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THE PROBLEM OF POVERTY:
IDEOLOGY, THE STATE AND THE 1972
ROYAL COMMISSION ON SOCIAL SECURITY

A dissertation presented in partial
fulfilment of the requirements for
a Doctorate in Philosophy at
Massey University

Michael O'Brien
1991
ERRATA

1. Page 11, Line 1 - 'others' should read 'others'


3. Page 199, Line 8 - 'persistence,' should read 'persistence'

4. Page 213, Line 27 - 'stress,' should read 'stress'

5. Page 220, Line 11 - 'meting' should read 'meeting'

6. Page 227, Line 27 - 'consider' should read 'considers'


8. Page 259, Line 8 - 'on a a' should read 'on a'

ABSTRACT

The concept of ideology, understood as linked to structures of domination in society, is crucial in explaining the state's response to poverty through social security. Ideological processes work to keep the focus of social security provision on the poor and behaviour of the poor, rather than on the pattern of society's income distribution, a pattern which creates poverty. Ideological forces underlie and explain the contradictory nature of state social security provision. This contradictory nature arises from the need for the state to respond to poverty while at the same time concerning itself with the interests of the dominant and powerful.

The 1972 Royal Commission on Social Security provided the first comprehensive review of social security since the passage of the 1938 Social Security Act. The review took place at a time of increasing real poverty for beneficiaries. The process and outcome of that Commission reflected the workings of ideological processes, displayed fundamental ideological struggles about the role of the state, the nature of poverty, the purposes of social security and how the financial needs of the poorest in society should be responded to. This thesis uses the concept of ideology to examine those struggles and arguments, and to explain the political outcomes seen in the recommendations of the Commission and the subsequent legislation.

The thesis concludes with a discussion of the implications for the use of the concept of ideology as an explanatory tool in social policy development generally. Locating social security within the wider patterns of income distribution is essential to both good research and effective policy provision. Ideology is a key concept in unlocking discussion of this wider societal location of the state's response to poverty.
ACKNOWLEDGEMENTS

This thesis would not have been possible without the support, inspiration, encouragement and active assistance of a number of people. My acknowledgment of them here cannot meet the tremendous debt that I owe to all of them, in varying ways.

My parents' lifelong commitments to education for their family and to the lives and daily concerns of 'the poor' remain important motivational forces. I owe a great deal to them for their profound influence on my education and my research interests.

A number of staff in the Department of Social Policy and Social Work at Massey University have provided sustained personal and practical assistance. In particular, Merv Hancock helped to launch this work. Robyn Munford and Celia Briar have proofed the thesis alongside their other heavy commitments. Sharon Brook's typing and formatting skills have given a polish to a raw product. I am especially grateful to them and to the Department for providing me with some intellectual space and financial assistance to undertake the work. The Social Policy Research Centre at the University of New South Wales also provided physical and intellectual space to develop the material at a critical stage. I am grateful to Peter Saunders and his colleagues for this.

The Massey University Library lent me a complete set of the submissions and hearings of the Royal Commission. The National Library responded readily and helpfully to my requests for access to the Commission's files.

Two groups of people require special mention. My supervisors encouraged, challenged, cajoled and directed my struggles with the topic in a host of ways. Their sustained interest, commitment and direction have made final completion possible. The Department of Sociology will be the poorer if Chris Wilkes and Graeme Fraser are no longer available to assist future students. Chris's painstaking reading and comments have sharpened the work and provided me with a model that will be very difficult to match. I have benefited enormously from the guidance of both supervisors.

My own immediate family have supported and encouraged this venture in innumerable ways. My preoccupation with this thesis has dominated family concerns on a number of occasions during the time of its writing. Colleen, Stefanie and Andre have contributed assistance and
sustained interest beyond reasonable expectations. That assistance and interest has been vital in completion of the thesis. Without that assistance, completion would have been impossible.
EDITORIAL NOTE

Books, journals and reports are referenced in the usual way. The Report of the Royal Commission itself is referenced by using the page number(s) only. Submissions to the Commission were largely undated, and in some cases were not paginated. Throughout the text, therefore, submissions from which quotations have been drawn are identified by the name of the group or person making the submission and the page number. Where more than one submission is made by the same person or organisation, the submission being quoted is identified by placing the submission number, allocated to each submission by the Commission secretariat, in square brackets at the end of the quotation. The exception to this general approach is the submissions from the Department of Social Security. The Department prepared twenty-two papers, a background paper, and a further submission in the form of a letter at the end of the presentation of submissions. The papers, including the Background Paper, are identified by the number assigned to the paper by the Department of Social Security. The final letter submitted by the Department is identified by the use of the number allocated by the Commission secretariat. Appendix One at the end of the thesis lists all submissions made to the Commission, whether used in the thesis or not.

Parliamentary sources drawn on in chapter ten are referenced in the usual way, namely by year and page number in the text.
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CHAPTER ONE

IDEOLOGY AND SOCIAL SECURITY

Social security is a central feature of the state's response to poverty. Indeed, it is the central feature. It is my contention, in this thesis, that in addition to political and economic factors, the form and shape of state provision of social security can only be fully understood and explained by taking the concept of ideology seriously. It is ideology, the struggles surrounding ideas, and the relationship between ideas and the structure of interests in the society that is crucial in any explanation of the framework of rules and regulations for providing social security, and the consequent setting of benefit levels.

Ideology is a vital component in explaining the level of assistance paid to beneficiaries, the acceptance of benefit levels (which are often inadequate) and the difficulties in affecting change in benefit provision. The fundamental importance of benefit levels to beneficiaries, who by definition are among the poorest in society, makes careful study of social security essential. The concept of ideology ensures a comprehensive answer to questions about the reasons why benefit levels are low and why the rules surrounding benefit provision were created and are maintained. Social security and poverty are then both material and ideological. They are obviously material in that they are about money (and the lack thereof). They are ideological because the social security response to poverty reflects the outcome of ideological struggles surrounding income distribution and redistribution. These struggles are intimately concerned with the structure of interests and the patterns of domination in society. The approach to ideology used in this thesis is discussed fully in the next section of this chapter. We cannot fully explain why people endure poverty and inadequate social security benefits, often with little complaint, without recourse to the concept of ideology.

The ideological features that form the basis of social security arrangements have been ignored in much of the literature on social security provision. Significant attention has been given in the literature to economic and political factors surrounding social security. (See Hill, 1990;

1 The other substantial feature is the taxation system, which can also be used to relieve poverty.
McCarthy, 1986). While these considerations are important, they have been discussed to the almost total neglect of how ideology affects the provision of financial assistance to the poorest members of society. However, as the thesis demonstrates, social security cannot simply be described as 'giving money to the poor'. The provision of social security does not stand apart from the factors and forces which determine the distribution of income and the shape of income inequality in advanced capitalist societies. This broad context is essential to securing an adequate understanding of social security.

Ideology is reflected in how, and to what extent, the state responds, and in the links that are made (or not made) between social security, poverty and inequality. It is ideological analysis which permits an effective analysis of the total context of social security. Ideology affects all aspects of social security.

Before moving to the discussion of ideology, I want to make a brief comment about the nature of the state, the mechanism through which social security is provided. The state is an active participant in those ideological struggles and processes surrounding social security. The impact of ideology on social security benefits and regulations referred to above is expressed through the state. It is the state which is both the object of ideological contest and an active participant in that contest. Ideology is clearly exhibited in the contradictory nature of state activity surrounding social security. (The reasons for the focus on the state, and the contradictory role of the state are both discussed in chapter two). The state is not isolated from those factors and forces which determine the distribution of income and the shape of income inequality in advanced capitalist societies, but is inextricably involved with those factors and forces. Thus, social security, poverty and the role of the state are not isolated phenomena; rather they occur within a political, economic and ideological context in which income inequality is a core ingredient. The activities of the state in providing social security occur within a much broader context represented by abundance at one end and by destitution at the other.

This thesis focuses on the state's response to social security as a response to poverty, using ideology as an explanatory concept with which to explain and explore that response. The concept of ideology allows an examination of the struggles surrounding social security, of the form and shape of the state's response and the ways in which the provision of social security and the responses to poverty are linked to and reflect wider issues surrounding income
distribution in the society. Ideology then provides a bridge between the problem of poverty and the state's response to that problem through the provision of social security.

The 1972 Royal Commission on Social Security, the object of this study, is an important specific conjuncture where those ideological arguments are expressed and resolved. The Commission also represents a specific state response to poverty and to social security. Its status as a Royal Commission and its historical location in the development of social security in New Zealand make the Commission an important object of study. (There is a fuller discussion on the Commission later in this chapter, and in chapter four).

As noted above, the approach to ideology used in this thesis is set out below. The section includes a discussion of key aspects of the extensive theoretical debate on ideology. The emphasis on ideology in the literature has been the subject of strong criticism in recent years, from Abercrombie, Hill and Turner (1980). Their criticism, and my response to their arguments, is traversed at the end of the section on ideology.

Chapter two contains a review of other key concepts used in the thesis, particularly poverty, inequality and the state. That chapter also includes a discussion of the relationship between these concepts and ideology. The plan of the remaining chapters is outlined at the end of this chapter.

IDEOLOGY

The concept of ideology has been widely used in the social science literature in recent years. (See Gould and Tait, 1973; Drucker, 1974; Seliger, 1976; Centre for Contemporary Cultural Studies, 1977; Larrain, 1979; McCarney, 1980; Parekh, 1982; Larrain, 1983; Eccleshall, et al., 1984; Manning and Robinson, 1985; Bocock and Thompson, 1986; Donald and Hall, 1986; McLennan, 1986; Thompson, 1986). This widespread usage has not, however, produced any agreement about the concept itself, its roots, its effects, its relationship to the economic and material elements in society, how it changes (if it does), how it is manifest (or

---

2 Economics and politics are, of course, also important in shaping social security. The focus here, however, is on ideology, an aspect that has received much less attention than economics and politics. There is a fuller discussion of the relationship between the ideological, political and economic realms later in this chapter.

3 I will call it 'the 1972 Commission' because that was the year in which the Commission reported. It was established in 1969.
articulated), the discourse that is used, how it ought to be analysed and understood - the list could go on. These debates traverse a range of theorists and theoretical traditions; the literature is replete with sophisticated and at times quite dense argumentation.

The literature on ideology makes a number of distinctions in the discussions on the concept of ideology. Four principal components of my conception of ideology are argued for:

1. ideology as domination;
2. a non-deterministic, non-reductionist approach;
3. the use of ideology in a positive and a negative sense;
4. ideology as an arena of contest and struggle.

TOWARDS A DEFINITION OF IDEOLOGY

(A) IDEOLOGY AS DOMINATION

The notion of domination and struggles surrounding domination are central to the concept of ideology as used here. The study of ideology is especially focused on relations within a society and in particular relations of domination and subordination, how these relations are created, maintained, reinforced and challenged. To quote Lee and Raban:

*It makes no sense to discuss ideology ... unless one has some analytical understanding of its conditions of existence and appearance (the determination of ideologies) and a theoretical grasp of what it is that you are seeking to explain when invoking the concept (the effects of ideologies) (Lee and Raban, 1983:29). (Emphasis in original).*

The theme of domination as central to both this study and to the operation of ideology is well argued by Thompson (1984). He argues, logically and persuasively, that ideology has to

---

4 Distinctions are made between the use of ideology in a special and a general sense, between a subjective and an objective approach, and between an inclusive and an exclusive definition. There is also an extensive debate about the relationship between ideology and science. For a comprehensive discussion of these and other related issues, see Larrain (1979); Larrain (1983); McLennan (1986); McCarney (1980).

5 A similar approach is developed in Donald (1986).
retain a critical notion if it is to have any real value at all, and this 'critical' focus is about the relations of domination and subordination within society:

*To study ideology is to study the ways in which meaning (signification) serves to sustain relations of domination* (Thompson, 1984:130-131).

The study of ideology and its operation in a particular and specific context needs to incorporate a consideration of how those relations of domination operate. Furthermore, such study must explore how power is reflected through the ideas expressed and operationalised. Finally the study must also examine who is expressing what ideas and the effect/s of these ideas on relations of domination and subordination. The relationship of these ideas to relations of domination and subordination are obviously of immense importance here. It is in this framework, then, that the issue of inequality and the power associated with that inequality become critical.

Thompson links this issue of domination and subordination with the question of language, a link that is obviously of tremendous importance because language is one of the principal mediums for the expression of these relations of domination. Language serves as a medium for power to be exercised and ideologies expressed. While the study of language itself has been the subject of considerable interest among many writers on ideology, the focus here is on the arguments advanced by different interests and the relationship between those arguments and the structures of domination and subordination. The focus is on ideology and the ideologies themselves, rather than on a detailed textual analysis of the expression of ideology and ideologies. Nevertheless, in its myriad forms, language will be of substantial interest, constituting much of the raw material to be examined. The study of ideology in relation to social security and incomes requires an examination of the language used, as well as of the programmes developed.

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6 His postulation of the 'ideology as domination' approach is even more neatly expressed in his introduction where he links the study of ideology with the study of power and especially asymmetrical relations of power. (See Thompson, 1984:1-5).

7 Thompson (1984) reviews some of the literature which concentrates on language and ideology. See especially chapters 2, 3.

8 'Language' is used here to refer to the words and phrases employed from time to time by the various interests in the social security area. 'Programmes' refers to the range of social security provisions, and the rules and regulations associated with these provisions.
Thompson (1984) employs three vital terms to refine and develop the notion of ideology as the expression of domination. These terms are dissimulation, legitimation, and reification. All three terms act as sub-components - not necessarily the only ones - through which ideology operates. Briefly, legitimation refers to appeals made to strengthen the authority or legitimacy of a set of beliefs and ideas. Dissimulation refers to the ways that ideology serves to hide or conceal the particular interests that are served or strengthened at any one time. Thus, what is presented as being in the common interest of all may be (and usually is) in the interests of a particular group, normally the powerful. Larrain expresses the same argument:

*Ideology ... is also a condition for the functioning and reproduction of the system of class domination. It plays this role precisely by hiding the true relations between classes, by explaining away the relations of domination and subordination* (Larrain, 1979:47).

Finally, reification refers to the process whereby events and interests of any given time are divorced from their historical context and presented as eternal, as natural. Thus, capitalism is presented as the only and permanent form of economic and social organisation. These three processes of dissimulation, legitimation and reification are key elements in the approach to ideology used in this thesis.

The notions of domination and power - touched on above - allow more than adequately for both class and non-class based ideologies to operate. Thus, I can move beyond exclusive concentration on issues of class to consider such questions as racism and sexism, to name but two. Class remains important - very important. Nevertheless, it is not possible to explain the dominated position of women purely on the basis of their class location. Such domination occurs (and is legitimated and reified often) across all class locations. While middle class women are less dominated than their working class sisters, such domination still takes place, and is given sanction. An approach to ideology that is built around domination as a central theme allows for a more adequate explanation of gender relations than does a theoretical response from which domination is omitted.9

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9 The thesis gives only limited consideration to issues of gender relations. The point is made here to illustrate the strength and value of an approach to ideology based on domination and subordination.
A NON-DETERMINISTIC, NON-REDUCTIONIST APPROACH TO IDEOLOGY

The relationship between the ideological and the material realms in any given society has been central to much of the theoretical debate about the nature of ideology since Marx and Engels developed and refined their arguments on the effects of the material realm on the other realms. The attempts to reconcile this base/superstructure polarity has, however, not resulted in any general agreement, despite its fundamental importance. Without specifying the exact nature of the relationship, Larrain does manage to capture many of the essential features of the debates:

One can try to see in the base/superstructure a twofold meaning. It attempts to show that consciousness cannot be analysed on its own, that it has a foundation in material reality. It also attempts to show the primacy of economic relations in the social being without meaning to reduce the latter to the former (Larrain, 1979:65).

McLennan (1986) and Donald and Hall (1986) both pursue the question of reductionism in interesting and lucid arguments. McLennan makes the point well that criticism that particular approaches to ideology are reductionist is easy to make, and often results from overly simplistic reading of texts (McLennan, 1986:23-27). Similarly, developing an argument that is more extensive than those referred to immediately above, Jessop (1982) also demonstrates the falsity of a reductionist approach to Marx's articulation of the relationship between material and ideological forces in any given society.

The base/superstructure relationship continues to be the subject of vigorous debate. That debate has been particularly vigorous between Hall and Jessop, the latter accusing the former of ideologism (Jessop et al., 1984; 1985; Hall, 1985). The core of that debate is how to theorise the relationship between the economic, political and ideological realms in society. In their criticism of Hall, Jessop and his colleagues argue that he (Hall) elevates ideology to a position which is too dominant:

---

10 This is particularly evident at times in the social policy literature where writers sometimes assume, wrongly, that the base/superstructure distinction represents the totality of Marx's argument. See, for example, Room (1979); Ham and Hill (1984).

11 Although the focus in this thesis is on ideology, it is important to discuss the relationships between ideology, politics and economics briefly.
We do wish to reject the ideologism of the AP approach. Thus we also consider the political and institutional context in which Thatcherism developed, as well as the crisis of hegemony to which it represents a response. In particular we focus on the 'dual crisis of the state' as a neglected aspect of the crisis of the British state and on the 'two nations' character and effects of Thatcherism as a neglected aspect of its political power (Jessop et al., 1984:33-34).  

The position adopted here is not that ideology operates completely separately from and determines the economic and the political realms (the criticism Jessop makes of Hall). Rather, I am arguing that the three realms of the political, the economic and the ideological have overlapping boundaries, but boundaries that are distinct rather than being submerged. That distinction is not easy to differentiate neatly in any given societal configuration, but it exists nevertheless. Each realm has both a separate sphere and a degree of overlap, so that each operates on the other two as well as being affected by the other two. The web of relationships is complex, with the economic realm playing a pivotal but not totally definitive part. It (the economic realm) will influence the ideological; in its turn, it will also be influenced by the ideological. The same applies in relation to the political realm. This relationship is set out diagrammatically below.

---

12 'AP' refers to the phrase 'authoritarian populism' used by Hall to refer to the ideological features of Thatcherism.
13 Although the focus in this thesis is on ideology, it is important to discuss the relationship between ideology, politics and economics briefly.
NOTE: This diagrammatic representation is not meant to imply a hierarchical relationship between the three realms. Names have been allocated to circles on an alphabetical basis, not in some hierarchical order.

Thus, the approach to ideology used here is non-reductionist in the sense that ideology is not simply derived from and determined by economic relations. A deterministic, reductionist approach is rejected because it contains a static, uni-directional approach to the study of society and social relations, failing to adequately explain those relations in a comprehensive fashion. Furthermore, reductionism makes an adequate analysis of social change extremely difficult. This applies particularly to the efforts of subordinate and oppressed groups to effect change. After all, if a deterministic approach is adopted, how and where do classes and other social forces develop resistances. A tight, all encompassing hegemony would not allow them to reflect and act on their situation, or to develop oppositional or counter-ideologies.

Ideology, then, is seen to have a material base, using the word 'material' to refer to the totality of peoples' lives and of the impact of the social structure on those lives. However, 'material' is not synonymous with 'economic'; it is the conflation of these two words which sometimes produces the reductionist approach rejected here. Similarly, the wider use of 'material' allows for the development and articulation of oppositional ideologies such as feminism; the contribution of feminism to social policy analysis is discussed more fully in chapter two.
(C) THE DUAL USAGE OF IDEOLOGY

Ideology will be used in two senses, the positive and the negative. In the former use, ideology refers to the positive exposition of sets of political beliefs, to competing belief systems, such as liberalism, socialism and feminism, to name but three. The negative use of ideology refers to ways in which the ideas in a society relate to and intersect with the social structure and the organisation of interests in society. In this negative sense, ideology is used critically to refer to the relationship between the set of ideas that operate in a society, the forms of domination and subordination within that society, and the struggles over the reproduction of those forms. In the former instance, I am referring to ideologies; in the latter instance, I am talking of ideology.

The negative use of ideology implies a critical perspective and is closely related to the dominant social order. It serves the function of masking that social order through the processes described in Thompson's (1984) tripartite distinction. While there is clearly an overlap between the negative and positive uses of ideology, it is important to keep them distinct conceptually. It will generally be self evident how the term is being used; where this is not so, the meaning will be made clear.

The dual usage of ideology is of considerable significance to the work at hand. The significance of its use lies in the relationship between the state and ideology. In terms of the positive usage, the nature, role and purpose of the state and of social security is an area over which there are likely to be struggles and disputes, struggles and disputes that would show at some at least of the features set out in the typologies created by George and Wilding (1976), by Room (1979), and by Mishra (1977).14

In the negative or critical sense, the relationship is explored on both a wider and deeper basis. Here language and programmes are important (as they are in the previous usage), but social security/poverty/inequality are critically explored in terms of their relationship to the ideas and practices associated with domination and subordination. There are a number of areas in which the negative use of ideology is reflected in social security provision. These areas include: the 'neutrality' of the state; the role of the state; social security and the marketplace; the state, equality and social security; individualisation of poverty; definitions of and

14 Those typologies are akin to the political ideologies set out by Donald and Hall (1986).
responses to poverty. These, and others, are all areas where ideology and ideologies will be struggled over, and where the ideological relationship between social security and the state is expressed. They are areas which are examined in the detailed discussion of the Commission in chapters five to nine.

(D) IDEOLOGY AS AN ARENA OF CONTEST AND STRUGGLE

Ideology is an arena of contest and struggle, an arena of conflict and tension. (This component of ideology is neatly captured by Bocock and Thompson's (1986) phrase 'ideological contestation'). It is a component which is consistent with the argument set out earlier which rejected a deterministic and reductionist approach, and follows logically from the previous argument about the use of the term in a positive sense. The notions of domination and power - which are seen as central to ideology - are the notions which help to make a bridge that allows for the organisation and expression of oppositional ideas. If ideology is especially concerned with the issues of domination and power, challenges to that domination and power are expressed in the form of oppositional ideologies. While this does not account for all the specific oppositional belief systems, it does permit many of them to be covered. 'Contest and struggle' as key aspects of ideology are central to the approach to ideology used by Antonio Gramsci (Hoare and Smith, 1982). Because I am using some of his arguments as part of the theoretical framework for this thesis, it is necessary to make some brief comment here about the approach to ideology adopted by Gramsci (Hoare and Smith, 1982).

ANTONIO GRAMSCI:
For Gramsci, ideology is a superstructural expression of a contradictory reality. The superstructures are, he argues, an objective reality where humans gain consciousness of their positions and goals. He distinguishes two kinds of ideologies - historically organic ideologies (necessary to a given structure) and arbitrary or willed ideologies, favouring the former. Ideology is a conception of the world, serving as a cement, but not necessarily successfully. Furthermore, the working class does not have a consciousness imposed on it by the dominant class - rather it has a dual consciousness. This dual consciousness comes from its own conception of the world and from the ruling class ideology. The 'common sense' conception is fragmented and divided, and does not produce a self-consciousness.

15 This is by no means an exhaustive list - rather it should be seen as illustrative.
Gramsci rejects economism and economic reductionism, emphasising the superstructure, the link between politics and ideology, and:

**the creative possibilities of the individual as against a determining social structure (Urry, 1981:11).**

This emphasis on the ideological as a relatively autonomous realm does not mean that Gramsci is adopting an idealist position. Ideology is still rooted in a material base, 'material' being used in a wider sense than relations of production to refer to the totality of social relations. It is this totality that forms the substance of the material conditions of existence. The materiality of Gramsci's approach is neatly summarised by Simon:

*Ideologies have a material existence in the sense that they are embodied in the social practices of individuals and in the institutions and organisations within which these social practices take place... Ideologies are not to be reduced to social practices; they not only have a material existence, but they also exist in and through ideas, through the relations of concepts and propositions (Simon, 1982:59-60).*

For Gramsci, ideology has a cementing function in holding together diverse blocs and class fractions thus enabling them to build up a national popular collective will. The challenge to this has to come from transforming the existing ideological complex by subjecting it to a gradual critique that builds up an alternative ideology, through material practice, that reshapes and transforms ideas. Central to this is replacement of the existing 'common sense' (the taken for granted assumptions about the world and the social relations that exist) by the establishment of what Gramsci calls 'good sense'. (For a more extensive examination of the ideas and approach summarised above, see Hoare and Smith, 1982; Simon, 1982; Femia 1981; Larrain, 1983).

Implicit in the comments above is one further crucial aspect of Gramsci's approach, namely that ideology is a terrain of struggle and contest in its own right, a place of ideological contestation (Bocock and Thompson(1986)). Struggle is not limited to the economic sphere. These struggles extend beyond class concerns to the total range of popular democratic interests.

This process must build towards a new hegemony, a concept that is central to Gramsci's approach, although used variably. Hegemony expresses the notion of leadership which is as
much ideological as political. Ideological domination is critical, but the balance between coercion and consent in the exercise of hegemony varies historically. Consent cannot be taken for granted, but has to be produced and constantly reproduced. Hegemony is the organisation of consent. It is a relation between classes and other social forces; a hegemonic class gains and retains its position through a combination of alliances by political and ideological struggle. (There is a full and lucid discussion of hegemony in Hoare and Smith, 1982. For a concise summary, see Simon, 1982).

In recent years there has been a strong attack on the importance given to ideology in the literature, an attack which needs to be discussed before concluding this section. Abercrombie, Hill and Turner (1980) have argued that ideology is given too much importance; the next section of this chapter will summarise and discuss their argument.

2. THE ATTACK ON IDEOLOGY

Abercrombie, Hill and Turner (1980) have trenchantly criticised what they call 'the dominant ideology thesis'. They summarise the dominant ideology thesis as containing the following arguments:

1. In all societies based on class divisions there is a dominant class which enjoys control of both the means of material production and the means of mental production.
2. Through its control of ideological production, the dominant class is able to supervise the construction of a coherent set of beliefs.
3. These dominant beliefs of the dominant class are more powerful, dense and coherent than those of the subordinate classes.
4. The dominant ideology penetrates and infects the consciousness of the working class, because the working class comes to see and to experience reality through the conceptual categories of the dominant class.
5. The dominant ideology functions to incorporate the working class into a system which is, in fact, against the material interests of labour.
6. This incorporation in turn explains the coherence and integration of capitalist society.
Their criticism of the 'dominant ideology thesis' in late capitalist societies can be summarised as follows:

1. Governments are tolerated rather than supported and there is no evidence of a dominant ideology binding a society together.
2. The dominant ideology is generally fractured and contradictory, particularly in late capitalism.
3. The dominant ideology does not incorporate the subordinate classes.
4. Dominant classes are incorporated by the dominant ideology, especially in feudalism and early capitalism.
5. The means of transmitting the dominant ideology are variable in their effectiveness; this in part accounts for the difference in the degree of incorporation.
6. Marxist theories and their sociological counterparts make unexamined assumptions. The relationship between dominant classes and the dominant ideology is not considered; the apparatus to transmit the dominant ideology is not considered in detail; incorporation through ideology or integration by shared values is taken for granted once the existence of a dominant ideology or value system is demonstrated (Abercrombie, Hill and Turner, 1980:156-158).

It is assumed that the dominant ideology is a set of consistent, obvious and widely held beliefs, and these beliefs are often expressed as a dominant class doing something to a subordinate class. The focus has been too heavily on the effect that ideology has on the subordinate classes and not enough on what it means for the dominant class. For Abercrombie et al., ideology helps to explain the coherence of the dominant class, but not of society has as whole:

*We stress the conflictual, unstable quality of modern capitalism and argue that the subordinate classes are controlled by what Marx referred to as 'the dull compulsion' of economic relationships, by the integrative effects of the division of labour, by the coercive nature of law and politics* (Abercrombie et al., 1980:6).
It is the network of 'objective social relations' (Abercrombie, Hill and Turner, 1980:168) which creates society's coherence, not acceptance of shared norms. The rewards that come through capitalism - such as economic improvement - are, they argue, part of the experience of capitalism at work. It is the only thing workers can get.

In their discussion of the dominant ideology thesis, Abercrombie et al. argue that some, if not most, of the writing on the dominant ideology adopts an instrumentalist position, seeing ideology as an instrument in the hands of the ruling class, the state acting in the interests of the dominant class and maintaining that superiority by ideological control. There is, they claim, a weaker version of this argument which does not argue for indoctrination in as strong a way, but still sees classes as the origins of knowledge, belief or ideology, a version which they call the 'class-theoretical' model:

The ideology of individualism is not necessary to capitalism, since late capitalism can function perfectly well without it (Abercrombie et al., 1980:184-5).

Their criticism of the dominant ideology thesis is directed especially at Marxist writers:

There exists a widespread agreement among Marxist writers such as Habermas, Miliband, and Poulantzas that there is a powerful, effective, dominant ideology in contemporary capitalist societies and that this dominant ideology creates acceptance of capitalism among the working class (Abercrombie et al., 1980:1).

In particular, they argue that:

in neo-Marxian and contemporary sociology the social role of dominant ideologies has been greatly exaggerated... Too much has been said about ideology in recent decades (Abercrombie et al., 1980:191).

3. WHY IDEOLOGY MATTERS

There are a number of weaknesses and inadequacies in Abercrombie et al.'s argument. First, their argument that the theoretical approaches to ideology are functionalist cannot be sustained. A careful reading of Althusser, Gramsci and Habermas, the three authors whom they criticise most trenchantly, does not support an argument that their approach is
functionalist. (It is important in this context to distinguish clearly between a functionalist position and a description and analysis of functions). The implication of such an argument is that ideology has a static rather than dynamic nature, and this does not fit well with a close reading of the theorists referred to above. While there is a link between ideology and the remainder of the social structure, it is too simplistic and grossly incomplete to argue that approaches to ideology describe and analyse it completely in functionalist terms.

Second, and associated with this view, their critique that theories of ideology are instrumentalist has more than a trace of irony to it, in that Abercrombie et al.'s approach to the study and analysis of society and social cohesion seems to be almost entirely instrumentalist in that economic forces determine all others. It is those economic forces which are instrumental in securing and maintaining social cohesion, an argument that is at its core instrumentalist. Furthermore, the critique itself is invalid in relation to the work of both Gramsci and Habermas particularly and to a lesser extent Althusser. Whatever the strengths and weaknesses of their arguments, those theorists cannot simply be described as instrumentalist, with all that that implies. Furthermore, one of the principal works of Poulantzas (Poulantzas, 1973) was specifically written as a criticism of instrumentalism.

Third, Gramsci in particular, and to a slightly lesser extent the other theorists discussed by Abercrombie, Hill and Turner, allow for the development of counter ideologies, counter-hegemonic forces to produce a challenge to the hegemony of the bourgeoisie. This suggests that Abercrombie et al.'s argument of a totally unitary ideology does not hold up very satisfactorily. Such an argument has considerable difficulty in explaining how and why the subordinate classes ever develop alternative ideologies, and why they act on those views. The nature of advanced capitalist society cannot be adequately explained by the existence of strong laws and powerful military forces. Their (Abercrombie et al.'s) heavy emphasis on coercion and oppression flies in the face of the way that such societies have developed in the last century. Even if the suggestion of workers' pragmatic acceptance is adopted, this fails to explain adequately why economically subordinate groups respond in this way even when their position is deteriorating. Why should they believe that this is the best deal that they can achieve, that there is no alternative? Abercrombie et al.'s argument is very unconvincing in this area. Furthermore, the argument does not deal very easily or adequately with other forms of domination and exploitation, particularly around the areas of gender and ethnicity.

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17 Functionalism as a sociological theory is not synonymous with an argument that ideology performs a function in a given set of social relations. For a fuller elaboration of this distinction, see McLennan (1986).
There is in this sense, as in their discussion of instrumentalism, a fundamentally reductionist quality to their argument.

Moreover, the notion of domination through coercion that they argue for does not do justice to the sophistication and complexity of the literature on ideology. In particular this applies to Gramsci's argument that consent has to be constantly engineered - it cannot be taken for granted. He in particular talks of 'coercion armoured with consent', a notion that is rather different from the heavy emphasis that Abercrombie et al. place on the power of the former. Associated with this is a further crucial point, namely why is it that the routines of society are seen as normal. There is no adequate explanation in Abercrombie, Hill and Turner's argument that satisfactorily explains why it is that the current social structure is seen as normal, neutral, and permanent. Pragmatic acceptance seems a rather inadequate and incomplete explanation.

Fourth, their argument that capitalism can function adequately without individualism does not seem to have either logic or history on its side. If this is so, why has individualism remained so crucial and central, and why does it remain so? Capitalism is built so heavily around the individual as the dominant unit of society that it is difficult to envisage this as merely an optional extra, which capitalism could manage satisfactorily without. In economic, political and ideological terms the individual is such a central unit that it is impossible to conceptualise this as being coincidental.

Finally, it is noted above that they seem to adopt an approach to the state in which they see the state as neutral, and to a large extent as benign. This argument is difficult to reconcile with their emphasis on coercion. It is even more difficult to reconcile with both their critique of the theoretical material and with an adequate analysis of the history of capitalist societies in the last century or so. On empirical grounds, it is clear that the state has taken an increasing role in the operation of the economy. The evidence from a range of literature in the social policy field makes it clear that this intervention has not been only for the benefit of the oppressed. (See for example, George and Wilding, 1984; Le Grand, 1982).

Contrary to the argument of Abercrombie, Hill and Turner, ideology is of substantial and significant importance. It is instrumentalist and reductionist to attempt to explain social organisation and social structure, and the actions of individuals and groups solely on the basis of either material rewards or coercion, as Abercrombie, Hill and Turner do. The strength of ideology is that it allows for a much more complete and comprehensive
explanation of the form and shape of the social structure, and of the beliefs that are an integral part of that structure. It is woefully inadequate to reduce those beliefs and ideas to mere derivatives of the economic forces. They are linked to those forces, but also have a degree of autonomy.

Furthermore, the operation and effect of ideology is not just a derivative of economic relations. The state is also an active participant in the workings of ideology and in the struggles surrounding ideology. Social security is a crucial area of state welfare provision in which ideology is expressed and manifest. Ideology is crucial in shaping the nature and form of social security provision. It is time now to move on from the general theoretical approach utilised so far to the particular focus of this study, namely the 1972 Royal Commission on Social Security.

4. IDEOLOGY AND THE ROYAL COMMISSION ON SOCIAL SECURITY

The 1972 Royal Commission on Social Security provides the specific conjuncture for exploration of the ideological forces and processes surrounding state provision of social security in New Zealand. That Royal Commission reported thirty four years after the Social Security Act of the first Labour government, and as will be demonstrated in chapter four, followed a period of deterioration in levels of support through social security benefits. It was, therefore, a potentially significant point at which the direction and shape of income distribution could have been affected for those who are amongst the poorest in society.

The Commission was charged with reviewing social security benefit provision and the health benefit structure used to pay for medical services. However, I am concentrating on the social security aspects of the terms of reference, omitting the material related to health benefits - item seven of the terms of reference. The focus then is on the aspects of the work of the

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18 See chapter four for the complete Terms of Reference.
19 This is not because health benefits are not important, but rather because the subject of study is social security.
Commission related to benefit provision and coverage. Material related to war pensions has been omitted - the focus of the thesis is on other aspects of social security, such as benefits for people who are unemployed, sick, single parents, elderly. I have reviewed all submissions related to these areas; many of those submissions, however, focused on specific changes affecting individual situations, particularly in relation to residency requirements and the impact of overseas pension entitlements. These submissions have been included in the data base and have been drawn on as applicable. Generally, they have been of limited relevance and use for the thesis. This does not mean that the specific concerns of individuals and families are unimportant; for those individuals and families, those concerns were very important. However, the approach to ideology used in the thesis necessitates the focus on the more general submissions. Using ideology in the negative sense set out above, there were certainly ideological features at work in many of those individually focused submissions, particularly surrounding rights to benefit entitlement. I have, however, made only limited use of those more specifically oriented submissions, because of their focus on individual situations.

As is almost invariably the case with Royal Commissions or Commissions of Inquiry, this particular Commission attracted considerable public interest during its work, with a total of 321 submissions being made. This thesis takes some of those submissions, the hearings of the Commission, its subsequent Report and the ensuing legislation, as the raw material to be explored.

5. IDEOLOGY AND SOCIAL SECURITY: THE PLAN OF THE ARGUMENT

I have already indicated that chapter two sets out debates and issues surrounding key concepts. Chapter three sets out the methodological approach used in the thesis, and the more general questions surrounding the particular form of research methodology for a thesis of this kind. That chapter also provides an opportunity to touch on central epistemological
questions surrounding the nature of policy research, particularly policy research based largely on qualitative material.

Chapter four locates the 1972 Royal Commission on Social Security within the context of the 1960s. An understanding of the political and economic climate of the time is necessary if the Commission is to be properly contextualised. As chapter four demonstrates, the Commission did not arise like a phoenix from the ashes. Alongside that context, and indeed forming a part of it, was the poverty of social security beneficiaries. The available data, summarised in that chapter, points to a situation of significant poverty amongst beneficiaries.

The remainder of the thesis explores the work of the Commission in detail. Chapter five examines a key area of the arguments advanced by the state, namely the submissions by the Department of Social Security on 'values'. None of the submissions from other organisations discussed 'values' directly and at length. Moreover, the Departmental approach to 'values' was referred to frequently in later submissions from the Department of Social Security. In addition, the Departmental arguments were also adopted in the Report; hence, these arguments had a major influence on the final Report and recommendations. It is for these three reasons that 'values' have been discussed as a chapter in their own right, apart from the remaining data. The concept of ideology, as developed in this thesis, is utilised to critique the approach to 'values', both in the submissions and in the social policy literature generally. The discussion of 'values' prior to the discussion of the remaining data facilitates adequate discussion in subsequent chapters and strengthens the theoretical basis for that discussion. My argument is that an ideological approach is a much more productive and more dynamic explanatory mechanism than is 'values'.

The next three chapters utilise the theoretical framework to investigate and analyse the Commission in detail. It is here that the four components of ideology as outlined earlier in this chapter prove to be particularly valuable as explanatory tools. Chapter six uses ideology in the negative sense in relation to inequality, poverty and social security. The operation of ideology is well shown in the almost total neglect of inequality and of the impact of the overall pattern of income distribution and redistribution in the work of the Commission. Ideology proves to be conceptually invaluable also in the examination of the causes of poverty and the solutions to the problem of poverty. It is the working of ideology that explains the individualised approach to the cause of poverty and to its solution. The

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22 See chapter five for the reasons underlying the use of 'values' in this form in the thesis.
emphasis on selectivity as the appropriate mechanism for organising and providing social security benefits is a powerful illustration of the outcome of the ideological influences which led to neglect of the structural roots of poverty. Incorporated within this debate are the contests surrounding the use of means tests, contests that have a particular relevance in the late 1980s and early 1990s with the emphasis on effective targeting as the basis for social security specifically and income support generally (Treasury, 1984; 1987).

Earlier in this chapter I identified the role of the state as central in any comprehensive examination of ideology in social security. Chapter seven carries out this examination in relation to the 1972 Royal Commission. While considerations about that role underlie some of the arguments surrounding the purposes of social security, the focus of chapter eight, it is appropriate and necessary to concentrate on the role of the state more extensively. (Debates surrounding the role of the state cannot be subsumed completely under considerations of the purpose of social security). Ideology again proves to be an extremely useful tool with which to examine the contradictory nature of state social security provision. An understanding of the links between ideology and the general interests of society, is essential to effective analysis of the struggles surrounding fundamental features of social security such as the deserving and the undeserving poor, incentives, dependence, self help and less eligibility, to specify five central features. It is ideology, particularly the three components identified by Thompson (1984), namely dissimulation, legitimation and reification, that permits meaningful analysis of the nature of state intervention in market processes.

Missing from George and Wilding’s (1976) classification of welfare ideologies (and from most others) is any attention to feminism and feminist theory. The ideological struggles surrounding women and gender relations are also included in chapter seven, because the state is central to such struggles and their relationship with social security provisions and regulations. Ideology proves very useful in examining those struggles.23

Chapter eight examines the debates and arguments surrounding the purposes of social security. This chapter is designed to answer one basic question - according to the competing forces, what purpose/s should govern the form and operation of social security? The answer to that question is provided through the use of ideology in the positive sense. The competing purposes reflect different ideologies and interests. However, none of those ideologies reflect

23 Of course, there are also features of the negative aspect of ideology in that those gender relations are linked to relations of domination and to the structure of interests associated with those relations of domination.
radical and comprehensive change. To use George and Wilding’s (1976) classification, the four purposes identified can be adequately located within the the reluctant collectivist and conservative elements of the Fabian socialist classification.24

The outcome of the ideological struggles and processes surrounding the purposes of social security, and surrounding both the relationship between inequality, poverty and social security, and the nature of the role of the state in providing social security culminate in specific legislation and regulations that establish benefit levels and adjustment to benefits. These two areas - benefit levels and benefit adjustments - are the subject of chapter nine. Benefit rates reflect the outcome of ideological and political struggles. They are and represent much more than just ‘payment to the poor’. This is not to suggest that the level does not matter; the level does matter, and matters considerably. However, the level at which benefits are set, and the rules surrounding benefit payments reflect ideology at work, not just a material payment level, based on need. Benefit levels are the minimum the state can get away with; they are not a measure of minimum adequate incomes. The data in this chapter is both qualitative and quantitative. In the former instance, the emphasis is on benefit levels as experienced by beneficiaries (and those working with beneficiaries). The latter aspect concentrates on the available figures which could be used to assess the adequacy of benefit levels, and how these levels should be altered. The failure of the Commission to attend adequately to this data is a reflection of the strength and pervasiveness of ideology in the provision of social security.

The concluding chapter, chapter ten, begins with an outline of the Parliamentary debate and legislative action taken as a result of the recommendations in the Report.25 These outcomes are included here in order that the totality of the work of the Commission may be seen. It is noted that institutional politics were important in determining the outcome of the recommendations, but these institutional politics are not apart from ideology and ideologies. The more substantive part of this chapter returns to the theoretical arguments set out at the beginning of the thesis. The utility and strength of ideology in explaining the shape, form and nature of state provision of social security is now firmly established. Ideology proves to be axiomatic if the totality of social security provision is to be adequately theorised. The

24 In their discussion of the Fabian socialist tradition, George and Wilding make the point that this particular tradition includes theorists who are close to reluctant collectivists on the one hand and those who are close to marxism on the other. See George and Wilding (1976) for a fuller discussion; see especially chapter 4. The ideologies described here can be appropriately located towards the reluctant collectivist end of that continuum.

25 A full list of recommendations is included in Appendix Two.
chapter also reviews the methodological issues arising in a piece of research of this kind. The final part of the chapter notes the implications of the arguments and issues arising from this thesis for the study of social policy and for the development of social security. The emphasis on individually established need set out by the 1972 Commission is particularly evident in current (1991) social security policies. The same ideological forces that influenced the Commission have provided a basis for the steady decline in social security provision in recent years. (For a fuller discussion of that decline and of the ideological underpinnings of the decline, see O'Brien, 1991; Wilkes & O'Brien, forthcoming).

CONCLUSION

The creation and distribution of income in a society based on the market reflects political and ideological influences alongside the economic forces. The outcome of those forces and influences is a system marked by inequality, and by wealth and poverty. The state responds to poverty through social security. Thus, the provision of social security takes place within a context in which income distribution is marked by inequality and by poverty.

The form and shape of state provision of social security are the outcome of the competing pressures arising from the need for the state to respond to poverty, but to do so within the framework set by the overall pattern and structure of income distribution. The focus for this thesis, then, is the ideological forces and struggles that shape social security. The 1972 Royal Commission on Social Security provides a valuable location in which to examine the operation and outcome of those ideological forces. It is valuable because the Commission is a potentially crucial component of state activity and also because the full range of the Commission's work provides a comprehensive vehicle to demonstrate the value of ideology as a key contributor to understanding social security provision and policy.

The four features of ideology set out at the beginning of this chapter, namely:

1. ideology as domination;
2. a non-deterministic approach and rejection of reductionism;
3. the use of ideology in a positive and a negative sense;
4. ideology as an arena of contest and struggle.

provide a comprehensive vehicle for a thoroughgoing analysis of social security. The three components identified by Thompson (1984) are an integral part of that theoretical framework,
facilitating a thorough analysis of ideology at work. This theoretical framework makes possible a detailed answer to the questions: Why does the state provide social security? Why does that provision of social security fail to meet material needs adequately? What is the reason for the rules and regulations surrounding the provision of social security? Ideology provides a key analytic tool with which to examine and explore the struggles surrounding the purposes of social security, the response of the state to poverty, and the ways in which poverty is located within the overall pattern of income distribution. A clear and comprehensive picture of how ideology works in these core areas permits a more thoroughgoing analysis of the basis on which benefit levels are set. These levels are the outcome of ideological contests and of the ways in which ideology is linked with the patterns of domination in the society. Whatever else influences social security, its provision is certainly ideological. Chapter two extends the theoretical framework begun in this chapter by using ideology as a key link between the state, inequality and poverty, and social security. It is that discussion to which I now turn.
CHAPTER TWO

THE STATE, INEQUALITY, POVERTY AND IDEOLOGY

This chapter develops three theoretical concepts central to this thesis, namely the state, inequality and poverty, and links these with ideology. The social policy and sociological literature over the last fifteen years is replete with debates and arguments about each of these three areas; the task here is to draw on that literature in order to provide the theoretical and conceptual background for this thesis and then to use the key arguments to provide a framework for the examination of the work of the Royal Commission. I will begin with a discussion of theories of the state and approaches to the state before proceeding to a discussion on inequality and poverty. The final section of the chapter reviews the social policy literature on ideology, and demonstrates the links between ideology and inequality.

1. THE STATE

The reasons for beginning with the state are twofold. First, the state has become increasingly involved in the operation of the economy and of society generally throughout the last century. While this involvement has been widespread, it has been particularly noticeable in the social policy area generally and in the incomes/poverty/social security area specifically. For example, at the turn of the century the New Zealand 'social security' system consisted of a means-tested old age pension and a pension payment for the blind. This can be contrasted with a wide range of current payments that include unemployment benefit, Domestic Purposes Benefit, widows benefit, sickness benefit, national superannuation, disability allowance, accident compensation and a range of other rebates and payments, including Family Support and Guaranteed Minimum Family Income.

Second, the work of the 1972 Royal Commission on Social Security, the focus for this thesis, is a specific aspect of state activity in social security and hence a theoretical approach to the state is essential both to understanding the Commission and to providing an analysis of
its work. As the focus is on social security, a key aspect of statutory welfare (Titmuss, 1968), it is obviously important and indeed vital that there be a review of approaches to the state.\(^1\) It is the state which provides social security benefits and the Royal Commission on Social Security was an important part of state activity.

There has been an increasing debate about the nature of the state in the social policy literature in the last decade. Until the mid 1970s, the question of the state was largely treated as unproblematic. By this is meant that the institution of the state was approached as a benign and benevolent institution which would and did deliver social welfare. As Walker has pointed out in two recent publications (1983; 1984) one of the weaknesses of this period has been the failure to treat the state as problematic. This is one of the factors that he, correctly, identifies as being a major contributor to the tardy development of a theoretical approach to the academic study of social policy. The period has been aptly characterised by Mishra (1977) as 'dustbowl empiricism'.\(^2\) This argument is taken up even more vigorously by Taylor-Gooby and Dale (1981) who argue strongly - and indeed persuasively - that one of the weaknesses of much of the social policy literature has been that it has taken much of the current form and organisation of the state for granted.

This increasing attention to the state has been influenced to a very significant extent by the greater utilisation of Marxist theory in the social policy literature. Works by people such as O'Connor (1973), Ginsburg (1979) and Gough (1979) are but some of the sources that reflect this approach. In addition, the influential work of George and Wilding (1976) (which will be discussed more fully later in this chapter) treated the role of the state as one of the central variables marking out the approaches of the different ideologies they set out to describe. Debates about that role continue to be important.

**THEORIES OF THE STATE**

The theoretical literature on approaches to the state is well summarised in recent publications by Held et al. (1983), and by Dunleavy and O'Leary (1987). Held et al. organise the theoretical material along the lines of four different traditions - liberalism, liberal democracy,

\(^1\) Titmuss (1976) makes a distinction between statutory welfare (state welfare), fiscal welfare (provided through the tax system) and occupational welfare (provided through employment).

\(^2\) This phrase had been used previously by Mills (1970).
marxism and what they call 'political sociology'. (This last approach incorporates the work of Weber and the pluralist theorists). While emphasising the heterogeneous nature of each of these traditions, their classification does allow for a useful approach for organising the material. It is an approach that differs from some of the other methods and approaches that have been used in recent publications. For example, Ham and Hill (1984) divide the theorists into four groups also, but use a different division. Their four groups are: pluralist, elitist, marxist and corporatist. Again, Alcock (1987) makes a division between functionalist, pluralist and marxist approaches. A fourth division that has been used in recent social policy literature is that employed by Hall et al. (1975) who divide theoretical approaches to the state into pluralist, and elitist theorists, using the latter term to include marxists which they limit to Miliband (1969).

The advantage of the approach adopted by Held et al. is that it covers the material included in the other approaches as well as adding some important approaches excluded by the others. A further strength of the approach adopted by Held et al. is that they include an historical perspective, a perspective lacking in the other classificatory systems. There are, however, two important approaches omitted by Held et al., namely functionalism and elitism. As noted above, Alcock includes functionalism in his delineation of the different approaches to the state. I will include functionalism and elitism in addition to the approaches set out by Held et al.

The liberal approach views the state as being primarily concerned with the protection of the lives and liberty of the subjects. It is the active intervention of the state that prevents the outbreak of total anarchy and lawlessness. In doing so, the actions of the state must be considered legitimate and valid. This argument was developed particularly by both Hobbes and Locke, the latter taking a more limited view in that the state for Locke created the conditions in which private interests could be pursued. This is neatly summarised by Held et al. as follows:

The state exists to safeguard the rights and liberties of citizens who are ultimately the best judges of their own interests; ... the state must be restricted in scope and constrained in practice in order to ensure the maximum freedom of every citizen (Held et al., 1983:13).

The key to liberal democracy is the development of structures that ensure that the governors are responsible to the governed - it provides the theoretical underpinnings of representative democracy. The task of government is to ensure the maximum utility of citizens, since
individuals are driven by the desire to maximise their individual utility or satisfaction. (See discussion of Bentham and Mill in Held et al., 1983:14-17). Government must ensure the greatest good and greatest happiness of the greatest number. These ideas became central to nineteenth century English liberalism, with their emphasis on minimum state intervention, such intervention being limited to control of deviance and disobedience. The task of the state in this context is to act as a referee while individuals pursue their own interests. Both Bentham and James Mill were 'reluctant democrats' (Held et al., 1983), an approach not shared by John Stuart Mill who argued for a comprehensive extension of the right to vote, but not on the basis of one person one vote. He argued for a plural type of system in which:

*the wiser and more talented should have more votes than the ignorant and less able* (Held et al., 1983:19).

The third tradition reviewed by Held et al. is what they call 'political sociology'. As noted above they include here the work of Weber and the pluralist tradition. The focus for Weber was not primarily on the state itself but rather on the bureaucratic form that the state takes. In addition he was also particularly concerned with the issue of power, seeing the state as being the body which has a legitimate right to use power and having legitimate use of violence. In his work there is also a considerable amount of emphasis on the question of legality; the state is obviously crucial to legality, being the embodiment of legal force and power.

Pluralist theory does not follow automatically and necessarily out of the work of Weber, despite Held et al. including it under the same heading. However it is an important theoretical tradition that needs to be included here. The core of the classical pluralist argument (as developed by Dahl (1975) and refined subsequently by others) is that the state is fundamentally neutral, acting, in the liberal democratic sense, as a referee. For pluralists power is seen to be distributed widely in the society and is able to be used by diverse groups competing in an endless process of bargaining and lobbying. It is a conception of power that has since been refined, with some, albeit limited, acknowledgement of the unequal distribution of power. In these refinements, the state is not seen to be the same as any other party but rather is seen to have a political agenda of its own. However, the refinements still argue for the existence and operationalisation of a wide dispersal of power in the society.

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3 Bureaucracy is not, of course, limited to the state.
There is one further approach that Held et al. do not include, namely elite theory. Elite theory differs from pluralist theory in a very fundamental way in arguing that power is not distributed widely, but rather is concentrated, particularly in a series of powerful groups and individuals. In particular, birth is important as are such areas as the military, the judiciary, religious leaders, business leaders and the civil service. The theoretical development of this approach owes a good deal to the work of C. Wright Mills who studied decision making in American society, and on the basis of those studies developed his arguments about a power elite, arguing that each of these elites exercises power in different contexts (Mills, 1956).

As noted above, Alcock (1987) also uses pluralism and marxism as major categories in his discussion, but adds a third not included by Held et al., namely functionalism. He uses the term 'functionalist' to refer to a set of theoretical constructs in which the state is seen as a formal organising body which provides the co-ordination of the society. It (the state) acts in a neutral, independent way. As far as social policy is concerned, the state then is seen as responding to social needs and social problems in ways that are designed to alleviate these problems. Contained within this argument is what has been called 'the inevitability thesis'. By this is meant that society is 'inevitably' proceeding in a more humanitarian direction, improving the lives of citizens. (See Mishra (1977) for a fuller discussion of this argument). This approach is reflected in a considerable volume of social policy literature, particularly literature in the social administration tradition from the United Kingdom. It is also reflected in New Zealand in the work of bodies such as the Planning Council. (See New Zealand Planning Council, 1982).

This thesis eschews these traditions and will use the major tradition omitted from the discussion thus far, namely marxism, as the theoretical orientation to the role of the state. This approach is preferred because relative autonomy (discussed below) is considered to be the most useful way in which to understand the state in relation to the provision of social security. None of the approaches summarised above provides as useful or comprehensive a way of understanding how and why the state acts in the way that it does. The other approaches fail to provide a dynamic view of the state in which the state is actively involved as a participant in the struggles taking place within the society. Furthermore, the approaches identified and discussed above do not offer adequate and sufficient attention to the crucial

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4 The social administration tradition' refers to the approach widely used in the study of social policy in the United Kingdom. For a fuller discussion of its key features, see Walker (1984); Mishra (1977).

5 The Planning Council publication also used a pluralist approach.
importance of class divisions within the society. Utilising marxist theory, as I will be doing here, provides a dynamic approach to the state and to the ideological struggles within the state. Marxist theory also facilitates a productive and powerful approach to the class components of those ideological struggles.

As with the other traditions, the brevity of this review cannot do justice to the complexity, subtlety and density of the differences and variations within the marxist tradition itself. Held et al. (1983) make a useful twofold division in marxist theory between what can best be described as an instrumentalist approach and the relative autonomy approach.6 The instrumentalist approach regards all marxist theory as being based on an argument which sees the state as being a captive of the dominant economic class and as acting in the interests of that class. It is an approach that is well expressed by Ham and Hill in their discussion of marxism:

\[ \text{In broad terms it can be suggested that the capitalist state's main function is to assist the process of capital accumulation. This means creating conditions in which capitalists are able to promote the production of profit. At the same time the state acts, as we have argued, to maintain order and control within society ... The accumulation process is further assisted through state intervention in the provision of services such as housing and health to groups in the working population. One of the functions of these services is to reduce the cost of labour power to capital and to keep the work force healthy (Ham and Hill, 1984:33).} \]

They go on subsequently to discuss the notion of relative autonomy, particularly as set out by Poulantzas (1973). However, their discussion of this concept is still within a framework in which the state is seen to be ultimately acting in the interests of the dominant economic class. The weakness of Ham and Hill is that they fail to discuss relative autonomy accurately, and also fail to do justice to the current diversity in marxist theory, particularly in theorising the state.7

Held et al. review the relative autonomy approach well:

\[ \text{the state generally, and bureaucratic institutions in particular, may take a variety of forms and constitute a source of power which need not be directly linked to the interests, or be under the unambiguous control of, the} \]

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6 Too much of the social policy literature regards marxist theory as falling completely into the former category. See particularly Room (1979); Ham and Hill (1984).

7 Ham and Hill's discussion reflects the 'straw man' approach that seems to be widespread in the social policy literature. By this is meant that writers create a false picture and then proceed to demolish it as inadequate.
dominant class in the short term. By this account, the state retains a degree of power independent of this class; its institutional forms and operational dynamics cannot be inferred directly from the configuration of class forces - they are 'relatively autonomous' (Held et al., 1983:25-26).

The importance of the notion of relative autonomy is that it opens up the possibility of the state being a site of struggle and contest rather than seeing the state in a monolithic, deterministic sense. This is not to argue that the state operates outside the society, in the neutral sense of either the liberals or the pluralists. Rather it is to see the state as problematic and needing to be studied in its own right. There is no doubt that the state is intimately connected with the processes of domination and control. However, it is not enough to see it always, exclusively and inevitably producing this result. A more dynamic approach is needed in which the state is seen to be an arena of contest and struggle, the outcome of which cannot be predicted with absolute certainty.

In this thesis the state is viewed as being relatively autonomous (to use Poulantzas's (1973) term), that is, it is neither simply a captive of capital, carrying out the bidding of capital (as fundamentalist Marxism would argue, and as some critics of Marxist theory wrongly attribute to all Marxist theory), nor is it an independent referee judging a contest between disputing teams (as pluralists such as Dahl (1975) would argue). Rather, the state is able to exercise a degree of independence (of relative autonomy) and will make some decisions that are not in the interests of dominant classes and social forces. The state is not just an instrument of control and oppression, although it may act in that way (and indeed frequently does do so). Rather it is more appropriate and useful to see the state as an arena of contests and struggles, contests and struggles in which the odds are not evenly balanced, favouring the dominant, but an arena of struggles nevertheless. These struggles involve all areas of society and are expressed in both explicit ideological terms and in state programmes.

My argument, then, is that the state is composed of a set of organisations - legal, judicial, bureaucratic and military. There are both coercive and ideological elements in these state organisations. By this I mean that state organisations exercise control through force and must also struggle with oppositional ideas and challenges to the dominant ideological order. The outcome of those struggles cannot be definitively predicted.

The set of social institutions included in Gramsci's use of the term 'civil society' (Hoare and Smith, 1982) is not included in the notion of the state used here. This is not to say that the organisations of 'civil society' are not crucial (quite the opposite), but rather that use of the
term 'the state' to include such institutions as churches, the media, the family, trade unions, voluntary associations, and political parties (as the term 'civil society' does) only serves to confuse and muddy the picture. Certainly the argument that:

_The social relationships of civil society are relations of power just as much (though in a different way) as are the coercive relations of the state_ (Simon, 1982:72)

is entirely consistent with my approach. The use of the term 'the state' here is then much more akin to what Gramsci calls 'political society'. It will, of course, be necessary for this study to examine the activities, and programmes, of the organisations of civil society. I have simply not included them in the definition of 'the state'.

The state, then, is at the centre of the struggle over the structuring of social relations. It is not apart from those struggles. It is an active participant, rather than a passive spectator. Furthermore, it is not simply an entity that is acted on, but it initiates rather than just responds to the initiative of others. That struggle is concerned particularly with the dominant ideology and issues of domination around inequalities, especially inequalities of class, gender and ethnicity. However, while closely linked to a dominating ideology, it is important that the state be seen to respond to other pressures and ideologies. Indeed it is an important part of the ideological process that the state is presented and presents itself as responding to such pressures and ideologies. In responding to subordinate ideologies, however, it should not simply be assumed that the state is acting in the interests of the powerless.

An adequate theory of the state is crucial in understanding the role of the state in providing social security. The theory is also vital in understanding and explaining the ideological forces and features of state provided social security. Those ideological forces and features are reflected in a number of aspects of social security. One of the most crucial of those aspects is the way in which poverty is understood and defined, and the links that are made, or not made, between poverty and inequality. The final section of this chapter will link ideology, the state, inequality, poverty and social security. In order to provide a comprehensive basis for that linkage, it is essential to set out the various approaches to inequality and poverty inherent in social security provision, and set out in the literature on poverty and social security. The task for the next section in this chapter is to review the relevant parts of that literature.
2. IDEOLOGY, INEQUALITY AND POVERTY

The increasing evidence of the existence of poverty in the United Kingdom (Abel-Smith and Townsend, 1965) was an important factor in challenging the assumptions about the benevolent role of the state in welfare generally and in social security in particular. Arising from this 'rediscovery' has been an increasing focus on inequality of income distribution, and the poverty that is part of such inequality. This focus, which underlies the arguments pursued in this thesis, requires some review of the approaches to inequality, to poverty and to need in the literature. That review is the task for the second part of this chapter.

I will begin with a résumé of the approaches to equality in the social policy and social security literature. From there, I will move to a general discussion about inequality and poverty before proceeding to the major distinctions in the literature between absolute poverty, relative poverty and relative deprivation. The section will conclude with some comments about the way/s in which ideology is a useful explanatory notion for these debates and how approaches to poverty are linked with and are the outcomes of the struggles around dominant ideas about income distribution in advanced capitalist societies. This exploration will allow me to examine the differences between structural and individually based explanations of poverty, what these mean as far as approaches to poverty are concerned, and will allow me to indicate some of the areas of explanation this raises for the thesis.

In order to undertake this discussion effectively, it is also essential to examine the concept of 'need'. Such an examination is essential both because 'need' is often presented as the basis for provision of social welfare generally, and for social security in particular (Spicker, 1988; Hardy, 1981), and because 'need' is extensively used in the submissions to the Royal Commission on Social Security, and in the Report of that Royal Commission.

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8 The concept of 'the benevolent state' has been widely used, and discredited, in the study of social policy and social security. See Walker (1984).
9 'Need' is included here because approaches to 'need' and responses to 'need' are central elements in the state's response to social security.
10 There is now an extensive international literature on inequality, poverty and social security, particularly, but not exclusively from the United Kingdom. Work such as that of Townsend (1970; 1979; 1983), George and Wilding (1984), George and Lawson (1980), Alcock (1987), and Holman (1978) all review some of the approaches and summarise many of the arguments about the theoretical and ideological basis of the different definitions of poverty.
11 For a direct utilisation of the distinction between individual and structural explanations of poverty, see chapter six. See also the discussion later in this chapter.
There are, then, four parts to this section:

(A) Inequality and poverty.
(B) Absolute and relative poverty.
(C) Relative deprivation.
(D) 'Need' and state responses to 'need'.

(A) INEQUALITY AND POVERTY

Income distribution in advanced capitalist societies is widely characterised by inequality, with substantial differences between the highest and lowest decile. Such inequality is not accidental but is an inherent feature of the structural pattern of income distribution. It is a distributional pattern which creates both wealth and poverty. Both terms - 'wealth' and 'poverty' - have to be understood and explored in the context of the pattern of inequality of income distribution operating in the society. Poverty, then, is part of inequality, and is not an independent phenomenon. George and Lawson make the point succinctly:

*Poverty is the tail end of inequality* (George and Lawson, 1980:3).

The relationship between inequality and poverty is crucial to the argument being adopted in the thesis. Poverty is obviously not the same as inequality, but it is intricately bound up with inequality, and is an inevitable consequence of inequality. The relationship is neatly set out by Mack and Lansley:

*It has been argued ... that poverty cannot be eliminated without more redistribution from the non-poor and on a relatively substantial scale. This does not mean that poverty and inequality are the same thing but they are related. A reduction in inequality does not necessarily lead to a reduction in poverty. A redistribution from the rich to the moderately rich ... might reduce inequality but it would have little or any impact on poverty. Similarly, the elimination of poverty might still leave an unacceptable degree of inequality* (Mack and Lansley, 1984:222).

In their discussion of poverty and inequality, Hill and Bramley (1986) also make the point, simply and clearly, that an approach to poverty which focuses on resources needs to be based

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12 For a description of current income and wealth distribution in New Zealand, see Department of Statistics (1990); New Zealand Planning Council (1988).
13 The penultimate sentence is confusing, but is left as it appears in the original.
on an approach which locates poverty within wider social inequalities. This concentration on inequalities does not mean that poverty is seen to be synonymous with inequality, but does allow, and indeed demands, that those who are at greatest risk of relative deprivation have their situation viewed in relation to those who have the most.\textsuperscript{14} Rather than asking why some have less, perhaps we should be asking why do some have more. They put the argument succinctly; examination of inequality must:

\begin{quote}
include issues about the distribution of wealth, including assets in non-cash forms such as houses and possessions. It must include services in kind, both those provided by the state, and those provided by others... Finally it needs to take into account assets in forms which, whilst not necessarily realisable at the time, will eventually contribute to enhancing the well-being of the individual, that is rights to pension, assistance when sick and so on (Hill and Bramley, 1986:45).
\end{quote}

Viewing poverty as the tail end of inequality, moves any discussion of poverty right into central consideration of the political and economic structure of society. The approach here clearly relates poverty to the social structure; a response to poverty that is to have any real impact on the situation of the poor can only be effective by attending to the total pattern of income and wealth distribution in the society.

Thus, while the thesis approaches poverty in the context of inequality, it is important to review the major approaches to the definition of poverty used in the social policy literature. Such a review both anchors the arguments here within that literature and also serves to identify key arguments and key terms, some of which are used in the submissions made to the Commission and in the Report of the Royal Commission. In particular, it is important to distinguish between absolute poverty, relative poverty and relative deprivation. These three terms are used widely in the literature, and the first two terms (absolute poverty and relative poverty) are used frequently in the submissions to the Royal Commission on Social Security and in the Commission's final Report.\textsuperscript{15}

The theoretical and conceptual importance of these three terms is not limited to their widespread usage in the literature and in the submissions. The different approaches to poverty also reflect ideological dimensions. Relief of absolute poverty can (and does) take place within the structures of the existing social order; there is no substantial ideological

\textsuperscript{14} For a fuller discussion on relative deprivation, see the section on this topic later in this chapter.

\textsuperscript{15} See footnote 10 for relevant references.
contest between preventing starvation and the existing set of social relations. On the other hand, relative deprivation demands an examination of the current pattern of inequalities in income distribution. A response to poverty based on relative deprivation means substantial ideological contest and struggle and would require state redistribution. Thus, the approach to poverty adopted by the state is permeated with ideological considerations. Such permeation makes discussion of the different approaches to poverty and inequality crucial.

(B) ABSOLUTE AND RELATIVE POVERTY

It is appropriate to start with the difference between absolute and relative approaches to poverty. The former refers particularly to a total absence or dearth of resources, particularly income; that is, a person is almost entirely without any means of financial support. Such a condition is seldom seen currently in advanced capitalist societies; it is seen to be more relevant to Third World countries in Asia and Africa. Television pictures from Mozambique and Ethiopia vividly reflect the harsh realities of absolute poverty. Without wanting to minimise the suffering and destructiveness that arises from poverty in New Zealand, poverty in this country is different from that experienced in the examples I have just referred to. Death is a not uncommon outcome of absolute poverty. (For a discussion of key issues in distinguishing absolute and relative poverty, see Veit-Wilson, 1986a; 1986b; Townsend, 1986). The term 'relative poverty' is more appropriate when talking of the situation in countries such as New Zealand, and it is to a discussion of that I now turn.

The core of the relative approach to poverty is to relate poverty to the living standards of society. The clearest definition of relative poverty is that presented by Townsend in his monumental study in the United Kingdom:

Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the types of diet, participate in the activities and have the living conditions and amenities which are customary, or are at least widely encouraged or approved in the societies to which they belong. Their resources are so seriously below those commanded by the average individual or family that they are, in effect, excluded from ordinary living patterns, customs and activities (Townsend, 1979:1).

Clearly a link between poverty and the standards of society raises the question of how those standards are established and what is to be included and what is to be excluded in the measurement of those standards. Townsend established a list of minimum standards on the
basis of what he called an 'objective measure'; this measure was arrived at by setting out a list of both the resources available to different individuals and families and the customary 'style of living'. The 'style of living' component was arrived at by constructing a list which would:

*ensure that all the major areas of personal, household and social life were represented* (Townsend, 1979:251).

The list of minimum standards was constructed by compiling a summary 'deprivation index' and then exploring the internal correlation of this index. This method has been criticised by Mack and Lansley (1984) who argue that this is unsatisfactory because it contains an approach which is constructed by an external source, on some expert basis, rather than being based on any measurement of those standards. They adopt a different approach by surveying what people think are basic necessities for living, and compare the set of necessities so constructed with what people actually do and have. This, they argue, allows for a more accurate and useful measure of what people regard as necessities, because it is constructed out of popular belief and sentiment, not by some external, expert authority. By comparing those measured standards with what people do and have they were able to measure poverty levels. (For a fuller discussion of their approach and the construction of their set of standards, see Mack and Lansley, 1984).16

(C) RELATIVE DEPRIVATION

The 'relative' approach is in fact pushed further by Townsend later in the major study referred to above. Rather than talking of relative poverty, he uses the phrase 'relative deprivation'.17 Relative deprivation is wider than relative poverty in that it refers to access to resources generally, while relative poverty is limited to access to money income. The relationship between poverty and deprivation is neatly expressed by Townsend; relative deprivation, he argues, means:

16 Absolute and relative approaches do not exhaust the total range of possibilities, of course. George and Wilding, writing in the British context, refer to six different definitions of poverty; in addition to the two referred to above, they include a subjective(or popular opinion) definition, a point on the income distribution scale, the benefit level, and what they call a 'style of living' approach (George and Wilding, 1984).

17 In his study, Townsend acknowledges the importance of Runciman's (1966) use of the phrase, 'relative deprivation'. However, he distinguishes his approach from Runciman on the basis that the latter is particularly concerned with feelings of deprivation, while Townsend himself employs the term to refer to objective conditions.
the absence or inadequacy of those diets, amenities, standards, services and activities which are common or customary in society. People are deprived of the conditions of life which ordinarily define membership of society. If they lack or are denied resources to obtain access to those conditions of life and so fulfill membership of society, they are in poverty (Townsend, 1979:915).

Townsend measured relative deprivation by identifying sixty-two factors which he considered to be part of the customary standard of living in the society. By linking these to incomes, he was, he argued, able to establish a measurement of participation by virtue of the fact that the lower the resources available, the greater the likelihood of relative deprivation. There was a point below which that participation fell markedly; this point he called the deprivation threshold. It is the combination of these factors that constitute deprivation rather than any single factor in and of itself. His study was inconclusive about whether there was an income threshold below which people were deprived, but Townsend suggested that there might be such a threshold. However, there was no doubt about the existence of a threshold of deprivation when resources rather than just income were examined:

there is a systematic relationship between deprivation and levels of resources (Townsend, 1979:915).

The relative deprivation approach, and the implications of such an approach, are neatly summarised by George and Wilding:

It sees poverty not only as part of inequality and as multi-dimensional, but also as a set of mutually reinforcing forms of deprivation based on low incomes (George and Wilding, 1984:19).

Clearly the notion of 'relative deprivation' as Townsend has used the term here goes much further than the relative approach to poverty referred to earlier. It goes further because the latter term (relative poverty) concentrates on income and its relationship to living standards. Relative deprivation on the other hand says that people are poor on a number of indicators and their poverty is systematically linked to their economic position. It is this that both allows for and necessitates a link with inequality. It is through such an argument that George and Lawson are able to argue that:

For purposes of explanation, poverty is best seen as part of inequality. To explain inequality is to explain both wealth and poverty, for the two are the extreme positions of income distribution in society (George and Lawson, 1980:3).
The quotations above from Townsend demonstrate clearly the point made earlier in this part of the chapter when discussing the implications of defining poverty through the concept of relative deprivation. As I illustrated at that time, relative deprivation demands attention to the total pattern of income and resource distribution, and requires redistribution as the basis for responding to poverty. Clearly, such a response would be (and is) an arena of intense ideological struggle. There are powerful interests whose position would be adversely affected if the state's response to poverty was based on relative deprivation. The state is, therefore, unlikely to utilise relative deprivation as the foundation of its response to poverty. It is in this context then that 'need' becomes central to state provision of social security. The way in which 'need' is understood and defined takes on considerable importance, as the next section of this chapter demonstrates.

(D) 'NEED' AND STATE RESPONSES TO 'NEED'

As noted above, 'need' was central to the deliberations of the Royal Commission. It is a concept which is central to much of the writing in social policy generally and on social security specifically. Many basic social policy texts devote significant space to a discussion of 'need' (Jones et al., 1978; Hardy, 1981; Spicker, 1988; McLennan, 1984 are useful examples). While 'need' is used as the stated basis for a wide range of state social policy measures, it is particularly frequently used in the social security literature when discussing poverty. Indeed, functionalist descriptions of social security often define social security with phrases such as 'the state's response to need'. (For a discussion of this, see Open University, 1984c).

'Need' is used most extensively in the social security debates as a pivotal concept in supporting a selective (or means testing) approach to benefit provision, and to benefit structure. The key aspect of this approach is that selectivity is based on individual assessment, on the exploration of the individual needs of the person applying for a benefit. Poverty is then seen to be the result of individual circumstances, and is the fault of the individual; it is not the result of social forces. The selective response assists an approach to poverty in which the cause is the individual; there is no link to inequality. This selective approach can be contrasted with a universal approach which in its fullest sense moves significantly towards a structural approach to both the cause and the solution of poverty. The core of the debate between selective and universal approaches is whether social security should be provided to all citizens within a particular category simply on the basis of their
membership of that category (for example, those who are over a certain age) or whether assistance should be reserved for those with limited financial resources, and provided after some examination of individual and/or family financial circumstances, through a means test. (For a fuller discussion, see for example, Reisman, 1977; Castles, 1985; Jones et al., 1978).

Social policy literature has traditionally juxtaposed universality and selectivity as alternative mechanisms for providing both social security benefits and social services generally. Some social policy writers have argued that the distinction is meaningless, arguing that all services are basically selective. (See Jones et al., 1978). Such an argument can only be advanced satisfactorily by setting up spurious definitions in the first instance, as Jones et al. do. More recently it has been argued that it is no longer relevant to use this separation as the central distinction for arguing about and exploring the most satisfactory basis for providing income maintenance. (See Cass, 1989). Whatever the merits of such an argument in the current context, this could not be applied to the debates in the early 1970s. Indeed, it will be argued later in the thesis that some of the current roots of the critiques of social security and provision of adequate income levels for the poorest in our society can be found in the acceptance of selectivity, and in the failure to articulate an effective ideology around universality and to develop it (universality) into a more thoroughgoing argument about income distribution.

'Need' can be defined in different ways (Bradshaw, 1972); it is usually presented as a 'neutral' term, 'neutral' that is in the sense of being separated from the social, political and economic context in which 'need' is created and defined. (Jones et al., 1978; Spicker, 1988; Hardy, 1981 are good examples of this). This separation means that the systematic separation of 'need' from the structural inequalities which create and maintain need can be ignored. For example, Fraser (1989) establishes clearly how such an approach can mask gender inequalities, because of the assumptions that are made, and the 'taken for grantedness' of existing social structures.

Separating 'need' from the social structure reflects aspects of ideological dissimulation, legitimation and reification as these terms are used in this thesis. Employing 'need' as a neutral term in the way described above illustrates the dissimulatory aspect of ideology in that

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18 For a fuller discussion of these alternatives, see Titmuss (1968), Reisman (1977). 
19 For an extensive discussion on 'need' in social administration, see Taylor-Gooby and Dale (1981). See especially, pp.22-24; 91-92; 152-163; 211-240. 
20 For a useful exception to this generalisation, see Gough and Doyal (1984).
it conceals the interests that are served by such neutral presentation. It masks those interests, implying that meeting 'need' is unrelated to interests; meeting 'need' is discussed as a neutral activity. At the same time, 'need' is called into service to legitimate the social order because of the ways in which it serves as the basis for state intervention and activity. The state (acting in a benevolent way) ensures that 'needs' are met. This reflects the legitimisation aspect of the ideological features of 'need' in that the system is seen to respond. Finally, the social order is treated as natural; the historical context from which 'need' has been developed and the current political context in which it is maintained can be ignored. Here we can see a clear example of reification at work. Indeed, discussions of 'need' usually assume that the market will ordinarily meet 'needs', and the welfare state in such analyses meets 'needs' that the market is unable to meet. Plant et al. (1980) and Taylor-Gooby and Dale (1981) set out the weaknesses and limitations of such an approach, clearly establishing how 'need' is itself an arena of ideological contestation.

The importance of 'need' lies then in the way that the concept can be used with different emphases. This emphasis may in a broadly based, social sense refer to 'needs' arising out of social membership, or alternatively, it may be used to refer to individual experiences; the latter usage dominates the social policy and social security literature. In this way, then, any given approach to 'need' can be located along a structural/individual continuum. A structural emphasis concentrates much more heavily on the social basis of need, and in particular how the nature of the structure and organisation of social relationships in and of itself generates and reproduces 'needs'. 'Needs' arise then from the very nature of social relationships, and are not internal properties reflecting the psychological characteristics and requirements of the individual. With an individual emphasis, 'needs' are psychological properties, arising from some kind of internal drive.

The approach to 'need' then is not just a technical matter. Rather, it is fundamentally ideological in that the way that 'need' is defined and responded to reflects the outcome of struggles surrounding distribution and redistribution of income and other resources. The outcome of that struggle is a crucial feature in influencing the nature, form and shape of social security. As will be demonstrated in chapter six, 'need' and response to 'need' was a primary determinant in shaping the work of the Royal Commission on Social Security.

The utilisation of ideology as a critical consideration in explaining the organisation and provision of social security must be placed alongside a rapidly growing utilisation of ideology as an explanatory concept in social policy literature in the last fifteen years. It is appropriate
and useful to draw out the main features of that literature in order to illustrate the importance and significance placed on ideology in social policy studies. Such illustration will demonstrate the value and strength of a critical approach to social policy provision which relates policy measures to the structure of interests in society. As I show throughout this thesis, welfare provisions are located in the struggles between dominant and dominated interests in the society. They also reflect the contradictory nature of the state as a social policy provider. As I demonstrate when discussing the work of the Royal Commission on Social Security, these contradictions are evident in social security; the literature reviewed below shows their existence in other areas of social policy.

3. IDEOLOGY AND SOCIAL POLICY

Ideology has been used extensively in the social policy literature in recent years, in a wide range of policy areas. The growing theoretical and political interest in ideology within the social policy literature is best exemplified by the pioneering work of George and Wilding, (1976). Despite this extensive interest, the term 'ideology' has been used rather loosely, and with a multitude of meanings. Part of this loose and multiple usage stems from a reaction to what has been called 'the social administration tradition' (Mishra, 1977) in which ideology and explicit theory have been largely eschewed. This rejection of theory and of ideology is neatly exemplified, for example, in the work of Jones et al. where she and her colleagues reject arguments that are described as the 'left and the right' on the basis that such arguments are not very useful and are ideologically based (1978:3-5). This implies, of course, that 'middle of the road' approaches are not ideological, an argument more explicitly advanced earlier by Pinker when he argues that a functionalist approach is not ideological. Welfare and capitalism are, he argues, not contradictory - there is:

*a middle position less ideologically committed either way but still normatively orientated... There is no intrinsic conflict between social and economic policy* (Pinker, 1971:102).

The wide and growing interest in the use of ideology in the social policy literature makes a review of that usage important here. The review is important, first because it will allow the arguments in this thesis to be placed alongside that growing literature. Second, it is important because such a review permits a critical discussion of that literature.
In the social policy literature, ideology has often been used in an unspecified and undefined sense, and with quite different meanings. The literature on ideology and welfare falls into four areas, namely:

(A) Classifications of ideologies - ideology in the positive sense.
(B) Ideology, feminism and social policy.
(c) Ideology, the welfare state and social order - ideology in the negative sense.
(C) Ideology as a vehicle for discussion of substantive areas of social policy provision.²¹

(A) THE CLASSIFICATION OF IDEOLOGIES IN SOCIAL POLICY ANALYSIS

As noted above, it is George and Wilding's (1976) work that points the way to much of the later interest, setting out the features of four different ideological traditions in welfare. They use social values; societal organisation; the role of governments, and the welfare state, as the categories with which to classify the different traditions. Using these categories, they then classify ideologies into four groups - anti-collectivists; reluctant collectivists; Fabian socialists; marxists. It is not necessary to set out the details of each of these approaches here. Rather the crucial point about their categorisation is the recognition that welfare provision is fundamentally and always ideological. They do not, however, define the term 'ideology'. Their discussion about the roots of ideology seems to refer to competing sets of ideas about the nature of society, and about the definition of social problems and state social policy provisions related to these problems (George and Wilding, 1976:20 et seq.).²²

Their approach reflects the positive approach to ideology as competing ideas and belief systems. In their work, ideology is separated from the organisation and structure of interests in the society. There is no discussion about the sources of those competing sets of ideas, how the struggles between those ideas are resolved, or about the relationship between the ideas and policy.

²¹ Certainly, the term 'ideology' has largely been used by writers in the Marxist/socialist tradition. There have, however, been publications in relatively recent years on the right (Seldon, 1981) and by those adopting a more 'centrist' approach which have also utilised the term 'ideology'. (See, for example, Mishra, 1977; Room, 1979).

²² The 'state' is explicitly used here because George and Wilding's system attends almost exclusively to state actions, with 'non-state' aspects of welfare largely omitted.
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Other classificatory systems are developed by Mishra (1977) and by Room (1979). Their classificatory divisions are different from those of George and Wilding, and indeed Room uses ideology in confusing and contradictory ways. In these studies ideology is used in the positive sense; there is no discussion of the relationship between ideas and interests in the society. Ideas are separated from their social context.

The use of ideology as a classificatory tool has recently been developed further in interesting ways by Peter George (1981; 1985) and by Lee and Raban (1983). In their writing, these authors use an analytic approach to ideology missing from the work described above. They argue for a wider approach to ideology without establishing that approach in any detail. George argues that the delineation between the individualism and collectivism produces a

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22 The 'state' is explicitly used here because George and Wilding's system attends almost exclusively to state actions, with 'non-state' aspects of welfare largely omitted.
23 For example, in one sentence when discussing education policy, Room uses ideology in the three ways identified in this thesis, but does not delineate the different uses. See Room (1979:129).
24 Mishra comes close to discussing such a relationship at times without ever doing so comprehensively.
25 The Christian name is used here to clearly delineate him from the co-author of the seminal study referred to above, namely 'Ideology and Social Welfare' (George and Wilding, 1976).
26 The first article by George laid the base of his argument; hence the location of the Lee and Raban article between the two George references.
false dichotomy by equating socialism with collectivism and conservatism with anti-collectivism. He uses the state and equality as the two basic dimensions.

Lee and Raban (1983) pursue a similar argument also demonstrating the difficulties in aspects of the classification system set out by George and Wilding. Like George, they argue that a strong commitment to the state is not a necessary property of socialism. They develop their thesis by exploring some of the various arguments used in the study of ideology in welfare, and conclude with a strong plea to move beyond a description to an explanation, a plea that they do not really take up. Adequate study of ideology must, they argue, deal with an understanding of popular beliefs about welfare, and about the poor, and the articulation and expression of those beliefs. It is, they assert, crucial to discover how the dominant ideas become part of 'common sense'.

(B) IDEOLOGY, FEMINISM AND SOCIAL POLICY

The taxonomies referred to above have generally failed to encompass themes other than class. Racism, for example, is hardly referred to at all in the literature, other than in passing; feminism is the subject of a much more extensive set of references, although still limited. (See, for example, Wilson, 1977; 1980; 1983; Rose, 1981; Ungerson, 1985; McIntosh, 1978; 1981; Pascall, 1986; Dale and Foster, 1986). As with the taxonomies summarised above, there are important theoretical differences between feminists in their approach to the state. Despite these differences, there is an underlying commonality about the objective for feminists. This is neatly captured by Smart, Clarke and Cochrane:

Contemporary feminists ... are not just looking for equal provision in state benefits but a welfare state which recognises woman's structurally unequal position and which works to overcome this (Smart, Clarke, Cochrane 1984: 113).

The neglect of gender as a crucial issue in the study of social security provision is a clear and unambiguous illustration of the operation of ideology in both senses. By not discussing the ways in which social security reflects and affects gender relations, those relations are taken for granted (reified) and the interests at work in gender relationships are hidden (dissimulated). The feminist social policy literature referred to above demonstrates conclusively the gender bias built into the provision of social security. This is ideology in the negative sense; the positive use of ideology is reflected in the different feminisms referred to above and set out much more fully in Clarke, Cochrane and Smart (1987).
(C) **IDEOLOGY, THE WELFARE STATE AND SOCIAL ORDER**

One of the more extensive explorations of the role of ideology in the welfare state since the seminal work of George and Wilding (1976) is that of Taylor-Gooby and Dale (1981). They devote a significant part of their study not to the descriptive categorisation employed by George and Wilding, but rather to what might be called the ideological functions of the welfare state, that is, analysing the range of ways that the welfare state is linked to the operations of capitalism. There has been a crucial ideological task for the welfare state in legitimating and reinforcing capitalism, and particularly in reinforcing what they call the dominant values. These values are identified as the values of the dominant and powerful groups in a society.

The crucial point for current purposes is to note that they use the word 'ideology' in a different way than do George and Wilding (1976). To put it in the language of chapter one, they are using 'ideology' in the negative sense, while George and Wilding (1976), Mishra (1977), and Room (1979) are using the term in the positive sense. The notion of 'relative autonomy' central to much marxist writing in recent years seems to be missing from Taylor-Gooby and Dale's work and the state seems to be seen as closely connected with the interests of private property. The state as a site of struggle, however uneven that struggle may be, is largely outside their framework.²⁷

Gough (1979) adopts an approach that has some similarities to that of Taylor-Gooby and Dale, but without the same degree of determinism that the latter tend to imply. For Gough, the welfare state is seen to contain contradictory tendencies, namely a tendency to repress as well as to liberate. His approach to ideology fits with this, ideology being defined as:

> the set of ideas and beliefs about a society generated by that society. All societies generate a set of beliefs and concepts about themselves which are contradictory. At one level the leading ideas correspond to the reality of that mode of production, yet at another level they are distorted because they present that mode of production as eternal (Gough, 1979:24).

For Gough, the state is intimately connected with the creation and production of the ideology of capitalism, and of the welfare state, but his is not a view of the state in which the state is seen to be simply a tool of the dominant class. Rather, the state is seen to be relatively

²⁷ Interestingly, despite their arguments about the close connection between the state and private interests, they still see some, albeit limited, possibility for change (Taylor-Gooby and Dale, 1981:256-264).
autonomous and to be able to act with a degree of independence from the interests of capital and capitalism. He goes on to argue that the role of the state is crucial in that it is presented and presents itself as the protector and guardian of individual interests:

The state is regarded as the representative of the interests of 'a people', precisely because it is premised on the individual interests of capitalist society. Because the social or general is abstracted from the genuine interests of individuals, the state paradoxically sanctions or legitimises the latter (Gough, 1979:43).

Clearly, Gough is using ideology here in the negative sense.

The ideology of capitalism and its practice camouflages class through individualisation. Collective action cuts across the individual emphasis of free and equal exchange, an emphasis that is augmented by the stress in the political process on individual voting and citizenship:

The separation and relative autonomy of the state permits numerous reforms to be won, and in no way acts as the passive tool for one class. Within these constraints there is room for manoeuvre, for competing strategies and policies. There is scope for the various organs of the state to initiate policies, to reverse them, to make choices, and to make mistakes (Gough, 1979:44).

Ideology is more than 'wrong ideas' or 'false consciousness', but is embedded in the very nature of capitalist society. The welfare state has, he argues, a number of ideological functions, particularly as a human response that serves to control and discipline the working class. However, the welfare state is not just a tool of capitalist domination aimed at exercising that control and discipline, and indeed social policy is an arena of dispute, of 'competing strategies and policies' (Gough, 1979). The determinism and reductionism of some Marxist approaches to ideology referred to in chapter one is rejected by Gough. Although he does not use the language, it is clear in his approach that ideology is struggled over.

The dual approach to ideology referred to in the previous chapter is taken up in part by Gough too. In addition to the generalised usage of the term to refer to the 'ideas and beliefs of a society about that society', he also uses the term in a more specific sense to refer to particular areas within the society. This later usage is well evidenced in his discussion of social security, and of the relationship between social security, and the general political and economic structure of capitalist society:
It has always been essential, for example, to maintain an incentive to work and to reinforce the discipline of the factory over the workforce when operating unemployment schemes... Ultimately it is adapted to the needs of capitalist organisation of industry (Gough, 1979:32).

The attacks on the welfare state are directed at the workshy, immigrants, and bludgers:

*The reality of declining welfare standards and income levels conflicts with an ideology blaming this very decline on the welfare state itself* (Gough, 1979:146).

It is pertinent to point out that Gough sees his own work not as a study of ideology in welfare, but, as the title clearly states, as a study of 'The Political Economy of the Welfare State'. He himself argues that his approach:

_urgently needs complementing with a study of the ideology of the welfare state_ (Gough, 1979:10).

**D) IDEOLOGY AND SUBSTANTIVE AREAS OF SOCIAL POLICY**

As noted above, there is a third usage of ideology in the social policy literature which has emerged in recent years. The popularity of 'ideology' as a concept used in the social policy literature is easily demonstrated in a series of recent books. Alcock and Harris (1982), Jones (1983), Banton, Clifford, Frosh, Lousada and Rosenthal (1985), Manning (1985), Parton (1985), Taylor-Gooby (1985) and Dalley (1988) all utilise the concept of ideology to deal with their topic area, Jones less explicitly than the rest. These studies cover fields as diverse as the law, social work practice, mental health, social problems generally, child abuse, public opinion about state welfare services, and caring. The approach to ideology is different for each of these authors; this range of studies provides a good illustration of how extensive the use of ideology as an explanatory tool has become.

As employed by the authors referred to here, ideology has been used: (1) to explain the practice of social service workers; (2) to widen the analytic understanding of particular social issues or social problems; (3) to explain the process by which one response to social

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28 It is interesting to note that although he does not use the terms, there is a very close affinity between Gough's approach as outlined here and the tripartite dimension set out by Thompson (1984) and summarised in chapter one where it will be recalled Thompson ascribed three central components to ideology - dissimulation, legitimation and reification.
Problems is preferred to another and (4) why state responses to these problems have failed. Included in these diverse uses of ideology have been some arguments which link ideology and the structure of interests in the society. This is particularly true for Taylor-Gooby and for Banton et al.; only for the former, however, is this linkage pursued extensively, and Taylor-Gooby concludes his arguments by emphasising the influence of economic relations in determining public opinion about welfare. Indeed, he quotes Abercrombie, Hill and Turner (1981) approvingly (Taylor-Gooby, 1985:114); it will be recalled that their arguments were repudiated at the end of the last chapter.

There is, then, wide diversity in the use of ideology in social policy. As a concept, it can be used in both a negative and a positive sense, and is invaluable in linking together the major theoretical foci in this thesis. The final section in this chapter sets out that linkage.

**4. TOWARDS A GENERAL THEORY: IDEOLOGY, THE STATE, INEQUALITY, POVERTY AND SOCIAL SECURITY**

The linking of ideology, inequality and the state at the beginning of this chapter is not coincidental. Rather, it expresses the theoretical arguments pursued here and also contains the three elements that form the core of the debates about social security. Those debates are not just or even primarily empirical debates; they are ideological in both the negative and the positive sense of the term. They are ideological in the sense that they are intimately associated with: (1) existing patterns of domination and subordination; (2) the articulation and formation of counter-ideologies, and (3) struggles over the 'proper' distribution of income.

Social security, as I have argued above, is a state response to poverty. It (social security) reduces and alleviates poverty but does not necessarily fundamentally alter the pattern of inequality, a pattern that produces poverty in the first instance. Furthermore, it is inappropriate, inaccurate and simplistic to understand and describe social security simply in terms of poverty relief. As I seek to demonstrate throughout the thesis, there are a number of considerations which influence the shape, form and organisation of social security. These considerations link social security closely with the structures of ideology operating in the society while at the same time providing some relief from poverty. Social security does not stand in splendid isolation apart from the society in which it is located; effective and
productive discussion of the nature of social security must be linked to that society and to the struggles surrounding how income is and should be distributed within that society.

The ways in which social security is provided and the rules and ideological structures surrounding its provision are heavily affected by the state and by the actions of the state. The role of the state arises not only because the state is the mechanism through which social security is provided, but also, and more importantly, because of the inherently contradictory nature of the state's role in relation to social security. The contradiction arises because on the one hand the state is expected to provide some income so that poverty is alleviated or relieved, while on the other hand the state is closely linked to the interests represented in the existing social order and social structure. That linkage between the state and the existing social order has a marked effect on the shape and form of social security, the rules surrounding the provision of benefits, and the amount paid to beneficiaries. It is here that an approach to the state in which the state is treated as relatively autonomous is particularly valuable. Such an approach allows for an explanation of those contradictory demands.29

Thus, ideology serves as a key consideration affecting the activities of the state. State programmes (whether they are in health, education, taxation, social security or any other area) are not just organisational activities. Indeed, their ideological features are often more important than the organisational activity itself; as I will show later, this is particularly clearly demonstrated in relation to payment of unemployment benefit. They are more important because those ideological features reflect and represent ideas and beliefs about relations between the dominant and the dominated, and how those relations can and should be expressed and developed, responded to and controlled. In both the language used and the programmes that are developed, the state expresses a position between the dominant and the dominated, and in doing so continues to organise and recreate consent.

The relationship between social security arrangements and the political and economic structure is captured by George and Lawson.30 They argue that it is not beneficiaries themselves who are the primary concern; rather:

It is the fear of indirect costs to welfare capitalism that is more real; the fear that such a scheme will undermine work incentives and that it will act as a...

29 Gough (1979) discusses the contradictory nature of the state in his argument that the state embodies tendencies to liberate and to repress.
30 Gans (1972) links poverty and the social structure by setting out a range of functions which poverty serves for the economy.
springboard for demands for further improvements in the guaranteed minimum living standards. In other words, abolition of poverty will lead to increased demands for reductions in income and wealth inequalities (George and Lawson, 1980:241).

Whether the outcome predicted by the final sentence occurs depends on what is developed as an ideology alongside the abolition of poverty. That remains as an objective for future struggles. An explanation of poverty in the present only makes sense if poverty is located within the context of a discussion and analysis of inequality in society. There are a host of forces keen to discourage such a discussion.

There is one central element in the link between inequality, poverty and ideology that needs to be highlighted here, namely individualism. (That has been touched on already but warrants further discussion here). Individualism emphasises the fundamental responsibility that each person has for his/her own destiny. Not only does it allow the successful and powerful to be revered and rewarded for their individual efforts in securing that position, but it also means that those who have not succeeded are responsible for their own failure. It also forms the base for stigmatising the poor and powerless, justifying that stigma and producing what Ryan (1974) has called 'blaming the victim'. The ideology that focuses on individual achievement allows those at the tail end of inequality to be seen as individual failures responsible for their own situation and located there because of individual weakness and failure. It is an approach that stresses individual pathology as the cause of poverty - poverty results from individual weakness and is unrelated to the structure and organisation of society.

Moreover, those who succeed are, of course, 'naturally' superior - the evidence for that lies in the fact that they succeeded. They would not do so if they were not superior. Of course, conversely, the poor would not fail if they were not inferior - their failure is evidence of their inferiority. The point is well discussed in an interesting and concise way by Holman when he argues:

> If poverty existed but was generally considered unjust or undeserved, then the legitimacy of other gradings or ranking in society would be brought into question. An ideology is required which simultaneously justifies the existence of poverty and wealth. It is found by holding that income, wealth and social position depend wholly on hard work, ability, honesty and responsibility (Holman, 1978:203).

That ideology of individualism, with the attendant features that I have already referred to is reinforced in relation to social security beneficiaries by such mechanisms as the distinction
between the deserving and undeserving poor, by the use of means tests, by the criticisms of beneficiaries as dependent, by accusations of bludgers and workshy, and so on. The international literature on social security benefits is replete with examples and illustrations, well summarised in publications such as Golding and Middleton (1982); Open University, (1984a; 1984b; 1984c); Alcock, (1987).

CONCLUSION

The relationship between inequality, poverty, social security, the state and ideology is both fundamental to an adequate and comprehensive analysis of social security and at the same time is extremely complex. Figure Two below captures the key ingredients in that relationship.

FIGURE TWO

IDEOLOGY-STATE-INEQUALITY-POVERTY-SOCIAL SECURITY

The figure shows how the five central parts required for an effective analysis of the dynamics of social security are linked together. While the relationship is complex, the direction of the arrows helps to show how the various elements react and interact. The broken line from
social security to ideology and to the state depicts the fact that the strength of the relationship in that direction is weaker than the relationship in the other direction.

The bi-directional nature of the arrows indicates the ways in which impact and influence are seen to operate. It should not be thought, however, that each of the parts of the triangle between ideology, the state and inequality are equally influential. Rather, the top two components are seen to be the central causal factors in explaining state outcomes in relation to social security. The state and ideology are critical factors in the reproduction of inequality (and, consequently, of poverty). In turn, inequality feeds back into both of the other factors. It would in many ways be more accurate to express the relationship through a loop; the limitation of such an approach is that it treats each variable as equally crucial, whereas it is more accurate to argue that the form and legitimation of inequality arises from and is reinforced by both ideology and the state. However, inequality is not a mere derivative of the state and ideology; rather it too exercises influence on both the state and ideology.

The remainder of the thesis will allow us to see ideology at work in the specific conjuncture of the 1972 Royal Commission on Social Security. Before undertaking that examination, however, it is necessary to outline the methodological approach and attendant issues involved in this research.
CHAPTER THREE

ON RESEARCH AND METHODS

Any empirical undertaking in social science or social policy research requires a discussion of the relationship between theory and method, and some exploration of the nature of social science qua science. Both these topics are the subject of extensive debate in themselves and in relation to the underlying epistemological questions. (For a full exploration of these debates, see Ryan, 1970; Giddens, 1974; Giddens, 1976; Habermas, 1978; McCarthy, 1978; Giddens, 1979; Alexander, 1982; Chalmers, 1982). The task here is to examine some aspects of the debates which are specifically pertinent to this thesis.

Firstly, there will be some discussion of the relationship between the theory used and the implications of that theory for the research process, in three particular areas of theoretical interest - ideology, the state and social policy. Secondly, brief comment is required on the issue of values and social science, especially in relation to issues of objectivity. From there, we can move to the more specific area of analysis of policy, as distinct from the more common analysis for policy. Finally, an outline of the actual research steps and the reasons for pursuing this approach in this thesis is required.

1. THEORETICAL EXPOSITION

The principal issue at stake here when examining the possible links between theory and research is neatly captured by Abrams:

One’s problematic is the sense of significance and coherence one brings to the world in general in order to make sense of it in particular (Abrams, 1982:xv).

This thesis argues that the concept of ideology provides the wherewithal to undertake an effective analysis of the nature of social security provision, and of the role of the state in
providing social security. Chapter one reviewed and summarised central features of the approach to ideology used in the thesis. The use of the concept in the social policy literature generally, and more particularly its application and implications for inequality, poverty and the role of the state in relation to income distribution and social security was covered in chapter two. It is worth reiterating here the key features of ideology and the approach to the state used in the thesis.

The creation and maintenance of domination was identified in chapter one as fundamental to an adequate understanding and use of ideology. Four central features of ideology were identified in that chapter. First, ideology was linked with the patterns and forms of domination in the society, and with the struggles surrounding the creation, the maintenance and the opposition to those patterns of domination, and to the structure of power and interests that are part of that pattern of domination. Three sub-components identified by Thompson (1984) are core features that help to specify the link between ideology and domination. These three features are dissimulation, legitimation and reification.

It will be recalled that dissimulation refers to the ways in which the particular interests served and advanced by a given social structure are concealed. In particular, 'general interests' are promoted, while 'particular interests' are hidden or denied. Thus, particular programmes, decisions and activities are said to be 'in the public interest'. In promoting programmes, activities and decisions in this way, it is implied, assumed, or explicitly argued that all benefit equally. Such an outcome is, of course, not possible in an unequal society. The promotion of a general interest conceals the specific interests promoted and advanced by a particular programme, activity or decision.

Legitimation refers to the ways in which the articulation and expression of ideology gives legitimacy or sanction to a particular social structure and social arrangement. This is much wider than simply supporting a specific decision or the programme of a particular political party. Rather, 'legitimation' relates to the current social structures and the sets of interests affected by those structures. The relations of domination are presented, and re-presented, as legitimate.

Reification is the third aspect of ideology identified by Thompson. Reification refers to the presentation and articulation of the current social arrangements as eternal. The temporal, spatial and historical features are ignored, and the existing social structures and social
arrangements are advanced in an ahistorical vacuum. Thus, the particular and current social structure, and the relations of domination that are part of that structure are not understood in any historical context, but are treated as permanent and timeless. To use Giddens (1979) succinct phrase, reification is:

the naturalisation of the present (Giddens, 1979:195).

Second, ideology cannot be explained in a simple reductionist way. Ideology has an autonomy from the economic and political realms; it is not determined by those realms. Although there are links between economic relations in a society and the structure of ideas in that society, it is not possible to explain the structure of ideas by identifying the structure of economic relations. Economic relations do not determine ideology.

Third, ideology can be used in both a positive and a negative sense. The former refers to ideologies. These are competing belief systems, more or less coherent and internally consistent, which provide a basis for political organisation and for some aspect of social policy analysis. Liberalism, conservatism, socialism and feminism are four examples of ideologies. Used in the negative sense, ideology is linked with the structures of the society and the organisation of interests in the society. Here too dissimulation, legitimisation and reification are particularly useful explanatory terms.

Fourth, ideology is not fixed and immutable, but is an arena of contest and struggle. This contest and struggle occurs between ideologies as dominated groups struggle against the force and power of the dominant group. The state is a key, active participant in those ideological struggles. As I argued in chapter two, a narrow, instrumentalist approach to the state explores and analyses the state as an institution acting in the interests of capital. Neomarxist theory, which is used here, emphasises the relative autonomy of the state and forms the theoretical basis for the approach to the state. Thus, the state is intricately and closely linked to those ideological struggles which are central to the thesis. The state is part of the struggle, and the place where the struggle occurs because the state is the only institution which has the power to affect income distribution for the poor and powerless. The critical research question of interest here is the basis on which it affects that distribution and the struggles by groups to influence that distribution.
The ideological contests and struggles are of central importance for this thesis; the methodology is a fundamental part of the examination of those contests in that it allows and demands examination of the arguments advanced to the Commission, the approach adopted in the Report, and the outcomes from those struggles. Furthermore, the groups involved in the ideological contests are not playing on a level playing field, but rather possess and exercise substantial differences in power. For the purposes of this argument, the groups concerned are joined in that contest by the state. The Department of Social Security is the principal concrete embodiment of the state in this instance, while the Royal Commission itself is the location at which the struggle occurs. However, the Commission is not simply a location, but is also part of the ideological contest itself because of the ways in which it defines and describes the issues, the recommendations it makes and the emphases provided. These definitions, description, recommendations and emphases make consideration of the activities and role of the state a vital part of the research approach. The state is not regarded as a neutral, benign, benevolent institution, an approach which chapter two noted informs some of the social policy literature.

Ideology, thus defined, is reflected in the research method in two important ways. First, the methods used require a careful examination of the submissions made to the Commission, and of the Report itself. It is here that the ideological contestation will be particularly evident. Second, the ideological activities of the state are clear both from the evidence presented to the Commission and in the Report. The utilisation of the theory will permit a clear exposition of the links between ideology and the structure of social relationships. The links between the state, inequality and poverty will be clearly manifest here. By setting out the theoretical basis and using this as an active tool with which to examine the Commission, those links will be revealed clearly. Furthermore, the methods used in undertaking this research allow the relative autonomy of the state to be shown clearly. The state is not simply an instrument of those dominant interests, but has some autonomy. This approach to the data raises important issues for social science research. I want to turn to those issues now.

\[1\] The term 'level playing fields' has been a popular one in the politics and ideology surrounding recent (late 1980s) social and economic changes.
2. OBJECTIVITY AND SOCIAL SCIENCE RESEARCH

The method of inquiry used in this thesis raises important questions of objectivity and the danger and possibility of research bias, selecting material that fits with an already preconceived set of theoretical constructs. Some discussion of this matter is required, for it is an issue which involves very fundamental questions of objectivity, values and social science.

The arguments surrounding 'value free science' are well traversed in the social science literature generally, and to a lesser extent in the social policy research literature. The value free, neutral approach to science (described by Riley (1974) as the standard approach to science) is based on the assumption that the task for social scientists is to discover the facts and the knowledge gained can then be applied to remedying social situations:

Objectivity and value neutrality, for these philosophers and social scientists, just is the discovery of such facts (Riley, 1974:3) (Emphasis in original).

He summarises the epistemological assumptions enshrined therein as including the following features: (1) the world exists independently of human beings and their wishes; (2) by perception and the judgements supporting that perception an independently existing world can be known; (3) observation and logic allow hypotheses and theories to be checked rather than hypotheses and theories determining what is perceived.

In a wider review of the arguments, Fay (1975) identifies four key components of positivism, the term used to describe such an approach to science:

first, drawing on the distinction between discovery and validation, its deductive-nomological account of explanation and concomitant modified Humean interpretation of the notion of 'cause'; second, its belief in a neutral observation language as the proper foundation of knowledge; third, its value-free ideal of scientific knowledge; and fourth, its belief in the methodological unity of the sciences (Fay, 1975:13).

The value free approach to the social sciences is often linked closely with the work of Max Weber who argued strongly and persistently for scientific work and action based on that work to be kept separate. (For a full elaboration of his argument, see Weber, 1949). The weaknesses and difficulties in his position are well summarised by Parkin. He argues that
Weber confuses value judgements and partisanship, but sociological and social science research cannot avoid value issues:

Merely because the investigator refrained from openly ranting or moralising about his findings would not thereby make them value-free. The working assumptions that guided the research, and the choice of concepts employed, would ensure that the final product had a certain moral colouring. For reasons already alluded to, this might be especially so if ideal-types were used. Weber offers no guidance on how it would be possible to arrive at value-free results with the aid of these constructs (Parkin, 1982:33).

Weber did not reject the legitimacy of 'values'. Rather, he argued strongly for their separation from science. The 'value' component of social sciences is seen to be linked with policy; policy represents the action following the research. He is, however, quite adamant that such discussion is not science. (See Weber, 1949, pp.60 et seq. for a fuller discussion of this position).

Riley goes on to contrast this standard approach with an alternative to which he ascribes the following features; (1) perception is not neutral, but is shaped by both linguistic categories and mental attitudes; (2) categories for organising experience are not neutral but reflect the values and interests of different groups; (3) reality is not encountered in an uninterrupted way but is mediated or constructed in various ways. Riley argues that the controversy over objectivity and value neutrality expresses fundamental differences between these two approaches to science (Riley, 1974:5-7).

The latter position, with its emphasis on the fundamental connection between 'facts' and 'values' is the epistemological approach adopted here. The researcher is not seen to be outside the research process as a neutral observer. Rather, values are considered to enter into all stages of the process, a position well argued by Bryson (1979). In a clear exposition of this position, she sets out the various ways in which 'values' enter into the social scientific process. She establishes lucidly the entry of 'values' into the processes of selecting the topic to be studied, the methods used and the manner in which results are presented and utilised (Bryson, 1979:88).

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2 For a full and extensive discussion of positivism from the vantage of critical theory, see Keat (1981).
Implicit in Bryson's argument is a much more fundamental question, namely the nature of knowledge and the nature of science. The approach to these substantial questions adopted in this thesis draws on the work of Jurgen Habermas (1978). While his arguments are not easy to follow, and are at times densely presented, central to the thesis he advances in 'Knowledge and Human Interests' are two key points, points which are central for my purposes and for his argument (Habermas, 1978).³

First, Habermas (1978) distinguishes between three approaches to science and knowledge - empirical/ analytic, historical/ hermeneutic and critical/ emancipatory. He links each of these three approaches together under the term 'knowledge constitutive interests'. By this he means that each of the different approaches to science and knowledge reflects and is based on particular interests. Giddens (1979) points out that 'interests' is used in two ways, namely the traditional sense of the interests of particular individuals or groups, and secondly, the interest bound character of different forms of knowledge.

Knowledge and interests are linked together in the following way:

- **Empirical/ analytic** knowledge arises from orthodox science in which the scientist is a detailed observer. The scientist is interested in technical control.

- **Historical/ hermeneutic** knowledge regards the scientist as an active participant in the process of securing knowledge; the interest here is in self-understanding. The emphasis is on meaning, not observation.

- **Critical/ emancipatory** knowledge moves beyond empirical/ analytic and hermeneutics to:

  determine when theoretical statements grasp invariant regularities of social action as such and when they express ideologically frozen relations of dependence that can in principle be transformed (Habermas, 1978:310).

The interest here is in emancipation and freedom. Self reflection is a key component in the critical/ emancipatory tradition. (The clearest distinction between these approaches in his own

³ The development of his argument is extensive and, although extensive, is not of concern for the purposes of this thesis.
work is in Habermas, 1978:308-310; for a useful summary see Giddens, 1976:60).

The strength of the Habermasian approach is to link knowledge and interests, but not in a crude derivative way. Rather, the link arises because of the approach to research and to the nature of the research process. Thompson (1984) links interests and domination in quite important ways, particularly through ideology. The critical/emancipatory tradition opens up the possibility of exploring, analysing and attempting to change those patterns of domination. It is, therefore, a tradition which is most appropriately used in this thesis.

One further comment is warranted. It could be assumed from the arguments above that 'the facts' do not matter. This would be a misinterpretation of the arguments advanced here and of Habermas's own position; he argues that the analytic/empirical and critical/emancipatory traditions can be linked:

*The systematic sciences of social action, that is economics, political science and sociology, have the goal, as do the empirical-analytic sciences, of producing nomological knowledge. A critical social science, however, will not remain satisfied with this* (Habermas, 1978:310). (*The first phrase is emphasised in the original; second phrase is my emphasis.*)

The task, then, for the researcher is not to pretend that values do not operate, but rather to acknowledge their existence throughout all stages of the research process. The existence and acknowledgement of the values at work is in fact a strength. Being 'objective' takes on a rather different meaning from that which is utilised in the positivist tradition. As used here, objectivity refers to the openness of the researcher to the data acquired during the research process, to the implications of the processes used, to the utilisation of the results, to the incorporation and inclusion of all relevant material, thus producing careful testing of the theory and where necessary an appropriate refinement of that theory. In brief, the theory has to be reviewed and refined to respond to the data. This stands in marked contrast to the possibility of bias alluded to at the start of this section.5

4 Giddens (1976; 1979) and Thompson (1984) are critical of the way in which Habermas suggests that psychoanalysis provides a means by which this emancipation may be facilitated. I agree with their criticism in that the individualised nature of psychoanalysis and the power relationships of psychoanalysis and of the psychoanalytic approach cannot deal with power and social structures adequately. However, this weakness in the work of Habermas does not negate the validity of his distinction between the three forms of science and knowledge.

5 Such issues also arise, of course, in the use of positivist methods; data can be selected there too.
The arguments advanced here raise more substantial questions than does much of the literature which discusses values in research. While some of the research literature discusses value and ethical questions associated with research quite extensively, this discussion tends to concentrate almost exclusively on the behaviour of the researcher as the work is undertaken. Ethics is discussed in terms of the behaviour of individual researchers. (For examples of this narrower approach see, for example, Kimmel, 1988; Fischer and Forester, 1987).

The focus in this thesis is much wider, in that the discussion above moves beyond individual behaviour to the nature of knowledge and the 'interests' (to use Habermas's term) of the researcher. Finch makes the point well when she argues that ethical questions cannot be limited to technical issues, for:

*in practice, research questions described as 'ethical' are ultimately moral and political matters, in which the researcher has to engage as a member of the society, and not simply as a technician of policy* (Finch, 1986:209).

In an extensive discussion about the political nature of research, Fay argues that the distinction often drawn in social science research discussion on values between the work of the researcher and the political activity subsequently engaged in to act on those findings is spurious - scientific activity and political activity, knowledge and the uses of knowledge cannot be separated into neat, discrete compartments (Fay, 1975:12). This argument becomes even more critical when research is directly aimed at policy change, as is often the case with social policy research. (See also Rein (1983) for a useful discussion of the relationship between facts, values and theory as he argues for what he calls 'value-critical policy inquiry').

The separation between fact and value often argued for in policy analysis and policy research is clearly built on the positivist tradition in social science. Weiss (1983) adopts the alternative position summarised here, linking fact and value together through three key terms - ideology, interests and information. While these three concepts do not exhaust all the factors that have to be taken into account in understanding the relationship between ethics and policy, they are essential considerations; to use the classical distinction, they are necessary, but not sufficient. The three elements link together, she argues, in an iterative and constant process. In all of this, power is the crucial consideration in determining how the balance of these forces will be resolved:
The distribution of power determines WHOSE ideology, interests, and information will be dominant (Weiss, 1983:239). (Emphasis in original).

As with other writers who emphasise the value based nature of 'facts', Finch actively rejects the proposition that facts are unproblematic - simply collecting facts and presenting them in an unproblematic fashion is not possible. Thus, the debates surrounding facts and values are as crucial in policy research as they are in other areas. (As I will demonstrate in the next section, this is particularly true in relation to what has been called 'social administration', to use the term widely employed until recent years).

Callahan and Jennings briefly summarise the changes there have been in social policy analysis in recent years, with a move away from the technical exploration of policy alternatives and details towards a recognition that:

even the most quantitative and formalistic policy-analytic techniques contain concealed value choices and inextricable normative implications (Callahan and Jennings, 1983:xix).

They also develop a critique of the positivist tradition in which they quote Giddens pithy summary in which he describes positivistic social scientists as:

not only waiting for a train that won't arrive, they're in the wrong station altogether (Giddens, 1976:13 quoted in Callahan and Jennings, 1983:5).

It is an argument for an approach to social policy research which goes far beyond the narrow empiricist approach of much of what has been called 'policy science', with its emphasis on engineering, so neatly described by Fay:

The policy engineer ... is one who seeks the most technically correct answer to political problems in terms of available social science knowledge (Fay, 1975:14).

Before proceeding to a more extensive discussion of social policy research - the next section of this chapter - two key points about knowledge, and research in relation to this thesis must be made. First, as I have be argued above, knowledge is not regarded as neutral; the researcher is not a detached observer merely wanting to describe what is occurring. Research
can, and must be, an active process, rather than merely a descriptive process. For this thesis, such an approach implies a commitment to beneficiaries and to the poorest. Second, it is an approach in which the question of whose interests are promoted remains a dominant consideration throughout the research work. The raw material is examined with these considerations in mind. Before moving to that examination, however, a more general discussion of social policy research is necessary.

3. SOCIAL POLICY RESEARCH

There is a long and dominant tradition in social policy research which relies almost exclusively on the positivist tradition referred to in the previous section. (For an outline of what is meant by 'positivism', see the comments from Riley (1974) quoted from and summarised earlier in this chapter). The key features of this social administration tradition are well summarised by Taylor-Gooby and Dale (1981), by Mishra (1977), by Walker (1984), and by Lee and Raban (1988). Among the features they identify is a commitment to an empiricist approach based on ascertaining 'the facts', facts that are of course 'neutral'.

Similarly, within the research literature, Bulmer (1983) identifies a number of traits as part of academic social administration. These he describes as: (1) moral criticism as the legitimate concern of the academic; (2) what is the best means of meeting social need - the individual or the government; (3) a concern with citizenship; (4) the social empirical base. The moral concern of social administration has, he argues, been accompanied by a lack of attention to scientific rigour. This base of empiricism is used by Bulmer to refer:

\[\text{to a conception of social research involving the production of accurate data - meticulous, precise, generalisable - in which the data constitute an end of the research. It is summed up in the catchphrase 'the facts speak for themselves' (Bulmer, 1982:31).}\]

It is research, he argues, which is often trivial and boring.

The implications of this approach are well argued by Finch in her review of the dominant tradition of social research and social policy:
The recurring themes are: the impartial collection of facts; an unproblematic conception of 'facts', based on a positivist epistemology; a belief in the direct utility of such facts in shaping measures of social reform which can be implemented by governments; and a strong preference for statistical methods and the social survey as the most suitable technique for fact-collecting (Finch, 1986:37).

She contrasts statistical approaches with qualitative research which is:

especially suited to small-scale analysis, and in which the researcher attempts to get to know the social world being studied at first hand, especially participant observation and interviewing of an in-depth and unstructured or semi-structured variety, supplemented where appropriate by the use of documentary sources (Finch, 1986:5).

It is, she argues, a tradition which:

draws upon epistemologies which emphasise the social construction of reality and the political nature of social knowledge, rather than empiricist concepts of objective facts (Finch, 1986:34).

In an otherwise very exhaustive and absorbing discussion of the research possibilities arising from the use of qualitative methods, it is interesting to note the very limited role she gives to the use of documentary sources. She does not discuss such sources at all, limiting her discussion of research on policy making to brief comments on the value of exploring the social world of the actors involved, and the ethical issues arising in such research (Finch, 1986:169-170; 206-207). As documentary sources provide the empirical base for this research, I will return to the discussion of their use at the end of this section.

This heavy emphasis on 'the facts' is reflected also in a second recurring feature in the limited literature on social policy and social research, namely the relationship between research and policy. The almost exclusive focus in this area is the way in which research affects policy, or should do so. It is an emphasis primarily on research for policy, rather than research about or of policy. Where the latter analysis has occurred, this work has concentrated on the examination of how policy has been implemented, or the effects of particular policy measures, or the exploration of relatively immediate and proximate political influences on a specific decision or policy area. (For an example, see Edwards and Batley, 1978).
Blume (1979), in one of the few articles in the social policy literature to discuss policy research methods argues for research for policy, and research on policy. His article concentrates, however, on the debates surrounding the possible establishment of a policy research institute, and the importance of an effective link between research and theory. The emphasis is still primarily on research that is linked to the policy decision making processes, whether to inform the debates and influence the decision taken or to study the processes of policy making. He focuses on the institutional processes rather than on the wider forces affecting that process and setting the framework and structure in which the processes operate.

Much of social policy research and the literature discussing that research concentrates almost exclusively on the debates surrounding the construction of adequate models to describe the relationship between research and policy. (For a useful and lucid discussion of many aspects of the critical issues, see Bulmer (1978) including the references in the further readings at the end of his book. See also Bulmer (1982; 1986)). In the latter publication, Weiss uses a range of models which is wider than that traditionally employed to describe this relationship (Weiss, 1986).

I have been unable to locate any social policy literature, or literature on research in social policy which attends to the approach and analysis undertaken in this thesis. Given the increasing interest in ideology and social policy discussed in chapter two, such a gap is of considerable interest.

There is some discussion in the relevant literature about the use of documentary and archival records, but none of that discussion is linked to ideology in the way that this thesis does. Indeed, the literature that does discuss documentary sources concentrates very heavily on possible sources of bias arising from the use of documents. Williamson et al. emphasise the greater validity of primary records over secondary data, but draw attention to one of the

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6 For her, the models include: the knowledge-driven model; the problem-solving model; the interactive model; the political model; the tactical model; the enlightenment model. Most of the literature in this area limits itself to the engineering model and the enlightenment model.

7 Fielding (1981) makes some approximation to the approach used here in his work on the National Front. However, his approach is quite different from that employed in this thesis.

8 Primary records refer to original data gathered for the research purpose, or data that has not been summarised in some way, while secondary data refers to data that has already been summarised, with the researcher using the summarised data.
crucial sources of possible error in the former, namely the possible distortion of the record to serve some particular purpose:

*Those who produce accounts of events ... may do so with their own particular perceptions of the situation or with particular ideological or personal-interest perspectives* (Williamson et al., 1982:244).

Webb et al. pursue this further:

*There are at least two major sources of bias in archival records - selective deposit and selective survival* (Webb et al., 1966:54).

*For the student of the present, as well as the past, the selective destruction of records is a question. Particularly in the political area, the holes that exist in data services are suspect. Are records missing because knowledge of their contents would reflect in an untoward way on the administration? Have the files been rifled?* (Webb et al., 1966:57).

This does not seem to be a problem as far as the material for this thesis is concerned - the data has been retained meticulously with one exception, namely a document referred to in the files held in the National Archives. The document in question is described as a 'confidential file' which sets out some of the original thinking behind the introduction of supplementary assistance in 1951. Given the arguments developed in the thesis this document could have provided very useful material; its absence, however, does not negate the argument in any way.

Madge (1965) also draws attention to the issue of reliability, arguing that there is likely to be little distortion. Certainly the purpose for which the documents are prepared needs to be given careful consideration, but there are no indications that there has been any selectivity in operation here. All submissions are intact, as are the Commission's records. There is no prima facie reason to suspect distortion, as far as the data for the thesis is concerned.

Bulmer (1984) points out that one of the advantages of archival research is the non-reactivity of the material. By this he means that the producer of the data is not in a position to produce data in ways that are affected by the interaction with the researcher, one of the difficulties that has to be faced by interview methods. Babbie (1975) argues that in fact the issues and concerns facing historical research are little different from those facing other research methods. It is:
subject to the same problems of validity and generalizability that characterize field research (Babbie, 1975:284).

Hakim (1987) goes further, arguing that the criticism of the use of documentary records as data sources, because of problems of reliability, is greatly exaggerated. It is, she argues, a criticism that is driven as much by ideological considerations as by substantive critique of research methodology.

As I noted above, the use of documentary sources as the basis for this thesis requires some general discussion of the research possibilities inherent in such a source. The difficulties and dilemmas have been summarised in the preceding pages. These difficulties and dilemmas need to be attended to, but are not so overwhelming as to suggest that such a source should not be used.

Documentary work, for a research topic and approach such as that used here, provides a potential goldmine of material. The focus on a specific conjuncture, in this instance the 1972 Royal Commission to Inquire into Social Security in New Zealand, allows a close and detailed exploration of one particular site that is part of the policy process, albeit a potentially significant one. The systematic and concentrated examination of the submissions made to the Commission, of the hearing of evidence by the Commission, of the Report of the Royal Commission, and of the subsequent legislative action was possible because these are all public documents, freely available.

As noted above, the purpose for which documents are written needs to be considered in any use of documentary sources. Submissions to and hearings of a body such as a Royal Commission have a significant advantage here, when assessed against other possible sources such as submissions to a Parliamentary Select Committee. For the latter, writers are likely to want to present themselves in the best possible light, and/or to present their arguments in the most effective way possible. Political strategies will influence the ideological reflections. By its nature, a Royal Commission has a much wider brief than does a Parliamentary Select Committee, or other comparable body. The consequence of this difference is that the immediate political implications of their argument, which are very significant when making submissions to a Select Committee, do not have the same effect on the arguments advanced and the articulation of those arguments when a Royal Commission is the target of influence.
4. THE RESEARCH STEPS

Consistent with the arguments already advanced in this chapter, the research process began with a review and summary of the theoretical material. This included the theoretical arguments about the concept of ideology, the review of the relevant social policy literature, both about ideology in social policy and about the ideological struggles and issues surrounding the state, social policy, inequality and poverty. From this review, it was possible to derive the categories for undertaking the analysis of the data and to derive the questions which would guide the research activity.

Following the theoretical work the next step was to review all submissions made to the Commission, and the transcript of the Commission's hearings, insofar as both of these related to the social security components of the Commission's work. All submissions were present in the set examined, as was a complete transcript of the hearings. (Appendix One contains a full list of the submissions to the Royal Commission). The nature of the theoretical arguments meant that it was possible to omit from the subsequent analysis those submissions which dealt with quite specific personal matters. All relevant parts of the Report itself were read fully, the data being analysed by using the same basis as that employed in the exploration of the submissions themselves. Here too the reading was limited to those parts related to the social security aspects of the Commission's terms of reference. Finally, the relevant legislative debates were reviewed. The legislative debates took place following the publication of the Report, in the Budget debate of 1972, and during the first and second readings of legislation in that year and again the following year.

The third area of direct analysis and investigation was to examine the relevant files at the National Archives. A full set of Commission recordings is held at the Archives. In addition to ensuring that the data set available to me was complete, the set at the Archives allowed for the data to be extended because that set included correspondence concerning the Commission's work. This correspondence allowed for the arguments developed from the submissions, from the Report and from the Hearings to be tested and built out as appropriate.

9 The Terms of Reference for the Royal Commission were wider than social security only.
10 As I noted in chapter one, many of the submissions in this group were concerned with questions surrounding transfer of superannuation rights from overseas, while a smaller group drew on personal experiences of applying for a benefit or requiring financial assistance, and were therefore of less relevance for this thesis.
The final data set was the Newspaper files on the topic for the 1969-1972 period. These were examined at the Library at Broadcasting House where an extensive library set on a range of topics is held for use by staff for broadcasting research purposes. This set cannot be guaranteed to be complete; the newspaper clippings were drawn primarily from the major metropolitan newspapers. This is not considered to be a weakness of any significance because the thesis is not concerned with the role of the media in relation to either ideology or social security, interesting though this topic is. (For an interesting discussion of the role of the media in social security, see Golding and Middleton, 1982). It was possible to supplement this material by examination of the documents held on file at the Public Service Association's office.

The theoretical approach to ideology was crucial in the exploration of each step. The theoretical material formed a powerful basis and framework around which to approach the analysis of the data. That theoretical material provided a point of constant reference for the investigation, allowing a purposeful and focused examination of the role of the state, of inequality, of poverty and redistribution, of the purposes of social security, and of the basis for setting and adjusting benefit levels.

At times during that analysis and discussion, arguments overlap from one chapter to another; some material could be included, with equal validity, in different places. I have used cross-referencing between the chapters to overcome some of the difficulties arising from this. On other occasions, where it seemed warranted, I have used the same submission in two different places. The submissions, and arguments contained therein, do not fall into neat, discrete categories.

Alongside this review of the submissions, relevant quantitative data was obtained. This related particularly to the relationship between benefit rates, wages and incomes, and prices. As I illustrated earlier in this chapter, relevant empirical/analytic work is important and can make a useful contribution to research such as that undertaken here. The crucial weakness is that such research, on its own, is very incomplete.11 I have used that quantitative data where appropriate, but have gone beyond that. The empirical/analytic data provides useful information on the current and historical situation of beneficiaries; much more is needed in

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11 As Habermas (1978) clearly demonstrates, such empirical/analytic work, on its own, is in itself ideological.
order to provide knowledge and information which is meaningful. Both primary and secondary sources of quantitative data were used.

As I demonstrated in chapter two, ideology has been a topic of substantial and extensive interest in the social policy literature in the last decade. Some of that literature has explored the ideological underpinnings and consequences of particular social policy provisions.\textsuperscript{12} Despite the keen interest in ideology, none of the literature has attempted to use the concept of ideology in the way in which I have done here, as a basis from which to examine policy formation and development. The closest approximation is the work of Taylor-Gooby (1985) in his study of public opinion and welfare.

As I have argued in chapter one, I am not suggesting that ideology is the sole determinant of policy; such an argument would be naive in the extreme. What I am arguing is that ideology, in both the positive and negative sense, is a very significant and substantial influence, and policy analysis which does not give sufficient attention to ideology is very inadequate and incomplete.

In that analysis of policy, and the exploration of ideological influences on policy, documents such as I have used here provide an untapped wealth of material. As long as a complete set of documents is available (and this is an important proviso, for missing material may in itself be significant), it becomes possible to examine what arguments were articulated, who was expressing those arguments, what interests were involved, how those arguments and interests were related to the final decision. Such an examination has the potential to widen the understanding of social policy and of social policy decision making. That wider understanding should in turn lead to more effective influencing of those decisions, and to some unmasking of interests. Documentary sources, such as those used in this thesis, contain very important expressions of ideology and provide a fertile field for investigation.

\textsuperscript{12} See chapter two for a full list of references.
CONCLUSION

Social policy research does not occur in a theoretical, neutral, value free vacuum. As I have demonstrated throughout this chapter, and indeed throughout the thesis, an approach to theory and to knowledge affects all parts of the research process. Habermas's (1978) link between knowledge and interests is fundamental to the methodological approach adopted here; 'knowledge constitutive interests' are reflected in the ways in which data is collected, and in the 'interests' associated with different approaches to knowledge. The critical/emancipatory tradition permits, and indeed demands a comprehensive, exhaustive and inclusive orientation which moves far beyond traditional distinctions between 'facts' and 'values'. This critical/emancipatory tradition facilitates the exploration and transformation of ideological relations.

For this particular research, the four components of ideology, namely the links between ideology, domination and interests; a non-reductionist and non-determinist approach to ideology; the positive and negative usage of ideology, and ideology as a site of struggle and contest, - are used actively in the examination of the ideological contestation surrounding the Royal Commission on Social Security. These four components were linked with the three sub-components identified by Thompson (1984), namely dissimulation, legitimation and reification. The theoretical material is used throughout all stages of the research process. More specifically, at the hub of the contestation surrounding the Commission are struggles around inequality and poverty; the role of the state; the purposes of social security; the basis for setting benefits levels, and for changing the rate of benefit payments. This theoretical basis for analysing the 1972 Royal Commission on Social Security has to be complemented by an examination of the key political, economic and historical features of New Zealand society at the time. No specific piece of social policy develops in a vacuum; knowledge of the context is an important part of policy research. That is the task for chapter four.
CHAPTER FOUR

SHAPING SOCIAL SECURITY: THE POLITICAL AND ECONOMIC CONTEXT IN THE 1960s

The first three chapters of this thesis have established the theoretical and methodological basis for the research on the 1972 Royal Commission on Social Security. This chapter moves towards that concrete event by painting a picture of key features of both New Zealand society at that time and of the plight of beneficiaries. This context is important because it both anchors the theoretical analysis at a specific conjuncture and because it is crucial to developing a comprehensive picture of the environment from which the 1972 Royal Commission on Social Security emerged, and within which it was located. The 1972 Royal Commission on Social Security was embedded in an environment which was characterised by a decline in the New Zealand economy, efforts by the state to manage that economy, significant social changes and by a steady decline in the position of beneficiaries. This chapter discusses that environment and establishes the immediate contextual basis for the detailed investigation of the Royal Commission in the following chapters.

The chapter has three sections:

1. The economic, political and social context.
2. The National Development Conference.
3. The plight of beneficiaries.

The final section includes the terms of reference for the Commission.

1. ECONOMIC, POLITICAL AND SOCIAL CONTEXT

The latter half of the 1960s can be accurately described as a period of significant change in New Zealand society. The consensus that had been powerful ever since the end of World War II was beginning to crack. The decade prior to 1967 has been described by Gould (1982) as a period of sustained economic growth; he comments that this decade:
produced the most sustained economic growth New Zealand has produced in the post-war years (Gould, 1982:21)

This economic growth is generally typical of the period after the second World War with the exception of 1957-58 when declining export prices and poor government management by the previous National government had resulted in an economic downturn. (See Sutch, 1966). Alongside the improvement in prices for primary products was a steady acceleration in the rate of industrial growth, a broadening of the economy which had largely been initiated by the Labour government between 1957 and 1960 (Sutch, 1966). This broadening base did not mean, however, that industrial and manufactured goods had surpassed agricultural exports as the primary export earner. As late as 1971, the New Zealand Official Yearbook noted that:

over eighty percent of New Zealand's exports are pastoral products (New Zealand Official Yearbook, 1971:50).

The steady economic growth referred to above took a reverse turn in 1967. The immediate cause of the decline was a dramatic fall in wool prices. The Wool Commission, having set a high floor price, was faced with buying and stockpiling much of the wool. The result of the decline was a sharp drop in overseas income. The immediate effect domestically was a dramatic rise in unemployment, as Graph One demonstrates. There had been little experience of unemployment since the 1930 Depression and the new phenomenon was greeted with alarm.

1 Gould argues that the economic decline which had occurred in 1967 had been evident from two years earlier. The worst effects, however, did not occur until 1967 because it was in that year that the prices for wool fell heavily.
As expressed in official figures, unemployment, and the related problem of social security, had been almost non-existent in the previous twenty years. For example, the Annual Report of the Department of Social Security shows that there were never more than 341 people receiving unemployment benefit at the end of any statistical year in the 1950s. (Source: Department of Social Security Annual Reports, 1950-1959). This pattern continued into the 1960s until 1967. As the figures in Graph One above show, there were 463 people registered as unemployed in 1966; by the following year the figure had risen almost tenfold to 3,852, and almost doubled again the following year. (For a fuller discussion, see Sutch, 1969:346).

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2 There are limitations in using such a definition, but the advantage of consistency outweighs such disadvantages on this occasion. For a fuller discussion of the implications of different definitions of unemployment, see Shirley et al. (1990).

3 The highest number recorded was 341 in 1959. (Source: Department of Social Security, Annual Report, 1959).
Alongside the dramatic increase in unemployment went a commitment to the International Monetary Fund (which New Zealand had joined in 1961) to reduce public expenditure, including subsidies on some food items. (See the letter in Sutch (1969), facing page 344). In addition, following a devaluation in Great Britain, the New Zealand dollar was devalued 19.47 percent.

The deteriorating economic position of 1967 must be placed alongside one other key change affecting the New Zealand economy, namely Britain's pending entry into the European Economic Community (EEC). Since World War II Britain had been a primary destination for New Zealand's agricultural exports. In 1962, butter exports were restricted and the direction of development for the British economy was clearly indicated by Britain's application to join the European Economic Community in 1961. Although that did not finally occur until 1973 the signs were evident throughout the 1960s that this unlimited destination for agricultural products would not continue. The guaranteed market was less and less guaranteed.

There was some economic recovery by 1969, a year that saw the Arbitration Court decline a nil wage order when approached for a general rise in wages. Subsequently, the employer and union representatives joined together to produce a small general wage rise, a linkage that prompted a furious outburst from the Minister of Finance. It was, he said 'an unholy alliance' (Muldoon, 1974:98).

The steady economic growth of the early 1960s was paralleled by the approach to political leadership. Throughout the period from 1960, New Zealand was governed by the National party under the leadership of Sir Keith Holyoake. He relied extensively on a consensual approach to political leadership, emphasising 'Steady Does It'. This was his own phrase to describe his own approach to political leadership, but it also describes his approach and that of his government to economic management. Chapman's evaluation of his years of leadership is telling and direct:

\emph{Holyoake's greatest feat as a Prime Minister was the slowing down of every process which, if speedily dealt with, might have represented change and political harm} (Chapman, 1981: 365).\footnote{For a more extensive discussion of the Holyoake administration, see Doughty (1977).}
The consensual style of Holyoake’s leadership was matched by and reflected the power of the hegemony of the time. Dunstall, for example, comments that:

unsurpassed prosperity and social tranquility characterized the last two decades from 1945 (Dunstall, 1981:397).

He goes on to point out that the state was seen to have tempered inequalities, and ensured security and affluence, without in any way abolishing competitive individualism. Class was thought to be irrelevant, according to both Labour and National politicians; however voting patterns for much of the period reflected the class base of the two major political parties.

Despite the economic decline of the late 1960s, there were no signs that the political style of leadership was under challenge; Holyoake remained as Prime Minister for another five years. The National party was returned at the 1969 election, albeit with a very small majority. (In 1969, they secured 0.12% more of the voted than the Labour opposition).

The economic growth of the decade prior to 1967 was reflected in the increasing availability of consumer goods; for example, television was introduced in 1962 and most homes had basic home appliances such as refrigerators and washing machines. (See Dunstall, 1981). There had been a rapid rise in population in the 1940s and 1950s, but in 1962 there was a sharp fall in European fertility with a later decline among the Maori population. The late 1960s also saw a sharp rise in emigration.

There were important changes in the structure of the society, changes that were to have an influence later than the 1960s. In particular, the migration of Maori youth from the country to the city, the increasingly white collared nature of the work force and the growing participation of women in paid work were all changes that began to gather impetus during the 1960s. The major impact of these changes was to come later. Despite the urban drift of Maori the official emphasis was still on integration (Hunn, 1961). The 1960s saw the beginning of the expression of articulate Maori opinion and assertion of cultural identity.

Dunstall sums the changes up well:

The underlying changes in the golden 1960s were social rather than political, technological rather than legislative, individual rather than public. If they took a mass form they did so as protest movements, confronting, or at worst, working alongside the party structures... The government
maintained the system, but the changes in society did not yet fully impinge on politics because full employment and prosperity provided a separate sphere for the elaboration and alterations going on in private life. Prosperity was unevenly distributed both geographically and by occupational groups and it was uneven through time (Dunstall, 1981:365-366).

There is little evidence of overt ideological struggle; the interests of the powerful and dominant were dissimulated extensively. Certainly, there was some, albeit limited, ideological and political struggle, particularly around issues such as All Black tours to South Africa, and the commitment of New Zealand troops to war service in Vietnam. However, the consensus was powerful enough to withstand these challenges.

Throughout this period of both steady economic decline and subsequent partial recovery (the economy began to improve in 1968 and 1969), the state was not passive. Traditionally, there had been a marked resistance on the part of the National Party to any significant direct intervention in the economy; at least in terms of political rhetoric, they were committed to the maximum freedom of the market, and to minimum intervention. Total withdrawal from planning was not, however, possible. The 1960s were characterised by a range of industrial planning and development Conferences such as the Industrial Development Conference in 1961, the Export Development Conference in 1963 and the Agricultural Development Conference in 1963-64. Such Conferences represented an attempt by the state to ensure that the needs of capital were maintained; they represent a clear and classic example of the links between the state and the economic interests in the society. The state is clearly not an independent spectator. Part of the role of the state in such circumstances is to ensure that the interests of capital are strengthened and promoted. (See O'Connor, 1973 for a more extensive discussion of the role of the state in ensuring the maintenance of capital).

These activities on the part of the state provide a good example of ideology at work; the state is presented as acting in the interests of all by ensuring that the economic structure is maintained and strengthened. The state would ensure the co-ordination of the dominant interests; in the New Zealand context, this means farming and agricultural interests in particular. That co-ordinating role for the state, reflecting the way in which ideology is expressed and reinforced by the state, was taken further by the National Development Conference (NDC), first announced in February, 1968.
2. THE NATIONAL DEVELOPMENT CONFERENCE

Easton and Thompson argue that the poor and declining economic growth rate was one of the factors that led to the establishment of the National Development Conference. For example, GNP per person declined from a rate of growth of 5.4% in 1965/66 to a growth rate of minus 4.7% in 1968 (Easton and Thompson, 1982:249). This emphasis on the potential contribution of the NDC in renewing and strengthening capitalist economic and social relations is well illustrated and supported by the arguments advanced by the Minister of Finance in the 1968 Economic Review. That Review began by setting out the deterioration in the New Zealand economy, before later describing the background to and structure of the NDC. The Conference was expected to set growth targets for the next decade for all sectors of the economy, targets which would:


The NDC set up a series of sector groups, charged with identifying growth targets and resource requirements for that sector for the next decade. The emphasis on economic considerations is evident from the list of Committees; social development was entirely omitted, and added subsequently following strong protest from the trade union movement and church groups. The Committees were made up predominantly of representatives from government and industry.

It is clear that the Conference was designed to protect and strengthen the consensus which had dominated the early part of the 1960s and to maintain the existing political and social arrangements. Muldoon’s own description of the role of the NDC is illuminating:

*The theory behind it was that if we could get all the various points of view on a problem expressed face to face at the same table a solution was likely to emerge. The approach was labelled as ‘consultative’ and ‘co-operative’* (Muldoon, 1974:101).

---

5 Sector Committees were established to cover such areas as labour; education, training and research; overseas marketing and exports; targets, finance and services for development; agriculture; manufacturing; tourism; fisheries; minerals; transport; distribution.
A planning unit had been established in Treasury in the mid 1960s and Ministers stressed that this was a forerunner to the NDC. The emphasis for Government Ministers was on indicative planning, for political reasons; the government was keen to distance itself from any suggestions that the state would direct planning; this would be seen, they feared as akin to a Soviet style planned economy; rather, the emphasis was on co-ordination and co-operation:

*This process [of planning], known as indicative planning, is as much in contrast with a completely unplanned type of economy as it is with planning of the authoritarian type* (National Development Council, 1969:7).

Gould argues that the government wanted the NDC to be a typical Holyoake exercise in consensus making. This emphasis on the consensual role of the NDC is a clear illustration of the ideological role of the state, as the state attempts to draw the various interests together, camouflaging differences, in an effort to strengthen the struggling economic order.

The establishment of the Royal Commission on Social Security resulted from one of the recommendations of the Social and Cultural Committee of the NDC; the Committee referred to above and added to the original list after public protest. Before setting out those recommendations, other elements of the environment into which the Royal Commission was born need to be set out.

There were two other significant Committee Reports in 1967, which were of relevance to the work of the Royal Commission on Social Security. These Committees are significant not only because their area of focus was close to that of the Royal Commission, but also because they are a further reflection of the climate of change. The first of these is the Report of the Taxation Review Committee (1967). That Report recommended, inter alia, that there should be a move from direct to indirect taxation, and that in the process of doing so there should be adequate compensation for social security beneficiaries. This was argued for on the basis of helping to compensate for the effects of moving from a progressive tax system. Negative income tax was considered to be the most appropriate tool to respond to this. The effects of their proposals would be to: (1) increase the incomes of married men (their phrase) with income greater than $3000 and to a small extent those receiving superannuation, aged or widows benefit; (2) increase or leave static the income of unmarried middle or higher income ranges; (3) leave the income of a married man with less than $300 unchanged; (4) reduce the

---

6 The recommendations of the Social and Cultural Committee and the Terms of Reference for the Royal Commission are set out at the end of this chapter.
income of unmarried persons in the lower income range. The effect of the existing tax structure was too heavy on high earners, they argued (Report of the Taxation Review Committee, 1967:82).

The second event that needs to be noted here is the Report of the Royal Commission of Inquiry into Personal Injury in New Zealand (1967), known popularly as the Woodhouse Commission. This Commission made a number of radical and substantial recommendations for altering the basis on which compensation for injury should be provided and organised. The most fundamental were that the issue of fault should be removed entirely, compensation should be related to income lost, and coverage should extend to all injuries, regardless of whether the injury was work related or arose from some other cause. The level of income received by those whose loss came from an accident would be very different from those who became ill or who suffered a disability from non-accidental causes. (For a fuller discussion of the issues and politics surrounding the changes in the accident compensation legislation, see Palmer 1979; O'Brien, 1983).

The late 1960s were a period of significant change, economically and in the role of the state. The changes and development set out above demonstrate this clearly. The other crucial component of the environment was the predicament of beneficiaries, the subject of the next part of this chapter.

3. THE PLIGHT OF BENEFICIARIES

The first social security assistance from the central government in New Zealand was the Old Age Pensions Act of 1898. This was followed by a range of legislative measures during the first thirty years of this century. All these measures were incorporated into the 1938 Social Security Act which formed the basis of the system in place at the time of the appointment of the Royal Commission. The Act described in its preamble as:

An Act to provide for the payment of superannuation and of other benefits designed to safeguard the people of New Zealand from Disabilities arising from Age, Sickness, Widowhood, Orphanhood, Unemployment, or other

7 There is a full list of the social security provisions since 1898 in Royal Commission on Social Policy (1987).
8 For an interesting discussion of the 1938 Social Security Act, see Hanson (1982).
introduced only three new benefits, namely unemployment benefit, sickness benefit and an emergency benefit. It was, however, widely seen as providing a basis for the prevention of the poverty that had been widespread in the Depression of the early 1930s. (For a full discussion of this aspect, see Sutch, 1966). There is no doubt that it prevented that misery and penury, but it could not prevent the poverty that occurred throughout the economic growth of the 1950s and 1960s.9

Beneficiaries did not share in the improving living standards of the 1960s.10 Table One below illustrates this clearly. The experience of the 1950s and 1960s was of greater poverty, using poverty in the relative sense set out in chapter two. As Table One shows, Gross National Product (GNP), and private income increased by over one hundred percent in the decade from 1961. The Table also shows that during the same period, the benefit rate for the unmarried increased by fifty-five percent and the benefit rate for the married increased by almost fifty-nine percent. Thus, the benefit rates increased by approximately half the rate of increase of private income, and of GNP.

---
9 For an interesting oral history of the Depression of the 1930s, see Simpson (1974).
10 There had been little research on either poverty or social security in New Zealand by the early 1970s. Easton (1976) suggests that the lack of attention to the subject reflects both naivety and the social class situation of social scientists. It is not necessary here to ascertain the reasons; rather it is sufficient to acknowledge the lacuna.
TABLE ONE  
CHANGES IN PRIVATE INCOME, GNP AND BENEFIT RATES, 1961-1971\textsuperscript{12,13} 

<table>
<thead>
<tr>
<th>YEAR</th>
<th>PRIVATE INCOME($m)</th>
<th>GNP\textsuperscript{14}</th>
<th>UNMARRIED AGED ($) BENEFIT</th>
<th>MARRIED AGED ($) BENEFIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>2429</td>
<td>2622</td>
<td>9.50</td>
<td>8.50</td>
</tr>
<tr>
<td>1962</td>
<td>2503</td>
<td>2722</td>
<td>9.50</td>
<td>8.50</td>
</tr>
<tr>
<td>1963</td>
<td>2694</td>
<td>2921</td>
<td>9.75</td>
<td>8.75</td>
</tr>
<tr>
<td>1964</td>
<td>2937</td>
<td>3197</td>
<td>10.00</td>
<td>9.00</td>
</tr>
<tr>
<td>1965</td>
<td>3194</td>
<td>3491</td>
<td>10.60</td>
<td>9.60</td>
</tr>
<tr>
<td>1966</td>
<td>3460</td>
<td>3823</td>
<td>10.60</td>
<td>9.60</td>
</tr>
<tr>
<td>1967</td>
<td>3577</td>
<td>3973</td>
<td>11.75</td>
<td>10.75</td>
</tr>
<tr>
<td>1968</td>
<td>3685</td>
<td>4128</td>
<td>11.75</td>
<td>10.75</td>
</tr>
<tr>
<td>1969</td>
<td>3902</td>
<td>4355</td>
<td>12.25</td>
<td>11.25</td>
</tr>
<tr>
<td>1970</td>
<td>4276</td>
<td>4809</td>
<td>13.25</td>
<td>12.00</td>
</tr>
<tr>
<td>1971</td>
<td>4948</td>
<td>5534</td>
<td>14.75</td>
<td>13.50</td>
</tr>
</tbody>
</table>

%increase 91.4 111.1 55.3 58.8

Sources: New Zealand Official Yearbook, 1971;1973; Department of Social Security Annual reports, 1961-1971. All figures have been converted to decimal currency.

In a major study of benefit levels, the Public Service Association was able to demonstrate that the basic benefit had declined from 31.38 percent of average weekly earnings in 1948 to 28.42 percent in 1968 (Public Service Association, 1969:297). They went on to point out that although benefits had increased faster than inflation, the decline relative to income meant that:

the social security benefit is not maintaining its value in terms of a rising standard of living, that is, the beneficiary is not able to buy as much as he used to in relation to the rest of the population. The purchasing power of the benefit is being maintained, but the beneficiary generally is expected to live at a level which the rest of us passed some years ago. It is therefore very probable that many beneficiaries ... are living at a level well below that which would be accepted by the bulk of the population (Public Service Association, 1969:298).

\textsuperscript{12}Gross National Product (GNP) is defined as: the production produced by factors owned by New Zealanders (Easton and Thompson, 1982:170).

\textsuperscript{13}Figures here are changing benefit payments, expressed in current figures.

\textsuperscript{14}GNP is presented in current prices, that is prices year by year.
The deteriorating position identified here by the Public Service Association is reflected in the data set out above in Table One. Similarly, both Easton (1981) and Sutch (1971) confirm the deteriorating relationship between social security benefit rates and general income levels in the society. Sutch's figures clearly demonstrate the declining share of government expenditure on social security. In 1947 social security cash benefits amounted to 8.1 percent of national income; by 1967 the figure was 6.4 percent (Vellekoop Baldock (1977)). This represents a decline of 26.6 percent. Again, in 1960, monetary benefits comprised 28.68 percent of current government expenditure, while by 1968 the figure had fallen to 23.49 percent. Here too the comparison is significantly distorted because the latter included greater unemployment commitments (Sutch, 1971:79). Removing the effect of these commitments would increase the gap over those eight years. The Report of the Royal Commission confirmed these figures, pointing out that cash benefits had declined from 7.21 percent of gross national product in 1961 to 5.5 percent of gross national product in 1971 (Report of the Royal Commission, p.79).

The changing relationship between benefit levels and wage rates is well demonstrated below. Table Two reflects a decline of twenty five percent, using regular survey measures of earnings, while Table Three reveals a decline of twenty percent for the married rate and a lower fall for the single rate.

---

14 It should be noted that the 1967 figures included payment of national superannuation at full rate while in 1947 national superannuation was a small proportion of the total expenditure.
**TABLE TWO**

**BENEFIT LEVEL RELATIVE TO AFTER-TAX WAGES, 1947 - 1972**

<table>
<thead>
<tr>
<th>Year Ended March</th>
<th>Benefit as Proportion of After Tax Surveyed Earnings 15 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1947</td>
<td>72.1</td>
</tr>
<tr>
<td>1949</td>
<td>68.6</td>
</tr>
<tr>
<td>1954</td>
<td>64.3</td>
</tr>
<tr>
<td>1959</td>
<td>63.1</td>
</tr>
<tr>
<td>1964</td>
<td>58.0</td>
</tr>
<tr>
<td>1965</td>
<td>57.4</td>
</tr>
<tr>
<td>1966</td>
<td>56.4</td>
</tr>
<tr>
<td>1967</td>
<td>58.9</td>
</tr>
<tr>
<td>1968</td>
<td>58.8</td>
</tr>
<tr>
<td>1969</td>
<td>58.0</td>
</tr>
<tr>
<td>1970</td>
<td>57.8</td>
</tr>
<tr>
<td>1971</td>
<td>56.6</td>
</tr>
<tr>
<td>1972</td>
<td>54.2</td>
</tr>
</tbody>
</table>


15 'After tax surveyed earnings' refers to the six monthly survey of earnings carried out by the Department of Labour.
TABLE THREE

SOCIAL SECURITY BENEFITS AND AVERAGE WAGE RATES, 1951 - 1971

<table>
<thead>
<tr>
<th>Year</th>
<th>Single benefit rate as % of average wage</th>
<th>Married benefit rate as % of average wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>28.3</td>
<td>56.7</td>
</tr>
<tr>
<td>1956</td>
<td>28.5</td>
<td>53.3</td>
</tr>
<tr>
<td>1961</td>
<td>29.8</td>
<td>53.3</td>
</tr>
<tr>
<td>1966</td>
<td>29.7</td>
<td>54.3</td>
</tr>
<tr>
<td>1971</td>
<td>26.0</td>
<td>47.2</td>
</tr>
</tbody>
</table>


Sutch points out that comparison between benefits levels and wages is quite significantly affected by the impact of increasing overtime payments and above award wages:

*In 1966 average weekly earnings (without overtime) were some thirty percent above the award wage* (Sutch, 1971:73).

Table Four shows some improvement in the position of beneficiaries in relation to rising prices.
TABLE FOUR

BENEFIT RATES RELATIVE TO PRICES, 1964 - 1972

<table>
<thead>
<tr>
<th>Year Ended March</th>
<th>Benefit real value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964</td>
<td>56.44</td>
</tr>
<tr>
<td>1965</td>
<td>54.90</td>
</tr>
<tr>
<td>1966</td>
<td>56.79</td>
</tr>
<tr>
<td>1967</td>
<td>59.76</td>
</tr>
<tr>
<td>1968</td>
<td>58.04</td>
</tr>
<tr>
<td>1969</td>
<td>57.61</td>
</tr>
<tr>
<td>1970</td>
<td>58.88</td>
</tr>
<tr>
<td>1971</td>
<td>59.78</td>
</tr>
<tr>
<td>1972</td>
<td>59.70</td>
</tr>
</tbody>
</table>


The evidence reviewed above all points towards greater relative poverty, if not absolute poverty, for beneficiaries. Although purchasing power had been maintained, it is not possible to use this improvement to argue that this represents an improvement in their financial position in relation to the rest of the community other than by adopting an absolute approach to poverty, an approach which I showed in chapter two to be inadequate. The relationship to wage movements is a much more useful and valid indicator of their position relative to the rest of the community. After all, wages represent the income available; if beneficiaries have less income in relation to average wages, their financial position must reflect greater poverty. This is reinforced by the declining share of national income available to beneficiaries. (See above for details).16

One other indicator of the situation of beneficiaries is the proportion receiving supplementary

---
16 It will be recalled that one of the principal theoretical areas of interest is the question of the struggle surrounding social security benefit levels, and the basis on which these should be established. The position of beneficiaries in relation to the rest of the community was one of the principal areas in which that struggle took place, as will become clear when discussing the evidence later in the thesis.
The proportion of beneficiaries receiving supplementary assistance is significant because payment of supplementary assistance is limited to those beneficiaries who are considered to be unable to meet their financial requirements from the basic benefit. This benefit was individually assessed, a process that was quite rigorous and demanding; payments were not readily or easily made. (For a fuller discussion of the harshness of the criteria see Oram, 1969; Sutch, 1971). Table Five sets out the proportion of each beneficiary group receiving supplementary assistance in 1971 while Table Six reflects the increase in numbers from 1953. Table Seven shows the increase in applications between 1965 and 1971. During those six years applications almost doubled.

### Table Five

**Supplementary Assistance by Type of Benefit**  
**At March 31, 1971**

<table>
<thead>
<tr>
<th>Benefit Type</th>
<th>Percent Receiving Supplementary Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superannuation</td>
<td>0.8</td>
</tr>
<tr>
<td>Aged</td>
<td>8.6</td>
</tr>
<tr>
<td>Widows</td>
<td>7.6</td>
</tr>
<tr>
<td>Invalids</td>
<td>10.5</td>
</tr>
<tr>
<td>Sickness</td>
<td>6.5</td>
</tr>
<tr>
<td>Unemployment</td>
<td>3.2</td>
</tr>
<tr>
<td>Emergency</td>
<td>19.4</td>
</tr>
</tbody>
</table>


---

17 Supplementary assistance had been introduced in 1950. It was paid to beneficiaries on the basis of an individual means test. The significance and implications of this individualised approach to social security will be discussed when examining both the submissions made to the Commission and the Report of the Royal Commission.
### TABLE SIX
**NUMBERS RECEIVING SUPPLEMENTARY ASSISTANCE - CHANGES : 1953 - 1971**

<table>
<thead>
<tr>
<th>Year</th>
<th>Continual Lump Sum Grants</th>
<th>Lump Sum Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>1953</td>
<td>1,127</td>
<td>672</td>
</tr>
<tr>
<td>1958</td>
<td>4,721</td>
<td>1,339</td>
</tr>
<tr>
<td>1963</td>
<td>6,864</td>
<td>1,558</td>
</tr>
<tr>
<td>1964</td>
<td>7,660</td>
<td>1,750</td>
</tr>
<tr>
<td>1965</td>
<td>8,763</td>
<td>2,019</td>
</tr>
<tr>
<td>1966</td>
<td>9,698</td>
<td>2,647</td>
</tr>
<tr>
<td>1967</td>
<td>10,581</td>
<td>2,406</td>
</tr>
<tr>
<td>1968</td>
<td>12,625</td>
<td>2,427</td>
</tr>
<tr>
<td>1969</td>
<td>12,856</td>
<td>2,520</td>
</tr>
<tr>
<td>1970</td>
<td>12,887</td>
<td>3,125</td>
</tr>
<tr>
<td>1971</td>
<td>13,968</td>
<td>2,816</td>
</tr>
</tbody>
</table>

TABLE SEVEN
APPLICATIONS FOR SUPPLEMENTARY ASSISTANCE, 1965 -1971

<table>
<thead>
<tr>
<th>FINANCIAL YEAR</th>
<th>NEW APPLICATIONS</th>
<th>RENEWAL APPLICATIONS</th>
<th>TOTAL APPROVALS</th>
<th>TOTAL APPROVALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1965</td>
<td>6,915</td>
<td>7,669</td>
<td>4,614</td>
<td>12,592</td>
</tr>
<tr>
<td>1966</td>
<td>8,076</td>
<td>8,827</td>
<td>16,903</td>
<td>14,815</td>
</tr>
<tr>
<td>1967</td>
<td>8,775</td>
<td>9,978</td>
<td>18,753</td>
<td>16,432</td>
</tr>
<tr>
<td>1968</td>
<td>9,026</td>
<td>10,983</td>
<td>20,009</td>
<td>17,587</td>
</tr>
<tr>
<td>1969</td>
<td>11,605</td>
<td>12,033</td>
<td>23,638</td>
<td>20,260</td>
</tr>
<tr>
<td>1970</td>
<td>11,916</td>
<td>13,482</td>
<td>25,398</td>
<td>21,550</td>
</tr>
<tr>
<td>1971</td>
<td>13,842</td>
<td>14,509</td>
<td>28,315</td>
<td>23,847</td>
</tr>
</tbody>
</table>


The Report of the Royal Commission confirms these figures, noting that the proportion of beneficiaries receiving supplementary assistance had increased from 0.7 percent in 1953 to 9.9 percent in 1971 (Report of the Royal Commission of Inquiry into Social Security, p.284). It can be reasonably confidently stated that these figures represent a minimum level of requirement for supplementary assistance, not a maximum level of requirement. The effects of stigma on beneficiaries make it highly likely that there would be others who needed the additional assistance provided through supplementary assistance, but because of stigma, and possibly because of ignorance of entitlement, they did not apply. The figures in Tables Six and Seven make it clear that the need for supplementary assistance had increased markedly in the period before the establishment of the Royal Commission. As the Tables show, the numbers applying for and receiving supplementary assistance almost doubled between 1965 and 1971.

19 These figures do not include those receiving family benefit or universal superannuation; these benefits were not income tested.
20 See Deacon and Bradshaw (1983) for a discussion of the effects of means tests on applications for social security assistance.
Other studies published in the middle part of the 1970s also show clearly the existence of poverty.\textsuperscript{21} For example, a survey of the elderly in 1973-74 found between fifteen and twenty-five percent living in hardship, with the following indicators:

- 13.5\% putting up with being cold;
- 10.4\% repairing worn out clothing;
- 7.3\% having to cut down on visiting;
- 6.7\% wearing ill-fitting dentures;
- 4.9\% having to let accommodation run down;
- 4.6\% going without meat at least three days a week;
- 3.9\% postponing visits to specialists;
- 3.5\% wearing old clothes when visiting.

(Source: Department of Social Welfare, 1975).

Almost one-quarter of those interviewed in the survey on the aged reported 'some' or 'considerable' financial difficulties. While this survey was undertaken after the Commission reported, the time span is not great and it should be remembered that the survey was conducted following a significant benefit rise in 1972. It is, therefore, a reasonable hypothesis to suggest that the situation in the late 1960s and early 1970s would have been worse than that found in the survey, not better.

Again, following a careful review of the benefit levels, and using 1971 data, Jack concludes:

\textit{It is not difficult to demonstrate that social security benefit rates are low in comparison with average wage rates. If indeed there is poverty in New Zealand, then the poor are largely the social security beneficiaries} (Jack, 1973:173).

She is more cautious than her data allows her to be. Dunstall sums up the position of beneficiaries well:

\textit{Almost by definition beneficiaries were poor - especially the aged} (Dunstall, 1981:422).

\textsuperscript{21} It is possible to extrapolate from these to the period prior to the publication of the Commission's Report in 1972.
Poverty was not limited to beneficiaries. At a more general level, more general that is than social security benefits, Easton has established that a fifth of families lived below the poverty line he established. He used 1967-68 income data, converted to 1972 levels. He goes on to comment that if the necessary data were available, and the same poverty line was used:

*I would expect us to get roughly similar magnitudes of poverty ever since the Second World War* (Easton, 1976:138).

While there is no incontrovertible quantitative evidence to demonstrate the precise extent and nature of poverty in New Zealand in the late 1960s, the material summarised above suggests four conclusions. First, it demonstrates that there was considerable and extensive poverty at this time; second, it suggests that social security had not eliminated poverty or inequality; third, it shows that the situation of social security beneficiaries was deteriorating in relation to the rest of the community, and finally it reveals that social security beneficiaries were amongst the groups most affected by poverty.22 The conclusion to Easton's study summarises the argument succinctly:

*We must cautiously summarise that the available body of evidence does not support the national myth of a lack of poverty, as far as children are concerned* (Easton, 1975:67).

Furthermore, it is worth noting that:

*in July 1967 the retiring Chairman of the Social Security Commission, in expressing his disappointment at the way New Zealand had been outstripped by Britain and Sweden in medical and other social security benefits, commented that age benefits 'were almost below subsistence level'* (Sutch, 1971:75).

Given the official status of the Chairman such an admission provides some very clear signs of the situation of beneficiaries.

It was in this environment of increasing poverty among beneficiaries the the Royal Commission was born. Indeed, Easton claims that:

---

22 Easton's subsequent work suggests that children and families were the other groups affected (Easton, 1976). Cuttance (1980) also undertook research on family poverty; his work does not relate specifically to beneficiaries.
by 1969 public concern was so widespread that the government set up a Royal Commission of Inquiry (Easton, 1975:67).

Such an argument is difficult to sustain in terms of producing supporting evidence; despite the evidence produced above, there is little evidence of widespread public concern about poverty.

The immediate precipitant for the establishment of the Commission was a recommendation of the Social and Cultural Committee of the NDC. (I have pointed out above that this Committee was an afterthought for the NDC; it was not one of the original Committees). In its report to the NDC, the Committee made the following recommendation, inter alia:

The committee considers that an independent penetrating examination of the social security system should be undertaken. This is necessary if for no other reason than that in the last thirty years the nature of society has changed... Relevant matters are:

(a) What it actually costs to provide for basic necessities and preserve self respect;

(b) Whether benefits should be paid to people not in need, and if so, whether they should be taxable;

(c) Home aid services and provisions for sick or exhausted mothers;

(d) Care for the aged, including retraining them, the role of geriatrics, their housing and the possibility of more free services being provided for them...

(e) Improved publicity about social welfare assistance and services available;

(f) Assistance for people not accustomed to the city environment when they come to live in urban areas.

(g) The extension of pre-school education (National Development Conference, 1969:8).

Adopting a position akin to what Clarke, Cochrane and Smart (1987) describe as 'New Liberal' and George and Wilding (1976) characterise as 'reluctant collectivist', they went on to support their argument for the establishment of such a Committee as follows:
There are basic needs which must be satisfied if the physical, mental, emotional and social health of the individual, and consequently of the community in which he lives, are to be maintained at a high level, and we should review what it costs to provide for these needs. This examination could well find, as some members of the community believe, that some beneficiaries are getting more than they need, while others get too little. It is certainly true that some categories of beneficiaries deserve more help, while others would not suffer greatly if they had less. The proportion of social security money which goes to people in real need ought to be higher. Benefits should be sufficient to provide for basic necessities and preserve self-respect. But to determine just what is sufficient we need to know what it actually costs people to live. This knowledge is not at present available (Ibid., p.15).

The views were not universally supported by Committee members, one member arguing in the general discussion on the recommendations that she did not accept the argument that reallocation of resources was needed. It might in fact be necessary, she argued, to increase expenditure. She was alone in this view, apart from some limited dissent from suggestions that family benefit should be means tested.

The Royal Commission on Social Security in New Zealand was established later in the same year, with the following terms of reference:

- to be a Commission to receive representations upon, inquire into, investigate, and report upon the social security legislation and related legislation, in New Zealand; and in particular, to receive representations upon, inquire into, and report upon the following matters:
  1. The principles upon which the present social security scheme of monetary benefits and supplementary assistance are based and their relevance in changing social and economic conditions.
  2. Any changes considered desirable in the structure, coverage, and administration of monetary benefits and supplementary assistance.
  3. The criteria which should be used for determining rates of and qualifications for monetary benefits and supplementary assistance, including the means of meeting need.
  4. The extent (if any) to which monetary benefits should be subject to taxation.
existing social security expenditure on the basis of 'what it actually costs people to live'. This proposed examination would occur against a backdrop of increasing poverty among beneficiaries. Beneficiaries financial circumstances had deteriorated in relation to the rest of the community. The vision and aspirations that has been part of the 1938 Social Security Act had been steadily eroded. The expectation for the Royal Commission was not, however, that this erosion would be arrested, but rather that the expenditure be transferred 'to people in real need'.

It is against this background that the analysis of the Royal Commission can be best understood. The analysis over the next five chapters will allow for a detailed and comprehensive discussion of the Commission's work. The first of these chapters concentrates on the 'values' on which social security should be based. That chapter uses the concept of ideology to examine the Department of Social Security's approach to 'values' in social security. The concept of ideology proves to be more comprehensive than 'values', and proves to be very useful in critiquing the Departmental approach.

Chapter six is concerned with the ways in which the Royal Commission fails to link social security provision with patterns of income distribution, treating the patterns of distribution in a reified form. Furthermore, the Commission's focus on individual assessment of need and failure to examine income redistribution strengthens the link between social security and inequality, and helps reinforce and maintain poverty. Chapter seven shifts the focus of attention directly to the state. This particular chapter is concerned with the role of the state in the ideological struggles surrounding social security. There is a strong emphasis here on the ways in which the state's actions in providing social security occur within a framework of rules linked to patterns of interest and domination in the society. This chapter also includes a discussion of the struggles surrounding gender and social security provision, and of the role of the state in gender relations surrounding social security provision. Chapter eight focuses on the ideological struggles surrounding the purposes of social security. It is here that the positive usage of ideology is clearly illustrated.

The outcome of these four chapters (five, six, seven and eight) is manifest in the rates of benefit paid and the mechanisms for adjusting benefit rates. These two areas, benefit levels and benefit adjustments, are the subject of chapter nine.

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22 The reasons for denoting 'values' in this way are set out in chapter five.
5. **The relationship between any proposals or recommendations you may make, and any pensions or allowances payable under the war pensions legislation that would, in your opinion, be affected by such proposals or recommendations.**

6. **The relationship between social security monetary benefits and other allied social services, and other schemes of income maintenance.**

7. **Any changes considered to be desirable to the nature and extent of medical, specialist, and pharmaceutical benefits, and the criteria for determining entitlement thereto.**

8. **Any associated matters that may be thought by you to be relevant to the general objects of the inquiry.**

And further, in carrying out this inquiry, we desire you to have regard to the necessity of ensuring that the resources expended under the social security system are used to the best advantage for the maintenance of adequate living and health standards consistent with the development of the economy and with other demands on resources (Report of the Royal Commission of Inquiry into Social Security, 1972: xii - xiii).

**CONCLUSION**

While the recommendation of the Social and Cultural Committee of the NDC was the immediate precipitating event leading to the establishment of the Commission, it is an incomplete analysis to explain the origins of the Royal Commission as simply arising from this Committee; such an explanation is based on a benevolent view of the state, a view which has already been shown to be inadequate. Rather, the establishment of the Commission needs to be placed in the political and economic context described above.

A more complete and comprehensive assessment of the roots of the Royal Commission can be obtained by attending to the range of factors set out in this chapter. First, the economy was experiencing significant deterioration, deterioration which, as Gould (1982) notes, had been evident from 1965. Second, in this deteriorating climate, the state took on a much more directly active role in attempting to recreate and reconstruct the environment for the continued survival and development of capitalism.

Third, this reassessment of the role of the state should include, it was argued, a fresh examination of social security. However, this fresh examination was not to include exploration of income distribution generally; rather, it was intended to reallocate already
The analytic framework set out in the first two chapters of this thesis provides an exciting base from which to conduct a comprehensive analysis of the Royal Commission. That is the task to which I now want to turn.
CHAPTER FIVE

THE IDEOLOGICAL BASIS FOR SOCIAL SECURITY: 'VALUES' AS IDEOLOGY

The chapter is divided into two parts. In the first part, the use of the concept of 'values' in the social policy literature, and the relationship between 'values' and 'ideology' is discussed. The concept of ideology facilitates an examination of the links between the ideas surrounding social security and the social structure. On the other hand, the use of the concept of 'values' implies a separation from the social structure, and is thus presented as arising from individual, conscious choice. A comprehensive analysis of social security through the concept of 'values' is, therefore, not possible, because such an analysis cannot adequately link social security and the ideological, political and economic structure of the society. The Departmental approach to 'values' implied that choice was exercised in isolation from the society. Ideology, on the other hand, links choices, and the decisions arising from those choices, with the structure of interests and of domination in the society. Certainly, 'values' provide an ethical base for social security provision, a base that was useful in the 1960s as the economic plight of beneficiaries worsened. Moreover, the changes in New Zealand society in the 1960s, set out in the last chapter, made identification of the base for social security provision a useful task. However, 'values', as approached in the Departmental submissions, do not allow a comprehensive analysis of social security because they are considered in isolation from the society. The concept of ideology does allow a comprehensive analysis; indeed, it demands such an analysis.

The second part of the chapter examines the approach to 'values' in the Departmental submissions and in the Report itself. The Departmental approach to 'values' was presented in an early submission to the Commission, and that approach was drawn on extensively in subsequent submissions from the Department. Thus, examination of 'values' at this stage provides a useful base for the discussion later in the thesis.

The chapter, then, has three sections:
1. 'VALUES' AND SOCIAL POLICY

'Values' is a term that has been used extensively in the social policy and social welfare literature (Reisman, 1977; Hardy 1981; Weale, 1983; Wilding, 1983; Deakin, 1987; Mishra, 1989 provide a range of examples). The usage is, however, often confusing; the term itself is seldom defined in any precise way.2 The confusion is compounded by using the term interchangeably with ideology. Reisman captures the use of both terms very succinctly:

Were ideology to drop out of the social welfare equation, the social policy maker would be left with techniques but not values. (Reisman, 1977:15). (My emphasis).

Similarly, in his discussion of the approach to social administration in the 1950s and 1960s, Wilding argued:3

There were different views about the proper role of the state in welfare which were the product of different values and ideologies and different economic and social priorities (Wilding, 1983:6).

This linkage of 'values' and ideology (note the plural use of the term in the above quotation from Wilding) fails to attend to a fundamental feature of 'ideology'. Using the two terms interchangeably ignores the ways in which ideology is linked to the structures of interests, power and domination in the society. Absent from much discussion of what are often called 'dominant values' in the social policy literature is an analysis of how those 'values' relate to interests in the society. It is the linkage to the patterns of domination and subordination, and the maintenance, reproduction and transformation of those patterns that is central to ideology:

2 The confusion is epitomised by Hardy whose book is entitled 'Values in Social Policy'. The term 'values' is not defined or discussed at length anywhere in the book.
3 'Social administration' is a term widely used in the English literature to refer to part of the area defined in this thesis as 'social policy'.
Ideology refers to beliefs, attitudes and opinions that are socially determined. Implicit in the concept is the axiom that beliefs, attitudes and opinions are generated by our interaction with the world and the culture around us rather than by some black box in our minds. They are social rather than psychological phenomena (Donald, 1986:7). (Emphasis in original). 4

Furthermore, the significance of power and struggles surrounding power and domination are missing from the approach to 'values' in which policy is considered to arise from choosing between competing 'values'. Thus, competing 'values' cannot simply be equated with the positive use of ideology, or with the use of ideology as a classificatory tool:

The field of ideology is one of permanent conflict and contestation, between opposing ideologies or between dominant and subordinate ideas... What is being struggled over is, precisely, which ideas will become dominant in a particular epoch, social formation, or social group, since that will help to determine how people act and what policies and programmes of action they are willing to support. This is in essence a struggle over the disposition of ideological power (Hall, 1986:11). (Emphasis in original).

This 'choice' between competing 'values' is well illustrated by Deakin; welfare provision arises, he argues, from choices between what he identifies as the four key 'values' in welfare - liberty, equality, democracy and efficiency:

Clearly in setting out to devise an ideal system for the delivery of welfare in modern society, the choice of the major values that the system should be designed to reflect ought to be a crucial factor in determining which functions the state performs ... and which are reserved for the private or informal sectors of welfare (Deakin, 1987:25).

'Values' here are understood to be the determinant which leads to one policy choice rather than another. The particular policy chosen is the outcome of the resolution of the dispute between conflicting 'values'. Such an approach is also adopted by George and Wilding (1976). (See also Deakin, 1987; Titmuss, 1968).

4 Use of the word 'determined' in this quote should not be taken to imply an acceptance of a determinist approach to ideology. It is a poor choice of words in the original, and does not reflect the discussion in the original source. See chapter one of this thesis for comments on the inadequacies of a determinist approach to ideology.
The implications of the failure of much of the social policy literature to attend to the critical aspect of ideology produce results which Lee and Raban argue are self-evident:

*people occupy different moral and political camps and the development of social policies simply reflects a process of compromise between them* (Lee and Raban, 1983:29).

These arguments do not mean that ideas, beliefs and opinions are not expressed by individuals and are not important to individuals; rather the argument is about the way that those ideas, beliefs and opinions are formed, created and translated into action. Ideologies are expressed at an individual level, but are organised and developed socially; they do not fall out of the sky or arise ex nihilo. 'Choice' between differing viewpoints does take place, but we are not totally free agents in making those 'choices', as the social policy literature so often implies.5

The distinction and connection between the individual and social components of ideology is neatly captured in the Open University publication:

*Ideology, although it provides individually held beliefs, involves the maintenance or modification of power relations between groups or classes* (Donald, 1986:46). (Emphasis in original).

This distinction between ideology and 'values' is fundamental to the discussion about both the Departmental use of 'values' and the way in which that term was used in the Report of the Royal Commission itself. Use of 'values' as described above and as defined by the Departmental submissions reflects a number of features of ideology. In particular, the link between ideology and interests, the dual usage of ideology as an arena of struggle and contest are all reflected, to varying degrees, in the ways that 'values' are used in both the Departmental submissions and in the Report. Dissimulation and reification, discussed in chapter one, are clearly at work here.

By treating 'values' as a matter of choice, the interests that operate in society and the power attendant on such interests are ignored. Indeed, such interests and power are treated as if they did not exist. Second, reification is reflected in the lack of any effective exploration of

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5 The freely choosing individual is particularly noticeable in the social work literature where 'values' are usually treated as individual properties. For a recent example of this, see New Zealand Association of Social Workers (1990).
the social order. That order is taken as a given and the historical roots from which it derives remain neglected. The current social structure is seen as permanent and natural.

Early submissions from the Department of Social Security included three Papers on 'values'. These Papers were referred to frequently in later submissions, and were regarded as central by the Department in the proposals that they made to the Commission. 'Values':

*are seen to be the justification for the existence of social programmes (Department of Social Security, Paper 3:1).*

The four central 'values' (discussed more fully below) were described as:

*the central ones underlying income maintenance programmes (Department of Social Security, Paper 3:6).*

Similarly, the Report of the Royal Commission set out a discussion on 'values' in chapter three (Report of the Royal Commission on Social Security in New Zealand, 1972). The Report returned to those 'values' from time to time in its substantive discussion of specific social security areas, as the Departmental submissions had done.

### 2. IDEOLOGY AND THE 'VALUES' OF THE DEPARTMENT OF SOCIAL SECURITY

The separation of 'values' from their social context was well exemplified and illustrated in the Departmental approach to 'values' and social security provision. The decontextualisation of 'values' and the consequent assumption that decisions flowed from individual 'value' choices was well illustrated in the definition of 'values' used in the Department of Social Security submissions and in the arguments advanced in those submissions about how 'values' were acted upon:

*Value is defined as any aspect of a situation, event, or objective, that is judged good, bad, desirable or undesirable and so on... Such value assessments will ... give meaning to human activity and will in the first instance dictate the kind of social programme adopted (Department of Social Security, Paper 2:5).*
The relative importance of any one value will vary from person to person, group to group, society to society and from time to time, as also will the relations between values... It does not seem necessary to always think that if one value is adopted in a community it necessarily excludes another. This would imply simply that society, as a group of individuals, acts always in complete unison, which of course it does not (Department of Social Security, Paper 2:5).

'Values' were considered to compete with one another, a competition that was resolved by individuals or groups exercising different choices. Such choices allowed:

*for the natural variation in the relative weights with which individuals or groups in society hold various values* (Department of Social Security, Paper 2:5).

These 'values' may change over time, but again such change was not conceptualised as being linked to social change. Rather, change was seen to result from changes in the ideas and preferences of individuals or groups. 'Values' then were individual or group attributes, particularly the former. They reflected personal preferences and desires.

By focusing on 'values' in this way, the Departmental argument separated the provision of social security from the structure of interests and of power in the society. The concept of ideology allows those 'choices' to be linked to that structure of interests and of power. Furthermore, using the concept of ideology also demonstrates how social security provision reflects and results from ideological struggles within the society. Using the concept of ideology permits a dynamic examination of social security; 'values', as used by the Department of Social Security, makes such an examination impossible.

The overall purpose of the Departmental discussion on 'values' and their place in social security was summarised at the beginning of Paper Three from the Department of Social Security. Together, it was argued, Papers Two and Three attempted to:

locate the values which appear to be most central to programmes directed to enhance economic well-being. 'Economic well-being' represents all aspects of living related to material goods and services, and is a measure applicable to all persons in all societies (Department of Social Security, Paper 3:1).

This is a good illustration of the way in which 'values' were treated in an idealised, abstracted sense. By positing economic well-being as being applicable to all, the vast differences
between wealth and poverty were ignored. Economic well-being has very different meanings for different class interests; it is clearly ideological to pretend otherwise.

The significance of 'values' for the Departmental arguments was neatly expressed in the first submission on 'values':

*It is hoped to use the framework developed here to identify values which influence attitudes on economic well-being and to suggest alternative approaches to income maintenance which can result from these* (Department of Social Security, Paper 2:15).

'Values' were clearly very important to the Departmental argument.

Apart from a Background Paper, the submissions on 'values' from the Department of Social Security were among the first Departmental papers presented to the Commission. The Department prepared twenty two Papers as submissions for the members of the Royal Commission. In addition to those Papers, the Department prepared a further submission setting out a proposal for a change in the benefit structure. This was prepared as a response to submissions made to the Commission. (For an outline of the proposal, see chapter six).

The Departmental argument in Papers Two and Three was broken into three parts - central 'values', modifying 'values' and criteria for assessing social security programmes. The remainder of this chapter discusses the first two parts, because these components were directly linked to the arguments on 'values'; the criteria were not directly linked to these arguments. The discussion will demonstrate clearly the ideological basis of the approach to 'values' both in the submissions and in the Report of the Royal Commission. I will concentrate on the central 'values' initially before moving on to the modifying 'values' in the next section.

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6 The Department also presented a Background Paper of a descriptive nature, setting out such matters as current social security provisions and the structure of the Department of Social Security; this particular Paper included a supplement which set out benefit rates for each benefit from the time when each particular benefit was introduced.

7 The criteria used were equity, effectiveness and efficiency. They were described as: *criteria which could be helpful in focusing attention upon different aspects of a social programme* (Department of Social Security, Paper 2:13). It is for this reason that I have separated them from the material in this chapter. They are included in Appendix Three.
(A) THE CENTRAL 'VALUES'

Four 'values' were identified - life and health; belonging and participation; equality of economic well being, and security of status. These four 'values':

taken either singly or in combination, are capable of explaining the nature of all programmes designed to redistribute or lift levels of economic well-being. Consequently the values ... relate generally to measures which change the levels of economic well-being (Department of Social Security, Paper 3:1).

Alongside each 'value' was placed an objective which would allow for the testing of the particular 'value' to which it (the objective) referred. Such testing was considered to be crucial, because it would permit assessment of whether or not the aims of the programme had been achieved:

social objectives should be expressed in terms which make it possible to measure the objectives. This is not simply to make the purpose of a programme open and explicit, but because it is only if an objective can be measured that the achievement of a social programme may be validly assessed (Department of Social Security, Paper 2:3).

Set out below then are the four 'values' outlined by the Department. In each case, I have linked together the definition in the Departmental Paper and the statement of the relevant objective. I will set out the core of the Departmental statement for each 'value' before moving on to a general discussion of the ideological basis of the Departmental approach.

'VALUE': LIFE AND HEALTH

Life and health is good:
To ensure for all individuals access to a level of economic well-being sufficient to maintain life and health (Department of Social Security, Paper 3:2).
Objective: to preserve the life and health of all individuals of the community for the longest possible time; ... to ensure for all individuals access to a level of economic well-being sufficient to maintain life and health; ... need may be taken to mean lack of the additional goods and services necessary to ensure life and health (Department of Social Security, Paper 3:9).

'VALUE': BELONGING AND PARTICIPATION

Belonging and participating is good:
To ensure for all individuals access to a level of economic well-being not in essence below that which is most normal in the community in which they live (Department of Social Security, Paper 3:2).

**Objective:**
to ensure that all individuals are able to belong and participate in the community in which they live; ... to ensure for all individuals access to a level of economic well-being not in essence below that which is most normal in the community in which they live; ... need is present when any individual is below that level; ... there is considerable difficulty in determining the point in economic well-being where belonging and participating is withdrawn (Department of Social Security, Paper 3:12).

'VALUE': EQUALITY OF ECONOMIC WELL-BEING

**Equality of economic well-being is good:**
To ensure for all individuals access to a level of economic well-being not in essence different from any other person in the community in which they live (Department of Social Security, Paper 3:2).

**Objective:**
to ensure for all individuals access to a level of economic well-being not in essence different from any other person in the community in which they live; ... need may be stated as the difference between the present level of economic well-being of an individual and the average level of economic well-being in the community... Needs must be reduced to non-essential differences, and the meaning given to non-essential will depend upon the strength with which the value 'equality' is held by the community as a whole in relation to other values (Department of Social Security, Paper 3:15).

'VALUE': SECURITY OF STATUS

**Security of status is good:**
To ensure access to a level of economic well-being not significantly different from that which an individual previously had, and to maintain that level relative to all other individuals (Department of Social Security, Paper 3:2).

**Objective:**
to ensure security of status for all individuals in the community; ... to ensure access to a level of economic well-being not significantly different from that which an individual had, and to maintain that level relative to all other individuals... Need ... represents the difference between the level of the objective and his current level of economic well-being (Department of Social Security, Paper 3:18).

The subsequent discussion in the Department's paper about these four competing 'values' was couched in very general terms. It was argued that the objectives met would depend on the strength of 'values' and whether there were any contradictions between the 'values', because society may act on more than one 'value'. Equality and security were seen to be in contradiction, and, it was argued, the preservation of life and health required a minimum
amount of goods and services. If the average level of economic well-being in the community was lower than that required for life and health:

*no amount of redistribution will achieve the objective and the average level of economic well-being must be raised... Other objectives [which relate to belonging, equality or status]... can be met regardless of the average level of economic well-being. In principle, these three objectives may be met simply by means of redistribution. Therefore the attainment of these objectives will depend primarily upon the strength with which these three values are held... The four values discussed in this paper cannot be placed in an order other than that of the strength with which they are held by a person or a society.* (Department of Social Security, Paper 3:19).

The argument that these ‘values’ cannot be put in order is a clear and powerful illustration of ideology in practice. Such an ordering does occur, whether explicitly or implicitly. It becomes critical therefore to know on what basis the ordering takes place, whose interests dominate the ordering, and what the implications of this are. Ideology provides a much more powerful route to understanding these processes because of the link that is made between ideas and the social interests represented in and linked to those ideas. Ideology makes it possible to ascertain which interests are accelerated and which interests are retarded by a particular social security decision.

The weaknesses of approaching choices on the basis that they reflect one particular ‘value’ rather than another was that choices of ‘values’ were seen to arise from conscious and intellectual processes, and there was no connection with the social structure - it was an idealistic basis. ‘Values’ and choices reflect Thompson’s (1984) three sub-components of ideology discussed in chapter one, namely dissimulation, legitimation and reification. They also reflect both the positive usage of ideology and the notion of ideology as an arena of struggle. By understanding and using ideology in this way, a more accurate, more dynamic approach to the ‘competition’ between the ‘values’ becomes possible. The base from which the ‘values’ were derived was taken for granted rather than itself being the subject of exploration, analysis and examination.

The Departmental discussion on inequality was particularly illustrative here. When discussing redistribution, the submission argued that redistribution took place in a vertical direction. As I have demonstrated in chapter four this flies in the face of the limited available evidence; however, Departmental support for such an assertion, carrying the authority of the state, helped to give such claims legitimacy. Similarly, the failure to attend to the available
evidence allowed the Department to assert that there was little poverty in New Zealand. Again, the evidence pointed in a different direction. While this evidence was scattered, it is of interest to note that it was not attended to, a significant omission given the Department's argument that 'values' needed to be tested against 'objective' evidence. Failing to discuss the pattern of inequality is, of course, of considerable advantage and benefit to those who are the most powerful.

The failure to attend to the processes which generate and maintain inequality was embodied clearly in some of the discussion on security of status where it was argued that:

\[
\text{the forces which make for differences in income cannot be controlled...}
\text{Certainly the forces are multiple - they cannot be simply said to be the result of a competitive labour market alone nor of productive input alone (Department of Social Security, Paper 3:17).}
\]

Throughout the arguments, the existing order was taken for granted; to use Thompson's (1984) term, it was reified. There was no exploration of the interests that might be served by the present income distribution patterns. Certainly, there was a strong commitment to protecting those worst affected by those income distribution patterns. However, the possibility that the existing income distribution system might be connected to the problem of poverty was not even raised. Failure to explore this question provides a very good illustration of the dissimulatory aspect of ideology; if the question is not asked, then there will be no examination, even cursory, of the interests that may be served by the current pattern of income distribution. Certainly, the Departmental arguments were an advance on allowing totally free operation of the market and represented an argument for state intervention in the market. By building its arguments around 'values' rather than ideology, the Departmental submissions were unable to ask basic questions about income distribution arising from the market. Similarly, they were unable to examine the implications for social security of that 'naturally occurring' income distribution. The market was taken for granted, and the interests concerned remained hidden. To use the language of this thesis, the market was dissimulated and reified.

The Departmental submissions drew on a number of studies from the United Kingdom and the United States. These studies were quoted to support an argument that redistribution and equality as welfare state goals had failed, with the better off being the greatest beneficiaries from the welfare state. This argument was an important contribution to the ideology (in the
positive sense of ideology) being advanced by the Department. However, those studies were used inaccurately.

The Departmental submission argued that Richard Titmuss had emphasised the middle class advantages arising from the development of the welfare state.\(^8\) However, it was an incomplete summary of his argument to claim that this led him to reject equality and redistribution as important goals. Indeed, Titmuss argued strongly that the redistribution through fiscal and occupational welfare was substantial and required careful government attention. In essence, he was arguing for a more comprehensive understanding of and approach to redistribution within the welfare state (Titmuss, 1968). This point was well captured in an earlier article, quoted by the Department of Social Security (Paper 3:15), where he concluded a review of redistribution in health, education and housing by commenting:

*These are no more than illustrations of the need to study the redistributive effects of social policy in a wider frame of reference.* (Titmuss, 1965:20)\(^9\)

Marshall's argument was slightly different in that he noted, as the quotation in Paper Three from the Department of Social Security indicated, that redistribution may be lateral. However, he was not rejecting equality, but rather distinguishing between:

*a qualitative equality of welfare that can co-exist with a qualitative equality of income* (Marshall, 1966:40).

While his discussion on equality in this article is at times ambiguous, it was also given a selective and incomplete interpretation in the submissions. For example, later in the same paragraph from which the quotation in Paper Three of the Departmental submissions is drawn, Marshall argues:

*Free or subsidised services ... may appear to equalise real income, but say the critics, the expansion of such activities from the working to the middle classes benefits the latter rather more than the former. This is a superficial view* (Marshall, 1966:39). (Emphasis added).

\(^8\) Titmuss was one of the authors they quoted widely; he was an eminent British writer on the welfare state.

\(^9\) For a further discussion of Titmuss' approach to selectivity and universality in social policy, see chapter six.
Thus, the ideology advanced by the Department, and the ideological basis on which its arguments were built, was supported and illustrated by an inaccurate and incomplete use of supporting arguments. This use of supporting arguments was important in giving legitimacy to the Departmental arguments.

The argument on the 'central values' was supported by a discussion of 'modifying values'. It is those 'modifying values' to which I want to turn next.

(B) MODIFYING 'VALUES'

The discussion on the four 'values' above was augmented by a further submission which discussed what were described as further 'values' which:

*have traditionally tended to modify programmes concerned with levels of economic well-being* (Department of Social Security, Paper 4:1).

The 'values' included in this grouping were: dignity, independence, work, wealth, freedom, and worthiness. These were identified separately in the submission, but they were, of course, closely connected to one another. Indeed it is important to see those connections. The utilisation of those terms had an important influence on the level of social security benefits and the rules and regulations under which social security should be provided. The Departmental argument recognised their impact:

*The relative importance attached to these values can influence the coverage, conditions of eligibility, structure, or levels of provision under social programmes which increase or redistribute the levels of economic well-being within the community* (Department of Social Security, Paper 4:1).

However, the Departmental emphasis which approached 'values' as arising from rational choice, abstracted from the social structure, meant that the 'relative importance' could not be explored adequately. The concept of ideology is necessary to produce an adequate exploration because of the way in which ideology is linked to the social structure.

Those modifying 'values' identified here were not defined in the way that the other four 'values' were. Nor was any objective specified. It is therefore not possible to summarise

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10 Their significance is shown in a detailed way in the next four chapters.
these modifying 'values' in the succinct way that could be done with the four 'values' discussed above. Rather, I will precis the Departmental comments on each 'value', and make brief comments on that 'value' as appropriate. The section will conclude with some general observations about the modifying 'values'.

DIGNITY

Dignity was seen to be related to the preservation of individual dignity:

*It is recognised that there are strong links between self-respect and work... The Royal Commission has already heard a number of views, especially about supplementary assistance, which reflect the strength of the value attached to dignity (Department of Social Security, Paper 4:2).*

Dignity and work were linked together, with stigma tending to be attached to those who were out of work. It was this stigma which was associated with lack of dignity.

INDEPENDENCE

Independence was defined as taking responsibility for one's own personal well-being. The submission went on to say that the ethic of independence had been increasingly associated with the long struggle to reach a goal, the achievement of which stemmed from personal effort, the 'self-made man'. Poverty in this context becomes defined as a character defect associated with a lack of effort, and with dependence. Independence and work were, then, closely aligned. The emphasis on independence had occurred, it was argued, at a time when economic self-dependence was becoming more difficult because of interdependence:

*For all the apparent strength of the independence value in western societies there are strict legal and social limitations on its range of applicability (Department of Social Security, Paper 4, p.6).*

WORK

Work, it was argued, had come to mean paid work and was generally associated with independence. It was not however applicable to all societies, but was a particular feature of industrialised societies:

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11 The late 1980s and early 1990s have been characterised by persistent attacks on social security recipients as 'dependents'; these attacks have been particularly strong from Cabinet Ministers and other powerful interests.
Out of this arises the social status of the individual (Department of Social Security, Paper 4:8).

The submission went on to identify some of the inconsistencies that had arisen from the connection between work and income, namely that the work/income connection was used to keep down the income of the poor but not to limit the income of the idle rich or to contain inheritances. Quoting Frankel:

The concept of 'welfare', even in its most reduced and minimal sense, is thus connected to a moral code that places special value not so much on work as on the work of the poor (Department of Social Security, Paper 4:10).

They concluded by pointing out that there was considerable confusion about the relationship between work and economic well-being, for there was no necessary relationship between the two.

**WEALTH**
There was, they argued, no necessary incompatibility between economic 'values' and aesthetic and moral 'values':

Personal values are reflected in a country's national objectives and such things as increased productivity and increased national income are seen as being held as good in themselves (Department of Social Security, Paper 4:13).

If increasing wealth was seen as simply a means to an end, namely redistributing to the poor, then there was:

no alternative to choosing either explicitly or implicitly from ultimate objectives if we wish to give the pursuit of wealth meaning (Department of Social Security, Paper 4:14).

**FREEDOM**
Social security, it was argued, can increase freedom:

In fact, the view of the State as the agent of the individual, extends individual freedom, when it accords with individual wishes, since the State is often able to do what an individual cannot do by or for himself. This is particularly so in the matter of maintaining or redistributing levels of economic well-being. If the view of the State as an agent for the collectivity
of individuals' wishes is valid, the choice of any or all the central values underlying income maintenance programmes, made in the context of the wishes of the New Zealand community, can be regarded as extending rather than inhibiting the freedom of the individual (Department of Social Security, Paper 4:16).

WORTHINESS

The 'worthiness' of a person to receive benefits was seen to be determined by other than economic factors - work and wealth 'values' were considered to be important in this. For income maintenance programmes then, there was a tendency for the rights arising out of the four central 'values' set out above:

\[ \text{to be conditional upon a community sense or feeling there to be a fulfilment of certain duties of the individual in the community, or a helplessness or lack of control by the individual over the situation which brought about the need or in the situation of need itself (Department of Social Security, Paper 4:17).} \]

It was also possible for benefits to be withdrawn completely if the individual was seen to be outside the community. These criteria were seen to denote whether a person was seen to be in good standing:

\[ \text{Obviously the groups which a society treats as being deserving or not deserving at any one time will depend on the values which are held by society (Department of Social Security, Paper 4:18).} \]

Work records and residency were also considered important in establishing rights, as part of the 'worthiness' 'value'. The paper went on subsequently to argue that knowledge of whether a person or groups was needy or not was crucial in determining eligibility for benefit payments (Department of Social Security, Paper 4:18-19).

These six 'values' incorporate a range of ideological elements; they illustrate and demonstrate in an unmistakeable manner the strength of approaching such questions through the use of ideology rather than 'values'. Only through using ideology is it possible to link these 'values' with the interests and power structure operating in society. Such a linkage avoids a number of difficulties and illustrates the links between these issues such as worthiness, work, dignity etcetera and the rules and regulations surrounding social security provision.
The discussion on 'worthiness' in the Departmental submissions is a good illustration of the ideological aspects contained within social security. The arguments advanced by the Department ignored the substantial historical evidence which clearly points out the consistency with which the unemployed, single parents, the 'able bodied poor', have been included among the undeserving (Deacon and Bradshaw, 1983; Page, 1984; Spicker, 1984). The assertion in the Departmental submissions that the deserving and undeserving would change over time failed to give adequate consideration to the historical development of social security. The Departmental arguments masked the interests that are served by the processes of selection or rejection. These interests reflect the structure of interests in the society in that it is the weak and powerless who are rejected for inclusion amongst the worthy.

The submissions did not deal with how such decisions were made, and the forces and classes which engaged in contestation around the decisions. The submissions seemed to imply that decisions arise in some automatic, spontaneous fashion. The Department argued that knowledge about need, and lack of control or helplessness on the part of the individual were both vital factors in deciding whether a person was worthy to receive a benefit. As I have indicated this is historically unsupportable, and implies that policy decisions arise from rational processes, not from ideological and political struggles. Knowledge may be a factor in deciding whether a group is deserving or undeserving. It may be used to contribute to such decisions, but knowledge is not sufficient to provide an adequate explanation of why and how such decisions are made. The argument that knowledge and lack of control are crucial in establishing 'worthiness' cannot adequately explain the continued stigmatisation of particular groups.

The Department had argued earlier that moralism and criticism were disappearing, while in the section on 'worthiness' they acknowledged that these were important considerations affecting benefit eligibility. The 'values' that lead to this judgement were taken for granted; the social basis on which they were built was ignored, as was the possibility that such 'values' might serve some interests and not others.

Similar arguments can be advanced in relation to the comments made in the submissions about 'independence' and 'dignity'. The submissions claimed that 'independence' was a 'value' of limited utility, but did not pursue the implications of this at any length, particularly in relation to the unemployment benefit. The maintenance and promotion of 'independence'

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12 I will return to the 'deserving poor' again in chapter seven.
is a crucial part of the work ethic; in its turn, the work ethic has always been fundamental to the promotion of unemployment benefit, in particular, and indeed to social security benefits generally.

The Departmental arguments on 'dignity' included some comments on stigma. Stigma was described and interpreted in purely individual terms. By this I mean that stigma was understood to stem from unfair and paternalistic treatment, an approach which it was argued no longer applied (Department of Social Security, Paper 4:5). Stigma was considered to be related to the ways in which beneficiaries were treated when they apply. (For further comments on stigma in social security, see chapters two and seven). The indignity of poverty was neglected, and there was only a passing suggestion that having inadequate and insufficient money might in and of itself reduce or eliminate dignity. Once again, the operation of social security was approached apart from the society in which social security was located.

The contradictions in social security facilitate a clearer understanding of why stigma takes place. Stigma is integral to social security in a society where the market (and success in the market) determines income distribution. Understanding of the ways in which ideology operates in and through social security provides a more comprehensive understanding of the reasons for stigma. Explanations of stigma which resort to discussing administrative systems or the behaviour of those working in such systems is necessarily incomplete and inadequate. Ideology, on the other hand, allows an approach to stigma in which it is possible to identify the reasons for stigmatisation of beneficiaries. These reasons result from the importance of strengthening and sustaining the basic importances of paid work, and of the superiority of income earned in the market place. Stigma also serves to discourage dependence on the state and to encourage reliance on the market. The concept of ideology makes such analysis possible, an analysis which links stigma in social security to the structure of society.

The approach to 'modifying values' also demonstrates the limitations in adopting the 'values as choice' approach outlined at the beginning of this chapter. The limitations and consequences of such an approach were outlined there. The identification of six 'modifying values' summarised above clearly implied that the state had the task of 'choosing' which 'value' or 'values' should be 'chosen' as the determinant of a particular policy. The argument reified the state in that it (the state) was placed outside the society. The 'choice'
exercised by the state was not considered to have any relationship to the society as a whole. The state was regarded as being outside the society.

The concept of ideology allows for a discussion of the potential and actual conflicts alluded to in the submissions or identified therein. Thus, the challenge to the link between income and work, touched on in the submission, could have been pursued. Similarly, ideology permits an examination of the difficulties raised in the discussion on independence. The approach to 'values' used by the Department of Social Security and in the Report meant that these conflicts could not be adequately resolved. Use of the concept of ideology facilitates a resolution of this conflict.

One final matter warrants some comment, namely the argument that state social security provision may increase freedom. This is obviously a challenge to the dominant ideology and dominant interests which aim to limit state intervention on the basis that such intervention limits freedom. While approaching state provision of social security as a positive contribution to human freedom is a potential harbinger of significant change, this potential was lost here because of the way in which the state was seen as an agent of individual wishes, acting in accordance with those wishes. The possibility that state action may increase freedom is a powerful argument in support of adequate state income support. This potential is lost here because of the way in which that action is linked to individual wishes; freedom is only increased if state action accords with individual wishes. This linkage leaves a key question unanswered, namely whose wishes will be responded to. Ideology makes a satisfactory answer to this question possible. Ideology links the answer to the outcome of struggles between competing groups and to the structure of domination and interests in the society.

3. 'VALUES' AND THE REPORT

The Commissioners adopted the Departmental approach almost totally and uncritically. They acknowledged their debt to the Department, commenting on the:

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13 See chapter seven for a fuller approach to the positive and negative uses of freedom.
In a section headed 'Community Values and Aims', the Report began with a brief comment on how 'values' change over time and varied in different communities. (See Report of the Royal Commission, chapter three). These 'values' may be in conflict or overlap with one another, but, the Report claimed it was only possible to make a subjective judgement of their strength. As I demonstrated above, it is clearly ideological to separate 'values' from the structure of society and to reduce 'values' to individual, atomised properties. The ideological basis and implications of such a separation were as significant for the Report as they had been in the Departmental submissions.

After emphasising the individual choice involved in selection of 'values', the Report proceeded to summarise the four central 'values' set out by the Department, namely maintenance of life and health, belonging and participation, equality of economic well-being and continuity or security of economic status. In the subsequent discussion, the Report briefly identified a goal associated with each of these 'values'. These are set out below in Table Eight.

### TABLE EIGHT

**'VALUES' AND GOALS - ROYAL COMMISSION ON SOCIAL SECURITY**

<table>
<thead>
<tr>
<th>'VALUE'</th>
<th>GOAL</th>
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<tr>
<td>Life and health</td>
<td>Subsistence</td>
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<tr>
<td>Belonging and participation</td>
<td>Belong</td>
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<tr>
<td>Equality in economic well-being</td>
<td>Equality</td>
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<tr>
<td>Security of status</td>
<td>Continuity</td>
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It is worth quoting at some length the Report's discussion about the relative significance of each of the 'values', and how those should form and inform social security provision. In its
assessment of which of the 'values' should serve as the basis of social security, the Report concluded that the goal must depend on:

>a clear idea of whom one is trying to help. We think that it is those who, for various reasons, cannot adequately help themselves. The subsistence and belonging goals are specifically directed at helping such people. Equality goes beyond them, and seeks to raise the standard of living of all whose present standard is below an average and to reduce those above towards that average. Continuity (when it goes beyond belonging) aims specifically to help those who wish to preserve higher individual standards than belonging can confer. Thus the problem is seen first as one of priorities, and, second, as one of degree. We believe (and we are confident that most New Zealanders would agree) that subsistence is the first priority, and that belonging is a highly desirable objective. There is room for doubt whether the community should accept the primary responsibility for ensuring continuity of past individual income levels. If a social security system ensures belonging this may be as far as the community should go, leaving it to the individuals to provide any higher incomes, and perhaps having the State ensure reasonable opportunities for doing so. We are far from satisfied that absolute economic equality is a value strongly sought in the community. In any event we do not see it as an aim of social security, but equality has some relevance for us in the senses of equal treatment and of equity between families with and without children. (Report of the Royal Commission, p.64).

Many of the comments made above when discussing the Departmental submissions can be made here with equal validity. In particular, as the Department of Social Security had done, the Report failed to link 'values' and the social structure within which those 'values' were located. The links between the arguments in the Report and the interests in the society were demonstrated by the approach to equality. Equality was rejected because, it was argued, it had little support. However, subsistence was accepted as a goal despite the acknowledgement in the Report that it had little support in the submissions as an appropriate aim. The 'values' chosen then reflected the interests to which they were linked, not the level of support from those making submissions. By dismissing equality as a 'value', the Commission did not need to explore the extent to which redistribution might be a requisite component of an effective response to poverty. Indeed, the explicit rejection of equality made such an examination impossible. The ideological processes which are at work in the society were vital in shaping the approach to social security adopted in the Report. Because of those processes, and their effects, the Report was unable to locate social security within the overall pattern of income distribution. The result of basing social security development and provisions around 'values', as the Report did, was ideological because of the failure to discuss or examine this overall income distribution pattern.
Before leaving this section, a brief comment on the cultural component in 'values' is required. The argument from the Department of Social Security acknowledged the importance of taking into account the culture of the society in which the programme was located, building on the positive features of existing practices and 'values'. It is of interest to note, however, that the submission drew heavily on American culture in making the arguments. For example, the two principal references which were used were both from the United States. There was no reference in this section to New Zealand histories, for example, or to any other sources which would contribute to a New Zealand perspective. The only exceptions were two brief quotations, one from the Social and Cultural Committee of the National Development Conference (National Development Conference, 1969), and the other from the Royal Commission on Compensation for Personal Injury (Report of the Royal Commission on Compensation for Personal Injury, 1967). Similarly, given New Zealand's colonial settlement roots, there was a conspicuous absence of British literature in this discussion. The concept of ideology would have allowed and encouraged a consideration of the historical roots of New Zealand society, both its maori and pakeha settlement. Ideology would have linked social security provision with those roots, because such provision would be linked to the society and its structure, rather than being separated from that structure. The historical features are a very important part of the structure.

CONCLUSION

'Values' have been used extensively as a central part of social policy study. However, the concept is limited and inadequate as an explanation of social security policy and provisions because 'values' are abstracted from their social context. They are considered in splendid isolation, as if they fell from the sky like autumn leaves. Ideology, with the linkage to the interests in society, and understood as a dynamic, contested arena, is a much more powerful and productive explanatory tool. It is this theoretical strategy that allows the rules and regulations regarding social security to be linked to the society in which they are located.

The Departmental approach which emphasised central and modifying 'values' could not provide an adequate analytic framework for explaining social security provision because that

\[14\] It will be recalled that earlier in the chapter I commented that cultural membership was seen to be important in shaping 'values'.
framework failed to link 'values' to the structure of interests and of power in the society. This separation between 'values' and the social structure meant that the Department took the existing social order for granted, and the social order was thereby reified. The implications of this approach were well demonstrated in the approaches to equality, to redistribution, to worthiness, to the historical and current approaches to stigma and to the deserving and undeserving poor. The Departmental arguments in each of these areas failed to attend to the ways in which all of these crucial parts of social security are linked to society. The Departmental approach severed that link, and was, therefore, unable to adequately examine the basis of social security.

There were points at which the Departmental arguments suggested and argued for an approach to 'values' which would challenge the dominant interests. This was particularly true, for example, in relation to 'values' such as independence, work and freedom, to name three illustrations. In each of these three instances, the Departmental argument indicated, or stated, that the dominant view about work, about personal independence, and about the ways in which the state impeded freedom were inadequate. However, because the Departmental arguments separated those three 'values' from the social structure, the ideological manifestations of each 'value' could not be considered. The concept of ideology would have made such a consideration possible.

The Department did not simply reflect the dominant ideology in an unreflexive way. As I argued in chapter one, ideology is an arena of struggle and contest; it is not all enveloping. There was a commitment by the Department to an active role for the state in responding to poverty. This is important because it is a significant challenge to an instrumentalist approach to the state which would see the state as simply responding to the dominant and powerful interests. It helps to highlight the importance of approaching ideology as an arena of struggle and contestation, and of adopting a dynamic rather than a static and reductionist orientation to ideology. Moreover, it reflects also the contradictory nature of state provision of social security; such provision must respond to the situation of the poor, but must do so in a framework that does not fundamentally alter the pattern of inequality and income distribution.

The contradictory and ideological features of social security are principal foci of interest in the next three chapters. The ideological basis of the Department's approach to 'values' provides an important background for those chapters. I want to turn initially to an important part of the
ideological struggle surrounding social security, namely inequality, and the causes and solutions to poverty.
CHAPTER SIX

IDEOLOGY, INEQUALITY AND POVERTY

Ideology affects the provision of social security in a number of ways. One of the most crucial is the way in which 'the problem of poverty' is defined and responded to. This chapter is concerned with the definition of poverty and with solutions to 'the problem of poverty', and with the neglect of inequality and of redistribution as a mechanism by which to solve the problem of poverty. This definition and response is explored in the following ways:

1. A continua to examine inequality and poverty.
2. The causes of poverty.
3. Solutions to the problem of poverty through selectivity and universality. The solutions are explored through an examination of three areas:
   (A) the submissions;
   (B) the arguments advanced by the Department of Social Security, especially in one key area, namely:
      (i) supplementary assistance;
   (C) the Report of the Royal Commission on Social Security.
4. Inequality and redistribution.

Ideology, in both the positive and negative sense, is particularly clearly revealed in the definition and response to poverty in two major respects. First, the problem of poverty is responded to in isolation from the pattern of income distribution in the society, and from the inequalities that are an inherent part of that distribution. As I demonstrated in chapter two, ideological processes provide a key link between the state, inequality, poverty and social security. This link is particularly powerfully and consistently demonstrated by the failure to incorporate considerations of income inequality into the discussions about both poverty and the response to poverty through social security. Ideology is reflected here particularly in that the interests of the powerful and dominant are well served by the current pattern of income distribution. It is in their interests to maintain, and indeed if possible, strengthen this pattern.
was certainly a very strong affinity between their positions. This affinity was graphically revealed in the argument supporting supplementary assistance; the wording of the Commission was almost identical to that of the Department quoted above:

*Supplementary assistance, with social work and a counselling and guidance service, gave the scheme a new flexibility, but in principle it was simply extending the attitude clearly accepted in 1938 of providing for those in need, whatever the cause of their need.* (Report of the Royal Commission, p.49).

There is one further element of the Commission argument that I should touch on briefly. This is the extension of the individualist ideology in the same direction I noted in some of the arguments from civil society, namely the need for services and programmes that 'resocialise' the poor. The euphemistic character of the quote is powerful; a system that produced increased hardship, as I demonstrated in chapter four, was described as 'flexible' and was linked with individualised, personal assistance. What is more a caring state had simply expanded on what was available under the 1938 Social Security Act. That Act certainly included an 'emergency benefit', but this was far removed from supplementary assistance. As was noted in chapter four, Sutch (1966; 1971) set out the implications and harshness of the supplementary assistance scheme that was first put in place in 1951. It is important to note too that the supplementary assistance scheme was quite different from the emergency benefit structure put in place in the 1938 Social Security Act. The emergency benefit arrangements were just that - to deal with an emergency not covered by the statutory entitlements. As is clear from the discussion already, supplementary assistance had become an integral part of the benefit structure. Ideological considerations led to it being described as an 'emergency benefit'.

The similarity was evident too in the emphasis on 'need' as the basis for social security provision. This emphasis on 'need' and individual assessment based on that 'need' was represented on a number of occasions throughout the Report. This was particularly clearly indicated in the statement of principles on which social security should be based; need was emphasised in three of the five principles:

(b) *Need, and the degree of need, should be the primary test and criterion of the help given by the community irrespective of what contributions are made.*

(c) *Coverage should be comprehensive irrespective of cause wherever need exists, or may be assumed to exist.*
Identification and measurement of need is essential if the primary test is to be observed. We believe that this is best done by establishing categories of people who are most likely to be unable to derive adequate incomes from the market system, or who are most likely to face unusual expense in maintaining an acceptable standard of living. It is still necessary either to:

(i) discriminate between those falling within a category (for example, the aged, the widowed, the sick) who need or do not need help or to find out how much help is needed (the selective approach); or to:

(ii) assume that need exists, and therefore dispense with further discrimination where the expectation of need within a category is high enough, and other considerations (such as the effect of taxation) are favourable. (This is the universal approach) (Report of the Royal Commission, pp. 65-66). (Emphasis in original).

The level of social security expenditure must be determined by need, and by a judgment (which we agree must finally be political) of what level of income support is fair and adequate relative to changing incomes and living standards in the community as a whole (Report of the Royal Commission, p.69).

This 'identification of need' should, the Commission argued, be based on assessment of the individual's own resources (Report of the Royal Commission, p.132). This emphasis was repeated on a number of occasions, with the Commission pointedly stressing the individual basis as follows:

A social security system designed to achieve the aims we refer to in chapter three necessarily involves testing for individual need and income (Report of the Royal Commission, p.140). (Emphasis in original).

'Need' was defined and interpreted in an entirely individualised way; the social basis of 'need' was ignored, and the 'needs' of the poor were seen to stem from their individual circumstances and, therefore, the solution was also an individual one. Universality was rejected because, it was argued, a universal approach could not meet the needs of individuals. The Commission argued on a number of occasions that a selective approach would mean more resources were available to provide for those 'in need'. Only through a selective system would sufficient resources be available:

If all categorical benefits were paid on a universal basis irrespective of individual needs or incomes, the strong probability is that benefit levels would be much lower than would otherwise be desirable and possible. Those whose need for help was proven would be disadvantaged simply because of the necessity to spread even more thinly whatever resources the community as a whole was prepared to make available. The community would be less able to ensure that every individual and family enjoys a standard of living consistent with the aim of belonging and participating.
The real choice lies between limiting the benefit unduly ... or paying larger benefits to those in the category who cannot adequately fend for themselves (Report of the Royal Commission, p.138). (Emphasis in original).

As Castles (1985) has pointed out, however, this flies in the face of the available historical evidence. The result is the opposite of what the Report claims; with a selective approach, benefit rates are lower rather than higher. The political and ideological pressures make such a result almost inevitable. Echoing an argument he had made in 1967 (Titmuss, 1967) Titmuss puts this succinctly when he argues that:

Separate state systems for the poor, operating in the context of powerful private markets, tend to become poor systems (Titmuss, 1968: 143).

The argument is also at variance with the New Zealand evidence outlined in chapter four. All New Zealand benefits, with the exception of family benefit and universal superannuation, had been selective, in the sense in which the Royal Commission used that term, since the 1938 Social Security Act. As I demonstrated in chapter four, poverty had in fact increased in the 1960s. Selectivity had not provided a basis for ensuring that 'needs' were met. The argument supporting such an approach to the solution of poverty was ideological. It was ideological in that it was argued that the state was responding to their needs, thus implying that the income distribution system was basically sound.

The Report emphasised selectivity on a number of occasions; selectivity should provide the basis for social security. A number of quotes could be used to illustrate and support this approach; the statements below summarise the general argument succinctly:

If any general trend can be discerned it is towards more selectivity, better income redistribution techniques, and better identification of need (Report of the Royal Commission, p.11).

We failed to find an alternative system which would be flexible and sensitive enough to deal adequately with poverty and need, while at the same time offering some universal benefits... As the first aim of any social security system must be to relieve poverty and need, the means of doing this adequately and at reasonable cost must be in the main selective (Report of the Royal Commission, p.14).

The reason is obvious - if a benefit is paid to all individuals in a given category irrespective of their incomes or needs, the cost of paying the benefit at a level which is adequate for those who are in need becomes too high. The result too often is that the benefit level is held down below the level of adequacy (Report of the Royal Commission, p.134).
The circumstances of beneficiaries vary so greatly... that no benefit level can exactly meet the needs of all of them. Unless the level is so high that the great majority are getting more than they need, some will inevitably get too little (Report of the Royal Commission, p.120).

A selective system demanded individual assessment:

If levels of community-financed aid are to be determined primarily by need within the dependent categories (as we think it should), some measure of relative poverty must be attempted, and some standard of 'adequacy' of benefit payments must be devised which takes account of the individual's or the family's own resources. To accept the principle of basing assistance on need clearly demands some sort of system for testing need. As we have noted, 'need' relates to the 'adequacy' of income to give a 'reasonable' standard of living compared to that enjoyed by most of the community... Poverty and deprivation affect individuals differently (Report of the Royal Commission, p.107).

A social security system designed to achieve the aims we refer to in chapter three necessarily involves testing for individual need and income. This cannot be done merely by selecting categories which are likely to contain people in need of help, such as the aged or disabled. Though many within a category will need help, many will not. With a universal system, some would receive too much, a state which cannot be adequately remedied by taxation (Report of the Royal Commission, p.140). (Emphasis in original).

The Report developed this argument by emphasising the variability in both circumstances and living expenses for different households, concluding:

Thus any categorical system of social security which, as in New Zealand, stresses meeting need must be selective, flexible, and somewhat more discretionary in its administration than might otherwise be necessary. It is in this context that the use of income or means tests, and supplementary assistance, have to be considered (Report of the Royal Commission, p.107). (Emphasis in original).

There were, the Report claimed, a range of factors which would affect the circumstances of beneficiaries. These factors were classified generally into personal, environmental and social factors. The Report went on to identify a list of more specific factors which required individual assessment; these included basic needs, and variation in these; costs of maintaining a child compared with an adult, and of a man compared with a woman; the costs of working; economies of scale and the relationship of needs to housing and overheads. The
Report argued that the variations arising from these factors necessitated a selective approach (Report of the Royal Commission, pp. 114-115).

However, selectivity was also important because of the fiscal implications; historically, social security was seen to create demand, but this had changed, the Commission argued:

*Under present conditions, the accent is rather on holding demand in check. If this is to be done there is an added reason why social security expenditure should be concentrated primarily in areas of need* (Report of the Royal Commission, p.7).

It is worth drawing attention to the use of the phrase 'holding demand in check' used in this quotation. There were no further arguments advanced as to why demand should be held in check, and the figures set out in chapter four make it clear that there had not been any dramatic increase in the total social security costs in preceding years. It is, therefore, reasonable to presume that the argument arises from broader ideological considerations aimed at keeping state responsibility to the minimum possible.

The Commission's commitment to 'adequacy' of benefits recurred throughout much of this argument, and as noted above was one of the reasons for supporting a selective approach:

*The community's first responsibility for income maintenance is to give benefits which will enable its dependent sections to reach an adequate standard of living. This can best be done by a system of selective flat-rate benefits and allowances* (Report of the Royal Commission, p.181).

Income tests were seen to be essential to the operation of a selective social security system, but were distinguished from means tests, the latter, it was argued, being limited to use with supplementary assistance (Report of the Royal Commission, p.151). However, while making this distinction, particularly around issues of stigma, the Commission also used the word 'resources' on different occasions, a word that has much wider meaning than just 'income'. (In addition to the quotation above, see also Report of the Royal Commission, p.139 for a further example).

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15 I have already demonstrated the failure of selectivity in New Zealand's social security arrangements in the 1960s.
Indeed, the Commission went to great lengths to separate means tests and income tests, reserving the latter for tests of current financial resources while the former term was used to refer to tests of assets, assets that may create income, if realised. Means tests, it argued, were not the degrading experience of the past:

The income tests whereby eligibility is established for most standard benefits was one basic feature of our system which did attract a good deal of criticism for infringing the dignity of recipients. It may or may not be significant that it was not social security beneficiaries themselves who were most vocal on this, and that the criticisms were in the main based on a theoretical assumption that means tests must be resented rather than on evidence that it was. While we would not deny that means tests can be applied, and have in past times been applied, in a way which could only breed resentment, we do not think that the two - means tests and resentment - are necessarily inseparable. And unless our system is to be fundamentally changed and based on something other than the relief of need, some sort of income testing is necessary and would indeed be demanded by the public (Report of the Royal Commission, pp.4-5).

Here the two terms - means tests and income tests - were used interchangeably, as if they referred to the same process. Elsewhere in the Report, the terms were clearly separated:

Income tests are an essential part of a selective system of social security focused primarily on need and designed to meet the standard-of-living aims set down in chapter three. We believe that income tests are liberal in New Zealand and can be administered with minimal loss of dignity to the benefit applicants. Means test do not exist in the New Zealand system except for supplementary or emergency assistance where such tests of special need are unavoidable (Report of the Royal Commission, p.151).

This frequent and quite sincere argument seems based on abhorrence of old style means test, rather than on experience with the present New Zealand income test ... If there is reluctance, and we do not doubt that there often is, it stems from the value which the community places on independence and privacy. Those in need object to disclosing their need to some State official or perhaps do not like to admit it to themselves (Report of the Royal Commission, p.140).

Except for supplementary assistance it is misleading to refer to income tests under our present system as if they were synonymous with the objectionable means tests of past eras... We regret that many submissions seemed to assume that any form of means test is, ipso facto, degrading, stigmatising, and unnecessary. If the social security system is to be basically selective for relative need, some test of the nature and extent of individual need compared with individual resources is necessary (Report of the Royal Commission, p.139).
Again, as I have argued above, opposition to means tests was understood in terms of individual behaviour, arising from individual experience. The 'community values' referred to were not linked in any way to the society or social processes. The Commission went on later to argue that support for universal benefits based on the stigma of means tests depended on how those tests were applied - the problem lay not with the tests themselves, but with those who operated them.

Selectivity rests on an assumption that poverty can be solved by individual assessment and assistance. This assumption skilfully serves to avoid any examination of the overall structure of income distribution in the society by focusing on the individual rather than the pattern of income allocation in which the poverty of the individual is embedded. The historical and international evidence all points towards selectivity failing to provide adequate levels of social security assistance. The failure of the New Zealand social security scheme to prevent poverty was clearly established in chapter four. Selectivity is important then because of the way in which it serves to hide the interests that are promoted by the current structure of income distribution, and because it reduces state intervention in the market distribution. The natural processes of the market remain undisturbed.

The emphasis on selectivity in the Report did not reflect the views of those making submissions. It will be recalled that the organisations making submissions on behalf of beneficiaries or as direct representatives of beneficiaries and working class people, were opposed to means tests. The support for such tests came from powerful interests in civil society to use Gramsci's term, (Hoare and Smith, 1982) and from the state. The arguments of those interests prevailed; the ideological struggle was settled in favour of the dominant and powerful interests. Means test, as tests on assets, have a greater effect on higher income earners than they have on lower income earners, because higher income earners are more likely than lower income earners to have assets, particularly expensive assets. Thus, powerful and dominant groups have more to lose from asset tests, or means tests, to use the distinction made in the Report.

The influence of those interests, and of the attendant ideology, was reflected also in one further area that needs discussion before closing this chapter, namely inequality and redistribution. This is the focus of the next section.
4. INEQUALITY AND REDISTRIBUTION

The Commission was characterised by very limited discussion of the fundamental significance of inequality and redistribution. Only a small number of submissions discussed the issue at all. However, with this small number there were clear indications of the ideological struggles which this topic presumes. The vital importance of the struggles surrounding inequality lie in the fundamental core of the topic, namely that inequality and redistribution are concerned with the basic processes of production and distribution and thus represent some of the most fundamental struggles surrounding relationships between dominant and subordinate groups in society. What is of interest for our purposes, however, is that few of the groups representing (and close to) the most dominated pursued inequality and redistribution with any vigour. The pursuit of equality and of redistribution as central concerns was most actively advanced by the trade union submission and by two private individuals, one a social worker and the other an economist.16

Those submissions which concentrated on inequality and emphasised this as crucial to the cause and solution of poverty can be most appropriately located towards the collective end of both the cause and solution continua. Inequality, they argued, was responsible for poverty, and the most appropriate response to poverty would be to reduce inequality. In contrast, submissions which argued for inequality can be located towards the individual end of both continua.

Concentrating initially on inequality, the difference is reflected neatly in the contrast between Hancock’s arguments (the social worker referred to above) and the Medical Association. Earlier in this chapter, I quoted one comment from Hancock which is apposite here; his argument warrants repetition here:

*The equality of all citizens, men and women, both to contribute and to receive all benefits, be affirmed... In my view continued egalitarian distribution of wealth is not only compatible with future social and economic progress in our community at large, but is an essential ingredient of it* (M.W.Hancock, pp.1-3). [72]

16 See the arguments from Easton and Hancock above.
The Medical Association adopted a contrary position, viewing equality as an undesirable goal, and as harmful to the development of social security:

*We doubt that New Zealand can any longer afford to allow the welfare system to be a tool for distribution of welfare or income equalisation. This added burden frustrates the true aim of the scheme* (Medical Association of New Zealand, p.2). [65]

In addition to Hancock’s direct arguments about inequality, there were three further submissions which commented on the relationship between the rich and the poor, and the implications of this relationship for social security beneficiaries. The Maori section of the National Council of Churches and the Mental Health Association expressed the arguments strongly, the former in a particularly colourful way:

*New Zealand has developed a form of society which accepts a responsibility for the social and economic welfare of every individual within our society... Some folks ... are unable to secure by their own efforts, a just share of the common wealth. It is the responsibility of the community and nation to ensure that they do secure this. The Maori section of the National Council of Churches supports wholeheartedly the principle of collective responsibility for the welfare of each and every individual within our society* (National Council of Churches in New Zealand (Maori section) of Te Awamutu, p.1) [76].

A similar argument was advanced by the staff group from the Department of Social Administration and Sociology at Victoria University, Wellington, who argued for the introduction of a form of national insurance, provided through the state, and redistributing from working to non-working members of the society.

Redistribution and inequality are often linked in the debates and arguments surrounding social security. The link between redistribution and equality in the struggles around social security does not mean that social security serves as a mechanism for massive income redistribution, but rather more simply establishes a relationship between the two. Redistribution has often been emphasised as the purpose of social security; whether this has been the case, to what extent, and in what direction is a separate issue. In their arguments to the Commission, the...

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17 See earlier in this chapter for the relevant argument from the Mental Health Association.
18 In her definitive discussion of the passage of the 1938 Social Security Act, Hanson (1980) is clear that universal coverage was certainly intended. It was also envisaged that the Act would ‘achieve in some measure the more equal distribution of the country’s wealth’ (Hanson, 1980:100).
trade unions were in no doubt that redistribution had been an important goal for social security. The Federation of Labour noted the historical importance of more equitable distribution of the country's income as a driving force in the 1938 Social Security Act, arguing that this was still a very important focus. (See their argument earlier in this chapter).

Treasury also acknowledged that redistribution had been an important goal in the 1930s, but argued that this was no longer applicable. The emphasis should, they argued, be shifted now to growth as an economic goal. This was a precursor to any redistribution:

*The question is whether the legacy of income redistribution which grew out of pre-1938 conditions is appropriate to the 1970s... Today the belief is practically universal that cumulative increases in real national income per head are possible... There is today a more widespread community realisation that the average citizen will be better served if his country's first objective is to make the cake grow bigger each year. It is natural to want to increase the relative share available to a particular segment of welfare activity; but agencies responsible for welfare activities may well achieve more in the long run by settling for a moderate share of a fast growing national cake than to insist on a bigger share of a national product growing more slowly. It is the growth in the size of all slices that counts; and every slice can grow only if the whole cake continuously expands*  
(Treasury Background Paper, pp.4-5). [1]

The Treasury emphasis on growth as the key to social security, rather than redistribution, is an important one. The emphasis is consistent with the emphasis of the National Development Conference, set out in chapter four. Social security, it was argued, was dependent on economic growth, but as chapter four showed, that growth had not produced improvements in social security during the last decade. Indeed, the converse had been the case. The Treasury assertion paid no cognisance to this contradiction.

As I demonstrated in chapter five, the Department of Social Security included equality as one of the four central 'values' in its discussion of the 'values' associated with social security. The Department drew a distinction between 'belonging and participation' and 'equality' on the basis that equality was concerned with total income distribution, while belonging and participation:

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[1] It will be recalled that the immediate precipitant for the Royal Commission on Social Security was a recommendation of the National Development Conference. In turn, the National Development Conference was created to find ways to assist economic growth.
relates only to the lifting of the very bottom end of the economic well-being
distribution within any one society (Department of Social Security, Paper
3:13).

Social security could be provided, belonging and participation could be ensured, without the
designation of inequality being considered. Ideology is clearly revealed here, both in the negative
sense used throughout this thesis and in the ways in which inequality, ideology and poverty
intersect. The Departmental argument did not mean that inequality could continue unabated
and without limitation; there would, the Department argued, be a point beyond which
inequality would not be tolerated:

Further progress towards either equality or belonging will generally involve
progress towards the other. Nevertheless, the two values do imply
somewhat different outlooks, the one humanitarian and the other egalitarian;
and in so far as minimum levels of economic well-being are concerned, one
may choose the value one perhaps feels to be the most important. However,
the two values tend to support each other (Department of Social Security,
Paper 3:13).

It will be recalled that belonging and participation was the fundamental 'value' around which
the Departmental arguments were built. It is of interest to note that this 'value' was linked to
equality in the quotation above. 'Belonging and participation' could be translated into policy
provision in a way that moved towards the structural end of the solution continuum set out at
the beginning of this chapter. Such an interpretation would mean that to ensure 'belonging
and participation' occurred substantial vertical redistribution would need to take place. This
would, of course, lead to greater equality. However, by juxtaposing 'belonging and
participation' and 'equality' such an interpretation is not possible; equality is contrasted with
'belonging and participation', rather than resulting from it. Belonging and participation does
not allow the market to operate in an untrammelled fashion, but modifies the market to a
limited extent only.

Redistribution was not regarded as a priority for social security by either the Departmental
submissions or the Report itself. The emphasis on belonging and participation was confined
to equity in the sense of fair treatment and equality was limited to equality of opportunity, or
raising the level of the poorest. Certainly, the Department of Social Security did link equality
and redistribution:

It has been suggested by some that much of the argument for the elimination of poverty in recent years has been an argument for equality and that there has been confusion on this score. The simple fact is that any raising of the lower levels of economic well-being relative to the rest of the population will involve a redistribution tending towards equality (Department of Social Security, Paper 3:13).

However, there was only a brief link made at this point between taxation and redistribution. Redistribution was assumed to mean greater equality of income, but this does not necessarily follow. The crucial question is how the benefits are being financed; for example, if tax rates are high on the low paid, then redistribution may be horizontal rather than in the vertical direction usually implied when redistribution is discussed. The belief that social security involves 'redistribution tending towards equality' is important ideologically, because of the ways in which the fairness of the existing system is thereby reinforced. It is not necessary to actively examine the pattern of income distribution and its fairness, or indeed to ask if that pattern is fair, because the state will deal with any resultant difficulties. This is a very good illustration of the legitimation aspect of ideology working actively and linking too with dissimulation. The effect of this non-examination is to conceal the interests that are advantaged by the current pattern of distribution, interests that could be disadvantaged if the pattern were to be changed.

There was throughout this paper, and indeed throughout their submissions, little discussion of redistribution. The most significant exception was Sutch who linked occupational, fiscal and statutory welfare:

*The general analysis, however, supports the conclusion that payments for social welfare (of the three main types) in New Zealand are regressive, in that they bear harder on those on lower incomes than on those on higher and they appear to redistribute, as they should, the total production of the community in such a way that those on high incomes contribute more to increase the social security of the lower income groups (Sutch, section 3, p.12).*

His approach here follows from his earlier analysis of the links between taxation and occupational welfare:

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21 These terms are drawn from Titmuss (1968).
The effect of social security taxation is heavier on the low income groups while the benefits of occupational welfare schemes and of tax exemptions go preponderantly to the higher income groups. Thus, generally speaking, welfare systems in New Zealand suffer from inequality and inequity (Sutch, section three, p.1).

This argument was clearly at variance with the narrower analysis contained in the Departmental view, and with the approach adopted in the Report.

The Report itself limited redistribution to assistance to the poorest to reach some minimal community standards:

*We found public opinion to be characterised by the same humanitarian approach which has characterised New Zealanders from the earliest days of settlement, and generally in support of a system which redistributes income and reflects community responsibility for ensuring that no one fails to reach an adequate standard of living* (Report of the Royal Commission, p.6).

Redistribution was separated from any connection with equality. The Report limited redistribution to attainment of a minimum. As the two comments below reveal very clearly, social security was seen to be secondary to the development of the economy, and it was only in that context that redistribution could be contemplated:

*Thus social security is limited in what it can do by what the economy can make available for redistribution; what it needs to do is related to the resources the market system places in people's hands* (Report of the Royal Commission, pp.53-54). (Emphasis in original).

*In essence, social security involves redistribution of national product... But the process of redistribution itself, which increases the incomes of some through benefits and reduces the income of others through taxation, is likely to affect personal decisions about spending, saving, investing, or working* (Report of the Royal Commission, p.68).

Some redistribution was possible and inevitable but had to take place in a context where other economic objectives were met. There was a strong hint here that any redistribution that did take place would need to be limited, and occurred within narrowly specified parameters. It should not disturb market allocations to any significant degree.

The Report also acknowledged this connection between redistribution and economic growth, arguing that it was impossible to assess how taxation affected social security distribution
because the structure of taxation without social security was unknown (Report of the Royal Commission, p.87). At the same time, it used a study carried out a few years earlier to claim that:

*under the tax system in force, the social security system as a whole was in 1965-66 relatively neutral in its redistribution effects except at the very lowest incomes. We have seen no evidence to suggest that the position is much different in 1970-71* (Report of the Royal Commission, p.90).

Thus, while the impact of taxation could not be gauged, redistribution was not a major result of social security expenditure. Some recent studies have claimed that there has been some redistribution, but the exact extent and nature of this is still unclear.22

The failure on the part of both the Department of Social Security and the Report to discuss what shape a 'just' and appropriate income distribution would take meant that redistribution was ignored. The narrow focus on redistribution is a very powerful illustration of ideology at work, because the economic and political interests advantaged by the current arrangements were not put under the microscope. Those interests remained apart from the operation of social security. The fact that very few of the submissions explored the redistribution issues surrounding social security reflects how powerful and pervasive that ideology was.

**CONCLUSION**

The approach to 'need', the lack of focus on inequality, and the constant reiteration of the state's response, on the basis of selectivity, to those 'with greatest need' all reflect ideology in operation. This was particularly evident in the way in which 'need' was assumed to be met through the market and was presented in the social security context in a totally unproblematic way. By abstracting 'needs' from their social context, the key questions about how 'need' was created and maintained, and what 'needs' were selected, remained unexamined. This failure to examine the nature of 'need' meant that the pattern of interests, and of domination and subordination accompanying those interests, was taken for granted, at least by the state. 'Needs' should be met at a level sufficient to ensure belonging and

22 See, for example, Bertram (1988); Royal Commission on Social Policy (1988); Hindess (1987); Saunders et al. (1989). Easton (1980) claims, for example, that redistribution has been primarily in a horizontal rather than a vertical direction.
participation, to ensure that the beneficiary remained a member of the community, and indeed to strengthen and reinforce that membership. It was, however, a membership within the existing parameters.

This argument does not apply so strongly to the positions advanced by the organisations from civil society. Here there were some challenges, particularly from those groups representing or close to the lives of beneficiaries. The arguments from those groups did not prevail; their strong opposition to means tests, and the associated stigma, was overcome by the ideology advanced by the dominant interests and by the state.

The emphasis on stigma meant that legitimation was strengthened both for the state and for the wider social, political and economic structure. Generally that structure was considered to meet the needs of all; when it fails, as it does occasionally, then there are structures and processes in place to take care of those 'failures'. While the distorted and inaccurate use of the work of Titmuss was an important influence affecting the arguments advanced in the Departmental submissions and in the Report itself, the ideological basis underlying selectivity was much more significant. This basis meant that individual solutions to poverty could be pursued, thereby leaving the structure of economic distribution intact.

The individual emphasis on which the approach to selectivity adopted in the Departmental submissions and in the Report of the Royal Commission was built allowed the interests reflected in the current income distribution pattern to remain untouched. The stigma that is part of means tests is not the result of individual pride or the emphasis on privacy that the Report argued for. Rather, it is an integral part of the ideological basis on which social security is built because it discourages benefit applications and reliance on the state for income. The stigma in social security is an integral part of the system, not an unfortunate by-product.

In establishing this general position, it is, however, important not to see this hegemonic project as exhaustive and totally inclusive. Similarly, it is also important not to see the state in a unitary, monolithic fashion without any differentiation between state agencies. This was evident in the way in which the Report supported some, albeit limited, universal benefits, while the Department of Social Security rejected all such benefits. It was evident, too, in the late Departmental proposal for a wage related element within the benefit structure. The role of
the state and the relationship between the state and ideology is a second vital area of interest for the examination of the ideological basis of social security. It is that to which I now turn.
In advanced capitalist societies, the state is the primary institution in society with the capacity and power to direct resources in ways that are different from those employed by the market. The market distributes and redistributes on the basis that resources lie where they fall. Thus, in market orthodoxy, if one party in the market secures more resources at the expense of another party, that outcome is left untarnished, and the successful party is regarded as securing that result largely from his or her own skills and ability. The state, on the other hand, is able to alter that outcome by a number of processes, particularly through taxation and direct payments such as social security benefits. In making this redistribution, the state may of course increase or consolidate the results of the market distribution processes - redistribution does not necessarily mean from the rich to the poor. Indeed it has been argued that the state redistributes horizontally, not vertically, from one fraction of the working class to another. (See, for example, Easton, 1980). The focus here, then, is on the state in a specific area, namely payment of monetary benefits through social security.

The concept of ideology allows the state’s role in redistribution through social security to be explored by illuminating its connections to the wider society. The state does not stand apart from social structures and social processes, but is inevitably actively involved in those structures and processes. Using my argument about ideology allows an exploration and examination of the nature of the involvement. There are, then, four central foci for this chapter.

1. Social security, ideology and social structure.
2. The social security rules and regulatory framework.
3. What, therefore, should the state do?
4. Ideology and gender relations.

The first of these foci is the link between the ideological structures of the society and the provision of social security. In particular, the interests inherent in those ideological structures and the nature of the state show clearly the contradictory role of the state. This contradictory
role is a very good illustration of the non-determinist and non-reductionist elements of ideology as set out above. The actions of the state are not simply a requirement of capital, but rather they arise from the state's location between the powerful interests in society and the plight of poverty. It is here particularly that those three components of ideology identified by Thompson (1984) - dissimulation, legitimation and reification - are especially useful in contributing to a productive understanding of the role of the state.

I am approaching the state in this thesis using a development of the relative autonomy approach of Poulantzas, an approach that was set out in chapter two. Thus, it is anticipated that the state would act in a contradictory fashion, on the one hand acting to protect the weak and powerless, and on the other promoting and supporting dominant economic and political interests. Furthermore, it is anticipated that the organisations struggling with and within the state will be pressing various aspects of these contradictions. The contradictory nature of the state in relation to social security therefore require some further elaboration.

The state acts as both a provider and regulator. By this is meant that the state provides an income to those who have been successful in establishing some 'right' to state support and for whom market forces do not provide (or do so inadequately), and at the same time, the state controls or regulates the conditions and level under which this income is provided.\(^1\) This contradiction is neatly summarised by the work of the London Edinburgh Weekend Return Group (1984) in their assertion that benefits are clearly needed, but not necessarily with the conditions under which they are provided. The same argument is developed by Wilson (1977) from a feminist perspective. In making this assertion, both the London Edinburgh Weekend Return Group and Wilson are arguing that state benefits are essential for the survival of the poorest in society, but many of the controls attached to those benefits are unacceptable, because of the ways in which they control the lives and circumstances of beneficiaries.

Ideology and ideological processes operate at a number of levels in the state. They are exercised through the specific regulations applied to beneficiaries, such as, for example, the cohabitation rules applied to single parents, or the work rules applied to the unemployed. At a structural level, ideology and ideological processes are exhibited in four ways. First, they are exercised through benefit rates (which are set at a level which ensures that wage rates are

\(^1\) There is a useful discussion of the 'right to welfare' in Bean, Ferris and Whynes (1985) and in Barbalet (1988).
not affected and beneficiaries are 'encouraged' to take up paid work, known as the less eligibility and work incentive principles). Second, they are reflected through an individualised focus on the behaviour and spending patterns of beneficiaries (not on the levels of inequality and redistribution). Third, they are revealed through the constant reiteration of stigma, by the focus on 'dole bludgers' and 'unmarried mothers sponging on the welfare' et cetera - groups that have been described as 'the idle, feckless and poor' (Deacon and Bradshaw, 1983). Finally, they are exercised through an emphasis on 'the family', defined in nuclear family terms. Control in this sense relates then to attempts to maintain and support economic, political and social structures as they currently exist, and indeed to strengthen and support these structures.

The contradictions and ideological processes within social security are well captured in an interesting discussion by Alcock (1987). He concludes his argument about the state's role in those contradictions and processes as follows:

That state support exists is a product of political struggle, restricted and directed by economic priorities, and constructed within particular ideological frameworks. This supports the needs of a capitalist economy, yet at the same time it provides a platform for struggle to change the priority of these needs. In this struggle genuine gains can be made for the poor and for the broader working class - but without a fundamental change in the economic structure itself these gains will be contradictory in their form and effect. In practice this is because the continued demands of the economy, the restrictions of political struggle and the impact of ideologies of welfare provision will mean that gains made will be provided within systems which continue to oppress, divide and control both the poor and their political supporters (Alcock, 1987:30-31).

2. A second dimension of the ideological aspects surrounding social security and its relationship to the social structure is expressed in the rules and regulations surrounding social security. These rules and regulations are concerned particularly with such issues as incentives, particularly work incentives, and the distinction between the deserving and undeserving poor.

3. Third, the state must be generally conceived as a site of ideological struggle, not an immovable object. This struggle takes place on a number of dimensions, particularly around
what should be the proper role of the state. The social control features of social security set out above are also areas of ideological struggle. Those social control features reflect both the positive and negative aspects of ideology. That dual usage of ideology is of considerable importance in the discussions surrounding the role of the state.

The ideology and subsequent ideological struggles surrounding state provision of social security traverse many different aspects, but most central is the role of the state in promoting freedom. Freedom can be used with quite different meanings. (There is a comprehensive discussion of those differences in a number of social policy texts; for a fuller discussion of some of the key arguments, see George and Wilding, 1976; Hardy, 1981; Hindess, 1987; Spicker, 1988).

These different meanings reflect distinct ideologies which can be set out on a continuum from the political right to the political left. For instance, from the right, freedom is seen as the absence of restraint, the removal of limits on individual activity. In this approach (the negative view of freedom), the state is seen to impede freedom by creating laws and administrative frameworks which require particular behaviours. This is the anti-collectivist approach, to use George and Wilding's (1976) term. This is an ideology which emphasises minimum state intervention and maximum individual responsibility, an ideology which has been critical of the welfare state, arguing that the state should not interfere with personal liberty and should be limited to residual welfare provision. (For a fuller outline of this ideology within welfare see Seldon (1981) for a general theoretical discussion and Upton, (1987) or James (1989), for an application of the arguments to New Zealand).

The alternative approach is to adopt the positive view of freedom in which state activity is seen as enhancing human freedom by removing structural barriers to human activity. Poverty is one of the most fundamental of these barriers, and state action in removing poverty, and ensuring an adequate income for all would increase the choices for people and would, therefore, increase freedom in general. This approach tends to be associated with socialism.

2 This struggle is, of course, closely connected with the purposes of social security; chapter eight will examine that aspect in detail and hence discussion relevant to that aspect will be reserved until then.

3 As I have discussed earlier, 'need' is a similar term in the social policy literature. See chapter two for a fuller discussion.
Social security could then act as a vehicle to promote freedom, not to hinder it, as anti-collectivists would argue.

4. The role of the state in responding to and influencing gender relations constitutes a fourth focus. Here the state is concerned with relations between men and women, and with social security policies and provisions which affect and reflect those relations. The relations are affected both by the assumptions on which such policies are based and by the ways in which the relations of domination and subordination between men and women are responded to. The state's ideological functions in this arena are challenged and contested; ideology thus operates in both the negative and positive senses.

These are, then, four substantial areas for consideration in this chapter. I want to begin the first of these with a discussion of social security, ideology and the social structure.

1. SOCIAL SECURITY, IDEOLOGY AND SOCIAL STRUCTURE

One of the clearest indications of the operation of ideology in the work of the Commission is the almost total lack of any discussion of alternative mechanisms for provision of incomes to those for whom the market has failed to provide adequately, alternative, that is, to social security. The influence of the Commission's terms of reference on the absence of such discussion is an inadequate explanation because there were alternative structures of income support suggested to the Commission. Wider income and taxation questions were also raised in the submissions.4

Reification, as outlined by Thompson (1984), seems to be a particularly useful way of explaining this limited discussion of alternatives. The limited discussion shows the extent to which the market and its attendant income distribution was taken for granted and was assumed to be the best mechanism for distributing income. The market was thus reified in that it was separated from the historical and political context in which it has developed. It was given an eternal quality in the sense that it transcended particular historical and spatial dimensions. It was as if the market had existed permanently and would continue to do so. (For an interesting discussion of the historical and political roots of the market, see

4 See the section on inequality and redistribution in the last chapter for a fuller discussion.
Bosanquet, 1983). It is not that those making submissions were advancing such propositions; this was not the case. Rather, the central point is that the market distribution mechanisms tended to be taken for granted.

There were a small number of arguments for income distribution mechanisms other than social security. The arguments from Easton and the Victoria University of Wellington staff group in the last chapter are illustrative. An additional small number of submissions argued for an approach to social security which produced greater equality; the arguments on that topic will be traversed more fully in chapter eight. Moreover, submissions were clear that the state could not leave the marketplace totally to its own devices. It (the state) had a duty and a responsibility to intervene. However, the intervention smoothed the outcomes of market allocations rather than fundamentally changing them.

It was acknowledged by the Department of Social Security and in the Report that the market was not perfect in its distribution of income. Poverty resulted from market failure, it was argued, not from the fundamental structures of the market. Indeed, historically, market failure and market inadequacy have been major ingredients in leading to state intervention in New Zealand. (See Department of Social Security, Paper 1). The effect of ideology was clearly revealed in the Department of Social Security's failure to discuss the shape and form of a 'just' income distribution; it criticised Hayek and Seldon for not discussing what constituted a 'just' income distribution, but then failed to do so itself. Relief of poverty and income distribution were separated. Nevertheless, there was a clear argument from the Department of Social Security that untrammelled market processes were not acceptable. The market should remain but needed to be modified in some ways. The state was important in modifying the market; this modification of the market should, the Department of Social Security argued, be more extensive than the minimalist state proposed by Hayek and Seldon (Department of Social Security, Paper 4:16).

The Report itself was much more unequivocal about the relationship between the market and the role of state in social security. Two main points emerged from the Commission's arguments about the role of the state. Firstly, state involvement was required because the family was unable to meet the needs of all dependents, and secondly the state compensated for market failures. The latter point was succinctly expressed:
We have already emphasised that the social security system is needed to correct defects in but not to replace, the general market system (Report of the Royal Commission, pp.180-181).

However, fundamental social institutions such as the family and the market remained intact as the primary vehicles for redistributing income. The inadequacies of these institutions arose from three factors. First, market systems paid no cognisance to the number of people dependent on such income. Second, changing family responsibilities and income did not necessarily correspond. Third, the family did not provide for those who were not members. (See Report of the Royal Commission, p.71 of the for a fuller discussion). Furthermore, the market did not meet the income needs of those caring for others. This was seen to apply to those caring for children and for the sick, and to those who, because of domestic commitments, were unable to secure the training necessary to take up employment. Nevertheless, the market was the primary mechanism for income distribution:

As we see it, the community's first responsibility is for those who are unable to earn in the market because of physical disability, unemployment, or unpaid duties like the care of a home and children. In theory at least, other men and women should support themselves (Report of the Royal Commission, p.254).

The state discharged its responsibility most effectively by ensuring that the market was able to operate effectively and with minimum disturbance:

All the foregoing material indicates that the private sector has a considerable capacity for dealing with the general problem of social dependency, and that it is important that this capacity should not be impaired (Report of the Royal Commission, p.75).

The central place of the market was well demonstrated in relation to state intervention surrounding unemployment. Unemployment:

is a symptom of external and internal factors affecting the national economy as a whole. And it is through the working of the whole economy that the State's primary responsibility in this matter will be carried out. Even if 'full employment' is an imprecise concept, it is unlikely that any New Zealand government will be able to escape from public insistence that it must so manage the economy that there is a market for the services of all who are able and willing to work. The provision of income support through social security or, for that matter, the creation of jobs at times and places where circumstances warrant it, are only secondary protections (Report of the Royal Commission, p.291).
While actively supporting the operation of the market as the 'natural' method for distributing income, the Commission also recognised that the market could not be left completely to its own devices. Nevertheless, the role for the state was to intervene only when this 'natural institution' failed. This argument was clearly advanced in relation to single parents:

_The appropriate income support the social security system should give to wives living apart from their husbands and to unmarried mothers cannot be determined without first considering the husband's or father's liability for maintaining them. Our society has always taken the stand that a husband has the primary liability for supporting his wife and children, and in some circumstances the wife must support her husband... In the same way, our law places the primary liability for the support of an illegitimate child on the parents. Hence it has been accepted throughout the history of social security administration that it is only when these primary liabilities are not fulfilled that the system can be called upon to give income support_ (Report of the Royal Commission, p.344).

These 'normal', 'natural' processes were to be supported, but there were other important priorities too:

_It must be emphasised, however, that while it is important that the state should be able to enforce the obligations which men (or women) have to their dependants, and should have a right to expect the co-operation of those dependants in so doing, nevertheless we regard it as even more important that those dependants should not be left in want. We have made it quite clear... that assistance should not be withheld because the man concerned should be supporting the family. If the need exists, the community's responsibility is established, and the matter of the man's contribution becomes a separate issue_ (Report of the Royal Commission, p.347). (Emphasis in original).5

How can this approach be explained? There are two points that must be made. Firstly, the approach of the Commission reflects a particular ideology, ideology in the positive sense (to use the distinction set out in chapter one). It can perhaps best be described as liberal, using the delineation set out by Clarke, Cochrane and Smart (1987). It is an ideology in which the state will intervene to avoid starvation, but primary responsibility for the cause and solution of poverty rests elsewhere. It is an ideology in which state intervention is compatible with the market system.

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5 The quotation marks are included in the final sentence because the Report was quoting from its own earlier arguments; the quotations are included in the original.
A more substantial explanation, however, is afforded by the concept of legitimation. The state takes care of those for whom the market and/or the family fails to provide adequately, thereby both legitimating those primary systems and legitimating itself by ensuring that care is provided. This legitimation function is a critical aspect of the contradictory nature of the state in that it (the legitimation function) highlights the state as caring for its citizens. Failure to understand and grasp this aspect easily leads to a reductionist argument in which the state is described in totally hostile terms. Such a description fails to do justice to the realities and complexities of the welfare state in advanced capitalist societies. (See London Edinburgh Weekend Return Group, 1984; Wilson, 1977).6

The ideological effects of the relationship between social security and social structure are revealed also in the struggles over the nature of economic growth. These ideological contests surround both how growth was created and maintained, and the extent to which growth was a prerequisite to the development of social security.

The common assumption was that social security development was only possible in the context of economic growth - without such growth it was not possible to provide extra resources for those reliant on social security. Alongside this view was an assertion that social security had consumed too many resources and this had caused the failure of the welfare state.7 These arguments are ideological and political, linking as they obviously closely are, to the exercise and distribution of power. They are ideological in the sense of incorporating and referring to beliefs about the nature of society. They are arguments that are developed in pursuit of dominant and particular economic interests. The assumptions of consensus and of universal sharing in the 'benefits' of economic growth were very important in this context.

Treasury argued strongly for priority to be given to economic growth, claiming that this would provide the basis for payments to what they labelled 'dependent groups':

Therefore in any restructuring of the system of social security, one objective should be consistency with the goal of raising the level of savings. If the

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6 See chapter eight for a discussion of 'community' as a key consideration in the purposes of social security.

7 Some critics have gone further and argued that state intervention generally is responsible for the crisis of capitalism. For a useful critical assessment of the arguments, see George and Wilding (1984).
country achieves its growth targets it should be able in the coming decades, not only to produce enough goods and services to improve the incomes of the working population, but to have sufficient flow of goods and services to keep on improving the lot of the dependent groups (Treasury, Background Paper, p.29). [1]

This approach - emphasis on growth - was, they asserted, more appropriate in the full employment society of the 1960s than was the case for the 1930s when redistribution was an appropriate goal:

So long as growth can be sustained there will be more to redistribute (Treasury, Background Paper, p.3). [1]

they claimed. For Treasury, growth was the prerequisite; without it resources for social security would not be available. The interests of welfare agencies would, they argued, be served best by giving priority to growth:

There is today a more widespread community realisation that the average citizen will be better served if his country's first objective is to make the cake grow bigger each year. It is natural to want to increase the relative share available to a particular segment of welfare activity; but agencies responsible for welfare activities may well achieve more in the long run by settling for a moderate share of a fast growing national cake than to insist on a bigger share of a national product growing more slowly. It is the growth in the size of all slices that counts; and every slice can grow only if the whole cake continuously expands (Treasury, Background Paper, pp.3-4). [1]

This argument provides a very good illustration of both reification and dissimulation in that it assumes all benefit from growth. This assumption cannot be supported empirically; what is more important for our present purposes is that the interests served by economic growth are masked. Poverty amongst economic growth is widely observable. (See Abel-Smith and Townsend, 1965). The evidence presented in chapter four demonstrated that economic growth in New Zealand during the 1960s had occurred alongside poverty. (As I will show shortly, the Report also acknowledged the existence of poverty alongside economic
The Treasury arguments, advanced by a very powerful group, managed to conceal the interests that were in fact served by economic growth. Not all parties supported their argument of course; ideology is contested, not totally pervasive.

For example, the Federation of Labour was clear that any benefits from economic growth would not necessarily be spread universally; the Treasury argument was rejected:

*The one point which is ignored is that this increase in national income does not distribute itself even between employers and their employees, let alone to those people who rely on social security to give them the measure of comfort to constitute a reasonable standard of living* (Federation of Labour, p.4). [157]

Sutch was more direct than the Federation of Labour; government should, he argued, intervene to meet social goals:

*It is the government's function to manage the economy so that there is an optimum level of production equitably distributed but it is also its function to see that the economy provides such jobs as will develop the potentialities of people* (Sutch, section 10, p.7).

On the other hand, the Associated Chambers of Commerce argued that if business enterprise was able to operate effectively:

*It is then necessary to deal only with cases of misfortune* (Associated Chambers of Commerce, p.1). [156]

The Departmental submissions were also dubious about how the effects of economic growth might be distributed. They began their Paper on this topic with a summary of their argument in which they asserted:

*It cannot even be taken for granted that economic growth alone will eliminate poverty* (Department of Social Security, Paper 7:1).

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8 It is important to note that in the course of developing this argument, Treasury claimed that the Social and Cultural Committee of the National Development Conference was established to ensure a better quality of life, and in recognition that: *it is people that count* (Treasury, Background Paper, p.5). However, as has been shown, the Social and Cultural Committee was established almost as an afterthought, and certainly only after political pressure, particularly from the trade unions.
This particular submission went on to argue that while economic growth had produced some reduction in poverty, it could not be assumed that economic growth alone would remove all poverty. There had, they argued, been too heavy an emphasis on economic growth as a goal in itself. The general argument was well summarised towards the end of the Paper:

None of the evidence for Britain or the United States over the past twenty years, during which the average standard of living in real terms has risen by fifty percent or more, supports the assumption that economic growth, without the intervention of comprehensive and deliberately redistributive social policies, can solve the problem of poverty. This does not imply that economic growth does not help the poorer groups at all. But within the economic groups there are some families who fall outside the productive economic framework, and whose poverty will be alleviated only by special programmes (Department of Social Security, Paper 7:9-10).

Poverty was seen to be still the problem of a minority that required state intervention to alleviate; it was not a function of the economic and social structures.

The Report itself did not share the Treasury assumptions about the distribution of the 'benefits' of economic growth:

Many New Zealanders share our reservations about the simplistic view that economic growth can of itself abolish poverty, and that growth policies should have overriding priority. 'Poverty amid plenty' is ... a feature of rapid economic growth in some countries overseas (Report of the Royal Commission, p.70).

They went on to comment that some of the poorest may benefit least from economic growth, going on to acknowledge the existence of poverty in New Zealand. It (poverty) was, they claimed:

liable to increase as our economy develops (Report of the Royal Commission, p.105).

However, while the Report talked of 'poverty amid plenty', the implications of this argument were not explored at all. As I will demonstrate in the next section, the Report described social security and defined its functions within the framework of dealing with the outcomes
security has sapped people's initiative and willingness to take responsibility for their own 
lives. This is an argument that has been expressed particularly strongly by dominant and 
powerful interests. However, it is not limited to such interests. (See George and Wilding, 
1984, for an evaluation of these arguments).

The discussion on incentives falls into three parts:

(i) the submissions on incentives;
(ii) the Departmental arguments on incentives;
(iii) the Report on incentives.

Alongside the issue of incentives and social security is one equally important question, 
namely the distinctions that are made between the deserving and the undeserving poor. This 
distinction is a core component of the ideological basis of social security, and is the second 
area of interest in this section.

(A) INCENTIVES

(i) THE SUBMISSIONS ON INCENTIVES

The language in which arguments were expressed often included terms such as 'misfortune', 
'unfortunates', 'underprivileged'. These terms can convey a message that the difficulties lie 
with the beneficiary. While not always directly blaming them for their situation (and thus 
avoiding direct 'victim blaming', to use Ryan's (1977) term), such expressions clearly 
convey that the responsibility and difficulties rest primarily with the beneficiaries themselves. 
Certainly, the responsibility and the difficulty is separated from the impact of the political, 
economic and social structure. It is in essence an individual explanation, even if not always 
conveyed in such terms:9

*The effect of misfortune itself is capable of being modified in its pecuniary 
 aspects, if the scheme does not discourage self-help (Associated Chambers 
 of Commerce, p.l). [156]*

9 The quotation below from the Medical Association was also used in chapter six, because it 
was appropriate there too.
We believe that a flexible system of supplementary benefits, concentrated at points of need, should support standard benefits at a level which would encourage self reliance (Medical Association of New Zealand, p.3). Income restriction is so severe that it acts as a disincentive to personal effort on the part of the beneficiary (Federated Farmers, p.2).

The criticism of the impact of social security on incentives by the powerful and dominant interests was joined by a number of other organisations representing or close to beneficiaries. However, their articulation of the ideology surrounding this aspect of social security was quite different, namely that benefit rates and benefit rules were themselves acting as a disincentive. Their approach was then quite the opposite of the dominant interests.

This position emphasises the way in which beneficiaries are locked in poverty by the rules and regulations that operate. (This is often referred to as the 'poverty trap'). From such a position, incentive arguments were linked in two ways. Firstly, it was argued, benefits should not discourage initiative and self reliance. At the same time, however, it was argued that the low benefit level may in and of itself have acted as a disincentive and served therefore to keep people in poverty. Thus benefit levels were considered to affect incentives and initiative in two ways, namely by discouraging 'self reliance', and/or second by locking the poor into a poverty from which it was very difficult to escape.

For many of the churches this latter emphasis was far more crucial than the former. The two components were neatly captured in the arguments of the Methodist Church:

This use of the means test is a direct disincentive to personal effort and thrift. People on this low income level more or less permanently, are unable to accumulate sufficient money to break out of the downward spiral of poverty, and so are forced by their income as much as by their circumstances to remain 'on welfare' (Methodist Church of New Zealand, pp.8-9).

A similar argument was advanced by the Catholic Women's League, but with a slightly different emphasis:

It is better economics to give the solo-parents a tax exemption than to keep them on a pension... If a solo parent earns the amount of benefit plus allowable income only, it should be earned tax free... Under present legislation a large part of these first dollars are lost for the solo parent and very often puts him or her at a disadvantage. It takes away all incentives to be self-reliant (Catholic Women's League, Wellington, p.2).
As I noted in the last section, not all the organisations representing beneficiaries' interests adopted the same ideological position. The Dioceses of Dunedin and Wellington adopted a position closer to the dominant interests than to the other church groups quoted above. Theirs was a position which reflected both individual and structural components, in marked contrast to the Maori section of the National Council of Churches which adopted a strongly structural position:  

*The great problem of all social welfare work is to strike a balance between a person's ability to help himself, and the assistance necessary to help over a temporary difficulty. Too many beneficiaries - especially those on unemployment and sickness benefits have learned to become dependent on the state, and therefore we do suggest that there be an increase in the number of trained social workers in the Department, so that those men and women of this type may be helped back to the habit of maintaining a working programme, and thus become self-supporting (Dioceses of Dunedin and Wellington, p.1).*

New Zealand has developed a form of society which accepts a responsibility for the social and economic welfare of every individual within our society... Some folks ... are unable to secure by their own efforts, a just share of the common wealth. It is the responsibility of the community and nation to ensure that they do secure this. The Maori section of the National Council of Churches supports wholeheartedly the principle of collective responsibility for the welfare of each and every individual within our society *(National Council of Churches in New Zealand (Maori section) of Te Awamutu, p.1). [76]*

Finally, it is useful to note the approach of the Association of Anglican Women. They stressed the need for independence, but noted too that the stress on self reliance applied not only to beneficiaries but also to taxpayers. Incentives were important for everybody:

*While we feel that basic benefits should always be adequate for necessities and supplementary assistance be available for particular requirements, we also feel it is important that the taxation requirement for social services should not result in people, especially the young, having neither the incentive nor the means to provide for themselves (Association of Anglican Women, p.2). [131]*

The emphasis and ambiguities surrounding self reliance, independence and initiative within civil society were not, however, limited to the Churches. There were also some important

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10 Although quoted in chapter six, the argument from the Maori section of the National Council of Churches warrants repeating here.
arguments advanced by social service and other groups. The Druids Friendly Society adopted the view of the powerful quite unequivocally:

*It is not right that those prepared to help themselves should be denied the opportunity to do so* (Druids Friendly Society, p.2).

*People who are prudent enough to look after their future should be allowed to do so - in fact they should be encouraged to do so... It merely asks they be allowed to help themselves* (Ibid., p.3).

Incentives and self reliance were important for both the National Society for Research on Women and the Crippled Children's Society. The former group undertook a small piece of research to ascertain the views of their members. On the basis of the responses they commented:

*Benefits should be awarded on the basis of established need. Once need has been established in a particular case it was felt that other cash supplements ... should be given as of right. The desirability of incentives for self-sufficiency was an opinion volunteered in a number of cases* (National Society for Research on Women in New Zealand, p.22).

Aid to people with disabilities should be considered on the basis of whether it:

*is necessary for the health and welfare of the disabled; will keep a patient out of hospital; will enable him to become economically independent; will provide an incentive, rather than a disincentive to ultimate productive employment* (New Zealand Crippled Children's Society, p.1).

However, not all beneficiary groups challenged the dominant ideology; the Dunedin Solo Parents emphasised maintaining independence:

*One particular aspect of society that has arisen with the social security system is that it has a tendency to reduce the need for people to be self sufficient, but allows no incentive for those who wish to remain as independent as their circumstances allow* (Solo Parents (Dunedin), p.1).

The ideological contests which have been evident throughout this section were captured by Zonta in their submission. On the one hand there was a strong criticism of the way in which social security created 'takers' while at the same time there was an acknowledgement that benefit levels may have locked some people into poverty:
Above all, the concept of social security should be to provide a basic security without stifling initiative, to provide the essentials for those in need without interfering with the incentive to every individual, to employ their talents to the maximum to improve their own standard of living and contribute to the wealth and welfare of the community. We believe that the Act as at present administered does tend to stifle initiative and to discourage individual effort. It tends to create a population of 'takers' who use their misfortune to hold society to ransom, instead of providing a platform from which those who suffer misfortune or illness may regain their self respect by their own efforts and rid themselves of the feeling that they are receivers of a charitable handout. The present limitation on income which may be earned in addition to a social security benefit without reduction of the benefit tends to create a group of people reluctantly accepting a lower standard of living than is general throughout the community (Zonta Club of Auckland, p.1). [73]

The effect of the stigmatising and associated ideology on social security generally, and on those who worked in the benefit payment area was neatly captured by the Mental Health Association:

The whole concept of a welfare state has been under attack for so long that we have all come to believe that it is shameful to have to go to the state for help. It has been said that (i) it saps the initiative; (ii) creates a large supply of dependents; (iii) does harm to the independence of people. This attitude creates the climate of opinion in which Social Security staff live and work (New Zealand Association for Mental Health, Appendix 2, p.15). [98]

Similarly, Sutch was critical of the effects of the dominant ideology on the poor:

We must also guard against the thought that hardship for some is good discipline or that people should have some kind of punishment for being poor or not having the privileges that others have (Sutch, Paper 8, p.2).

There was then substantial ideological contestation in the submissions surrounding the ways in which social security reinforced the social order, and in how it might do so subsequently. This contest reflected the contradictory nature of and ideological struggles surrounding social security. Ideology, understood as linked to the structures of domination and subordination and as an arena of contest and struggle provides a powerful vehicle for exploring the approaches to and struggles surrounding incentives. On the one hand, the state acknowledged that the incentive problem assumed to exist with social security was not in fact a major problem. At the same time, the power of ideology, and of the interests that are linked
to ideology, led to recommendations and proposals which used the incentive arguments as key considerations in establishing benefit rules and benefit rates. Work incentives provide a further, more specific site for exploration of the ideology surrounding social security. They were a particularly strong feature in the Department of Social Security's approach to incentives.

(ii) THE DEPARTMENT OF SOCIAL SECURITY'S ARGUMENTS ON INCENTIVES

The topic of 'work incentives' is central to many aspects of the provision of social security. It was a central consideration in the Department of Social Security's submissions on incentives. One of the ways in which the state (as embodied in the Department of Social Security) was clearly linked to and closely aligned with the dominant interests was in relation to the use of unemployment benefit to support and strengthen work incentives by maintaining the work test and ensuring the operation of less eligibility.

The relationship between specific benefit payment levels and wages is the subject of a separate chapter (chapter nine). However, discussion of the 'less eligibility' aspect of that relationship is necessary here because of the ways in which 'less eligibility' is linked to ideology and to the the ideological contests surrounding work incentives and social security provision. This relationship between benefits and wages was considered important in setting the benefit level:

If, for example, prescriptions for social security minimum standards are developed within a country, and those for wage earners are not, then the prescriptions adopted for social security minimums could tend to influence the minimums of the wage market (Department of Social Security, Paper 20:1).

The Paper then went on to argue that the Commission should look at the relationship between wages and benefits, particularly the relationship between minimum standards of living for beneficiaries and the independence of that from wages and salaries. The incentive to work argument was neatly captured by the following comment:

11 See chapter nine for a fuller discussion of the effect of incentives on recommendations surrounding benefit rates.
12 See earlier in this chapter for a description of less eligibility.
The fact that rates of benefit are generally lower than wages and have always been so would indicate that, among other things, it is considered desirable to provide an incentive for beneficiaries to work in preference to remaining on benefit if they are able to work (Department of Social Security, Paper 10:17.). (My emphasis).

Ideologically the danger of unemployment benefit is that work incentives might be reduced. According to this ideology, people may prefer unemployment benefit to paid work. It is an ideology that was well expressed in the Departmental submissions:

Unemployment benefit should not be made available to persons who, of their own volition, would not otherwise be supporting themselves by engaging in employment. Cases of this nature particularly arise at a time of recession when persons who are not normally workers claim unemployment benefit along with others genuinely out of work.... An applicant is able to qualify merely by declaring that he is available for work when he is aware that there is little or no employment available. Experience has shown that applicants in this particular category will very often refuse employment if it can be offered to them. It is considered that a person should not qualify for unemployment benefit unless he can establish that he is normally a member of the work force and has suffered a loss of earnings through the loss of regular employment. The only exception to this would be persons entering the work force for the first time such as school leavers (Department of Social Security, Paper 10:21).

It should be noted too that no empirical evidence of any kind was used to back up the assertion that benefit applicants 'very often refuse employment if it can be offered to them'.

This assertion was taken up again on the following page of the submission just quoted, the submission repeating the claim that people deliberately made themselves unavailable for work and therefore the:

benefit should not be paid without severe penalty to applicants who are given the opportunity of being in suitable work but persistently refuse without good and sufficient reason (Department of Social Security, Paper 10:22).

Furthermore, unemployment benefit should not be available to support working class actions. The Department made it clear that the working class could not use social security as a basis for income during industrial action; the principle has, they argued:
been that funds appropriated for social security purposes were never intended for use as a sustenance by strikers or persons involved in disputes (Department of Social Security, Paper 10:20).

It is apt to conclude this part of the discussion with the Department's own assessment of social security for those of working age:

The benefit system reflects the conventional view that, for those between the ages of 16 and 60 years of age, only when inability to participate in the workforce is beyond the control of the individual should that individual be granted a benefit... This makes the New Zealand social security system for that age group a residual form of income provision in relation to the major form of employment (Department of Social Security, Paper 6:44).

The strength and pervasiveness of the work incentive argument were well revealed in the approach not only to the unemployment benefit, but also to sickness and age benefit. In relation to the former, the:

limit is usually regarded as eliminating a disincentive to return to work (Department of Social Security, Paper 6:10).

For the latter it was suggested by the Department that deferment provisions be discontinued because they failed to meet the goal of acting as an inducement to continue work and to save money (Department of Social Security, Paper 10:2). Similarly, emergency benefits would not normally be paid if people could support themselves by working (Department of Social Security, Paper 1:12).

In a later submission it was acknowledged, for example, that work and filial responsibility were basic to the judgements made about unemployment and emergency benefit (Department of Social Security, Paper 6:35), while independence and the ability to help oneself were important considerations in relation to supplementary assistance (Department of Social Security, Paper 6:36). Applicants for supplementary assistance were expected to convert:

assets into income for spending on 'essential' items, and obtaining more assistance from relatives living in the same home (Department of Social Security, Paper 6:36).
For the Department of Social Security, preservation of work incentives was clearly an important ideological function of social security. There was no evidence to support an argument that benefit rates discouraged work, and encouraged unemployment. However, this was no impediment to repetition of the ideology that such connections between benefits and refusal to work or to seek work occurred. The ideological significance of social security was revealed also in the importance placed on controlling working class behaviour through ensuring that social security did not support industrial action or strikes. I want to turn now to the arguments on incentives advanced in the Report itself.

(iii) INCENTIVES AND THE REPORT

The ideological features of state social security provision, and the contradictory features contained in that provision were well demonstrated in the Report's approach to the significance of incentives. The Commission was clear that there was no evidence to support the arguments on the harmful effects of incentives:

*There is little evidence to suggest that income-tested benefits as administered in New Zealand significantly discourage working or saving, or undermine individual initiative. On the contrary, most of the indications are that they do not* (Report of the Royal Commission, p.151).

This argument was also applied to thrift and savings (Report of the Royal Commission, p.150). The Commission's assessment was that their view as expressed here was generally supported by the arguments advanced to them:

*We found no public support for the view that the system has unduly affected initiative, sapped self-reliance, or restricted economic social or cultural growth and development* (Report of the Royal Commission, p.6).

Here the Report was expressing a clear, unequivocal challenge to the social order, in that it was challenging the arguments advanced by the dominant interests in that social order. However, despite this direct challenge, there was a contradictory and ambiguous discussion of the relationship between benefit rates and wages, one of the central aspects of the work
incentive struggle. The Report was unable to resolve this dilemma, an inability that reflects the contradictions and ideological struggles referred to above.

On the one hand, the state was aware that if benefit levels were deliberately kept below the lowest wage level, beneficiaries would not have sufficient income:

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\text{It is clearly possible that a beneficiary may have a higher amount of take-home pay than the many workers who receive less than the average weekly earnings. Such a situation is undesirable although it must be emphasised that it would be impossible to provide adequate benefits if no beneficiary was to receive more income from benefit than the lowest paid adult male earns from work (Report of the Royal Commission, p.143).}
\]

On the other hand, benefit levels needed to be adequate (a term that was never precisely defined) and should not be set on the basis of ensuring that they remained below wage levels.\(^\text{13}\) Such an approach, the Report argued, assumed that the market incomes were adequate:

\[
\text{That non-working beneficiaries should not, under a selective tax-financed system, have significantly higher cash incomes than full-time workers with comparable family responsibilities seems a reasonable general proposition. But its force depends on the level of wages taken as the measure, and whether fair and reasonable minimum wage levels are guaranteed under the market system. It would, we consider, be quite unrealistic ... to argue that beneficiaries should never receive more income than the lowest paid full-time workers in the community. We consider it important to see that benefits and allowable 'other income' are never so tied to minimum wages that beneficiaries who depend solely on social security assistance are deprived of an acceptable standard of living (Report of the Royal Commission, p.109).}
\]

\[
\text{It would be inappropriate to hold benefit levels down simply because some lower paid workers may have somewhat lower incomes than some beneficiaries. It has to be remembered too that most beneficiaries have little other income. Many have to live and bring up children on social security benefits alone, and it is these people for whom the benefit on its own must provide a fair living standard (Report of the Royal Commission, pp.192-193).}
\]

\(^\text{13}\) See also the discussion on a benchmark in chapter nine.
The Report went on to explicitly reject work incentives as a suitable basis for social security:

*It is not the primary responsibility of social security to provide work incentives, although we agree that disincentives should be avoided as far as possible* (Report of the Royal Commission, p.149).

*It is indeed an inevitable situation that some beneficiaries will have more money than some low paid workers* if the adequacy of benefits is to be determined primarily by the 'belonging' aim which in itself makes it essential to relate the standard of living of beneficiaries to that enjoyed more generally by the whole community (Report of the Royal Commission, pp.192-193).

Having argued earlier that social security had no role to play in maintaining work incentives, the following argument near the end of the social security section of the Report clearly adopted a contrary view:

*We will stress here that social security benefits cannot in general serve equally the conflicting aims of replacing income for unemployed people and at the same time encouraging them to earn money by working. The less adequate the benefit levels are for the first aim, the greater will be the incentive to work. The more adequate they are, the less the margin will be between the benefit level and the wage level, and thus the smaller will be the work incentive* (Report of the Royal Commission, p.375).

Similarly, when setting out the basis for a benefit level that would meet the belonging aim, one of the questions that had to be answered was identified as:

*To what extent should benefit payments match some prescribed level of wages, bearing in mind the need to maintain work incentives and the fact that many full-time workers must earn less than the average wage within their occupational groups?* (Report of the Royal Commission, p.125). (Emphasis in original).

Indeed, these ideological contradictions loomed large when the Report discussed the most appropriate basis for setting benefit levels. The quartile earnings level and the ruling rate of building and engineers labourers were chosen as the basis for setting benefit rates because:

*they represent the living standard reached by a significant number of wage-earners; [and hence] it is obvious that the benefit rate must be fixed somewhat lower. There are four main reasons: first, to give an incentive
margin, so that people are positively encouraged to work if they can; second, because it costs some part of a wage to travel to and equip oneself for work; third, to ensure that the number of beneficiaries who, with other allowable income, will have larger total incomes than many full-time wage-earners does not become too great; and fourth, to take account of the fact that in many cases beneficiaries will have accumulated substantial assets (Report of the Royal Commission, p.190).14

The Report's inability to resolve these contradictions is not a reflection on the personal qualities of the Members of the Commission. Rather, it reflects the nature of social security in advanced capitalist societies.15 Despite the acceptance of the evidence that incentives were not affected by social security, the Commission found itself drawing on the incentives impact when trying to decide on the basis for setting benefit levels.

The contradictions were reflected too in the arguments in the Report about benefit abatement rates.16 The third aim of the benefit structure should, it was argued, be a rate of abatement which, when taken with the basic benefit and the allowable income:

allows beneficiaries to earn a reasonable amount but minimises the possibility of raising them significantly above people who depend entirely on earnings (Report of the Royal Commission, p.144).

A little later, after stressing the importance of ensuring that abatement rates did not lead to beneficiaries being in receipt of income that was significantly greater than market incomes, the Commission went on to argue:

But the desire to work is by no mean determined by the levels of allowable income set for benefit purposes. If the allowable income level were fixed at say $15 a week or left at its present variable level, this would not significantly alter the incentive problem (if in fact it is a real problem) (Report of the Royal Commission, p.146).17

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14 I will return to the relationship between wages and benefit levels more extensively in chapter nine.
15 This was discussed more fully in chapter two and earlier in this chapter. (See Alcock, 1987; O'Connor, 1973; Gough, 1979; Ginsburg, 1979).
16 'Benefit abatement rates' refers to the rate at which benefits are reduced as beneficiaries earn other income, for example from employment.
17 See also the discussion in chapter nine on establishment of the benchmark.
The state was faced with adopting a Janus-like stance.\textsuperscript{18} This contradictory location was further strengthened in the discussion on unemployment benefit. Contrary to the arguments advanced by dominant and powerful interests which emphasised minimal assistance to the unemployed, and maximum supervision and oversight of them, the Commission rejected the Department's proposals for tightening of the regulations surrounding unemployment benefit. The Report rejected the proposal from the Social Security Department that unemployed people should have to provide evidence of their own efforts to secure employment, and also rejected a Departmental proposal that people who work irregularly should not be able to register for the unemployment benefit:

\begin{quote}
A person may not have been a regular member of the workforce, but may nevertheless at the time of applying be willing and anxious to take up work and may be in need because of the lack of it. Indeed the recession may have brought about conditions which make it necessary for the applicant to seek employment (Report of the Royal Commission, p.300).
\end{quote}

Furthermore, it did not support a proposal that those not genuinely seeking work should have their benefit cancelled. It is of interest, however, to note that it was not prepared to make a recommendation on this point - once again the contradictions become evident:

\begin{quote}
Nor are we inclined to extend the Commission's discretion so that it can decline or postpone a benefit when it is not satisfied that an applicant genuinely wishes to seek work. Discretions which depend on interpreting what is in people's minds are dangerous. In the circumstance we have no recommendation to make (Report of the Royal Commission, p.300).
\end{quote}

In addition, the Commission argued for improving the income abatement provisions that penalise the unemployed, partly on the basis that it was positive and beneficial for an unemployed person to have an opportunity to undertake paid work. (Report of the Royal Commission, p.294).

Finally, the incentives struggle was much less contradictory when applied to people with disabilities. For the severely disabled, for example, the opportunity to earn more was seen as a positive incentive as this would help rehabilitation. This was reflected in a recommendation on how beneficiary's earnings should be treated; it was recommended that:

\begin{quote}
\textsuperscript{18} Janus was an ancient Italian god, represented with faces on the back and front of the head.
The Department be given authority in cases where a person is assessed as being severely and permanently incapacitated to determine a special individual level up to which the beneficiary's earnings will be disregarded in the assessment of 'other income' so that the beneficiary will have a positive incentive to rehabilitation (Report of the Royal Commission, p.27).

Furthermore, the allowance paid to a person with a disability while assessment and training were undertaken was not seen to have any disincentive effect. The contradictions facing the state, and the ideological struggles surrounding the effect of social security on incentives are inherent in the provision of social security. The distinction between the deserving and undeserving poor is an equally immanent ideological element within social security. It is that distinction to which I now turn.

(B) DESERVING AND UNDESERVING POOR

The distinction between the deserving and undeserving poor is a longstanding one in the social policy literature. (For a full discussion, see Deacon and Bradshaw, 1983; Page, 1984). It is a distinction which particularly reflects the legitimation aspect of ideology in that the state responds to the 'deserving', but not to the 'undeserving'. The distinction is firmly rooted in the history of responses to poverty and is fundamental to the ideological contests surrounding social security and to the links between social security and the political and economic order of society.

There was a lengthy discussion in various parts of the Department of Social Security's submissions which focused around criteria for benefit payment. It was this discussion which led to a distinction between the deserving and undeserving, and the basis for this. The Department argued throughout its submissions that there was a strong emphasis on the capacity or ability of the person applying for a benefit to control his/her situation; this was referred to on various occasions, usually alongside a notion of helplessness. The Departmental submissions argued that worthiness to receive a benefit was determined by work and wealth values, rather than by economic factors. The rights to benefit were:

*conditional upon a community sense or feeling there to be: a fulfilment of certain duties of the individual in the community, or a helplessness or lack of control by the individual over the situation which brought about the need or in the situation of need itself; or for the full exercise of rights to be*
withdrawn where there is seen to be a violation of community values such that an individual is perceived as having placed himself outside the community (Department of Social Security, Paper 4:17).

This argument was repeated on a second occasion, two Papers later. Again in the latter of these two Papers, an argument was advanced which was identical to that summarised above:

Eligibility for benefit in terms of helplessness or lack of control may depend upon the nature of the cause of the reduction in the level of economic well-being (Department of Social Security, Paper 6:33).

Eligibility may be withdrawn even when a person has a level of economic well-being below the level of the objective if he is considered able, but not willing, to work (Department of Social Security, Paper 6:34).

Throughout much of the Departmental argument in this area, there was a complete lack of any distinction between placing oneself outside the community and being placed there by others. The emphasis throughout was that it was the behaviour of the beneficiary which resulted in placement outside the community. It was an argument which reinforced the ideology in which the individual was seen as the central focus, and ignored the social context in which the definitions of insider and outsider are made. Somehow these definitions were, according to this argument, apart from society. In fact, the process is the reverse of that described by the Department of Social Security. It is the society, and powerful interests in that society, which create and maintain the definitions of insider and outsider; it is those powerful interests that decide what 'constitutes a violation of community values'. It is ideological to argue otherwise.

The argument that benefit eligibility resulted from the application of community values was also reflected in an earlier Departmental comment that set out the basis for making the distinction between those who were deserving and those who were undeserving:

Obviously the groups which a society treats as being deserving or not deserving at any one time will depend on the values which are held by society (Department of Social Security, Paper 4:18).

The Departmental arguments about the basis of benefit eligibility make the argument about the deserving and undeserving even more crucial, particularly the basis on which people were
considered to be in a situation over which they have no control. The Departmental submission argued that:

_Historically, the origins of differences in treatment on the basis of worthiness or deserving, may be said to lie in the idea that poverty is the result of a moral or character defect, and that the provision of the means for maintaining levels of economic well-being would not encourage the elimination of the defect on the part of the recipient. Indeed, there has been the additional fear that benefits which are not ‘earned’ reinforce character defects_ (Department of Social Security, Paper 4:19).

There was an assumption here that such a basis for judgement was now past, an assumption that the submission supported with an argument that can be best described as ‘inevitabilist’.19

In emphasising the ‘deviance’ of the individual, the emphasis is moved towards that person’s behaviour, and away from an explanation which links the behaviour to the structure of the society. In such an ideological framework, poverty stems from individual failure20

Focusing on the behaviour of beneficiaries as the crucial ingredient in determining worthiness for social security assistance, flies in the face of the persistence of some groups as being ‘undeserving’. The unemployed have always been (and still remain) key members of the undeserving, along with single parents. (For an interesting discussion on this, see Spicker, 1988; Page, 1984). This persistence cannot be explained adequately by the assertion of changes over time.21

Rather, the unemployed and single parents continue to be defined as undeserving because both groups represent a challenge to the dominant and powerful interests in the society. It is only through ideology that this persistence can be adequately explained.22

19 By this is meant that such change in the basis of judgement (assuming that the change exists) takes place through some inexorable process of time.

20 The emphasis in these Departmental submissions tends to contradict the argument advanced in Paper Five submitted by the Department where it was argued that poverty was increasingly seen to result from social rather than individual causes.

21 This is a very good illustration of the argument made in chapter five, namely that ‘values’ do not arise magically, apart from social processes and forces; rather they are intimately and intrinsically connected to those processes and forces.

22 As was argued in chapter five, the Departmental approach failed to recognise and to attend to this, and thus painted an erroneous picture.
Incentives, especially work incentives, and worthiness to receive benefits were clearly crucial ideological expressions and areas of contest for both the organisations making submissions and for the state itself. The contradictions within social security and the tripartite approach to ideology which links ideology to interests and to relations of domination were potently illustrated and expressed in the Commission. Ideology allows an understanding and analysis of the apparent illogicalities and inconsistencies in the state's social security actions. These illogicalities and inconsistencies reflect the contradictions inherent in social security. They are fundamental features of social security, not strange and peculiar quirks.

The outcome of the ideological processes surrounding the state and in which the state was embedded were reflected in the arguments surrounding the actions that the state should undertake. I want to turn now to a consideration of the arguments surrounding those actions.

3. WHAT, THEREFORE, SHOULD THE STATE DO?

As I have indicated already the role of the state in income distribution is a place of significant ideological debate and dispute. This debate and dispute revolves around such fundamental questions as whether the state should simply provide minimal relief of poverty or whether it should take on a more active role in income distribution and redistribution.

Trade union organisations and some of the churches were particularly strong advocates of the 'positive' view of the state. For the latter especially, an active state was seen to be a vital contributor to the development of a fair and just society. An active state would allow for a greater opportunity for the potential of all members of society to flourish; it was the articulation of the positive approach to freedom set out above:

*Means should be provided whereby every person is encouraged to attain his full potential, freed as far as possible from economic, social or emotional anxieties and strains... Within society there should be a concern for the welfare of other people, coupled with the desire to see that everyone within society is given full opportunity to develop his maximum potential. These*

23 The 1988 Royal Commission on Social Policy was characterised by the the Prime Minister, David Lange, as being concerned with the measures and processes necessary for the creation of a 'Fair and Just Society'. (See Royal Commission on Social Policy, 1988).
aims can be achieved within a social welfare system which recognises rights as well as responsibilities, freedoms as well as obligations (Combined State Services Organisations, p.6). [99]

To us, the original intention of the social security system was social justice and the provisions of benefits to provide a reasonable standard for all families and to provide against contingencies such as sickness and unemployment. It was considered that the implementation of the scheme would have beneficial effects on the economy, but this was not the overriding motive (Federation of Labour, p.4). [157]

It was not only the unions which saw the state as having a potentially positive contribution; the staff group at Victoria University, Wellington, was quite definite about how the state could provide more extensive assistance than would be possible from the private sector:

Only the state could provide a universal, comprehensive coverage. Private companies could provide coverage which supplemented the national scheme rather than coverage in competition with it (Staff group, Department of Social Administration and Sociology, Victoria University, p.5). [276].

The wider emphasis on freedom and the positive role of the state in facilitating that was also well expressed by the Presbyterian Social Services Association:

This is the time for more of that positive social security policy which, in encouraging freedom and fulfilment, and the worth of each individual avoids that social and racial discrimination which tends to forget our common humanity (Presbyterian Social Services Association (Auckland), p.3). [291]

Other churches also emphasised a positive role for the state but in a different sense from that which has been argued for above. The Wellington Archdiocese advanced an argument which regarded the state as essential, but with an emphasis on the ways in which this actively supported private and voluntary initiative:

All state actions must always be at the service of the human person, must always assure the liberty of personal initiative, must always protect for each and every person his essential human rights... The state does not exist in order to obtain what men can perfectly well obtain without it, whether by private initiative and effort, or through lesser societies within the State... Whenever the State does act to make up what is wanting in the charity of individuals and public bodies, it should take care not to deprive private initiative of its adaptability and spontaneity... The state is the servant of the
Similarly, the Solo Parents organisation argued strongly for an active state role; relying on charity was unacceptable:

*Two main dangers [of government support for voluntary agencies] need to be avoided however; the Social Security Department must never allow these agencies to look after the basic needs of the unfortunate instead of upgrading its own provisions which may be eroded; and the incomplete coverage of the organisation must be borne in mind, so that Government aid does not extend inequalities* (Solo Parents (New Zealand), p.2). [164]

Indeed, even the Treasury adopted elements of the positive approach to the state, in part at least. They argued that, from the vantage point of history, the:

*accent was on social justice through state action* (Treasury, Background Paper, p.2). [1]

The general thrust of the rest of the Treasury submission, however, was to emphasise the cost of social security, a thrust which was strongly attacked by the unions, who contrasted their approach with that of the Treasury:

*The approach to the question of social security, in this publication, is quite different from the approach which is adopted in the background paper contributed by Treasury* (Federation of Labour, p.1). [157]

*We would indicate our opposition to principles being watered down to fit in with some kind of 'cost/benefit analysis', whether developed by Treasury or other source. Equally, we would reject and strongly oppose any suggestion that the principles to be adopted, and the recommendations to be brought forward by this Royal Commission, should be regarded as in any way subservient to recommendations or targets adopted by the National Development Conference. We reject both of these approaches ... because, carried to their logical conclusion, they would propose that society has no responsibility for those who are unproductive - an attitude endorsed in some quarters both in theory and practice ... but one which we submit should be firmly rejected* (Combined State Services Organisations, p.7). [99]

As was noted in the last section, both the Department of Social Security submissions and the Commission's Report included considerable discussion on the role of the state. As was demonstrated in that discussion, the Department and the Report itself both argued that one of the roles of the state was to ensure that existing social institutions such as the market system...
and the family were maintained and strengthened. In addition to the evidence produced in the previous section, the quotes below provide a clear illustration of this point:

*Social security has an important (perhaps essential) material aspect. It must work through a money-based economy to alleviate the imperfect distribution of the proceeds of the production from which every person's living standards are derived. In New Zealand ... these proceeds are distributed primarily by a market system which by definition leaves unprovided-for those ... who have little or nothing to 'sell' (Report of the Royal Commission, p.53-54).*

*Social security cannot be a substitute for a fair wage system (Report of the Royal Commission, p.163).*

The Report did not discuss the implications of this in terms of how a 'fair wage system' would operate, and what the role of the state would be in creating such a system. While the state was expected to operate within the parameters set by the market, there were significant and substantial differences in the ideological arguments surrounding the notions of the state. There were important differences in the articulation of ideology between the dominant interests (as expressed by the Chamber of Commerce) and the subordinate interests (as expressed by the trade unions). There were also important differences within groups. This was most clearly expressed in the difference between the Wellington Archdiocese and the Presbyterian Church, quoted above. There was certainly no ideological unity among the Churches, reflecting perhaps the different interests within the Churches.

There is one further aspect of the ideological processes surrounding state provision of social security which I wish to consider here, namely gender relations. That aspect is the subject of attention in the next section.

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24 See also the quote from the Report used earlier in this chapter which emphasised the way in which social security corrects defects in the market (Report of the Royal Commission, pp.180-181).
4. IDEOLOGY AND GENDER RELATIONS

A burgeoning social security literature in recent years has included extensive discussion on women and social security (Ungerson, 1985; Wilson, 1977; Pascall, 1986; Dale and Foster, 1986). This literature has concentrated particularly on the implicit and explicit assumptions about the role of women and relations between men and women as reflected in and emanating from the provision of benefits.

A core feature of the struggle revolves around women's responsibilities and role. Three distinct ideologies can be identified. On the one hand, a conservative ideology emphasised the role of women as carers of children, their contribution to society and future generations, and their domestic responsibilities. The second ideology emphasised the situation of women living alone and the inadequate financial support available to them. The third ideology stressed women's right to benefits. Here, it was argued, women should be treated as individuals in their own right, rather than being defined in terms of their caring and domestic commitments.

The three ideologies identified here are not neat and discrete categories in the way in which welfare ideologies are sometimes categorised (George and Wilding, 1976; Clarke, Cochrane and Smart, 1987). Nevertheless, there is sufficient delineation between the three ideologies to permit differentiation between them. Gender relations were also of concern to the state. The next part of this chapter explores the three ideologies expressed in the submissions. This part is followed by a discussion of the arguments from the state about gender relations.

(A) GENDER IDEOLOGIES

(i) WOMEN AS CARERS

The emphasis on the traditional nurturing role of women was strong in the submissions; the problems involved were cogently set out in a quotation from a British report:

*The main issue is ... how the woman can efficiently carry out her domestic responsibilities as well as the duties she has undertaken outside the home without detriment to her own well-being and that of her family. The issue has to be stated in this form (domestic responsibilities first) because if she is not reasonably efficient at her outside job she may be discharged, but there is no discharge for the housewife... The mother ought to look after her own*
young children... The mother ought to look after her own young children, and the woman ... who is able to give her fulltime attention to her preschool children is laying a sound basis for family relationships... The Department has a responsibility to ensure that women are not encouraged to work to an extent which would be against the best interests of their children. (National Advisory Council on the Employment of Women, Pp.7-9). (Quoted from Social Security Paper on Widows and Deserted Wives on Widows Benefit).

Even for some organisations emphasising the need for financial support for women looking after dependents on their own, there was an emphasis on the natural, nurturing role of women:

The natural source of satisfaction of these needs is his mother whose well-being is thereby bound up with that of her child (Presbyterian Social Service Association, Auckland, p.9).

With a regular income from a benefit she would be in a position to stay at home... The added income is at least giving the children some of the advantages those in a normal home situation generally receive... Lacking a mother's full-time care and attention is not a good basis for moulding the future members of our society (Solo Parents, Dunedin, pp. 1-3).

This role, the submissions argued, extended to voluntary social services:

A woman's part in the community is by training and desire motivated to help in a practical way dependent relatives and the afflicted. A widow could be of great use as a paid or voluntary worker in many of our social services now costing the country a large amount of money (J. Ayres and four others, p.2).

The caring, nurturing ideology did not necessarily exclude the possibility and desirability of women undertaking paid work. Such work may have advantaged for women's mental health. The ideologies of the nurturing role of women and the health advantages of employment were drawn together cogently by the National Council of Women. Paid employment was both desirable and necessary, but in conjunction with nurturing and care:

The Council is aware that the increasing opportunities for employment and higher rates of pay might in some cases induce the mother of pre-school children to go out to work. It is this aspect which causes the Council concern and prompts them to make these submissions because the Council believes the mother is the best person to care for her own children. We believe that a degree of economic independence is essential to a woman's self-respect. On the self-respect of the mother depends the well-being of the
family which is the basic unit of our society... The old concept that a man's wages must be set at a level capable of providing for himself, a wife and two children is no longer relevant... Family responsibilities should be provided for outside the wage system by means of family allowance, tax exemptions etcetera (National Council of Women, pp. 2-3).

For other organisations, however, there was a much stronger emphasis on the therapeutic advantages to women of paid employment. Such employment would improve their mental and physical health:

In addition the woman who is discouraged from working both because of fear of losing security and also the realisation that the income that would be available from unskilled labour would not exceed the pension to which she is entitled by a sufficient amount to justify the abandoning of the passive role, is liable to suffer from loneliness, depression and frustration. These are the women who need sedatives (Zonta Club of Auckland, pp. 1-2).

The doctrine that mothers should remain in the home and not go out to work is misplaced except where the children are infants, and require most of the mother's time... It is strongly believed that the mother, on her own and with a minimum income, but without an occupation, can often be a subject for neurosis, because her life lacks interest, variety and the opportunity for self-fulfillment (Birthright, p.10).

(ii) THE POVERTY OF WOMEN ALONE

The position of women on their own, without financial support from a male partner, was the area of strongest demand for specific change in benefit coverage. Such coverage was seen to be necessary as an investment in the children concerned, as the right of women to financial assistance, and as protecting and promoting the health of single parents. Financial support for solo parents then encompassed features of the other two ideologies:

This would be some recognition of the social as well as the economic disadvantages of the single-parent child... Such an allowance would not only offer help to the child, but would go some way to assist the parent in meeting her own emotional and social problems. The prospects of remarriage for a mother with dependent children are not very favourable, and a continuing allowance would ensure some assistance when a man was prepared to take on the extra responsibilities of fatherless children. The present policy of awarding benefits in fatherless families plus the offensive morals clause ... hinders rather than aids any solution of a mother's personal problems, and is perpetuating a system designed to meet the needs only of the woman who is separated from her children's father once and for all and does not intend to have anything further to do with men (New Zealand Association for, p.4). [98]
The poverty of single parent families produced powerful arguments for state provision of financial assistance to families. It was an argument that was expressed particularly strongly by the Mental Health Association; the poverty of mothers and children required state action. The urgency of the Association's argument warrants its expression at some length:

_Fear of her ability to cope with growing family alone, for every decision now must be made by her. Fear of the demands of the children - just normal everyday demands which society and education expect. Fear of facing the adolescent stage of family life and is she able to give them the education they should have to establish them in a sound career. Fear of sickness with the children and especially the fear that she herself may be sick and be unable to look after her family... Can we really assess the frustration of year in and year out working within a tight budget. Often robbing Peter to pay Paul and then not having enough for Peter anyway. The humiliation and strain of having to seek help from some charitable organisation for in the main these women are proud - proud and courageous (New Zealand Association for Mental Health, p.14)._25

This argument was also pursued by a number of other organisations. The Christchurch Parents Centre provided a good illustration of this:

_Society and its institutions are more concerned with punishing the mother than with protecting the child... The specific needs and importance of this group, as well as its vulnerability to the climate of public opinion, sets it apart from other similar groups such as widows and deserted wives... We have wasted too much time already, for to perpetuate the injustices suffered by the unmarried mother and her child should be abhorrent to a society based on Christian principles (Christchurch Parents Centre, p.2)._26

(iii) **WOMEN'S RIGHT TO INCOME**

The poverty and stigma of the existing discretionary benefit led a number of groups to argue for an adequate benefit as of right, rather than on the basis of Departmental discretion. The Departmental discretion had, it was argued, been associated with stigma and with attacks on the moral behaviour of single parents. These attacks and the associated stigma are further illustrations of the ways in which ideology operates within social security.26

25 The argument continued at some length, stressing the poverty of single parent families.
26 The effect of the stigma was presented cogently by the Mental Health Association in its rejection of the morals clause.
An unmarried pregnant woman should as of right be empowered to draw a reasonable living wage. Her previous employment history should in no way affect the amount of this wage. Should the unmarried mother wish to take the full care of her baby, this wage should continue until such time as the child can sustain separation without risk (Christchurch Parents Centre, p. 6).

Needs of dependent children and the family as a unit be the criterion for public support [for widows and deserted wives]... While the present system of benefits recognises an obligation to the widow and clearly deserted, help for the family of the separated, divorced, or the single mother in its need is often spasmodic... Widows benefit should be sufficient to meet individual family needs, and solo parent with dependent children should not have to work to maintain a basic standard of living (New Zealand Association for Mental Health, p.6)

Others went much further, stressing the right of women to a benefit in their own right, not just because of their dependence on a male partner. This independent right to a benefit was advocated by both a major trade union group and by the Chamber of Commerce:

An anomaly of the social security system is the lack of entitlement of wives, who are in regular employment, for treatment on the same basis as working men in the event of sickness... It is reasonable to concede that if women are to work and that this is considered desirable, then they should work on equal terms with men as far as sickness or employment is concerned. Women have been paying the social security charge on the same basis as men yet they do not have the same rights as men to a sickness benefit if they are off work, nor do their husbands have the same rights if their wives are still working when the husband is off sick... They both contribute to social security funds, in proportion to income, and should be treated to the same treatment as a single person (Federation of Labour, pp.7-8). [157]

We cannot see any disadvantage from treating husband and wife as separate units in respect of those social security benefits where, through some unfortunate happening, one member of the family who has been working has been deprived of earning power (Auckland Chamber of Commerce, p.2).

The right to independent income for women and challenge to the dominant view about the subordinate role of women also came from the Foundation for the Blind:

Earnings of the sighted spouse are not taken as personal earnings of the beneficiary but are classified as unearned income... Upon the consideration of marriage, however, she must face the prospect under existing social security legislation that her benefit will cease because of the factor of the personal earnings of her future husband. Thus she takes to the marriage the
feeling that she has given up her own economic independence (Royal New Zealand Foundation for the Blind, p.10).

However, the right to a benefit and to an income did not mean that the nurturing role was secondary. Nevertheless, nurturing did not negate the right to an income:

*Any sole parent or guardian fulfilling the nurturing or mother role (regardless of sex or marital status) should be entitled to such income as will enable him/her to live full-time at home until the child enters nursery or primary school, and be home at school finishing time until entry to secondary school, and to maintain a standard of living not less than that of any worker on the minimum wage rate in the community (New Zealand Association for Mental Health, p.3).*

Mothers [should] be encouraged to stay home and look after their children by paying the basic male wage to them; outstanding time payments to be the responsibility of the husband; men should pay sufficient out of their wages to ease the position of taxpayers (Married Women's Association of New Zealand, p.7).

On the other hand, other organisations went further than the rights of single parents to benefits, arguing that payment should be a step towards a universal motherhood allowance. The role for the state should be to ensure that all citizens had some income; women had a right to an income in their own right. The National Council of Women linked their argument to the overall argument for a motherhood allowance, stressing the economic position of women generally and the needs of young children to be cared for by their mother. Indeed, this part of the Council's argument included aspects of all three ideologies:

*The approach to which we wish to draw attention, that of replacing the present structure of benefits, allowances and income exemptions with a system of income maintenance... Under an income maintenance approach a beneficiary whose income from all sources fell below an agreed proportion of the average national household income... would have have his (or her) income supplemented to bring it up to the approved figure. The proportion of the national average income would not be identical for all classes of beneficiary, however, but would vary in accordance with the ability of the beneficiary to contribute towards his (or her) support... Insecurity of the emergency type benefit, valuable though it may be in exceptional cases, must be an added psychological burden on the solo parent... Concern for the stability and mental health of the household headed by a young mother appears to justify generous support for these households while the children are below school age (National Council of Women, pp. 15-17).*
However, not all organisations pressed for a right to a benefit, although they recognised the inadequacy of available assistance. The Salvation Army argument did not move dramatically away from the then existing emergency benefit provisions. Benefits, they argued, should be at the discretion of the Social Security Commission, not as of right; payment should be dependent on individually assessed circumstances:

*How you can possibly defend the non-payment of benefits to under sixteen year olds when it is shown conclusively that, in a large proportion of cases the girl is not receiving the necessary financial support from her parents to cover the expenses of her pregnancy?... It is submitted that the law should be altered to provide for an extension of the present sickness and the emergency benefits to unmarried mothers under 16, and to those between 16 and 18 who are still at school. The granting of benefits should be on the same basis and subject to the same conditions, so far as eligibility periods during which the assistance may be granted... The applicant will still have to show that she is not receiving sufficient income from the traditional sources of family, father of the child... However, the payments should not be confined to such cases, and even in cases where the normal family relationships exists, but where it is shown that the girl's pregnancy and the extra dependence created thereby is causing or likely to cause financial hardship to the parents, the benefits should be available on application... It must be stressed once again that we are not advocating any departure from the normal rules and policy as to when benefits should be granted... Such benefits should be available without distinction of age where positive hardship is shown. The enactment of legislation extending such benefits is not in any way condonation of immorality, but is rather an acknowledgement of a proven social reality, and an attempt to minimise the hardship that is sometimes caused *(Salvation Army, pp. 5-12)*.

The Association of Anglican Women pursued a different argument; it was men rather than the Social Security Department who should take responsibility for women's support:

*There would seem to be a need for a change of criteria when a woman has an indigent husband; some Social Security Departments refuse to consider petitions from a wife because they regard the man as in charge of the family. Women whose husbands are irresponsible... should have access as of right to a proportion of wages* *(Association of Anglican Women, p.3)*.

There was, then, considerable pressure for state action to respond to the position of women, particularly women without any other source of income. The reasons for pressing for state

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27 It should be noted that the Salvation Army was a major provider of care for single mothers; their argument for payments to be able to be made to the institutions arose, in part at least, from self-interest.
action varied, but the demands were comparatively universal. The right of women to an income, and the associated challenge to the dominant order emphasising their dependence on a male was pressed, but less strongly than the ideology which emphasised the traditional nurturing role of women. The next section explores the state's response to these demands.

(B) THE STATE AND GENDER

Persons caring for dependent children alone, either because of separation from their spouse, divorce or unmarried motherhood have always received inferior social security provision compared with widows and those who have been deserted. This persistence, clearly demonstrates the ideological base from which the Department of Social Security's submissions argued that the selection of 'deserving' groups changed over time. There is, in fact, a remarkable continuity, a continuity that can be explained most satisfactorily through ideology? It is ideology that allows us to explain this persistence; single parents represent a challenge to traditional beliefs about female dependence on males and represent a challenge to powerful interests which emphasise traditional views about the family and gender relations within a family unit. Groups such as single parents have been persistently considered the most unworthy.

This was well demonstrated in the Department's own argument where it set out the ranking of responsibilities - clearly the state stood at the end of the queue. The order for maintenance of separated women was:

\[
\text{in the first instance her husband must maintain her, and secondly, she must be unable to work, and thirdly the responsibility devolves on the social security system. A similar ordering of responsibilities exists for unemployment benefit (Department of Social Security, Paper 6:35).}
\]

The social context of the rules and exclusion/inclusion of beneficiaries was most clearly seen in the ways in which women were made ineligible for various benefits; the benefit rules operated to reinforce their domestic commitments and the assumed dependence that was part of this.

The operation of such rules and the assumptions of dependency were evident in the Department's arguments surrounding unemployment benefit. Women's eligibility for
unemployment benefit was predicated on their not being dependent on a male partner. This was a good example of the ideological base on which decisions about eligibility were based. The weaknesses of the Department's arguments, discussed above, were well demonstrated here. Selection for inclusion stemmed from the operation of ideology surrounding gender relations, not from women placing themselves outside the community, as the Department argued.

These rules do not arise somehow out of the intrinsic behaviour of women but are the result of ideological and political processes that culminate in particular laws. These laws both reflect and reinforce ideas and practices in the area of relations between men and women. As such, they are, therefore, closely linked to contests and disputes about gender relations, relations between dominant and subordinate gender groups.

Turning to single parents, at the time of the Royal Commission, single parents were able to receive a discretionary Domestic Purposes Benefit.28 It was however, a discretionary benefit. Deserted wives could be paid a widows' benefit, if they could establish that they had been deserted. The Department of Social Security argued that this created anomalies, with different groups of women being treated differently:

In essence this situation results very often in different treatment being granted to women in similar positions on the grounds that one is judged as being more at fault than the other... A statutory benefit should be introduced into the Act to cover the circumstances of all women who are unable to maintain themselves and have lost the support of their husbands or the person responsible for their situation... The Department would have to be given authority to enforce maintenance rights and collect any maintenance payments, in the same way as for deserted wives benefits (Department of Social Security, Paper 10:27).

The proposed benefit would not include widows; widows have always been seen as somehow apart from and separate from other single parents, a distinction that was acknowledged by the Department's own arguments:

There is no suggestion that widows should be included in the new benefit as such women are a well defined group who receive a statutory widows benefit in respect of the death of their husbands (Department of Social Security, Paper 10:28).

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28 This benefit had been paid under the Emergency Benefit regulations since 1968.
The proposed benefit could, the Department argued, be extended to a number of groups other than widows, but this should be within an ideological framework which supported marriage and the family. (See Appendix Four for a full summary). The financial support of the state was designed to reinforce these relationships. It is here that there are clear indications of ideology (in the negative sense of that term) well displayed, with the subsequently oft repeated assertions that a Domestic Purposes Benefit may encourage women to separate from their husbands:

There would have to be some discretionary authority to refuse benefit for those women who leave to stay away from their husbands without just and good cause (Department of Social Security, Paper 10:28).

It was argued that a benefit should not be paid for the first six months because marriage breakdowns could often be resolved. There should, however, be some discretionary provision:

where there are circumstance deserving of special consideration (Department of Social Security, Paper 10:28).

The position advanced here by the Department of Social Security is a powerful illustration of ideology (in the positive and negative sense) at work, and of the contradictory nature of the state and of social security in responding to the situation on impoverished women with dependent children. On the one hand, the Department of Social Security argued for a statutory benefit, a significant improvement in the position of single parents. At the same time, this occurred in a context in which women were 'normally' expected to depend on their husbands for financial support. Only when this failed and paid work was not available would the state assist. Moreover, while providing assistance, the state would ensure that there was 'just and good cause' for women to leave their husbands. State assistance represented an improvement, but was provided in a way that continued to emphasise female dependence.

The Report took up the Department's proposal, recommending that there should be a statutory benefit for all single parents, and for women alone after childcare responsibilities had ceased, but this benefit should not be paid for the first six months after separation:
The Social Security Department also proposed that the new statutory benefit should be granted on a temporary basis for the first six months as is the present case for the wives of mental patients. The grounds for this proposal were that marriage breaks are often mended after a short period of separation. Appropriate cases could be granted emergency assistance during the first six-monthly period, but it would be desirable to have discretionary authority to allow a permanent grant from an earlier date in appropriate cases. We agree broadly with this approach (Report of the Royal Commission, p.247).

Once again, the Commission argued that it was 'need' which should determine eligibility for a benefit for a single parent. 'Need' in this instance, it was argued, supersedes other considerations, particularly issues of 'morality':

Attention has tended to be focused on the reasons why women found themselves in the position of solo parents. We think that the time has come to focus attention on the needs of these solo-parent families, and to deal with other considerations separately... Thus all female solo parents, whether they be widows, unmarried mothers, or otherwise, are likely to suffer from a lack of income. It is the fact of this lack of income, and not the reasons for it, that concerns social security. The criterion of need must, of course, be applied... What we want to emphasise is that assistance should not be withheld because the man concerned should be supporting the family. If the need exists, the community's responsibility is established, and the matter of the man's contribution becomes a separate issue (Report of the Royal Commission, p.246). (Emphasis in original).

The Department had also recommended that widows not be included in the group eligible to receive the new statutory benefit, and that they should be treated separately. The Commission rejected this approach, arguing for a uniform approach to female single parents. The state's support for a benefit for single parents represented, then, an improvement in the position of that group of the poor.

At the same time, the ideological contradictions surrounding state financial assistance was demonstrated clearly in the arguments supporting payments to single female parents, but not to single male parents:

Before the loss of his wife ... a father would usually have been working, and he would in most cases find it easier to get a well-paid job than a woman. Moreover, most men are less trained to care for the home and

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29 The word "female" is stressed because the Commission differentiated between the situation of female and male single parents.
children than are most women, and are less prepared to undertake these responsibilities. Consequently, men usually meet these circumstances in different ways, for example, by employing a housekeeper, or boarding the children at school. It is possible that the state can and should assist by such means as providing adequate day care centres, but we cannot see that social security monetary benefits are appropriate in these circumstances. If, however, the interests of all concerned may best be met by the father staying at home and caring for the children, at least until suitable alternative arrangements can be made, he will then be in exactly the same position as a female solo parent, and we consider that he should be eligible for the same benefit and allowances (Report of the Royal Commission, p.249).

The Report recommended removal of the morals clause from the regulations surrounding social security. Social security eligibility should not be dependent on good moral behaviour. The notions of deserving and undeserving poor were rejected by the state, but women living in a de facto relationship would still be dependent on their male partner for financial assistance:

\[\text{It would be quite inequitable if a woman who is living on a domestic basis with a man to whom she is not married and in circumstances largely indistinguishable from those of married couples, were paid an income-tested benefit irrespective of the income of her man. But it is reasonable that a man on a social security benefit who is living with and regularly supporting a woman to whom he is not married should receive additional benefit at the married rate for his de facto wife (Report of the Royal Commission, p.351).}\]

However, sharing premises and domestic expenses was not sufficient in and of itself to lead the Department to define a man and woman as a married couple:

\[\text{It should be satisfied that they have so merged their lives that they are living together as a legally married husband and wife do, and that the man can reasonably be regarded as having assumed a status of responsibility for the woman (Report of the Royal Commission, p.352).}\]

The contradictions facing the Report were well illustrated in the recommendation on financial support for single parents. As I have illustrated, such support should be provided on the basis of need, not on the basis of morality or assumptions about how such support should be provided. Nevertheless, the Report was anxious to ensure that men supported their family and that the state was not forced to take on additional responsibilities:

\[\text{We reject the idea that the partners in a de facto relationship should obtain financial advantages from the state which are denied to the partners in a legal}\]
marriage. Where a family relationship exists in fact, the man must be assumed to have the primary responsibility of supporting it (Report of the Royal Commission, p.248).

We have suggested that the Department should have a discretion to agree to postpone or waive the taking of proceedings [for maintenance]. We recognise that there is a danger of the exception becoming, in practice, the rule. This is part of the wider risk that if income support is given too readily and without regard to the obligations of other people, husbands, wives, and parents will, in their own interests, seek to throw those obligations on to the taxpayer (Report of the Royal Commission, p.346).

The state responded to the demands for change in relation to support for single parents, thus significantly improving their situation. However, as I argued above, and as the state's own position illustrated, this was clearly a response of last resort. Women should still first and foremost depend on their male partner financially.

CONCLUSION

The contradictory nature inherent in the ideological structure of the advanced capitalist state is well demonstrated in the evidence reviewed in this chapter, particularly in how the submissions struggled with issues such as incentives, deserving and undeserving poor, and self reliance for beneficiaries. This was shown too in the at times Janus-like approach of the Report itself, as it struggled with those contradictions. However, at the same time there were a number of other ways in which the Departmental arguments and the Report reflected challenges to the dominant interests, the most obvious being in the rejection of the argument that economic growth would resolve the problem of poverty, and in the provision of a benefit to single parents. Further evidence is found in the failure of the Department of Social Security to grapple effectively with such questions as the persistent definition of particular groups as 'deserving' or 'undeserving' and in the ways in which the state, and the submissions generally, approached gender relations.

It is crucial to reiterate the point made previously, namely that ideology has to be understood and approached in a dynamic rather than a static sense. That is, the close connection between power and ideology, expressed through the concepts of domination and subordination, must lead to and allow for challenge from subordinate interests. Ideology is not all pervasive and all encompassing. The arguments advanced here from groups in civil society make that clear.
Second, the dynamic approach I have argued for here requires maintenance of a constant tension between not assuming or implying a conspiracy between powerful interests on the one hand or some looser form of quasi-democratic argument similar to that adopted by pluralists on the other hand. Alongside the challenges to dominant and powerful interests referred to in the previous paragraph must be placed the evidence about the ways in which those dominant and powerful interests were strengthened and reinforced.

That strengthening and reinforcing provide clear and powerful illustrations of the ideological processes of reification and dissimulation used as cornerstones of ideology, the third point related to ideology arising from the material in this chapter. This was particularly clearly evident in the ways in which the market was taken for granted, and the interests arising from that 'taking for granted' were ignored. Both reification and dissimulation are also evident, the former because 'the market' is treated as natural and the latter because the interests attendant on and resulting from the market remain unexplored. It is reflected too in the ways in which the assumptions about female dependence on males are reinforced.

Before moving on to the purposes of social security, one final comment must be made. The attitudes shown towards the state and the emphasis on state intervention are important aspects of legitimation, of the state itself, and, more importantly, of the social and economic structures within which the state is located. Legitimation and struggles surrounding this, in the sense of the extent to which the state should intervene, were important in the areas pursued in this chapter. The next chapter moves to the positive use of ideology, as it explores the purposes of social security.

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30 See chapter two for a fuller discussion of pluralism.
IDEOLOGY AND THE PURPOSES OF SOCIAL SECURITY

Ideology has both a positive and negative usage. In the positive sense, ideology refers to different sets of coherent and logically consistent systems of ideas and beliefs. These structures of ideas and beliefs often include both statements about the nature of society (how the society should be organised) and a political programme to achieve the goal of creating that society. Liberalism, marxism, socialism and feminism are four clear illustrations of such belief systems. They are ideologies and ideological in the positive sense of the term.

It is this positive sense of ideology that is reflected in the struggles surrounding the purposes of social security, the focus of this chapter. There is a sense in which the question of the purposes of social security underlies many of the arguments addressed throughout this thesis. After all, the contests and debates surrounding both the state, and to a lesser extent inequality and poverty, are, to some degree at least, contests and debates about the purposes of social security. They are, therefore, ideological contests and debates, in the positive sense of ideology.

It is, however, inadequate to subsume the ideological contestation surrounding the purposes of social security into the broader considerations encompassed by the ideological struggles surrounding the role of the state, or inequality and poverty. These struggles were effectively analysed through using ideology in the negative sense. There were, in addition, quite distinctive differences expressed in the submissions and in the Report about the ideologies underlying social security. Those different expressions cannot be reduced to struggles about the role of the state. They are important expressions in their own right, both because they reflect differences about what social security is aiming to achieve, and also because they may lead to significantly different programmes of action. They may result in different social security provisions and regulations.

1 The word 'purposes' is deliberately used in order to convey that there are many purposes, not one single purpose. It should be noted too that some organisations presented more than one ideology.
My analysis suggests that four different positive forms of ideology can be identified. These ideologies provide a purpose for social security; they are the justification for its provision, and are the base which guides how social security should be organised and provided. While each of the ideologies creates a justification for social security provision, there are differences within the ideologies. These differences reflect the different meaning and usage given to particular words and phrases. They are, of course, differences which have a potentially profound significance for the level of benefits and for the regulations governing benefit provision.

According to the four ideologies, social security should:
1. reflect community conscience and is a community responsibility;
2. invest in people;
3. relieve poverty;
4. promote human dignity and income security.

I. REFLECTS COMMUNITY CONSCIENCE AND IS A COMMUNITY RESPONSIBILITY

Social security is often presented as, and argued to be, a reflection of community concern and community responsibility. The notion of 'community conscience' has an important pedigree in the social policy literature; the arguments have been well summarised by Baker (1979). Arguments which describe and explain social security as reflecting 'community conscience' have a functionalist quality to them. That is, they are, as Taylor-Gooby and Dale (1981:13 et seq.) succinctly point out, arguments which regard social provision and social change as

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2 One of the significant omissions from the purposes identified here is any direct reference to social control, in the broadest sense of that term. First, there was only brief direct comment about social control in the submissions. Second, and more substantially, much of the discussion surrounding social control is subsumed very satisfactorily in the chapters dealing with the state, and with poverty and inequality. Social control is covered in those two chapters through exploration of areas such as the deserving and undeserving poor, less eligibility, work incentives, and the nature of poverty.

3 It should be pointed out here that the categories identified above and discussed below are not mutually exclusive, but they are distinct.

4 'Community conscience' and 'community responsibility' are linked together here not because they are interchangeable, but because they are considered to be closely connected.
processes which arise phoenix like out of the ashes. How or why the 'conscience' takes some form rather than others by responding to some situations and not others remains unanswered. 'Community' has, like so many terms and phrases in the social welfare area, a multi-faceted quality.\(^5\) It can arise from a paternalistic, patrician ideology (to use Lee and Raban's (1983) term) or from an ideology rooted in some aspects of socialism. Certainly, submissions used it in both senses.

It was the Churches which argued most strongly and persistently for both community conscience and community responsibility as the basis for social security provision, but this approach was not limited to these organisations. Social security was seen as promoting social cohesion and solidarity, and as stemming from a solution to poverty towards the middle of the individual/structural continuum used in chapter six. This 'structural response' arose from a sense of shared commitment to one another:

\[
\text{Underlying the social security system is a concept of community responsibility to care for all members of the community and a belief that the health of the community requires that all should enjoy a basic standard of living (Public Questions Committee of the Presbyterian Church, p.1). \[66\]}
\]

\[
\text{The characteristics of the system are:... the responsibility of each individual to society for its well-being as a whole; the corporate responsibility of society for the well-being of its members individually (Presbyterian Social Services Association, p.2).}
\]

The Methodist Church argued for 'communal responsibility' as a basis for social security. Such arguments were also advanced by union groups and by Federated Farmers. Although the same term was used, the diversity of groups advancing such arguments is a good illustration of the multi-faceted nature of the term referred to above. The language was the same, but the ideology was rather different. For example, Federated Farmers argued for a safety net approach to 'community responsibility', while the union organisations adopted a much wider, more structural ideology. For the unions, the emphasis was on people being deprived of means, while Federated Farmers emphasised a lack of protection, defining social security as:

\[
\text{5 Although used as if there was agreement on its meaning, 'community' is a contested concept, with ideological and political manifestations. It is not a neutral term. It is used by ideologies of the left and right. See Shirley (1979); Plant (1974); Lee and Raban (1983).}
\]
A community responsibility to ensure that its members are safeguarded against the economic ills from which they cannot protect themselves (Federated Farmers, p.1).

The contrasting argument from the unions was neatly expressed in the arguments of the Federation of Labour:

The Committee considered that the proposed benefits were a logical development of the social services that had been a feature of the legislature of New Zealand for many decades and that they represented the embodiment of public conscience as to the community's responsibilities for those who had been deprived of the means of fending for themselves (Federation of Labour, p.3). [157]

(This latter quote was adopted directly from the 1938 Select Committee considering the Social Security Bill).

The union argument not only made the link with the 1938 Act; it also linked the 'community' emphasis with the principles underlying the Royal Commission for Personal Injury, principles which included community responsibility:

Community responsibility: Extended to social security, this principle would mean that an individual's loss due to sickness, old age, unemployment or death is a loss for which the community as a whole has responsibility (Combined State Services Organisations, p.5). [99]

The Departmental submissions also spent some time emphasising the 'community' base of social security, both historically and currently. Their submissions, as I will demonstrate below, adopted an approach which can be described as 'inevitabilist'. Moreover, they went on to describe the state's involvement in that neutral, benign way referred to in chapter two. The state acted in a benevolent fashion to replace and supplement the failures of mutual aid systems, systems that were seen to be the ideal against which current arrangements should be measured:

The methods of providing for the welfare of individuals in low-energy or 'primitive' societies have not even today been rivalled in their effectiveness and acceptability (Department of Social Security, Paper 5:7).

6 This term is used to refer to an approach in which one point of historical development is regarded as leading inevitably to the next point. (See Carrier and Kendall, 1973).
It was the failure of these institutions, the Department argued, that lead to state provision (Department of Social Security, Paper 5:4).

The notion of community conscience and a benign, responsive state was well illustrated in the following arguments that set out the basis for both the initial introduction of old age pensions in 1898 and the passing of the 1938 Social Security Act:

* A logical development of the pensions that had been a feature of social legislation in New Zealand since 1898 and represented the embodiment of the public conscience as to the community's responsibilities for those who had been deprived of the means for fending for themselves (Department of Social Security, Paper 1:2).

* In the years immediately following the depression of the 1930s there was an awakening of the public conscience and social pressure was applied for the formation of a scheme which would not only embody the pensions which were already payable, but also provide assistance for other sections of the community who had to rely on charitable aid (Department of Social Security, Paper 1:9).

This mutuality had been lost, they argued, because a separate fund was not earmarked, leading to an inappropriate emphasis on contributions as forming the basis for entitlements:

* Many in New Zealand appear to view the social security programme as if it were provided by a beneficent government rather than by the people for the people as part of the system of obligations and rights which exist in the community. The use of such terms as 'charity', 'handouts', and 'cap-in-hand' connotes an absence of appreciation of the mutually helpful nature of the programme (Department of Social Security, Paper 6:39).

Such an approach is a good illustration of the process of dissimulation. Portrayal of the state as acting in the interests of all ('In the Public Interest', to quote Wilkes and Shirley, 1984) hides the interests that are promoted by the state, and by state action. Furthermore, such arguments also convey the legitimation aspect of ideology in that the state portrays itself as a caring, concerned entity that cares for the needs of all members of society equally, and such 'care' is solely in the interests of the poor and powerless. (For a fuller discussion of the legitimation aspects surrounding state provision of social security, inequality and social security, see chapter six).

In the Report, community served a consensual focus; it was treated as an unproblematic term based on some implicit, universal norms. Furthermore, the Report adopted a position in
which social security became the expression of social conscience. For example, the following quotation from the Select Committee considering the 1938 Act was used to describe the purpose of that Act; the purpose was:

the embodiment of the public conscience as to the community's responsibilities for those who have been deprived of the means of fending for themselves (Report of the Royal Commission, p.55).

This social conscience could be expressed through an acceptance of community responsibility. Social security provision, it was argued, arose out of and:

reflects an acceptance of community responsibility for social welfare (Report of the Royal Commission, p.52).

And again:

In summary the underlying if not explicit principles and aims of the present social security and health services seem to be:
(a) Community responsibility for ensuring that all its members have a 'reasonable standard of living' (Report of the Royal Commission, p.57). (Emphasis in original).

The ongoing importance of this notion was also conveyed in the statement of principle ascribed to social security. The quotations below expressed this well:

These are the essential principles on which we consider our social welfare system and its administration should be based:
(a) The community is responsible for giving dependent people a standard of living consistent with human dignity and approaching that enjoyed by the majority, irrespective of the cause of dependency. We believe, further, that the community responsibility should be discharged in a way which does not stifle personal initiative, nor unduly hinder anyone trying to preserve or even enhance living standards on retirement or during time of temporary disability...
(e) The aims of the system should be...
(ii) Second, to ensure, within limitations which may be imposed by physical or other disabilities, that everyone is able to enjoy a standard of living much like that of the rest of the community, and thus is able to feel a sense of participation in and belonging to the community (Report of the Royal Commission, p.65). (Emphasis in original).
The central importance of the concept of 'community' is well illustrated by the focal place given to belonging and participation in the community as a fundamental principle of social security. This phrase 'belonging and participating in the community' was repeated often as the basis for establishing rules and benefit levels. However, the reference to 'personal initiative' indicates that there was still some clear expectation that personal solutions were applicable also and indeed the collective solution should not discourage the personal. Indeed, a personal solution was to be encouraged. (See chapter six for a fuller discussion of this).7

As with the phrase 'belonging and participation', retaining a standard of living akin to the rest of the community was a recurring argument. The central importance of community membership and participation was neatly captured in the following quote:

> Our assessment of poverty is therefore made within the context of the levels of living enjoyed by the mainstream of the population. It is not based on determining some minimum subsistence levels related to 'life and health' goals. At any time people must have the means of belonging to their community and enjoying a standard of living approaching that which is normal for the community as a whole (Report of the Royal Commission, p.105).

Finally, benefit levels should, the Commission argued, be set at a level that reflected the standard of living enjoyed by the rest of the community. Similarly, changes to these levels should:

> ensure that the dependent sections are not removed from the main body of the community by failure to match the rate of change in levels of income maintenance to the rates of change in prices, incomes, and productivity in the rest of the community (Report of the Royal Commission, p.106).8

Within this general heading of 'community responsibility' there is one specific aspect that warrants attention, namely the link between community responsibility and Christian concern. This link was touched on above, but warrants a fuller discussion because of the comparatively extensive role played by the church social services in New Zealand, and the historically significant contribution which they have made. The argument was most strongly expressed by Presbyterian Social Services:

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7 This emphasis on an individual solution will appear on a number of occasions throughout the rest of this chapter.
8 For an extensive discussion of benefit changes and benefit adjustments, see chapter nine.
The social system in New Zealand is based on the Christian tradition (Presbyterian Social Service Association (Auckland), p.1).

All men are not born equal. Yet all are equal before God... Each individual has an inalienable right to develop his personality to the utmost and this is a right which he possesses from the cradle to the grave. As a social being he looks to society to assist him in the attainment of these rights. A strong case can therefore be made for a social security system which will put a higher value on the promotion of positive measures than it does on remedial ones, essential though these may be (Ibid., p.2).

The collective Christian responsibility for responding to poverty was more clearly articulated by the Methodist Church and by the Maori section of the National Council of Churches:

We re-affirm our belief in the dignity of the individual and the necessity for a social organisation that fosters rather than hinders the attainment of this... People are the central focus of creation and... our aim must be to give security to all, as of right (Methodist Church of New Zealand, p.3). [175]

New Zealand has developed a form of society which accepts a collective responsibility for the social and economic welfare of every individual within our society. We believe that this principle is in accordance with the best traditions of Christian teaching and ethics... Some folks... are unable to secure by their own efforts, a just share of the common wealth. It is the responsibility of the community and nation to ensure that they do secure this. The Maori section of the National Council of Churches supports wholeheartedly the principle of collective responsibility for the welfare of each and every individual within our society (National Council of Churches in New Zealand (Maori section) of Te Awamutu, p.1). [76]

For the Churches poverty could not be explained simply by individual fault and failure. As I demonstrated in chapter six, the Churches, to varying degrees, emphasised a collective solution to the problem of poverty. The stress on community responsibility follows logically from such an emphasis.

The state also identified a Christian ideology as part of the basis of social security. The Department's own submissions quoted the Select Committee that led to the 1938 Act as follows:

Public opinion in the Dominion requires that the normal Christian attitude of helping those in need, whatever the cause of their need, should be carried on into the community way of life, enabling the joint resources of the people to be applied in banishing distress and want (Department of Social Security, Paper 2:3).
The only reference in the Report to the 'Christianity theme' was to use the quotation above.\(^9\) Despite the number of submissions using a Christian base, Christianity was not a strong or dominant ideology. However, its importance should not be under-rated simply because there are few groups pressing such ideas. For example, as has been noted, historical factors and the size of the Church's role in providing social services both point to its being an important factor. Certainly, the stress and emphasis from the churches lay with protecting and promoting the needs and interests of the poor, a stress and emphasis which was evident throughout many of the arguments quoted in this thesis.\(^10\)

Community conscience and community responsibility were then important ideological underpinnings for social security. They were underpinnings that were reflected in the approach of the major state agency, and organisations as diverse as the Methodist Church, the Federation of Labour and Federated Farmers. They were reflected too in the Churches approaches to how poverty should be responded to. The diverse range of political interests arguing for community responsibility reinforces the argument made by Lee and Raban (1983) that 'community' is a term that has wide ideological appeal. The way that the concept is applied and interpreted will depend on the balance of forces at any given time. In the late 1960s, this balance indicated an acceptance that there was a community responsibility for responding to poverty. Furthermore, this responsibility should be expressed in a way that allowed the poor to feel included in the society rather than feeling excluded. The extent of collective responsibility and the form that such responsibility takes were, of course, contested questions. These contests and struggles are set out in chapters six and nine. For now, I want to move to a second purpose of social security, namely human investment.

2. ASSIST DEVELOPMENT OF HUMAN POTENTIAL AND HUMAN INVESTMENT

The welfare state in general, and social security in particular, have often been defended, and indeed promoted, on the basis that they facilitate human development by making opportunities available that would not otherwise exist. Similarly, it is often argued that

\(^9\) The concept of 'need' was used on a number of other occasions, but there was no further discussion arguing for this particular theme of Christianity.

\(^10\) It should be noted here too that the churches extensive involvement in the social services meant that they were not arguing from purely philanthropic considerations.
expenditure on social security represents investment in the human resources of the society. Such arguments are expressed both by Marxist authors such as O'Connor (1973) and economists in the Keynesian tradition such as Easton (1980). Within the competing ideologies set out in chapter two, this is evident in the arguments of both the reluctant collectivists and the Fabian socialist traditions, to use George and Wilding's (1976) categorisation. Here too the different approaches to freedom discussed above are evident. Adopting the positive view of freedom, the welfare state was seen to increase freedom by removing obstacles to human development such as poverty, lack of access to health care and education services.

As I have demonstrated above, the human development and investment emphasis was an important one for the churches, more substantially so than the emphasis placed on Christianity itself. The Methodist Church expressed those arguments very succinctly. Social security is, they said:

\[\text{An investment in people through the development of human capital} \]
\[(\text{Methodist Church of New Zealand, p.3})\]

These arguments from the Methodist Church were shared by a number of other groups, particularly those representing people with disabilities, and those arguing from a mental health background. (It is important to note here that groups closely involved with social security recipients were comparatively conspicuous in this area). The arguments were usually expressed in ways that stressed equal opportunity rather than wider structural approaches to equality. The following comments are representative:

\[\text{It is strongly urged that such assistance as may be given from social security or other sources be not regarded as a 'handout' but as an investment. It is in the interests of the community as much as the individual paraplegic that he or she be able to live as independent a life as possible, and that they be given the opportunity to use their residual abilities and talent to earn a living} \]
\[(\text{New Zealand Federation of Paraplegic and Physically Disabled Associations, p.1})\]

\[\text{The Social Security Department is the investor and what better investments to put their money into than the normal health family} \]
\[(\text{New Zealand Association for Mental Health, Appendix 2, p.9})\]
The trade unions also argued strongly for an emphasis on investment and on freedom, particularly the latter. However, their arguments were more actively linked to the structure and organisation of society:

\[\text{Means should be provided whereby every person is encouraged to attain his full potential, freed as far as possible from economic, social or emotional anxieties and strains... Within society there should be a concern for the welfare of other people, coupled with the desire to see that everyone within society is given full opportunity to develop his maximum potential. These aims can be achieved within a social welfare system which recognises rights as well as responsibilities, freedoms as well as obligations (Combined State Services Organisations, p.6).}\]

Sutch also emphasised the investment element in his submission. He went further, linking investment with universalism and lack of stigma:

\[\text{In a free enterprise society aiming at the optimum development of the human individual, the overriding aim is to provide social security free to all without discrimination and without disapproval, to reduce public assistance to special cases to the absolute minimum and where this may be inevitable, to treat the problem positively (Sutch, section four, p.4).}\]

\[\text{In the New Zealand social security scheme there are substantial inadequacies in the provision for dependent children at their different stages of growth and, therefore, in their opportunity to develop and, in consequence, of society's opportunity to benefit from that development (Sutch, section eight, p.15).}\]

\[\text{Social security expenditure is not to be regarded as a burden, but at the very minimum, as an investment and a distribution of the total income of society (Sutch, section ten, p.2).}\]

This argument around the issues of investment and development of human potential was strongly evident when discussing the needs of children. They were seen to be particularly important as an arena of investment. That argument seemed to be primarily in relation to their development as human beings, but there were some instances of this argument reflecting an approach which emphasised social stability and social harmony. This was most strongly represented by the Mental Health Association, but was not limited to that group. Indeed, it was Birthright that most clearly linked investment with the positive notions of freedom referred to in chapter seven:

\[11\ 'Public assistance' is a term used to refer to social security provisions on an emergency basis.\]
Social security (in some cases at least) should do more than help an individual to obtain the necessities of life. Because the fully-developed individual adds to the strength and diversity of society, it follows that society should regard as an investment the collective effort it makes to allow all individuals the opportunities to reach their full development. This should apply with special force to children (Birthright, (New Zealand), p.6).

Concern for the stability and mental health of the household headed by a young mother appears to justify generous support for these households while the children are below school age... Under the present structure of benefits and allowances, the support offered a mother and therefore the pressure exerted upon her to enter employment, does not vary during her child's first 16 years (National Council of Women, p.18). [112]

We suggest the the important fact in all these categories is that a family lacks one parent, and propose that this should be sufficient basis for granting a benefit, to ensure that the children are properly provided for (Solo Parents, Wellington, p.2). (Emphasis in original).

Throughout these arguments was a regular stress on the positive role of the state, and on a positive approach to freedom in which the state, by its investment, promoted freedom. There was, however, no connection made between these arguments and a structural approach to inequality. In terms of the continua utilised in this thesis, the arguments can be located towards the structural end of the continuum. However, it was a response that did not define and describe poverty in terms of structural inequality. Rather, drawing on the diagram in chapter seven, it represented a position towards the middle of the continua. To use George and Wilding's (1976) classification, it was a response which could be categorised as being on the boundary between reluctant collectivists and Fabian socialists, with a closer affinity to the former than to the latter.

This lack of any explicit connection to inequality is a further illustration of a persistent theme in the exploration of the ideological basis of social security, namely the separation of social security provision from the total structure of income distribution in the society. Investment expenditure and investment as a basis for social security can occur without that distribution being examined. The state certainly had a responsibility to respond to poverty, and its response was seen as contributing to human development, but this response was within the existing parameters of income production and distribution.
The arguments around investment were not all in the one direction however, and there was a very clear example from Zonta of how two quite contradictory ideological arguments could be easily linked together, without the contradictions being attended to; the confusion was not clarified at the hearings:

_The aim of the social security scheme of monetary benefits should fulfil the following: to ensure that all persons qualifying by residence as New Zealanders should have available to them material resources to ensure adequate nutrition, medical services for the maintenance of health and accommodation compatible with dignity of living and reasonable privacy, and education to allow for the full development of talents. To offer to all children equality of opportunity irrespective of the status of their parents or the mistakes they, the parents, may have made... We believe the Act as at present administered does tend to stifle initiative and to discourage individual effort. It tends to create a population of 'takers' who use their misfortune to hold society to ransom, providing a platform from which those who suffer misfortune or illness may regain their self respect by their own efforts and rid themselves of the feeling that they are receivers of a charitable handout (Zonta Club of Auckland, p.1). [73]_

The contradictions in social security are clearly shown here. While on the one hand social security should promote human development and human investment, at the same time the contradictory pressure to do so within the framework set by the dominant interests was very apparent. Contesting ideologies were clearly contained within the same argument.

The emphasis on the positive role of the state in contributing to freedom through social security was also pursued by the Departmental submissions. They too were caught in the contradictions referred to above. On the one hand the Departmental submissions rejected Hayek (1967; 1968) and Seldon's (1968) arguments that state intervention limits freedom on the basis that such an approach was incomplete and did not do justice to the question of what constituted a just income distribution. However, the Department's submissions themselves failed to discuss what would constitute a just distribution! The submissions began with a discussion of the ways in which income security may in fact increase freedom by giving greater choices. They then proceeded to a discussion of the arguments emanating from Seldon in which he sees any state intervention as decreasing freedom, particularly because individual's are less free to decide how to dispose of their money. The Department clearly adopted a different position from Seldon:

_The level of protection which any community comes to accept as its responsibility will depend on the values held by the members of that community. These values are then acted on by the State as agent for_
realising the collectivity of individual’s wishes... In fact, the view of the
State as the agent of the individual, extends individual freedom, when it
accords with individual wishes, since the State is often able to do what an
individual cannot do by or for himself. This is particularly so in the matter
of maintaining or redistributing levels of economic well-being. If the view
of the State as an agent for the collectivity of individuals’ wishes is valid,
the choice of any or all the central values underlying income maintenance
programmes, made in the context of the wishes of the New Zealand
community, can be regarded as extending rather than inhibiting the freedom
of the individual (Department of Social Security, Paper 4:16).

Freedom... must be associated with the power to exercise that freedom and
economic wellbeing is associated with such power. There is, however, no
necessary nor constant relationship between income maintenance and
economic wellbeing on the one hand, and the maximum potential freedom
for all individuals in the community on the other (Department of Social

Here there was clearly an ambiguous approach to freedom. On the one hand there was a
recognition that state intervention would increase freedom. At the same time, this was
significantly qualified by the final comment quoted which places such a relationship on a
tenuous basis, and by the links made between state intervention on the basis of individual
wishes as reflected in the first quotation. The neutral state, separated from all other social
forces, was clearly represented here; the state simply embodied individual wishes, and by
acting on those wishes promoted freedom. The responsive state to which they were referring
was separated from any social relations; the state could equally easily act in a way that
inhibited and suppressed freedom, if that was the wish of the majority of individuals. This
neutral view of the state is totally inadequate as an explanation for state activity in relation to
social security.

The 'investment in human beings' theme was also taken up in the Report, particularly in
relation to children and families. Thus, the family benefit was seen to involve investment in
people, an approach which was seen to augment other bases for social security provision.
The general approach was well summarised in the following quote:

In many submissions, the point was made that people (and particularly
children) are the community's most valuable resource. We agree. There
seems little room for doubt that in all aspects of state policy, high priority
should be given to enriching our human resources and ensuring the

12 Some of this argument was quoted in chapter five; it is repeated here because of its
importance for this part of the argument.
economic well-being, education, and physical and mental health of our children and the families in which they grow up (Report of the Royal Commission, p.216).

Such investment should enable people to:

*best realise their capacity to work productively and enrich their lives* (Report of the Royal Commission, p.70).

The approach generally was succinctly summarised at the end of the section on family assistance:

*We came to the following general conclusions:*

*The question of community assistance to families has to be weighed as an investment in people as well as a means of alleviating poverty or meting needs* (Report of the Royal Commission, p.238).

There are two further features of the investment argument that require brief discussion. At various points the Report raised the issue of state support for mothers, using the investment argument as the basis for such possible support:

*The introduction of universal mother's allowance into the New Zealand society was proposed to us during the course of our inquiry. It was noted - and with this we agree - that the community service given by a mother is, in terms of human investment, at least as valuable socially and economically and at least as onerous as the service she would give in paid employment* (Report of the Royal Commission, p.232).

However, the suggestion of paying a universal mother's allowance was rejected on the basis that the current arrangements which based financial support for women around their relationship with male partners was in the woman's best interests:

*At present most married women in New Zealand are financially dependent on their husbands. The concept of the man and wife being an economic unit is therefore the one which fits the conditions as they exist here today. It is given full weight in benefit rates for married men which specifically allows for a wife's maintenance, and by giving benefits to women when they lose the support of their husbands. It is in the interests of most women that this concept should remain, at least until the pattern of women's employment substantially changes. To depart from it where married women are earning wages would also depart from the principle of directing community help to those in actual need. It is certainly not warranted when consequential*
changes to the system would in our opinion adversely affect most women (Report of the Royal Commission, pp.270-271).

There is a very good illustration here of dissimulation in that the interests which are promoted are hidden. The Report did not examine how the interests of women were 'promoted' by their economic dependence. Rather, this was assumed, and argued to be so.

The contradictions that are integral to social security were well shown in the approach to investment adopted in the Report. As I illustrated above, the Report was clear that there was no good evidence that social security expenditure affected savings or economic investment:

We would find it difficult therefore to accept without strong reservations any proposition that social security expenditure merely increases present consumption and that tends to slow down savings, investment and economic growth. Despite study and inquiry we have found no conclusive evidence on how expenditure on social security ... has affected savings, investment, growth rates, or indeed, the incentive to work. (Report of the Royal Commission, p.70).

At the same time the investment cost of social security was seen to be a burden (Report, of the Royal Commission, p.217), not an expenditure designed to produce returns, the usual way of describing an investment. The Report was more ambiguous about investment than were those making submissions. Nevertheless, there was wide agreement that social security constituted an investment, that it should be promoted to do so, and that this increased freedom.

The contradictions facing the state in providing social security were evident here; while meeting human needs, the state should do so in a way that was consistent with the dominant interests in the society. The state could meet those needs and strengthen the existing social order. For many of those making submissions such assistance enhanced freedom, an argument based on a positive approach to freedom; the state could be used positively. The strength of the emphasis on investment was paralleled by the emphasis on social security's potential for relieving poverty, the third purpose of social security.
3. RELIEF OF POVERTY

Traditionally, relief of poverty has been one of the principal publicly expressed rationales for social security. It is, therefore, important to focus on it here because it has been so central to much of the official history of the development of social security programmes around the world. Put simply, it is claimed that the state has taken care of the problem of poverty, thus avoiding the horrible experiences of the Depression of the 1930s so clearly depicted by authors such as Simpson (1974). This section will examine arguments about the poverty relief aspect of the role of social security.

Since the issues and arguments here involve questions of hardship caused by or associated with social security, and social security as providing relief from poverty, these two components will generally be discussed together. Although they are conceptually distinct, the arguments are frequently linked together, making a separate discussion of each both unrealistic and spurious.

There were two principal areas advanced in the submissions, namely whether relief of poverty was an appropriate role for the social security system to undertake, and whether it did so effectively. Many of those who argued for the continuing importance of poverty as a central consideration linked their arguments with an appeal to the 1938 Social Security Act. The inadequacy of the current provisions for relieving poverty, and the legitimacy and importance of that activity as a basis for social security provision were reinforced by the submissions of those who argued that relief of poverty was fundamental to the 1938 Act, and remained valid, even if not well performed:

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13 The arguments advanced in chapter two make it clear that social security, as presently structured, can only eliminate absolute poverty.

14 Although closely connected, the focus here is different from that which I covered in chapter six. That chapter concentrated on the ideological contestation surrounding the nature of poverty and inequality, using the two continua developed there to contribute to the discussion. Here the emphasis is on the social forces which argued for 'the relief of poverty' as the reason for social security, historically and currently. While there is clearly some overlap between the discussion in chapter six and the material examined here, it is nevertheless useful to keep them apart.

15 Discussion about the adequacy of benefit levels and the arguments surrounding that are reviewed in chapter nine; material here will be limited to arguments surrounding the importance and validity of relief of poverty as an area of focus for the social security system. Indeed, it should be noted that many of the arguments and ideas advanced in chapter nine were critical of the poverty into which beneficiaries were often forced.
The 1938 Act met the needs of the times and helped overcome real privation in many people's lives as well as establishing the rights of citizens to receive benefits and other forms of financial assistance. We would submit that changes are required now to meet the needs of people today (Diocesan Social Service Board, Anglican Diocese of Dunedin, p.1).

We have in fact gone back to the times prior to 1938, to the position in which any sort of benefits or pensions paid by the state were paid as an act of grace of the government and were at the mercy of economic policy of successive Governments (Federation of Labour, pp.4-5). [157]

It is very disturbing to see the running down of the plans for social welfare... It was anticipated in the early days that the scope of social security could widen as time went on... These hopes have not been fulfilled. Instead social security has gone into reverse and now seems to be threatened with extinction. The Government has already begun to move back to the methods in use before 1938. The Treasury paper makes this plain (Federation of Labour, p.10). [157]

The Department took a similar view of the historical base for social security, without being critical of existing assistance:

The intention of the 1938 Social Security Act was to safeguard the people of New Zealand from almost every contingency by provision of cash benefits and medical and hospital treatment (Department of Social Security, Paper 1:1).

Statements expressing the importance of the relief of poverty were generally clear and unequivocal, and there were a number of them, as the selection below shows; this does not mean, of course, a consensus on the definition of poverty:

The intention of the Act was to eliminate poverty and to promote human dignity (Otago Old People's Welfare Council, p.1). [26]

The main principles upon which the Social Security measures were based were: to promote human dignity through the elimination of poverty by the relief of the needy and the spreading of the financial burden of such relief, and the involvement of the whole community (Association of Anglican Women, p.1). [91]

It is generally accepted that this measure (Social Security Act) was designed to safeguard the people of New Zealand from the economic hazards arising from age, sickness, and other exceptional conditions (New Zealand Foundation for the Blind and the Dominion Association of the Blind, p.3)

We have assumed that there will be no fundamental variation in the general basis of social security as a result of the Commission's findings (Ibid., p.4).
[It should] continue to relieve effectively all kinds of hardship (National Council of Women, p.5). [82]

The original purpose of the Social Security Act was to eliminate poverty and promote human dignity (YWCA of New Zealand, p.1).

The New Zealand Returned Services Association accepts the principle of a Social Security scheme assuring a reasonable standard of life (New Zealand Returned Services Association, p.1). [56]

The intention of the original Social Security Act was, in its own words, to eliminate poverty and to promote human dignity, and to this end rates of benefit were fixed which, if not fulfilling the aim of the Act, were at least adequate to maintain a reasonable standard of living (New Zealand Association for Mental Health, Appendix 2, p.14). [98]

The Mental Health Association went on to set out specific rates needed to establish dignity, concluding:16

These rates would help to promote human dignity, and go some way to eliminating poverty. The inadequacy of the present benefit is a major cause of stress and strain to pensioners (New Zealand Association for Mental Health, Appendix 2, p.14). [98]

Elderly people in particular are faced with having to accept a standard of living below the accepted average and ... this is in opposition to the basic principles of social security (Presbyterian Social Services Association (Auckland), p.6).

None of the submissions disputed the argument that relief of poverty was a central purpose of social security. However, there was significant and comparatively widespread criticism of the failure of benefit levels to achieve the goal of poverty relief. Indeed, it was the failure to achieve these goals that led a small number of submissions to argue for extensive changes to the system of providing income support, changes which, it was argued, would provide better mechanisms for relief of poverty:

It is reasonable to suppose that the New Zealander wants the level to be higher than subsistence level and the benefit should rise with rising productivity (Easton, p.6). [88]

16 The specific figures are set out in chapter nine.
Drawing on his more general discussion of income support, Easton went on to argue for linking the tax and age benefits systems:

*The most important effect would be to shift the ideology of the social security system even further from the Poor Law. Now the individual would receive two incomes, one from the market and one from the government, and be taxed upon the combined total (Ibid., p.8).*

*The New Zealand social security system as administered corresponds reasonably closely to the New Zealand social objectives and with economic theory. As such the above proposals are recommendations of modification and improvement rather than of a total reconstruction. Perhaps its main failing is that levels are hardly generous, though no more so than many other countries schemes. This is surprising because the New Zealander does not lack generosity (Ibid., p.9).*

The National Council of Women also argued for a wider approach to income support:

*The approach to which we wish to draw attention, that of replacing the present structure of benefits, allowances and income exemptions with a system of income maintenance... Under an income maintenance approach a beneficiary whose income from all sources fell below an agreed proportion of the average national household income ... would have his (or her) income supplemented to bring it up to the approved figure. The proportion of the national average income would not be identical for all classes of beneficiary, however, but would vary in accordance with the ability of the beneficiary to contribute towards his (or her) support (National Council of Women, pp.15-16). [112]*

The Combined State Services Organisation went further, arguing for an income related scheme, an approach which was different from the flat rate basis of the existing scheme.17 It acknowledged that this proposal would probably allow work inequalities to be continued but:

*While conceding that social security measures can promote social equality, we suggest that a more basic purpose is to establish a minimum standard of living below which no-one falls. Since 1938, the main effect of the social security system, along with other socially enlightened measures, has been to narrow the range of standards of living, not to eliminate social inequalities. The vast majority of New Zealanders now fall within a range of standards of living which is generally ... acceptable. An income related scheme will,*

17 The reference to 'other socially enlightened measures' is worth highlighting here. Among these measures was full employment, a crucial determinant of 'standards of living'. See Graph One for a depiction of the numbers receiving unemployment benefit.
therefore, tend to reflect this situation. Such inequalities as exist at upper
and lower income limits can, we suggest, be removed by incorporation in
the scheme of suitable maximum and minimum benefit levels (Combined
State Services Organisation, p.2). [99]

Sutch linked the fiscal, occupational and statutory components of social security together.
His proposals for change were wide, and emphasised the positive aspects of a welfare state,
ens encompassing all aspects of state income policy, not just social security:

*My proposal is to merge the fiscal, occupational and social security
superannuation schemes into one. All - men and women - will receive,
without means test, the New Zealand typical living standard payment from
social security at age 60 (Sutch, section ten, p.12).

An equitable social security scheme means that as well as amalgamating the
various forms of superannuation, the fiscal social security system should be
revised to eliminate as far as possible the regressive element in taxation
- both indirect and direct (Sutch, section ten, p.20).

In all the arguments quoted above is an acceptance, to varying degrees, of the validity and
appropriateness of a collective response to poverty. Although the nature of the response
varied, there was extensive support for the argument that social security should relieve
poverty. While adoption of this position was widespread, it was not universal. A different
argument was expressed by the Medical Association, who clearly wanted to minimise
collective responsibility; while some aspects of their argument will be pursued in the next
chapter, it is worth quoting some of their arguments here:

*The prime object of income maintenance is to protect the disabled person’s
dependants from economic hardship. It follows therefore that the levels of
maintenance should be related solely to family responsibilities... Every
economically active person above a certain level of income should bear
some proportion of the cost of their own protection against illness or injury
through appropriate private insurance. We would point out that this,
combined with a basic pension structure would automatically provide
income linked periodic payments for disabilities arising from illness or
injury, both to the salary or wage earner and to the self employed (Medical
Association of New Zealand, p.5). [143]*

Treasury adopted a similar view, arguing that poverty generally had now been taken care of
and the state could settle for a more residual role:

*The system of social security has withstood major changes in New
Zealand’s economic and social conditions, and has become firmly implanted*
as part of our way of life. At the same time some benefits, particularly universal benefits, are paid to groups whose ability to maintain themselves at an adequate standard of comfort is greater than it was in 1938 by reason of the general improvement in living standards, and, in the case of the aged, by changes which have taken place and are continuing to take place in their access to alternative sources of retiring benefits or other income (Treasury, Background Paper, p.28). [1]

This theme of providing minimal relief and support was also taken up by the Departmental submissions. The level, it was argued, should be set at a minimum standard, below which nobody should fall. The clear Departmental position on this was expressed on two occasions:

In New Zealand any operational definition of a scheme for benefit structure is likely to require the specification of a minimum standard, below which no individual is expected to fall (Department of Social Security, Paper 12:33).

Income maintenance programmes, either explicitly or implicitly, set the minimum levels of economic well-being below which all members or certain groups in the community need not fall (Department of Social Security, Paper 6:38).

Subsequently, the Social Security Department, on reviewing the arguments advanced in the submissions, argued for a major change in provision of social security and income support. The argument was clearly influenced by the submissions advanced to the Commission; in the opening paragraph of the submission setting out the proposals for change the Department commented:

Having regard to the many suggestions from a wide quarter which have been made in the course of the inquiry, the Social Security Commission feels that it may be helpful to discuss a type of benefit structure which it consider could possibly be appropriate (Department of Social Security, p.1) [316] 18

The submission went on to propose that benefit levels be augmented by the payment of:

a modified wage-related benefit, either as a supplement to a basic social security benefit for those who qualify under the conditions for those benefits, or as a separate benefit for those who do not... This approach

18 This was followed by a later comment that extensive use of supplementary assistance to meet benefit objectives was clearly not acceptable to the community (Department of Social Security, p.5). [316]
would result in a uniform basic benefit granted to all who qualify under the various categories, as at present, and a wage-related element which varied in amount according to previous earnings, either superimposed on the basic benefit, or paid independently (Department of Social Security, pp.7-8).

It was argued that this would reflect elements of both the 'belonging and participation value' and the 'equality value'. The submission concluded by suggesting that there should be periodic increases in family benefit and lump sum payments to families at particular key times in children's lives. Having started from an emphasis on the role of social security in relieving poverty by providing a minimum, the Department subsequently moved to a more positive approach to income support; the proposal summarised above, if acted upon, would have represented a significant change in the role of the state in relieving poverty. This stronger position of the Department, stronger than the original argument, is a good illustration of the theoretical approach to the state set out in chapter two. It will be recalled that the state was described there as relatively autonomous; it was not simply responding to the interests and wishes of capital, or to other spheres of domination. In this instance, one part of the state initiated proposals which could improve the financial position of the poorest. However, another part of the state (the Royal Commissioners themselves) opted for a much more conservative approach in which there would be at best little improvement in the position of the poorest. It is important not to define the state simply as unitary; while the state itself is relatively autonomous, so also are the institutions which are part of the state. Furthermore, the state is also able to reflect on its own views and to change those as demonstrated here by the Department of Social Security.

None of the suggestions made by the Department of Social Security for a two tier system were adopted in the final Report, as chapter ten illustrates. Indeed, the Report specifically rejected any form of earnings related social security payments because, it argued, this was contrary to the emphasis on providing for 'need', would favour higher income earners and would result in excessive state intervention. Seldon, a right wing opponent of the welfare state, was quoted in support of the last of these three arguments (See Report of the Royal Commission, chapter eighteen).

The Report regarded 'relief of poverty' as the substantive reason for social security. While this was to be done in a context which emphasised belonging and participation in the community, relief of poverty was the theme which was constant throughout the arguments in
the Report. Furthermore, poverty and need were constantly linked. The statements below provide good illustrations of this:

The further our inquiry progressed and the more deeply we examined the present system and various alternatives the clearer it became that ... the first aim of any social security system must be to relieve poverty and need (Report of the Royal Commission, p.14).

Social Security, like politics, is a subject on which there is a great deal of room for differences of opinion, but very little place for dogmatic assertion, expert or otherwise. What is poverty, or need, or an 'adequate' income are relative questions (Report of the Royal Commission, p.6).

'Need' and 'relief of need' were constantly presented as major concerns and foci for social security. Throughout these arguments, 'need' was used interchangeably with and as an alternative to the word 'poverty', and 'relief of need' was used as a synonym for 'relief of poverty'.19 The arguments advanced here provide a very good illustration of how 'need' was used in ways that dissociate poverty from the economic and political structure of the society. Through processes that were never made explicit, 'needs' arise and are attended to, thereby disappearing. Whether 'need' or 'poverty' was used, social security should ensure that the person or family experiencing 'need' or 'poverty' should have that experience relieved. The summary of the discussion on poverty and need illustrates the dissociation of poverty from the political and economic structure:

If levels of community-financed aid are to be determined primarily by need within the dependent categories (as we think they should), some measure of relative poverty must be attempted, and some standard of 'adequacy' of benefit payments must be devised which takes account of the individual's or the family's own resources. To accept the principle of basing assistance on need clearly demands some sort of system for testing need. As we have noted, 'need' relates to the 'adequacy' of income to give a 'reasonable' standard of living compared to that enjoyed by most of the community... Poverty and deprivation affect individuals, each differently. Hence the idea of simply determining a 'poverty line' below which the income of any person or family is not allowed to fall ... must be regarded with considerable reserve (Report of the Royal Commission, p.107).

19 The ideological significance of 'need' was discussed at some length in chapter two.
'Relief of need' was used on different occasions when clearly 'relief of poverty' could have been used equally appropriately.\textsuperscript{20} It is of interest to note that chapters ten and eleven of the Report linked the two terms together in the chapter titles.\textsuperscript{21}

Throughout the Report need, relief of poverty and relief of need were constant, repetitive themes. Individually assessed need (defined as poverty or inadequate income) was considered to be the method by which the decisions about benefits and benefit structure should be made in relation to methods of support for families and levels of payment of family benefit (Report of the Royal Commission, p.239); support for widows (Report of the Royal Commission, p.249); supplementary assistance (Report of the Royal Commission, p.304); income exemption for the earnings of the partner of an unemployed person (Report of the Royal Commission, p.294); age benefit (Report of the Royal Commission, p.205) and assistance to people with disabilities (Report of the Royal Commission, pp.268 and 272).

The summary in the Report drew the areas together very succinctly:\textsuperscript{22}

\begin{quote}
Poverty, need, and benefit adequacy are relative concepts. They can be measured or determined only by comparing the standard of living of dependent people and families of varying sizes with those of people deriving their incomes from the market system (Report of the Royal Commission, p.128).
\end{quote}

Clearly, the Report was not proposing to operate from some absolute definition of poverty. The importance given to 'belonging and participation' reflects this, as does the comment in the above quotation in which social security levels were linked to market income in some way. However, it is also important to note that the comment on the market did not lead to any examination of the distributional outcomes arising from the market, and the relationship of those outcomes to poverty. The market allocation of income and poverty remained unconnected. Here also, as I argued in chapter seven, the market was given a status outside the political and economic processes of the society.

While the Report was clear that relief of poverty was the crucial aim of social security, it is important to note also that there was some recognition of the consequences of poverty for the

\textsuperscript{20} See, for example, pp. 57, 205 and 294 of the Report of the Royal Commission.
\textsuperscript{21} Chapter ten is entitled 'Concepts and Definitions of Poverty and Need', while chapter eleven is entitled 'Attempts to Measure Poverty and Need'.
\textsuperscript{22} I have used this quotation previously; its aptness here makes repetition appropriate.
social order. Relief of poverty is compatible with the existing social order, and may, the Report argued, strengthen that order:

*Freedom from fear of poverty not only raises people's aspirations but tends to stimulate effort and self help, and enhance the capacity to produce* (Report of the Royal Commission, p.8).

Relief of poverty was, then, a commonly accepted purpose for social security. Indeed, it was the most universally agreed purpose. However, this agreement does not mean that there was a consensus about how that relief should be undertaken. As I illustrated earlier in this chapter when discussing community responsibility and community conscience, agreement about the purpose can mask significant differences, giving an important ideological function to phrases such as 'relief of poverty'. Such phrases are ideological in both phrases of the term. They are part of the ideological contest surrounding social security. They also serve to mask the interests inherent in the current social order by conveying an impression of agreement when no such agreement exists; they are phrases which hide real and substantial differences in the interests reflected in that lack of consensus.

The fourth and final purpose identified revolved around the ways in which social security should promote the dignity of people and should provide them with some security of income. It is that area to which I want to turn now.

### 4. PROMOTE HUMAN DIGNITY AND PROMOTE INCOME SECURITY

There have already been signs that the concepts of human dignity and security of income were important considerations for many of those who supported an active role for the state in the provision of social security.23 It will be noted too that many of the comments made in this section link together dignity and the right to benefits - the two were closely connected. The idea of human dignity with its emphasis on human needs (usually defined in an individualised way) was an important one for many of those who made submissions. Human dignity needed to be enhanced and promoted, and this could be done through the

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23 This was particularly noticeable in the preceding section where I discussed the relief of poverty as one of the central themes.
provision of social security and more specifically through ensuring that there was a degree of security about incomes. This was not an equality consideration, but was driven more by a concern to ensure that beneficiaries were not outsiders and were able to be full members of the society. This was reflected in the 'belonging and participation' objective set out in the Report as the basis for social security. While some submissions emphasised 'dignity' in a general sense arising from what might be called 'social obligations to provide income maintenance', others emphasised the importance of the application process and the need to treat each applicant with dignity.

The individual/structural continuum is useful here again, but employed in a way that is different from its earlier use. Here the acceptance of collective responsibility for providing social security was linked with an emphasis on treating applicants as individuals. However, the emphasis on individual treatment did not mean simply adoption of an individual solution to poverty. Rather, the arguments should be seen as emphasising individual rights against the power of the bureaucratic structures through which benefits were administered.

These 'bureaucratic structures' embody key attributes of the legitimation aspect of ideology and the contradictory nature of state provision set out in chapters one and two. Legitimation and contradiction are reflected in the fact that the state is demonstrating its care and concern by providing financial assistance through social security. At the same time, the bureaucratic structures operate through a set of rules and procedures which constrict and constrain the lives of beneficiaries. Assistance is provided in ways that are designed to remind beneficiaries constantly of their pauper and dependent status. The benefits are provided within a framework which reflects the values and structure of the existing economic and political order. (This was particularly evident in the discussion on incentives in chapter seven). It was the application of these rules and regulations that led many of the organisations to emphasise treating beneficiaries with dignity. This emphasis on the dignity of beneficiaries is a good illustration of the ways in which the ideological aspects of social security were challenged and contested; the rules and regulations were not just accepted - they were struggled over.

The themes of dignity and income security were pursued by church groups and by a number of other organisations; there was a steady persistence about the stress on the importance of both human dignity and income security:
Our members strongly support the concept of Social Security as: to free them from unnecessary anxiety and to provide them with the opportunity to enjoy a reasonable standard of life... In order to do this in a way that fully maintains the human dignity of beneficiaries (National Council of Women, p.1). [266]

Social security schemes aim to provide income security for the whole population (Central Districts Association of the Baptist Union, p.1). [90]

The basic purpose of social security is to provide income security for the whole population (Society of St. Vincent de Paul, p.1).

The Social Security system of New Zealand must be aimed at supporting, and indeed stimulating, a quality of life in keeping with the dignity of the human being and with the potential of people which the Declaration sets out: a quality and also a style in keeping with the accepted standards of living in New Zealand society today (Methodist Church of New Zealand, p.3). [57]

The fundamental principle of the original Act may then be summarised as follows: to give security to all, as of right... The scheme was to do more than ensure that people had an income in time of financial adversity... relieving people of feelings of indignity and fear of loss of income at times when they were unable to work (Ibid., p.4).

To us, the original intention of the social security scheme was to provide a reasonable standard for all families and to provide against contingencies such as sickness and unemployment. There are still people who are in need of assistance for the same reasons that were set out in the Social Security Act. There is still the need for them to be certain that in times of adversity there will be support which is needed to guarantee them a reasonable standard of comfort (Federation of Labour, p.4). [157]

Social Security legislation should be administered in such a way as to alleviate, as much as possible, this economic, social and related emotional stress. This means that administrative attitudes and administrative procedure should reflect the humanitarian principles on which the system was founded, and that the dignity and self-respect of the beneficiary should always be the primary consideration (New Zealand Association for Mental Health, p.1). [236]

A number of submissions linked together human rights (in the broadest sense, particularly through the United Nations Declaration) and income security. The link was well demonstrated by the Mental Health Association:

Social Security benefits and services, and their administration should be founded upon the Principle of Human Rights, coupled with the principle of the maintenance of human dignity and healthy self-esteem. We endorse Article 25 of the Universal Declaration of Human Rights which states: Everyone has the right to a standard of living adequate for the health and
well-being of himself and his family ... right to security (New Zealand Association for Mental Health, p.2). [98]

As can be seen from these comments, many of those making submissions linked together dignity, rights and income support. As the quotations above suggest, this income support should do more than simply relieve poverty in a minimal sense; it should give 'a reasonable standard of comfort'. This connection was especially strongly made by Church groups and by those advocating for and on behalf of social security recipients. The connections between dignity and relief of poverty set out above are interesting because of the way in which the Department and the Report treated the 'dignity' theme.

The Report included dignity in its discussion of the central principles:

> The community is responsible for giving dependent people a standard of living consistent with human dignity and approaching that enjoyed by the majority, irrespective of the cause of dependency (Report of the Royal Commission, p.65). (Emphasis in original).

Dignity was also seen to be central to what was called 'public policy' (Report of the Royal Commission, p.53) but this was limited to the fair treatment of beneficiaries. While there was a summary statement of principles of the Universal Declaration of Human Rights as being the basis for social security rights (Report of the Royal Commission, p.59), these themes were not developed further in the Report.

While used here as a principle, and discussed in general terms, dignity was used in the Report to refer to dignity of treatment, not the dignity of having adequate income (or conversely the indignity of poverty). The emphasis was on how well applicants were treated, not how adequate their benefit was. This is a very good example of the legitimation contained within the ideology surrounding social security. The state treats all equally and evenly and is fair in doing so. Limiting fairness to individual treatment meant that the much more substantial question of the 'fairness' of the distribution of income in the society, particularly the income distribution generated in the market, was not even raised as a serious question. It is a further illustration of the power of ideology in shaping the form and structure of social security.

The emphasis on treating applicants with dignity was particularly strongly developed in relation to the operation of supplementary assistance and means tests. The Commission
acknowledged the arguments advanced in this area by the submissions drawing attention to this early in their summary of the general themes advanced in the submissions:24

The income tests where eligibility is established for most standard benefits was one basic feature of our system which did attract a good deal of criticism for infringing the dignity of recipients. It may or may not be significant that it was not social security beneficiaries who were most vocal on this, and that the criticisms were in the main based on a theoretical assumption that means testing must be resented rather than evidence that it was. While we would not deny that means tests can be applied, and have in past times been applied, in a way which can only breed resentment, we do not think that the two - means tests and resentment - are necessarily inseparable. And unless our system is to be fundamentally changed and based on something other than relief of need, some sort of income testing is necessary and would indeed be demanded by the public (Report of the Royal Commission, p.4).

Here the two terms, means tests and income tests, were used interchangeably. It is of interest to note here that the Commission linked means tests and income tests together, as if the two phrases referred to the same phenomenon.25 Later in the Report, they made an argument which separated the two:

We have agreed earlier that operating a means test, as distinct from an income test, can lead to unfavourable reactions in the applicants, who resent the inquiries as unjustifiable intrusions into their private affairs and as introducing implications of charity which injure their dignity. We can understand such human reactions... But it is basic, we think, that means tests are unavoidable if there is to be a supplementary assistance scheme designed to meet expenditure beyond what a categorical benefit system can fairly be obliged to include in its standard benefit level (Report of the Royal Commission, pp.287-288).

It is this latter quotation which demonstrates particularly strongly the individualised approach to the indignity of means testing. The stigmatisation of means tests was regarded as the result

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24 I have already used this quotation in chapter seven. Its importance warrants using it again here.

25 Means tests is usually used to refer to the testing of the resources (means) of those applying for a benefit, to ascertain whether these resources should be capitalised to produce income. The Commission defined means tests as being related to: both income and other resources such as property and household effects. In some instances in the past this was even extended to include the resources of near relatives. (Report of the Royal Commission, p.139). Income tests, on the other hand, refer to the testing of the income of those applying for a benefit to ascertain the extent to which such income reduces or debars eligibility for the benefit.
of individual reactions and experiences. It was as if social security’s operations and structures were apart from other social processes and social forces rather than being intrinsically associated with such processes and forces. The Report’s approach to stigma was to limit it largely to humane treatment of applicants and an approach in the Report which comes close to victim blaming. This argument and approach failed to attend to the ways in which stigma is integral to the operation of the benefit system and flows inevitably from a system in which principles such as less eligibility and work incentives are basic features. As I argued in chapter seven, stigma is an essential part of the social security system, encapsulating the contradictions within that system.

Reluctance to apply for a benefit was seen to stem from the fact that people were wary about disclosing:

> their need to some state official or do not like to admit it to themselves (Report of the Royal Commission, p.141).

This attitude, it was claimed, was less common than it used to be. Later in the Report, however, the Commission acknowledged that in the past the indignity of the means test may have affected willingness to apply:

> This slow growth [of supplementary assistance applications] may have been due to a lack of publicity. However, the adverse reaction of social security beneficiaries to the alleged indignity of the means test may also have had some effect (Report of the Royal Commission, p.284).

The Report went on to argue that the more humane treatment of beneficiaries had led to the changes in attitude. The effectiveness of supplementary assistance:

> depends largely on the spirit with which it is administered (Report of the Royal Commission, p.288).

Finally, the Report argued that the provision of supplementary assistance made means tests inevitable, if the needs of individual beneficiaries were to be met. Without such tests, there would not be sufficient funds to meet the demands. The Report acknowledged that the tests may lead to some reluctance to apply for benefits, but this stemmed:

> from the value which the community places on independence and privacy (Report of the Royal Commission, p.7).
The problem of poverty and the solution to poverty rested, according to the report in individualising the response of the state. Means tests and income tests were defined and interpreted on an individual basis, apart from the context in which poverty was created and responded to. By proposing a solution of this kind, wider questions of income distribution and redistribution were avoided. Poverty was separated from inequality; once again there is a powerful illustration of the way in which ideology, operating through those processes of dissimulation, legitimation and reification affects social security provision.

CONCLUSION

As I noted at the beginning of this chapter, the four different ideologies identified here are not discrete entities. Rather, they reflect different aspects of the ideological contestation surrounding social security. Each has sufficient autonomy to be considered apart, even if at times arguments relevant to one of the purposes shade into another. The links between relief of poverty, and human dignity and income security are an obvious example.

The most conspicuous ideological features arising from the material reviewed in this chapter revolve around its reification and legitimation components. Throughout the arguments there was only occasional exploration of the ways in which these four ideologies link with the social structure and social organisation. It is almost as if social security stood apart from the society in which it was located, in something approximating splendid isolation. This reification was most marked in relation to the relief of poverty where there was a paucity of agreement linking poverty and income distribution generally.

Although that linkage between poverty and income distribution was seldom made, the social and economic structure was legitimated because the state would provide for the casualties. This was particularly evident in the discussions surrounding both dignity and income security and relief of poverty. It was also evidenced in the reiteration of community responsibility for poverty, an argument which was universally shared. This acceptance of 'community responsibility' can be located at different points along the structural solution continuum outlined in chapter six. I say 'different points' because although the acceptance of
'community responsibility' was shared widely this did not mean that all organisations understood and used the term in an identical manner.

This different interpretation of the same phrase reflects an important ideological feature of many of the issues surrounding social security, namely the way/s in which the same term can have widely different meanings. (I have already drawn attention to this earlier in this in chapter when discussing 'community', and to a lesser extent in chapter two when discussing 'need'). These different interpretations have two important consequences.

First, they suggest a degree of unity and cohesion around key phrases and key expressions such as human dignity, belonging and participation, community responsibility, need, and other similar terms. That 'unity and cohesion' suggests that political alliances and links between quite disparate groups are possible. They suggest too that such alliances and links could be utilised to articulate ideologies which arise from the position of the powerless and subordinate.

Second, and as a logical consequence of this argument at the end of the preceding paragraph, those possible alliances and links could also be fractured and potential allies divided against one another. It is here that ideological contestation becomes crucial. Such fractures create spaces in which that contestation can take place, thus providing a hegemonic challenge. The creation of those spaces are important reinforcements of the dynamic component of ideology. Ideological challenges come from active identification of the interests advanced and failed by the existing arrangements and structure, so that those interests are located in an historical and structural context, and are clearly revealed, rather than hidden. The challenges to legitimation arise from constant struggle and articulation of the connections between poverty and social security on the one hand, and the processes and forces of economic distribution on the other. The ideological contestation surrounding the purposes of social security provide an important base for this.

The last four chapters have reviewed the ideological forces which culminate in and underlie the level of benefit paid to beneficiaries. The more immediate task now is to explore the concrete arguments surrounding the final outcome, reflected in benefit payment levels and adjustments. Those arguments arise from the ideological processes and ideological struggles surrounding inequality, poverty, the role of the state, and the purposes of social security. It
is crucial to keep those processes and struggles in mind as we examine the arguments and approaches that led to the setting of the actual benefit rates in the next chapter.
CHAPTER NINE

THE OUTCOME OF IDEOLOGY AND OF IDEOLOGICAL STRUGGLE

How much should benefits be? On what basis should they be adjusted? These two questions are obviously central to social security and are of paramount concern to beneficiaries in particular and to society in general. They are, however, not questions which can be answered simply. Rather, the questions can only be answered effectively by adequate attention to the key areas discussed in the last four chapters.

First, the benefit levels that are paid to social security recipients reflect the ways in which ideology permeates through and is reflected in the relationship between inequality and poverty. These processes lead to the separation of poverty from the issues of inequality, income distribution and redistribution. The benefit level that is set, the amount paid to beneficiaries, and the adjustment to benefit rates reflect, then, the strength of the ideology of inequality and the struggles surrounding ideology. It is here too that the ideological struggles surrounding the causes of poverty and the solutions to poverty become crucial. An approach to the causes of poverty and solutions to the problem of poverty which emphasises the individual end of the continua seeks to minimise redistribution from the existing patterns of inequality.

Second, as chapter seven demonstrated, there are several ways in which the state actively participated in the ideological struggles around inequality, poverty, and social security. That participation is reflected in the rules and regulations surrounding social security, and in the setting of benefit rates and adjustment to benefits. The emphasis on the cost to the state of benefit payments, rather than on the poverty of beneficiaries, is one clear example of the ideological activity of the state affecting benefit levels. By concentrating on the costs involved, the state works to minimise the amount paid to beneficiaries. Benefit levels represent the minimum the state can get away with paying (Loney, 1987). The task for the

1 The concern for society in general arises from the fact that taxation is the basis for securing the requisite funds for paying social security benefits.
state is to resolve the contradictions between the interests of the powerful and dominant forces in the society on the one hand and the needs of the poor and impoverished on the other hand. Benefit rates reflect the state's resolution of those contradictions, and of the ideological struggles surrounding them.

Thus, the fundamental importance of ideology to effective discussion of inequality and poverty and the role of the state prevents the questions at the start of this chapter from being answered in a simple, technical way. To repeat the point made earlier, ideology affects the definitions used, the questions asked and the answers arrived at. The fundamental significance of ideology does not mean, however, that empirical data is irrelevant. Rather, empirical data must be located in a wider ideological framework, a framework which permits a much more comprehensive approach to the question of what data is gathered and utilised, and allows for and encourages much more effective use of the data that is employed. Data is far from irrelevant, but cannot and must not be used in an abstracted, decontextualised fashion. Rather, as Loney aptly puts it:

the empirical material needs to be located within the broader context - it is not apart from that context (Loney, 1984:160).

As I will show, the Report in particular, and the Department of Social Security to a lesser extent, were somewhat dismissive of qualitative evidence, commenting that evidence was not provided. In making this argument, they were limiting 'evidence' to quantitative information. 'Evidence', they argued, was limited to quantitative arguments, because such arguments would be objective and value free. The argument in the Report reflected this well:

At the present time there are insufficient data to allow benefit adequacy to be precisely assessed, if this will ever be possible. Value judgments are necessary not only in deciding what levels are adequate, but in relating these to what the taxpayers may be expected to pay for. We consider it worthwhile to explore the proposal for determining a standards of living scale as a basis for measuring the adequacy of income-maintenance payments (Report of the Royal Commission, p.128).

2 See also, Lee and Raban (1988).
3 'Data', in the context of poverty and social security benefits, is often used simply to refer to quantitative measurement, in particular measurement of the adequacy of benefits and the numbers in poverty. However, data can also be qualitative, focusing on the realities and experience of beneficiaries. Both forms of data - quantitative and qualitative - have a potentially useful contribution to make. Many of the submissions presented qualitative evidence that drew directly on the experience of beneficiaries.
4 The limitations of this empiricist approach to science were discussed in chapter three.
By arguing this way, the experience of beneficiaries and of those working with them or close to those experiences was disqualified. It suggests that those experiences were irrelevant at worst, or of minimal importance at best. It is an approach to science and knowledge which operates in the interests of groups which have access to particular forms of knowledge. This chapter will not be limited to quantitative evidence. Rather, it will draw on both quantitative and qualitative evidence surrounding the adequacy of benefits and will analyse the arguments surrounding the basis for setting benefit rates, and their subsequent adjustment.

There are four areas to be examined as part of the process of examination of the evidence surrounding the establishment of the level of benefits to be paid and the relationship of these benefits to wages and salaries. These four areas are:

1. The adequacy of benefits.
2. Establishing the foundation for benefit rates.
3. Setting the level of benefits.
4. Which figures to use.

1. THE ADEQUACY OF BENEFITS

Many of the submissions advanced strong and cogent arguments and evidence about the inadequacies of existing benefit levels and the poverty this was causing. The argument was in fact almost a cacophony, so persistent was it. Those closest to beneficiaries and those working with them were the loudest in their articulation of this. A series of quotations could be used to illustrate this point, but three quotes will suffice:

*The child who can never go on school trips, the mother who does her washing by hand, the father who will never own a car, the solo parent with no telephone who lies listening to his or her child's acute asthma at night, all live at a level of poverty which should not be tolerated since it shows that the affluent majority refuse to share their advantages with the few who suffer misfortune* (Solo Parents, Wellington, p.2).

*Beneficiaries do not readily admit to living in conditions of financial deprivation... The figures suggest that for many, basic benefits are not adequate for even a minimum standard of living. Such figures are likely to be under-estimates of the financial difficulties of beneficiaries* (Methodist Church of New Zealand, p.6). [57]
Those on a Domestic Purposes Benefit ... are often in a more desperate financial position... They literally live a hand-to-mouth existence (New Zealand Association of Social Workers, p.4). [45]

These three quotations reflect one point of interest, namely the diversity of the groups advancing the argument. As can be quickly seen, a group of consumers, a church group and an occupational group close to the lives and experiences of beneficiaries were all presenting similar evidence. Forty-eight submissions made similar arguments. This represents forty percent of all non-Departmental submissions which commented on the social security aspects of the terms of reference, a significant proportion of submissions. The adequacy of current social security arrangements could only be maintained by ignoring such arguments.

This extensive range of evidence came entirely from the groups representing subordinate interests. It is worth noting here that the powerful groups made no comment at all on benefit adequacy or on the harmful effects of poverty. They adopted an individualistic explanation of the causes of poverty, and it is, therefore, not surprising that there was no attention to or focus on its effects. The failure to comment meant that the weight and strength of the arguments from the subordinate groups could be given less attention or could even be largely ignored.

The evidence from subordinate groups and groups representing beneficiaries was not limited to qualitative material, although this was the dominant form of the evidence which they presented. The deteriorating ratio between benefit rates and average wages was well set out in chapter four. This relationship was developed by the New Zealand Association of Social Workers who argued that:

The average weekly wage does not take into account the income of many professional and business men in the higher income group. It measures the income of 'the average wage earner'. There is in effect a middle income group. It can be seen that beneficiaries are indeed a lower income group; it appears to warrant the term 'subsistence level' (New Zealand Association of Social Workers, p.6). [45]

5 Slightly in excess of fifty percent of the submissions which commented on social security either made no comment on benefit adequacy or were concerned with other aspects of the subject, such as overseas pensions, taxation of benefits, employee superannuation rights - to name but three.
The Department of Social Security compared wage rates with benefit rates plus allowable income, that is the amount which a beneficiary could earn in addition to the benefit. This produced vigorous challenges from both the Methodist Church and the Mental Health Association:

We refute the comparison made by the Social Security Department in previous discussions in which they measured the possible income of a sole parent with personal benefit, children's allowance and allowable income against the lowest income of a married man. In the latter case there are two workers in the home and there is the possibility of additional help from overtime or work by the wife. There is flexibility here and hope, but none whatever for a sole parent receiving less than she needs for the basic requirements for her family (Methodist Church of New Zealand, Appendix 3, p.16). [57]

An earnings exemption ... is not always as good in practice as it appears in theory. It is often difficult or impossible to get a job for that amount of money... The Beneficiary will lose her supplementary allowance if she goes to work (New Zealand Association for Mental Health, Appendix 3, p.5).

The latter pursued the argument further, an argument that was part of correspondence between the Association and the Minister. The correspondence was produced as part of the Association's evidence to the Commission:

You have related the maximum possible income received by a widow and two children to the take-home wage of some married men with two children. But surely you are comparing two unequal situations?... To compare the take-home wage of a married man from the lower income bracket with that of the absolute restriction placed on a beneficiary highlights the financial frustrations of the beneficiary with the ability and drive to help herself... We are unable to follow the logic and rationality of your argument (New Zealand Association for Mental Health, Appendix 3, p.5). [98]

The inclusion of allowable income in the comparison between beneficiaries and other income earners was also used by Treasury. In fact, they went one step further, using women's wages as a comparison point. Their arguments also emphasised concerns surrounding 'less eligibility', that is the maintenance of the gap between benefits and wages:

6 The argument as presented is ambiguous in the way in which it discusses the possibility of there being two wages in the home.

7 The inequality arose, they argued, because the possibility of a second income, a second wage earner, overtime, and ability to undertake home repairs all favoured a married man.
An easier rate of abatement or an increase in allowable income would mean that many beneficiaries could receive from earnings and benefit more than persons in full time employment (Treasury, Paper on Taxation, Superannuation and Social Security, p.8) [183].

Their comparison between the labourer's wage rate (which they used as the basis for comparison) and the benefit level included a figure for allowable income. As I illustrated in chapter four, this distorted the true situation, by implying that beneficiaries had a higher income than was actually the case.  

The selective use of figures by Treasury was also neatly illustrated by their argument that:

Between 1943/44 and 1946/47 spending on monetary benefits more than doubled; as a proportion of gross national product it almost doubled (Treasury, Background Paper, p.16). [1]

The universal basis of paying family benefit, demographic changes and the effect of World War II - to use three obvious examples - were entirely omitted from such crude calculations, thus producing a distorted picture. A comprehensive assessment of changes in state social security expenditure would need to include such factors as changes in age distribution, programme changes, effects of inflation, salary increases and increases in benefit rates.

The Department's own submission in this area acknowledged the lack of available data, but was quick to establish the benevolence of state activity in relation to benefit payments:

an objective study on which to assess the adequacy of benefits has never been undertaken. However, the basic rates of benefit have been changed twenty-one times since [1939] ... to take account of changing economic conditions including changes in the value of money... It is the policy of the present Government to increase benefits (apart from family benefit) from time to time having regard to increases in national income, wages, and the cost of living (Department of Social Security, Background Paper, p.26).

The submissions from the state made no mention of the current situation and experiences of the poor. Their primary focus was on the lack of available data to evaluate the effectiveness of benefit levels. Similarly, the Report ignored the evidence and arguments referred to

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8 The figure used for the comparison is the ruling rates survey figure from the Labour Department survey.
above, lamenting the lack of 'statistical evidence'. This reflected the emphasis from both the Report and the Department on the necessity of quantification as a tool for assessing the extent and level of poverty. The argument was neatly captured by the Report in the quotation towards the beginning of this chapter.

The selection of specific statistics which the Mental Health Association complained of was also revealed in the statistics in the Report:

\[\text{eleven percent of age beneficiaries, thirty percent of widows beneficiaries and eight percent of invalid beneficiaries had other income of more than $10 per week as at March 31, 1971 (Report of the Royal Commission, p.148).}\]

The crucial point about these statistics is the particular emphasis that is provided. After all, by definition, eighty-nine percent of age beneficiaries, seventy percent of widows beneficiaries and ninety-two percent of invalids beneficiaries had income of less than $10 per week.\(^9\) Presentation in this way is equally accurate, but creates a very different impression of the position of beneficiaries. It is an impression which is ideological in that it serves to mask the true situation of beneficiaries.

This masking was evident too in the way in which the Report discussed the assets and income of beneficiaries. It commented on two separate occasions:

\[\text{In many cases beneficiaries will have accumulated substantial assets (Report of the Royal Commission, p.190).}\]
\[\text{It has to be remembered too that most beneficiaries have little other income (Report of the Royal Commission, pp.192-193).}\]

While the first statement refers to 'assets' and the second to 'income', the location of the two statements so close together produces confusion and distortion. For many elderly the 'assets' are a house, household goods and perhaps a car. None of these are easily or readily convertible to 'income'. Income must therefore remain the crucial consideration, not assets. Indeed, a focus on assets implies that beneficiaries can or should convert these assets into income. Such an implication is inconsistent with a definition of poverty that emphasises 'belonging and participation', as the Report did.

\(^9\) The married benefit rate at June 1971 was $29.00 per week, plus $3.00 for the first child, and $1.50 for each subsequent child. The unmarried rate was $16.00 (Report of the Royal Commission, p.538).
I have already shown the contradictory nature of the state's response to the 'less eligibility' argument. It is, however, worth repeating part of the comment in the Report:

*It would be inappropriate to hold benefit levels down simply because some lower paid workers may have somewhat lower incomes than some beneficiaries* (Report of the Royal Commission, p.192).

At the same time, the Report neatly drew together a range of what it euphemistically called 'income-support factors' reflecting and strengthening the selectivity I have referred to above:

*One cannot have an equitable selective social security system based on the elimination of need unless all three relevant income-support factors - the benefit, the allowable income level, and the rate of benefit abatement are considered together, and unless one carefully examines the relationship between the total attainable incomes of beneficiaries and those of working non-beneficiaries who provide most of the benefit revenue* (Report of the Royal Commission, p.143).

It is important to note the way in which the Report linked together all three factors - benefit, benefit abatement and allowable income - describing this as 'total attainable income'. Yet, as I noted above, the vast majority of beneficiaries had other income of less than $10 per week. The focus, therefore, on 'total attainable income' can be seen only as ideological and political. It was political in the ways in which it implied that beneficiaries were better placed than they were in reality. It was ideological in the sense of suggesting that the poverty of beneficiaries was generally taken care of, and was limited to an aberrant minority.

The other element in the payments received by beneficiaries was supplementary assistance. The increases in the number of such payments is clearly described in chapter four. As was noted in chapter seven, the increase in the supplementary assistance numbers was seen by many of the groups making submissions to be of itself evidence of poverty and of benefit inadequacy.

The Report did not accept this argument. Clearly more would be needed to use this evidence effectively in the ideological contestation:
not of themselves prove that the standard benefits and allowances for dependants are inadequate. Other factors have undoubtedly played a part in supplementary assistance increases (Report of the Royal Commission, p.117).

These 'other factors' were seen to include more liberal payment levels, extension of supplementary assistance to rest homes and home helps, greater awareness of the availability of supplementary assistance and a decrease in reluctance to apply. However, it is difficult to see how these factors could adequately account for the almost one hundred percent increase between 1965 and 1971, as shown in Table Seven. The same argument was pursued again a little later in the Report:

98 percent of the age beneficiaries receiving supplementary assistance, and 93 percent of the widows beneficiaries receiving supplementary assistance, were in this very low-income group. It did seem surprising to us, however, that such a small proportion of those with very low incomes - one in eight of the low-income age beneficiaries, and one in seven of the low-income widows - was receiving supplementary assistance. It could not be concluded, on this evidence that the basic benefit level is too low. All that the evidence tells us is that a significant number of beneficiaries could not meet their reasonable commitments out of the basic benefit, but that a much greater number who had no other income - or very little - did manage to do so... The circumstances of beneficiaries vary so greatly... that no benefit level can exactly meet the needs of all of them (Report of the Royal Commission, p.120).

The Report was able to ignore the implications of the substantial increase in supplementary assistance. It did this by using a set of arguments that implied an individual cause of the poverty experienced by those applying for supplementary assistance. The discussion in chapter four clearly demonstrated the increasing numbers applying for supplementary assistance. Indeed, the figures quoted showed an increase of almost one hundred percent in the approvals and applications between 1965 and 1971 (Table Seven) and a doubling of the number of continuing grants between 1964 and 1971 (Table Six). The neglect of this evidence (evidence that was produced in the Report) illustrates well the point made at the beginning of this section on the data, namely the connection between ideology and data. The data was used to support an argument in which poverty was explained through individual failure. This was revealed clearly by the argument about those who managed on little income; the implication of such an argument is that others should be able to do likewise. If they cannot so so, their poverty arises from poor money management, not from inadequate
income. As Sutch (1971) demonstrates, supplementary assistance was only granted after stringent means testing and with generally tight criteria.

Acknowledging the numbers in poverty (as reflected in the supplementary assistance figures) would raise important political questions. It would also raise questions of legitimacy. Political questions and questions of legitimacy would be raised because if extensive poverty was acknowledged, the fairness of the system may then come under scrutiny. How could a 'fair' system and a 'caring' state allow such outcomes? Similarly, the activities of the state in alleviating poverty through social security could also become the subject of close investigation.10

The data and arguments surrounding the data, become even more crucial when the basis for setting and changing benefit levels is considered. I want to move on to that data now. If, as the Report argued, there was inadequate evidence on which to base a decision about benefit levels, how should those levels be established?

2. ESTABLISHING THE FOUNDATION FOR BENEFIT RATES

As I have demonstrated above, the relationship between benefit levels and living standards in the community was one of the strong emphases for many of the submissions. Beneficiaries should be treated as part of the community, not as outsiders. This general proposition clearly established some collective responsibility for solving the problems of poverty and formed the base which should be used in setting benefit payment levels.11

While a number of illustrations could be used, the two below express the general thrust; the argument was advanced by organisations as diverse as the Federation of Labour, the

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10 I have deliberately used the words 'may and 'should' in the preceding sentences because whether such outcomes took place would depend on the outcome of the ideological contestation surrounding the causes and nature of the poverty experienced. Dominant and powerful interests would struggle valiantly to ensure their continued ideological domination.

11 It will be recalled that Easton argued strongly that benefit levels were far from generous and needed reviewing. See chapter eight.
Diocesan Social Service Board - Diocese of Dunedin, the Returned Services Association, the Otago Old People's Welfare Council, to name but a few examples.

*The principle should be established that, as far as possible, a beneficiary should be able to live to the same standard of living as someone on a basic wage, and retain self respect... This would mean regular reviews to ensure that beneficiaries were able to maintain a standard of living related to others in the community* (Diocesan Social Service Board, - Anglican Diocese of Dunedin, pp.1-2).

*The rate of a monetary benefit should be such as will give the beneficiary a standard of living equivalent to that of the average skilled labourer* (New Zealand Returned Services Association, p.2). [56]

The emphasis on treating beneficiaries as members of the community, not as deviant outsiders, was also evident in the arguments from the Department of Social Security. Here too, collective responsibility for solving the problem of poverty was evident. The state must exercise that responsibility. In arguing the case for this collective response, the Department adopted a relative definition of poverty.12

Decency ... is clearly related to the conditions which are culturally normal and accepted by the majority as a matter of course. Conceptions of rights to certain levels of economic well-being are coming to be stated more and more in terms which are culturally relative... The problem of poverty in developed industrial societies is increasingly viewed not as sheer lack of necessities to sustain life, but as an insufficient access to certain goods, services, and conditions of life which are available to everyone else and have come to be accepted as basic to a decent, minimum standard of living... But the assessment of the extent to which individuals in any one society are unable to participate economically and are cut off from the mainstream of economic opportunity will differ from place to place. An assessment of poverty can only be done within the framework of the levels and manner of living of the total population of any one society (Department of Social Security, Paper 3:10-12).

On this basis then the objective was:

- to ensure that all individuals are able to belong and participate in the community in which they live;...
- to ensure for all individuals access to a level of economic well-being not in essence below that which is most normal in the community in which they live;...
- need is present when any individual is below that level;...

12 See discussion in chapter two of a relative definition of poverty.
The argument advanced here by the Department is important because the final Report from the Commission pursued a very similar line of argument. This was evident in the principles developed by the Commission:

These are the essential principles on which we consider our social welfare system and its administration should be based:

(a) The community is responsible for giving dependent people a standard of living consistent with human dignity and approaching that enjoyed by the majority, irrespective of the cause of dependency...

(e) The aims of the system should be:

(i) First, to enable everyone to sustain life and health.

(ii) Second, to ensure, within limitations which may be imposed by physical or other disabilities, that everyone is able to enjoy a standard of living much like that of the rest of the community, and thus is able to feel a sense of participation in and belonging to the community (Report of the Royal Commission, pp.65-66). (Emphasis in original).

and was concisely expressed in what was described as the conclusion: 

Poverty, need and benefit adequacy are relative concepts. They can be measured or determined only by comparing the standards of living of dependent people and families of varying sizes with those of people deriving their incomes from the market system. Benefit levels (plus the relevant child and other allowances) should be sufficient to ensure that beneficiaries are not separated from community life (Report of the Royal Commission, p.128).

Clearly, both the submissions from the various organisations, the arguments from the Department and the conclusions reached in the Report all used the standard of living in the community as the benchmark for setting benefit levels. The phrase used in the Report - 'belonging and participation' - accurately reflected the almost hegemonic quality of the arguments. There is, however, one important point to be made about this phrase, and its reliance on 'community standards', namely the ideological features that discussed above.

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13 I have already used part of this statement of principle in chapter eight; its importance warrants inclusion here again.
14 Although quoted above, it is significant enough to warrant repeating the argument here.
While 'community standards' clearly conveys that beneficiaries were not to be regarded as outsiders, it is a phrase which also had the effect of ensuring that fundamental income distribution questions would not be asked. Change could be accommodated within existing parameters. 'Community standards' and 'belonging and participation' certainly would not lead to equality, a goal for which there was little support anyway, according to the Report:

little was heard of making absolute equality a goal (Report of the Royal Commission, p.63). (My emphasis).

It is significant that the report chose to focus on 'absolute equality' as if that was the only form of equality. It is not a form of equality which is supported or adopted in the social policy literature.15

Both the Department of Social Security and the Report itself had argued that there was insufficient evidence available to assist in making a decision about benefit levels. While acknowledging the need for information on the one hand to allow benefit adequacy to be 'assessed', at the same time it agreed that a benefit increase was justified. How might this be explained? It is explicable on two grounds. In the first instance, provision of benefits is a clear illustration that the state in the general sense (as distinct from the elected government), was able to meet the requirement for legitimation; it was responsive to and cared for all citizens, particularly those who had the least. The contradictory nature of state activity in relation to social security implies that the state will provide assistance. Clearly the ideological struggles around this issue were important in establishing the need for an increase of some kind, however inadequate. The state (through the Report of the Royal Commission) was persuaded to increase the rates of social security benefits.16

The state is not unresponsive; indeed, both the notion of contradiction used at different stages in this thesis and the concept of legitimation employed as a central part of ideology make a response from the state entirely predictable and explicable. The form of that response is not readily predictable without a thorough exploration of the particular forces that were operating, but this is different from whether there was in fact any response at all. The state provides

15 For a useful discussion of the approaches to equality in the social policy literature, see Le Grand (1982).
16 Many of the groups which made submissions were critical of the low level of the increase recommended. See Evening Post, March 24, 1972.
some income support, certainly at a level which would overcome absolute poverty, and indeed at a level which includes 'the poor' in society.

Second, the response was also explicable on the basis that a recommendation for an increase allowed the government to appear benevolent and caring. A response would assist the government electorally, particularly given that the government had a poor record for social legislation at that time.\textsuperscript{17} The Commission's recommendation for an increase in benefit levels could be accepted and adopted as part of the activities of a caring and concerned government without that government being strongly criticised for failing to take the initiative and make the necessary changes itself. All the statistical evidence clearly established the inadequacy of benefit payments; political acknowledgement of this fact for the government that had been in power for a decade was made easier if the recommendations of an 'independent' body such as a Royal Commission were acted on.

With 'community' and 'belonging and participation' as the basis for social security, how could this be translated into specific benefit levels? I want to turn to that question now.

### 3. SETTING THE LEVEL

There were a number of different data bases used in the submissions; before setting out the relevant material and arguments, it is useful to outline some of the issues involved in the choice of different data bases. Comparison with the average wage or with the award wage was one of the routes pursued. The difficulty with using the award wage is that actual wages at the time often exceeded award wages by up to fifty percent (Sutch, 1971), and varied depending on which award was chosen as the benchmark. Relating benefit levels to award wages would in such circumstances result in benefit levels that were a significant distance away from 'community standards'.

\textsuperscript{17} Easton (1981) comments that the National Party was glad of the opportunity to support particular social policy initiatives such as accident compensation and social security changes following the Royal Commission, because of the Party's historical reputation for parsimony in the social policy area. This approach was conveyed by Government members during the Parliamentary debates on legislation introduced in 1972 following the publication of the Report.
On the other hand, an approach which used the comparison with the average wage has similar difficulties. For example, what is included in the figure for the average wage; does it include income in kind, income from shares and investments. The definition of income is a very important one and makes a marked difference to the final comparison that is reached. Furthermore, how is overtime calculated - is that included in the 'average wage' figure? At the time that the Commission was working, overtime was a significant component in many pay packets, particularly for the working class. For example, in 1971 workers averaged three hours overtime per week in the April survey of that year, and 2.7 hours of overtime per week in the October 1971 survey. The average overtime hours were highest in working class occupations. The average overtime hours increase average wages for full time employees in all occupations by 3.5 percent (Department of Labour, 1971:50). The variable nature of some of these payments means that exact comparability is difficult, because the actual wage received will vary from one pay period to another.

The choice of measuring 'average' could, then, make a significant difference, depending on the spread of income distribution on which that choice was based. The choice of base is, therefore, crucial. Calculation of the 'average' is not just a simple, technical task. The consequences of that calculation are, however, crucial for beneficiaries.

Any comparability with wages and incomes also needs to include the effect of taxation on net income levels. A similar gross figure may produce quite substantial net differences if the method of taxation is different for the two groups such as self employed and wage workers, to name two obvious groups. Furthermore, tax rebates, tax allowances and tax exemptions affect different income groups differently, the former two improving the income of the lower paid while the last mentioned provides the greatest benefit to those in higher income brackets.

It is important to note here too that income comparisons usually focus entirely on 'earned income', that is the income of wage and salary earners. Such a comparison ignores the substantial impact of both 'unearned income', that is income from dividends and interest, shares etcetera, and what Titmuss (1963) called 'occupational welfare'. Including the latter would mean some attempt to calculate the effects of such advantages as discount purchases, provision of cheap housing and/or of a car by an employer, subsidised meals - to name but a few areas.
It may be thought that benefit levels could be compared with census reports of income levels, or with taxation returns. However, the question of how people define their 'income' for either purpose is crucial. This is particularly important as far as professional and business people are concerned. For purposes of taxation particularly, it is likely that they will reduce their income level. This could be done by a range of tax avoidance and/or tax evasion measures.

There is a further fundamental distinction that needs to be identified here, namely the distinction between individual and household incomes as the basis for setting social security levels. If the former is chosen, then the effect of the presence in a household of a number of income earners will be lost. Furthermore, the failure to attend to this distinction may lead to spurious comparisons being made, with significant consequential effects on measurement of poverty.

There are then no simple solutions to the question of deciding the most appropriate income benchmark to use. What is crucial is an exploration of the implications of using different benchmarks, and an exploration of how the benchmark that is chosen relates to the distribution of income and resources in the society. Different benchmarks will result in significant differences in the income (and therefore the poverty level) of beneficiaries and indeed of the rest of the society. Perhaps the most pertinent way of deciding on the appropriate level is to ask two questions:

1. who benefits from the adoption of one level rather than another?
2. what level of 'belonging and participation' is possible with an income at this level?

The complexity of the income/wages benchmark is matched in part by the difficulties in the appropriate benefit comparison point. As has been noted in chapter four, there was good evidence of increasing use of supplementary assistance throughout the 1960s. Should supplementary assistance and possible beneficiary earning levels be included in the comparison? Certainly this argument was adopted by both the Department and the Report. As I demonstrated earlier, it presented a false picture, because it increased the 'benefit level' beyond that which in fact operated. After all, supplementary assistance was received by approximately ten percent of beneficiaries, and most beneficiaries had less than $10 per week other income. Furthermore, as I demonstrated in chapter four, supplementary assistance was, by definition, limited to the poorest. The absence of supplementary assistance did not
mean that beneficiaries were not in poverty, unless poverty was defined in absolute terms. Adding the accommodation benefit - as was done on some occasions - extended this distortion.

Benefit rates are often compared with movement in the Consumer Price Index (CPI). It is argued that if benefits are moving in line with the CPI then beneficiaries are maintaining their standard of living. There are two difficulties with this argument, however. First, it assumes that the CPI is equally valid across all income levels, that is, the pattern of expenditure is the same for all income groups. The available evidence (Williams, 1977) indicates that this is not necessarily so. Lower income groups tend to spend a higher proportion of their income on food and housing than do higher income groups. Thus, a higher movement in the prices of these commodities will affect their standard of living more than it will the standard of living in the community generally. The research of Abel-Smith and Townsend (1965) demonstrates this well in the British context. The arguments are also supported in New Zealand through the Household Expenditure Survey. The 1973-74 survey clearly shows a higher proportion of expenditure on food by low income households (Department of Statistics, 1975:30).18

Second, this general argument negates the emphasis on 'belonging and participation', and on 'community standards' that is a crucial part of the Departmental evidence and of the recommendations in the Report. If wage rates were exceeding price movements, for example, then benefit increases that reflected the latter would mean that the situation of beneficiaries was deteriorating in relation to the rest of the community, even though beneficiaries were retaining their spending power.

The choice of the comparison, therefore, becomes an area of debate in its own right, a debate that is both political and ideological. It is political in that it will be used by political parties to put themselves and their proposals in the best possible light. It is political in that the contests and arguments surrounding the choice of comparison point will reflect and affect the distribution of power. More importantly, it is also ideological in the way in which the focus becomes the level of the benefit, not the more general distribution of income. In this sense then, there is an important dissimulatory feature here in that the interests served by inequality are not the subject of discussion and debate. Neglecting poverty and inequality means that benefit levels become 'statistical' matters. Defining social security benefits as statistical

18Although this information was not available to the Commissioners, the work of Abel-Smith and Townsend was available.
matters is, then, clearly ideological. Statistics and statistical information are not neutral, but are used to advance particular interests.

The benchmark is also ideological in two other important ways. First, the persistent use of statistical arguments allowed the state to be seen as benign and benevolent, in that implicitly (and often explicitly) the state was presented or presented itself as the body which would ensure that those who were excluded by the market had some income. The legitimacy of the current social order was therefore enhanced because the situation of the weak and powerless was protected. Second, debate and argument about which benchmark to use necessarily incorporates some examination of the patterns of income distribution in society. Failure to include all aspects of income distribution in that examination can only operate in the interests of the powerful. Such failure is an obvious example of dissimulation at work.

To reiterate the point made at the beginning of this chapter, this is not to argue that the data do not matter. In fact the argument here is quite the contrary. The data used to establish the base are very important. They set the living standards for those who are among the poorest in our society. However, the choice of which data base to use is both statistical and ideological because of the particular way or ways in which that base relates to all or part of the society's income distribution.

Collating and summarising the available evidence and arguments in this area is difficult, in part because of the technical nature of some of the material. The most satisfactory way to do so is to begin by setting out the various approaches to and arguments surrounding the methods for establishing the benefit levels. I can then conclude by looking at the struggles around how these should be set in the future.19

How then did the Report propose to set benefit levels?

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19 See also the arguments about the relationship between benefits and wages advanced in the Report, and quoted above.
4. WHICH FIGURES TO USE?

I have demonstrated above the range of possible bases for establishing and adjusting benefit levels. A range of different bases were proposed, but few submissions attempted to do this from some concrete foundation. As I demonstrated at the beginning of this chapter and in chapter eight, submissions argued in a general sense for benefits to reflect community standards. Some submissions (for example, Combined State Services Organisation; Victoria University staff group; Methodist Church; Dioceses of Dunedin and Wellington) argued for benefit levels to be related to wage levels or incomes in the community, but without being specific about the particular base that should be used or the precise extent to which benefits should relate to wage levels.

I have already discussed the complexities of measuring wage levels, and it is not therefore surprising that the specifics were generally ignored. One exception was the Mental Health Association; it used a similar set of ratios to that subsequently adopted in the Report:

\[ \text{The present rate of payment at } \$\text{22.50 for couples is less than the proportion originally decided upon. If the 3/15ths proportion were maintained, then, on the basis of the average of } \$\text{42 in 1967, the benefit would be } \$\text{25.20, and this would be adequate. However, for the single pensioner, the proportion, in my view ought to be fixed at 2/3rds of that paid to couples, and then it would be } \$\text{16.80 (New Zealand Association for Mental Health, Appendix 2, p.14).} \]

The Department of Social Security rejected surveyed earnings as a basis for establishing the benchmark because, they argued, these produced a distorted picture of levels of economic well-being especially in family situations where both partners were working. It was then argued that using 'belonging' and 'equality' as the 'values' on which to base social security would lead to movement in benefits in line with movements in earnings, while movements in prices would imply acceptance of 'life and health' as the 'value' base:

\[ \text{This is because the basket of goods and services necessary for life and health stays the same and, consequently, only the changes in prices of these need to be taken into account (Department of Social Security, Paper 6:11).} \]

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20 The Mental Health Association's proposed linkage between these rates and the 'relief of poverty' (as a purpose for social security) was set out in the last chapter.

21 It is of interest to note that the specific figure used here by the Mental Health Association is the same as that eventually settled on by the Report. However, the Mental Health Association was using 1967 figures, while the Report was using figures four years later.
The argument quoted above is hard to place alongside the emphasis on relative poverty. Even an emphasis on life and health would still require some adjustment other than on the basis of inflationary increases, because such terms are not static. The 'basket of goods and services necessary for life and health' changes as 'community standards' change.

The Department's discussion went on then to look at the comparative figures in more detail, commenting that the minimum award levels may have acted as an impediment on benefit rates:

> reflecting the idea that a person on a benefit should not receive as much (with benefit and other income together) as the person on award rates. This might be taken to imply a very much weakened version of the 'less eligibility principle' (Department of Social Security, Paper 6:13).

The argument did not recommend a concrete figure or indeed a possible relationship to some measure of earnings. However, the submission did set out the changes in key benchmarks (prices, benefits and earnings) implying that some increase was warranted:

> Married beneficiary rates have increased faster than prices, but slower than earnings - prices 2.3 times, benefits 2.6 times, earnings 3.3 times. Life and health does not seem the main objective, but the information suggests that if the objective in 1948 was life and health and the benefit was then adequate to attain the objective, then the benefit is more than adequate today. If the objective in 1948 was either belonging or equality and the benefit was then adequate to attain either of these objectives, then the benefit is less than adequate today (Department of Social Security, Paper 6:11).

In a later submission, the Department of Social Security argued for a modified form of wage related social security payment, in addition to the basic benefit. This represented a potentially significant change in benefit levels. However, it was not taken up in the Report, illustrating once again the importance of not defining the state in a unitary block.

The Report itself was clear that wage levels should form a basis for setting social security benefit rates:

> Some submissions proposed that benefit levels should be 'closely related' to wage levels ... in the absence of a standards-of-living scale, we believe that

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22 See above for a more extensive summary of this proposal.
it is desirable in principle that such a relationship should be determined. This is indeed the only basis available through which the 'belonging' objective we have endorsed can at present be applied (Report of the Royal Commission, p.125).

However, this choice of a base should not simply rely on the historical basis for setting benefit levels as a means of guiding current approaches. This was neatly captured in the Report:

*In the first place, there can be no guarantee that the standard $3 a week for an age pensioner established at 1 April 1939 was 'adequate' (Report of the Royal Commission, p.124).*

This is potentially quite an important acknowledgement because it could lead to extensive investigation of what would be 'adequate'. Unfortunately, the Report did not do this; instead, as is demonstrated below, the dominant consideration became the relationship to wages. Consideration of what was adequate could have led to a wide examination of the pattern of income distribution in the society. The Commission did not extend to such an examination; the operation of ideology strengthened the separation between benefit levels and income distribution.

The Report's own discussion of some of the possible bases revealed a series of interesting possibilities, setting out a range of options. The first option was to use average earnings. It was pointed out that this figure included overtime, bonuses, and the earnings of young people and of women. Furthermore, many live on less than the average, by definition. Hence, they argued, it was limited as a base. This seems rather a strange claim since youths, women and those below the average are surely included in the notion of 'belonging' to which the Report gave so much importance.

The second option was to use the modal figure for weekly gross earnings. At the time these ranged from $47.67 to $58.25, using the 1966 census data, and between $53 and $63.54, using income tax data. This they argued was too wide a range.

Third, it would be possible to use the median figure, thereby giving a figure of $60.10 (gross) based on the 1966 census, ($50.42(net), and $63.40 (gross) based on income tax

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23 'Modal' refers to the group containing the highest number in any distribution. It is sometimes used alongside or instead of the mean or median.
data ($52.80 net). But, the Report pointed out, half were below the median, and it was therefore more appropriate to use the lower quartile and lower quintile. This gave a figure of $42 per week.

Table Nine sets out the alternative benefit rates arising from the use of alternative bases.

**TABLE NINE**

**BENEFIT LEVELS USING ALTERNATIVE WAGE LEVELS AS THE BASE**

<table>
<thead>
<tr>
<th>WAGE LEVEL</th>
<th>WAGE AS AT 1970-71</th>
<th>MARRIED COUPLE BENEFIT RATE (80%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>LABOURER’S NET WAGE</td>
<td>$42.00</td>
<td>$33.00</td>
</tr>
<tr>
<td>MODAL GROSS INCOME (CENSUS)</td>
<td>$50.00</td>
<td>$40.00</td>
</tr>
<tr>
<td>MODAL GROSS INCOME (INCOME TAX)</td>
<td>$52.00</td>
<td>$41.60</td>
</tr>
</tbody>
</table>

(Figures are based on data in the Report of the Royal Commission, pp.187-189).

The difference is quite marked, illustrating the importance of the chosen base. The Report recommended a married rate of $33 (approximately eighty percent of $42, the labourer’s net wage rate, and the lower quartile level of adult male earnings) and $20 for a single person (sixty percent of the married rate). This would, they argued, meet the belonging aim. In concrete terms, it would mean an increase of $4 for both. It was an improvement in the position of beneficiaries, but could not remove them from poverty.

The Report itself acknowledged the inadequacy of the amount recommended:

*The wage rates which we have selected will seem to many people to be extremely low - and even unrealistically so - in the light of press and other information and comment about wages currently being received by different sections of the labour force. There is no doubt that a great many people especially in the main centres are earning a great deal more than the rates we...*
have selected... But we can only relate our findings to the best and most representative information that is available to us, and it is clear that many workers are maintaining families on those rates (Report of the Royal Commission, p.190).

It is in the reasons for choosing this base that ideology is clearly revealed. The selection of the quartile and quintile levels was influenced heavily by the principle of 'less eligibility'. One of the reasons for selecting $42 as the benchmark was that this would continue to provide a work incentive (Report of the Royal Commission, p.190). A similar argument was used in discussing the implications of using the median wage, and the quartile and quintile earnings. The danger in using the median was that:

There is a considerable risk of giving beneficiaries higher incomes than a significant number of full-time earners unless the benefit level is fixed at a very low proportion of the median wage level (Report of the Royal Commission, p.188).

Moreover, the benchmark selected was the lowest of the possible figures set out in the Report. The justification that benefits should be set on the basis proposed because a number of families were being maintained on comparable incomes (see the quotation above), is a further illustration of the power of ideology in determining social security benefit rates. Ideology was effective here in ensuring that there was no extensive examination of the adequacy of those wage rates that were being used as the base. To have done so could have led to extensive examination of the total pattern of income distribution. The adequacy of benefits, and of the wage rates to which they were related, was less important than not disturbing the overall income distribution pattern.

CONCLUSION

The rates of social security benefit and the basis on which those rates are calculated develop in a context of ideological processes. The results of those processes are particularly clearly marked in the ways in which benefit levels are linked to wages and incomes through the use of arguments based on less eligibility, maintenance of incentives and maintenance of the distinction between the deserving and the undeserving poor. In chapters six and seven, the ideological basis for these arguments was clearly established. Their impact on benefit levels
was demonstrated in the ways in which benefit levels were linked to the wage rate of builders labourers.

Ideological processes were reflected too in the failure by the Commission to examine the pattern of income distribution. Taking that pattern for granted is a clear and powerful example of the process of reification (Thompson, 1984). There was at best only a very limited exploration of the total pattern of income distribution. Certainly, wage rates were discussed and used as a basis for establishing benefit levels, but there was no substantial examination of other aspects of income distribution. Such an omission is particularly significant given the acknowledgments in the Report that wage rates were at times inadequate to support those who were dependent on them, and the benefit rate proposed seemed low in relation to the range of wages being paid at that time.

The contradictions facing state provision of social security has been a recurring theme throughout this thesis. These contradictions are well illustrated here. On the one hand, the state was faced with responding to poverty; the organisations making submissions clearly established that benefit levels were inadequate. The evidence supporting those arguments was, to a significant extent, disqualified by the state. Nevertheless, the existence of poverty was admitted and benefit increases were recommended by the Report. Ideology and the effects of ideological processes ensured that admission of poverty and of the inadequacy of existing benefit rates translated into recommendations for change within a framework that was determined by the operation of market processes. These processes remained intact, and had a major effect on the proposals for social security.

The recommendations of the Royal Commission on Social Security were subsequently translated into legislative form in 1972 and 1973. The final chapter examines this legislation and draws together the arguments developed in this thesis, and their implications.
CHAPTER TEN

OUTCOMES AND CONCLUSION

In chapter one I set out an approach to ideology which included four components, namely ideology as domination; ideology as a realm that is non-determinist and non-reductionist; a positive and negative usage of ideology, and ideology as an arena of struggle. Those four components, and the three sub-components drawn from Thompson (1984) - dissimulation, legitimation and reification - have been utilised throughout the thesis to examine and analyse the work of the 1972 Royal Commission on Social Security. This conception of ideology has been shown to be a powerful tool with which to examine and understand the work of the Commission, the relationship between state provision of social security and the structure of power and interests in the society.

The concept of ideology as developed here, and the ideological processes evident throughout the discussion of the submissions and the Commission's Report, were also significant in the legislation enacted in response to its recommendations. Those recommendations and the subsequent legislation form the first part of this final chapter. It is appropriate to begin with these recommendations and the legislation because they are the final step in the process of which the Commission was a central part. The second and most important section of this chapter concentrates on assessing the theoretical utility of the arguments in the thesis. It sets out both the strengths and the key features of the theoretical and conceptual approach to ideology used in this thesis. The chapter moves on, then, to a discussion of the limitations of the thesis. It concludes by setting out the implications of the thesis for the study of social policy generally and for the provision of social security specifically.
1. IDEOLOGY, THE RECOMMENDATIONS OF THE ROYAL COMMISSION AND THE LEGISLATIVE RESPONSE

There were ten major changes in social security recommended in the Commission's Report. These changes and the subsequent government response are summarised below.

1. Basic benefits for a married couple should be increased to eighty percent of the base rate. This base rate should be the ruling wage paid to builders' labourers and the lower quartile of adult male earnings. The basic rate for a single person should be sixty percent of the married rate. In concrete terms, it was recommended that married beneficiaries be paid $33.00 per week and single beneficiaries be paid $18.00 per week. Subsequently, the 1972 Budget announced an increase in basic benefits to $35.00 per week for a married couple and $21.00 for a single beneficiary.

2. Benefits should be adjusted from time to time; the basis for such adjustment was unspecified. The National government accepted this recommendation which continued the existing practice. The Labour government introduced six-monthly adjustments to benefit rates in 1973.

3. The amount of allowable income for beneficiaries before benefit levels were reduced should be lowered to $10.00 for all beneficiaries. This recommendation was adopted in the 1972 Budget.

4. Family benefit should be doubled to $3.00 per week per child. This recommendation was adopted in the 1972 Budget.

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1 The Report made eighty-one recommendations in relation to social security. The full list of recommendations is set out in Appendix Two.

2 This was greater than the amount recommended by the Commission. The greater amount was said to be related to the effect of price increases since September, 1971, the date on which the Commission's figures were based.
5. A statutory domestic purposes benefit should be introduced. This benefit could be paid to three groups: (i) sole parents caring for dependent children; (ii) women whose care for a sick person prevented her from undertaking paid work; (iii) women alone who have been caring for dependents. This proposal was deferred by the National government, but was adopted by the Labour government in 1973.

6. Full adult rate of sickness, invalids and unemployment benefit should be paid from age eighteen, and eligibility for these benefits should be reduced to age sixteen. These changes were not introduced.

7. A disability allowance and an allowance for caring for a handicapped child should be introduced. A disability allowance was introduced in 1975.

8. Supplementary assistance should continue, with the basic living costs formula to be reviewed in the light of the benefit increases. The Minister proposed to reduce supplementary assistance payments because of the benefit increases in 1972.

9. The clause which allowed a benefit to be declined if the applicant was not of good moral character or sober habits (the morals clause) should be removed. This clause was removed in 1972.

10. An appeal system for beneficiaries should be introduced. The National government did not act on this recommendation. It was subsequently adopted by the Labour government in 1973.

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3 Under this qualification, there were a series of eligibility criteria, related to age and length of dependency.
The ideological features surrounding the Commission's approach to social security provision were also influential in shaping the legislative response to the Report's recommendations. While the final shape and form of the legislation was affected by Party political considerations, as well as the 1972 Budget and the subsequent Parliamentary debates, ideological influences were also important in moulding those political arguments and political decisions. ⁴

Ideologically informed outcomes were operational in the negative sense in that neither political party linked benefit structures to the overall pattern of income distribution. Furthermore, the attempts by both parties to present themselves as caring for beneficiaries and for the poor were also in part masked, in that those presentations suggested that the state would care for the poor and deprived. In that sense, then, those party presentations were a good illustration of the processes of legitimation at work. They illustrated the responsiveness of the state, and, therefore, of the existing social system to the needs of all members of the society.

The impact of ideological considerations was reflected in the benefit increases announced in the 1972 Budget. Benefit rates were increased to $17.50 per week for a married person ($35.00 where a 'dependent wife' was included in the benefit) and $21.00 per week for a single beneficiary. ⁵ While an improved benefit level was introduced, the notion of 'less eligibility' was a key determinant in setting the new level was evident. Beneficiaries total income, it was argued, should not:

*be significantly above incomes depending entirely on their earnings (Financial Statement, AJHR, 1972:404).*

The contradictory nature of the state response to social security has been a recurring theme throughout both the theoretical and empirical discussion in this thesis. This aspect was well illustrated in the Budget's proposal for supplementary assistance. As noted above, supplementary assistance was to be adjusted to take the effect of benefit increases into

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⁴ In addition to the major changes discussed in this section, the Budget changes included (i) a reduction in the residential qualification period; (ii) a reduction in the qualifying age for sickness benefit; (iii) authority to waive the waiting period before commencement of sickness benefit in particular circumstances.

⁵ The benefit rate for invalids, for sickness beneficiaries and for unemployed beneficiaries under the age of twenty were also increased, as were the hospital and orphans rate.
account, and a full scale review of supplementary assistance was announced. The effect of the announced benefit increases on those receiving supplementary assistance was neatly spelt out by the Associate Minister of Social Welfare, Mr. Highet, who said:

\[\text{The substantial increases in social security benefit rates will mean a review of current supplementary assistance grants. Although this review will mean reduction in supplementary assistance in most cases, the total overall income of all beneficiaries will increase. No beneficiary will be worse off under this Budget (New Zealand Parliamentary Debates, 1972:634).}\]

This effectively meant that for those receiving supplementary assistance, the Budget changes would produce very little increase in income. Indeed, for some beneficiaries, income would not increase at all. This outcome resulted in strong criticism from the Opposition. The effect would be that the state would provide an increased benefit in one way, and would reduce income in another by decreasing supplementary assistance. The net effect would be comparatively little gain for many. Indeed, those who would gain least would be the poorest, because, by definition, they would be more likely to require supplementary assistance.

The Minister subsequently announced that supplementary assistance would be continued at the old rate until the review was completed; that is, beneficiaries would continue to be paid the same amount of supplementary assistance as they were receiving before the benefit increases were announced (New Zealand Parliamentary Debates, 1972:1143).

The ideological aspects of the state’s role in gender relations in social security was reflected in the National government’s failure to include the statutory Domestic Purposes Benefit in the changes announced in the 1972 Budget. Provision of this benefit was a strong recommendation from the submissions, and was also recommended in the Report. The National government would not change existing gender relations. That benefit was eventually introduced by the Labour government in 1973. Ideology and politics were linked together here in ways that illustrate the inter-connection between these two realms discussed in a more general sense in chapter one. Ideological considerations, then, were a crucial part of the final legislative provisions, as they had been throughout the work of the Commission.

My concept of ideology, as developed and explicated in this thesis, has been crucial in providing a comprehensive understanding of state provision of social security. In the next section I will set out the key features of that concept which have been critical in this study,
and I want to demonstrate their value in undertaking further study of social security and of social policy.

2. MAJOR FINDINGS: TOWARDS A NEW CONCEPTION OF IDEOLOGY

Six features of the concept of ideology, as used and developed in this thesis, were found to be especially important in contributing to a comprehensive analysis of the 1972 Royal Commission on Social Security. These features emanated from the four components of ideology set out in Chapter One and summarised at the beginning of this chapter. Together the six features provided a powerful tool with which to undertake an analysis of state provision of social security. They have the potential to make an equally powerful contribution to the study of other fields of social policy.

1. **The orientation, expression and effect of ideology is linked to the structures of power, of domination and of interests in the society.** This linkage led to a neglect of inequality, and a concentration on an individualised approach to the causes of poverty and to solution to the problem of poverty. By linking ideology and domination this emphasis on individual cause and solution is explicated. Powerful and dominant interests would be most significantly affected by concentrating on inequality as the cause of poverty. They would be affected because defining the structures of inequality as the cause of poverty and as requiring change in order to solve the problem of poverty would have a major effect on them and on their interests. The wealth and advantaged position of the powerful is dependent on a system of inequality being reinforced and maintained. The failure to discuss inequality meant that the position of the powerful was legitimated.

It is, therefore, in the interests of the dominant class to define the causes of, and solutions to, poverty on an individual basis. Selectivity provides such a basis. My concept of ideology provides a critical link between the approach to poverty and the structure of society.
The application of the concept of ideology as a bridge linking provision of social security and the structure of the society explains the historical persistence of notions of worthiness for social security benefits. The concept of ideology as developed here provides a very powerful explanation for the continuity whereby some groups are considered worthy of assistance while others are consistently excluded from such assistance, or find that the maintenance of assistance which is provided has to be constantly protected from attack and decline.

2. The concept of ideology as developed in the present research also illuminates the reasons for the Commission's failure to examine the nature of the market and of the market processes for distributing income. Those processes were reified.

There was no effective examination of the historical and temporal roots of the market; rather it was almost as if the market had always existed in its current form and always would do so. The market was regarded as 'natural'. Defining the market in this way created an approach to social security in which social security benefits tidied up the failures resulting from the market, and linked benefit payments to the income distribution arising from the market.

While the market allocation and distribution patterns were taken for granted, they also had a major influence on the rules and regulations governing social security provision. The concept of ideology proved to be extremely useful in explaining the links between the economic structures of the market and the rules and regulations which govern the provision of social security, in that it linked those rules and regulations with the structures of society. My concept of ideology proved to be the crucial link in understanding why the rules and regulations took their particular form and shape.

3. The ideological realm in the society is linked with the economic and political realms but is not determined by them.

Thus, ideas are important in their own right and are struggled over. Those struggles are not just reflections of economic relations. The dominant ideology was indeed powerful, but it was not completely controlling. Ideology was disputed and challenged, by subordinate groups. In particular, groups working with or for the powerless did challenge the dominant ideas and had some effect on state activity and programmes. Those challenges were about economic
considerations, particularly in relation to benefit levels. They were also concerned with non-economic considerations, particularly in relation to gender relations and in relation to the role of the state in responding to poverty.

4. The form and shape of social security provision is marked by contradictions. My concept of ideology was crucial in understanding and explaining those contradictions. Those contradictory features were particularly evident in the arguments surrounding both the relationship between benefits and wages, and the relationship between benefit levels and incentives. These contradictions were evident too in the way in which the Report was unable to resolve the competing demands of 'less eligibility' while ensuring that there was some income for beneficiaries.

The power of ideology, and the links between ideology and the patterns of domination meant that the arguments in favour of maintaining the gap between wages and benefits outweighed the arguments and forces pressing for more adequate benefit levels. Benefit rates increased, but the extent of that increase was shaped by wage rates. The power of the incentives argument, and of the interests reflected in that argument, meant that maintaining a gap between benefits and wages was more crucial than the adequacy of benefits in determining the rates of benefit payments. The conception of ideology used here links social security provision with the structure of interests in the society and is essential to an effective understanding of these contradictions.

5. The relative autonomy of the state is demonstrated in both the provision of social security and the activities of a range of state organisations. Given this approach, the state's response to the situation of beneficiaries could be analysed. It transpired that the state was not just a creature of the dominant interests, but at the same time could not separate itself totally from those interests. The concept of ideology proved to be invaluable in examining the role of the state and the activities of the state in relation to provision of social security. The use of this concept and its relation to structures of domination facilitated an understanding of the proposals from the state for social security provision.

The concept of relative autonomy is, however, a powerful explanatory tool in a second important way. The state is not a unitary phenomenon. There are significant
differences within the state. While broader ideological features apply to state organisations generally, it is clear that this does not result in identical responses from each state organisation. This was well illustrated in three areas, namely proposals for benefit changes from the Department of Social Security, differences between state organisations in their responses to those proposals, and provision of a benefit for single parents. These three illustrations demonstrate the importance of not regarding the state as a monolithic entity. The examples do not make the general approach of relative autonomy inappropriate; relative autonomy refers to the activities of the state in a general sense. Rather, the illustrations reinforce the importance of examining the specific detail as well as the more general thrust of the argument. A dynamic approach to ideology as a contested arena allows for and indeed encourages a differentiated approach to the state.

6. The concept of ideology has a positive and a negative usage. These two usages of ideology are connected. The literature on ideology has treated them as separate spheres, but the dual usage in this thesis indicates that a clear separation between the two uses cannot be sustained.

Ideologies, in the positive sense of the term, can be used to critique the interests represented by the dominant ideology and the effects of ideology, in the negative sense. The positive use of ideology incorporates a coherent system of ideas. Many of those systems include a critical commentary on the interests and power structures in the society. Socialism and feminism provide good illustrations of this utilisation of ideology in both the positive and negative sense. Socialism and feminism (ideologies in the positive sense) are employed to critique existing ideological structures (ideology in the negative sense). While the positive and negative usages of ideology cannot be collapsed into one category, there is, nevertheless, a powerful and useful relationship between the two.

The approach to ideology used in this thesis has been shown to be extremely effective in providing an understanding and analysis of the state's provision of financial assistance to those for whom the market fails to provide sufficient income, or does so inadequately. As developed and utilised here, this new conception makes it possible

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6 There are, of course, significant debates within both socialism and feminism; although these are not of concern here, they do not invalidate the argument.
to undertake an examination of a specific policy development, such as the 1972 Royal Commission on Social Security, and to locate the examination of that policy development within the broader structures and interests in the society. Moreover, this approach to the concept of ideology permits a link between the broad parameters affecting policy and the details of specific proposals and demands.

The approach adopted here is a necessary ingredient in undertaking effective analysis of policy developments. However, to secure an understanding of all the influences on policy decisions, this approach needs to be complemented by consideration of two other factors.

### 3. LIMITATIONS OF THE STUDY

Alongside consideration of the ideological structures and forces affecting policy, a comprehensive examination of any specific social policy decisions needs to include all inputs into that decision, 'inputs' used in both a narrow and a wide sense, in order to ascertain all the forces impacting on the decision that is finally taken. Thus, comprehensive policy study needs to include examination of the ideological, organisational and individual influences on a particular decision. Such an examination must include the individual and organisational struggles to achieve particular outcomes, or rather the struggles and arguments between particular individuals and organisations with an interest in outcomes. While ideological processes impact on those individuals and organisations, they do not provide a complete explanation of their actions.

The relative strength of influence of structural forces and of individual factors in shaping policy has been debated widely in both the sociological and social policy literature in the last decade. This study utilised the publicly available documents from the work of the Commission. Thus, the influence of individual members of the Commission itself, Commission staff, or Departmental staff seconded to work with or for the Commission was not examined. Interviews with members of the Commission or its staff were, therefore, not undertaken. Such interviews would have been essential if the area of study had been the personal and organisational influences on the 1972 Royal Commission on Social Security. The focus in this study on ideology, and on the relationship between ideology and interests in the society, made such interviews much less important.
There have been studies of the personal and organisational influences on Royal
Commissions. (For an interesting discussion of British experiences, see Chapman, 1973).
The wider ideological influences have been largely neglected; this study helps to fill that gap.
A study of the personal and organisational influences on the 1972 Royal Commission on
Social Security would complement the work undertaken here, but would not supplant it.

One further limitation requires comment. This thesis discusses gender concerns surrounding
social security to a limited extent only. There is less direct discussion of the impact of class
factors on social security provision, and no discussion on the issues of racism and ethnicity.\(^7\)
These three aspects of inequality are very important in social security provision. (For an
interesting attempt to draw all three aspects together, see Williams, 1989). The approach to
ideology used in this thesis, which links ideology and domination, can be applied directly to
all three aspects of inequality. In each of these three aspects, ideology affects and is reflected
in the relationship between the dominant and subordinate groups. All three aspects are
closely linked to the ideological features associated with social security provision.

All are aspects which require extensive attention in their own right if they are to be adequately
explored. The attention required is more extensive than is possible within the confines of this
thesis. The theoretical approach used here could be usefully employed in examining the
class, gender and racial aspects of social security. An exhaustive study of social security
would require such an examination and would be an invaluable extension to the work
undertaken here.

In addition to the limitations set out above, there are a number of important implications from
this thesis. I want to conclude by setting out these implications. I begin with some
comments on methodology and I move on to discuss the implications for policy study and
social security provision.

\(^7\) Of course, the issue of class underlies much of the discussion on inequality.
4. IMPLICATIONS FOR RESEARCH AND POLICY

The Department of Social Security and the Report drew heavily on empirical/analytic knowledge in their summaries of evidence and their criticism of the 'lack of evidence' to support arguments that benefits were inadequate. Such a criticism could only be made if 'evidence' was seen to be limited to quantitative data, in the empirical/analytic tradition. The range of submissions provided a substantial body of evidence, but not evidence that fell within the methodological approach advanced by the Department of Social Security and adopted in the Report. Evidence was provided, but not in a form that was acceptable.

As Finch (1986) notes in her discussion on research, much social policy research has drawn exclusively from the empirical/analytic tradition and has attempted to utilise technical knowledge to influence social policy decisions. The discussions about research and the lack of influence of research on policy has been heavily influenced by research undertaken in the empirical/analytic tradition. Such research is important, but makes its most effective contribution when linked with critical/emancipatory knowledge. The critical/emancipatory tradition would draw on empirical/analytic knowledge, and indeed would also draw on the historical/hermeneutic tradition to influence policy decisions. Thus, research on social security needs to provide quantitative evidence about benefits and the lives of beneficiaries, but this research must be complemented by research work which draws on the lives and experiences of beneficiaries, and by research which locates state provision of social security within the wider patterns of income distribution.

Moreover, the growing emphasis in social policy on research which is theoretically informed and which links the empirical and critical traditions needs to be extended if the study of social social policy and the analysis of social policy is to develop in ways that are meaningful. (For useful illustrations of such an approach, see Lee and Raban, 1987; Mishra, 1984; Taylor-Gooby, 1985). Social policy research in New Zealand must take up the challenge to link theory and research, and to develop critically informed, high quality research. Such research is vital if policy provisions are to be affected.

The neglect of documents and of documentary sources in examining social policy decisions demands a widening of the scope of the study of social policy decision making. The study of decision making has concentrated on institutional and individual influences on decisions. While these influences are important, they are influences which have to be contextualised.
Without attention to ideology and ideologies, the study of social policy and of decision making within social policy will be inadequate.

The concept of ideology developed here can be productively employed in the study of all areas of social policy. Employed in the way that this thesis has done, the concept of ideology can be used to examine the relationship between the development of policy and the structures of domination in society. Such an examination is essential for a thorough analysis of policy developments in all areas of social policy. This concept of ideology would allow for a wide approach to the study of the influences on and specific shape of concrete policy proposals.

The social policy literature has approached policy study either through general consideration of the policy area, or by detailed analysis of specific policy measures. Ginsburg (1979) is a useful example of the former approach, while Hall, Land, Parker and Webb (1975) provide one example of the latter. The concept of ideology used here bridges the gap between these two, between broad policy analysis and the investigation of specific policy measures. It also allows specific proposals and provisions to be examined both for their particular detail and for their relationship to the structures of the society. Policy can then be adequately contextualised, rather than being examined in a vacuum. This thesis makes it clear that a broad approach to understanding social policy is crucial to securing a comprehensive understanding of policy development. It would have been possible to examine the Royal Commission by discussing the level of benefit changes proposed, the subsequent translation of those into legislation, an exploration of the emphasis on selectivity and of the other changes made in benefit provision. This would have been a start, but only a start, and the result would be an incomplete study. The wide lens used here to view this development in social security policy is critical in securing an adequate understanding of the forces which both create policy and construct the framework within which policy is developed. This approach is not limited to social security policy. It applies equally well to other social policy areas. It is important to attend to the detail of policy; it is even more important to approach the study of social policy within a wide framework which attends to the political, economic and ideological forces that shape that policy.

Social security, like social policy generally, is about the ways in which society should deal with poverty and what patterns of material distribution should exist in society. Study of policy must, therefore, attend to the question of the forces that create and sustain those patterns and the challenges to those forces. Analysis cannot, be limited to the consequences of already given and accepted patterns. Social security and adequate benefit
levels are absolutely central to the lives of the poor. However, genuine improvement in those levels cannot occur without exploring changes in the overall pattern of income distribution in New Zealand society. Ideology and the operation of ideology is a principal arena which discourages such a wide exploration and, in a somewhat contradictory fashion, makes such exploration possible. The exploration is discouraged because it would lead to changes in inequality, changes which would have their greatest effect on the most powerful in the society. Thus, there will be strong pressures for individualised approaches to the problem of poverty, and to its solution. However, ideology is also contested, opening up the possibility of challenges to the powerful interests by articulating alternative ideologies and critiquing the dominant ideological position. There are two important consequences to this argument.

First, the core question has to be: what should be done about the position of the rich, rather than the current question: what should be done about the position of the poor? As is clear both from this chapter and from the arguments throughout this thesis, focus on the rich will require substantial ideological challenges, challenges particularly that draw on all three sub-components of ideology as domination - dissimulation, legitimation and reification. Such challenges will, of course, question the interests that are associated with the current income distribution. Rather than justifying the payment levels for the poor, it is payment levels for the rich that would need to be justified. Kincaid summarise this succinctly:

*Only if the lowest possible poverty line is taken as valid, does it become possible to suggest political solutions which do not in any serious way threaten the overall distribution of income and privilege throughout society* (Kincaid, 1973:179).

A more immediate concern is the question of what needs to be done to prevent another decline in social security benefits. Here the Gramscian notion of 'a war of position' (Hoare and Smith, 1982) and the need to constantly re-establish this position becomes valuable. Throughout the 1950s and much of the 1960s there was an almost total lack of ideological struggle surrounding social security. It was almost as if, having established social security, its continuance could be taken for granted. There was little, if any, articulation, re-articulation and re-presentation of an ideology underlying social security. The lack of a continuing articulation meant that social security benefits could be allowed to decline, as happened in the 1950s and 1960s, or that they could be the subject of direct attack, as has been the case in the 1980s and early 1990s. While defence and promotion of the interests of
beneficiaries is not easy, it will certainly be done more effectively by locating the poverty of beneficiaries in the wider context of inequality, than will occur if the concentration is simply on beneficiaries themselves.

The importance of concentrating attention on benefits and beneficiaries means that limited, but real, gains are sometimes made. Questioning and altering the pattern of inequality is, however, necessary to achieve substantial change. The intimate links between social security, poverty and the social order, links in which ideology plays a focal role, make fundamental change to income distribution and to inequality both necessary and exceedingly difficult. Improvement of the position of the poorest demands, however, that every effort be made to effect such change.
APPENDIX ONE

LIST OF SUBMISSIONS

1. Treasury
2. Department of Health
3. Social Security Department
4. Social Security Department
5. A.C. Maddock
6. Withdrawn
7. Hutt Valley Old Folks Association
8. A.P. Bouzaid
9. Whangarei Home Counselling Service
10. Westport Age Beneficiaries Association
11. Hilbert Gladstone Hill, M.B.E.
12. New Zealand Berryfruit Growers Federation
13. Mr. J. Irwin and John Irwin
14. Dr. H.P. Dunn
15. Mr. R.G. Logan
16. Mr. R.G. Logan
17. Alfred William Fulcher
18. Royal New Zealand Society for Health of Women and Children (Plunket Society)
19. Religious Society of Friends (Quakers)
20. Mr. L.A.J. de Abaffy
21. Mrs. M.C. Bell
22. Mrs. D.E. Anderson
23. Mrs. Jean Ayers and four others
24. Christian Science Committee on Publications
25. New Zealand Family Planning Association (Inc.)
26. Otago Old People's Welfare Council
27. J. and I.J. Cox
28. Mrs A.J. Haliday
29. New Zealand Crippled Children's Society (Inc.)
K.C. Ross
Delsie A. Wright
New Zealand Homeservicemen's Association
Mrs J.E. Dwyer
Mother Helpers Association
New Zealand Society for Protection of Home and Family
The Life Offices Association of New Zealand
Olga M. Sullivan
The Married Women's Association of Auckland
Union of New Zealand Women, Auckland
Mr. N.F. Little
Solo Parents (Wellington)
Unilever (N.Z.) Ltd.
Family Life Education Council (Wellington)
Withdrawn
New Zealand Association of Social Workers
New Zealand Government Superannuitants Association
Mrs. G.J.W. Van Osta
Social Security Department
Social Security Department
Social Security Department
New Zealand Registered Nurses Association
Victoria University Wellington Students Association
Council for Equal Pay and Opportunity
Solo Parents (Dunedin)
New Zealand Dental Association
New Zealand Returned Services Association
Methodist Church of New Zealand
Disabled Citizens Society (Taranaki)
Mr. M.H.M. de Valk
Mrs. C.P. Weallens
Society of St. Vincent de Paul
Federation of New Zealand Housewives
Interdisciplinary Committee on Problems of the Unmarried Parent
New Zealand Medical Association
Medical Association of New Zealand
Public Questions Committee: Presbyterian Church
Christchurch Aged People's Welfare Council
Presbyterian Social Services Association
Dr. E.B. Lind
Disabled Re-establishment League
Christchurch Parents Centre
Mervyn W. Hancock
Zonta Club, Auckland
Dioceses of Wellington & Dunedin
Mr. T.G. Cutler
Maori Section of National Council of Churches
Federated Farmers of New Zealand
M. Aldred
Birthright (New Zealand)
Association of University Teachers, New Zealand
Mrs. M. J. Hay
The National Council of Women of New Zealand
The Associated Chambers of Commerce
H.A. Parsonage
L. Craig
The Ombudsman
W.D. Ford
Brian Easton
J.D. McMillan
Baptist Union of New Zealand
Association of Anglican Women
New Zealand Foundation for the Blind and Dominion Association
Medical Association of New Zealand (Wellington Division)
Municipal Association of New Zealand
Y.W.C.A of New Zealand
Roman Catholic Archdiocese of Wellington
Women's Guild of Services, Auckland
New Zealand Association for Mental Health
Combined State Services Organisations
| 100 | Finesse Leather Goods Ltd. |
| 101 | F.A. Gunn |
| 102 | City of Takapuna |
| 103 | Society for Research on Women in New Zealand |
| 104 | Society for Research on Women in New Zealand |
| 105 | Women's Division Federated Farmers of New Zealand |
| 106 | New Zealand University Students Association |
| 107 | Shirley Smith |
| 108 | Salvation Army |
| 109 | New Zealand Civilian Amputees Association |
| 110 | Social Security Department |
| 111 | Social Security Department |
| 112 | National Advisory Council on Employment of Women |
| 113 | H. Buetow |
| 114 | Catholic Women's League |
| 115 | Aileen Finucane |
| 116 | Miscellaneous Submissions |
| 117 | Dr. E.A. Morris |
| 118 | Catholic Women's League, Panmure |
| 119 | New Zealand Federation of Labour |
| 120 | A.G. Wyatt |
| 121 | Mrs. E. Locke |
| 122 | Social Security Department |
| 123 | Social Security Department |
| 124 | Anglican Church (Auckland Diocese) |
| 125 | A.C. Maddock |
| 126 | Mrs. A.R. Colling |
| 127 | Mr. A.L. Twhigg |
| 128 | National Multiple Sclerosis Society of New Zealand |
| 129 | New Zealand Returned Services Association |
| 130 | Baptist Union of New Zealand |
| 131 | Association of Anglican Women |
| 132 | Mrs D.I. Barton |
| 133 | National Council of Churches (Maori Section) |
| 134 | J.A. Farmer |
135 National Council of Women
136 Mothers' Helpers Association
137 New Zealand Haemophilia Society
138 Christchurch Aged People's Welfare Council
139 Christchurch Aged People's Welfare Council
140 New Zealand Association of Social Workers
141 Otago Old People's Welfare Council
142 A.W. Fulcher
143 The Medical Association of New Zealand
144 Miscellaneous Submissions
145 New Zealand Society of Physiotherapists
146 Mrs. D.E. Atwood
147 The Ombudsman
148 Disabled Citizens Society, Otago
149 Family Life Education Council (Wellington)
150 Mrs. L. Craig
151 Zonta Club, Auckland
152 J. H. Main
153 Public Questions Committee: Presbyterian Church
154 Life Offices Association of New Zealand
155 The Paediatric Society of New Zealand
156 The Associated Chambers of Commerce
157 New Zealand Federation of Labour
158 The Associated Chambers of Commerce
159 Social Security Department
160 New Zealand Council For Voluntary Services Abroad
161 New Zealand Government Superannuitants Association
162 Mr. J.A.D. Anderson
163 Oakley Hospital, Auckland
164 Solo Parents (New Zealand)
165 New Zealand Registered Nurses Association
166 Mrs. D.I. Barton
167 Wellington And Hutt Valley Nurses Bureau
168 New Zealand Federation of Paraplegics and Physically Disabled Association
New Zealand Federated Boilermakers, Structural Metal Fabricators and Assemblers, Metal Ship and Bridge Builders

M.W. Hancock

Disabled Citizens (Taranaki)

Married Women's Association of New Zealand, Auckland

Canterbury Frozen Meat Co.: Employees Sick and Accident Benefit Society

William Taaffe

Methodist Church

National Marriage Guidance Council

Combined State Services Organisations

Dr. Szakats (Victoria University)

Druids Friendly Lodge

Social Security Department

Social Security Department

Manawatu Methodist Social Service Centre

Treasury

Miscellaneous Submissions

Treasury

Mr. A.P. St. John

G.B. McLeod

Mr. M.D. Abercrombie

Cystic Fibrosis Association (New Zealand)

Dr. W.N. Clay

Dr. J.G. Richards

Family Guidance Centre, Auckland

Christchurch Co-ordinating Council for the Handicapped

Mr. E.J.E. McQueen

Dr. J.T. Blois

Mr. B.S. Furby

National Council of Churches, Te Awamutu (Maori Section)

New Zealand Dental Association

New Zealand Dental Association

Christchurch Co-ordinating Council for the Handicapped

Dr. D.W. Feeney
New Zealand Homeservicemen's Association
Brian Easton (University of Sussex)
Mr. W.D. Nicholson
Rev. A.R. Harper
Dr. D. Lloyd Ritchwhite
Public Service Welfare Society
Unilever (New Zealand) Ltd.
State Advances Corporation of New Zealand
Maternity Services Advisory Committee of Board of Health
Mr. W.H. Walker
Mr. A.C. Maddock
Mrs. K.R.E. Watts
Dr. E.A. Morris
Health Department (Part I)
Health Department (Part II)
Dr. W.A.J. Pike
New Zealand Society of Pathologists
Dr. R.S. Scoular
New Zealand Society of Anaesthetists
New Zealand Chiropractors Association
Miscellaneous Submissions (Chiropractic Treatment)
Mother Helpers Association
New Zealand Returned Services Association
Baptist Union of New Zealand
Kempthorne Prosser & Co.
Disturbed Children's Aid Movement
Public Questions Committee: Presbyterian Church
Christchurch Parents Centre
New Zealand Wholesale Druggists Federation
New Zealand Family Planning Association
Council New Zealand Optometrical Association
Southern Cross Medical Care Society
Mrs. L. Craig
Methodist Church of New Zealand
New Zealand Association for Mental Health
237 National Council of Women
238 Royal Australian College of Physicians
239 New Zealand Psychological Society
240 New Zealand Registered Nurses Association
241 Health Department (Paper III)
242 Health Department (Paper IV)
243 A. McM. Stanton
244 Paediatric Society (Auckland Branch)
245 New Zealand Society of Physiotherapists
246 Pharmaceutical Manufacturers Association
247 Mrs. D.I. Barton
248 Department of Education
249 Medical Association of New Zealand
250 Health Department
251 The Associated Chambers Of Commerce
252 Solo Parents (New Zealand)
253 The Married Women's Association (Auckland)
254 Miscellaneous Submissions
255 Mr. A. M. McRae
256 Family Life Education Council, Wellington
257 Zonta Club of Auckland
258 Government Superannuitants Association
259 New Zealand Medical Association
260 Social Security Department
261 Social Security Department
262 Social Security Department
263 New Zealand Civilian Amputees Association
264 Hobson Electorate, New Zealand National Party
265 Combined State Services Organisation
266 National Council of Women
267 Dr. A. M. Finlay
268 Outside scope of Inquiry
269 Intellectually Handicapped Children's Society
270 Social Security Department
271 Social Security Department
Betty F. Dilworth
Professor J.T. Ward
Victoria University
Social Security Department
Social Security Department
Dr. W. B. Sutch
Rangiora Labour Representation Committee
Birthright (Christchurch)
Catholic Women's League
Mrs. J. Annan
Nurse Maude District Nursing Association
Canterbury Rubber Workers
International Federation of Voluntary Health Funds
Auckland and North Shore Old People's Welfare Councils and Royal Society of Health
G.B. Grieve
A. Milne
Dr. J.L. Newman
Presbyterian Social Service Association, Auckland
Lady Fergusson Family Counselling Service
Anglican Social Services, Dunedin
New Zealand Epilepsy Association
New Zealand Rest Homes Association
New Zealand Association for Mental Health
Dr. J.R.E. Dobson
Mr. R.J. Turner (Hospital Contribution Fund of Australia)
J.S. Giltrap
Waikohu County Council
Miss T. Watt
Auckland Provincial Council of Senior Citizens Clubs
Mr. H.J. Anthony
College of Radiologists of Australasia
Government Superannuitants Association, New Zealand
306 Social Security Department
307 Social Security Department
308 Social Security Department
309 Ivor J. Coles
310 New Zealand Rest Homes Association (Canterbury Branch)
311 Miscellaneous Submissions
312 The Chemists Guild of New Zealand
313 Private Pathologists
314 Brian Easton
315 Victoria University
316 Social Security Department
317 New Zealand Society of Chiropodists
318 Social Security Department
319 Health Department Summary
320 Medical Association of New Zealand
321 New Zealand Medical Association

(Source: Records of Royal Commission of Inquiry into Social Security in New Zealand.)
APPENDIX TWO

RECOMMENDATIONS OF THE REPORT OF THE ROYAL COMMISSION ON SOCIAL SECURITY IN NEW ZEALAND

1. Assuming that our other recommendations about benefit levels (see recommendations (4) to (6) are put into effect, the present rules under which some beneficiaries are allowed to have other income of $17 a week and others to have $13 a week without abatement of benefit, and under which benefits are abated by $3 for every $4 of other income beyond those limits be changed so that (except in the case of orphans benefit):

(a) There be one allowable other income level instead of two, and this be $10 a week and that benefits be abated by $1 for every $2 in respect of other income over $10 a week but not exceeding $25 a week, and by $1 for $1 in respect of income above $25 a week.

(b) In respect of annual benefits the annual equivalents namely $520 and $1,300 be substituted.

2. Early consideration be given by the Government to the extended use of the National Provident Fund to ensure that employees without access to occupational superannuation have better opportunities to provide a higher retirement income.

3. Favourable consideration be given by the Government to the future introduction of earnings related 'compensation' for limited periods during incapacity caused by illness, to be administered separately from the social security system as an addition to the scheme for accident compensation proposed as a consequence of the 1967 Royal Commission on Compensation for Personal Injury, and that discussions with this end in view be held between the Government and organisations likely to be affected.

4. For purposes of establishing the level of adequacy of benefits at this time the ruling rate of wages paid to building and engineering labourers, and the lower quartile level of adult male earnings, be regarded as the major preference points.
5. (a) The married benefit rate be set close to 80 percent of the designated earnings levels after payment of income tax (say at $33 a week at September 1971);
   (b) The unmarried rate be set at 60 percent of the married rate (say at $20 a week at September 1971).

6. Benefit levels continue to be reviewed from time to time and adjusted as necessary.

7. Consideration be given to laying statistical data relevant to the level of social security in one document before Parliament each year.

8. The age and superannuation benefit be retained as separate benefits with the present different age qualifications and other conditions (with, as we recommend in recommendation (59), different residential requirements.

9. The level of the superannuation benefit remain at parity with the age benefit to the extent that it now does, and for so long as the maintenance of an adequate level for age and other income-tested benefits is not thereby prejudiced.

10. The concession as to allowable income for those who defer application for age benefit beyond age 60 be abolished, provided, however, that the rights of those who have earned the concession or who are over 60 at the time of the repeal should be preserved.

11. The present suspension of payment of universal superannuation when beneficiaries leave the country be abolished, allowing the appropriate authorities to determine whether such funds, as any others, should be remitted overseas.

12. Superannuation benefit remain subject to income tax, and the existing rebate of $58 be abolished.

13. The family benefit be increased from $1.50 to $3.00 a week.

14. The existing mothers allowance and family maintenance allowance be eliminated and the standard benefit rates which we propose in recommendations (4) and (5) be
increased where a beneficiary is providing a home for a dependent child or children to the following weekly amounts (with appropriate family benefit to be added in each case):

(a) For a married couple:
   (i) with one dependent child $36.00
   (ii) with two dependent children $37.50
   (iii) with three or more dependent children $39.00

(b) For a solo parent:
   (i) with one dependent child $30.00
   (ii) with two dependent children $33.00
   (iii) with three dependent children $34.50
   (iv) with four or more dependent children $36.00

15. If the family benefit is increased as we propose, the present child exemption in the income-tax system be eliminated.

16. In the event of a child for whom family benefit is payable becoming eligible for a sickness, invalids, or unemployment benefit, the amount of such benefit be reduced by the amount of family benefit being paid on the child's behalf.

17. A statutory domestic purposes benefit, subject to the normal tests of income deficiency and residence, and to the specific qualifications set out in recommendations (18) to (22) be provided for solo parents, for women required to care for an infirm or sick person and for women whose previous domestic commitments have affected (or are deemed to have affected) their ability to obtain employment.

Solo Parents

18. Solo parents be distinguished for social security purposes by the fact that they are responsible for dependent children, and not by their marital status or the cause of their becoming a solo parent.

19. All solo parents with dependent children fall within this one selective statutory benefit category, irrespective of their sex or marital status.
20. The rates of benefit for solo parents be as set out in recommendation (14) (b).

Women caring for an Infirm or Sick Person

21. The benefit be available to any woman who satisfies the Department that she is caring for a sick or infirm person in respect of whom medical evidence establishes that it is in the best interests of the patient that he remain outside an institution but that he will be unable to do so without such care, provided that:
   (a) she is thereby prevented from obtaining other employment;
   (b) the person who is being cared for, or the spouse of that person, is not financially able to pay adequately for the service.

Women Alone

22. Women alone without dependent children be entitled to the benefit if on losing the support of a husband, or when their last child ceases to be dependent (that is, eligible for family benefit), or on ceasing to be responsible for an incapacitated relative they were:
   (a) at least 40 years of age and had had care and control of at least one dependent child or responsibility for an incapacitated relative for 15 years; or
   (b) at least 45 years of age and had been married for 20 years; or
   (c) at least 50 years of age and had been married for 10 years, or had had the care and control of at least one dependent child for 10 years, or had been prevented from taking employment for 10 years because of responsibility for an incapacitated relative.

23. The entitlement of 'widows' and other domestic purposes beneficiaries receiving benefit payments when the above recommendation is put into effect be preserved.

24. The allowable income of $104 a year applicable to orphans benefits be increased to $206 a year and the benefit be abated $1 for $1 for income in excess of this.

25. The Department be authorised to accept a child for the purposes of an orphans benefit when the parent who has had the past custody of the child has died and it is satisfied that the other parent cannot be found and the welfare of the child calls for such action.

26. The full adult rate of sickness and invalidity benefits be paid from age 18.
27. The age of eligibility for sickness and invalidity benefits be 15 years.

28. The rates of sickness and invalidity benefits for those 15 years of age and under 18 be $15 a week (in terms of September 1971 conditions), and be reduced by the amount of any family benefit paid for the beneficiary.

29. Sick pay and accident compensation for loss of earnings be treated as at present in determining eligibility for or abatement of social security benefits.

30. Where accident compensation for loss of earnings is received in a lump sum instead of periodic payments, the Department be authorised to determine the benefit as though periodic payments were being received.

31. Accident compensation specifically awarded for loss of enjoyment of life be disregarded as income or earnings whether received in lump sum or in periodic payments.

32. The Act be amended to remove present doubts about whether people whose period of incapacity is indefinite are eligible for sickness benefit.

33. The Act be amended to make it clear that invalidity benefits may be granted when there is a severe disablement but the incapacity for work is less total.

34. The Department be given authority, as an aid to rehabilitation, to disregard some or all of the earnings of a severely disabled person when determining the amount of benefit (see recommendation (80).

35. There be no waiting period for sickness benefit when there is medical evidence of incapacity for 3 weeks or more.

36. Registered dental practitioners be authorised to give certificates of incapacity due to conditions coming within the scope of their profession.
37. Provision be made for granting a disability allowance to invalidity, sickness and age beneficiaries to cover special expenses arising from their disabilities. The amount, up to say, $8 a week be determined after assessment by a competent committee. The allowance, although paid as supplementary assistance, be not subject to any means test other than that determining eligibility for the invalidity, sickness or age benefit.

38. This disability allowance be made available to non-beneficiaries subject to usual supplementary assistance conditions except that the limit of assistance should be as in recommendation (37) above.

39. The proposed disability allowance also be payable for severely handicapped children, and in such cases it be payable without income test to the person receiving the family benefit in respect of the child.

40. Consideration be given to such measures as may be appropriate to relieve the parents of severely handicapped children from the strain of care of such children for, say, 1 month in each year. The cost of this relief be borne by the State where the condition of the child would qualify it for admission to a State-supported institution.

41. The question of sickness benefit for girls who have become pregnant while still students (whether under or over the age of 15) continue to be dealt with under the emergency provisions of the Act so that all relevant circumstances can be taken into account.

42. Supplementary assistance be continued in its present scope and form and with present eligibility conditions.

43. Urgent attention be given to reconsidering and reconstructing the living costs formulae, especially in view of the effect which our recommendations as to basic benefit rates could have on the current formulae.

44. Ways and means be investigated to ensure, as far as possible, that those likely to be in need of supplementary assistance are made aware of its availability, emphasising that the provision of supplementary assistance where it is needed is part of the community's responsibility, and is not to be regarded as charity.
45. The home help services of the Social Security Department be continued and developed.

46. The present limit of $400 applied to advances for house repairs be re-examined in the light of the present costs.

47. The various formulae and limits used in the system be reviewed from time to time in the light of changes in prices, patterns of consumption, and other relevant data.

48. The age of eligibility for unemployment benefit be reduced from 16 years to 15 years.

49. The age of eligibility for full adult single rate be reduced from 20 years to 18 years.

50. The rate of benefit for those 15 years of age and under 18 be $15 a week (in terms of September 1971 conditions) and be reduced by any family benefit payable in respect of the recipient.

51. Present policy be changed to allow the first $10 a week of personal earnings of an unemployment beneficiary to be treated as 'other income' with the benefit abated $1 for $1 for any such earnings in excess of $10 a week.

52. The present policy of rigidly enforcing a 7-day stand-down period be re-examined.

53. Applications from full-time students for unemployment assistance be dealt with under the emergency provisions, and the Act be amended to exclude them specifically from unemployment benefit.

54. If there is legal doubt about whether the Department is entitled to apply the criteria set out in section 58 of the Act to beneficiaries as well as to applicants for benefit, the following subclause be added in section 60 (3):

'(d) the applicant or beneficiary has failed to take reasonable steps to obtain suitable work'.
55. The machinery of administration of social security be reconstructed to give it the following form:

(a) *The Minister* to retain parliamentary responsibility for the administration of the Act and the Social Security Department, with power to issue directives over the whole area of the Department's operations.

b) *The Social Security Commission* to be reconstituted to stand apart from the Department. It should consist of about seven members, one of whom should be the departmental head (with possibly another departmental member) and the others, people drawn from the community. One of the latter should be appointed chairman.

The Commission, so reconstituted, should have two functions:

(i) *Advisory*: Either on request by the Minister or on its own initiative to proffer advice to the Government on -

(a) changes needed in the field of social security policy and scope;
(b) relevant activities of Government and voluntary organisations and the means by which they may best be promoted;
(c) the administration of social security generally;
(d) public relations and information services;
(e) any other matter referred to it by the Minister.

(ii) *Appellate*: To act as the final appeal body in the appellate structure described below.

(iii) *The Department* to be responsible for the executive administration of social security as now.

56. An appeal system be constructed in the following form:

(a) Appeal committees of three people each drawn from the community and to be known as social security committees, be established in the main centres and other cities as needed, to hear appeals from departmental decisions, including discretionary ones, made within the committee's area. The committee's decision to be put into effect by the Department unless within a fixed period leave to appeal has been applied for (see (b).

(b) The Social Security Commission to hear appeals, on leave granted by it, from any decision of a social security committee given on appeal from a departmental decision. The decision of the commission to be put into effect by
the Department unless within a fixed period it is overruled by a directive of the
Minister.

57. The proposed Commission and social security committees be serviced by the
Department and financed out of the social security vote.

58. Should the Commission not be reconstructed in the form and with the functions
recommended above, an alternative independent appellate system be set up outside the
Department with a number of appeal committees covering the country and a final
appellate body located in Wellington.

59. Residence tests be retained as an essential part of our social security system and the
following qualifications be adopted for the various categories of benefit:
(a) Sickness, unemployment, and family benefits - existing rules to apply.
(b) Age and invalids benefits - 10 years; to be applied, in the case of invalids,
irrespective of whether the disability occurred inside or outside New Zealand.
(c) Superannuation benefit - 20 years.
(d) Domestic purposes benefit - present widows benefit rules to apply.

60. The present system for determining the allowances to be made for absences from
New Zealand be retained.

61. The present discretionary authority for the withholding of benefits from people not
'ordinarily resident' in New Zealand be retained.

62. In the case of temporary absences from New Zealand of recipients of age, invalids,
orphans, domestic purposes, and family benefits, the benefit be paid on return to New
Zealand for the whole period of absence provided the beneficiary returns within 12
months. For absences in excess of 12 months the benefit be paid on return for the
first six months of absence provided the beneficiary returns to New Zealand within 2
years. (See recommendation (11) for payment of superannuation benefit during
absences from New Zealand).

63. The Department have discretionary authority to start paying a benefit from the date on
which the applicant became qualified for it, but (except in the case of sickness and
emergency benefits) not earlier than 6 months before the application for the benefit is received.

64. The provisions of section 85 (2) of the Act giving the Department a discretion to make a lump sum payment on the death of an age beneficiary leaving a widow, widower, or dependent children be extended to invalids and our proposed domestic purposes beneficiaries leaving like survivors.

65. The following guidelines be adopted for the period of full benefit entitlement for both general and psychiatric hospital patients:

(a) Single patients with or without dependent children: Full benefit entitlement for 13 weeks; then review of whether the benefit should be continued at full rate for a further period, paid at a reduced rate considered appropriate after review, or discontinued.

(b) Married patients with or without dependent children: Full benefit entitlement in respect of the patient for 25 weeks; then review of whether the benefit in respect of the patient, as distinct from the dependants, should be continued at full rate for a further period, paid at a reduced rate considered appropriate after review, or discontinued.

(c) Family benefit: Full entitlement for 13 weeks, after which the benefit should cease. The Department to have discretionary authority, on receiving application from the parent, to resume family benefit payments at full or reduced rates in cases where the circumstances justify it.

66. In all such cases the Department should seek guidance from the hospital social worker.

67. The Department should be entitled to make it a condition of the grant of any benefit that the applicant take legal steps to enforce compliance by a husband, wife, or father, of the primary obligation to maintain the applicant and her (or his) children; and to have authority in appropriate circumstances to postpone or waive this condition.

68. If a beneficiary refuses to take proceedings for a maintenance order against the person primarily liable for the support of those for whom the benefit has been granted, an
officer of the Department be authorised by statute to take those proceedings and to compel the evidence of the applicant.

69. The Department continue to enforce compliance with maintenance orders and registered agreements.

70. The words referring to 'moral character and sober habits' be deleted from the social security legislation.

71. The provisions enabling the benefit for single people to be reduced to half that for married couples when household living expenses are shared be repealed.

72. The provisions whereby a man and woman living together as man and wife be treated as though they were legally married be retained, but be combined in section 63 of the Act, with repeal of section 74 (b).

73. The legislation be amended to make it clear that the discretionary authority provided under section 70 of the Act lies solely in determining whether or not an overseas pension or benefit is analogous to a New Zealand benefit.

74. In the case of overseas war pensions no part of the pension which can be properly regarded as compensation for the disability suffered be deductible from New Zealand benefit entitlement; but any part of such a pension properly regarded as economic (and thus analogous to our own selective social security benefits) be so deductible except that, for New Zealand superannuation and family benefits, small overseas war pensions elements for wives and children be not deductible.

75. Any changes in the rates and structure of social security benefits arising from this report be applied to those war pensions and allowances which perform an economic function equivalent to social security benefits.

76. Whatever form of organisation be adopted, the State continue to accept the overall responsibility for rehabilitating those who, for whatever reason, are unable to undertake productive employment, and who have the capacity to benefit from the
programme; and for co-ordinating the medical, assessment, training, and re-employment elements of rehabilitation.

77. As the rehabilitation facilities are built up, consideration be given to making them available to people whose incapacity arises from causes other than disability.

78. As rehabilitation facilities become available to other categories of people needing them, the rehabilitation allowance system also be extended to cover such categories.

79. The existing rehabilitation allowance be not regarded as ‘allowable other income’ of social security beneficiaries (but be payable in addition to ‘allowable other income’), and to this end Part 2 of the Fifteenth Schedule of the Act be amended to exclude the amount of the allowance from the maxima specified, and to apply these maxima to all trainees and not only to social security beneficiaries.

80. The Department be given authority in cases where a person is assessed as being severely and permanently incapacitated to determine a special individual level up to which the beneficiary’s earnings will be disregarded in the assessment of ‘other income’ so that the beneficiary will have a positive incentive to rehabilitation.

81. Section 86 of the Act be amended to provide the Department with an explicit discretion to waive recovery of an overpayment of up to $100 which occurred as a result of an administrative error and to which the beneficiary in no way contributed.

APPENDIX THREE

EVALUATING SUCCESS AND FAILURE

The three aspects identified in the Departmental submissions as important in evaluating the success or failure of particular social security programmes were equity, effectiveness and efficiency. The definitions of the three aspects are set out below:

Equity is achieved if people in equal circumstances receive equal treatment. But to achieve equal results in terms of a programme objective, people in differing circumstances would have to receive different treatment. Equity is tested by results and not by treatment... In addition it is suggested that a further test of equity should be made comparing conditions of people outside a programme with those within (Department of Social Security, Paper 2:13).

Effectiveness was seen to have two major dimensions:

Firstly, a programme would have to tested as to whether or not it successfully reaches the 'target' population defined as its objective... Secondly, a programme can be tested on whether or not it effectively attains its objective in respect of individuals who are reached. For example, if the objective is to alleviate poverty then the test is whether or not the programme lifts the level of living of the individual beneficiaries to defined levels (Department of Social Security, Paper 2:14).

Efficiency may be defined as the maximisation of scope and effectiveness from a given input... It is important to recognise budgetary allocation decisions for what they are - statements of priorities (Department of Social Security, Paper 2:15).
APPENDIX FOUR

PROPOSED CONDITIONS FOR STATUTORY 'DOMESTIC PURPOSES BENEFIT'

It is considered that the proposed new statutory benefit should apply to any woman who is in one of the categories set out in (a) to (f) below and who satisfies the Social Security Commission that she is unable, because of age, disablement, domestic circumstances, or for any other reason, to support herself or her children adequately:

(a) A woman who is living apart from, and has lost the regular support of her husband.
(b) A woman who is living apart from or has otherwise lost the regular support of a man with whom she has entered into a union in the nature of marriage although not married to him.
(c) An unmarried woman who is the mother of a dependent child or children.
(d) An unmarried woman without dependent children who is not qualified to receive any other benefit under the Act.
(e) A woman whose husband is and has been continuously in an institution under the Mental Health Act 1911 as a patient for a period of not less than six months immediately preceding the making of the application for a benefit.
(f) A woman whose husband is and has been continuously in prison for six months immediately preceding the application for benefit.

It will be realised of course that there would have to be some discretionary authority to refuse benefit for those women who leave or stay away from their husbands without just and good cause.

(Source: Department of Social Security, Paper 10:28).
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