

Welfare system reforms: addressing the cost-of-living crisis in New Zealand

Dr Laszlo Szollosi-Cira

At the beginning of 2022, New Zealand politicians agreed that the country would face a cost-of-living crisis. Although targeted measures (reducing fuel excise tax and halving public transport prices) and significant increases in the minimum wage and the various benefits have come to effect on 1 April 2022, there are debates about whether these steps are sufficient. The Greens, for example, argue that further benefit increases are necessary. Nevertheless, the Treasury already warned the Government during the preparation of the 2021 Wellbeing Budget that the significant two-step increase of the main benefits (July 2021 and April 2022) and the increase of the abatement threshold of the benefits might discourage individuals from working. Besides, there is an inherent inconsistency between the sum of benefits which are defined as weekly payments and the minimum wage, which is paid for working hours. It is also crucial to note that these debates focus on bottom-up arguments by assessing the possible living expenses. The top-down approach to evaluating the overall capacities of the New Zealand economy for sustaining the welfare system rarely appears in analyses. In this paper, the author addresses how it would be possible to mitigate the cost-of-living crisis. The study uses survey data to define the necessary excess work income to secure that individuals are still encouraged to seek employment in an environment where benefits grow. The results are compared to the capacity limits of the economy. The paper also presents some possible non-fiscal measures to resolve the crisis.

Introduction: welfare challenges in New Zealand

When the New Zealand Government released the 2021 Budget, Deputy Prime Minister Grant Robertson announced that the main benefits would grow significantly in two steps (Beehive, 2021). From 1 July 2021, most of the main benefits were to grow by 25 NZD a week, and from 1 April 2022, the benefits would grow by another 30 NZD a week. With the increases, the benefits were raised to the levels which were recommended by the Welfare Expert Advisory Group (WEAG) in their final report (WEAG, 2019a). After 1 April 2022, the Jobseeker Support for singles who are older than 25 years became 315 dollars per week (Work and Income, 2022) which is exactly what the WEAG recommended (WEAG, 2019a, p. 99). Besides, the abatement thresholds (the weekly income before tax when the sum of the main benefit starts to decrease) were also raised. Originally the WEAG report included increasing the abatement threshold to 150 dollars per week. However, after 1 April 2022, it is now even higher, 160 dollars per week. The add-on, which is paid to individuals the most often, the accommodation supplement, is now abated after the main benefit cancels out with increasing income, so there is no overlapping abatement in the system. Another important benefit, the Sole Parent Support, has been increased even higher than the WEAG recommendation. The sum of this benefit is 440.96 dollars per week after one child. This value is higher than the originally recommended 374 dollars per week. Other benefits, such as the Supported Living Payments and the benefits for couples, increased as well.

Despite increasing all the benefits, politicians and the public agree that there is a cost of living crisis in New Zealand. Because the rising living expenses affect the most vulnerable population the hardest, it is crucial to ask whether the Government's policies achieved the main goal of the WEAG recommendations:

Restoring dignity to the social welfare system. There appear to be seven major problems that imply the welfare system needs further (re)considerations and developments.

First, it is crucial to note that the development of the welfare system did not occur in the same structure as the WEAG outlined. Although the benefits that assist recipients without children increased as the WEAG recommended, the benefits for sole parents and for couples with children increased more than the advisors proposed. The WEAG believed that the sole parent support and the support for couples with children should be partially increased by raising the main benefit, and a larger part of their support should come from the increased amount of working for families tax credits. However, the increase in working for families tax credits did not reach the sum that the WEAG advised in 2019. The logic behind the WEAG recommendation was that a large increase to the sole parent support might disincentivise recipients to partner and to work.

Second, it is relevant to note that the WEAG report recommended immediate changes when it was released in February 2019. The recommended benefit levels were reached in 2022 only, and neither the wage inflation nor the actual CPI was included in defining the benefit rates. This means, taking the CPI for 2019, 2020 and 2021 into account, the purchasing power of the benefits which were raised to the recommended levels was 9.4% lower because the CPI was 1.9%, 1.4% and 5.9% in 2019, 2020 and 2021 respectively (Statistics New Zealand, 2022).

Third, with the rising cost of living, the inadequacy of the targeted benefit system to allow flexibility of choice for individuals is showing up and causes frustration for recipients. The website of Work and Income specifically highlights the possibility of how certain additional benefit payments might change when the main benefits go up (Work and Income, 2020). What this means in practice is that despite the Government's announcement of the increases to main benefits, the actual payments to recipients might not change to the same extent, and the accommodation supplement and/or the temporary additional support payments might be cancelled out. Also, the amount that recipients should pay to public housing might change too, due to the institution of the income-related rent subsidy (IRRS), which requires 25% of the income to be spent on housing. Nevertheless, the inflexibility of choice for recipients can be shown by an actual example of what an interviewee shared with me. The person involved lives in a private rental. In 2020, when the housing costs were rising drastically, the property owner sold the house. The new owner increased the weekly rent by 100 dollars a week. Because the recipient received a main benefit and the accommodation supplement before the change of ownership, the new rental fee would have been too high to pay. However, Work and Income advised this person that the temporary additional support might provide assistance in the situation. Later, when food prices started to increase in 2021, the recipient attempted to find a cheaper rental property. However, if the recipient had paid less to a rental property, the temporary additional support might have changed to offset the decrease in rental payments. Therefore, the recipient could not achieve a better financial position by choosing a cheaper rental.

Fourth, the transparency of the system is highly problematic. In an ideal situation, people would be aware of what they might receive if they become unemployed; one single weekly sum should ring in their minds. However, because of the various additional support payments, it is difficult to get a straightforward answer. The WEAG members, for example, used six example families to model the possible effects of their recommendations. This already shows the complexity of the system. Similarly, when politicians and decision-makers are asked about the possible benefits, they have to ask what sort of life situation they

have to address.¹ The transparency of the system must be in question when welfare advocacy groups can exist to assist people in navigating the system (Baker & Davis, 2018).

Fifth, the reasons why benefits should be paid to individuals, namely, the causes why someone exits the labour market fully or partially, were not considered in a comprehensive way. This lack of consideration of the characteristics of the labour market leads to unintended consequences. To understand this, it is crucial to present the main unfair regulations of employment relations. In New Zealand, flexible labour market regulations are institutionalised. Although the dominant belief of politicians is that “New Zealand has a well-functioning labour market in general,”² the legislation is rather problematic both for employers and for employees. Concerning the legislation’s unfairness for employers, the main element of the legislation that is problematic is the requirement that businesses have to bear the costs of the yearly sick leaves (10 days). However, employees and general practitioners are the ones who initiate the sick leaves, and employers do not have control over the confirmation of whether the sick leaves are necessary.³

Regarding the unfair elements of the legislation for employees, it is essential to highlight the employers’ option to reduce the number of weekly working hours. According to the Employment Act, employers can decrease the number of working hours due to economic and commercial circumstances. This means that even if the job contracts include 40 hours a week, employees cannot be certain that they have a “full-time employment.” Although in the case of planning the reduction of working hours, the law requires consultations with the employees, this is not a real option for the employees because they face a wrong dilemma: in one way, they have fewer hours worked and paid, in the other way they face the risk of getting laid off. This is seriously unfair for employees because they face risks which are largely out of their control. Practically, the current legislation allows employers to transfer business risks from entrepreneurs to employees. This creates an environment for employees where they cannot have job security and predictable income; what are the main preferences for employees. The Covid-19 pandemic showed how relevant the predictable incomes are for employees by the fact that governments implemented wage subsidies.

The transferability of business risks to employees may lead to situations where employees need to rely on the welfare system. For example, employees who work on the minimum wage, when their weekly hours decrease below 40 a week, they become eligible for the accommodation supplement, and when their hours decrease below 30 hours a week (below 610 dollars before tax), they can receive a portion of the jobseeker support payments as well. Practically, this means that the transferability of business risks to employees results in the welfare system indirectly subsidising businesses. It is likely that the welfare system was designed for different purposes.

The question may arise about how often does the transfer of business risk to employees occur. If we understand the overall statistics of the labour market, it becomes clear that it happens fairly often.

¹ This happened when Jack Tame had an interview with Prime Minister Jacinda Ardern in April 2021 for the Q&A the television programme.

² See for example the cabinet paper addressing zero hours contract (Woodhouse, 2015).

³ In most OECD countries the social security systems fund the sick leave payments, and in those countries, employees are entitled to unlimited sick leaves in a year while in New Zealand it is ten days.

According to Statistics New Zealand, in the December 2021 quarter, there were 4,114 million people in the working-age population, of which 2,831 million people were employed, 93 thousand people were unemployed, and 82 thousand people were still available for work (Statistics New Zealand, 2022a). Additionally, there were 102 thousand people who were underemployed, which means they worked less than 30 hours per week. The 277,000 people who were either unemployed, underemployed or available for work made up the 9.2% underutilisation rate (Statistics New Zealand, 2022a). This is the official figure which refers to people who struggle to get proper employment. However, the situation might be even worse.

Statistics New Zealand also publishes the sum of weekly worked hours. According to this, in the December 2021 quarter, there were 95 million worked hours in a week. These are the aggregate numbers that are available for the 3,006 million participants (the sum of the 2,831 million employed, 93 thousand unemployed and the 82 thousand available people) in the labour market (Statistics New Zealand, 2022a). This means that on average, a person can work 31.6 hours a week, and only 2,375,000 people can get full-time employment. The figure for average weekly working hours coincides with the numbers that the Treasury is applying in their long-term forecast models, such as the Fiscal Strategy Model (FSM). However, the Treasury calculates its figures proportionately to the employed population (Treasury, 2019). These figures suggest that the number of people who may earn less than 610 dollars before tax in a week might be higher than the official underemployment figures. Nevertheless, the situation is even more complicated. There are independent contractors in the economy who usually work long hours, and their incomes barely reach the minimum wage (Macfie, 2022). The number of independent contractors is debated. According to the statistics in 2019, there were 144 thousand contractors in New Zealand (Statistics New Zealand, 2019). However, in the 2010s, their number was significantly higher. As Infometrics published in 2019, there were 415,511 self-employed people in New Zealand, which was 16.7% of the workforce. Meanwhile, their proportion in the workforce was decreasing (Infometrics, 2019). These people are typically forced to become self-employed because their work environment is similar to conventional employment status (Uber drivers, delivery drivers, agricultural seasonal workers etc.). As a matter of fact, these people should be considered underemployed. Therefore, they should be entitled to benefits. They do not appear in the welfare statistics, though.

The sixth problem, namely that it is debated whether the welfare system has incentives for individuals to seek work, is a consequence of the fifth problem. It is easy to prove that the capacities of the New Zealand economy were not fully considered when the WEAG elaborated on the recommendations. On the one hand, the benefit rates and the abatement mechanisms are designed to operate in line with the minimum wage regulation, and the abatement thresholds are set to match certain income levels when someone gets work that is paid the minimum wage. There is no decrease in the benefits until someone works eight hours or less and gets paid the minimum wage. Then, after receiving payments after 30 hours of work on the minimum wage, the main benefits are cut off (the accommodation supplement is abated after earning 30 hours on the minimum wage). On the other hand, when the WEAG composed their recommendations about the necessary levels of the benefits, they intended to pull the benefit rates closer to the median income. This intention is shown in their *Example Families and Budgets – Investigating the Adequacy of Incomes* report (WEAG, 2019b). The reason why it is debated whether it was appropriate can be seen by comparing the recommended benefit levels (including the various add-ons) and the likely income by work. The final WEAG report identified that an individual jobseeker who lived alone could receive 414 dollars

per week in 2018⁴. However, for an adequate standard of living, they would need an additional 134 dollars per week (altogether 588 dollars per week). To realise this, they recommended the jobseeker support grow by 100 dollars a week (from 215 to 315 after tax) and additionally, a living alone payment of 30 dollars per week be introduced (WEAG, 2019a, pp. 99-103). To put the recommended changes into context, the WEAG recommended an immediate increase to the main benefits so a single person could receive 588 dollars a week after tax from 1 April 2019; meanwhile, the full-time employment (40 hours a week) on the minimum wage in 2019 (17.70 dollars per hour) would have resulted in 594 weekly net income. Furthermore, during the time of the WEAG analysis in 2018, the full-time employment on the minimum wage (16.50 dollars per hour) resulted in only 555 weekly net income. For this reason, it is in doubt if the recommended level of jobseeker support would have incentives for people to seek employment. In 2018, the estimated median net weekly income of an individual was 765 dollars.⁵ If we compare the recommended 588 dollars to the median net income, we can conclude that the median income is only 30.1% higher than the benefits, which do not require any work.

Nevertheless, the WEAG recommendations were not implemented in 2019. Concerning the jobseeker support, the level of this benefit reached the value of the WEAG recommendations in 2022. Therefore, it is useful to compare the value to the estimated 2022 income levels. However, it is crucial to remain cautious. Although the expected benefit rates might be constant for a week, the actual wages might fluctuate, and it is unlikely that someone can reach 40 hours of work in a week when entering the labour market. The most likely weekly working hours are between 30 and 35 hours. In our calculations, we employ 33 hours too.

Table 1.: Comparing the implemented level of the various benefits for a single jobseeker based on the WEAG recommendations

	Value (NZD per week)	Increase to benefit level (%)
Jobseeker support and the various add-ons (2022)	588	n.a.
Likely weekly net income on minimum wage (33 hours)	588	0%
Income by full-time employment on minimum wage (40 hours)	708	20.4%
Estimated median net weekly income ⁶ (2022)	858	45.9%

⁴ The precise calculations how the WEAG assumed this figure is not entirely clear from their documents.

⁵ To estimate this figure I applied the overall national account statistics by Statistics New Zealand. In 2018, the overall compensation paid to employees was 128,685 billion dollars (Statistics New Zealand, 2022b). This figure was divided by the average number of employed people in 2018. The computation results in the average yearly income before tax which is usually distorted towards higher incomes, therefore I decreased the figure by 3%.

⁶ To calculate this estimate, the national accounts statistics were employed. The estimated median of 2021 (841 dollars) was increased by 2%. This figure is slightly less than the increase of recent years because it was necessary to take into consideration that by the second half of 2022, New Zealand might face recession.

The table shows that the median net income is 45.9% higher than living solely on benefits. This suggests that the incentives to seek employment in New Zealand are weak, especially because the flexible labour market puts transaction costs on employees (they need to adapt to challenging work conditions).

There appears to be an even larger problem which is related to the sole parent support. As it was mentioned earlier, the sole parent support was raised higher than the WEAG recommended, so even the WEAG acknowledged that it might disincentivise individuals to seek employment. Additionally, the abatement mechanism itself might create disincentives to make efforts for larger participation in the job market. If someone earns the minimum wage, all working hours between 8 and 30 hours a week result in only 4 dollars extra net income.

Finally, seventh, it is difficult to see whether the general approach to overhauling the welfare system was appropriate. Concerning this set of problems, I highlight three questions. It can be asked whether the welfare transfers should assist with providing the minimally necessary resources to sustain life or it should also provide resources for a certain level of participation in society. Besides, it is relevant to ask whether the welfare system should encourage people to live a responsible lifestyle or whether it should penalise responsible attitudes. And most importantly, it is crucial to face that the WEAG recommendations highlighted the concept of dignity through social welfare. However, they left certain imperial mechanisms untouched that contradict the concept of dignity.

The problem of providing resources to individuals so that they can participate in society is relevant. The WEAG report focussed on it, underlining that people should receive not only resources to meet basic weekly needs but also assets so that they can purchase cheap presents for family members and attend sports events (WEAG, 2019a, p. 97). Therefore, the WEAG recommended raising benefit rates which, as it was shown earlier, almost reach the same level of working full time on the minimum wage. It appears that defining the minimum wage so that it includes the provision of sufficient resources to participate in the community and setting the benefit rates so that they are sufficient to provide basic needs might be a better approach. This would leave incentives in the system to seek employment.

The problem of whether the welfare system incentivises people to live responsibly can be seen through the mere existence of the asset tests. People who have certain cash assets may not receive certain additional support, such as the accommodation supplement. Therefore, those who saved up money for “the rainy day” are penalised in New Zealand. To an extent, the sole parent benefit also entails this problem because youngsters who explore sexuality should be encouraged to work before they have children or apply contraception so they can prevent unplanned pregnancy.

Regarding the contradiction between the concept of dignity and imperial (state-centred approach), it is relevant to note that it is a remnant of the legal system of the British colonial period. Citizenship, for example, was granted to people who were born in the territory of the British Empire or their parents were British citizens. However, if someone’s parents are British citizens and the parents were born outside British territories, this person is granted British citizenship only if he/she is born in British territory. The logic behind this approach is simple: those who are born outside the British territories are not considered people who can serve the British Empire.

This approach is directly apparent in the case of the superannuation payments: if someone moves out from New Zealand, after five months, the superannuation payments are stopped because these individuals do not contribute to the New Zealand economy (do not serve the state). Although the social

welfare system is not a superannuation system, the approach is similar. The various benefits are tested against the partners' incomes, and if people live together, they are not entitled to the same amount of benefits as they were living separately. In the imperial thinking, these people may earn enough to sustain their lives and participate in the community also on reduced levels of the benefits. However, dignity requires identities, and that would imply individual rights and entitlements.

The problems described earlier in this introduction; namely, the differing structure of the actual benefit raises to what was recommended, the lack of indexation by CPI or wage increases, the inflexibility of targeted assistance, the lack of transparency of the benefits system, the strong limits of the labour market, the missing incentives to work, and the debated principles of the welfare overhaul raise the question of how to develop the New Zealand welfare system and how it is possible to provide better working conditions for employees so that the rising inflation (cost of living crisis) could be manageable for households. In this paper, the theoretical arguments are presented first. This entails engagement with various theories about benefits, the possibility of a universal basic income, and the incentives to seek work. Then, the discussion presents the methodology of how this paper analysed the relation between the New Zealand labour market and the welfare system. In the fourth section of the paper, the empirical findings are presented. The fifth section discusses the results and describes the policy implications. This section is followed by the conclusion, which also presents what further research might be necessary.

Theoretical implications of improving the welfare system

The problems of the benefit raise structure, the inflexibility of the targeted assistance, the difficulties of transparency, the question of whether the benefits shall cover only the basic expenses or also an extent of social participation, the penalties on responsible lifestyle, and the question of individual dignity can be all covered by the theoretical consideration whether the targeted social assistance or the universal amount of benefit results in better social outcomes. On the one hand, the targeted benefit system is the most effective for states in financial terms. This is why states, among them New Zealand, chose this option. However, in terms of social costs, the universal benefit might bring better results. The reasons are multifaceted.

First, a universal benefit without asset or income tests (including partners' incomes as well) would immediately create a transparent system in which stakeholders might have a clear view of what they could get in case of financial difficulties (losing a job). Second, it would allow stakeholders to make their consumer choices with larger freedom, so the inflexibility of the targeted system could be resolved. Third, this system would not penalise a responsible lifestyle. Those who saved up cash assets before losing their work income may have broader options for the period of difficulties. Fourth, stakeholders would be considered as individuals who would secure that they have their personal dignity. This system will allow to choose partners with the highest level of freedom. Finally, fifth, this system would require a smaller bureaucracy which may partially compensate the states for the increasing benefit payments.⁷ Concerning whether the universal benefit shall be set by considering only the basic needs or also an extent of

⁷ Assuming that all other circumstances are equal.

participation, it can be argued that by allowing wider consumer choices, the universal benefit might be able to cover social participation as well.

So far, the paper did not address three problems which were discussed in the introduction: how to set the value of the benefits to creating incentives to look for work, the lack of indexation of the benefits to their purchasing values which were elaborated on in 2019, and the limits of the labour market (the capacities of the economy). The missing indexation and setting of the value of benefits to creating incentives are related, and the theoretical literature is fairly abundant on this matter. However, there seems to be a gap in the literature in observing the conditions of the labour market and the welfare system together.

In the context of the cost of living crisis, the argument to implement a universal basic income (unconditional income for individuals provided by the state) was raised again by The Opportunities Party to address the problem of setting the values of the benefits and creating incentives to find employment at the same time (NewsHub, 2022). This idea was also discussed during the initial stages of the Covid-19 pandemic because intellectuals, political leaders and theoreticians recognised the necessity to protect employees from physical and mental health problems and to provide them with income opportunities.⁸ Regarding these ideas, it is crucial to note that there are many forms of guaranteed wages or universal basic income, and among economists and politicians, there is no agreement on which form of a wage guarantee can be acceptable, if at all. Pope Francis, for example, mentioned that because of the Covid-19 pandemic, politicians should consider introducing a universal wage minimum (Panetta, 2020). Earlier, the CEO of Tesla, Elon Musk, also mentioned the establishment of the wage guarantee because automatisisation can make workers jobless on a large scale (Weller, 2017).

Economists agree that the universal basic income would impose such a large burden on government budgets that they could not be funded. Economists in New Zealand, for example, Eric Crampton (Carroll, 2021) and elsewhere, for example, in Hungary (Partizán, 2020), unanimously argue this. Even the introduction of a much smaller amount of possible government expenditure, the so-called inverse or negative income tax, was refused because that would have caused untenable government deficits (Mankiw, 2018). Additionally, applying a thought experiment, it is possible to argue that the idea of a universal basic income contradicts the logic of capitalism. As it was mentioned earlier, Elon Musk proposed the introduction of this state cash transfer. The thought experiment is the imaginary situation when we ask the entrepreneurs who are carrying out automation projects whether they are willing to pay the universal basic income to those employees who they are planning to lay off. Although the reduction of employees would increase profitability so the entrepreneurs might be able to fund the universal basic income, they would likely refuse the proposal. The reason for this is that economic competition also forces them to reduce prices, so the profitability for them barely increases after automation is introduced.

The theoretical discussions of the universal basic income (guaranteed wage) raise the question of what would create motivation for individuals to work or perform efforts to create value for

⁸ For a summary about how states attempted to mitigate the detrimental effects of the lockdowns, see for example the OECD publication by Scarpetta, Queisser, Garnerio and Königs (2022).

the societies. This leads to the question of what the appropriate level of the benefits might be so that it still creates incentives to work. Regarding this question, there is no agreement among economists. In these debates, it is often cited that people might just like their jobs, employment can create broader social interactions for people and being in employment might improve self-esteem. These factors might counterargue that the replacement rate between the benefits and the prospective income should be particularly high. As Michael Fletcher (Lynch, 2021) argues, the high prospective income / benefit ratio is true only in the short run because people might take on jobs that do not pay much higher income if they see the opportunity for a possible promotion or higher salaries in the future.

It is crucial to note here that the case of the individual who takes a job because of future income prospects leads us to the discussions of the conditions of the labour market and the transactional costs of the labour supply. This is the point where we can connect the benefits system to the limits of the labour market (the capacities of the economy). This connection immediately explains why the seasonal agricultural works demand the presence of a significant number of migrant workers. Because the benefits are paid permanently, for a seasonally higher income, possible employees do not move to where the works are available. The shift between residences to work only temporarily is not worth performing because the possible higher temporary income does not balance it out.

The connection between the welfare system and the labour market is highly significant in New Zealand regarding permanent employment forms as well because flexible labour market conditions are institutionalised and, as the paper presented in the prior section, the likely available working hours are limited to 31-35 hours a week, while the median income is only 45.9% higher than the jobseeker support with various add-ons. Earlier in this section, the paper argued that a universal benefit would be better than the targeted benefits. With the intention to provide incentives to work, the universal benefit would require a minimum weekly income secured by the law (once someone works, the weekly income should reach a certain level). However, this would immediately require limiting the flexibility of the labour market.

There have been ideas to alleviate the difficulties for workers when entering the flexible labour markets and to provide them with better living conditions. For example, one of the former Democratic candidates for the US presidency, Bernie Sanders, attempted to elaborate on the idea of guaranteed state-jobs programmes (Matthews, 2018). In a similar vein, the legislation of labour conditions was modified in the New Zealand healthcare sector in 2017, when the Bill English government introduced the system of the guaranteed minimum of 20-hour workweek for healthcare support workers to attract good quality labour for the industry.

This paper argues that modifying the Employment Relations Act so that it would require employers to provide weekly minimum wages and limiting the flexibility of the labour market would result in better social outcomes. Several reasons can support this argument.

With respect to the flexible labour markets, economists tend to agree on the main characteristics of these legislations: it is easier to hire and lay off workers, the regulations regarding job

conditions are limited, and there is a greater variety of possible job contracts (Pettinger, 2017). Among the advantages of the flexible labour market, experts mention the greater choice for employment options, and flexible labour market regulations can achieve increased labour participation rates in the market and lower rates of structural unemployment.⁹ The list of the advantages of the flexible labour markets ends here. Although scholars mention further advantages (firms' efficiency, supporting international trade, financial stability of enterprises, counter-cyclical effects), those are not convincing.

First, allegedly, firms are more efficient in flexible labour market conditions because they can get rid of excessive labour when they do not need it. However, among the disadvantages, the same experts mention contradictory arguments such as firms usually do not invest in labour training, and this negatively affects their productivity. Efficiency and productivity are correlating factors. Therefore, when any of them is negatively affected, the other is detrimentally affected as well. Second, another argument that is often used to illustrate the advantages of flexible labour markets is that this legislation can increase international trade because of its efficacy. As discussed earlier, these firms may not be more efficient; therefore, this argument is dubious. Furthermore, there are also examples which show that exporting firms can offer higher wages, which would again contradict the argument that flexible labour markets may increase exports. Third, scholars claim that by the option to fire people who are not utilised as labour, firms can remain financially stable, and through solvency, they can save jobs. Concerning this, it is crucial to emphasise that saving jobs by firing people is self-contradictory. Finally, experts often argue that flexible labour markets can stabilise economic cycles. However, the stabiliser of economic cycles is typically the extra demand that governments create, not the labour market itself. It is also relevant to note that by reducing and increasing employment that is related to general macroeconomic conditions, flexible labour markets are pro-cyclical rather than counter-cyclical.

Among the disadvantages of the flexible labour markets, the lack of training and its effect on productivity was already discussed. Scholars also mention that for workers, the job-search costs are higher. This itself shows another contradiction: for workers (employees), the flexible labour market conditions create a less flexible environment. Moreover, the flexible conditions cause greater job insecurity and larger stress. The increasing job insecurity negatively affects consumer confidence which may lead to lower overall economic growth. The increasing stress might cause higher healthcare costs that have detrimental effects on social wellbeing.

The root problem behind the tensions of the stressful work environment is the unpredictable income for workers. However, it is the predictable income conditions which are the most desired feature of any job contract for an employee, and these conditions were to be provided by most of the government measures during the crisis of the coronavirus pandemic (fixed amount of wage subsidies, unemployment benefits etc.). In the lack of predictable income, employees struggle mostly to secure their wages which means they focus on getting enough working hours. In this struggle, they have fewer resources to focus on wage bargaining, and it is not a surprise that in a

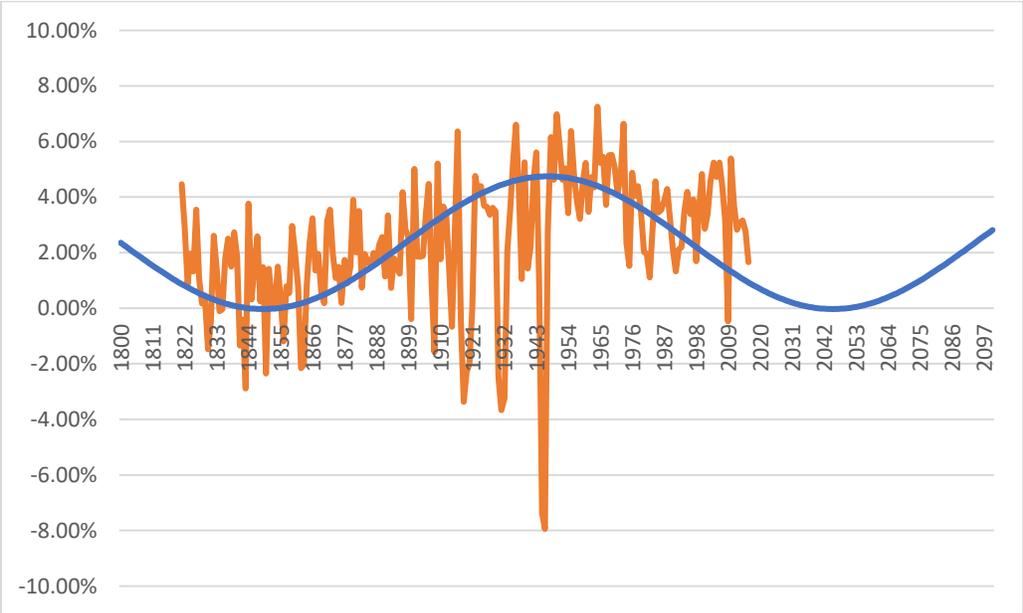
⁹ These claims are mirrored in the New Zealand labour market, where the unemployment rate was about 3.2% in the December 2021 quarter (Statistics New Zealand, 2022a)

flexible labour market, wages are under downward pressure. This understandably leads to rising income inequality.

As it was presented in the introduction, the New Zealand labour market legislation has an element, the transferability of business risks to employees. However, this problem is present everywhere where flexible labour market conditions are implemented. Besides the fact that it is unfair legislation, it is relevant to add that it might cause entrepreneurs to become comfortable in managing their risks and eventually, it may lead to decreasing innovation. (Instead of focussing on finding creative ways to improve operations or their services, entrepreneurs may simply just opt for reducing the number of their employees.)

The final reason why it is essential to consider limiting the flexibility of the labour market is that the neoliberal reforms of the 1980s did not realise their promises to bring about stronger economic growth. Figure 1 shows the global growth rates in PPP terms. After the Second World War, especially after the 1970s, the general trend shows that GDP growth rates are slowing down. This trend was not modified by the neoliberal reforms of the 1980s, and the situation might have become worse by the 2020s.

Figure 1.: The global GDP growth in PPP terms and its cycle (Maddison Project, 2019):



For all these reasons, it is possible to argue that theoretically implementation of the universal benefit rate and the reduction of the flexibility of the labour market by implementing the minimum weekly wage requirement are confirmed. Nevertheless, it is imperative to observe empirically how the employees and beneficiaries perceive the welfare system and the labour market because it informs us about the possible improvement of the welfare system and the labour market, which are strongly bound to each other.

Methodology

To achieve information about the connection between the welfare system and the labour market, I performed a survey that included the following seven questions:

1. What causes the most stress in your life? (Multiple answers are possible)
2. To what extent do you agree: it is easy to find a job in New Zealand?
3. What do you think about the power balance between employers and employees?
4. When are employees more productive? (Multiple answers are possible)
5. Which job is preferred?
6. How easy is it to understand the welfare system in New Zealand?
7. Compared to living solely on benefits, how much increase in income would you need to start working more than 30 hours a week?

In the beginning, in a lack of funding and other resources (mostly time constraints), to achieve a large sample, I attempted to employ the Facebook surveying function. However, it did not provide many responses; only five respondents answered the questions. Therefore, I had to collect responses by directly interviewing people. By the time of writing, I have managed to collect seven additional respondents, so altogether the survey includes 12 responses. Although the survey cannot be regarded as representative, the sample size of 12 responses can constitute a statistically small sample. The responses are therefore indicative, especially in those cases where the answers tend to favour one option.

Furthermore, the survey had responses only in Dunedin; therefore, territorially, the survey is rather limited. Although the living costs are different from other areas of New Zealand, the overall perceptions about the labour market and the welfare system can still be regarded as indicative and nationally relevant. Another limitation of the survey is that the 12 respondents were dominantly males. The composition of respondents by age and sex is presented in the following table:

Table 2.: composition of respondents by age and sex:

	Males	Females
20 – 30	2	1
30 – 40	1	
40 – 50	1	1
50 – 60		
60 – 70	4	
70 -	1	1
Total	9	3

Most respondents were Caucasian by race; there was one Asian and one South-American respondents. Also, most respondents knew the welfare system and at least once in their lifetime,

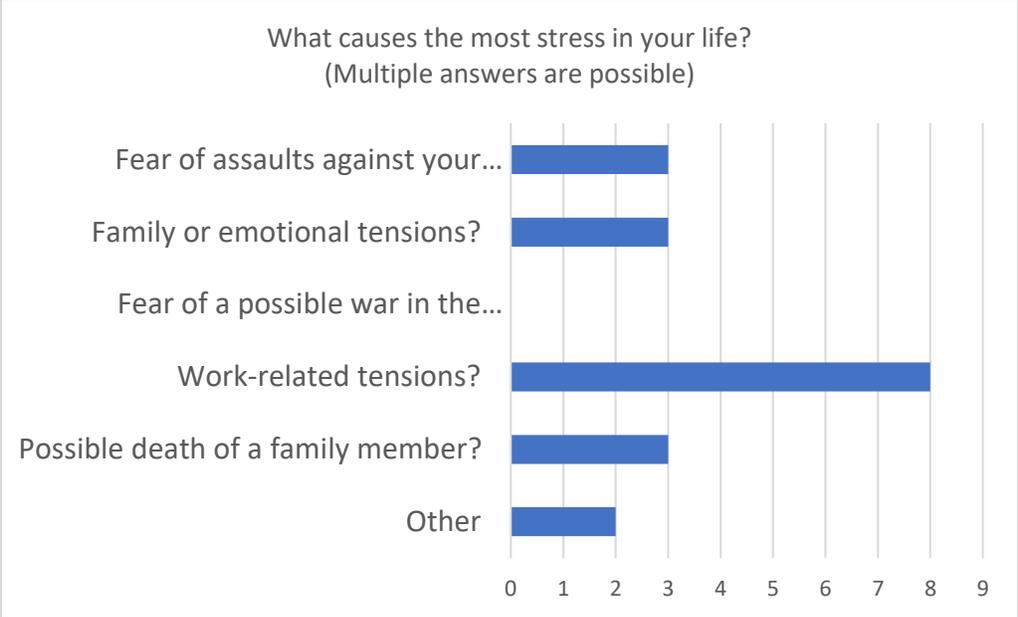
they were supported by one of the main benefits. In cases where the respondents did not know the benefits system at all, I informed them about their possible options in case of financial hardship. Therefore, their responses are still informative in terms of the expected income growth. There was one respondent, however, who had disabilities and could not work more than 20 hours a week. In this case, the questions that included weekly working hours (the fifth and seventh questions) were not relevant.

The survey period was May 2022; however, due to the limited responses, I will continue to collect more respondents. Importantly, while collecting responses, I had the chance to discuss the issues broader in detail, and the respondents provided aspects of their considerations regarding employment relations. For all these reasons, the survey and the interviews provide a relevant and indicative basis to compose policy recommendations as well. Nevertheless, the responses cannot be understood as statistically significant.

Most relevant findings

In this section, I present the results of the survey in separate graphs and where relevant, I provide additional information collected from the respondents.

Graph 1: responses to the first question



Importantly, during the interviews, we clarified that the work-related tensions include the stress of how the respondents can earn enough money to support themselves. The responses confirm that the labour market conditions cause large stress for employees, so much so that it appears to be the most relevant stress factor in their lives. During the interviews, I had the option to hear stories that show that it is not only the option for employers to modify the weekly working hours

as a stress factor, but those who work full time also face various tensions. To illustrate this, in the following, three actual examples are presented (the names are changed).

George – full time employee at a private enterprise.

George is a technician who works full time, and there are two fellow technicians to fulfil the required maintenance jobs at the business. At the beginning of 2019, his employers announced that due to problematic commercial conditions, the three maintenance technicians would work only 4 days a week, or, if the technicians insisted on their full-time employment, one of them should be laid off. The technicians decided to accept the reduced number of weekly hours. The 20% reduction of the wage that George receives causes him difficulties in paying his mortgage obligations.

Because the nature of George's job is predictable (he fulfils guaranteed services that can be planned on a yearly basis), the example shows that the employer failed to assess the work required for the business.

Laura – full time but temporary employment at a state agency

Laura has a full-time fixed-term job contract at a state agency. She started working there in 2017. First, she got an 18-month fixed-term contract; then, she was offered another year. After this latter contract, she was offered another fixed term contract for nine months, then another for three months and finally another contract for nine months. Altogether, she has been working there for more than four years on "temporal" basis. Before the contracts expire, Laura faces a tension to secure a job for herself that is permanent. Besides, she is forced to seek jobs because the temporary contracts do not offer her a condition in which she had a chance to be credited a loan to create her own home.

Laura's job contract is the result of either the failure of the employer to assess the required length of the jobs Laura is asked to perform or the employer is intentionally unfair so that they can avoid offering her permanent employment. The latter scenario may become the more likely given that Laura's job descriptions have changed minimally with each contract renewal.

Edwin's case with a courier company

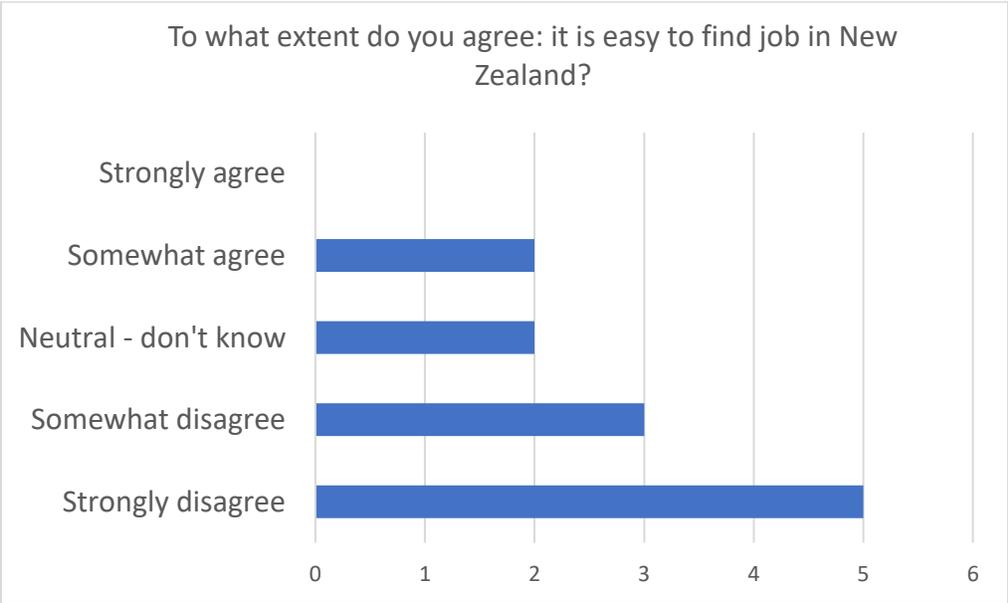
In full-time employment, Edwin delivers parcels to various locations. Regularly, he works overtime. However, those extra hours are paid at the same hourly rate; there is no overtime pay at his company. Edwin noted during the interview that it has been obvious to him that the entrepreneur is not really interested in planning and utilising the resources more effectively because the lack of overtime payment did not create such a constraint.

These examples show that the favourable business conditions created an environment where not just business risks can be transferred to employees, but it is also the employees that pay for the errors of the employers (unfair practices).

Additionally, it is relevant to argue that the social costs of the flexible labour market legislation in New Zealand were already apparent before the Covid-19 crisis. The volatile wage conditions and the stressful work environment with fundamentally unjust legislation might be considered the primary cause to trigger mental health issues in New Zealand. Because of the increasing number of people with mental health problems, the Government allocated 1.9 billion NZD for the treatment of mental health problems in the *2019 Well Being Budget*. However, to address the root causes of mental health issues, the role of employment legislation in developing mental health problems should be analysed.

Finally, it is relevant to note that the two other risk factors that respondents mentioned were the likelihood of increasing bureaucracy and the growing administrative burden on families.

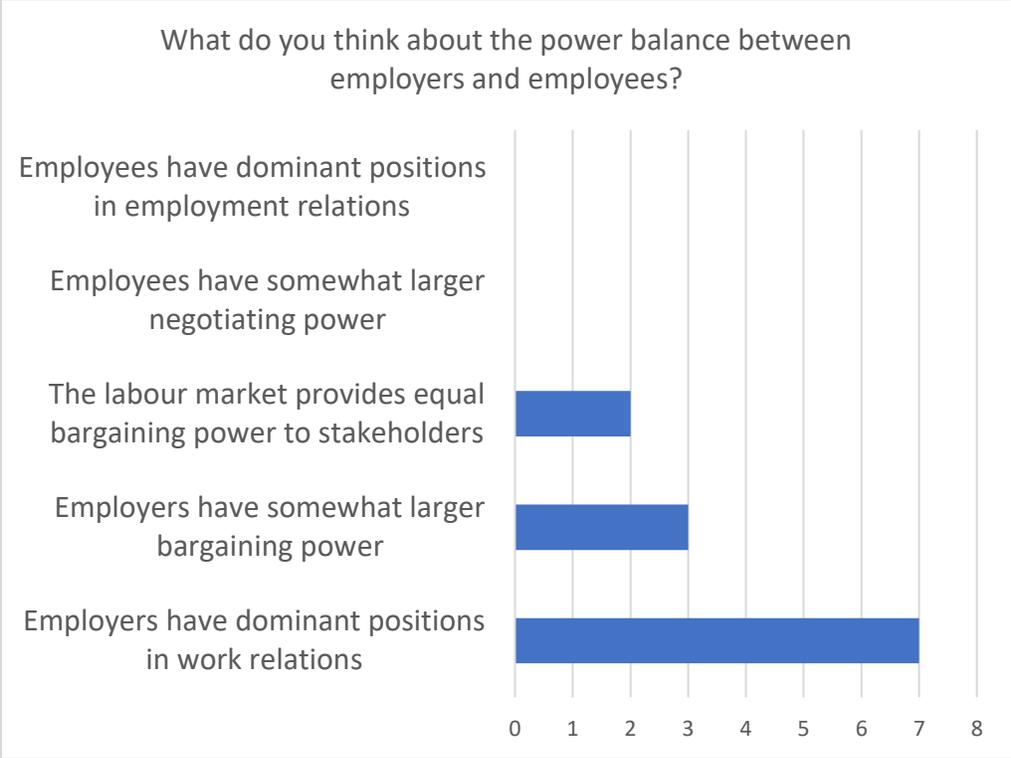
Graph 2: responses to the second survey question



The responses to the second question speak for themselves. Although a representative survey might modify the proportions, because eight respondents out of 12 disagreed that it would be easy to find a job in New Zealand, it is highly relevant. Concerning this question, the interviews provided further insights into the problem. It was highly relevant that people with disabilities do have a strong disadvantage when looking for jobs. Even though they might fulfil the requirements in a position, the employers perceive them as risk factors in terms of future absence from work. Two respondents highlighted that if the applicants have minimal skill shortages (for example, the

knowledge of software), the employers do not hire them because employers intend to save training costs. Numerous respondents argued that once someone is forced to live on benefits, the danger of getting stigmatised by prospective employers is large. Six respondents were 60 years old or older. They started their working career before the neoliberal reforms in the 1980s (Rogernomics). For them, job security became a problem later in their working career. However, because job security was not a concern for them in their youth, they could develop strong work ethics. This results in situations where they find more happiness in their work. They informed that the intensified labour competition made the following generations more opportunistic. Finally, it is essential to note that one respondent emphasised that it is easy to find employment in New Zealand; however, satisfying employment (enough income and secured, creative work) appears to be nonexistent. This respondent mentioned that his brother had to go to work overseas with a law degree because he could not find any appropriate job for his qualification in New Zealand for two years.

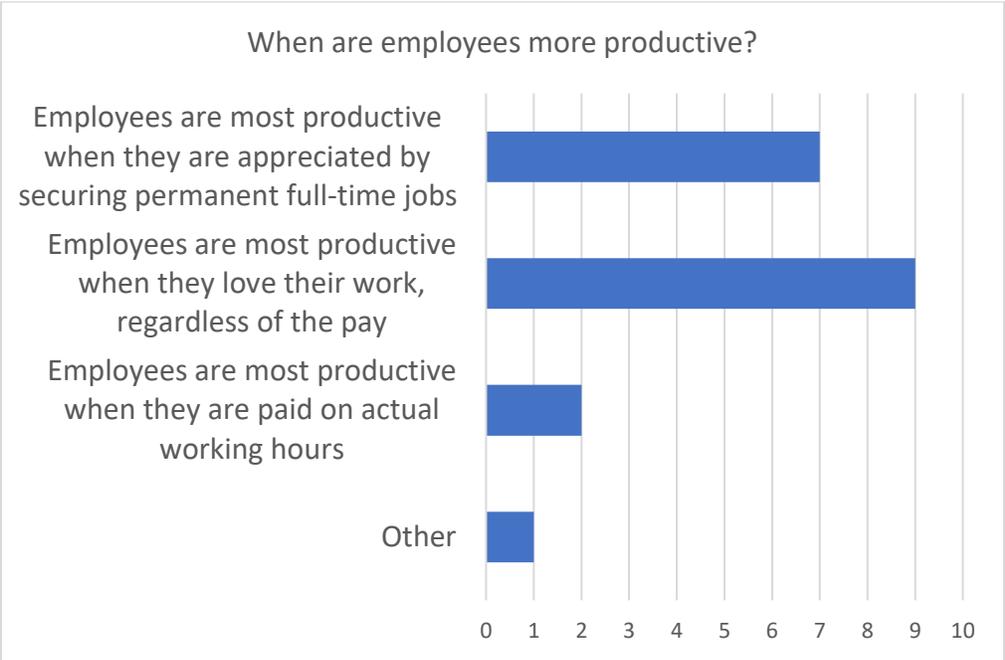
Graph 3: responses to the third survey question



Regarding the power balance between employers and employees, the numbers are decisively suggesting employers have dominant positions. Importantly, there was one response which argued that employees have dominant positions. However, the interviewee clarified that it was signalled by mistake. It had to be included in the last group. It is essential to mention one interviewee who argued that it is not just contractual issues in which employers dominate. Even

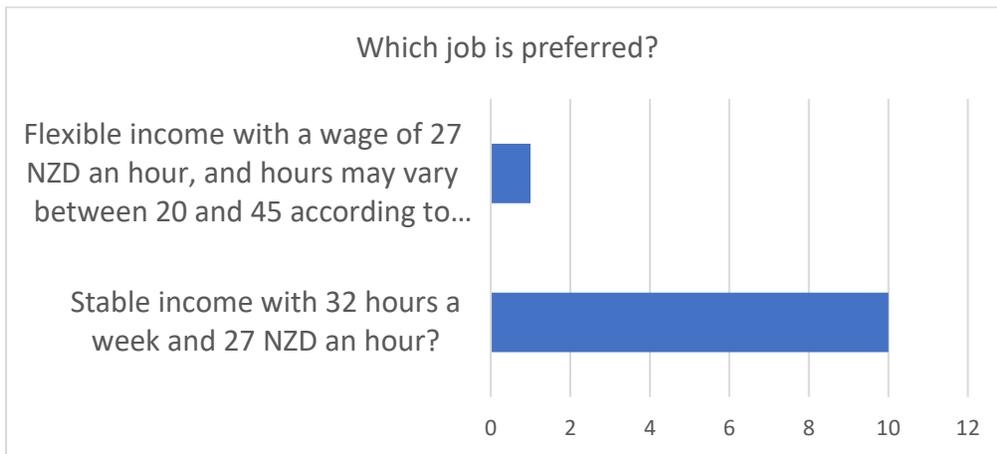
after the signing of job contracts, violations, such as paying less wage occurs. In this case, the employee got promoted. However, his wage did not increase after the mistake of the employer, and the employee had to follow up on the issue with the involvement of lawyers.

Graph 4: responses to the fourth question



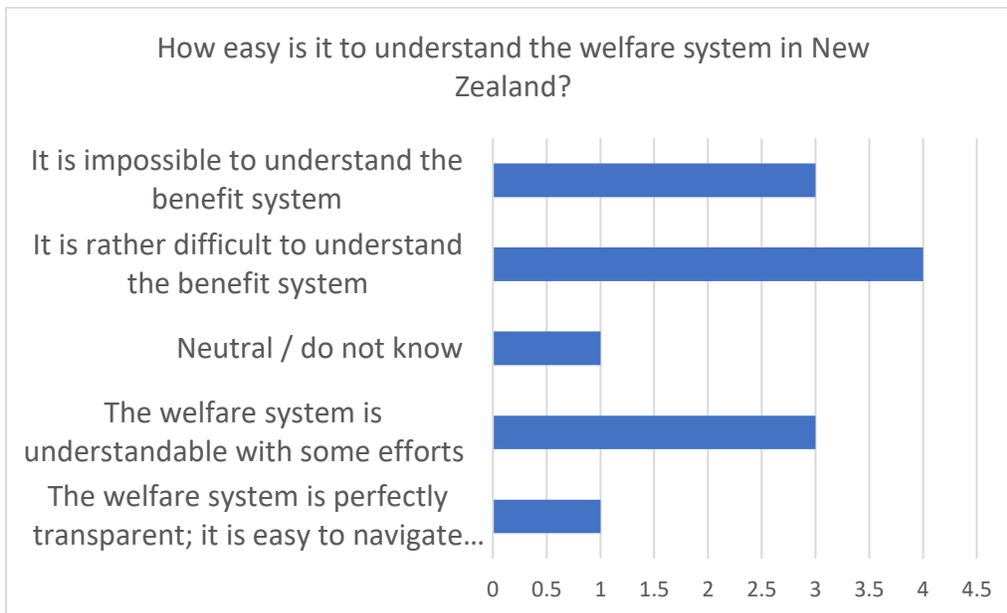
The results for the fourth question are not indicative. Due to the small sample size, it may change which response will receive the most votes. However, we can argue that in New Zealand, it is significant for employees that they enjoy and love their work. It may prove to be relevant that when their wages are not paid or fluctuate significantly, that may cause distress, and even if they love the job, they may move on nonetheless. The results are indicative of the features of the flexible labour market; namely, people do not like those employment when they are paid only on actual hours, and these hours may fluctuate week by week.

Graph 5: responses to the fifth survey questions



The responses to the fifth question confirm the hypothesis regarding the responses to the fourth question; namely, employees prefer predictability in their income conditions. The only response that went to the flexible conditions came from a translator and interpreter who got used to working in flexible hours, which meant he preferred scheduling his working hours to work in strongly defined schedules.

Graph 6: responses to the sixth survey question

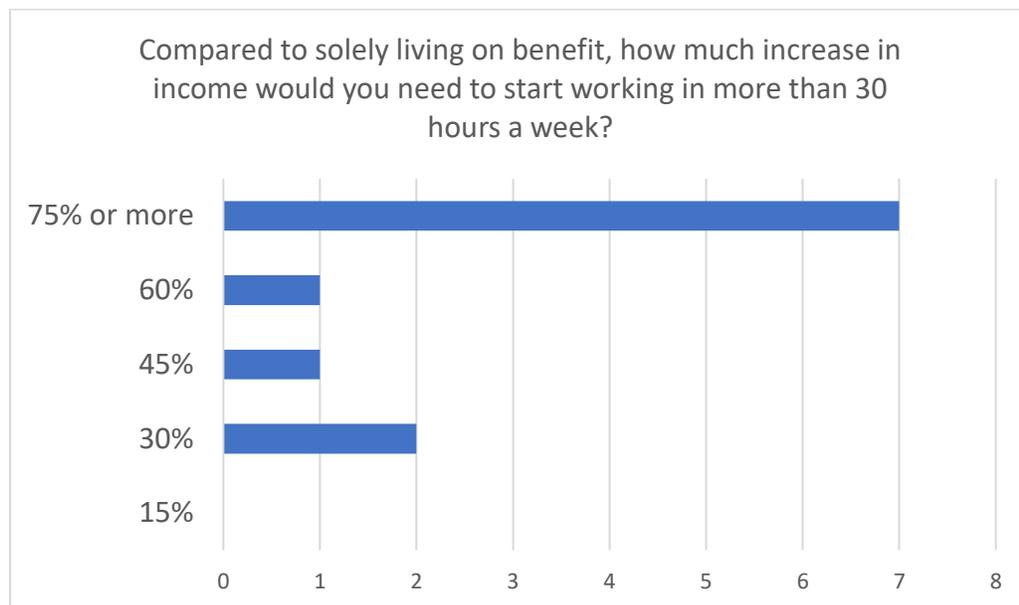


The survey provided the least straightforward responses to the sixth question, which investigates whether the welfare system is easy to understand. It cannot be decided which response might get the most votes. When we count the responses to the first and second options, it appears that the results indicate that the welfare system might be difficult to navigate. The uncertainty in this

result grows even further because most respondents did not know about the current welfare system; they just had former experiences.

There was one respondent who argued it was easy to understand the benefits system. Crucially, however, this respondent was financially well-off throughout his life, and he came to contact with the system only when he became retired.

Graph 7: responses to the final survey question



The results of the seventh question are indicative of the desired benefit/wage ratio. Importantly, the two respondents who said 30% would be their incremental income expectation also said they were unsure of the current conditions of the labour market. Therefore, we can conclude that it is above 45% of what employees would require as income increases after living on the benefit and working at least 30 hours a week. It is crucial to remember here that a single jobseeker can earn 588 dollars per week, and the New Zealand median income is only 45.9% higher. This means the gap between work income and benefits should grow larger.

Discussion and policy implications

By April 2022, the value of benefit payments was raised to the levels that the WEAG recommended in 2019. Some of the main benefits, especially the ones that assist parents with children, for example, the sole parent support, were raised even higher than the recommendations, which might cause disincentives to find work or to partner. Importantly, the paper accepted that in 2022, New Zealand would be facing a cost-of-living crisis with rapid inflation. In this economic environment, it is essential to analyse in what ways the benefits system

might be further developed so that it may provide more effective assistance to the most vulnerable part of society.

The paper identified seven problems which are related to the welfare system: the rise of the benefits did not occur in the structure as the WEAG recommended in 2019; Neither the overall inflation (CPI) nor the wage inflation since 2019 was not considered when defining the current benefit levels; The targeted benefits have an internal inflexibility for consumer choices; The transparency of the welfare system is problematic; The characteristics of the labour market (the economic capacities) were not fully considered when the recommendations were composed; The incentives to work are debated with the existing benefits because a single jobseeker might not receive higher income when taking a job on the minimum wage and the median income is 45.9% higher only; The main principles of the welfare system might be problematic because it is questionable whether benefits or the minimum wage should provide assistance for a minimal social participation, the responsible lifestyle is penalised by the system and the dignity what the system intends to secure contradicts with the typical legal approach which is state-centred.

Theoretically, the paper showed that the introduction of a universal benefit would resolve the problems with the inflexibility of the targeted benefits, the missing transparency of the system, would require smaller bureaucracy, and might overcome the problems of the inherent principles of the system. It might be set to provide the basic needs for sustaining life and the labour force, it would not penalise a responsible lifestyle, and it would provide the necessary dignity for individuals because it would replace the state-centred current welfare system. Providing incentives to work hinges largely on the available work options in the economy. To reduce transaction costs of finding sufficient income sources, the paper argued that a minimum weekly income should be implemented that would force employers to offer more full-time employment options. It would mean that the flexibility of the labour market should be limited. However, theoretically, it is justified for many reasons: Employees might become more productive given that employers are likely to invest in their training; With more predictable income prospects, consumer confidence will improve, which would lead to higher economic growth; what was the unfulfilled promise of worldwide neoliberal reforms of the 1980s; More predictable incomes will lead to less stress in employees' lives that would reduce the social costs of the flexible labour market.

The empirical findings of the survey conducted for this paper suggest that employees find work-related stress is the greatest stress factor in their lives. Besides, employees perceive that employers have dominant bargaining positions in work relations. Furthermore, employees would indeed prefer stable and predictable income positions. Finally, it is essential to increase the replacement value of work income to the benefit levels. Most people would prefer 75% or larger increase in their income by working more than 30 hours a week compared to the situation when they solely live on benefits.

The implications of this study point to the limitations of the flexible labour market. This should start with the elimination of unfair practices and legislation. Employers should not be allowed to

alter the contracted number of working hours, and if over a certain period the number of working hours grows to full-time employment, the contracts should include those hours. Although it may seem to put enormous pressure on employers, it merely rights a wrong; namely, it allocates business risks back to employers rather than to employees and indirectly to the government budget. At the same time, employers should be relieved from financing the sick leave periods that should be funded by social security funds. Also, the three months probationary period (on full salaries, not on training wages) might be re-introduced so that employers and employees could know each other better. Nevertheless, a necessary minimum settlement and a notice period of at least one month should also be introduced. This might give both employers and employees more stability.

The introduction of the universal benefit cannot occur immediately for many reasons. First, if it is introduced quickly, there might be existing beneficiaries who might face detrimental conditions compared to their current situations. Therefore, a transitional period is needed. The current purchasing power of the benefits should not decrease either. Nevertheless, the unproportionate levels of the sole parent support should be abolished, which would mean the jobseeker support shall catch up to that level. Instead of providing higher benefits for sole parents, child support should be implemented as an obligatory element of the welfare system. This would make prospective male parents more cautious, too, regarding contraception.

Altogether, the universal benefit rate is likely to incur higher welfare payments for the government budget. This might be reduced by modifying the conditions of eligibility. One possible option is to limit the benefit payments in time; for example, the jobseeker support should be paid only for six months. Nevertheless, it is not a good direction. It would cause additional stress for employees. However, it may be worth implementing a requirement, for example, three years of work history, before someone becomes eligible for any sort of welfare transfer. This would incentivise youngsters to prepare for the initial years of their careers. Meanwhile, it would also require parents to prepare with possible support requirements for their children. Notwithstanding, this measure might incentivise young males and females to avoid unwanted pregnancy and consequently reduce the likelihood of having children in poverty.

Implementing the requirement that three years of work history is necessary to become eligible for benefits needs at least six years because, for example, this requirement is implemented gradually, for example, by lifting the required work history in every second year by one year. During this transitional period, the background to funding welfare payments by social contribution levies can be elaborated. In most OECD countries, the funding of the welfare transfers (benefits, superannuation) is organised mostly by direct funding. Because these payments have universal characteristics, the typical social contribution is a fixed value. Importantly, the minimum wage is not taxed; only the social contribution payments are deducted.

These funding recommendations are crucial in New Zealand because the income structure of the government budget is not sustainable. Taxes (personal and company income taxes, GST) serve as

the main contributors to welfare transfers; meanwhile, in a more sustainable structure, they could be funded directly by social contribution levies. The roots of this funding are present in New Zealand, and the ACC (Accident Compensation Corporation) is funded this way. Practically, the ACC funding should be extended to cover the welfare transfers and healthcare expenditures as well. The funding calculations are similar to the existing insurance mathematical models of the ACC.

Conclusion and recommended further studies

The inflexibility of the welfare system makes it difficult for the most vulnerable social groups to face the challenges of the cost of living crisis. This paper investigated the possible options to develop the welfare system. The development requires time, most likely at least six years. The necessary length of time makes it essential that the development occurs in bipartisan agreement and that election cycles will not interfere in the process. To provide a better benefit / income ratio, the labour market regulations need to change by limiting the current flexibility. At the same time, it is an option to reform the funding of the government budget to create sustainable income sources for welfare and healthcare expenditures. These policy measures demand enormous work. First, this study should be developed so that the survey is answered by a representative sample of the New Zealand society. Then, the various options to amend the labour market legislation should be analysed. Furthermore, it is essential to conduct research into the reform of funding the government budget. Finally, it is relevant to observe what kind of state responsibilities can be derived from the human rights legislation because the dignity that the recent welfare reforms intended to secure might be better supported by welfare transfers that are personal entitlements and not targeted transfers.

Bibliography

- Baker, T., & Davis, C. (2018). Everyday Resistance to Workfare: Welfare Beneficiary Advocacy in Auckland, New Zealand. *Social Policy and Society*, 17(4), 535-546.
- Beehive. (2021, 20 May). *Finance Minister's Budget 2021 speech*. Retrieved from [www.beehive.govt.nz: https://www.beehive.govt.nz/speech/finance-ministers-budget-2021-speech](https://www.beehive.govt.nz/speech/finance-ministers-budget-2021-speech)
- Carroll, M. (2021, 18 May). *Explainer: What is a Universal Basic Income, and could it work?* Retrieved from [www.stuff.co.nz: https://www.stuff.co.nz/business/industries/125151699/explainer-what-is-a-universal-basic-income-and-could-it-work](https://www.stuff.co.nz/business/industries/125151699/explainer-what-is-a-universal-basic-income-and-could-it-work)
- Infometrics. (2019, 19 March). *Fall, rise and decline: the story of New Zealand's self-employment rate*. Retrieved from [www.infometrics.co.nz: https://www.infometrics.co.nz/article/2019-03-fall-rise-decline-story-new-zealands-self-employment-rate](https://www.infometrics.co.nz/article/2019-03-fall-rise-decline-story-new-zealands-self-employment-rate)
- Lynch, K. (2021, 4 June). *Will the Budget 2021 benefit hike encourage people not to work?* Retrieved from [www.stuff.co.nz: https://www.stuff.co.nz/national/125294625/will-the-budget-2021-benefit-hike-encourage-people-not-to-work](https://www.stuff.co.nz/national/125294625/will-the-budget-2021-benefit-hike-encourage-people-not-to-work)
- Macfie, E. (2022, 19 April). *Officials, unions and employers urge changes to who is a contractor*. Retrieved from [www.newsroom.co.nz: https://www.newsroom.co.nz/experts-urge-changes-to-who-is-a-contractor](https://www.newsroom.co.nz/experts-urge-changes-to-who-is-a-contractor)
- Maddison Project. (2019, 28 January). *Maddison Historical Statistics*. Retrieved from [www.rug.nl: https://www.rug.nl/ggdc/historicaldevelopment/maddison/?lang=en](https://www.rug.nl/ggdc/historicaldevelopment/maddison/?lang=en)
- Mankiw, N. G. (2018). *Principles of Economics*. Melbourne: Cengage Learning.
- Matthews, D. (2018, 27 April). *4 big questions about job guarantees*. Retrieved from [www.vox.com: https://www.vox.com/2018/4/27/17281676/job-guarantee-design-bad-jobs-labor-market-federal-reserve](https://www.vox.com/2018/4/27/17281676/job-guarantee-design-bad-jobs-labor-market-federal-reserve)
- NewsHub. (2022, 26 March). *Is New Zealand ready for universal basic income?* . Retrieved from [www.youtube.com: https://www.youtube.com/watch?v=Xj6WyCuh-fc](https://www.youtube.com/watch?v=Xj6WyCuh-fc)
- Panetta, G. (2020, 13 April). *Pope Francis says it might be 'time to consider a universal basic wage' in Easter letter*. Retrieved from [www.weforum.org: https://www.weforum.org/agenda/2020/04/pope-francis-says-it-might-be-time-to-consider-a-universal-basic-wage-in-easter-letter](https://www.weforum.org/agenda/2020/04/pope-francis-says-it-might-be-time-to-consider-a-universal-basic-wage-in-easter-letter)
- Partizán. (2020, April 17). *Mi az alapjövedelem?* Retrieved from [www.zoutube.com: https://www.youtube.com/watch?v=WYaUJhYyVOk&t=1973s](https://www.youtube.com/watch?v=WYaUJhYyVOk&t=1973s)

- Pettinger, T. (2017, 18 November). *Advantages and Disadvantages of Flexible Labour Markets*. Retrieved from www.economicshelp.org: <https://www.economicshelp.org/labour-markets/adv-disadv-flexible-lm/>
- Scarpetta, S., Queisser, M., Garnero, A., & Königs, S. (2022). *Supporting people and companies to deal with the Covid19 virus: Options for an immediate employment and social policy response*. Paris: OECD.
- Statistics New Zealand. (2019, 1 July). *One in 20 employed New Zealanders are contractors*. Retrieved from www.stats.govt.nz: <https://www.stats.govt.nz/news/one-in-20-employed-new-zealanders-are-contractors>
- Statistics New Zealand. (2022, 21 April). *Consumer price index (CPI)*. Retrieved from www.stats.govt.nz: https://www.stats.govt.nz/indicators/consumers-price-index-cpi?gclid=CjwKCAjwyryUBhBSEiwAGN5OCKR-9afkoD0Yxn_qQBapZ2v3qImw3jpUGYHjOdqWjRfit6WXUNA-KhoC-kMQAvD_BwE
- Statistics New Zealand. (2022a, February 02). *Labour market statistics: December 2021 quarter*. Retrieved from www.stats.govt.nz: <https://www.stats.govt.nz/information-releases/labour-market-statistics-december-2021-quarter#:~:text=Employment%20and%20filled%20jobs,with%2064.6%20percent%20last%20quarter.>
- Statistics New Zealand. (2022b, January 25). *Consolidated accounts of the nation: June 2016 - September-21*. Retrieved from www.stats.govt.nz: www.stats.govt.nz
- Treasury. (2019, 11 December). *Half Year Economic and Fiscal Update*. Retrieved from www.treasury.govt.nz: <https://www.treasury.govt.nz/publications/efu/half-year-economic-and-fiscal-update-2019>
- WEAG. (2019a). *Whakamana Tangata - Restoring Dignity to Social Security in New Zealand*. Wellington: Welfare Expert Advisory Group.
- WEAG. (2019b). *Example Families and Budgets - Investigating the Adequacy of Incomes*. Wellington: Welfare Expert Advisory Group.
- Weller, C. (2017, 14 February). *Elon Musk doubles down on universal basic income: 'It's going to be necessary'*. Retrieved from www.businessinsider.com: <https://www.businessinsider.com/elon-musk-universal-basic-income-2017-2>
- Woodhouse, M. (2015). *Addressing Zero Hours Contracts*. Wellington: New Zealand Government - Cabinet Papers.
- Work and Income. (2020, 1 April). *Changes to other payments if your main benefit goes up*. Retrieved from www.workandincome.govt.nz:

<https://www.workandincome.govt.nz/on-a-benefit/payments/main-benefit-increases-and-other-payments.html>

Work and Income. (2022, 1 April). *www.workandincome.govt.nz*. Retrieved from Benefit rates at 1 April 2022: <https://www.workandincome.govt.nz/products/benefit-rates/benefit-rates-april-2022.html>