited to the Maori Affairs Select Committee inquiry into the determinants of wellbeing for Maori children.

The terms of reference of the inquiry will focus on:

- The historical and current health, education, and welfare profiles of Maori children. This would take account of the transmission of life circumstances between generations, and how this impacts on Maori children.
- The extent of public investment in Maori children across the health, education, social services, and justice sectors—-and whether this investment is adequate and equitable.
- How public investment in the health, education, social services, and justice can be used to ensure the well-being of Maori children.
- The social determinants necessary for healthy growth and development for Maori children.
- The significance of whanau for strengthening Maori children.
- Policy and legislative pathways to address the findings of this inquiry.

Submissions close on 16 March 2012.


Conferences, Training Events, Hui, Fono

Tane Mahuta – training for tane about tane
26-29 Jan 2012 – Tirorangi marae
23-26 Feb 2012 – Wairarapa

The Tane Mahuta programme is a training course for men who work with men or who want to strengthen their role in their whānau. For more info contact Te Korowai Aroha o Aotearoa, phone 06 364 2209 or email or visit the website: [www.tekorowai.org.nz](http://www.tekorowai.org.nz)

Febfast 2012

FebFast 2012 is kicking off and we want to share its success with you! Last year the Drug Foundation of New Zealand hosted New Zealand’s first Febfast campaign. This was a fundraising initiative which invited people to forgo alcohol consumption for the month of February and at the same time, raise funds for organisations working in research, prevention and service delivery concerning young people and substance abuse. For more information or to sign up to the Febfast campaign visit [http://febfast.org.nz/](http://febfast.org.nz/). Get your team together, choose your youth organisation.

ReGeneration national convention
9-11 Feb 2012
Takapuna

The ReGeneration project is an independent network for young New Zealanders who are working to create positive change in their communities. [http://www.regeneration.org.nz/2012-national-convention](http://www.regeneration.org.nz/2012-national-convention)

Supporting Positive Youth Transitions to Adulthood
Thursday 16th February 9:45am – 4:30pm
Fale Pasifika, University of Auckland

A one day symposium co-sponsored by the Department of Sociology, University of Auckland and the National Centre for Life Course Research, University of Otago. Will consider, in this economic environment, the transitions young people must make into further study.

We are not looking for large numbers (80 attendees including young people would be great, and enable quality discussion in the workshops) but we are looking for people for whom youth issues are core to their work. Registration is open to anyone committed to understanding youth issues in Aotearoa New Zealand, and to finding the best policy solutions looking forward. RSVP to David Craig at da.craig@auckland.ac.nz. Places are limited, but please do pass this on! A $30 koha on the day will cover lunch and morning/afternoon teas.

National Not-For-Profit Sector Conference
23-24 February 2012
Wellington

We are delighted to launch the 2012 Conference with a team of outstanding NFP CEO’s and practitioners who have successfully navigated through difficult times, set in place transformational strategic plans and built teams that have consistently served the needs of their communities and clients. Not only will they present their views on the keys to success in planning and implementation, but they will discuss the tricky subjects, speak to the challenging questions and openly share the wisdom.

Come and hear Jenny Prince (CEO) talk about the changes at Plunket, Shaun Robinson (NZ Aids Foundation) discuss the challenges of many stakeholders, Dr Bob Frame (Landcare Research) explain the consequences of environmental change and how this will affect our communities, Viv Maidaborn share her thoughts on
NFP leadership plus many others. Spaces will be limited at the NFP sectors leading conference, with new low registration fees and a stimulating line-up that are guaranteed to inspire your team. To find out more, download the conference programme, take advantage of the very reasonable early-bird registrations or go directly to www.nfpconference.co.nz.

Infant Mental Health Association Aotearoa New Zealand
27-29 February 2012
Te Papa, Wellington
IMHAANZ receive. relate. reflect infant mental health tools for practice. All information – and registration – can be found on website, www.imhaanz.org.nz

The BIG Event Health and Disability Expo
9-10 March 2012
Greenlane, Auckland
The Big Event (TM) World of Possibilities, Disabilities, Healthy Aging and Independent Living Expo will showcase the latest products, services, technology and resources.

YOUth in Local Government Leadership Conference (YILGLC)
18-20 April 2012
Civic Theatre Complex, Invercargill.
Elected members, council officers, youth leaders, youth workers, health and social service providers, academics and researchers are invited to join the 7th YOUth in Local Government Leadership Conference (YILGLC). For more information visit http://www.southlandnz.com/VisitSouthland/Conferences/YouthinLocalGovernmentConference.aspx

Youth Week 2012
Sat 19 to Sun 27 May 2012.
Once again, Ara Taiohi will be co-ordinating Youth Week. www.arataiohi.org.nz
http://www.facebook.com/YouthWeek?sk

Dialogue, Deliberation and Public Engagement Programme
30 January until 25 May 2012.
The University of Western Sydney
A Dialogue, Deliberation and Public Engagement Programme for people in Australasia from New Zealanders who have participated in this programme before and found it very beneficial. Early bird registration closes on 15 December 2011. For more information and to register and pay online, visit the University of Western Sydney website.

Introductory youth health workshops
The Centre for Youth Health (Manukau) is offering an introduction to clinical practice in youth health for anyone working with young people. Dates are 23 Feb, 27 Apr, 21 Jun and 30 Jul 2012. Those who complete that course can go on to a course on intervention skills when working with young people (26 Apr, 6 Aug). To enrol email cfyh@middlemore.co.nz or phone 09 261 2272.

Child Matters Child Protection Studies Programme
Child Matters is a specialist child abuse prevention organisation, dedicated to inspiring New Zealanders to make sure that every child flourishes in an environment free from all abuse. As well as active advocates who speak up for children, Child Matters takes a preventive stance, offering NZQA accredited, nationally recognised training to individuals and community groups nationwide to recognise and respond to the signs of abuse.
Child Matters is a national trust with more than 16 years experience, and their role is to:

→ Raise public understanding and awareness of the issue of child abuse, how it affects all of us and what we can do to prevent it;
→ Educate and Inspire by providing professionals working with children with the right information which will give them the confidence to act when they believe a child is in danger;
→ Influence a change in societies attitudes and behaviours, as we all have a part to play in looking after our children – it takes a community to care for a child.

Child Matters 2012 Training Calendar
Child Protection Studies Programme
This programme is designed to enhance the skills of those who are involved with children, by giving them the knowledge and confidence to take positive action to protect children, and to act effectively when children have been hurt or are at risk.
The Child Protection Studies Programme is available as:

→ Standard Programme – 5 Days
→ Condensed Programme* – 3 Days
The condensed programme is particularly suited to participants who have undertaken tertiary level study before and who are comfortable with guided independent study.
North Island Programme Dates

Auckland (3 Day*) 13 – 15 March
Wellington (3 Day*) 26 – 28 March
Hamilton (3 Day*) 2 – 4 April
South Auckland (3 Day*) 16 – 18 April
West Auckland 11 – 15 June
Whangarei 25 – 29 June
Hamilton 9 – 13 July
New Plymouth 23 – 27 July
Gisborne 20 – 24 August
North Auckland 3 – 7 September
Tauranga 17 – 21 September
Central Auckland 8 – 12 October
Wellington 15 – 19 October
Palmerston North 29 Oct – 2 Nov
Napier 19 – 23 November
South Auckland 26 – 30 November
Hamilton 3 – 7 December

South Island Programme Dates

Christchurch (3 Day*) 14-16 May
Invercargill 7 – 11 May
Nelson 21 – 25 May
Christchurch 6 – 10 August
Dunedin 12 – 16 November

Child Protection Studies Diploma

The Diploma in Child Protection develops leaders and role models in child protection who will speak out for children to protect their futures. It is a comprehensive, practical, experientially-based professional education in child protection and child advocacy.

In-class time for the Diploma in Child Protection is carried out over six one-week blocks.

Child Protection Studies Workshops

The Child Matters 1-day workshops offer short, targeted training, designed to provide introductory level information about specific child protection related subjects. Child Protection Studies Workshops are ideal for all frontline staff, support staff and those new to their roles and who want to develop a sound, basic understanding of child protection.

Contact Child Matters today to enquire about bringing 1-day workshops to your own organisation. We offer a range of specialized topics and can work with you to customise training solutions to suit.

Workshop Schedule 2012

Auckland Central Recognising and Responding to Child Abuse 16 March
Wellington Recognising and Responding to Child Abuse 29 March
Hamilton Recognising and Responding to Child Abuse 5 April
South Auckland Recognising and Responding to Child Abuse 19 April
Christchurch Recognising and Responding to Child Abuse 17 May

All dates shown are current as at 10 October 2011 and may be subject to change

For further information refer to the Child Matters website www.childmatters.org.nz

Or please contact Child Matters
Postal: Address P O Box 679, Hamilton 3240
Phone: 07 838 3370
Fax: 07 838 9950
Email: info@childmatters.org.nz
www.childmatters.org.nz

Campaigns

Wheel of Action: Every Child Counts

Every Child Counts has published a new poster to help New Zealanders to think about the actions they can take to improve life for children. The Community Wheel of Action poster includes suggestions such as businesses providing flexible working arrangements, governments using the UN Convention on the Rights of the Child in policy development, and news media including the views of children and families on issues that affect them. Download at http://www.everychildcounts.org.nz/news/1000-days-to-get-it-right-for-every-child-%E2%80%98community-wheel-of-action%E2%80%99-highlights-actions-all-new-zealanders-can-take-for-children/
Research

The updated version of the Children’s Social Health Monitor New Zealand was released in August this year. The full report can be found at: http://www.nzchildren.co.nz/userfiles/Childrens%20Social%20Health%20Monitor%202011%20Update%20Master%20Word%20Document.pdf

For more information on Child Poverty and Living Standards as explored by The Children’s Social Health Monitor New Zealand visit http://www.nzchildren.co.nz/introduction.php


Published

1000 days to get it right for every child – the effectiveness of public investment in New Zealand children by David Grimmond of Infometrics Ltd


He Ara Hou: The Pathway Forward Getting it right for Aotearoa New Zealand’s Māori and Pasifika children


Left Further Behind: how policies fail the poorest children in New Zealand, is an urgent call for policy changes that provide solutions to child poverty. http://www.cpag.org.nz/assets/sm/upload/g4/gp/Inxu/11010%20FINAL%20%20Left%20Further%20Behind%20Brochure.pdf

Child poverty and child rights meet active citizenship. The full article by Mike O’Brien and Tapio Salonen can be read here http://www.cpag.org.nz/assets/childhood%20article%20sage.pdf

A Fair Go for all Children by Michael Fletcher and Maire Dwyer, available at www.occ.org.nz


The Costs of Crime edited by Gabrielle Maxwell is based on papers presented at the Costs of Crime forum held by the Institute of Policy Studies in February 2011. It presents lessons from what is happening in Australia, Britain and the United States and focuses on how best to manage crime, respond to victims, and reduce offending in a cost-effective manner in a New Zealand context.

The New New Zealand Tax System by Rob Salmond. Perhaps the most prominent political debate in New Zealand is about tax. The New New Zealand Tax System provides a new perspective on this critical subject, examining what we know about our tax system, and showing how that falls short of what we should know. They say that in order to change tomorrow, first you must understand today. This book helps everyone, tax
experts and interested laypeople alike, understand our tax system today.


Resources

Tikanga Whakatipu Ririki is a strengths-based Maori parenting model developed by Maori child advocacy organisation Ririki.

The model blends traditional Maori parenting beliefs with modern positive parenting techniques, and is informed by a literature review of pre-colonial Maori parenting practices.

Tikanga Whakatipu Ririki resources available are:
- A Guide for Whanau (a simply-written overview of the model and techniques – for whanau);
- A5 Whanau Flyer (a summary of the model’s beliefs and techniques – for whanau);
- Fridge magnets (featuring Tikanga Whakatipu Ririki parenting beliefs).

For organisations who have been through Tikanga Whakatipu Ririki training for trainers, there are trainer manuals and whanau workbooks:
- Module 1 (Six training sessions for one-to-one work with whanau);
- Module 2 (Six two hour workshops for groups);
- Module 3 (A three-hour seminar)

Seen and not heard?

Save the Children is inviting all children/tamariki and youth/rangatahi aged 7-25 across Aotearoa/New Zealand to make your voices heard on the Hear Our Voices Values Exchange, an online platform that gives you the chance to have your say and share your perspectives on issues that affect you. http://savethechildren.values-exchange.co.nz/

Funding

Community Group Assistance funding

The Community Group Assistance Fund is open to community and voluntary organisations that work across two or more of the following local board areas: Albert-Eden, Orakei, Maungakiekie-Tamaki, Puketapapa and Waitemata.

Priority will be given to innovative projects that have measurable outcomes, address an identified community need, align with council’s strategic priorities, and are collaborative in nature. Applications close 20 Jan 2012. Go to http://www.aucklandcouncil.govt.nz/EN/Services/CommunityFacilitiesSupport/grantsfunding/Pages/home.aspx and click under ‘Community Group Funding’.

Te Rau Matatini

Applications are invited for scholarships and awards to support Māori and non-Māori working in health-related areas. The scholarships are managed by Te Rau Matatini, a national Māori health workforce development organisation. Applications close 20 January 2012. For more information email scholarships@matatini.org.nz, phone 0800 628284 or 04 473 9591, or visit https://www.matatini.co.nz/

The Youth Fund

MYD wishes to give Aotearoa Youth Voice members the opportunity to apply for the Youth Fund. The Youth Fund is for community projects designed and led by you. The Youth Fund has been developed as an one-off grant, funding projects between $2,000 and $7,000. You will have to team up with some friends, and an organisation such as a school or youth agency. The Youth Fund is a competitive fund. Applications close on Friday, January 27th. All funding applications will be assessed by the Youth Funding Panel of Aotearoa Youth Voice members, young people trained in funding decision making and supported by the Ministry of Youth Development. If you receive Youth Funds, you will need to write a short report that tells us how the money was spent, the young people in leadership and decision-making roles, what equipment was bought, the number of young people involved in the project, plus a member of the Youth Funding Panel may visit your project.

To get an application form or ask a question, email or phone Greg Jones, 04 916 3830, youthservices@myd.govt.nz

Funding Information Service

At the Funding Information Service we are committed to being the prime provider of funding information in New Zealand. We have many products and services that enable us to achieve this goal. Please take the time to look around and see for yourself the amazing resources available. http://www.fis.org.nz/
## Children's Commissioner's Publications Order Form

**Charges apply for some publications and prices are subject to change. You can make large or small orders. We may ask for a contribution to shipping costs for large orders.**

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<td>Setting the scene to encourage good behaviour</td>
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<td>Te whakatika i te whanau ia pa tonu te noho</td>
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<tr>
<td>Encouraging children to take responsibility</td>
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<tr>
<td>Some suggestions on how to help children behave</td>
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<tr>
<td>Me ali ki tonu te tamaiti ia takihana ai</td>
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</table>

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