



Three discussions on Solutions to Child Poverty



Resource One: Income

Children have always had a significant place in Methodism

John Wesley was concerned that in his day many children were going without an education because their parents couldn't afford it. So he established a school where they could learn to read and write. Those who could pay did so. Voluntary contributions covered the rest. Stewards were appointed to look after the affairs of the school.

Income: A Resource on Solutions to Child Poverty And Vulnerability

Introduction

Methodist Public Issues (PIN) has developed resources for parishes on solutions to child poverty. These are to support parish engagement in the Methodist initiative 'Let the Children Live', a ten year programme to reduce child vulnerability, abuse and youth suicide. Poverty is one of the risk factors for children. In 2012 the Children's Commission convened an Expert Advisory Group and produced a discussion paper on solutions to child poverty, and Methodist parishes contributed to a Public Issues submission on this. A Report was then published Solutions to Child Poverty in New Zealand Evidence for Action.

The Report covers many topics on solutions to child poverty as child poverty cannot be solved in one area alone, such as income support. Specific topics include policy, justice, incomes, housing, health, education, Māori child poverty and Pacific issues. The three PIN discussion papers highlight twelve of the seventy eight recommendations of the Children's Commission Expert Advisory Group on solution to Child Poverty. The resources outline some of the reasons why these issues are important to our society. The Children's

Commissioner has been acting on the recommendations to achieve policy action. Food in schools is one of the recommendations on which we have seen action in 2013.

‘Let the Children Live’ corresponds well with the Children’s Commission work and these discussion materials are on three topics: Income, Health and Housing. In addition PIN has prepared studies on Pacific child poverty specifically for Pacific congregations. Overall the resources discuss some of the reasons why solving child poverty is important to our society; they include some matters beyond the discussions in the Children’s Commission Report, such as the Living Wage. They are not intended to cover all of the evidence on child poverty; they are discussion starters with possibilities for action.

Recommendations of the Children’s Commission on Incomes

- Review Working for Families so that children from all households (working and beneficiary) are able to benefit.
- Create a Universal payment for young children, a ‘Child Payment’ (\$125 - \$150 per week per child) for younger children.
- Make work pay. Many jobs do not pay enough to live on. The Living Wage campaign wants fair wages
- Workplaces with flexibility enable parents to manage the challenges of children in childcare, such as child illnesses

Questions for Discussion

- What would be a guiding principle for policy for children?
- What new or existing activities in your parish reduce child poverty – such as food in schools?
- Income is clearly the main issue for poverty. Should the response be to raise incomes or to include other support? Housing, food and power are the big expenses for families. How might these needs be better provided for and met?

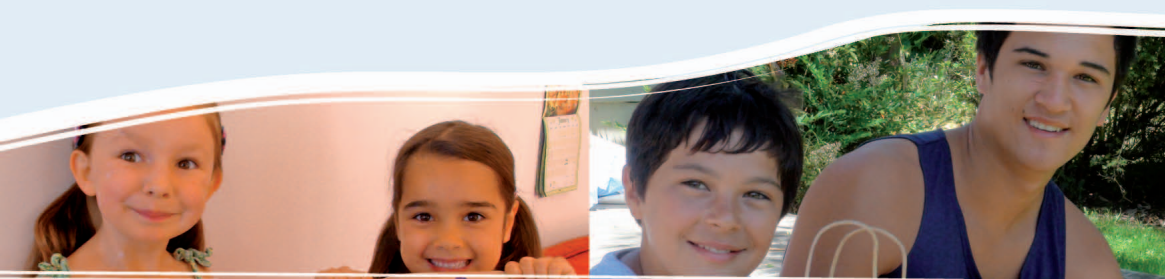
- Although benefit levels are the main cause of poverty, low wages (the minimum wage is 13.75 per hr) is also a major cause. The Living Wage for NZ is \$18.40. What are some ways your church or local businesses could work towards paying a living wage?
- Investment in early childhood is the most effective for ensuring long term beneficial outcomes for children. What can we do to bring about such an investment?

Context and Background

This is a *Watershed* time in New Zealand and around the world with significant disruptions to the global economy from the financial crisis, the persistent march of inequality, the pursuit of trade, wealth production and growth that do not include accountabilities for family and community wellbeing and ecological responsibilities.

Alongside business as usual, other currents are gathering momentum, expressing an understanding that ecological care is tied to human wellbeing. The voices of researchers, economists, theologians, ethicists alike share a view that it is time for a New Social Contract which takes account of ecological responsibility as a basis for human wellbeing. Three of the main themes for change are energy, urbanization and land use (WBGU 2012).

A transition to low carbon energy production is a key to addressing climate change. In New Zealand increases in energy pricing directly affects household costs and poverty (PIN 2012a). As urban areas expand there are added pressures on housing, public transport, energy consumption and supply, and pressures to convert natural ecosystems (forests, wetlands, national parks) into agricultural land use to secure food supply (FAO 2010).



Children, Families, Poverty and Wellbeing

New Zealand invests very poorly in child wellbeing and as a result we have 270,000 children living in poverty. Fifty six percent are from sole parent families. Poverty for Māori and Pacific families is about double that of Pākehā families.

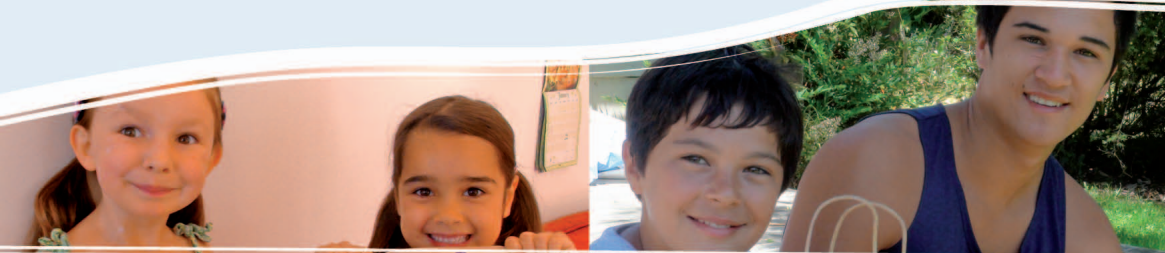
At the Methodist Conference 2012, the Children's Commissioner Dr Russell Wills launched 'Let the Children Live' embarking the church on a 10 year programme for reducing child abuse and vulnerability, youth suicide and poverty. This was close to the time of the Children's Commission report 'Solutions to Child Poverty' (2012).

The cause of child poverty is that family incomes are below the poverty line, which is 60% of the median wage. Benefits are too low and many jobs are paid at rates which are insufficient to lift families out of poverty.

Child poverty is a symptom of growing disparity and the need for a reassessment of how New Zealand manages the internal economy in relation to our global competitiveness. It could be said that addressing the income dimensions of child poverty and strengthening whanau and family wellbeing is a matter of wealth distribution for the benefit of all New Zealanders.

Poverty is costly (Infometrics 2011). The costs are measured in terms of immediate and long term effects of ill health, poor housing, educational failure, unemployment, addictions and crime.

Child Poverty is the most potent disease causing rheumatic fever .



Investment in child wellbeing is therefore economically credible as well as being socially ethical.

Children who grow up in low income households are three times more likely to be sick, and to be hospitalized than non-poor children. The following statement refers to rheumatic fever as a disease of poverty:

Terry Wall (Orakei Parish) has been advocating for action to stop rheumatic fever. The rates of rheumatic fever are growing in Northland. Unlike meningococcal disease, which is indiscriminate across cultures and socio-economic levels, rheumatic fever takes hold in Māori and Pacific children in poor communities. It develops because of untreated sore throats. This is directly related to inequality, over-crowding and the lack of access to medical services.

Investment in Children

Every Child Counts commissioned an economic study of New Zealand's low investment in child wellbeing. The report '*1000 Days to Get it Right for Every Child*' (Infometrics 2011) was released soon after the Green Paper on Vulnerable Children. One thousand days refers to the first three years of a child's life. This is the time of the most rapid and important neurological development with the skills learned in those years being the basis for further development. 1000 Days notes:

Early childhood interventions for disadvantaged young children are more effective than interventions that come later in life. Because of the dynamic nature of the skill formation process, remediating the effects of early disadvantage at later ages is often prohibitively costly. Post-school remediation programs like public job training and general educational development cannot compensate for a childhood of neglect for most people (p. 19).

A loving, language rich environment which is emotionally warm and supportive and economically secure is needed for healthy development. Poor investment in early childhood leads to much greater costs down stream from remedial services, court and justice costs, unemployment and poor health.

1000 Days to Get it Right demonstrates that New Zealand is one of the poorest performing countries in the OECD, ranking us 28 out of 30 countries. Denmark achieves the best outcomes from their highest amount invested in early childhood, which is over US \$50,000 per child in the first six years. New Zealand spends US\$14,000 and has twice as bad outcomes as Denmark.

New Zealand's low investment in child wellbeing means that about 20% of our young people have poor health, developmental delay, reduced education, teen pregnancies, increased offending, poor mental health, reduced employment prospects and even reduced life expectancy. The fallout in terms of cost is \$6 billion per year.

The Netherlands spends US\$24,000 per child per year on child wellbeing, with very good outcomes suggesting that the services they provide are highly effective. There is a culture of care for children in the Netherlands, which is supported by universal payments (income support for all families) to ensure parental responsibilities can be fulfilled. (Rowe Davies 2012)

Fair Pay - A Living Wage

Low wages and casual work are bad for families because they exploit labour and require long hours of work. Parents are away from home and hardly ever see each other, or their children.

A Living Wage started in the UK and Canada. It is gathering momentum in New Zealand and an assessment has identified \$18.40 per hour as the dollar amount needed for people to pay rent, buy food, run a car, have a computer, pay for insurance, for children to go on school trips and have a

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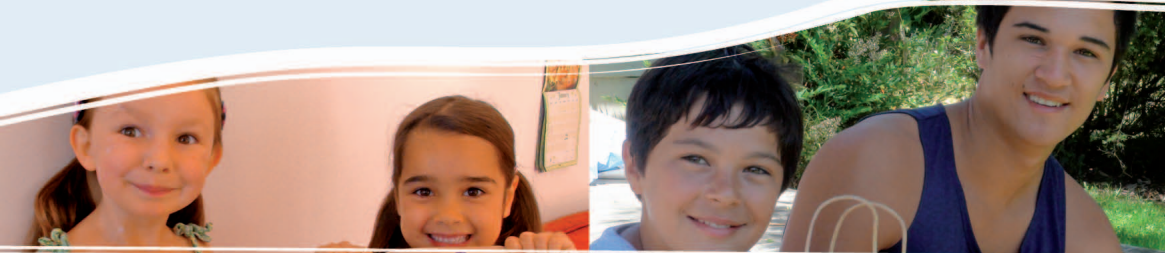
birthday party, to pay for childcare, make 2% contributions to KiwiSaver and eat out once per month. In other words, \$18.40 supports social participation (Waldegrave and King 2013).

\$18.40 is based on a two adults and two children household, where the adults having one fulltime 40 hour and one half time 20 hour job between them. Many families do not fit this standard; it does not reflect extended family needs, large families or people living alone. It does not provide for cultural responsibilities. Nor does \$18.40 cover higher costs in Auckland.

Many in the Methodist church are supporting this proposal for fair wages, and finding ways that it could be put into practice. At the 2012 Conference the Methodist church gave support to the Living Wage, and to engaging in the campaign and in ways to implement it in Aotearoa NZ. This may require a gradual process for lifting wages, and negotiations with companies, and for wage rates in government funded contracts. While a Living Wage does not address poverty for beneficiaries, it is an important contribution to the jigsaw of many pieces that are needed to make life good for children and families (See PIN 'Living Wage' 2012)

The UK Methodist church has adopted a Living Wage policy.

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Improving health and education have long been
the goals for Māori and Pacific children.**



Māori Solutions to Whanau Poverty

Manuka Henare sets out a capability approach to child poverty and vulnerability in Te Ara Hou:

The Capabilities Approach addresses human rights and social justice, and offers better systems for Māori and Pacific to evaluate the effectiveness of policies in terms of well-being for themselves (Te Ara Hou 2011 p. 15).

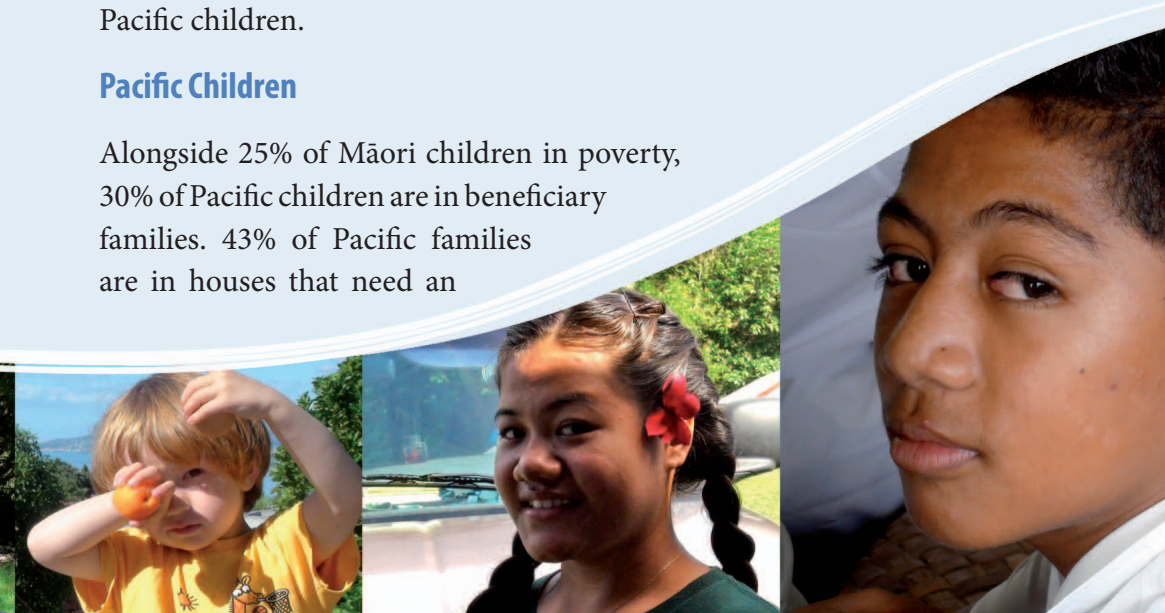
A capability approach is presented through three traditional terms: pōhara, tōnui and kōkiri that embrace sustainable responses and moral dimensions of supporting capability and potential. Capability is about purposeful direction towards a goal, and moving children away from poverty and its consequences through a process of sustainable development.

Pōhara, tōnui and kōkiri refer to the shame and waste of human potential and being cut off from opportunity that comes with poverty, the goal of standing tall through economic dignity and reaching social potential, and moving forward via a collective strategy. Wealth creation for Maori is achieved in four principal areas of wellbeing: wellbeing of family kinship and whanau, economic wellbeing, environmental wellbeing and spiritual wellbeing.

Currently Māori unemployment is at 15%. Improving employment, income levels, health and education have long been the goals for Māori and Pacific children.

Pacific Children

Alongside 25% of Māori children in poverty, 30% of Pacific children are in beneficiary families. 43% of Pacific families are in houses that need an



extra bedroom. Pacific unemployment has increased dramatically in recent years, and is currently at 16% compared to the general rate of about 7%.

Hardship comes from inadequate benefits, unemployment, and inadequate housing. The price is paid in more illnesses and lower educational achievement as well as more risk of violence.

Henare identifies the link between poverty and violence (p.30) and therefore urges the need for poverty reduction policies. This fits with Methodist commitment to 'Let the Children Live'.

Concluding note

Income levels are central to solving poverty, and income includes benefits as well as fair wages. A benchmark for social wellbeing is participation in community life.

Capability development and nurturing human potential as pathways for Māori development set out by Manuka Henare, may well be seen as a creative approach for all those in poverty. Sustainability has appeal for the whole of life benefits to parts of our communities.

Moving towards wealth creation strategies that include measures for capability, spiritual qualities, cultural world views breathes life into what can be too narrow frameworks of poverty reduction. This becomes a movement for change for the common good, where the benefits are for all, the poor and the wealthy.

A holistic view of poverty reduction involves wealth creation and wealth sharing with safeguards for the ecosystems which sustain all of life, including human life. So wealth thinking and the common good includes safeguarding air, water, soil and biodiversity – it is having regard for our place in the planet at a whole.

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