

A BRIEF TIMELINE OF SOCIAL WELFARE IN
AOTEAROA/NEW ZEALAND



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*Te toto o te tangata, he kai
Te oranga o te tangata te whenua*

*Food supplies the blood of the people,
their welfare depends on the land¹*

This paper shows the development of a social welfare system in Aotearoa/New Zealand and makes connections between the economic and social policies of today and the policies of the last 150 years. It also explores how the position of Maori people within this system has largely been dictated by those who benefited most from the unjust alienation of Maori land.

At the time of the signing of the Treaty of Waitangi Maori outnumbered Pakeha at least 50:1. The welfare of the Maori people and the care of the vulnerable was collectively organised within iwi. The economic base of the people was secure, as they controlled the land and its resources.

The acquisition of that land by Pakeha financed the social policy and development of the settlers throughout the nineteenth century.

'The starting point for social policy, then, is not welfare but land settlement. Simply because New Zealand was, from a Pakeha standpoint, a new society, and because its one reliable long term resource was land, settlement policy and social policy are almost co-terminous'²

Pakeha immigrants brought with them different models of welfare. They were based, not on the collective model of Maori society, but on the rights and responsibilities of the individual. Attitudes to supporting those in need in nineteenth century New Zealand were based on the traditions of the English Poor Laws - that a safety net should be provided for those who could not fend for themselves. The poor were divided into 'deserving' and 'undeserving' and services reflected these categories. Poverty was often explicitly linked to an assumption of crime.

1 saying quoted from report of Te Komihana A Te Karauna Mo Nga Ahuatanga-A-Iwi/The Royal Commission on Social Policy, Vol.III, Pt.1. p393
2 ibid, Vol I, Oliver, W.H. Social Policy in New Zealand: An Historical Overview p4

The early settlers consisted of a high proportion of working class people and very few landed gentry and merchants. In 1848 in New Munster³ 5% of the settlers had capital or professional skills, whereas over 70% were domestic servants and unskilled labourers.⁴

Introductions of new services or increases in the provision of existing services were often opposed by the powerful on the grounds that they would reduce the independence of the poor, or make them lazy - or jeopardize the ability of the wealthy to show Christian concern.

From 1852 - 1876 support of those in need in the Pakeha community - the so-called 'destitute' was a provincial responsibility. At first there were no 'destitute' Maori - they were absorbed within their own social frameworks. But as they were dispossessed of their land, they lost their means of survival.

1846: Destitute Persons Act: made near relatives of destitute persons liable for their support

1860s: Land Wars and Native Land Acts led to widespread dispossession of Maori. As land was alienated from iwi their health worsened and population decreased. Those areas which shunned contact with the Pakeha fared better:

*'The difference between the Kingites and the Maoris that Europeans are accustomed to see is very marked. The men and women are healthy looking, while the number of children playing about, and of fine stout infants to be seen in the arms of their mothers, is remarkable. It is sad to think that those natives who have least to do with Europeans are in every respect the best of their race; but so it is'*⁵

1865: Master and Apprentice Act - attempt to deal with the problem of destitute children - gave Justices the power to bind boys and girls over 12 years of age to tradespeople - wages only had to be paid if the child was bound for five years - in which case the child was paid for the last three years. The children could be jailed if they refused to serve their apprenticeships.

1866: New Zealand Vagrancy Act - people could be deemed idle and disorderly and liable for punishment if they had no visible means of support. Also allowed for punishment for '*any person found lodging or wandering with the Maoris..without visible means of support.*'

1867: Neglected and Criminal Children Act - gave provinces power to set up industrial schools - also

3 Wellington Province and the South Island

4 W.B. Sutch A Quest for Security p26

5 New Zealand Herald, May 9 1878, cit. M.P.K. Sorrenson, Land Purchase Methods, p195

allowed for children to be apprehended without a warrant.

The schools operated along prison lines initially - the children spent most of the time locked up and were often fed on bread and water. After inhumane treatment at Stoke Industrial home was exposed in 1895, the schools came under the control of the Department of Education and conditions gradually improved.

1868: Sick and Destitute Act: New Zealand's first attempt at unemployment insurance - provided for a tax of 10s a year on all adult male non-Maori residents. Like the poll tax in England under Margaret Thatcher, this poll tax placed a disproportionate share of the cost of providing for the destitute on the poor.

1874: Ngai Tahu petition to the government, after they had been forced from their land stated:

*'As long as we have strength to work as servants to the Europeans, as long as the Market is accepting that servitude, we are keeping ourselves and our families above want. Should this strength fail - and the time will come when it will - then we will be little better off than a mass of paupers thrown upon the present lords of the land'*⁶

1876: The provinces were abolished - since the provision of hospitals and charitable aid had been a provisional responsibility the government now stepped in to support local authorities in providing these services.

1877: Destitute Persons Act: widened the scope of 'near relative' to include stepfather, stepmother and brother. Government or local bodies could recover debts at an interest rate of 8%, when they maintained destitute persons.

1882: The Premier of New Zealand, Harry Atkinson planned for compulsory national insurance against sickness, accident, old age, widowhood and orphanhood. The reaction was predictable:

'Members of the Liberal Opposition said the scheme would sap the self-reliance of the people, would break up the family, was a blow at Christianity - in fact it was communism.'

During the 1870s Vogel masterminded a Think Big public building programme of railways, roads and other services. This placed the country deep in debt, but the extent of this was disguised, because easily available finance created an investment boom in land, much of it Maori land. The BNZ (privately owned) took a leading part in financing the

6 Harry Evison: The Treaty of Watiangi and the Ngai Tahu claim

investment boom and in 1894 had to be bailed out of bankruptcy by the Government.

Then world prices for New Zealand's commodities fell and farmers began to have difficulty meeting their mortgage repayments. Added to that, a Scottish bank with considerable investment in New Zealand collapsed. This burst the speculation bubble and the banks began to foreclose on small farmers. Larger customers were generally spared; as one banking journal expressed it:

*'The rotten eggs that have been broken were of the smaller size'*⁷

In the 1880s there was a major depression in New Zealand. Immigrants continued to arrive through the expansionist policies of Vogel, but there was now no work for them - instead the competition drove down already meagre wages. The internal economy was stifled by the system of landholding - it was owned by a few farmers and stockholding companies, who held large tracts of land and employed relatively little labour. But it was the low-paid who took the brunt of the depression that followed.

Women, men, girls and boys competed for starvation wages:

*'Men with families had to choose between starvation and boy's wages - they chose boy's wages. Hundreds of girls worked for no wages at all to learn a trade. As soon as they were efficient they were discharged or took less than a living wage. Wives went out to work and competed with their children in factories.'*⁸

Small businesses were set up in back yards and sheds - this led to sub-contracting and soon New Zealand had a sweated labour force - largely female - that rivalled England. Between 1881 - 1886 the ratio of female to male labour in secondary industries changed from 1:17 to 1:5

*'Members of the Liberal Opposition said the scheme would sap the self-reliance of the people, would break up the family, was a blow at Christianity - in fact it was communism'*⁹

- 1887: Shearers Union formed - Canterbury farmers conceived the idea of bringing Kaffirs from South Africa to break the union.
- 1889: Tailoresses' Union was set up in Dunedin - coalition between workers and intellectuals. Increasing solidarity among workers.

7 NZPD, 1882,42, p515 quoted in The Oxford History of New Zealand, ed. W.H. Oliver p 75

8 W.B. Sutch supra p65

9 ibid p 87

1890: The Sweating Commission set up - found almost every trade overrun with boys, girls and low-paid women. Employers refused to agree to minimum prices.

By this stage, fifty years after the signing of the Treaty of Waitangi, only a sixth of the land remained in Maori tribal possession. Life expectancy for Maori was 22.5 - 25 years. This compared with a Pakeha life expectancy of 55.5 years. The living conditions of those whose land had been bought or taken were even worse than their Pakeha counterparts:

*'Most of them lived in makeshift camps, without sanitation. They were afflicted by a host of infectious diseases and there was a very high rate of infant mortality. They were seldom treated by doctors, let alone admitted to hospitals. For the most part they had to fend for themselves'*¹⁰

1898: Old Age Pensions Act - for the 'virtuous' poor. To qualify, one had to be 65 years old and to have led a sober and reputable life. No Asians were eligible. Few Maori were eligible because they had difficulty proving their age to the authorities. Most were excluded because they had interest in their tribal land even though the majority were unable to draw any income from it. According to Sutch:

*'After 1900 staff of the Pensions Department were increased for the specific purpose of finding reasons for striking pensioners (particularly Maori) off the roll.'*¹¹

1901: Maori customary adoption of children was required to be registered.

1907: Plunket Society formed with the racial views of the Eugenics movement and a concern to raise healthy racial stock in a healthy environment. In addition to his racial views, Truby King, the founder, went along with the Victorian view of women which defined them increasingly in terms of home and family. This was never the case with working class women and merely increased the stigma against them. The effect on middle class women was to oppose their being educated - Truby King was of the opinion that too much education made girls flat-chested and unfit for maternity.

1909: Approval for Maori adoptions moved to Maori Land Court. Maori were not able to adopt Pakeha children because they were:

10 Lange, R.T. The Revival of a dying race: a study of Maori health reform, 1900 - 1918, and its nineteenth century background, M.A. thesis, Auckland (1972)

11 W.B.Sutch, supra p93

*'not living in a way we should consider proper for European children'*¹²

1911: Widow's pension introduced - although its critics considered it would:

*'promote malingering, sap individual independence and dry up the fountains of private generosity'*¹³

1925: Child Welfare Act - created Child Welfare Branch (forerunner of Department of Social Welfare) and Children's courts with preventative rather than the punitive purpose of the old Industrial schools.

1926: Family allowance introduced - benefit was payable on third and subsequent children after means testing.

1928 - 31: Export prices fell over 40%. The response of Government was to cut expenditure (on Treasury's advice) - and to keep on cutting it. There was a stand down period of one month before the unemployed were eligible for relief pay. No relief pay was provided without work - the relief schemes were used by local authorities and landowners to lay off their workers and re-employ them on the much lower relief rates. It was worth while for a local authority to arrange work to be done in the most inefficient way, so that they could use more relief workers and gain more money from the Unemployment Fund e.g. in Wellington a hill was cut out with pick and shovel for an extra playing field for Wellington College - this provided 'work' for 3,000 men in rotation.

Relief pay was reduced late in 1931 from 14s a day to 9s for single men in the main towns - this was graded down through provincial towns to 3s.9d in rural areas and Maori pa. In commenting on the economic chaos, Peter Fraser said:

*'It is as if the farmer was drowning and the Government, instead of throwing him a lifebelt, has throw in the worker to drown along with him'*¹⁴

Women paid unemployment tax on their wages, but received no relief work or pay. Following protests by unemployed women, the Unemployment Board subsidised women's organisations to set up centres for unemployed women - some free meals and clothing were provided and women were paid 10s a week for sewing, cooking and cleaning - which had the flow-on effect of lowering the wages of women who still had jobs. Asians received no relief pay.

Meanwhile the government continued its deflationary policies, supported by two advisory committees - one of economists and one of businessmen. The economists recommended interest cuts, wage cuts and a depreciation of the exchange rate. The businessmen recommended the

12 AJHR, cit Puao-te-Atatu, Appendix of the Report of the Ministerial Advisory Committee on a Maori Perspective for the Department of Social Welfare

13 *ibid* p 150

14 Simpson, A. *The Slump* Penguin 1990, p61

abolition of family allowances, reusing old bandages in the hospitals, cutting down patient's food and early discharge of paupers.

Most of the recommendations were acted upon. In addition old age pensions were cut. War pensions were cut. Public servants' pay was cut (with the exception of Supreme Court judges). There was, however, no increase in income tax. It is interesting to note that during the depression the national debt decreased and the Unemployment Fund was in credit each year.

- 1932: Riots - January in Dunedin, April in Auckland, May in Wellington. This resulted in the Emergency Powers Act - government could suppress all civil liberties and establish an authoritarian state.
- 1935: First Labour Government voted in. They introduced sustenance payments, which were not dependent on 'make-work' relief jobs: they increased the amount of the dole payments and abolished the graded system of payment. They reversed the cuts in wages and pensions, increased old age pensions, introduced an invalid's benefit, a deserted wife's benefit and made naturalized aliens, including Asians eligible for benefits.
- 1938: Social Security Act - comprehensive, means tested welfare scheme based on progressive income tax system. Included benefits for unemployment, sickness, old age, widows and orphans.
- 1939: In a speech to Parliament, Eruera Tirikatene pointed out that Maori were finally eligible for benefits on the same basis as Pakeha:

'Many Maoris have gone to their grave without qualifying for State support..

*In 1931, 1,534 Maoris were in receipt of old age pensions; but today (1939) 3,096 Maoris are receiving the age benefit..In 1931-5 there were 334 Maori widows in receipt of pensions; but in 1935-59 the number had jumped to 569..Previously family allowances were paid to 548 Maori people, and today that number has increased to 1,795.'*¹⁵

The Social Security Act delivered to Maori people equality of access to benefits. These, however, have always been organised on an individual basis. A side effect of this has been that it did nothing to stop the erosion of the tribal base of Maori society, which has traditionally been collectively organised.

- 1939: World War II - saw the establishment of the Maori War Effort Committee - established under the

guidance of Hon P.K. Paikea. In contrast with the Social Security Act, the Maori War Effort and the Maori Battalion were organised along tribal lines. 365 tribal and executive committees were set up - their functions included:

*'consideration of education, welfare, housing, training, land use and development, the grievances of the various tribes and many other issues of concern to Maori society'*¹⁶

The dream of Paikea and other Maori leaders was to convert the Maori War Effort into a statutory body, a Ministry of Maori Welfare, which would control resources using the tribal networks now re-established.

- 1943: Paikea died.
- 1945: Maori Social and Economic Development Act - stripped the tribal committees of their autonomy and any responsibility for land - this was returned to the control of the Department of Maori Affairs. Maori wardens were given welfare functions - and their work was required to be largely voluntary.
- 1946: Family Benefit was made universal and payable for every child.
- 1951: Maori Women's Welfare League set up - not tribally based. The government financial support was not sufficient for initiatives in health and welfare to be provided by paid workers. Along with the Maori wardens this has created a myth that welfare provisions for Maori are best provided on a voluntary basis - the cultural concept of *aroha* thus became redefined by governments to mean that Maori services did not need to be funded. This has continued to this day e.g. with the largely voluntary work of Matua Whangai.
- 1953: Maori Affairs Act - stated that:
- 'No marriage in accordance with Maori custom...shall be regarded as a valid marriage for any purposes'*
- 'No Maori shall hereafter be capable of or be deemed at any time to have been capable of adopting any child in accordance with Maori custom'*
- 1955: Maori parents allowed to adopt European children - but they were still under the jurisdiction of the Maori Land Court if they wanted to adopt Maori children
- 1962: All adoptions came under general court system

- 1962: New Zealand Maori Council set up - continued the trend towards district representation instead of tribal
- 1972: Royal Commission on Social Security. Led to the introduction of the Accident Compensation Commission and the establishment of the Department of Social Welfare which brought together the Child Welfare Division and the Social Security Department
- 1973: Domestic Purposes Benefit introduced - to support those caring for dependents; mainly women caring for children.
- 1975: Waitangi Tribunal established - to investigate claims of Crown breaches against the Treaty of Waitangi - retrospective claims not allowed until 1985 when the Treaty of Waitangi Act was amended so that alleged breaches dating back to 1840 could be heard.
- 1975.. Think Big policies involve massive overseas borrowing to fund public works projects.
- 1976: National Superannuation Scheme introduced

From 1984 social policy in Aotearoa/New Zealand began to be decided by the supply side economic theories espoused by the fourth Labour Government and the current National administration. When it came to office, Labour immediately began to deregulate the economy. The currency was floated, most of the protective infrastructure for industry was abolished and there was a move away from state industries, such as forestry and mining, which had had a dual role of running a business on the one hand, while supporting employment and financing social services on the other. State owned enterprises were created; some were sold to reduce the public debt, which was the legacy of the Think Big policies. In some industries, such as forestry, up to 80% of the workforce who lost their jobs, were Maori.

Unlike the last two depressions, however, the current economic downturn was not triggered by a drastic fall in the terms of trade. The terms of trade in the late 1980s were favourable to New Zealand, but this did not translate into increased productive investment in the country, nor into new jobs; instead investment in New Zealand went into a speculation property and finance boom, while productive investment moved offshore to countries which offer better structural support to industry.

As in the 1880s the speculation property boom was brought to an abrupt end, this time by the stock market crash of 1987. The government was again required to bail out the Bank of New Zealand, which had repeated its own history of leading the field in unwise investment. Government policy has been to attempt to attract investment by cutting company tax and by concentrating on reducing inflation. In 1987 income tax

was also cut for middle to high income earners. Small to middle sized businesses and farms have collapsed in the deregulated business climate. Unemployment has soared to 1930s rates and, as in the last two depressions, it is the people on lowest incomes, who are taking the brunt of the economic downturn.

Those on low incomes have had reductions in their benefits and wages. There are moves to raise the eligibility of the old age pension to 65; this will cut out many Maori since in 1986 only 2% of the Maori population was over 65. There is an increasing reliance on food banks, special allowances and charity; those in need are once again judged as 'deserving' or 'undeserving' echoing the Poor Law philosophy of the nineteenth century. It is likely that work testing will be introduced for all beneficiaries - which would move them towards the concept of the 'relief pay' of the 1930s.

1990: Commemoration of the signing of the Treaty of Waitangi.

1991: Finance Act - benefits reduced, family benefit abolished. 20% of Maori now unemployed compared with 8.5% of non-Maori.

Employment Contracts Bill - introduced voluntary membership of unions. Designed to replace award system with individual contracts. The effect has been to reduce wages and conditions (e.g. abolishing penal rates) for low paid workers - a high proportion of whom are Maori, Pacific Islander and/or women.

This brief chronology of social welfare in Aotearoa/New Zealand ends, as it began, with land. There is an increasing awareness that the welfare of people relies on their ability to participate in society. As the recent report Ka Awatea notes:

*'In examining the position of Maori in society, it is important to note that the deprivation of property rights and the loss of land are part of the complex reasons for the underachievements of Maori people to effectively participate in the domestic and international economy.'*¹⁷

There is currently a perception in Aotearoa/New Zealand that economic policy can somehow be considered separately from social policy. This is linked to the idea that the private sector is the only sector which creates wealth and that, only if the 'captains of industry' succeed, will the country then be able to assist those who are defined as non-productive - women caring for dependents at home, the unemployed, superannuitants etc.

17 Ka Awatea, A Report of the Ministerial Planning Group, Manatu Maori, March 1991

Social policies, however, have always been intertwined with economic policies. Definitions of productivity have depended on those who control the land and its resources. In 1840 Maori had firm control of the land; over the last 150 years this control has been taken by Pakeha, often unjustly. The loss of the land has pushed iwi into a poverty trap, with many now dependent on welfare payments.

Some see the answer to this situation as better access for Maori to a more culturally appropriate education system. While this reform is also overdue,¹⁸ the situation will only finally be reversed by redressing the unjust acquisition of land, settling the land claims and restoring to the iwi an economic base i.e. land and resources, within which they can exercise their rangatiratanga and address the social needs of their people.

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18 See Maori Language and the Education System; an historical outline, Waitangi Consultancy Group, 1989