

WHY THE AUSTRALASIAN TRADITION OF LABOUR DEFENCE IS A BARRIER TO A UNIVERSAL BASIC INCOME

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ABSTRACT

The principle of work protection or labour defence has traditionally informed welfare policy in Australasia. By promoting full employment and ensuring employees earn a living wage, government could foster economic security for the unionised workingman and his family. Nordic-style social insurance schemes, which were designed to shelter citizens from market uncertainties, were, in the main, unnecessary. In this patriarchal set up, protected and adequately paid workers could support their families, but could also afford to pay income tax and thereby contribute to the support of superannuated workers. Despite the dominance of neoliberalism, vestiges of labour defence, which privileges the status of employment over a broader conception of inclusive citizenship, continue to inform welfare. Responses to global mega trends, including technologically induced job retrenchment, may require a change in cultural attitudes to work and welfare. This article, which has a specific jurisdictional focus on New Zealand but has wider relevance, argues the tradition of labour defence presents a barrier to inclusive, citizenship-based welfare. In particular, cultural attitudes may militate against a universal basic income, which many believe will become a necessity in the face of potential mass retrenchment caused by robotics.

I. INTRODUCTION

In the taxonomy developed by Francis Castles,¹ the three main forms of welfare provision in advanced economies have been ‘residual’ (or last resort), ‘institutional’, and ‘structural’ models. ‘The *residual* model characterizes the provision of relief to those unable for a range of socially legitimated reasons to derive a bare minimum subsistence from the labour market and unable to support themselves from prior savings.’² The *institutional* model guarantees ‘a national minimum of sufficiency below which no one is allowed to fall’.³ In terms of the *structural* model, ‘whole areas of distribution are progressively removed from the influence of the market and which income transfers are designed not so much to alleviate poverty but,

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¹ See, generally, Francis G Castles, *The Working Class and Welfare: Reflections on the Political Development of the Welfare State in Australia and New Zealand 1890–1990* (Allen and Unwin, 1985). In a comparable analysis, Esping-Andersen identified ‘the Bismarckian welfare state’, ‘the liberal welfare state’ and ‘the social democrat welfare state’. See, generally, Gøsta Esping-Anderson, *The Three Worlds of Welfare Capitalism* (Polity Press, 1990).

² Castles, above n 1, 77 (italics in the original).

³ Ibid.

as to ensure a satisfactory and dignified level of living for all members of the social collectivity'.⁴ The structural model is a manifestation of 'decommodification', which Gøsta Esping-Anderson defines as the ability of a person 'to maintain a livelihood without reliance on the market'.⁵

In contrast to the structural welfare system established in Scandinavia, Australia and New Zealand adopted residual systems.⁶ As Miguel Glatzer and Dietrich Rueschemeyer observe, '[w]elfare states in Australia and New Zealand differed radically from their northern counterparts because they depended on trade protection rather than economic openness and operated through wage policy rather than transfers and services.'⁷ This is not to say Australasian workers, who were protected by this 'labour defence' strategy, were necessarily worse off than their Scandinavian peers. Castles observes, 'if there is full employment and wages are adequate, state intervention to alleviate poverty will be largely unnecessary, except for a small minority out of the labour market and unable to derive support from past savings or through dependence on a labour market participant.'⁸ Australasian 'socialism without doctrine' was achieved by protecting the earning capacity of invariably unionised working *men* through restrictions on immigration, and binding arbitration awards which ensured the wages of the *paterfamilias* could support his family. Minimum wage regulations presented a 'functional alternative to the strategy of extending citizenship rights by means of universal coverage of the social security system, as in the institutional model of the welfare state.'⁹ Australia and New Zealand were, then, 'reluctant welfare states or, at best, very different kinds of welfare state' from institutional and, more so, structural welfare states.¹⁰ The privileging of those in employment is a particular feature of welfare based on labour defence. Although, as Martin Seeleib-Kaiser notes, 'even in Scandinavian countries citizens were never fully decommodified, especially since these countries relied on a very strong tradition with regard to the duty of work.'¹¹

In New Zealand, adequately remunerated employees could afford to pay income tax which contributed to funding unemployment benefits for workingmen temporarily out of work.¹²

⁴ Ibid, 79.

⁵ Esping-Anderson, above 1, 21-2.

⁶ Castles, above n 1, 81.

⁷ Miguel Glatzer and Dietrich Rueschemeyer, 'An Introduction to the Problem' in Miguel Glatzer and Dietrich Rueschemeyer (eds) *Globalization and the Future of the Welfare State* (University of Pittsburgh Press, 2005) 1, 16 n 11.

⁸ Castles, above n 1, 82.

⁹ Ibid, 85.

¹⁰ Ibid, 109.

¹¹ Martin Seeleib-Kaiser, 'Welfare State Transformations in Comparative Perspective: Shifting Boundaries of 'Public' and 'Private' Social Policy?' in Martin Seeleib-Kaiser (ed) *Welfare State Transformations: Comparative Perspectives* (Palgrave Macmillan, 2008) 1, 4.

¹² Rob Vosslander observes that few workers in New Zealand actually paid income tax before 1931 when a five per cent Unemployment Levy was introduced. Furthermore, once the Family Benefit was introduced in 1947, many workers

Men had a social duty to work, reciprocated by a right to state support if work was not available. But unemployment could be expected to be exceptional in a context of macroeconomic policy which pursued full employment. Whereas unemployment for a man of working age might be unusual – and, most likely, morally suspect – superannuation could be seen as a chapter in the narrative of work.¹³ Worker and pensioner were virtuous, consecutive statuses in that narrative. Wages, income tax, and old age pensions were interlinked so it was considered natural that superannuitants should become eligible for a retirement annuity paid from general tax revenues.¹⁴

Seeleib-Kaiser sketches a grand narrative of welfare moving from ‘the so-called golden age of welfare state capitalism’ to ‘a greater emphasis on private arrangements, said to be mainly resulting from a combination of three socio-economic developments: globalization, rapidly ageing societies and individualization’.¹⁵ To this list of global mega trends may be added: the deep social instability associated with unemployment and underemployment; state collapse and large scale involuntary migration; and climate change.¹⁶ The neoliberal model of globalisation has disrupted both labour defence and labour compensation models of welfare,¹⁷ and contributed to the growth in the ‘precariat’,¹⁸ for whom work is sporadic and wages insufficient to fund a dignified life.¹⁹

Developments in information technology have automated many traditional forms of manual labour and promise to increasingly ‘decouple’ work from income.²⁰ Furthermore, the advent of the so-called Fourth Industrial Revolution is commonly thought to foreshadow the redundancy of many white collar occupations, which would disassociate large swathes of the

were effectively subject to a negative income tax. See Rob Vosslamber, ‘How Much? Taxation on New Zealanders’ Employment Income 1893–1984’ (2009) 15(4) *New Zealand Journal of Taxation Law and Policy* 299.

¹³ Compare with the way retired members of guilds were paid from the funds contributed by active members: see Marco HD van Leeuwen, *Mutual Insurance 1550–2015: From Guild Welfare and Friendly Societies to Contemporary Micro-Insurers* (Palgrave Macmillan, 2016) 42.

¹⁴ New Zealand has not developed a tradition of actuarially-managed social insurance schemes covering superannuation or, indeed, unemployment and health care. The principal exception to pay-as-you-go (PAYG) among New Zealand welfare schemes is workman’s compensation which has developed into the complex and comprehensive accident compensation scheme: see *Accident Compensation Act 2001* (NZ). See also n 84 below on the so-called ‘Cullen fund’.

¹⁵ Seeleib-Kaiser, above n 11, 1.

¹⁶ See World Economic Forum, *Part 1 - Global Risks 2017* (2017) <<http://reports.weforum.org/global-risks-2017/part-1-global-risks-2017/>>.

¹⁷ Contemporary welfare schemes in Nordic countries have adopted some Anglo-Saxon features, notably ‘marketisation’ and ‘responsibilisation’: see Bengt Larsson, Martin Letell and Håkon Thorn, *Transformations of the Swedish Welfare State: from Social Engineering to Governance?* (Palgrave Macmillan, 2012) 281.

¹⁸ The term ‘precariat’ has been popularised by Guy Standing but it seems that Dorothy Day first identified precarious labour in the 1950s: see Dorothy Day, ‘Poverty and Precarity’ *The Catholic Worker* (May 1952) 2.

¹⁹ See, generally, Arne L Kalleberg, ‘Precarious Work, Insecure Workers: Employment Relations in Transition’ (2009) 74(1) *American Sociological Review* 1.

²⁰ See Amy Bernstein and Anand Raman, ‘The Great Decoupling: An Interview with Erik Brynjolfsson and Andrew McAfee’ 93(6) (2015) *Harvard Business Review* 66.

middle class from work and guaranteed salaries.²¹ A commonly proposed response to these challenges is a universal basic income (UBI).²² This article argues New Zealand's tradition of labour defence presents a significant barrier to a UBI. More generally, the cultural construction of virtuous employment, which predominates in Anglophone countries, militates against welfare measures based on inclusive citizenship.

Having introduced the principal models for welfare and the particular nature of welfare in New Zealand, the article outlines the key global mega trends which challenge a welfare model that presumes the ready availability of work. The idea of a UBI is introduced at this point. Traditions and trends in New Zealand's welfare system are then identified to consider how they may evolve in response to the challenges raised, in particular, by job losses arising from the robotic revolution. Differences between welfare based on citizenship and welfare based on social status are emphasised. The article concludes employment is likely to continue to attract a privileged social status in New Zealand and will remain the focus of welfare policy unless cultural attitudes to work change.

II. GLOBAL MEGA TRENDS

Various global mega trends challenge the labour defence model of welfare because they degrade decent work or may even cause traditional work to become unusual. The currently most relevant of these trends are neoliberal globalisation and technologically determined redundancy.²³

A. Neoliberal Globalisation

Pierre Bourdieu encapsulates the impact of neoliberalism in the following terms:²⁴

The [Neoliberal] movement, made possible by the policy of financial deregulation, towards the neoliberal utopia of a pure, perfect market taken place through the transforming and ... destructive action of all the political measures ... aimed at putting into question all the collective structures capable of obstructing the logic of the pure market: the nation-state whose room for manoeuvre is steadily shrinking; work groups, with for example the individualization of salaries and careers on the basis of individual performance and consequent atomization of workers; collectives defending workers' rights – unions, societies and cooperatives; even the family, which, through the segmentation of the market into age groups, loses some of its control over consumption.

²¹ See Klaus Schwab, *The Fourth Industrial Revolution: what it means, how to respond*, World Economic Forum (2016) <<https://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond/>>.

²² 'UBI' seems to be in favour currently as the term for a broad range of basic income proposals. Other identifiers have included 'basic income', 'demogrant', 'social dividend' and 'basic income grant (BIG)'. Many UBI proposals are not in fact 'universal' (within a political community), since they require means testing or other screening processes. A review of the differences between proposals lies beyond the scope of this article. The Basic Income Earth Network (BIEN) website hosts numerous papers on the subject: see 'BIEN', <<http://basicincome.org/>>.

²³ The other global trend typically identified is ageing populations: that issue lies beyond the scope of this article.

²⁴ Pierre Bourdieu, *Acts of Resistance: Against the Tyranny of the Market* (Richard Nice trans, The New Press, 1998) 96 [trans of: *Contre-feux* (first published 1998)] (italics in the original).

Paradoxically, by forcing down labour costs,²⁵ neoliberal globalisation may have delayed the replacement of labour by machines, and thereby preserved employment. The catch is that work has been devalued through the payment of lowest possible wages, neo-Taylorism,²⁶ and the loss of solidarity through collective action.²⁷ The principal feature of neoliberal globalisation is the free flow of capital internationally but a corollary of open economies is freer movement of both expensive skilled and cheap unskilled labour.²⁸ Free flow of capital and freer flow of labour threaten the labour defence model of work and welfare. The former encourages governments to make laws which favour investors, including restricted labour rights, and the latter exposes workers to global competition.

For Guy Standing, the globalisation era (1985–2008) ‘was a period when the economy was “disembedded” from society as financiers and neo-liberal economists sought to create a global market economy based on competition and individualism’.²⁹ The political and institutional changes of the globalisation era led to a growth in the precariat. In response to growing precarity, Standing put forward a Precariat Charter, article 25 of which, proposes:³⁰

Governments should move towards instituting a basic income as a citizenship right. In a global market economy, uncertainty and inequality will only worsen unless new measures are introduced. It is vital to overhaul the social protection system.

The precariat can only face the future with optimism if the state moves towards paying a guaranteed basic income, a monthly amount sufficient to provide every legal resident with basic security. Without such a claim right, insecurity, indebtedness and inequality will continue to grow.

Other parts of this article give further consideration to a UBI, but it is sufficient to note here that a basic income is citizenship right, it is not a quid pro quo for being active in the labour market, either as an employee or as a job seeker.

B. Technology

Much has been predicted about the likely impact of developing technology, in particular automation, on current jobs.³¹ The Internet of Things, which ‘generally refers to a suite of

²⁵ See Paul Mason, *PostCapitalism: A Guide to Our Future* (Allen Lane, 2015) 17.

²⁶ See Martha Crowley, Daniel Tope, Lindsey Joyce Chamberlain, Randy Hodson, ‘Neo-Taylorism at Work: Occupational Change in the Post-Fordist Era’ (2010) 57(3) *Social Problems* 421.

²⁷ For an argument that, while collective action through trade unionism has declined, other forms of social solidarity will emerge, see Howard Glennerster, ‘The Sustainability of Western Welfare States’ in Francis G Castles, Stephan Leibfried, Jane Lewis, Herbert Obinger and Christopher Pierson (eds) *The Oxford Handbook of the Welfare State* (Oxford University Press, 2010) 689, 698.

²⁸ See Michael Mandel, ‘Globalization vs. Immigration Reform’ *BusinessWeek* (New York), 6 April 2007, 40.

²⁹ Guy Standing, *The Precariat: The New Dangerous Class* (Rev ed, Bloomsbury, 2014) 43.

³⁰ Guy Standing, *A Precariat Charter: From Denizens to Citizens* (Bloomsbury, 2014) 316.

³¹ See, for example, Melanie Arntz, Terry Gregory and Ulrich Zierahn, ‘The Risk of Automation for Jobs in OECD Countries: A Comparative Analysis’ (OECD Social, Employment and Migration Working Papers, No 189, 2016) <<http://dx.doi.org/10.1787/5j1z9h56dvq7-en>>.

technologies and processes that allows data to be tracked, analyzed, shared and acted upon through ubiquitous connectivity',³² is predicted to be revolutionary.³³ Indeed, the combination of robotics and the Internet (commonly referred to as the Fourth Industrial Revolution) has been characterised in terms of 'economic climate change'.³⁴ According to the estimates of Carl Frey and Michael Osborne, almost half the jobs in the United States are at risk from developing technologies.³⁵ It is widely assumed work in Australasia will be similarly affected.³⁶ Indeed, Nick Srnicek and Alex Williams have predicted a future mostly without work for economically developed countries.³⁷ Likewise, in seeking to establish his 'postcapitalism' thesis, Paul Mason argues developments in information technology have 'reduced the need for work, blurred the edges between work and free time and loosened the relationship between work and wages'.³⁸

Two observations may be made about predictions for the end of work. First, such predictions have been regularly made before. Second, they typically fail to consider *net* job losses; as Daron

So-called 'big data' is also predicted to increase productivity and thereby potentially endanger jobs: see 'Automation and anxiety', *The Economist* (online), 25 June 2016 <<http://www.economist.com/news/special-report/21700758-will-smarter-machines-cause-mass-unemployment-automation-and-anxiety>>.

³² Deloitte, 'Tax Implications of the Internet of Things', *The Wall Street Journal* (online), 6 January 2016 <<http://deloitte.wsj.com/cfo/2016/01/06/tax-implications-of-the-internet-of-things/>>.

³³ Mason, above n 25, 276 proposes the tax system should be made 'intelligent' as part of the Internet of Things (IoT), but does not obviously explain how that might happen. Harald Sundmaeker and his co-authors envisage that radio frequency identification devices, embedded in bank notes and luxury goods, will help combat tax evasion: see Harald Sundmaeker, Patrick Guillemin, Peter Friess and Sylvie Woelfflé, *Vision and Challenges for Realising the Internet of Things*, Cluster of European Research Projects on the Internet of Things (CERPIoT) 25 <http://www.internet-of-things-research.eu/pdf/IoT_Clusterbook_March_2010.pdf>. Deloitte, above n 32, predicts various tax issues will arise from the conflation of goods and services as the IoT develops. But, beyond deeply concerning possibilities for surveillance (see, for example, Rory Cellan-Jones, *Office puts chips under staff's skin*, BBC (29 January 2015) <<http://www.bbc.com/news/technology-31042477>>), the likely influence of the IoT on the substance, rather than the administration, of tax-welfare is not yet clear, and will not be considered further in this article.

³⁴ Kathryn Myronuk in an interview on Radio New Zealand, *The technological advances shaping our future*, (7 September 2016) <<http://www.radionz.co.nz/national/programmes/ninetonoon/audio/201815166/the-technological-advances-shaping-our-future>>.

³⁵ Carl Benedikt Frey and Michael A Osborne, *The Future of Employment: How Susceptible Are Jobs to Computerisation*, Oxford Martin School (2013) <http://www.oxfordmartin.ox.ac.uk/downloads/academic/The_Future_of_Employment.pdf>. See also Michael Chui, James Manyika and Mehdi Miremadi, 'Where machines could replace humans - and where they can't (yet)', *McKinsey Quarterly* (July 2016) <<http://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/where-machines-could-replace-humans-and-where-they-cant-yet>>; Daron Acemoglu and Pascual Restrepo, 'The Race Between Machine and Man: Implications of Technology for Growth, Factor Shares and Employment', (MIT Economics Working Paper, May 2016) <<http://economics.mit.edu/files/11512>>.

³⁶ See, CAANZ, *future [inc]: A plan for Australia's + New Zealand's future prosperity* <https://nzier.org.nz/static/media/filer_public/6d/6e/6d6ecf8b-032c-4551-b0a7-8cd0f39e2004/disruptive_technologies_for_caanz.pdf>; New Zealand Labour Party, *How technology is impacting on work - Implications for NZ's future and policy* (2015) <[https://d3n8a8spro7vhmx.cloudfront.net/nzlabour/pages/3004/attachments/original/1438655730/Technology_paper_FINAL_31Jul15_\(1\).pdf?1438655730](https://d3n8a8spro7vhmx.cloudfront.net/nzlabour/pages/3004/attachments/original/1438655730/Technology_paper_FINAL_31Jul15_(1).pdf?1438655730)>; Business Council of Australia, *National Press Club Address by Catherine Livingstone* (2015) <<http://www.bca.com.au/media/national-press-club-address-by-catherine-livingstone>>.

³⁷ See Nick Srnicek and Alex Williams, 'The Future Isn't Working' (2015) 22(3) *Juncture* 243.

³⁸ Mason, above n 25, xv.

Acemoglu and Pascual Restrepo observe, ‘there is very little work on the equilibrium effects of new technologies and especially of robots in labor market outcomes’.³⁹

1 Previous Predictions

In 1930, John Maynard Keynes presented one of the best-known and most benign auguries for a future with limited work in his essay ‘Economic Possibilities for Our Grandchildren’. He forecasted:⁴⁰

for the first time since his creation man will be faced with his real, his permanent problem – how to use his freedom from pressing economic cares, how to occupy the leisure, which science and compound interest will have won for him, to live wisely and agreeably well.

In his equal and equable world of shared wealth and work, none of us, he predicted, would labour more than 15 hours a week.⁴¹

Two decades after Keynes made his prediction, Wassily Leontief’s thoughtful article ‘Man and Machine’ considered similar issues arising from robotics and its economic effects that exercise the minds of contemporary commentators.⁴² Broadly, Leontief did not foresee a future for work. Also in 1952, Kurt Vonnegut published his dystopian novel *Player Piano*, which tells of technologically informed retrenchment not ending well.⁴³ The moral of Vonnegut’s story is people want to work, and, if necessary, will destroy machines to do so.⁴⁴ In 1980, André Gorz made similar predictions to Mason about robotic automation and human ‘liberation’ from labour.⁴⁵ These mementoes are recalled to provide historical context, not to gainsay the likelihood of job losses.

2 Net Job Losses

Since Gorz’s speculation on a ‘post-industrial socialism’,⁴⁶ some highly lucrative jobs have emerged while others have lost market value. Work has not, however, gone away. In contrast to Keynes’s prediction for civilised idleness, which may have been a projection of his own Bloomsbury Group privilege onto the masses, contemporary technology has made many employees available 24 hours a day, seven days a week, and, for them, a pressing concern

³⁹ Daron Acemoglu and Pascual Restrepo, ‘Robots and Jobs: Evidence from US Labor Markets’ (NBER Working Paper 23285, National Bureau of Economic Research, Cambridge (MA), 2017) 35.

⁴⁰ See John Maynard Keynes, ‘Economic Possibilities for Our Grandchildren’ [1930] in *The Collected Writings of John Maynard Keynes Vol 9 Essays in Persuasion* (Royal Economic Society, 1971) 321, 328.

⁴¹ *Ibid*, 329.

⁴² See Wassily Leontief, ‘Man and Machines’ (1952) 187(3) *Scientific American* 150.

⁴³ See Kurt Vonnegut, *Player Piano* (The Dial Press, 2006, first published 1952).

⁴⁴ On people’s desire to work, see also Matthew Beard, ‘With robots, is a life without work one we’d want to live?’, *The Guardian* (online), 26 September 2016 <<https://www.theguardian.com/sustainable-business/2016/sep/26/with-robots-is-a-life-without-work-one-wed-want-to-live>>.

⁴⁵ See André Gorz, *Farewell to the Working Class: An Essay on Post-Industrial Socialism* (Michael Sonenscher trans, Pluto Press, 1982, 1997 ed) 126–44 [trans of: *Adieux au Proletariat*, 1980].

⁴⁶ *Ibid*, 115.

lies with finding some respite from work,⁴⁷ not how to fill abundant leisure time ‘wisely and agreeably well’.⁴⁸ Employers may respond to technological changes by introducing shorter worker days, but their motive may lie with extending the working lives of valued employees.⁴⁹

If the predictions for mass retrenchment prove to be correct, as well as destroying current jobs, new technology may nevertheless create new types of work. In an apparent minority view, one New Zealand paper argues ‘technologies could lead to greater productivity, enhanced social good and the creation of new fields of work’.⁵⁰ But this rosy possibility is not supported by empirical evidence or plausible modelling. Conversely, Acemoglu and Restrepo have modelled net job losses. Their models of robotics-induced retrenchment ‘indicate a very limited set of offsetting employment increases in other industries and occupations’.⁵¹ This research presents a likelihood of retrenchment without prospects for new employment. Current research already indicates that when people lose their jobs, they may ‘find a new job quickly, [but] they tend to suffer from a considerable drop in wages, working hours and job quality.’⁵² Even predictions for the end of work are wrong, it seems likely this experience of work degradation will be exacerbated by robotics.

C. UBI

Neoliberal policies and robotics may bring a degree of urgency to arguments for a basic income but Mason, Srnicek and Williams, and Standing join a long line of UBI proponents.⁵³ Recognisable policy proposals for a UBI were put forward by Juliet Rhys Williams in 1942.⁵⁴ Williams was a member of the Beveridge committee investigation into social security,⁵⁵ and a UBI has been on the policy agenda since then. Proposals for UBI schemes take different

⁴⁷ For Gorz, ‘[T]he boundary between work and non-work fades, not because work and non-work activities mobilize the same skills, but because time for living falls, in its entirety, into the clutches of economic calculation, into the clutches of value.’ See Andre Gorz, *The Immaterial: Knowledge, Value and Capital* (Chris Turner trans, Seagull Press, 2010) 22 [trans of: *L’Immatériel*, 2003].

⁴⁸ See, for example, Maura Thomas, ‘Your Late-Night Emails Are Hurting Your Team’, *Harvard Business Review* (online), 16 March 2015 <<https://hbr.org/2015/03/your-late-night-emails-are-hurting-your-team>>.

⁴⁹ Hazel Sheffield, ‘Mexico’s Richest Man Carlos Slim Says We May Soon Have a Three-Day Working Week’, *Independent* (online), 5 August 2016 <<http://www.independent.co.uk/news/business/news/carlos-slim-mexico-three-day-work-week-six-hour-day-telmex-america-movil-productivity-a7173501.html>>.

⁵⁰ Institute of Directors and Chapman Tripp, *Determining our future: Artificial Intelligence, Opportunities and challenges for New Zealand: A call to action* (2016) 2 <<https://www.iod.org.nz/Portals/0/Governance%20resources/Artificial%20Intelligence.pdf>>.

⁵¹ Acemoglu and Restrepo, above n 39, 37.

⁵² OECD, *Back to Work: New Zealand: Improving the Re-Employment Prospects of Displaced Workers* (OECD Publishing, 2017) 13.

⁵³ Standing, above n 29, 298, for example, cites Thomas Paine (1737–1809) on justifications for a basic income.

⁵⁴ See AB Atkinson, *The Economics of Inequality* (2nd ed, Clarendon Press, 1983) 275.

⁵⁵ See William Beveridge (chair), *Social Insurance and Allied Services: Report by Sir William Beveridge* (1942) <[http://www.who.int/bulletin/archives/78\(6\)847.pdf](http://www.who.int/bulletin/archives/78(6)847.pdf)>.

forms but a broadly accepted model envisages a minimum guaranteed income, say, two-thirds of the average wage. Anyone whose income is less than the minimum would receive a state top up. Anyone who already has an income equal to the minimum would receive that amount free of income tax.⁵⁶

A basic income has obvious communitarian appeal but also enjoys wide support among conservatives and libertarians.⁵⁷ The arguments for a UBI are well rehearsed,⁵⁸ and will not be reprised here other than to note the effects of a UBI when applied to an entire community.⁵⁹ Between 1974 and 1979, the 10,000 residents of Dauphin, a rural town in the Canadian province of Manitoba, were eligible for a guaranteed income of 60 percent of the low-income cut-off (poverty threshold) as established by Statistics Canada.⁶⁰ Because the UBI was reduced by 50 cents for every dollar of other income, only around one-third of residents received some payment.⁶¹ Ashifa Kassam reports residents saw the UBI 'as a source of stability, buffering them from financial ruin in the case of sudden illness, disability or unpredictable economic events'.⁶² Specific outcomes included: children from the most economically disadvantaged families stayed on to graduate from high school, and thereby improve their career opportunities; women took longer maternity leave; and hospitalisation for accidents, injuries and mental health issues was reduced.⁶³ Evelyn Forget concludes that a UBI, 'implemented broadly on society, may improve health and social outcomes at a community level'.⁶⁴

A UBI has then proved to be an effective welfare option – in a small, isolated community, at least. China's *dibao* is worth noting as a practical example of national basic income initiative. Before the country's adoption of a market socialist economy, 'the most important symbol of the party's economic policies ha[d] been an unbreakable iron rice bowl, which stood for the

⁵⁶ See Atkinson, above n 54, 274–5.

⁵⁷ See, for example, FA Hayek, *Law, Legislation and Liberty* Volume 2 *The Mirage of Social Justice* (Routledge & Kegan Paul, 1976) 150. In Canada, a proposed experiment for Ontario has been driven by Hugh Segal, 'a Conservative political strategist': see Ashifa Kassam, 'Ontario Pilot Project Puts Universal Basic Income to the Test', *The Guardian* (online), 28 October 2016 <<https://www.theguardian.com/world/2016/oct/28/universal-basic-income-ontario-poverty-pilot-project-canada>>.

⁵⁸ See, in particular, Jennifer Mays, Greg Marston and John Tomlinson (eds) *Basic Income in Australia and New Zealand: Perspectives from the Neoliberal Frontier* (Palgrave Macmillan, 2016).

⁵⁹ The legislature of Prince Edward Island, Canada's least populous province, has voted to trial a UBI: see Matt Payton, 'Canadian province takes major step towards universal basic income', *Independent* (online), 8 December 2016 <<http://www.independent.co.uk/news/world/americas/canda-universal-basic-income-prince-edward-island-pilot-programme-a7462916.html>>.

⁶⁰ See Evelyn L Forget, 'The Town with No Poverty: The Health Effects of a Canadian Guaranteed Annual Income Field Experiment' (2011) 37(3) *Canadian Public Policy* 283, 289.

⁶¹ See *ibid.*

⁶² Kassam, above n 57.

⁶³ See Forget, above n 60, 289.

⁶⁴ See *ibid.*, 300.

cradle-to-grave security offered all citizens'.⁶⁵ In response to the massive job losses caused by structural reforms, the Minimum Living Standard Guarantee or *dibao* was introduced. Starting as a pilot scheme in cities in 1994, [*dibao*] spread to the countryside in the mid 2000s and went nationwide after 2007 ... the number of rural recipients more than trebled between 2006 and 2013 ... Two-thirds of those who were below the poverty line on joining the scheme are now above it.⁶⁶ Despite its successes, the scheme is remarkably expensive to administer and ineffective in its delivery of benefits to the rural poor.⁶⁷ Furthermore, its means-testing and operational requirements have led to egregious invasions of privacy and social shaming.⁶⁸ Its failures notwithstanding, *dibao* manifests a critical feature which is absent from labour defence welfare; that is, inclusive citizenship.

III. WELFARE TRADITIONS IN NEW ZEALAND

This part of the article seeks to identify traditions and long-term trends in the New Zealand welfare system that might persist and evolve in a post-labour defence era. Identifying these traditions and trends is not tantamount to approving of them. As in all societies, there is much about New Zealand history that is, in retrospect, condemnable. From a contemporary perspective, the principle of labour defence manifests elements of racism,⁶⁹ sexism and patriarchy,⁷⁰ and other forms of discrimination, particularly against the children of the unemployed.⁷¹ Nevertheless, labour defence has traditionally informed welfare in New Zealand and is likely to continue to do so in some or other form. The key features of welfare are Pay-As-You-Go (PAYG) funding, universal pensions and work-related benefits. This part of the article also considers how in-market work remains privileged, and the vestiges of labour defence are evident in New Zealand legislation.

⁶⁵ Neil C Hughes, 'Smashing the Iron Rice Bowl' (1998) 77(4) *Foreign Affairs* 67, 67.

⁶⁶ 'Ham-fisted handouts', *The Economist* (online), 29 October 2015 <<http://www.economist.com/news/china/21677265-chinas-biggest-anti-poverty-programme-isnt-working-ham-fisted-handouts>>. It is not clear whether *dibao* or China's remarkable economic growth led to this decrease in poverty.

⁶⁷ Jennifer Golan, Terry Sicular and Nithin Umapathi, 'Any Guarantees? China's Rural Minimum Living Standard Guarantee Program', Social Protection & Labor, World Bank, Discussion Paper No 1423 (2014) <<http://documents.worldbank.org/curated/en/464451468154454071/pdf/900300NWP0P132085299B00PUBLIC001423.pdf>>; Chen Honglin, Wong Yu-cheung, Zeng Qun and Juha Hämäläinen, 'Trapped in poverty? A study of the *dibao* programme in Shanghai' (2013) *China Journal of Social Work* 327.

⁶⁸ Ming Yan, 'Experiences of Poverty and Shame in Urban China' in Elaine Chase and Grace Bantebya-Kyomuhendo (ed) *Poverty and Shame: Global Experiences* (Oxford University Press, 2014) 149; Dorothy J Solinger, 'The *Dibao* Recipients: Mollified Anti-Emblem of Urban Modernisation' (2008) 4(76) *China Perspectives* 36.

⁶⁹ See, in particular, the notorious poll tax, aimed at discouraging Chinese immigration, established under section 5 of the *Chinese Immigrants Act 1881* (NZ). For a discussion, see Nigel Murphy, *The Poll-Tax in New Zealand* (New Zealand Chinese Association Inc/New Zealand/Office of Ethnic Affairs, 2002).

⁷⁰ See Jane Margaret Scott, 'Discourses of Dependency Women, Work, and Welfare in New Zealand' (PhD thesis, University of Auckland, 2001).

⁷¹ See discussion at III B below of the In-Work Family Benefit element of Working for Families.

A. PAYG and Universal Pensions

Bernard Cadogan notes the perceptual link between paying income tax and potential receipt of benefits: entitlement to benefits was seen to arise ‘from the payment of taxes, or the desiderative wish to do so, if provided work’.⁷² Living wages,⁷³ guaranteed by arbitration awards,⁷⁴ made income tax affordable. PAYG funding of benefits, rather than social insurance schemes, became normalised.⁷⁵ This principle is most clearly seen in state-sponsored superannuation benefits. In 1898, New Zealand became the first country to establish a non-contributory old age pension scheme. This was funded on a PAYG basis.⁷⁶ David Preston observes, ‘[t]his pension established the key features of almost all subsequent public pension policy in New Zealand.’⁷⁷ Preston further notes: ‘In 1938 the Social Security Act established a two-tier pension system. The first tier consisted of a low-rate universal pension (Universal Superannuation), payable at age 65, without any income or assets test. The second tier consisted of an income- and asset-tested “Age Benefit” at a higher payment rate, payable from age 60.’⁷⁸ The first tier principle of a basic, universal pension entitlement continues in the current NZ Super which, along with high rates of home ownership,⁷⁹ has greatly contributed to the country’s low rates of elder poverty relative to the OECD average.⁸⁰

Compulsory superannuation contribution was enacted by the Labour government in 1974 but was immediately repealed by the incoming National government.⁸¹ In place of

⁷² Bernard Cadogan, *Welfare Policy: Governance: History and Political Philosophy*, Treasury (2013) 86 <<http://www.treasury.govt.nz/government/longterm/fiscalposition/2013/pdfs/lfs-cadogan.pdf>>.

⁷³ The concept of a ‘living wage’ was derived from *Ex parte HV McKay* (1907) 2 CAR 1 (generally known as ‘the Harvester decision’). For a discussion, see Harrison Moore, ‘The Living Wage in the Australian Arbitration Court’ (1912) 12(2) *Journal of the Society of Comparative Legislation* 202.

⁷⁴ The *Industrial Conciliation and Arbitration Act 1894* (NZ) established the world’s first compulsory system of state arbitration for workers’ wages. This Act was repealed in 1973 but its underpinning principles continued to be influential until the introduction of the anti-collectivist *Employment Contracts Act 1991* (NZ).

⁷⁵ When the first benefit schemes were instituted, many New Zealanders worked seasonally. Periodic wages could not provide a suitable basis for social insurance: see Cadogan, above n 72, 86.

⁷⁶ See Chris Pierson and Matthieu Leimgruber, ‘Intellectual Roots’ in Francis G Castles, Stephan Leibfried, Jane Lewis, Herbert Obinger and Christopher Pierson (eds) *The Oxford Handbook of the Welfare State* (Oxford University Press, 2010) 32, 38.

⁷⁷ David A Preston, ‘The Compulsory Retirement Savings Scheme Referendum of 1997’ 9 (1997) *Social Policy Journal of New Zealand Te Puna Whakaaro* <<https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/journals-and-magazines/social-policy-journal/spj09/compulsory-retirement-savings-scheme-referendum.html>>.

⁷⁸ *Ibid.*

⁷⁹ For example, 77.5 per cent of 70–74 years olds in New Zealand own their own homes: see Sally Keeling, ‘Later Life in Rental Housing’ (2014) 10(3) *Policy Quarterly* 49, 49.

⁸⁰ See Organization of Economic Co-operation and Development, ‘Old-age Income Poverty’ in *Pensions at a Glance: Retirement-income Systems in OECD and G20 Countries* (OECD, 2011).

⁸¹ Prime Minister Muldoon’s attempt to override the *New Zealand Superannuation Act 1974* (NZ) before it had been repealed by Parliament was the subject of the country’s leading constitutional law case, *Fitzgerald v Muldoon* [1976] 2 NZLR 615 (SC).

compulsory contribution, the Muldoon administration introduced ‘perhaps the most generous universal pension scheme ever implemented in any country in any era’.⁸² This arrangement has understandably proved popular with voters. When in opposition, Labour has flirted with reintroducing compulsory contribution,⁸³ but, when in government, its response to concerns about future superannuation costs was to establish a sinking fund from general revenue,⁸⁴ and to establish the KiwiSaver superannuation scheme, ‘a voluntary, work-based savings initiative’.⁸⁵ A non-contributory, universal old age pension is considered ‘untouchable’ in New Zealand,⁸⁶ and will necessarily remain a critical part of welfare in the future. As Cadogan asks, ‘[d]o we yet know of any economy or alternate society or policy that may better provide for ... the mass of the population?’⁸⁷

B. *Work-related Benefits*

The Ministry of Social Development lists more than 50 different types of welfare benefits but most are emergency-specific and petty.⁸⁸ Other than NZ Super, the three currently relevant benefits, all directly related to employment, are Working for Families (a tax credit for low and middle income earners), Jobseeker Support (a benefit for the unemployed who are actively seeking employment) and Sole Parent Support (a benefit for caregivers to help them to prepare for work).

⁸² Preston above n 77. ‘A flat-rate taxable pension, which for a couple was equal to 80% of the average ordinary-time wage before tax, was payable from age 60. For a single person the rate was 48% of the average wage. The pension could be claimed whether retired or still working full-time, and had no income test. Only 10 years residence in the country was required for full entitlement.’ The current rate for a couple is 66 per cent of the net average wage. For current amounts, see *New Zealand Superannuation and Retirement Income Act 2001* (NZ), s 12 and sch 1.

⁸³ A policy proposal for compulsory KiwiSaver contributions was included in the 2014 Labour Party manifesto, along with a capital gains tax and increasing the NZ Super qualification age to 67. Labour suffered its worst electoral defeat since 1922: see Claire Trevett, ‘Election 2014: Cunliffe already in sights of Labour’s MPs’, *The New Zealand Herald* (online), 22 September 2014 <http://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=11328988>. National has recently proposed increasing the age of eligibility to 67.

⁸⁴ The New Zealand Superannuation Fund was created by the *Superannuation and Retirement Act 2001* (NZ) to pre-fund future superannuation costs. The fund is generally known as the ‘Cullen Fund’ after Michael Cullen, who was the Minister of Finance in the Fifth Labour Government. A National-led government suspended contributions to the Fund in 2009. Contributions are expected to recommence after 2020. See NZ Super Fund, *Contribution Suspension* <<https://www.nzsuperfund.co.nz/nz-super-fund-explained-purpose-and-mandate/contributions-suspension>>.

⁸⁵ KiwiSaver, *Retirement saving made easy* <<http://www.kiwisaver.govt.nz/>>. For legal details, see *KiwiSaver Act 2006* (NZ).

As at June 2016, KiwiSaver schemes had 2.642 million members – a number that exceeds half the country’s population. See KiwiSaver, *Joining KiwiSaver* <<http://www.kiwisaver.govt.nz/statistics/annual/joining/>>.

⁸⁶ Susan St John, ‘Improving the affordability of New Zealand Superannuation’ (Working Paper 2015-1, Retirement Policy and Research Centre, University of Auckland, 2015) 7 <<https://cdn.auckland.ac.nz/assets/business/about/our-research/research-institutes-and-centres/RPRC/WorkingPaper/wp-2015-1-nzs-affordability.pdf>>.

⁸⁷ Cadogan, above n 72, 119.

⁸⁸ See Work and Income, *A-Z benefits and payments*, Ministry of Social Development <<http://www.workandincome.govt.nz/products/a-z-benefits/>>.

Working for Families comprises four benefits: family tax credit (a payment for each dependent child); in-work tax credit (an entitlement for families who are in paid work); minimum family tax credit (a payment made to families with dependent children, to ensure a minimum, weekly, post-tax income); and parental tax credit (a payment made when a taxpayer has a baby).⁸⁹ In-work family benefit, as its name suggests, is reserved for those in employment and is, therefore, status-based, rather than needs-based. Susan St John, often representing the Child Poverty Action Group, has cogently explained the substantial inequality consequences of this distinction for the children of the unemployed.⁹⁰ Working for Families manifests a deep-seated sentiment that the working poor and their families ('the deserving poor') should be preferentially treated relative to the unemployed and their dependants ('the undeserving poor').⁹¹ This preference does not, however, mean that children of the working poor do not suffer. Indeed, 37 per cent of children in poverty are reported to have two working caregivers.⁹²

The 2011 Welfare Working Group, established by Cabinet and chaired by Paul Rebstock,⁹³ made the principal recommendation that existing unemployment benefits should be replaced by 'a new single work-focused welfare payment to replace all existing categories of benefit, to be called Jobseeker Support'.⁹⁴ Jobseeker Support is a Blairist import. Gorz notes:⁹⁵

'Workfare' in its Blairist version, which has eventually spread to other countries, abolishes unemployment benefit, replacing it with a 'job-seeker's allowance' and assuming that this job-seeking is the 'work' the unemployed person must necessarily perform as assiduously as possible, including by acquiring more saleable skills than they currently possess. The obligatory production of oneself becomes a 'job' like any other.

⁸⁹ Ministry of Social Development, *Future Directions – Working for Families* <<https://www.msd.govt.nz/about-msd-and-our-work/work-programmes/policy-development/working-for-families/future-directions-working-for-families.html>>.

⁹⁰ See Susan St John and M Claire Dale, 'The New Zealand Experience of Child-Based Work Incentives' (2010) 12(3) *European Journal of Social Security* 216; Child Poverty Action Group, *Why Fix Working for Families* <<http://www.cpag.org.nz/campaigns/fix-working-for-families-fwff-campaign/>>.

⁹¹ Compare with social housing which, in New Zealand and elsewhere, was initially 'directed toward low income, working families: the deserving poor. The undeserving poor – the unemployed and welfare dependent – were left to fend for themselves'. See Ben Schrader, 'The Other Story: Changing Perceptions of State Housing' (2006) 40(2) *New Zealand Journal of History* 156, 166.

⁹² See Eleanor Ainge Roy, 'New Zealand's most shameful secret: 'We have normalised child poverty'', *The Guardian* (online), 16 August 2016 <<https://www.theguardian.com/world/2016/aug/16/new-zealands-most-shameful-secret-we-have-normalised-child-poverty>>.

⁹³ The left-wing commentator, Chris Trotter, observes: '[Rebstock's] review of New Zealand's welfare system is as bloodless a piece of neoliberal "analysis" as any right-wing government could hope for – and its ramifications are still reverberating through beneficiary households across New Zealand.' See Chris Trotter, 'Fixing CYFs: Paula Rebstock Is Asked To "Rescue" Another State Agency' on *Bowalley Road* (2 April 2015) <<http://bowalleyroad.blogspot.co.nz/2015/04/fixing-cyfs-paula-rebstock-is-asked-to.html>>.

⁹⁴ Welfare Working Group, *Reducing Long-Term Benefit Dependency: Recommendations* (2011) 3 <<http://igps.victoria.ac.nz/WelfareWorkingGroup/Downloads/Final%20Report/WWG-Final-Recommendations-Report-22-February-2011.pdf>>.

⁹⁵ Gorz, above n 47, 25.

The Domestic Purposes Benefit (DPB), which the progressive Third Labour government introduced in 1972,⁹⁶ exceptionally aimed to directly benefit people other than working men, namely single mothers. But the DPB has proved to be a lightning rod for ‘beneficiary bashing’.⁹⁷ In the spirit of ‘responsibilisation’,⁹⁸ DPB has been renamed ‘Sole Parent Support’ and ‘helps single parents and caregivers of dependent children *get ready for future work*’.⁹⁹ Nancy Fraser, the critical feminist scholar, describes these types of measures as ‘[p]unitive, androcentric, and obsessed with employment despite the absence of good jobs’.¹⁰⁰ Furthermore, Simon Chapple argues New Zealand’s welfare system is focused on getting people off benefits but fails to measure the true economic costs and benefits of doing so.¹⁰¹

Some recognition has been given to work done at home as being equivalent to in-market work. The Ministry of Health’s funded family care policy pays certain caregivers the minimum wage for looking after their family members who might otherwise need to be cared for by a professional caregiver.¹⁰² But Gorz cautions about out-of-market work being used as an instrument for validating in-market work.¹⁰³ As a society, we might value and reward out-of-market activity because it is intrinsically good or simply because the grounds for privileging one form of activity over another are ideological, rather than because it might act as a substitute for in-market work.

⁹⁶ See David Grant, *The Mighty Totara: The Life and Times of Norman Kirk* (Random House, 2014) 346–7.

⁹⁷ See, in particular, the comments recorded in Siena Yates, ‘Battle against beneficiary bashing’, *Waikato Times* (online), 2 October 2012 <<http://www.stuff.co.nz/national/politics/7759711/Battle-against-beneficiary-bashing>>.

⁹⁸ Following Ulrich Beck, *Risk Society* (Sage, 1992), mechanisms of ‘responsibilisation’ are ‘institutionally dependent processes of individualisation and standardisation, [that] incite and encourage the ‘individual as enterprise’ to ‘conduct themselves in accordance with the appropriate (or approved) model of action’. See Peter Kelly, ‘Youth at Risk: Processes of individualisation and responsibilisation in the risk society’ (2001) 22(1) *Discourse: Studies in the Cultural Politics of Education* 23, 30 (reference omitted).

⁹⁹ Ministry of Social Development, *Sole Parent Support* <<http://www.workandincome.govt.nz/products/a-z-benefits/sole-parent-support.html>> (emphasis added).

¹⁰⁰ Nancy Fraser, *Justice Interruptus: Critical Reflections on the ‘Postsocialist’ Condition* (Routledge, 1997) 42.

The experience of Greece, which has very high and persistent youth unemployment, indicates governments will continue to try to encourage work, even when the situation appears hopeless. On Greek initiatives to engage with youth unemployment, see Susanne Kraatz, *Youth unemployment in Greece: Situation before the government change: Employment and Social Affairs Briefing European Parliament*, European Parliament <[http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/542220/IPOL_BRI\(2015\)542220_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/542220/IPOL_BRI(2015)542220_EN.pdf)>.

¹⁰¹ See Simon Chapple, ‘Forward Liability and Welfare Reform in New Zealand’ (2013) 9(2) *Policy Quarterly* 56.

¹⁰² See *Public Health and Disability Amendment Act 2013* (NZ) and *Spencer v Ministry of Health* [2016] NZHC 1650.

¹⁰³ See Gorz, above n 47, 28.

C. *Privileging In-Market Work*

Caritas observes, '[t]he differences between Labour's work-focused incentives and National's "unrelenting focus on work" are mostly differences of degree'.¹⁰⁴ The charity concludes:¹⁰⁵

The spirit and intent of the legislation as set out in the long title to the 1938 [Social Security] Act has now been lost and replaced with a list of factors that focus predominantly on employment as the ultimate goal for everyone. A statement that says sustainable employment is desirable in itself appears unobjectionable. However, holding this up as a statutory purpose of legislation designed to ensure that the basic needs of those on the lowest incomes are met necessarily removes the meeting of need as the legislation's primary concern.

The attitude to work of neoliberal governments, which in New Zealand means all administrations since the mid-1980s, is paradoxical. On the one hand, relative to capital,¹⁰⁶ work has become a devalued commodity, and laissez faire policies have been instrumental in suppressing wages. On the other hand, neoliberal governments expect welfare beneficiaries to assume self-responsibility for their unemployment and to become 'activated' for this demeaned conception of work. Such work activation can be seen in terms of 'recommodification',¹⁰⁷ whereby any shelter that welfare may have provided against the vicissitudes of the market is removed.

Seeleib-Kaiser observes "'enabling" citizens to work can also be understood as in accordance with the concept of social citizenship, which not only entails rights for individuals to receive

¹⁰⁴ Caritas Aotearoa New Zealand, *The Unravelling of the Welfare Safety Net* (2008) <<http://www.caritas.org.nz/sites/default/files/Unravelling%20of%20the%20Welfare%20Safety%20Net%202008.pdf>>.

¹⁰⁵ Ibid. While the long title of the Act may have indicated a structural welfare system, as we might expect in a labour defence society, employment remained an underpinning feature of welfare. Thus to obtain an unemployment benefit, a person over the age of 16 had to prove:

- (a) That he is unemployed;
- (b) That he is capable of undertaking and is willing to undertake suitable work;
- (c) That he has taken reasonable steps to obtain suitable employment; and
- (d) That he has resided continuously in New Zealand for not less than twelve months.

See the repealed *Social Security Act 1938* (NZ) s 51(1).

¹⁰⁶ In terms of Ricardian doctrine, paying heed to comparative advantage should ensure global capital is allocated most efficiently among countries. While some will suffer, the aggregate benefits of the winners are expected to outweigh the losses of the losers: see Paul A Samuelson, 'Where Ricardo and Mill Rebut and Confirm Arguments of Mainstream Economists Supporting Globalization' (2004) 18(3) *Journal of Economic Perspectives* 135, 135. The domestic political risks of this attitude have been demonstrated by the Brexit vote in Europe and the phenomenal rise of Donald Trump as a lightning rod for the discontents of American 'losers' from globalisation: see, for example, Eric Bovim, 'Globalization and its discontents: How the Trump/Brexit movements might herald New World Orders', *Salon* (online), 26 June 2016 <http://www.salon.com/2016/06/25/globalization_and_its_discontents_how_the_trumpbrexit_movements_might_herald_new_world_orders/>.

¹⁰⁷ Seeleib-Kaiser, above n 11, 6.

benefits, but also duties, including the duty to work'.¹⁰⁸ This idea is consistent with Marshallian social citizenship,¹⁰⁹ and the traditional, social democratic valorisation of work. Will Hutton, for example, argues work is a 'means of acting and interacting with the world that fulfils an individual's humanity ... brings self-esteem ... sharpens the capacity to be and to do'.¹¹⁰ Indeed, some may even portray work activation in terms of liberation.¹¹¹ Certainly the principal promise of anti-globalisation, populist politicians, including Donald Trump and Bernie Sanders in the United States, Nigel Farage and Jeremy Corbyn in the United Kingdom, Pauline Hanson in Australia, and Winston Peters in New Zealand, 'is to "bring back the jobs" because they understand how important a decent job is to most people', and how they are stigmatised without one.¹¹²

D. *Vestiges of Labour Defence*

Under the labour defence model, the quid quo pro for the duty to work was a living wage and secure employment – not precarity. It would be implausible to claim an undiminished form of labour defence continues to exist in New Zealand; nevertheless, vestiges remain.¹¹³ Full employment is not an express goal of contemporary government economic policy.¹¹⁴ However, whether by design or luck, New Zealand has a relatively low unemployment rate (5.7 per cent in the March 2017 quarter).¹¹⁵ Real wage rates have decreased in the neoliberal era,¹¹⁶ but a statutory minimum wage (NZD15.75) must be paid to all workers over the age of 16.¹¹⁷ There is no longer an Arbitration Court to guarantee a living wage but Working for

¹⁰⁸ Ibid, 6–7.

¹⁰⁹ See, generally, TH Marshall, *The Right to Welfare and Other Essays* (Heinemann Educational Books, 1981).

¹¹⁰ Will Hutton, *The State We're In* (Random House, 1995) 231.

¹¹¹ See Frank Lovett, *A General Theory of Domination and Justice* (Oxford University Press, 2010). A viewing of Ken Loach, *I, Daniel Blake* (Directed by Ken Loach, Sixteen Films et al, 2016) might temper that optimism.

¹¹² Tim Dunlop, 'Farewell to the till', *Sunday Star Times* (New Zealand), 11 December 2016, A10.

¹¹³ Echoing historical restrictions of the supply of foreign labour, The Salvation Army has called for a curb on migrant labour to alleviate youth unemployment in New Zealand: see Alan Johnson, *What's Next? Addressing New Zealand's Youth Unemployment*, The Salvation Army Social Policy & Parliamentary Unit (2016) <<http://www.salvationarmy.org.nz/sites/default/files/uploads/20161019TSA-Youth-Report-FINAL.pdf>>.

¹¹⁴ The opposition Labour party has announced that, if elected, it will include full employment as an objective of the Reserve Bank's monetary policy: see Patrick O'Meara, 'Labour wants full employment added to RBNZ mandate' *Radio New Zealand* (10 April 2017) <<http://www.radionz.co.nz/news/political/328560/labour-wants-full-employment-added-to-rbnz-mandate>>.

¹¹⁵ Statistics New Zealand, *Labour Market Statistics: March 2017 quarter* (2017) <http://www.stats.govt.nz/browse_for_stats/income-and-work/employment_and_unemployment/LabourMarketStatistics_HOTPMar16qtr.aspx>.

¹¹⁶ New Zealand Confederation of Trade Unions, *New Zealand's Low-Wage Economy: How the policies of the past thirty years have driven us there* (2014) <http://union.org.nz/sites/union.org.nz/files/CTU_low_wage_economy.pdf>.

¹¹⁷ See *Minimum Wage Act 1983* (NZ), s 4. Around three per cent of the New Zealand workforce is paid the minimum wage: see Ministry of Business, Innovation & Employment, 'Minimum Wage Review 2015' <<http://www.mbie.govt.nz/publications-research/publications/employment-and-skills/Minimum-Wage-Review-report.pdf>>. However, anecdote suggests that many workers may be paid marginally above the minimum rate.

Families goes some way to compensating breadwinners for low, in-market incomes.¹¹⁸ Notwithstanding inadequate wages, all employees benefit from a broad and long-standing, minimum code of employment rights. Furthermore, the National-led government, the presumptive ally of business, has demonstrated a willingness to act against abuses of employer power, such as unfair wage deductions and zero hour contracts,¹¹⁹ and to significantly improve occupational health and safety for most sectors.¹²⁰ The pertinent point here is that employment remains a special social status. In contrast, unemployment confers an inferior standing and a reduced version of citizenship on the unemployed and their dependents. But, if the absence of in-market work were to become a normal experience, the maintenance of stigma against unemployment might become unsustainable.

E. *Concluding Comments*

For Cadogan, '[s]hort of attempting blue skies futurology, it is hard to get beyond the habit of welfare, except to prevent it from distorting economic development. Welfare is a problem in the "ecology" of an economy, a constituent part of the modern polity, an aspect of the fiscal constitution.'¹²¹ Glennerster notes that doom has been predicted for state welfare since the late 1960s but these predictions have not been fulfilled.¹²² We might therefore conclude that, like the Biblical poor,¹²³ welfare will always be with us,¹²⁴ in the imaginable future, at least. The pertinent consideration is, then, how welfare might evolve in the face of the fiscal threats presented by technologically determined job losses and other global challenges.

IV. EVOLUTION

This part of the article seeks to develop the ideas outlined in the preceding parts to consider how the New Zealand tax-welfare system might develop. Particular attention is paid to the possibility of a UBI. Tax-welfare policies do not always develop from what is familiar – once

¹¹⁸ A current, unofficial living wage of NZD19.80 per hour (increasing to NZD20.20 with effect from 1 July 2017) is designed to allow a family of four with 1.5 full time equivalent working parents to live a dignified life. The family and in-work tax credits are taken into account. See Peter King and Charles Waldegrave, *Report of an investigation into defining a living wage for New Zealand*, Family Centre Social Policy Research Unit (2013) <http://www.familycentre.org.nz/Publications/PDFs/Living_Wage_Investigation_Report_2013.pdf>.

¹¹⁹ See Employment Standards Legislation Bill 2015 (53–1).

¹²⁰ See *Health and Safety at Work Act 2015* (NZ).

¹²¹ Cadogan, above n 72, 40.

¹²² Glennerster, above n 27, 690.

¹²³ See Matthew ch 26 v 7.

¹²⁴ Modern welfare in the English-speaking world began with *The Poor Relief Act 1601* (43 Eliz 1 c 2), a measure both charitable and disciplinary.

revolutionary ‘Rogernomics’¹²⁵ and ‘Ruthenasia’¹²⁶ have become normalised in New Zealand – but evolution is more politically plausible than revolution.¹²⁷ New Zealand is commonly cited as an example of a country which effected significant and wide-scale retrenchment of welfare.¹²⁸ Before the mid-1990s, government could indeed implement unpopular cutbacks because the first-past-the-post electoral system typically led to a clear Parliamentary majority and so did not necessitate coalition and consequent compromise with minority parties.¹²⁹ In contrast, European governments, elected on a proportional representation basis, were required to temper reforms for the sake of political compromise.¹³⁰ The current mixed member proportional representational (‘MMP’) system, which came into effect in 1996, similarly ensures ‘[c]oalitions or agreements between political parties are usually needed before Governments can be formed’.¹³¹ MMP makes radical reforms less likely. Besides, cuts are most easily achieved when they impact on a poor and politically quiescent minority. Because we all benefit from broad forms of welfare, such as state pensions, education and, with particular relevance to an ageing population, health care, overall social spending tends to adapt but not decline.¹³²

To reiterate, identifying norms or trends is not tantamount to approving of them. I support more progressive and equitable goals for the future tax-welfare system, including, in principle, a UBI. But, in Cadogan’s plausible, realist view, ‘[w]elfare policy must proceed on the basis then that we have been starting to live in a new “normal” for a while now, that it has been developing around us from the mid-20th century, and that we will remain in a

¹²⁵ ‘Rogernomics’ refers to a wholesale programme of free market reforms, instituted by Labour’s Minister of Finance, Roger Douglas, in the mid-1980s: see New Zealand History, *The 1980s: Overview*, Ministry for Culture and Heritage (2013) <<http://www.nzhistory.net.nz/culture/the-1980s/overview>>.

¹²⁶ ‘National’s most radical reformer was Ruth Richardson, finance minister during the 1990–93 Bolger government. Wanting to reduce the size of government and encourage self-reliance, she slashed welfare benefits and introduced the Employment Contracts Act 1991, which de-unionised much of the workforce – leading critics to dub the reforms ‘Ruthenasia’. See Colin James, *National Party - Shifting rightwards*, Te Ara - the Encyclopedia of New Zealand <<http://www.TeAra.govt.nz/en/national-party/page-3>>.

¹²⁷ In its call for universal social security, the International Labour Organization cautions ‘one size does not fit all’, rather ‘[b]asic social security guarantees should be provided through the most effective and efficient combination of benefits and schemes in the national context.’ See Social Security Department, *The Strategy of the International Labour Organization. Social Security for All: Building Social Protection Floors and Comprehensive Social Security Systems*, International Labour Organization (2012) 6 <www.ilo.org/secsoc/information-resources/publications-and...and.../index.htm>. This advice on welfare being country-specific was addressed to less developed countries but is also relevant to OECD countries.

¹²⁸ See, for example, Jonah D Levy, ‘Welfare Retrenchment’ in Francis G Castles, Stephan Leibfried, Jane Lewis, Herbert Obinger and Christopher Pierson (eds) *The Oxford Handbook of the Welfare State* (Oxford University Press, 2010) 552, 558.

¹²⁹ See, generally, Geoffrey Palmer, *Unbridled Power? An Interpretation of New Zealand’s Constitution and Government* (Oxford University Press, 1979).

¹³⁰ Miguel Glatzer and Dietrich Rueschemeyer, ‘Conclusion: Politics Matters’ in Miguel Glatzer and Dietrich Rueschemeyer (eds) *Globalization and the Future of the Welfare State* (University of Pittsburgh Press, 2005) 203, 210 n 6.

¹³¹ Electoral Commission, *MMP Voting System* <<http://www.elections.org.nz/voting-system/mmp-voting-system>>.

¹³² Glennerster, above n 27, 691.

gradual climb up this gradient.¹³³ This new normal does not indicate progress towards a structural welfare utopia, but rather to broader responsabilisation and an expansion of the New Regulatory State. Inequality is another feature of the new normal.

A. *Broader Responsibilisation*

Under the conditions of neoliberalism, Gorz tells us, '*People must become enterprises for themselves; for themselves, as labour-powers, they must become a fixed capital demanding to be continually reproduced, modernized, expanded and valorized.*'¹³⁴ If people are unemployed, it is a 'sign of their deficient "employability" and it will be for them to restore it.'¹³⁵ The unemployed and members of the precariat have, then, been coerced into responsabilisation. Glennerster predicts for the United Kingdom that '[t]here will be more pressure on those who do not actively seek work, positive help for those who do return, and higher subsidies for lower-paid jobs. Work and longer years of paid work are likely to remain a central part of social welfare policy'.¹³⁶ A similar approach to work and welfare can be expected in New Zealand. Of course, mass unemployment due to automation could make such a strategy unworkable but, while the quality of work and the in-market reward for that work might decrease, neither work, nor its cultural valorisation, is likely to disappear.

Neil Gilbert notes the change in 'the role of the state from providing benefits that compensate for risks to one that enables beneficiaries to actively exercise responsibility in coping with risks'.¹³⁷ But the unemployed poor are not the only beneficiaries of welfare, and '[t]he state cannot support the lifestyles of long-term middle class unemployment, as well as of the poor and the unskilled'.¹³⁸ For Cadogan, the principle of responsabilisation indicates the middle class should 'assume as much responsibility for life risks as possible, through subscription to voluntary schemes, on the KiwiSaver principle'.¹³⁹ His point here seems to be that new schemes of self-responsibility might be established to insure against contingencies other than superannuation. For example, the middle class may be expected to self-insure against technologically induced job loss.

Many young people are laden with study debt, and cannot afford to buy houses,¹⁴⁰ but will be expected to support an unprecedented number of superannuated and ill forebears.

¹³³ Cadogan, above n 72, 131.

¹³⁴ Gorz, above n 47, 19 (italics in original).

¹³⁵ Ibid, 25.

¹³⁶ Glennerster, above n 27, 695–6.

¹³⁷ Neil Gilbert, 'Citizenship in the Enabling State: The Changing Balance of Risks and Obligations' in Adalbert Evers and Anne-Marie Guillemard (eds) *Social Policy and Citizenship: The Changing Landscape* (Oxford University Press, 2012) 80, 85.

¹³⁸ Cadogan, above n 72, 95.

¹³⁹ Ibid.

¹⁴⁰ See, generally, Shamubeel Eaqub and Selena Eaqub, *Generation Rent: Rethinking New Zealand's Priorities* (Bridget Williams Books, 2015).

Perhaps they will consider it a remarkable luxury to pay universal superannuation to people who could support themselves from their accumulated wealth. Owner-occupation of a house, in particular, provides shelter from market forces and constitutes ‘a form of social insurance’.¹⁴¹ Furthermore, savings may represent a source for self-responsible welfare in retirement or unemployment for the middle class. If the middle class were to become subject to the responsabilisation already imposed on the unemployed, we might see Working for Families restricted to the worst off; no more subsidies for the middle class through interest-free student loans;¹⁴² and KiwiSaver principles extended so that, if a person wants more than a survival minimum, they will need to self-fund.

B. *Expansion of the New Regulatory State*

Mason’s prediction for a postcapitalist future, characterised by a general absence of work, and benign mutualism,¹⁴³ may be attractive but is unlikely, in New Zealand, at least. More credible is an expansion of the New Regulatory State, which has privatised twentieth century state functions, such as retirement benefits,¹⁴⁴ while continuing to regulate them in line with the neoliberal injunction for the state to ‘steer but not to row’.¹⁴⁵ In short, rather than cooperative mutualism, we may see greater self-responsibility under the regulation of the state.

C. *Inequality*

Income inequality has become normalised but broadly stable in New Zealand since the early 1990s.¹⁴⁶ According to Brian Perry, ‘Wealth inequality is usually around double the level of income inequality (using the Gini measure). The most wealthy 10% hold around 50% of all

¹⁴¹ Tony Fahey and Michelle Norris, ‘Housing’ in Francis G Castles, Stephan Leibfried, Jane Lewis, Herbert Obinger and Christopher Pierson (eds) *The Oxford Handbook of the Welfare State* (Oxford University Press, 2010) 479, 491.

¹⁴² See New Zealand Productivity Commission, *New models of tertiary education: Draft report* (2016) <http://www.productivity.govt.nz/sites/default/files/FINAL%20Tertiary%20education%20draft%20report_2.pdf>.

¹⁴³ Mason, above n 25, xv argues ‘the spontaneous rise of collaborative production: goods, services and organizations are appearing that no longer respond to the dictates of the market and managerial hierarchy.’ Wikipedia is the commonly cited example of such new collaborative production outside the market, but, as Owen Hatherley observes, Wikipedia is dependent on ‘the non-postcapitalist labour of academics in nearly the entire operation. Wikipedia is less a new form of knowledge than a novel packaging of an old one.’ See Owen Hatherley, ‘One Click at a Time’ (2016) 38(13) *London Review of Books* 3.

¹⁴⁴ See, generally, Lutz Leisering, *The New Regulatory State* (Palgrave-Macmillan, 2011) on the role of governments in creating and regulating private pensions since the 1980s.

¹⁴⁵ John Braithwaite, ‘The New Regulatory State and the Transformation of Criminology’ (2000) 40 *British Journal of Criminology* 222, 224.

¹⁴⁶ See Bryan Perry, *The Material Wellbeing of NZ Households: Overview and Key Findings from the 2016 Household Incomes Report and the Companion Report Using Non-income Measures*, Ministry of Social Development (2016) 12 <<http://www.msd.govt.nz/.../monitoring/household-income-report/2016/2016-household-incomes-report.doc>>. During the twentieth century until the early 1980s, New Zealand was a notably more equal society than other English-speaking countries: see Geoff Bertram, ‘A New Zealand Perspective on Thomas Piketty’s *Capital in the Twenty-first Century*’ (2015) 11(1) *Policy Quarterly* 39, 42.

household wealth, whereas the top 10% of income earners receive a 25% share of all income. NZ's wealth inequality is about average for the OECD.¹⁴⁷ Home ownership is the principal determinant of a person's wealth profile, and this is unequally distributed among different ethnic groups. '[T]he home-ownership rate in 2013 for Māori was 35.0 percent, and the Pacific rate was 24.4 percent. In comparison, the European home-ownership rate was 54.6 percent.'¹⁴⁸ Intergenerational inequality is also exacerbated by older people's accumulated superannuation savings, a phenomenon which is pronounced in Australia,¹⁴⁹ and is likely to become increasingly manifest in New Zealand as KiwiSaver accounts accumulate.¹⁵⁰

Akin to the first Industrial Revolution, by rendering currently remunerative jobs redundant, emerging technology holds the potential for intensifying structural inequality, indeed, to cause new forms of inequality.¹⁵¹ In this regard, Robert Shiller notes, '[T]ruly extreme gaps in income and wealth could arise from many causes ... Innovations in robotics and artificial intelligence, which are already making many jobs uncompetitive, could lead us into a world in which basic work with decent pay becomes impossible to find.'¹⁵² Likewise, Walter Scheidel observes, 'technological change might boost inequality in unpredictable ways, from more sophisticated automation that hollows out labor markets to genetic and cybernetic enhancements of the privileged human body'.¹⁵³

What are the tax-welfare responses likely to be to the problems of inequality?¹⁵⁴ Beyond local authority rates, there is no (non-speculative) capital or wealth taxation in New Zealand,

¹⁴⁷ Bryan Perry, *Household incomes in New Zealand: Trends in indicators of inequality and hardship 1982 to 2014*, Ministry of Social Development (2015) <<https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/monitoring/household-incomes/>>.

¹⁴⁸ Statistics New Zealand. 'Wealth differs by ethnicity' (media release), 4 November 2016 <http://www.stats.govt.nz/browse_for_stats/people_and_communities/Net%20worth/ethnicity-media-release.aspx>.

¹⁴⁹ See Helen Hodgson, 'Wealth inequality shows superannuation changes are overdue', *The Conversation* (online), 25 July 2016 <<http://www.theconversation.com.au>>.

¹⁵⁰ Inequality in this regard may be more pronounced in Australia but in 2015, '[T]he top 1 percent of New Zealand households had 18 percent of total net worth – the same as the OECD average, but slightly higher than in Australia (where the top 1 percent has 13 percent of net worth).' See Statistics New Zealand, *Household Net Worth Statistics: Year ended June 2015* (2016) <http://www.stats.govt.nz/browse_for_stats/people_and_communities/Households/HouseholdNetWorthStatistics_HOTPYeJun15/Commentary.aspx#house>.

¹⁵¹ The question of whether the Industrial Revolution reduced poverty is highly contested. For a review of the arguments and a positive approach, see Robert C Allen, 'The High Wage Economy and the Industrial Revolution: A Restatement' (2015) 68(1) *Economic History Review* 1.

¹⁵² Robert J Shiller, 'Today's Inequality Could Easily Become Tomorrow's Catastrophe', *The New York Times* (online), 26 August 2016 <http://www.nytimes.com/2016/08/28/upshot/todays-inequality-could-easily-become-tomorrows-catastrophe.html?em_pos=small&emc=edit_up_20160831&nl=upshot&nl_art=6&nid=52727791&ref=headline&e=1&r=0>.

¹⁵³ Walter Scheidel, 'The Only Thing, Historically, That's Curbed Inequality: Catastrophe' *The Atlantic* (online), 21 February 2017 <<https://www.theatlantic.com/business/archive/2017/02/scheidel-great-leveler-inequality-violence/517164/>>.

¹⁵⁴ Whatever a particular government's tolerance for inequality may be, the negative social consequences of inequality are objectively observable. See, generally, Richard Wilkinson and Kate Pickett, *The Spirit Level: Why Equality Is Better*

and neither of the two leading political parties currently indicate that they would change the status quo. Most members of the Tax Working Group supported a low-rate land tax,¹⁵⁵ but the idea gained minimal political traction. An Irish-style capital acquisitions tax has its merits but any impediment to an older generation passing its wealth to a younger generation – whatever the inequality consequences among the members of the recipient generation – may be politically implausible.¹⁵⁶ In a context of unwillingness to tax capital, a UBI must become a policy option worthy of serious consideration.

D. *UBI Revisited*

In Mason's postcapitalist scenario, a UBI would:¹⁵⁷ first, formalise the separation of work and wages; second, subsidise the transition to shorter working periods; and, third, be 'paid for out of taxes on the market economy [and] given to people to build positions in the non-market economy'.¹⁵⁸ While his proposals may be attractive they butt up against plausibility. Work has not yet been separated from wages or benefits. For many, work may have been separated from a *living* wage. Jobseekers receive benefits because they commit themselves to search for waged employment. In the future, many more people may work for insufficient wages, and their access to state support will depend on their seeking some in-market income. Mason suggests a minimum wage pegged at three times the UBI to, on the one hand, incentivise those who can work but, on the other hand, make not working practicably achievable.¹⁵⁹ But this is not true separation of work from income. As Standing observes, 'in altering the trade-off between labour and reproductive work, such as caring for others or growing vegetables, [UBI] [c]ould help re-orient work from resource-using to resource-reproducing activities'.¹⁶⁰ But, even in Mason's utopian vision, in-market work – any in-market work – would remain more socially valuable than out-of-market work, such as child care or looking after an infirm parent.

Keith Rankin, a long-term proponent of a UBI in New Zealand, dismisses concerns about the sufficiency as a diversion,¹⁶¹ but adequacy is important in practice and in principle. From a

for Everyone (Penguin, 2010). The OECD, for example, has estimated that rising inequality in New Zealand since the mid-1980s reduced economic growth by one third: see Directorate for Employment, Labour and Social Affairs, *Does income inequality hurt economic growth?*, OECD (2014) <<http://www.oecd.org/els/soc/Focus-Inequality-and-Growth-2014.pdf>>.

¹⁵⁵ See Victoria University of Wellington Tax Working Group, *A Tax Systems for New Zealand's Future: Report of the Victoria University of Wellington Tax Working Group* (2010) 67.

¹⁵⁶ For a discussion of the Irish capital acquisition tax, see Jonathan Barrett, 'Wealth Transfer Tax Redux?' (2011) 17(3) *New Zealand Journal of Taxation Law and Policy* 289.

¹⁵⁷ Mason, above n 25, 284.

¹⁵⁸ *Ibid*, 285–6.

¹⁵⁹ *Ibid*, 285.

¹⁶⁰ Standing, above 30, 320.

¹⁶¹ Keith Rankin 'Basic Income as Public Equity: The New Zealand Case' in Jennifer Mays, Greg Marston and John Tomlinson (eds) *Basic Income in Australia and New Zealand: Perspectives from the Neoliberal Frontier* (Palgrave Macmillan, 2016) 29, 44.

practical perspective, a sufficient UBI may be simply unaffordable, and, if part of a progressive income tax system, may require extremely high marginal tax rates to accommodate tapering.¹⁶² If a UBI is insufficient, it simply becomes a subsidy to employers.¹⁶³ Rather than enabling out-of-market activity, which a UBI as an emancipatory mechanism might do, an insufficient UBI would ensure people perform in-market work for sub-market rates because they cannot afford to do anything else.

For Susan St John, a UBI could represent a logical extension of Working for Families and the universal superannuation benefit so that a universal benefit should be incrementally paid to different groups in society.¹⁶⁴ However, more likely than an extension of universal benefits is a scenario whereby more people become eligible for the In-Work Family Benefit as their jobs lose market value in the face of automation. The predisposition against 'bludging' is strong in New Zealand and the valorisation of work in employment is unlikely to disappear until work of any type – not just rewarding work – itself becomes rare, and that cultural mind-set changes.¹⁶⁵

V. CONCLUSION

New Zealand has often been the locus of utopian imaginings,¹⁶⁶ but it has never been the mythical 'Sweden of the South Pacific'.¹⁶⁷ New Zealand, along with Britain, 'temporarily became welfare state leaders in the 1930s and 1940s, but, as Castles observes, 'then reverted to type, becoming in the process leaders of an initially largely English-speaking push towards dismantling the welfare state'.¹⁶⁸ Those benefits which did tend towards Scandinavian structural welfare, notably the DPB, have transformed into work incentive schemes.¹⁶⁹ Relative to Nordic structural welfare schemes, New Zealand's labour defence model may be

¹⁶² See Mike Brewer, Tom Clark and Michal Myck, *Credit where it's due? An assessment of the new tax credits*, Institute for Fiscal Studies (2001) <<https://www.ifs.org.uk/publications/1947>>.

¹⁶³ See Gorz, above n 47, 130.

¹⁶⁴ See Susan St John, 'Can Older Citizens Lead the Way to a Universal Basic Income?' in Jennifer Mays, Greg Marston and John Tomlinson (eds) *Basic Income in Australia and New Zealand: Perspectives from the Neoliberal Frontier* (Palgrave Macmillan, 2016) 95, 114. While this suggestion moves towards universality, it remains status-based.

¹⁶⁵ Workers themselves have opposed welfare based on inclusive citizenship. Standing, above n 30, 326 notes: 'Traditionally, trade unions were mostly vehemently against a basic income. They advocated radical redistribution of income and yet were stubbornly labourist in thinking that only those doing labour should receive income.'

¹⁶⁶ See, for example, Samuel Butler, *Erewhon* (Penguin Books, 1970, first published 1872).

¹⁶⁷ See Linda Bryder, 'Review of Alexander Davidson, *Two Models of Welfare. The Origins and Development of the Welfare State on Sweden and New Zealand, 1988-1988* (Political Science Association, 1989)' (1992) 26(1) *New Zealand Journal of History* 110.

¹⁶⁸ Francis G Castles, 'The English-Speaking Countries' in Francis G Castles, Stephan Leibfried, Jane Lewis, Herbert Obinger and Christopher Pierson (eds) *The Oxford Handbook of the Welfare State* (Oxford University Press, 2010) 630, 634.

¹⁶⁹ See Maureen Baker, *Family welfare – Family policy, 1980-1999*, Te Ara – the Encyclopedia of New Zealand (2012) <<http://www.TeAra.govt.nz/en/family-welfare/page-6>>.

portrayed in terms of 'Clayton's welfare'.¹⁷⁰ Rather than sheltering citizens from the uncertainties of the market, labour defence sought to ensure working men were robust market participants who did not require state handouts, except in emergencies. The immigration restrictions, compulsory unionisation, and living wage awards which empowered labour in the market were greatly swept away by the tide of neoliberal globalisation but privileging of in-market work persists.

Employment retains its special social status, and seeking a job remains the principal focus of contemporary welfare. For an employee, a comprehensive code of basic employment rights applies, including a minimum – albeit, not living – wage, and Working for Families, as a negative income tax, subsidises low earnings. Superannuitants are entitled to a pension pegged against the average wage, without consideration of their needs. Conversely, benefits are principally determined by employment status, rather than need. Whether or not these distinctions are justified, they will be slow to change, even in the face of the job losses predicted to result from automation. Indeed, only if any form of in-market work becomes unusual, and cultural attitudes change accordingly, would a UBI become likely in New Zealand.

¹⁷⁰ 'Clayton's' as '(used of a poor imitation of the 'real' thing) existing in name only; not genuine, worthless ... origin from the proprietary name of a soft drink marketed as 'the drink you have when you're not having a drink'. See Tony Deverson and Graeme Kennedy (eds) *The Oxford New Zealand Dictionary* (Oxford University Press, online ed, 2005).