

## **Precarious Work Symposium – Living Wage Campaign**

**AUT Thursday 14 February 2012**

**Panel: Welfare and a Living Wage**

### ***Voices from the street – and the idea of a Universal Basic Income***

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Kia ora koutou, and first of all a big thanks to everyone involved in bringing this symposium together, from the union campaign and from AUT. We don't often get opportunities like this to come together and get stuck into the issues that really matter to those who have least in this country - low paid workers, unemployed workers and beneficiaries, and their families.

I'd also especially like to thank the organisers for including a panel on 'welfare and the living wage' in the programme. When the Living Wage campaign was first introduced in Auckland I must admit to being a bit dubious about whether it would reach out in any meaningful way to those groups and people working with those not in the paid workforce.

So I really appreciate the fact that our unemployed, student and beneficiary activist group Auckland Action Against Poverty was invited into the campaign right from early days, and that we're getting a chance to take part in proceedings both today and tomorrow.

From my perspective, the question of a living wage has always been a critical part of the kaupapa of unemployed and beneficiary organisations. I was deeply involved in the Auckland Unemployed Workers Rights Centre, the Auckland Peoples Centres and the national unemployed movement in the 80s and 90s. Right through that time of the deliberate excising of hundreds of thousands of jobs from our economy, the cutting of benefit levels and of the union busting Employment Contracts Act, our core kaupapa was 'Jobs and a living wage for all'.

We believed, above all, that everyone in this country who wants and needs paid work deserves a job, alongside access to free quality education and training that helps people into work that aligns with their aspirations in life. We also believed that everyone, whether in or out of the paid workforce, should have enough income to sustain themselves – and their children, if they have them – with dignity and sufficiency.

This kaupapa remains central to the work of Auckland Action Against Poverty. We established AAAP several years ago in the face of this new generation National Government's brutal welfare reform programme and because of the fact that by 2010 there was still no unemployed & beneficiary activist group anywhere in our region to take over from where we'd left off when we closed the Unemployed Rights Centre back in 1999.

Two months ago, in December 2012, AAAP also took a big step forward in going beyond our political and research work to launch our new individual beneficiary advocacy service. With the help of experienced beneficiary advocates from all around the North Island we ran what's

colloquially called a beneficiary ‘impact’ for three days outside the Onehunga Work & Income office, close to where we’re now physically based.

After ten years in Parliament and two years as a doctoral candidate in public policy here at AUT, I never dreamed I’d be doing frontline individual advocacy work again, but there I found myself, alongside all the other wonderful volunteers, out there on the footpath facing a stream of people eager and sometimes desperate for help in their dealings with Work & Income. By the third day, we were totally overrun, with neither the 12 extra staff put on by MSD or our team able to cope with the numbers of people coming for assistance.

Two of the first cases I dealt with myself involved people who’d been laid off from their jobs months previously but who were still not getting any income support – or meaningful employment assistance – from Work and Income. It’s clear the department is doing its best to keep people off the unemployment benefit by fair means and foul, implementing 13 week stand downs whenever they think they can get away with it, regardless of what happens to people who have no income for such extended periods. It was good to see Alan Johnson and the Salvation Army picking up on this issue in their report yesterday.

I also worked with several mums on the DPB who had been denied access to the full rate of benefit for literally years because there doesn’t seem to any will by Work and Income staff to apprise them of their full rights, nor the sensitivity necessary to work adequately and well with people who are often victims of various forms of sexual and domestic violence and abuse.

I met people on the invalids benefit shaking with fear at what would happen to them next time they had an appointment at Work and Income, in the wake of ongoing changes which mean ever increasing expectations that the injured, sick and disabled should go out and get paid work – in a job market where the latest Household Labour Force Survey tells us there are now 284,500 jobless. This is only going to get worse once the second round of social security legislation goes through this year.

And so it goes on. To put it simply, what’s going on for people right now is that:

- Many beneficiaries have nowhere near enough to live on, even when their core benefits and any other grants or supplements are maxed out. Benefits are too low to sustain people without constant recourse to loans. Homelessness and overcrowding are becoming a huge problem as well in the overheated Auckland property market.
- Unemployed workers risk extended periods with no income at all. They are also expected to spend an awful lot of time pointlessly running around fulfilling shonky job search requirements which must be almost as much an harassment for employers as it is for the person looking for work. This is the ‘work beyond work’ which Guy Standing talked about this morning.
- Particularly vulnerable people, including sole parents of young babies and children, and the sick, injured and disabled, are coming under increasing pressure, including

real time benefit cuts if they're forcibly moved from the invalids to a sickness or new so-called jobseeker's benefit.

- More and more people are moving between the welfare system and paid work, often finding themselves in both at the same time, still with nowhere near enough to live on. Often missed in political discourse is the fact that huge taxpayer subsidies via Accommodation Supplement and Working for Families are propping up both inadequate wages and welfare.

So, what is to be done? I reckon there are three key questions and challenges arising from all this.

First of all, there is a lot of talk at the moment about how unequal our society has become and an almost cult-like worship of the 'Spirit Level'. Now while I appreciate the good work many fine people are doing in this area, I believe we've also got to start talking more openly and bluntly about distribution and redistribution of wealth and resources in Aotearoa. The real problem lies in the inherent nature of capitalism. Fundamental solutions lie in no and low income people achieving social and economic change in their interests via both parliamentary and extra parliamentary means. We're kidding ourselves if we think National and their mates are going to roll over just because we prove over and over again that we're an unequal society – ensuring the rich get richer and too bad about the rest is what they want and what they believe in.

So – let's start talking about how more of us across the left – activist and academic, faith-based and heathen – can work together to achieve real structural change, without waiting for it to happen as if by magic, or by accepting only the limited reformist options acceptable to the so-called 'mainstream' and political party focus groups.

Secondly, yes, let's all get behind the current Living Wage campaign. It's important that the focus is kept on workers' wages – but as I hope Guy Standing, Mike O'Brien, myself and others here today are clearly illustrating, the incomes of those not in the paid workforce matter too, and the lines between us are increasingly blurred. Let's support each other's demands for a living wage for all – which means, I hope, that unions and your political allies will join groups like ours in calling for major reforms to the current welfare system next time an even vaguely left government takes power.

Labour did not do well last time round. In the 2000s they did not ever restore benefit levels to their pre-1991 equivalent; they got rid of the much needed Special Benefit; reintroduced no go zones in rural areas; established massive structural discrimination against the children of beneficiaries via the In Work Tax Credit (with acknowledgements to the Child Poverty Action Group for all your wonderful work in this area); and undermined in legislation the very purpose of social security as established by Labour's forebears in 1938.

David Shearer's comments last year about a sickness beneficiary daring to work on his roof appealed to beneficiary bashers nationwide. What will Labour's stance be next time they're

in power – more of the same, or a genuine commitment to decent job creation and a living wage, literally, for all?

My third challenge is around the question of a UBI – Universal Basic Income, otherwise known as a universal tax credit or citizen's income, or by a number of other names. I found it really inspiring to hear Guy Standing advocating so strongly for UBI this morning, and hearing of all the progress that's been made overseas on this.

A progressive UBI would replace our current blaming and shaming welfare system - and our tax system - with a basic income guaranteed to all citizens and residents, paid for by a progressive income tax regime, and other tax changes such as capital gains, asset taxes and a financial transactions tax. A word of caution – there's been a useful shift in perception here with businessman and economist Gareth Morgan promoting UBI in New Zealand, but in its detail it Gareth's UBI does differ somewhat from a system I'd promote, including the fact that he doesn't include an add on payment for children, and his ideas about necessary tax changes are somewhat different than mine.

During the 90s a number of organisations around the country including our unemployed workers' group, started campaigning for a UBI in Aotearoa, or at least serious consideration of same. We got nowhere. Labour has never come close to supporting it officially as far as I'm aware; and the Green Party has never endorsed it, simply recommending that it be studied further.

I reckon we have reached the point when we should be more courageous about exploring and advocating for major structural changes that really start to provide solutions to income and employment inequality.

A progressive form of UBI alongside a commitment to full employment is an essential component of the living wage conundrum. Yes, we need to advocate for lower level solutions within the current environment, and Auckland Action Against Poverty will support you all the way on that.

But we also need to start working together on alternatives that transcend the immediate, and go beyond the traditional party political and union and community boundaries that have so often divided us.

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