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**THE CASE FOR REINTRODUCING UNIVERSAL  
CHILD ALLOWANCE IN 21<sup>ST</sup> CENTURY  
NEW ZEALAND**

**A thesis presented in partial fulfilment of  
the requirements for the degree of  
Master of Arts  
in  
Social Policy  
at  
Massey University, Palmerston North,  
New Zealand.**

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**2006**

## ABSTRACT

The purpose of this thesis is to contribute to contemporary debates on the most suitable family financial assistance policies for 21<sup>st</sup> century New Zealand. Based on documentary research, using books, articles, theses and official sources, this thesis presents a case in favour of reintroducing a universal child allowance within the mix of financial support to New Zealand children. The reason for a focus on this benefit is that it would arguably help meet a number of vitally important policy goals, while contributing to the wellbeing of families raising children.

Current challenges for social policy in most OECD countries include low birth rates and projected long-term labour shortages. Policies to encourage higher labour force participation rates by mothers without further falls in fertility are recommended by the OECD and have already begun in countries such as New Zealand. In addition, the United Nations Millennium Goals include the eradication of poverty and the empowerment of women by 2015. One way to help New Zealand meet these goals would be to reintroduce a universal child allowance.

This thesis argues that reintroducing a universal child allowance payable to the primary carer, commonly the mother, would be of assistance in reducing child and maternal poverty in New Zealand, including the hidden poverty that exists when aggregate household income is adequate but not fairly shared. Providing a reliable and regular income, would also contribute to the empowerment of women. It would remove the poverty traps that exist because of means-tested benefits, and which create disincentives to longer hours of employment. It would also reduce current financial difficulties that are causing couples to delay having children.

This thesis outlines the New Zealand history of universal family benefit from its introduction until its abolition in 1991, and describes some of its effects and its popularity. The thesis examines the effectiveness of universal child benefits in countries such as Britain where they are still an integral part of the welfare system. It also looks in detail at a range of ways in which universal child allowance could help New Zealand meet some of the major policy challenges of the 21<sup>st</sup> century.

## ACKNOWLEDGEMENTS

Completing this thesis would have been considerably more difficult without the support from a small number of people who have assisted me with the process.

I am extremely grateful to my two thesis supervisors, Celia Briar and Peter Beatson. They have guided me and exchanged ideas on issues related to my topic over a considerable period of time. Their critical comments along with their patience, reassurance, practical and editorial help and attention to structural detail have been most appreciated.

It would have been impossible to have researched my topic in depth without the help of the Massey University Library Staff. In particular, the staff at the Library's Document Supply Centre provided an excellent service in obtaining a wide variety of resources in a timely manner from a variety of local and international sources.

Thank you to my husband, Trevor, who has supported me through the highs and lows of the thesis and has been a constant source of strength and encouragement.

## CONTENTS

<b>TITLE</b>	<b>i</b>
<b>ABSTRACT</b>	<b>ii</b>
<b>ACKNOWLEDGEMENTS</b>	<b>iii</b>
<b>TABLE OF CONTENTS</b>	<b>iv</b>
<b>CHAPTER 1: INTRODUCTION AND METHODOLOGY</b>	<b>1</b>
1.1 INTRODUCTION	1
1.2 CHOICE OF TOPIC	3
1.3 DEFINITION OF TERMS	4
1.4 METHODOLOGY AND RESEARCH DESIGN	5
1.4.1 Approach Used	5
1.4.2 Data Collection and Analysis	5
1.5 AIMS OF THE RESEARCH	6
1.6 OUTLINE OF THE THESIS	7
<b>CHAPTER 2: A HISTORY OF CHILD BENEFIT IN NEW ZEALAND: 1926-1946</b>	<b>9</b>
2.1 INTRODUCTION	9
2.2 OVERVIEW OF THE HISTORY OF FAMILY ALLOWANCES	9
2.2.1 The Family Allowances Act 1926	9
2.2.2 Analysis of the 1926 Family Allowances Act: Success and Failures	12
2.3 OVERVIEW OF THE HISTORY OF FAMILY BENEFIT	14
2.3.1 The Origins of Universal Family Benefit	14
2.3.2 Introduction of Universal Family Benefit: Economic, Social and Political Context	16
2.3.3 Analysis of Universal Family Benefit: Successes and Failures	19
2.4 CONCLUSION	20
<b>CHAPTER 3: RETREAT FROM UNIVERSALISM: 1950s TO THE PRESENT</b>	<b>22</b>
3.1 INTRODUCTION	22
3.2 THE 1950s AND 1960s: DECLINING STATE GENEROSITY	22
3.2.1 Introduction	22
3.2.2 Changes to Universal Family Benefit	23
3.2.3 Declining Real Value of Family Assistance	23
3.3 THE 1970s TO THE 1990s: CHANGING NATURE OF THE WELFARE STATE	23
3.3.1 Introduction	23
3.3.2 Changing Economic Climate	24
3.3.3 Changing Political Philosophy	24
3.4 THE 1990s: THE END OF UNIVERSAL FAMILY BENEFIT	25
3.4.1 Introduction	25
3.4.2 The End of Universal Family Benefit	25
3.4.3 The Importance and Popularity of Universal Family Benefit	26
3.5 THE 21 <sup>st</sup> CENTURY: POLICY ENVIRONMENT RELEVANT TO FAMILIES	27
3.5.1 Introduction	27
3.5.2 New Family Financial Assistance Policy: Influences and Direction	28
3.5.3 The 2004 Social Security Reforms: Working for Families Package	28
3.5.4 Working for Families Package: Two Concerns	29
3.6 CONCLUSION	31

<b>CHAPTER 4: PREVENTING CHILD POVERTY WITH UNIVERSAL CHILD ALLOWANCE</b>		<b>33</b>
4.1	INTRODUCTION	33
4.2	CHILD POVERTY	33
	4.2.1 Child Poverty in New Zealand	33
	4.2.2 The Need to Respond to Child Poverty	35
4.3	CHANGING FAMILY CIRCUMSTANCES AND FINANCIAL INSTABILITY	36
4.4	CONCLUSION	37
4.5	UNIVERSAL CHILD ALLOWANCES: AN APPROPRIATE POLICY RESPONSE	38
	4.5.1 Introduction	38
	4.5.2 Universal Child Allowance and Poverty Prevention	39
	4.5.3 Universal Child Allowance and Overseas Evidence	41
4.6	UNIVERSAL CHILD BENEFIT: A CASE STUDY OF BRITAIN	43
	4.6.1 Introduction	43
	4.6.2 The Policy Environment	43
	4.6.3 Contrasting Policies	44
4.7	CONCLUSION	46
<b>CHAPTER 5: PREVENTING MOTHERS' POVERTY AND EMPOWERING WOMEN WITH UNIVERSAL CHILD ALLOWANCE</b>		<b>49</b>
5.1	INTRODUCTION	49
5.2	EVIDENCE OF MOTHERS' POVERTY	50
5.3	ISSUES ASSOCIATED WITH MOTHERS' POVERTY	51
	5.3.1 Introduction	51
	5.3.2 Greater Financial Hardship Experienced by Mothers	51
	5.3.3 Mothers' Poverty Leads to Poor Health	55
	5.3.4 Mothers' Poverty and Parenting Skills	55
	5.3.5 Conclusion	56
5.4	UNIVERSAL CHILD ALLOWANCE: A RESPONSE TO MOTHERS' POVERTY	57
	5.4.1 Introduction	57
	5.4.2 Universal Child Allowance Caters for Diverse and Changing Family Arrangements	57
	5.4.3 Universal Child Allowance Offsets the Inequality of Household Income	57
	5.4.4 Universal Child Allowance and the Empowerment of Women	59
5.5	CONCLUSION	61
<b>CHAPTER 6: UNIVERSAL CHILD ALLOWANCE: ASSISTANCE WITH THE COSTS OF RAISING CHILDREN</b>		<b>62</b>
6.1	INTRODUCTION	62
6.2	THE DIRECT COSTS OF CHILDREN	63
6.3	THE INDIRECT COSTS OF CHILDREN	64
	6.3.1 Introduction	64
	6.3.2 Relationship between Childrearing and Wage Rates	65
	6.3.3 Evidence of the Indirect Costs of Childrearing in Liberal Nations	67
6.4	UNIVERSAL CHILD ALLOWANCE: CONTRIBUTING TO CHILDREN'S COSTS	68
	6.4.1 Introduction	68
	6.4.2 Universal Child Allowance: A Practical Remedy	68
	6.4.3 Universal Child Allowance: A Remedy Based on Principles	70
6.5	CONCLUSION	71

<b>CHAPTER 7: PARENTING AND THE PUBLIC GOOD</b>	<b>73</b>
7.1 INTRODUCTION	73
7.2 THE PUBLIC GOOD ARGUMENT OUTLINED	74
7.3 UNIVERSAL CHILD ALLOWANCE: PAYING FOR THE PUBLIC GOOD	76
7.3.1 Introduction	76
7.3.2 Universal Child Allowance: A Policy to Recognise the Value of Childrearing	77
7.3.3 Universal Child Allowance: Payment to Parents Based on the Equity Principle	77
7.3.4 Universal Child Allowance: Formalising an Intergenerational Contract	78
7.4 CONCLUSION	78
<b>CHAPTER 8: LABOUR SUPPLY AND UNIVERSAL CHILD ALLOWANCE</b>	<b>80</b>
8.1 INTRODUCTION	80
8.2 CURRENT POLICY FRAMEWORK TO INCREASE LABOUR SUPPLY	81
8.3 UNIVERSAL CHILD ALLOWANCE AND LABOUR FORCE COMPATABILITY	82
8.3.1 Introduction	82
8.3.2 Universal Child Allowance and the Principle of Maintaining Work Incentives	83
8.3.3 Universal Child allowance and the Absence of Effective Marginal Tax Rates	83
8.3.4 The Swedish Example	85
8.4 CONCLUSION	87
<b>CHAPTER 9: PRONATALISM AND UNIVERSAL CHILD ALLOWANCE</b>	<b>89</b>
9.1 INTRODUCTION	89
9.2 POLICY FRAMEWORKS AND THE INFLUENCE ON WOMEN'S FERTILITY	89
9.3 THE NEED FOR A PRONATALIST POLICY IN NEW ZEALAND	91
9.3.1 An Overview of New Zealand's Population Trends	91
9.3.2 General Concerns over Fertility and Population Trends	92
9.3.3 Conclusion	93
9.4 UNIVERSAL CHILD ALLOWANCE: AN EFFECTIVE PRONATALIST POLICY	93
9.4.1 Introduction	93
9.4.2 Success of Universal Child Allowance as a Pronatalist Policy	94
9.4.3 International Evidence: The Scandinavian Model	95
9.4.4 Why Universal Child Allowance is a Viable Pronatalist Policy	96
9.5 CONCLUSION	96
<b>CHAPTER 10: BENEFITS OF UNIVERSALISM: CHILD ALLOWANCE EXAMPLE</b>	<b>98</b>
10.1 INTRODUCTION	98
10.2 THE BENEFITS OF UNIVERSALISM OUTLINED	98
10.2.1 Universalism and Simplicity	98
10.2.2 Universalism and Reliability	99
10.2.3 Universalism and Stigma	99
10.2.4 Universalism and Take-Up	101
10.2.5 Universalism and Social Cohesion	102
10.3 UNIVERSALISM: ANSWERING THE CRITICS	103
10.3.1 Introduction	103
10.3.2 Universal Benefits and Resource Scarcity Arguments	103
10.3.3 Universalism: The Effectiveness Argument	105
10.4 CONCLUSION	107

<b>CHAPTER 11: CONCLUSION</b>	<b>109</b>
11.1 INTRODUCTION	109
11.2 CONCLUDING COMMENTS: WHY UNIVERSAL CHILD ALLOWANCE?	109
<b>BIBLIOGRAPHY</b>	<b>118</b>