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**Welfare state retrenchment in New Zealand under  
National rule 1990 - 1996: a Marxist Perspective**

**A thesis presented in partial fulfillment of the  
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## **Abstract**

Shortly after their election in October 1990, the National Government announced radical changes to the welfare state in New Zealand. The reforms were necessary, National argued, in order to restore growth to the economy. The reforms were designed to impose a residual welfare state, requiring significant retrenchment of the state provision of welfare.

Existing accounts of the welfare retrenchment process in New Zealand by National Governments between 1990-1996 fail to adequately take into account two factors. First, the location of this retrenchment process in the economic downturn faced by New Zealand. Second, the role of the state in implementing the retrenchment process.

In this thesis I argue that an orthodox Marxist framework enhances existing understandings of the retrenchment process. This framework argues that the state in times of crisis will act in the interests of capital to restore profitability to the economy. The state will adopt particular strategies aimed at reducing state expenditure, of which spending on welfare constitutes a considerable portion, and at tailoring social policy to the needs of the market. The state will also use economic and ideological arguments consistent with New Right thinking to impose its reform agenda.

I employ an orthodox Marxist theoretical framework to identify the kinds of strategies a New Right government would use to retrench or roll back state welfare provision. In particular this thesis examines the retrenchment strategies adopted by National Governments between 1990 and 1996 in the social policy areas of income support and state funded pensions.

The evidence suggests that an orthodox Marxist framework provides a valuable lens through which to view the welfare retrenchment process in the areas of income support and state funded pensions in New Zealand between 1990 and 1996.

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