



Submission to the Ministry of Business Innovation and Employment on the proposed Income Insurance Scheme

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Overview

1. The WERO (Working to End Racial Oppression) research team is opposed to the proposed Income Insurance Scheme, as it will exacerbate income inequality between population groups in Aotearoa New Zealand, and is likely to have particularly negative impacts on Māori, Pasifika, and migrant communities, along with women and disabled people. The proposed Income Insurance Scheme is thus racist, sexist, ableist and a breach of Te Tiriti o Waitangi.

About WERO

2. Established in 2020, via the MBIE Endeavour fund, the WERO programme involves a multi-institute team of 21 researchers from Aotearoa New Zealand, the United States and Canada. We are an interdisciplinary team that comprises expertise in Māori studies, political studies, Pacific studies, economics, epidemiology, human geography, sociology and psychology.
3. WERO means to “challenge, or provoke” the racial oppression in Aotearoa New Zealand. WERO has 17 projects organised around four research aims: racism and inequality and employment; geographies of racism and exclusion; institutional responses to racism; and whanaungatanga: building relations across racial difference.
4. WERO is explicitly focussed on the costs of racism, the systems of racism, and responses to racism. To that end, we believe that we have the expertise within our research group to comment on the proposed Income Insurance Scheme.

Introduction

5. WERO recognises interpersonal and institutional racism as breaches of fundamental human rights. Our research is explicitly designed to respond to government priorities seeking to achieve racial equality, as outlined in The Human Rights 1993. We recognise a racist policy as, “any measure that produces or sustains racial inequity between racial groups.”¹

¹ Kendi, I. X., (2019). *How to be an anti-racist*. New York: One World.

6. The Crown is obliged to honour Te Tiriti o Waitangi 1840. WERO researchers recognise any Crown action or inaction that is prejudicial to Māori as a breach of Article 3 of Te Tiriti o Waitangi, which guarantees equality to Māori.

The proposed Income Insurance scheme

7. The proposed Income Insurance scheme will provide “workers with 80% of their income for up to seven months if they lose their job through no fault of their own.”² Much like the COVID-19 wage subsidies, the scheme will introduce a two tiered social welfare system, in which people who qualify for the Income Insurance Scheme will receive higher income support while unemployed than those who are not part of the scheme.
8. The Income Insurance Scheme is a response to inadequate benefit levels, which place people in poverty, do not enable people to participate in society, and do not support people to live dignified lives.
9. Those less likely to be part of the scheme will include people who are not in paid employment, people who are in temporary employment, and people in part time employment. As work patterns differ based on race, migration status, gender, and ability, the result of implementing the proposed scheme would be a welfare system in which racism, sexism, and ableism are further exacerbated.
10. Rather than implementing the racist Income Insurance Scheme, WERO researchers recommend Government lift benefit levels, as recommended by the Welfare Expert Advisory Group.³

² MBIE, (2022). A New Zealand Income Insurance Scheme. Retrieved 26 April 2022 from <https://www.mbie.govt.nz/have-your-say/income-insurance/>.

³ Welfare Expert Advisory Group, (2019). Whakamana Tāngata – Restoring Dignity to Social Security in New Zealand, retrieved from <http://www.weag.govt.nz/assets/documents/WEAG-report/aed960c3ce/WEAG-Report.pdf>.