Susan St John reply to Listener editorial: The benefit balance: Arguments of definition aside, we need a national conversation about solving child poverty.

The Listener editorial 26th June cries out for a response. One of the problems bedevilling child poverty research is that it may appear to the public to be just an academic exercise. While the front-line has lots of chilling data about the symptoms of child poverty such as third world diseases, sometimes an anecdote will better prod the imagination. Middle class birthday parties for children can be ridiculously and unnecessarily expensive, but the editorial fails the empathy test when it does not grasp the enormity of exclusion some children experience because even a cheap birthday present, transport to the party and clothes to wear are simply unaffordable.

The editorial infers that the idea of belonging and participation “still underpins some academic thinking on poverty” so that like other woolly academic ideas it can be readily dismissed. However it is still the principle upon which New Zealand Superannuation is based, so why not children? Moreover, it is indisputable that society is vastly wealthier today than it was in the 1970s so the argument that we didn’t have child poverty because of post war affluence is spurious.

Being on a benefit should usually be a temporary measure to cushion adversity. But we have had extreme events and a deep recession. We have also had vast social change since the 1970s including very high rates of domestic violence that makes the traditional nuclear family a very unsafe place for many women and children. Social hazards of drinking, drugs and gambling have also cut swathes in the social fabric.

The benefit cuts in the early 1990s, the discriminatory tax credit policies for children an explosion of debt including student debt, and the failure to properly index family assistance mean that much family poverty is also policy driven. If, as the editorial suggests, we wring our hands and say “causes of poverty are complex and the possible remedies involve choices that are even more so” we will do nothing but continue the blame the poor and exclude their children. We will then continue to pay a terrible social cost, just as we face cost pressures from rapid population ageing and possible climate change.

The Listener says that “... the elimination of poverty through the benefits system looks naively idealistic now.” But we don’t beat ourselves up about our highly
successful pension system because it is utopian. It is disingenuous to imply that being on a benefit is the problem. The truth is the design of the welfare system is archaic, convoluted and miserable. The welfare state does trap people into poverty, so then, for goodness sake, let’s design it so it actually works for the 21st century.

The editorial repeats a convenient myth that justifies keeping families poor when it says, “Governments also have to be wary of the so-called moral hazard whereby benefits are increased to a level at which they become an attractive alternative to work.” When mothers don’t have enough to live on, we know from the frontline both they and their children get sick. The longer they spend in poverty the fewer assets and more debt they have, and the less employable they become.

The conventional wisdom that “Sharing the economic cake is a zero sum game” doesn’t bear scrutiny. When extra money is transferred the loss wellbeing of the rich is miniscule compared to the gain in wellbeing of the poor. Intoning there is no free lunch is absurd. And, importantly, the spending of those out of work can help sustain economic activity in their local shops and neighbourhoods.

The editorial catastrophizes the costs of addressing the income side of child poverty but what is the choice here? There are very cost-effective ways of getting on a much better track for children. As a critical first step CPAG implores politicians of all parties to give tax-funded child-based assistance that aims to alleviate poverty to all low income children regardless of the paid work status of the parents. Parents will still seek paid work when they can. The sky will not fall in.

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